

# Royal Bank of Scotland Group

The Capital Requirements (Country-by-Country Reporting)  
Regulations 2013

31 December 2017

# RBSG Country by country tax breakdown 2017

Country	Income <sup>(1)</sup>	Profit/(loss) before tax <sup>(1)</sup>	Tax paid/(received) <sup>(2)</sup>	Subsidies received	Headcount	
	£m	£m	£m	£m	Average FTE including temporary staff	FTE including temporary staff as at the year end 31.12.2017
UK	11,868	3,077	444	-	53,495	50,969
Guernsey	73	50	8	-	149	141
Isle of Man	55	19	2	-	520	514
Jersey	183	84	12	-	822	830
UK Region	12,179	3,230	466	-	54,986	52,454
Belgium	-	(1)	-	-	5	-
Czech Republic	-	(3)	(1)	-	3	-
Denmark	-	(1)	1	-	1	-
Finland	7	6	2	-	6	4
France	2	(7)	(1)	-	44	35
Germany	(3)	(17)	2	-	24	16
Gibraltar	35	4	2	-	87	81
Greece	-	(5)	-	-	8	1
Ireland	547	(130)	3	-	2,556	2,439
Italy	(2)	(13)	-	-	12	9
Luxembourg	17	7	3	-	54	53
Netherlands	(207)	(361)	-	-	118	25
Norway	4	3	1	-	2	2
Poland	1	-	2	-	1,443	1,367
Spain	-	(12)	(2)	-	16	14
Sweden	26	17	4	-	32	27
Switzerland	114	21	5	-	273	257
Turkey	15	7	(1)	-	25	18
Europe Region	556	(485)	20	-	4,709	4,348
USA	197	(580)	-	-	617	542
Cayman Islands	1	-	-	-	-	-
US Region	198	(580)	-	-	617	542

# RBSG Country by country tax breakdown 2017 continued

Country	Income <sup>(1)</sup>	Profit/(loss) before tax <sup>(1)</sup>	Tax paid/(received) <sup>(2)</sup>	Subsidies received	Headcount	
	£m	£m	£m	£m	Average FTE including temporary staff	FTE including temporary staff as at the year end 31.12.2017
Australia	1	(12)	-	-	10	5
China	4	3	7	-	-	-
Hong Kong	30	11	-	-	33	21
India	31	53	28	-	13,310	13,541
Indonesia	-	(1)	-	-	-	-
Japan	18	2	-	-	51	44
Korea, Republic of	2	(2)	-	-	4	-
Malaysia	2	-	-	-	7	-
Singapore	44	(35)	-	-	244	196
Taiwan	1	(9)	-	-	1	-
Asia Pacific Region	133	10	35	-	13,660	13,807
Argentina	-	(1)	-	-	1	-
Canada	-	-	2	-	-	-
Saudi Arabia <sup>(3)</sup>	67	67	-	-	-	-
United Arab Emirates	-	(2)	-	-	7	2
Rest of World Region	67	64	2	-	8	2
UK Region	12,179	3,230	466	-	54,986	52,454
US Region	198	(580)	-	-	617	542
EU Region	556	(485)	20	-	4,709	4,348
Rest of World Region	200	74	37	-	13,668	13,809
<b>Global Total</b>	<b>13,133</b>	<b>2,239</b>	<b>523</b>	<b>-</b>	<b>73,980</b>	<b>71,153</b>

(1) Prepared on the same basis as described in the accounting policies in the RBSG Annual Report and Accounts at <https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2017.pdf> from page 251.

(2) Includes amounts in respect of prior periods and therefore does not necessarily have a direct correlation to profits or losses arising in the year.

(3) Represents post tax profit of an associate, reported in other income as required by IFRS. Shareholders in this associate paid £9m of tax in Saudi Arabia in 2017.

(4) A full list of RBSG subsidiaries' names, nature of activities and geographical locations is available at note 15 of the RBSG parent company accounts at <https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/annual-report-2017.pdf> from page 344.

(5) The amounts shown above are presented to the nearest million and as a result any amounts less than £500k have been rounded to zero.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL BANK OF SCOTLAND GROUP**

### **Opinion**

We have audited the country-by-country schedule and notes 1 to 5 to the schedule (together 'the Schedule') of The Royal Bank of Scotland Group (the 'Company') for the year ended 31 December 2017.

In our opinion, the accompanying country-by-country information, labelled as audited in the Schedule, of the Company as at 31 December 2017 is prepared, in all material respects, in accordance with the requirements of The Capital Requirements (Country-by-Country Reporting) Regulations 2013 ('the Regulations').

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedule* section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Schedule in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter - Basis of Accounting and Restriction on Use**

We draw attention to Note 1 to the Schedule, which describes the basis of accounting. The Schedule is prepared to assist the Company in meeting the requirements of the Regulations. As a result the Schedule may not be suitable for another purpose. This report is made solely to the company's directors, as a body, in accordance with our engagement letter dated 22 January 2018. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body, for our audit work, for this report, or for the opinions we have formed. Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Those Charged with Governance for the Schedule**

Management is responsible for the preparation of the Schedule in accordance with the Regulations, for the appropriateness of the basis of preparation and the interpretation of the Regulations as they affect the preparation of the Schedule, and for such internal control as management determines is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Schedule**

Our objectives are to obtain reasonable assurance about whether the Schedule is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Schedule.

A further description of our responsibilities for the audit of the Schedule is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Jonathan Bourne.



Ernst & Young LLP  
London  
27 March 2018

#### Notes:

1. The maintenance and integrity of the RBS web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Schedule since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of the Schedule may differ from legislation in other jurisdictions.