NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Objectives, policies and strategies (continued)

- In the normal course of business, the Company enters into a variety of derivative transactions in the interest rate and foreign exchange markets. They are used to provide financial services to customers and to take hedge and modify positions as part of trading activities. Derivatives may also be used to economically hedge or modify risk exposures arising on the statement of financial position from a variety of activities, including lending and securities investment. Most of the counterparties in the Company's derivative transactions are banks and other financial institutions. The risks involved in derivatives include market, credit and liquidity risk.
- Other liabilities: The Company holds other liabilities, which, are primarily composed of amounts payable in relation to pre-funded obligations arising from the Company's Worldlink multi-currency transaction services business.

Risk management

Each of the major business groups within Citigroup has a Business Chief Risk Officer who is the focal point for risk decisions (such as setting risk limits or approving transactions) in the business.

There are also Regional Chief Risk Officers accountable for the risks in their geographic area and also the primary risk contact for the regional business heads and local regulators. In addition, the position of Product Chief Risk Officer was created for those areas of critical importance to Citigroup such as real estate, structured credit products and fundamental credit. The Product Risk Officers are accountable for the risks within their specialty. The Product Risk Officers serve as a resource to the Chief Risk Officer, as well as to the Business and Regional Chief Risk Officers.

In addition to changing the risk management organisation to facilitate the management of risk across these three dimensions, the Citigroup risk organisation also includes the Business Management team to ensure that the risk organisation has the appropriate infrastructure, processes and management reporting. This team which supports risk management within the Company includes:

- risk capital group, which continues to enhance the risk capital model and ensure that it is consistent across all our business activities;
- risk architecture group, which ensures we have integrated systems and common metrics and thereby allows us to aggregate and stress exposures across the institution;
- infrastructure risk group, which focuses on improving our operational processes across businesses and regions.

Credit, Market and Operational risk are managed, monitored and controlled through the Company's Credit, Market and Operational Risk Committees. Each of these committees reports to the Risk Management Committee.

Risk aggregation and stress testing

The Company's Chief Risk Officer, as noted above, monitors and controls major risk exposures and concentrations across the organisation. This means aggregating risks, within and across businesses, as well as subjecting those risks to alternative stress scenarios in order to assess the potential economic impact they may have on the Company.

Comprehensive stress tests take place across Citigroup mark-to-market, available-for-sale and accrual portfolios. These firm-wide stress reports measure the potential impact to the Group and its component businesses including the risk within the Company of very large changes in various types of key risk factors (e.g., interest rates, credit spreads), as well as the potential impact of a number of historical and hypothetical forward-looking systemic stress scenarios.

Supplementing the stress testing described above, Risk Management, working with input from the businesses and finance, provides periodic updates to senior management and the Company's Board of Directors on significant potential exposures across the Company arising from risk concentrations, financial market participants and other systemic issues. These risk assessments are forward-looking exercises, intended to inform senior management and the Citibank Europe Plc. Board of Directors about the potential economic impacts to Citibank Europe Plc. that may occur, directly or indirectly, as a result of hypothetical scenarios, based on judgmental analysis from independent risk managers.

CONTRACTOR SERVICES PLACE

ANYONE TO A TO A SHARE THE OF A SHORE

And the second section is a second section of the section

- The first of the control of the cont
- and a substantial production of the state of

en l'en regionnées que en représentation de l'entre de la company d

The state of the season of the season of the season of the state of the season of the

The state of the companies of the particular of the product of the particular of the

a contraction print with super-continues the new Jungay investigation equition from the print prints of

Fold testificated a count of other warmer or three entropy by the minute and resource and three agency go as a - A count of the country warmer to provide the country of th

the contract of the contract o

granes mean flam on they obey chillin

and the second becomes the control feature for extingue and between which and other property of the control of

The first control of the second secon

The state of the s

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Objectives, policies and strategies (continued)

The stress testing and risk assessment exercises are a supplement to the standard limit-setting as these processes incorporate events in the marketplace and within the Company that impact our outlook on the form, magnitude, correlation and timing of identified risks that may arise. In addition to enhancing awareness and understanding of potential exposures within the Company, the results of these processes then serve as the starting point for developing risk management and mitigation strategies. The Company also conducts stress testing and concentration risk testing from the individual legal vehicle perspective and the results are built into the future capital plans of the entity.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, human factors or systems or from external events. It includes the reputation and franchise risk associated with business practices or market conduct that the Company undertakes. It also includes the risk of failing to comply with applicable laws, regulations, ethical standard, regulatory administrative actions or Company policies.

Operational risk is inherent in the Company's business activities and, as with other risk types is managed through a control framework comprising of three lines of defence as follows;

- Decentralized Ownership of the Risk with Business Management Accountability;
- Oversight by Independent Risk Management and Control functions; and
- Independent Assessment by Internal Audit.

Framework

The Company follows the approach to operational risk as defined in the Citi Operational Risk Management Policy. The objective of the Policy is to establish a consistent value-added framework for assessing and communicating operational risk and the overall effectiveness of the internal control environment across Citi. The Operational Risk Management Framework is intended to ensure management across Citi of the operational risks and ongoing exposures in the development and delivery of products and services to our clients, and support Basel implementation.

The Company Operational Risk and Outsourcing Committee has been refocused and operational risk working groups have been established to escalate operational risk related concerns to further proactive management of operational risk. Information about operational risk, historical losses and the control environment, is reported and summarised for the Audit and Risk Committees, senior management and for the Board of Directors.

Market risk

Market risk encompasses a number of components, currency risk, interest rate risk and other price risk. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Other price risk is the risk to fair value or future cash flows because of changes in market factors other than currency risk and interest rate risk.

Market risk management

Within each business, a process is in place to control market risk exposure. The risk management process includes the establishment of appropriate market risk controls and limits, policies and procedures and appropriate senior management risk oversight with a risk management function independent from the business. Management of this process begins with the professionals nearest to the Group's customers, products, and markets, and extends up to the senior executives who manage these businesses and to the country level. Periodic reviews are conducted by Citi Internal Audit to ensure compliance with institutional policies and procedures for the assessment, management and control of market risk.

Price risk is measured using Interest Rate Exposure ("IRE") limits, stress scenario analysis, which are applied to interest rate risk arising in the non-trading portfolios. Sensitivity limits and Value-at Risk ("VaR"), stress scenario analysis, are applied to the trading portfolios.

CHTHELMEG ELIKOPEE PLC

STREET, STORY OF THE PARTY OF T

boundaries described and the boundaries before the boundaries of t

The second secon

The many countries of the state of the first of the suppression of the second of the state of the suppression of the state of the suppression of t

John La Goldfornsoft D.

Openson and the contract of th

and the second s

the state of the second second district the state of the second s

the their ty trust has being out the house of the

The first temperature of production of a string was found to the second of the second

the converge of the state of th

400,15411

The second second second second

And the second section of the second section of the second second second second section is the second secon

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Market risk management (continued)

Trading price risk

Overall objectives

The Company uses a daily VaR measure, in conjunction with factor sensitivity and stress reporting, as a mechanism for monitoring and controlling market risk for the trading portfolio. The VaR is calculated at a 99% confidence level assuming a one-day liquidation horizon. Daily losses are expected to exceed the VaR, on an average, once every one hundred business days.

VaR Methodology

The VaR engine is based on a structured Monte-Carlo approach where 5,000 scenarios of market rates/prices are simulated. The covariance of volatility and correlation is updated, at least quarterly, based on three years' worth of market data.

VaR limitations

Although extensive back-testing of the VaR hypothetical portfolios, with varying concentrations by industry, risk rating and other factors is performed, the VaR cannot necessarily provide an indication of the potential size of loss when an extreme event occurs. Hence a comprehensive set of factor sensitivity limits and stress tests are used, in addition to VaR limits. A VaR trigger is in place for the Company that ensures any excesses are discussed and resolved between risk and the business and entity management. In addition, the Company is subject to formal limits on interest rate, fx and issuer exposures that are closely monitored by Risk Management and senior business management.

The following table summarises the Company's trading price risk by branch, disclosing the Company's highest, lowest, and average exposure of its trading book to VaR during the reporting period, together with the exposure as at 31 December:

December.					
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Czech	31-Dec-13				31-Dec-12
Czecii	Outstanding	Max	Min	Avg	Outstanding
Portfolio VaR	1,033	3,304	658	1,762	725
VaR of interest instruments	1,003	3,214	640	1,742	700
VaR of currency instruments	254	1,026	9	190	211
Hungary	31-Dec-13				31-Dec-12
gy	Outstanding	Max	Min	Avg	Outstanding
Portfolio VaR	1,146	2,565	329	1,212	744
VaR of interest instruments	1,110	2,486	245	1,113	762
VaR of currency instruments	302	1,554	35	533	38
Slovakia	31-Dec-13				31-Dec-12
DIOVARIA	Outstanding	Max	Min	Avg	Outstanding
Portfolio VaR	14	89	14	36	15
VaR of interest instruments	14	86	9	29	10
VaR of currency instruments	8	89	2	20	11
Romania	31-Dec-13				31-Dec-12
	Outstanding	Max	Min	Avg	Outstanding
Portfolio VaR	2,362	2,943	905	1,735	1,826
VaR of interest instruments	2,324	2,935	896	1,723	1,829
VaR of currency instruments	87	561	8	115	40

OF THE STATE OF THE PER PER

Another control of the little of same

Demonstrates of Minimum states and a state of the state o

the contract the property and the contract of

Services grands

The Company was a duly Vall required in annimation with factor sensition in a VV. continue to sensition of the Continue of the

special admits health and

Limiting in the property of the second of the property of t

أشتا السواسات

Afternative control of control of the Vall hypothetical particles, with control control of missey, visk target with control of the Vall of the control of th

The following labbe elements one Company's reading price out by branch, or chaining the Unsequent chargings from a unit according expecting of its reading made to Valk during the reporting period suggestion with the expensive go of

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Market risk management (continued)

Non-trading price risk

Price risk in the non-trading portfolios is measured using Interest Rate gap Analysis, IRE, stress and scenario analysis. Interest Rate gap Analysis utilises the maturity or re-pricing schedules of statement of financial position items to determine interest rate exposures within given tenor buckets. IRE measures the potential earnings impact, over a specified reporting period, from a defined standard set of parallel shifts in the curve. IRE is calculated separately for each currency and reflects the re-pricing gaps in the position, as well as option positions, both explicit and embedded. Limits are set for each country and business activity, of which the Company is a part. Market Risk Management monitors these limits.

Interest rate risk

The Company's exposure to interest rate fluctuations on its banking portfolio is proactively managed and monitored within approved guidelines. Interest rate risk is measured using IRE limits and stress and scenario analysis. The IRE measures the potential change in expected net interest earnings over an accounting horizon of 12 months and 5 years and has been broken down into the main currencies on the Company's statement of financial position. The following table shows the IRE measures for the Company at 31 December assuming a parallel upward shift of interest rates by 100 basis points. A positive IRE indicates a potential increase of earnings from such an upward shift, while a negative IRE indicates a potential decline of earnings.

The table below represents the expected profit / (loss) from a 100 basis point increase in interest rates on all tenors.

Interest rate exposure report

	2013		2012		
Currency	12 Month	5 Year	12 Month	5 Year	
	\$ 000	\$ 000	\$ 000	\$ 000	
USD	(6,425)	(5,164)	3,106	7,275	
EUR	(2,019)	(2,031)	(2,117)	1,889	
RON	(3,000)	(3,000)	(2,863)	(4,442)	
CZK	(7,000)	(7,000)	780	6,304	
HUF	(1,000)	(1,000)	(5,675)	(15,262)	
GBP	733	732	1,228	2,071	

Citi's market risk management policy governs the Company's measurement and reporting of interest rate risk in the non-trading portfolio. Business-specific assumptions underlying these measurements must be documented and models used to measure interest rate risk must be independently reviewed for accuracy.

Currency risk

It is the policy of the Company to reduce foreign currency risk that may arise in the normal course of business. The Company deals in financial instruments in a number of currencies, and open currency positions arise for funding mismatches and accruals of interest and expense provisions in currencies other than Euro. Treasury monitors daily open foreign currency positions ensuring that exposure is less than agreed allocated limits.

Based on the net exposures at year end, the following table shows the impact on these net exposures of a reasonably possible movement of the respective currencies against the US dollar, with all other variables held constant, on the income statement:

CHILLRANG EUROPE PEC

AND DESCRIPTION OF THE PROPERTY AND DESCRIPTIONS

And The Palette and the Late of the Comment of the

the party of the last test to be taken to

The property of the property o

is a constant of the second of

والمراجع والمراجع

The second secon

the content of the content of the provide the Company's produced in the content of the content o

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Market risk management (continued)

		2013	
	Net exposure	(%)	Income statement impact
	\$ 000		\$ 000
EUR	(28,683)	2	(502)
HUF	(33,556)	2	(748)
RON	(35,436)	2	(563)
		2012	
	Net exposure	(%)	Income statement
	\$ 000		impact \$ 000
EUR	112,975	3	3,389
HUF	(26,223)	3	(787)
RON	18,034	3	541

Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligation when they fall due under normal and stress circumstances.

Management of liquidity is the responsibility of the Company Treasurer who aims to ensure that all funding obligations are met when due.

The forum for liquidity issues is the Asset/Liability Management Committee ("ALCO"), which includes senior executives within the Company. The ALCO reviews the current and prospective funding requirements for the Company, as well as the capital position and statement of financial position.

A liquidity policy is prepared by Treasury and approved by the Board annually and the liquidity profile is monitored on an on-going basis and reported daily. Liquidity risk is measured and managed using the Market Access Report ("MAR") process in accordance with Citigroup policy.

The table below shows an analysis of financial assets and liabilities analysed according to when they are contractually expected to be recovered or settled.

CTURACHURAPPE PEC

PERSONAL PROPERTY AND ADDRESS OF THE PARTY OF THE PARTY OF

The state of the s

1.000

The first of the second state of the second second

معلى ويصور به المربط لوال العرب والمواجعة المحاول المستودية والمستودة والمستود والمستود المستود والمستود والمس وي والمدارس

The first the Lycidic beautiful Alexander Merograms of minutes of 1774 which are supported to the arrival and the control for a support of the control for the

and the first in the second state of the property of the following of the property of the second of

The fall of the control of the contr

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Liquidity risk (continued)

As at 31 December 2013	Less than 12 months \$ 000	Over 12 months \$ 000	Total \$ 000
Assets			
Cash and balances at central bank	1,857,107	-	1,857,107
Loans and advances to banks	6,702,317	8,831	6,711,148
Loans and advances to customers	6,973,799	3,875,779	10,849,578
Derivative financial instruments	418,986	1,224,722	1,643,708
Trading assets	98,042	944,692	1,042,734
Investment securities	1,089,809	1,303,618	2,393,427
Other financial assets	570,462	12,245	582,707
Total financial assets	17,710,522	7,369,887	25,080,409
Liabilities			
Deposits by banks	3,465,443	80,996	3,546,439
Customer accounts	9,238,121	656	9,238,777
Derivative financial instruments	421,321	1,189,818	1,611,139
Debt securities in issue	1,090,262		1,090,262
Other financial liabilities	2,590,091	108,903	2,698,994
Total financial liabilities	16,805,238	1,380,373	18,185,611

CITUALWEEDROPE PLC

presimple the control of the control

locations) from the same delegated and the last of the

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Liquidity risk (continued)

As at 31 December 2012	Less than 12 months \$ 000	Over 12 months \$ 000	Total \$ 000
Assets			
Cash and balances at central bank	1,988,529	6. * .	1,988,529
Loans and advances to banks	6,402,956	112,235	6,515,191
Loans and advances to customers	10,121,637	455,208	10,576,845
Derivative financial instruments	289,383	1,201,461	1,490,844
Trading assets	504,152	399,393	903,545
Investment securities	962,174	1,096,004	2,058,178
All other assets	337,041	324,300	661,341
Total financial assets	20,605,871	3,588,602	24,194,473
Liabilities			
Deposits by banks	3,554,479	-	3,554,479
Customer accounts	8,656,580	595	8,657,175
Derivative financial instruments	342,081	1,190,029	1,532,110
All other liabilities	3,128,849	45,311	3,174,160
Total financial liabilities	15,681,989	1,235,935	16,917,924

OF HERITAL SECTION OF THE PLACE

ABSTRACT REPARE MEDITION

beautifue) (Statement on Just to Statement of the Investment of th

Charles of the Address of

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Liquidity risk (continued)

The table below analyses the Company's undiscounted contractual cash flows from financial liabilities into relevant maturity groupings.

	1 year and less	>1 year and < 5 years	Greater than 5 years	Total
As at 31 December 2013	\$ 000	\$ 000	\$ 000	\$ 000
Liabilities				
Deposits by banks	3,485,452	79,018	2,026	3,566,496
Customer accounts	9,257,205	660		9,257,865
Derivative financial instruments	421,734	780,521	409,437	1,611,692
Debt securities in issue	1,100,805	-		1,100,805
Total undiscounted financial liabilities	14,265,196	860,199	411,463	15,536,858
	1 year and	>1 year and <	Greater than	
As at 31 December 2012 Liabilities	\$ 000	5 years \$ 000	5 years \$ 000	Total \$ 000
Deposits by banks	3,566,228	-	_	3,566,228
Customer accounts	8,670,762	627	; -	8,671,389
Derivative financial instruments	342,834	698,041	492,092	1,532,967
Debt securities in issue	844,493	-	-	844,493
Total undiscounted financial liabilities	13,424,317	698,668	492,092	14,615,077

CHILLANK ET ROPE PLC

Service and the boundaries of the property of

Contributed Intermediated Adv Services and Market S. .

السيسيشيج وفقوه يصسينونه

The office below manying the Longram of antimopound contraction code Stone from transport gravity, as a farming

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Liquidity risk (continued)

The following table analyses the Company's commitments and guarantees into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

2013	1 year and less \$ 000	>1 year and 5 years \$ 000	Greater than 5 years \$ 000	Total \$ 000
Letters of credit	11,648,724	4,657,260	43,863	16,349,847
Undrawn commitments to lend	673,227	2,599,872	342,765	3,615,864
Other commitments and guarantees	1,028,767	585,419	619,693	2,233,878
Total commitments and guarantees	13,350,718	7,842,551	1,006,321	22,199,589
2012				
Letters of credit	12,571,090	5,065,548	216,093	17,852,731
Undrawn commitments to lend	1,890,967	1,649,383	562,860	4,103,210
Other commitments and guarantees	879,658	614,291	7,475	1,501,424
Total commitments and guarantees	15,341,715	7,329,222	786,428	23,457,365

Credit risk

Credit risk is the potential for financial loss resulting from the failure of a borrower or counterparty to honour its financial or contractual obligations. Credit risk arises in many of Citigroup's business activities, including:

- · lending;
- · sales and trading;
- · payment services;
- · securities transactions; and
- · when the Company acts as an intermediary on behalf of its clients and other third parties.

The different business groups manage their credit risk process as follows:

1. Institutional Clients Group ("ICG")

For corporate clients and investment banking activities across the organization, the credit process is grounded in a series of fundamental policies, including:

- · joint business and independent risk management responsibility for managing credit risks;
- · single centre of control for each credit relationship that coordinates credit activities with that client;
- a minimum of two authorised-credit-officer signatures are required on extensions of credit, one of which must be from a credit officer in credit risk management;
- · risk rating standards, applicable to every obligor and facility; and
- · consistent standards for credit origination documentation and remedial management.

CHIBARICE ROPERTS

PRODUCTION AND ARREST OF STREET

Constituted the Montage Constitute State of the Consti

from the section of

The filless are also and the second of the s

January 1

A contract the possibility of the contract of the bullet of a leave-or in contract to the contract of the cont

- internal
- Transfer to be all the contract of the contrac

recorded an appropriate from these could represent appropriate from the first terms of the collection and th

The second reserved to the second second

the same of the same of the same of the same and the same of the s

- a data mengapangan yai garahkan pangan menggunan dari terah pepalah mengantan Aribi.
- The state of the s
- - has pullinal has multiple veyes to ephantisms (chartonic points and
 - and the second section is a second section of the sect

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Credit risk (continued)

The Company has established processes for the consistent calculation, measurement, monitoring and reporting of credit risk across all ICG businesses globally. At the most granular level, credit is extended under a credit limit approved by a unit aligned with the obligor. As part of the approval or subsequent renewal process, Independent Risk Management is responsible for assigning a risk rating to the obligor. The risk rating refers to an expected probability of default of the obligor and is therefore part of the expression of the credit risk associated with extending credit. Each credit limit is assigned a facility risk rating, taking the obligor risk rating and including any facility level characteristics (security, collateral, etc) to assign a rating that is an expression of the expected loss on a facility (the product of probability of default and loss given default). The final component of credit risk is the amount of exposure and here measures vary from the most simple (e.g. value of the asset) to complex (e.g. estimating potential replacement cost on a derivative contract). The processes required for these measurements therefore also vary considerably - from a simple feed of balances to a complex simulation engine.

Credit risk is therefore measured at a number of levels, including:

- At a facility level which may include one or more contracts, availments or transactions.
- At an obligor level if there are multiple facilities approved for an obligor where the risk associated with an obligor default can be assessed
- At a group level considering the implications of a group structure of multiple obligors with common ownership.

Obligor probability of default is monitored by having independent risk analysts and managers aligned to the obligor, who maintain current information about the obligor's condition and revisit the risk rating and approved limits in the event of material new information coming to light.

Exposure is monitored against the approved limits and excesses are automatically identified to an appropriate member of Independent Risk Management. Escalation processes ensure that larger and aged exceptions are raised to an appropriately Senior Credit Officer.

The Company has a Credit risk reporting system (OPTIMA), to which all material exposures are reported on a daily basis by numerous underlying product processors and other feeder systems. An analyst or risk manager can, therefore, obtain a snapshot as at close of business previous day of all material exposures to his/her obligor(s), whether or not exposure has exceeded a limit.

2. Global Cards and Consumer Banking ("Consumer")

Country Business Managers have ownership of portfolios and are accountable for managing the risk/return trade-offs in their businesses. In cooperation with Senior/Country Credit Officers they implement policies, procedures and risk management practices in their businesses that are compliant with global consumer credit risk policies.

Consumer risk officers regularly review the performance of the consumer businesses and ensure that appropriate control is exercised. A risk differentiated approach is employed, such that critical activities, for example collection and fraud, are reviewed with greater frequency.

Credit authority levels, the delegation process, approval processes for portfolios, product approvals, and other types of required approvals, as well as credit authority levels and responsibilities are defined in Global Consumer Credit and Fraud Risk Policies. These policies establish a consistent set of standards for the appointment of Credit Officers and Senior Credit Officers, streamline the approval process, create auditable policies, and ensure the accountability and responsibility of risk management staff. The Country Credit Officer prepares credit strategy in collaboration with the Country Business Manager, which is reviewed by the Regional Senior Credit Officer.

OPERANDO DE LA COMPONIO DEL COMPONIO DE LA COMPONIO DEL COMPONIO DE LA COMPONIO DEL COMPONIO DE LA COMPONIO DE LA COMPONIO DE LA COMPONIO DEL COMPONIO DE LA COMPONIO DEL COMPONIO DEL COMPONIO DE LA COMPONIO DE LA COMPONIO DE LA COMPONIO DEL CO

STRUMENT AT STATE OF STRUMENTS OF STRUMENTS

Countilisms) Amortos processos plant de la Africa (1914, 1915, 1917).

And the second section is a second section of

The company of a population of the company and company of the comp

milliolating aliened by restoration as to the microsoft and second at the second at

- and a complete control of the contro
- The control of the state of the
- The second control of the control between the control of the second of t
- and a problem for the property of the problem of th
- The second of the second linear and second of the second o
- The transport of the second region region of the second region of the second region re

- "anche Statusa State per l'acce annestre et profition autres generalité les assegnes parties par un profite de Not summer les después de Salandonnes (Celli Offices des comments parties, profite en contract de la commentant Anne anne de la commentant de l'accessible un vançule de la commentant de la commentant de la commentant de la
- and the state of the state of the complete of the complete of the complete of the state of the s
- Lower control is a separate process approved in control or protess approved to the following process of the following pro

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Credit risk (continued)

There is an established set of measures, procedures and policies that aims at monitoring results of retail portfolios that ensures internal control. These include:

- Comparison of indicators to past performance
- · Country Credit Officer reviews
- Stress tests
- Mandates and approval authorities

In addition to these procedures each business has credit benchmarks that set out its short and long-term expectations.

The total carrying amount in this table includes third party loans and advances to banks and loans and advances to customers as per note 15. See table below for split by category.

		2013	2012
Total carrying amounts	Note	\$ 000	\$ 000
Loans and advances to banks			
Loans and advances - 3rd party	15	4,142,065	3,206,088
Loans and advances to customers			
Charge and credit card debtors	15	479,033	483,184
Commercial loans	15	9,773,316	9,335,329
Consumer loans	15	96,285	181,186
Loans held at fair value through the profit and loss	15	500,943	577,146
Loans and advances to Customers		10,849,577	10,576,845
Loans and advances to third parties	_	14,991,642	13,782,933

At the Company level, there are regular, focussed reviews of individual obligors and portfolios by the Credit Committee. A breakdown of the Company's total credit exposure including commitments is as follows:

	2013	2012
	\$ 000	\$ 000
Gross exposure		
- Commitments and guarantees (third party)	21,765,581	23,115,594
- Balance sheet exposures (third party)	20,917,369	18,970,648
Total exposure	42,682,950	42,086,242

Note: The Company does not recognise inter group balances as giving rise to credit exposure.

Statement of financial position exposures include cash and cash balance at central banks, trading assets, loans and advances, investment securities, derivative financial assets and other assets.

Cash and OECD Government bonds are held as collateral against a significant number of commitments and guarantees.

CITTES A NECTEL ROPE PEC

ACCOUNTED A CONTRACT OF STREET

14 Empedal backetones and real real management for the

American Visit Street

The state of the s

- Company to the state of the contract of the second of the

 - and the state of t

and the property and the brokest and parameters the world administration of property and another the property and another

The need converge among the tribe table inches to their query insues not assume to comb carry poster and a particular and a converge contract of the carry of the

Plan Company take one spot gainst trace group beligning at a joine over to even a commen-

Samenum at Granding position proposing include and and cast behins a control innoval against seast. Super services in proceeding the control and other angula.

continuous tributativa anniumas tei cermina maa filmyta a turnyyt krostattas as livet van alreed mecardeem is 415 dt.) tem anniu

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Credit risk (continued)

The Company's statement of financial position (on balance sheet) credit risk concentrations by industry are as follows:

	2013 \$ 000	2012 \$ 000
Governments & Central bank	5,640,612	
Financial services	5,558,324	4,549,039 4,899,088
Other	1,874,597	1,805,890
Communication	1,543,134	1,050,750
Transport	1,372,017	1,935,795
Oil & Gas	1,194,283	425,744
Consumer	1,084,915	1,494,770
Engineering / Electronics	1,032,909	839,030
Food & Drinks industry	425,716	485,005
Construction	382,516	126,797
Agriculture	375,671	583,267
Local government	247,265	
Chemicals	185,410	775,473
	20,917,369	18,970,648

Included in credit risk exposures are cash and balances at central banks, trading assets, derivative financial instruments, loans and advances, investment securities and other assets.

The table below shows statement of financial position credit concentrations by region

	2013	2012
	\$ 000	\$ 000
Central Europe	8,241,746	8,275,281
Western Europe	7,873,317	6,215,273
Middle East / Africa	1,595,287	1,485,465
Central / South America	1,237,112	1,540,880
North America	1,219,998	489,796
Asia	749,909	963,953
	20,917,369	18,970,648

ADVODUCTATION OF THE WARRANT STREET, STREET

from the contract the management about two scenars below the following the

Manager of the Chine Chi

والمراكب المراجع والمراجع والمستوار والمراجع والم

inclinated in small that supporting an area and balanced in service trailing master devices of more an industries of

many of another many and there against the control of the second of the

	page of the same of

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Credit risk (continued)

Exposure to credit risk - Loans and advances to third parties

Postito to credit risk - Boans and advances to third pa	irties			
2013	Charge and credit card debtors \$ 000	Commercial loans \$ 000	Consumer loans \$ 000	Total \$ 000
Gross Amount	498,489	14,475,565	100,784	15,074,838
Individually impaired				
Current	53	45,990		46,043
1 - 119 days past due	"	5		200-400-000
120 - 179 days past due	_	4,266		5 4,266
180 days or more past due	-	17,475	_	17,475
Gross Amount	53	67,736		67,789
Impairment provision on individually impaired loans		(11,199)	.	(11,199)
Carrying amount of individually impaired loans	53	56,537	82	56,590
Collectively assessed				SUBT OF THE PROPERTY.
Current	492,897	14,394,571	96,904	14,984,372
1 - 119 days past due	4,450	7,579	3,421	15,450
120 - 179 days past due	1,089	1,295	•	2,384
180 days or more past due	-	4,384	459	4,843
Gross Amount	498,436	14,407,829	100,784	15,007,049
Impairment provision on collectively assessed loans	(19,456)	(48,042)	(4,499)	(71,997)
Carrying amount of collectively assessed loans	478,980	14,359,787	96,285	14,935,052
Total impairment provision	(19,456)	(59,241)	(4,499)	(83,196)
Total carrying amount	479,033	14,416,324	96,285	14,991,642
Impairment provision on undrawn commitments		(17,395)	-	(17,395)
Total Impairment on drawn and undrawn commitments	(19,456)	(76,636)	(4,499)	(100,591)

CHIEARIC ELIKOPE PLC

PENNINGTO BY INTEROXINE SHE OF STROWN

(forum troo) terrary commission law atmospheric lease of the

to the state of

entiring testificat personalist has remode a detail have no entropy to

A H		

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Credit risk (continued)

Exposure to credit risk - Loans and Advances to third parties

2012	Charge and credit card debtors \$ 000	Commercial loans \$ 000	Consumer loans	Total \$ 000
Gross Amount	509,758	13,180,437	192,659	13,882,854
Individually impaired				
Current		66,579		66,579
1 - 119 days past due	_	51		51
120 - 179 days past due	_	-	.5 -2	
180 days or more past due	-	7,189		7,189
Gross Amount		73,819	 -	73,819
Impairment provision on individually impaired loans		(16,570)	<u>-</u>	(16,570)
Carrying amount of individually impaired loans	-	57,249	-	57,249
Collectively assessed				
Current	481,225	13,078,888	186,377	12 746 400
1 - 119 days past due	24,330	18,848	5,724	13,746,490 48,902
120 - 179 days past due	4,203	4,191	12	352
180 days or more past due	-,203	4,691	546	8,406 5,237
Gross Amount	509,758	13,106,618	192,659	13,809,035
Impairment provision on collectively assessed loans	(26,574)	(45,304)	(11,473)	(83,352)
Carrying amount of collectively assessed loans	483,184	13,061,314	181,186	13,725,683
Total impairment provision	(26,574)	(61,874)	(11,473)	(99,921)
Total carrying amount	483,184	13,118,563	181,185	13,782,932
Impairment provision on undrawn commitments	-	(29,410)	-	(29,410)
Total Impairment on drawn and undrawn commitments	(26,574)	(91,284)	(11,473)	(129,331)

CITIEANE EUROPE PLO

SUMPRING THE THIOXNIAN PROPERTY.

terminos (transis) protectivistis lata eterminos (1971 lata entit). Et

Description of the Contract of

mitsag Bridi ur ensuardis, har anna l- cher Higer at semmyzii

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Credit risk (continued)

Net credit losses charged to the current year income statement

	2013	2012
	\$ 000	\$ 000
Individual provisions taken in the year	(1,023)	(1,118)
Net change to collective provisions taken in the year	1,665	(10,108)
Credit write-offs	99,747	80,011
Credit recoveries	(68,732)	(45,312)
Net credit losses	31,657	23,473

Movement in provisions for impairment balances

	Charge and credit card debtors \$ 000	Commercial loans \$ 000	Consumer loans \$ 000	Total
Balance at 1 January 2012	27,464	93,696	15,364	136,524
Individual provisions taken in the year	2	(1,118)	-	(1,118)
Net change to collective provisions taken in the year	(2,563)	(3,299)	(4,246)	(10,108)
Provisions released due to Credit write-offs	**************************************		()	(10,100)
Provisions released due to Credit recoveries				-
Foreign exchange adjustments	1,673	2,006	354	4,033
Balance at 31 December 2012	26,574	91,285	11,472	129,331
Individual provisions taken in the year	-	(1,023)	_	(1,023)
Net change to collective provisions taken in the year	(5,694)	2,188	(1,908)	(5,414)
Provisions released due to Credit write-offs	(1,052)	(2,768)	(5,340)	(9,160)
Provisions released due to Credit recoveries	-	(19,840)	-	(19,840)
Foreign exchange adjustments Net change to portfolio provisions against off balance	(372)	(285)	275	(382)
sheet exposures	-	7,079	/ = /	7,079
Balance at 31 December 2013	19,456	76,636	4,499	100,591

CITES AND RUBE PLACE

SERVICE AND A CONTRACT OF THE PROPERTY OF THE

Ch. Districted interpresentational chile management (Semigrapi)

Description of the Print A

trescends seeinged serve trescence all of the best intent from a factor

mandal translagaran) inpolongal transcribe

NOTES TO THE FINANCIAL STATEMENTS

14. Financial instruments and risk management (continued)

Credit risk (continued)

Offsetting financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

Types of financial assets

As at 31 December 2013 Description	(a) Gross amount	(b) Gross amount of recognised financial liabilities set off in the SOFP	(c)=(a)+(b) Net amount presented in the SOFP		(d) its not set off in the financial position (d) ii. Cash collateral received	(e)=(c)-(d) Net amount
	\$000	\$000	\$000	\$000	\$000	\$000
Derivatives Reverse repurchase	135,664	-	135,664	64,824	51,634	19,206
securities borrowing and similar agreements Other financial	88,036	14	88,036	83,626		4,410
instruments	_	-	-	-	r <u>u</u>	-21
Total	223,700	-	223,700	148,450	51,634	23,616

Types of financial liabilities

As at 31 December 2013 Description	(a) Gross amount	(b) Gross amount of recognised financial assets set off in the SOFP	(c)=(a)+(b) Net amount presented in the SOFP		(d) ts not set off in the financial position (d) ii. Cash collateral pledged	(e)=(c)-(d) Net amount
	\$000	\$000	\$000	\$000	\$000	\$000
Derivatives Repurchase securities lending and similar	94,961	•	94,961	73,274	2,283	19,404
agreements Other financial	=	2.	•	3.00	2	-
instruments	-		_	-	-	
Total	94,961	-	94,961	73,274	2,283	19,404

PRODUCTS AND RESERVED.

Personal Interpretents and this management (continued

Department and Control

Crimentally Dimental and a selection support to effection, embryoghts made a compression and seems of

to the later with the county

contributed by comments for recovery

14. Financial instruments and risk management (continued)

Credit risk (continued)

Capital management regulatory capital requirements

The Company's primary regulator the Central Bank of Ireland sets and monitors capital requirements for the Company.

In implementing current capital requirements the Central Bank of Ireland requires the Company to maintain a prescribed ratio of total capital to risk weighted assets. The Company calculates requirements in line with the Central Bank of Ireland's regulations.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and customer confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

Regulatory capital requirements

The Company's regulatory capital position at 31 December 2013 was as follows:

	2013	2012
	\$ 000	\$ 000
Total regulatory capital	6,161,360	6,103,662

The Company is required by the Central Bank to maintain adequate capital and the Company is subject to the risk of having insufficient capital resources to meet minimum regulatory capital requirements. The Company's minimum capital requirement is calculated in accordance with Basel II regulatory capital requirements. The Company has complied with the minimum capital adequacy ratio of 8% throughout the period.

beautiful management for box commercial lessants. M

Committee of the state of the

distance have belong to believe the best belong the

The Compact's gaming angulance the Concel Period of Defaut against angular against against a contract of the Conceptual against a contract against a contract a

the conformation of the contract of the Chairs Basic of Indian requires the Company to account to a comment of the company calculates comments for the company calculates comments to the wind the company calculates comments to the winds of the company calculates comments to the winds of the company calculates comments to the company calculates comments to the company calculates comments and comments calculates comments and comments calculates comments and comments calculated comments and comments calculated comments and comments calculated comme

The formula of the state of the second memoral of the second seco

Amendment Latings Translational

anoth) as use this estate of it is unitary bright violatings of any of them.

102 Dist.

for my my morning so found in

the property of the property of the second property of the second property of the property of

NOTES TO THE FINANCIAL STATEMENTS

15. Financial assets and liabilities

The below tables outline the total financial assets and liabilities held as at 31 December 2013 and 31 December 2012.

	2013 \$ 000	2012 \$ 000
Total financial assets held at fair value Total financial assets not held at fair value Total financial assets	5,580,812 19,499,597 	5,029,713 18,670,680
	2013 \$ 000	23,700,393 2012 \$ 000
Total financial liabilities held at fair value Total financial liabilities not held at fair value Total financial liabilities	1,690,516 16,495,095 18,185,611	1,547,404 15,072,856 16,620,260

In accordance with IFRS 7, Financial Instruments: Disclosures, the Company has adopted the fair value hierarchy classification of financial instruments. This requires the Company to classify its financial instruments held at fair value according to a hierarchy based on the significance of the inputs used to arrive at the overall fair value of these instruments. The fair value hierarchy is determined as follows:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

There have been no transfers between levels 1 and 2 and no level 3 financial instruments were held during the year ended 31 December 2013.

CHITIKATIC III ROPE PLO

REPORTER IN LINES OF RETURNING THE RETURN OF REPORT OF R

Pitting the state between the control of the

The extract Contract Contract of The excited exhibited this street between Later and an excited each of each

in acquirement with Oleth 3, Financial Limitations of Charles on Company and American law the company of the Co

- ju nemerati na nestra sisa mita disebuti sa akti ka maji didi ka maji ka maji na ka maji ka maji sa ka ka ka k
- Level is a neutron estimates broad on above white appear, order construct a supplied of a residue of a supplied of the construction of the constru
- The volumes operation and a supplied that the property of the firm of the compact of the control of the control

and the same property of all these streamments because it early on him & limit always resourced well-special model would created

NOTES TO THE FINANCIAL STATEMENTS

15. Financial assets and liabilities (continued)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

31 December 2013		Fair value				
	Level 1	Level 2	Level 3	Total		
	\$ 000	\$ 000	\$ 000	\$ 000		
Financial assets						
Derivative financial instruments	-	1,643,708	= 0	1,643,708		
Trading assets	243,506	799,228	-	1,042,734		
Investment securities	1,151,689	1,241,738	-	2,393,427		
Loans held at fair value through the profit and loss	-	500,943	ē	500,943		
Financial assets held at fair value	1,395,195	4,185,617		5,580,812		
				0,000,012		
Financial liabilities						
Derivative financial instruments	-	1,611,139	12	1,611,139		
Other financial liabilities held for trading	·	79,377	rigi	79,377		
Financial liabilities held at fair value	-	1,690,516		1,690,516		
31 December 2012		Fair val				
o a common avia	Level 1	Level 2		70.4.1		
	\$ 000		Level 3	Total		
Financial assets	3 000	\$ 000	\$ 000	\$ 000		
Derivative financial instruments		1 400 944		1 400 044		
Trading assets	229,708	1,490,844 673,837	·	1,490,844		
Investment securities	811,066		-	903,545		
Loans held at fair value through the profit and loss	-	1,247,112 577,146	-	2,058,178 577,146		
Financial assets held at fair value	1,040,774	2 000 020	·			
Timanetai assets neitrat iair value	1,040,774	3,988,939		5,029,713		
Financial liabilities						
Derivative financial instruments		1 520 110		gragazinana.		
Other financial liabilities held for trading	ÿ 	1,532,110	=	1,532,110		
Control Interioral nationalities field for trading	**************************************	15,294	7	15,294		
Financial liabilities held at fair value		1,547,404		1,547,404		

Loans held at fair value through the profit or loss, totalling \$501 million (2012: \$577 million) are included in the Statement of Financial Position within loans and advances to customers.

REVENUE TARGET A TO A PARK RESIDENCE OF REFORM

to a firm of the first back from the most ?

come of make from any in their an about mill and an holomous bloom of the standard for a log-band mill any late about a description. Let

	12	

The second is second to the position of the second buy \$100 million (100). SEE and the colored one of the second o

NOTES TO THE FINANCIAL STATEMENTS

15. Financial assets and liabilities (continued)

Set out below, is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

At 31 December 2013 \$3,876 million of Loans and advances to customers are expected to be recovered more than 12 months after the reporting date (2012: \$455 million). The carrying amount of renegotiated loans as at 31 December 2013 was \$16million (2012: \$29 million).

Other financial assets are primarily comprised of receivables balances from the Company's transaction services business.

			31 December 2013			31 December 2012			
	Note	Loans and receivables	Other amortised cost \$ 000	Total carrying amount	Total fair value	Total carrying amount	Total fair value		
Financial assets	Note	3 000	3 000	\$ 000	\$ 000	\$ 000	\$ 000		
Cash and balances at									
central bank	12	1,857,107	-	1,857,107	1,857,107	1,988,529	1,988,415		
Loans and advances to banks									
Loans and advances -							1 1		
intercompany	28	2,569,083		2,569,083	2,569,086	3,309,103	3,309,104		
Loans and advances - 3rd					1 1		1 1		
party		4,142,065		4,142,065	4,142,069	3,206,088	3,206,082		
		6,711,148	7-	6,711,148	6,711,155	6,515,191	6,515,186		
Loans and advances to customers									
Charge and credit card debtors	272								
	14	479,033	-	479,033	471,869	483,185	480,522		
Commercial loans	14	9,773,316	-	9,773,316	9,769,873	9,335,329	9,333,770		
Consumer loans	14 _	96,286	-	96,286	95,173	181,185	187,593		
		10,348,635	•	10,348,635	10,336,915	9,999,699	10,001,885		
Other financial assets		582,707		582,707	582,707	167,261	167,261		
	_	19,499,597		19,499,597	19,487,884	18,670,680	18,672,747		

CHILBANG EUROPE PLC

WYAS WITATE OF CHARGE SHE OF ESTOR

Louis Inno 2 world below I have below to be a ball to 2.

the state of the s

At 11 Paradier 2011 VARIS million to Loans and advances to carbonary as expensed to the carbonal paradier and a transfer million 1 Discourse of encountered to the control of the carbonary of encountered to the control of the carbonary of the ca

كالمد أأليمتها يسبر والإيمانية الرحوب إناها والمتراحيكات البالشرية العبريات ويسرون والمسجوب ويراجي المستحد

		*		

NOTES TO THE FINANCIAL STATEMENTS

15. Financial assets and liabilities (continued)

	31 December 2013			31 December 2012		
	Loans and receivables	Other amortised cost	Total carrying amount	Total fair value	Total carrying amount	Total fair value
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Financial liabilities				1 1		
Deposit by banks				1 1		
Deposits by banks -				1 1		
Intercompany	792,178	1,908,662	2,700,840	2,700,551	2,538,506	2,538,492
Deposits by banks - 3rd						_,,,,,,,
party	131,257	714,342	845,599	845,594	1,015,973	1,015,855
	923,435	2,623,004	3,546,439	3,546,145	3,554,479	3,554,347
Customer accounts	1,407,152	7,831,625	9,238,777	9,238,645	8,657,175	8,651,757
Other liabilities and debt		,,001,020	,,230,,777	7,230,043	6,037,173	8,031,737
securities in issue		3,709,879	3,709,879	3,709,879	2,861,202	2,861,202
	2,330,587	14,164,508	16,495,095	16,494,669	15,072,856	15,067,306

The following summarises the major methods and assumptions used in estimating the fair value of the financial assets and financial liabilities used in the above tables:

- Derivative financial instruments, trading assets, and debt securities in issue are measured at fair value by reference
 to quoted market prices in active markets. If quoted market prices are not available then fair values are estimated
 on the basis of other valuation techniques, including discounted cash flow models and options pricing models. The
 market price includes credit value adjustments where appropriate.
- Investment securities classified as available-for-sale or designated at fair value through profit or loss are measured
 at fair value by reference to quoted market prices when available. If quoted market prices are not available, then
 fair values are estimated based on other recognised valuation techniques.
- The fair value for loans and advances and other lending are estimated using internal valuation techniques such as
 discounted cash flow analysis. If available, the Company may also use quoted prices for recent trading activity of
 assets with similar characteristics to the loan being valued. In certain cases the carrying value approximates fair
 value because the instruments are short term in nature or reprice frequently.
- During 2010, the Company acquired a group of loans at fair value. At the same time, the Company entered into interest rate swaps to manage the interest rate risk of the acquired loans. The loans have been designated at fair value through the profit or loss in order to avoid any accounting mismatch between an accrual basis loan and a derivative that is held at fair value. Any mark-to-market gains or losses on the loans and swaps are taken directly to the income statement. Credit risk on the loans is considered minimal (and relatively stable) due to each loan being guaranteed by a highly rated export credit agency.
- The fair value of debt securities in issue that are classified at amortised cost is measured using discounted cash flows.
- Fair values of customer account deposit liabilities, other assets and other liabilities are estimated using discounted
 cash flows, applying either market rates where practicable, or rates currently offered by the Group for deposits of
 similar remaining maturities. Where market rates are used no adjustment is made for counterparty credit spreads.
- The carrying amount of cash and balances at central bank is a reasonable approximation of fair value due to the short term nature of the balances.

CHURANGCELIKOPE FLC

STRUMERARY DESIGNATION STATEMENTS.

15 Phonocological State Commission (Commission)

The trained summing and the major perfects and name prices and by very and by the file being a major to provide the major to the design of the major to the state of the state

- Describly distinct manufaction to the control of an interest processor and control of the contro
- in the second se
- The Last value is train and odvances and office learning are estimated and process to examine the excise of the continuous and process to examine the continuous and process to examine the continuous trains are examined to the least trains of the extract of the examined and examined the examined and examined the examined and the
- Frame 2010, the Company contents a grady office in the series to be series to be fragger assessed in measure and some of the series of the ser
- the first series of the second series and the second series and the second series of the second second series and the second sec
- the values of commencers account depote the fitting with a group and other himtories are uninqued and an example of the comments of the first of the comment of the comments o
- the survey of the formula of the formula in similar back to a remainful superior of the survey of the survey of

NOTES TO THE FINANCIAL STATEMENTS

15. Financial assets and liabilities (continued)

The table below sets out the estimated fair value, at level 1, 2 and 3 of those assets and liabilities not held at fair value in the statement of financial position.

Decemi	ber 31 2013	Estimated fair value			
Carrying value Estimated fair value		Level 1	Level 2	Level 3	
\$000	\$000	\$000	\$000	\$000	
1,857,107	1,857,107	1,857,107		-	
6,711,148	6,711,155		6,711,155		
10,348,635	10,336,915		=	10,336,915	
582,707	582,707	-		582,707	
19,499,597	19,487,884	1,857,107	6,711,155	10,919,622	
3,546,439	3,546,145	-	3,546,145	<u> </u>	
9,238,777	9,238,645	-	9,238,645	~	
1,090,262	1,090,262		1,090,262		
2,698,994	2,698,994	-	79,377	2,619,617	
16,574,472	16,574,046	-	13,954,429	2,619,617	
	Carrying value \$000 1,857,107 6,711,148 10,348,635 582,707 19,499,597 3,546,439 9,238,777 1,090,262 2,698,994	\$000 \$000 1,857,107	Carrying value Estimated fair value Level 1 \$000 \$000 \$000 1,857,107 1,857,107 1,857,107 6,711,148 6,711,155 - 10,348,635 10,336,915 - 582,707 582,707 - 19,499,597 19,487,884 1,857,107 3,546,439 3,546,145 - 9,238,777 9,238,645 - 1,090,262 1,090,262 - 2,698,994 2,698,994 -	Carrying value Estimated fair value Level 1 Level 2 \$000 \$000 \$000 \$000 1,857,107 1,857,107 1,857,107 - 6,711,148 6,711,155 - 6,711,155 10,348,635 10,336,915 - - 582,707 582,707 - - 19,499,597 19,487,884 1,857,107 6,711,155 3,546,439 3,546,145 - 3,546,145 9,238,777 9,238,645 - 9,238,645 1,090,262 1,090,262 - 1,090,262 2,698,994 2,698,994 - 79,377	

16. Investment securities

Investment securities are primarily composed of government securities.

	2013	2012
	\$ 000	\$ 000
Investment securities - available for sale		
Debt securities:		
- listed	2,393,332	1,509,972
- unlisted	-3	548,115
Equity securities:		* 100 miles
- unlisted	95	91
	2,393,427	2,058,178

CHILLANIC ELIKOPELPLC

REPORTS TALKS IN LOGICITY HAT OF KITTON

15. Parameter transfer and Heffeldine (compress)

the same after a second and the same as the same is a second and the same and the same and the same and the same as the same a

validities that to all to

Activities to be the desired by providing the feet from the second of th

NOTES TO THE FINANCIAL STATEMENTS

17. Derivative financial instruments

	2013	201	3	2012	201	2
	Notional amount	Fair v	alue	Notional amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Exchange rate related contracts						
Forwards and futures	12,562,557	98,312	62,275	10,167,257	90,320	152,633
Currency swaps	4,137,535	19,324	18,858	2,860,238	42,953	29,291
Options	693,139	8,714	8,695	1,168,768	13,368	13,368
	17,393,231	126,350	89,828	14,196,263	146,641	195,292
Interest rate related contracts					2	
Forward rate agreement	492,794	214	234	14,568,417	29,477	30,231
Interest rate swaps	37,978,311	1,516,336	1,520,258	54,228,097	1,313,991	1,305,655
Options	103,090	93	104	112,159	69	266
	38,574,195	1,516,643	1,520,596	68,908,673	1,343,537	1,336,152
Equity and commodity related contracts						
Options	3,436	53	53	293	52	52
Swaps	88,638	662	662	39,118	614	614
	92,074	715	715	39,411	666	666
Total derivative contracts	56,059,500	1,643,708	1,611,139	83,144,347	1,490,844	1,532,110

See note 14 for more details on how the Company uses derivative financial instruments as part of its risk management policies and procedures.

CITIENNICHI ROPEPILC

NOTES TO THE INCOME. STATEMENTS

Commercial International Address

one and M for more dentity on low the Company pain derivance francial functions as eat of in six survey or sold and according to

NOTES TO THE FINANCIAL STATEMENTS

18. Other liabilities

	2013 \$ 000	2012 \$ 000
Accounts payable	1,905,377	1,581,133
Other balances	823,622	537,931
	2,728,999	2,119,064

Accounts payable predominantly comprises amounts payable in relation to obligations arising from the Company's transaction services business. The other balances include amounts payable to other financial institutions, corporates and other group entities, primarily relating to prepaid risk participations, items in the process of settlement and supplier finance transactions.

19. Shares in subsidiary undertakings

	2013 \$ 000	2012 \$ 000
At 1 January	3,372	1,646
Addition through business transfer	(-)	918,184
Dividend	-	(916,617)
Foreign exchange revaluation	102	159
At 31 December	3,474	3,372

The Company has an investment in the following subsidiaries:

Name	Country of incorporation	Nature of business	Year end	Registered office	Percentage ownership
Citibank Kereskedelmi és Szolgáltató Kft.	Hungary	Purchase and rental of fixed assets	31 December	Hegyalja út 7-13., 1016, Budapest, Hungary	100 percent of ordinary share capital
Citigroup Capital Finance Ireland Limited	United Kingdom	Not currently trading	31 December	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	100 percent of ordinary share capital

On 1 June 2012, the parent company Citibank Holdings Ireland Limited contributed Citigroup Capital Finance Ireland Limited to the Company as a subsidiary via a share transfer agreement of 1,000,000 shares at nil consideration. On 2 June 2012, Citigroup Capital Finance Ireland Limited remitted a dividend for the remainder of its distributable reserves of \$917 million to the Company. The reserves relate to profits that arose prior to its ownership by the Company and were accounted for as a distribution on investment.

CITIBLANIC EL ROPE PLC

NOTES TO THE SELECTION OF STRONG

And the first Company of the present company Civitanus statelyings from Louised carecite and company from the company of a school stately stately and a school scho

NOTES TO THE FINANCIAL STATEMENTS

20. Property and equipment

Cost	Leasehold improvements \$ 000	Vehicles, furniture and equipment \$ 000	Total \$ 000
At 1 January 2012	25,286	52 005	70.201
Additions	2,533	53,995	79,281
Disposals	2,333	4,442	6,975
Write-offs	(1,074)	(7,798)	(7,798)
Foreign exchange	1,414	(2,494)	(3,568)
At 31 December 2012	28,159	2,147 50,292	3,561 78,451
Additions	871	3,642	4,513
Acquisitions	2	23	25
Disposals	(238)	(6,186)	(6,424)
Write-offs	(2,487)	(1,686)	(4,173)
Foreign exchange	320	620	940
At 31 December 2013	26,627	46,705	73,332
Depreciation			
At 1 January 2012	10,805	40,564	51,369
Charged in year	3,141	4,715	7,856
Disposals	<u>=</u>	(5,239)	(5,239)
Write-offs	(869)	(2,494)	(3,363)
Foreign exchange	713	2,205	2,918
At 31 December 2012	13,790	39,751	53,541
Charged in year	3,406	4,082	7,488
Disposals	(182)	(5,840)	(6,022)
Write-offs	(1,694)	(1,173)	(2,867)
Foreign exchange	174	. 435	609
At 31 December 2013	15,494	37,255	52,749
Net book value			
At 31 December 2013	11,133	9,450	20,583
At 31 December 2012	14,369	10,541	24,910

There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (2012: \$nil).

CTTHANK ELROPE PLC

STARMED BY BUILDING SET THE OF SECTION

191 Property and colemns.

and the same of the first springing the continuous and at the state and germanical of the springing the continuous first state and the springing the springi

NOTES TO THE FINANCIAL STATEMENTS

21. Goodwill and intangible assets

	Goodwill \$ 000	Computer software \$ 000	Total \$ 000
Cost			
1 January 2012	376,703	103,915	480,618
Additions		45,530	45,530
Disposals	- ;	(11)	(11)
Write-offs	2	(15,510)	(15,510)
Foreign exchange	17,138	2,397	19,535
At 31 December 2012	393,841	136,321	530,162
Additions		21,064	21,064
Acquisitions	-	10,307	10,307
Write-offs	-	(5,141)	(5,141)
Foreign exchange	(10,995)	(3,212)	(14,207)
31 December 2013	382,846	159,339	542,185
Amortis ation and impairment loss es			
1 January 2012	123,233	58,278	181,511
Amortisation	-	11,488	11,488
Disposals		(11)	(11)
Write-offs	•	(1,370)	(1,370)
Foreign exchange	5,606	3,381	8,987
At 31 December 2012	128,839	71,766	200,605
Amortisation	12 To	12,007	12,007
Acquisitions	-	6	6
Write-offs	-	(4,857)	(4,857)
Foreign exchange		53	53
31 December 2013	128,839	78,975	207,814
Net carrying value			
31 December 2013	254,007	80,364	334,371
31 December 2012	265,002	64,555	329,557

There was no reduction in the value of goodwill from prior year. See note 2 for assumptions used in conjunction with the valuation of goodwill.

There was no internally generated software or capitalised borrowing costs related to the acquisition of intangible assets during the year (2012: \$nil).

Acquired goodwill represents the excess of the cost of an acquisition over the net fair value of the Company's share of the net identifiable assets, liabilities and contingent liabilities of the acquired undertaking at the date of acquisition. Goodwill is stated at cost less any accumulated impairment losses. Goodwill with an indefinite life is tested for impairment at least annually.

CHIRDWING ELIKOPE PLC

STABBLE FR TYDAUNG THE OLIVER ON

state sirliganist law Blochers 115

the way communication the value of product from print year. See next 2.5 to accompany to the contract of the c

Property was an incommendation from the commence of equipment boundaries and a financial and the comment of the second property of the commence of the commenc

And the state of the state of the second transfer of the second of the s

NOTES TO THE FINANCIAL STATEMENTS

22. Deferred tax assets

The movement on the deferred tax is as follows:

	Balance at 1 January 2013 \$ 000	Recognised in the Income statement \$ 000	Recognised in other comprehensive income \$ 000	Balance at 31 December 2013 \$ 000
Property / equipment and software	833	849	-	1,682
Available for sale securities	(1,995)	-	478	(1,517)
Allowances for loan losses	6,139	(348)	=	5,791
Tax Loss carry-forward	488	(106)		382
Share based payment transactions	380	(224)	=	156
Other	1,480	723		2,203
Total asset	7,325	894	478	8,697

23. Called up share capital

Authorised	2013	2012
	\$ 000	\$ 000
5,000,000,000 common stock of €1 each	5,000,000	5,000,000
Allotted, called-up and fully paid	2013	2012
	\$ 000	\$ 000
9,318,254 (2012: 9,318,254) common stock of €1 each	10,071	10,071

CHITHANIC ETHOPET PLC

217/316/01 A FR LIFE PORTED SHEET OF RESTOR

TV Defendant for audit

provided for all and for resolutional and the behaviour and I

To the share of the share processing to the state of the same state of

NOTES TO THE FINANCIAL STATEMENTS

24. Share-based incentive plans

As part of the Company's remuneration programme it participates in a number of Citigroup share-based incentive plans. These plans involve the granting of stock options, restricted or deferred share awards and share payments. Such awards are used to attract, retain and motivate officers and employees to provide incentives for their contributions to the long-term performance and growth of the Company, and to align their interests with those of the shareholders. The award programmes are administered by the Personnel and Compensation Committee of the Citigroup Inc Board of the Directors, which is composed entirely of non-employee directors.

In the share award program Citigroup issues common shares in the form of restricted share awards, deferred share awards and share payments. For all stock award programs during the applicable vesting period, the shares awarded are not issued to participants (in the case of a deferred stock award) or cannot be sold or transferred by the participants (in the case of a restricted stock award), until after the vesting conditions have be satisfied. Recipients of deferred share awards do not have any shareholder rights until shares are delivered to them, but they generally are entitled to receive dividend-equivalent payments during the vesting period. Recipients of restricted share awards are entitled to a limited voting right and to receive dividend or dividend-equivalent payments during the vesting period. Once a share award vests the shares become freely transferrable, but in the case of certain employees, may be subject to transfer restriction by their terms or share ownership commitment.

(a) Stock award programme

The Company participates in the Citigroup's Capital Accumulation Program ("CAP") programme, under which shares of Citigroup common stock are awarded in the form of restricted or deferred stock to participating employees.

Generally CAP awards of restricted or deferred stock constitute a percentage of annual incentive compensation and vest rateably over a three or four year period beginning on or about the first anniversary of the award date. Continuous employment within Citigroup is generally required to vest in CAP and other stock award programs.

The program provides that employees who meet certain age plus years-of-service requirements (retirement-eligible employees) may terminate active employment and continue vesting in their awards provided they comply with specified non-compete provisions. Awards granted to retirement-eligible employees are accrued in the year prior to the grant date in the same manner as cash incentive compensation is accrued as effectively there are no vesting conditions.

For all stock award programmes, during the applicable vesting period, the shares awarded cannot be sold or transferred by the participant, and the award is subject to cancellation if the participant's employment is terminated. After the award vests, the shares become freely transferable (subject to the stock ownership commitment of senior employees). From the date of award, the recipient of a restricted stock award can direct the vote of the shares and receive regular dividends to the extent dividends are paid on Citigroup common stock. Recipients of deferred stock awards receive dividend equivalents to the extent dividends are paid on Citigroup common stock, but cannot vote.

Prior to 2008 CAP participants were able to elect to receive all or part of their award in stock options. The figures presented in the stock option programme table include options granted under CAP.

As part of remuneration since 2011 the Company entered into an arrangement referred to as an "EU Short Term" award. The award will be delivered in the form of immediately vested restricted shares subject to a six month sale restriction.

Citigroup participated in a 1-for-10 reverse stock split of Citigroup common stock effective after the close of trading on May 6, 2011. Every ten shares of issued and outstanding Citigroup common stock was automatically combined into one issued and outstanding share of common stock without any change in the par value per share. No fractional shares were issued in connection with the reverse stock split. All values shown have been adjusted for post reverse stock split.

SEASING ASSUMED AND SET OF SUITON

24 Share-based includes plan

As part of the Company a remainmental programme it participates to a marting of Chipping characteristic flows provide the granting of stack opinion, contributed above research with the provide maximum to a marting of stack opinion of fivers and the provide maximum to a provide maximum to a provide maximum to a first company, and its align these attention with mass or the stars of the company to the Demonstration of Samulton of Samulton of the American Samulton of the Samulton of the Samulton of the Samulton of Samult

In the since award process. Congress have common shares in the force of restricted share and come majoration for all mook around progress during the application participated that they are a sound process of the same of the same of the same and the contract are the same of the same

and Street award mount of the Street

The Congrey juricipates in the Congress's Capital Assumulation Progress (1), 45") progression, 1994, man cape of the Congress of the Congress

Committy C.A.P months of resortand on defende attentions a percentage of sureal magniture companies in a second respecting every a close of floor gave period beginning on or down the first minimum of the sweet outs a consequence respicement vitigit Citigological magnetile manifest in C.A.P. and other most sense arms arms arms.

The property of the property o

the allower would programmer, theirs the applicable venting course, the share executed in the state of the participant of the programmer and the evident or the state of the s

The first state of the state of

A property of the second consistency of the second second second property and the second commence of the second se

and the first of the state of the common query of the blood server at the bid to be the product of the common and the common a

NOTES TO THE FINANCIAL STATEMENTS

24. Share-based incentive plans (continued)

Information with respect to current year stock awards is as follows:

	2013	2012
Shares awarded	62,932	86,236
Weighted average fair market value per share	\$44.05	\$30.87
	\$	\$
Compensation cost charged to earnings	2,651	5,604
Fair value adjustments recorded to equity	2,102	(6,705)
Total carrying amount of equity-settled transaction liability	8,204	6,794

(b) Stock option programme

The Company has historically offered a number of Citigroup stock option programmes to its employees. However, since January 2005, stock options have been granted only to CAP participants who elect to receive stock options in lieu of restricted or deferred stock awards (Pre 2008) and to non-executive directors who elect to receive their compensation in the form of a stock option grant.

All stock options are granted on Citigroup common stock with exercise prices equal to the fair market value at the time of grant. Options granted since January 2005 typically vest 25% each year over four years and have six-year terms. The sale of underlying shares acquired through the exercise of employee stock options granted since 2003 is restricted for a two-year period (and the shares are subject to stock ownership commitment of senior employees thereafter).

Since 2009 the Company has made discretionary grants of options to eligible employees pursuant to the broad-based Citigroup Employee Option Grant (CEOG) Program under the Citigroup Stock Incentive Plan. Under CEOG, the options generally vest equally over three years, the option term is 6 years from the grant date and the shares acquired on exercise are not subject to a sale restriction.

The stock option activity with respect to 2013 and 2012 under Citigroup stock option plans is as follows:

	2013	I	2012	2
		Weighted average exercise price		Weighted average exercise price
	Options	\$	Options	\$
Outstanding, beginning of year	142,946	46.77	137,820	62.93
Granted		-	_	2
Forfeited	(401)	244.50	(929)	222.72
Exercised	(12,724)	40.80	-	
Transfers	2,760	31.63	11,378	43.26
Expired	(455)	543.80	(5,323)	426.79
Outstanding, end of year	132,126	44.72	142,946	46.77
Exercisable, end of year	132,126	44.72	142,946	46.77

CHILLSON TO THE COURSE PLACE

SOMETHING TO THE PROPERTY OF RESIDENCE

American Complete College State Complete College State Complete College State College

the first of the control of the cont

named and a state of the party of the party

The Company law company of the 2005 party of the CAS purpose of the company of the company of the company of the CAS purpose of the company o

All made options are galanced on Congress common peak with requires point or the peak property of the control of the peak peak peak with the control of the

Serger 1999 tille Compley fine meter discretioning gjorde of oppning to grippile empiripass journal to be a mad Chipping Marginger Orland Utras (CROC) Progrims while the Original Sect. Increme Plant Links and the contraction of the contracti

and the material property of the company of the property of th

NOTES TO THE FINANCIAL STATEMENTS

24. Share-based incentive plans (continued)

Stock option programme (continued)

The following table summarises the stock options outstanding under Citigroup stock option plans at 31 December 2013:

		Options outs	Options exc	ercisable	
Range of exercise prices	Number outstanding	Weighted average contractual life remaining	Weighted average exercise price \$	Number exercisable	Weighted average exercise price \$
<\$50.00	129,582	1.83	40.80	129,582	40.80
\$50.00 - \$249.99	2,544	0.06	244.50	2,544	244.50
	132,126	1.79	44.72	132,126	44.72

The following table summarises the stock options outstanding under Citigroup stock option plans at 31 December 2012:

		Options outs	Options exe	ercisable	
Range of exercise prices	Number outstanding	Weighted average contractual life remaining	Weighted average exercise price \$	Number exercisable	Weighted average exercise price
			Ψ		4
< \$50.00	139,422	2.83	40.80	139,422	40.80
\$50.00 - \$249.99	3,069	1.06	244.50	3,069	244.50
≥ \$250.00	455	0.04	543.77	455	543.80
	142,946	2.78	46.77	142,946	46.77

Fair value assumptions

Reload options have been treated as separate grants from the related original grants. The result of this program is that employees generally will exercise options as soon as they are able and, therefore, these options have shorter expected lives. Shorter option lives result in lower valuations using a binomial option model. However, such values are expensed more quickly due to the shorter vesting period of reload options. In addition, since reload options are treated as separate grants, the existence of the reload feature results in a greater number of options being valued.

Shares received through option exercises under the reload program, as well as certain other options granted, are subject to restrictions on sale. Discounts have been applied to the fair value of options granted to reflect these sale restrictions.

CITTE A MICHIELE PROPERTY OF A

RESEMBLE OF THE PARTY SHE OF REPORT

(basis) may be appropriate probability of basis)

The Software white some states of the costs of the costs of the software states and the states of the software states and the states of the software states and the software states and the software states and the software states are software states are software states are software states and the software states are software s

and the surveying with a superior of the contraction of the contractio

And the state of t

where we are the control of the cont

NOTES TO THE FINANCIAL STATEMENTS

24. Share-based incentive plans (continued)

Additional valuation and related assumption information for Citigroup option plans is presented below. Citigroup used a binomial model to value stock options. Volatility has been estimated by taking the historical volatility in traded Citigroup options and adjusting where there are known factors that may affect future volatility.

2013	2012
\$0.00	\$0.00
2 years	3 years
37.23%	42.56%
0.45%	0.38%
0.08%	0.13%
9.62%	9.62%
	\$0.00 2 years 37.23% 0.45% 0.08%

25. Contingent liabilities and commitments

The following tables give the nominal principal amounts and risk weighted amounts of contingent liabilities and commitments. The nominal principal amounts indicate the volume of business outstanding at the statement of financial position date and do not represent amounts at risk.

	Contract amount	Contract amount
	2013	2012
	\$ 000	\$ 000
Undrawn Credit lines	3,615,864	4,103,210
Other commitments		
- less than 1 yr	12,677,491	12,140,131
- 1 yr and over	5,906,234	7,214,024
Total	22,199,589	23,457,365

Other commitments primarily relate to the Trade business in Ireland. The Company held a collective impairment provision of \$17 million as at 31 December (2012: \$29 million), with respect to its commitments.

CITIBANICEUROPE PLC

NUMBER OF STREET, STANSFER STREET, STANSFERS

24. Second security arithmetic formation and

additional valuation and related assumption information for Catagorap system plants is promised better a Security District of the Security and the Catagorap variation of Lights of the Security and a security and the Security of the Securi

Promisimons has salidilled integrable.

The state of the same parties of the same and the same of the same

The parameters of the College of the Finds bediened in technic. The Company has a surface in transmission of t The State of the College of the State of the State of the College of the Co

NOTES TO THE FINANCIAL STATEMENTS

26. Operating lease commitments

	2013	2012
	\$ 000	\$ 000
Expiring:		
- within one year	12,230	12,138
- between one and five years	44,863	38,602
- in five years or more	6,204	9,296
	63,297	60,036

27. Debt securities in issue

In the ordinary course of business, the Company enters into transactions that result in the transfer of financial assets which consist primarily of loans and advances to customers. The transferred financial assets continue either to be recognized in their entirety or to the extent of the Company retaining involvement.

The Company purchases receivables at a discount from suppliers. The Company then issues loan participation notes to investors based on this asset, and the receivable is transferred to a trust established through an affiliate. The Company retains some element of risk participation by writing a predefined percentage protection on losses incurred by the investor. The table below presents the carrying value of transferred financial assets that the Company retains 1% of credit risk.

	2013 \$ 000	2012 \$ 000
Carrying amount of assets		
Loans and advances to customers	1,090,262	842,198
Carrying amount of associated liabilities		
Debt securities in issue	1,090,262	842,198
	1,090,262	842,198

CHIERANIC EL ROPE PLC

STABILITY TO THE ELONGOLD SEATON STATES OF

25. Optroduction in complements

provide a Titue a place.

the decordings expense of increase the Company camer into remembers that result in one camers as I make a sensitive to the remember of the present of the company of the camera of the camera of the camera of the Company of the Compa

The Company proclems receivables at a discount from aquillars. The Company that were been produced to a company or a company of the participation by artifulg a proceeding processing per second or a company of the com

NOTES TO THE FINANCIAL STATEMENTS

28. Related party transactions

The Company is a wholly owned subsidiary undertaking of Citibank Holdings Ireland Limited, which is incorporated in Ireland. The largest Company in which the results of the Company are consolidated is that headed by Citigroup Inc., which is incorporated in the United States of America. The Company defines related parties as the Board of Directors, senior management, their close family members, parent and fellow subsidiaries and associated companies. The Company considers the key management of the Company to be the Board of Directors. Directors' remuneration is disclosed in note 10.

At 31 December 2013 there were no outstanding exposures to Directors including loans (2012: \$nil).

A number of arms' length transactions are entered into with other Group companies. These include loans and deposits that provide funding to Group companies as well as derivative contracts used to hedge residual risks that are included in the other assets and other liabilities balances. Various services are provided between related parties and these are all also provided at arm's length. The table below summarises balances with related parties.

_	2013				
	Parent company undertakings \$ 000	Subsidiary undertakings \$ 000	Other Citigroup undertakings \$ 000	Total \$ 000	
Assets					
Loans and advances to banks	-	a=	2,569,083	2,569,083	
Loans and advances to customers		5 		95	
Prepayments and accrued income	-	-	(5,252)	(5,252)	
Other assets	-	(1,203)	128,642	127,439	
Derivatives	-	-	1,550,610	1,550,610	
Other, FX Spot reval gain		3. 8. 3	874	874	
Liabilities					
Deposits by banks	-	œ	2,699,140	2,699,140	
Customer accounts	-	-	18,991	18,991	
Accruals and deferred income	-		22,044	22,044	
Other liabilities	=	-	48,277	48,277	
Derivatives	2	_	1,529,902	1,529,902	
Other, FX Spot reval loss	=	-	980	980	
Commitments and guarantees	-	•	434,008	434,008	
Income statement					
Interest and similar income	-	_	29,701	29,701	
Interest payable	-	-	(24,482)	(24,482)	
Net fee and commission income		:=0	273,188	273,188	
Other operating income		-	3,805	3,805	
Net trading income	r e	-	63,296	63,296	
Other expenses	8€	72	(180,554)	(180,482)	
Dividend paid	-		(800,000)	(800,000)	

VENDET DO LA DESCRIPTION DE L'ADRIGNATION DE L'ADRIGNATIO

Annual country of the desired and a second s

The Company is a second property of the Company of Company to company the Company of the Company

the way to the work of the second in the sec

The second state of the second second

			المادية والمناورة والمناورة	

NOTES TO THE FINANCIAL STATEMENTS

28. Related party transactions (continued)

	-	2012				
	Parent company undertakings \$ 000	Subsidiary undertakings \$ 000	Other Citigroup undertakings \$ 000	Total \$ 000		
Assets						
Loans and advances to banks	7	576	3,309,103	3,309,686		
Loans and advances to customers	-		58	58		
Prepayments and accrued income	(E)	-	(1,219)	(1,219)		
Other assets and derivatives	-	(2)	46,937	46,937		
Other; FX Spot reval gain	-	-	1,805	1,805		
Liabilities						
Deposits by banks	2	1,076	2,538,506	2,539,582		
Customer accounts	2		24,301	24,301		
Accruals and deferred income		12	29,111	29,111		
Other liabilities and derivatives	•	-	44,190	44,190		
Commitments and guarantees	10	24,512	554,055	578,577		
Income statement						
Interest and similar income	6	(1,828)	46,701	44,879		
Interest payable		2,390	(33,459)	(31,069)		
Net fee and commission income	382	28	339,794	340,204		
Other operating income	-	135	(10,553)	(10,418)		
Net trading income	-	2,658	42,420	45,078		
Other expenses	(1,621)	6,659	(213,023)	(207,985)		

CHERNING EUROPEEN.C

SUSCIMENTALLY DELIVERS HER USES OF SERVICE

pending to a stream of the local bases if

NOTES TO THE FINANCIAL STATEMENTS

29. Reserves

The Company paid an interim dividend of \$800 million (2012: \$nil) to its parent company, Citibank Holdings Ireland Limited in Q4 2013.

				Other reserves				
	Share capital	Share premium \$ 000	Capital reserve	Gains/(Losses) arising from AFS \$ 000	Translation reserves and other items \$ 000	SBP \$ 000	Retained earnings \$ 000	Total
				3 000		\$ 000	2 000	\$ 000
At 1 January 2012	10,071	1,593,607	320,987	(37,404)	(252,677)	11,524	3,594,908	5,241,016
Profit for the period	-	-	-	-	-	\$ ₹ \$	831,232	831,232
Gains / (Losses) arising from AFS	0.70	-	=	54,908	-		-	54,908
Share based payments	110	€	-	-	•	(6,705)	-	(6,705)
Translation reserve	-	2	2	-	237,914	-		237,914
Capital contribution	-	#	918,184	=	12	-	-	918,184
Dividend	: =:	-	-	-	-		2	-
At 31 December 2012	10,071	1,593,607	1,239,171	17,504	(14,763)	4,819	4,426,140	7,276,549
Profit for the period	•	-	504			-	714,516	714,516
Gains / (Losses) arising from AFS	s = 2	-	-	(17,699)		~	-	(17,699)
Share based payments	-		8	÷	8.73	(2,102)	-	(2,102)
Translation reserve and other items	-	() - (-	(61)	15,499	-	(73,743)	(58,305)
Capital contribution	1-01	-		-	-	<u> </u>	2	-
Dividend				-	-	-	(800,000)	(800,000)
At 31 December 2013	10,071	1,593,607	1,239,171	(256)	736	2,717	4,266,913	7,112,959
								E-17

Capital contributions arise from contributions from the Company's intermediate parent undertaking, Citibank Overseas Investment Corporation, of which \$321 million (2012: \$321 million) forms part of the Company's distributable reserves.

On 1st June 2012, the parent company Citibank Holdings Ireland Limited contributed Citigroup Capital Finance Ireland Limited to the Company as a subsidiary via a share transfer agreement of 1,000,000 shares at nil consideration. On 2nd June 2012, Citigroup Capital Finance Ireland Limited remitted a dividend for the remainder of its distributable reserves of \$917 million to the Company. The reserves relate to profits earned prior to its ownership by the Company.

IAS 27.38A states that in preparing a parent company's separate financial statements, the parent should recognise the entire dividend amount in profit or loss when its right to receive it is established. However Section 149(5) of the Companies Act 1963 does not permit a parent company to include in its income statement a dividend that relates to profits earned by a subsidiary in the period prior to the parent's ownership of it, thereby requiring the exclusion of pre-acquisition profits from the parent company's income statement.

OF THE RESIDENCE OF THE PERCENT OF T

ANY SMITTARY OF THE WINDOWS AND THE STANKING OF STANKI

transaction of

The Company with the New York Company of the Control of the Contro

apine contributors and from contributors from the Greening Constant of the Con

The business of the company of the Company belong the control of t

The control of the co

NOTES TO THE FINANCIAL STATEMENTS

29. Reserves (continued)

The Company has determined that as it is required to prepare statutory financial statements that give a true and fair view that takes into account compliance with the requirements of company law, it includes all post-acquisition dividends \$917million presented as a reduction in the carrying amount of its investment in the subsidiary in the Statement of Financial Position and a capital contribution to the Company's reserves. If the IAS 27 and IAS 36 approach had been applied it would have resulted in an increase in the dividend income line in the Statement of Comprehensive Income in the amount of \$917 million.

These financial statements have therefore been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations as adopted by the EU, as applied in accordance with the Companies Acts 1963 to 2013.

30. Parent companies

The Company is a subsidiary undertaking of Citibank Holding Ireland Limited, incorporated in Ireland.

The largest Company in which the results of the Company are consolidated is Citigroup Inc. The audited consolidated financial statements of Citigroup Inc. are made available to the public annually in accordance with Securities and Exchange Commission regulations and may be obtained from www.citigroup.com/citi/corporategovernance/ar.htm.

The smallest Company in which the results of the Company are consolidated is Citibank Holdings Ireland Limited. Copies of the Company accounts will be available to the public and may be obtained from its offices at 1 North Wall Quay, IFSC, Dublin 1.

31. Subsequent events

On the 1 January 2014, the Company acquired the existing business of another Citigroup entity in Bulgaria.

32. Approval of financial statements

The financial statements of the Company were approved by the Board of Directors on the 21st March 2014.

STA ANGRED SULTED

REPORT A THE LATER OF SHEET OF SHEET OF

and the second second

A first near a very tall attenues in least promited analysis of the middle frontes what and quantum 2 of I are a supplied to the supplied of t

These formeral statements have threefine been propored in accombance with incommon transit of getting to an ex-

John Printer consumer

الزود فتحرير والتحاريان والطنطيني والانتانية والانتان الرمونا أعامنا منجر وعنجير بعدير

On largest Desputy in staid the sample of the Company was accombined in travely but the multiple executive between the multiple to the public presents to accombing with the many and the public presents to accombine the multiple of the public presents to accombine the public of the

The annulture Company in which the regulate of the Company are consolidated assumed bothings derivated from a second control of the control o

et dans temporarise 11

The Ose of January 1974, the Company sequined the estation because of automatical Clarettee grant at this are to

Security of the each discount (4)

the development of the form of