Citicorp Trustee Company Limited
MIFIDPRU Disclosure

31st December 2022

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Introduction

Citicorp Trustee Company Limited ("CTCL" or "the Company") is a subsidiary of Citi Overseas Holdings Bahamas Limited ("COHBL"), whose ultimate parent is Citigroup Inc. ("Citi"). The Company offers corporate debt and project finance trustee services to issuers and borrowers in the international debt capital and financing markets.
The Company is authorised and regulated by the Financial Conduct Authority ("FCA") and is classified as limited licence firm under the Client Money Rules of the FCA.

Basis of Disclosure

Since 1st January 2022, the Company came in scope of the new FCA Investment Firms Prudential Regime ("IFPR") and the related rules set forth in the FCA MIFIDPRU rules, the prudential sourcebook for MiFID investment firms. It falls within the category of a Non Small Non-Interconnected ("Non-SNI") Firm under the new regime.

The Company is therefore required to provide relevant disclosures pursuant to the IFPR regime. These disclosures are in accordance with the requirements set forth in MIFIDPRU 8.

Frequency of Disclosure

These disclosures are prepared annually on a stand-alone basis. The disclosed information is proportionate to the Company's size and organisation, and to the nature, scope and complexity of its activities.

Means of Disclosure

The disclosure is published at:
https://www.citigroup.com/citi/investor/reg.htm

Risk Management Objectives and Policies

The Company has limited risk exposure due to the nature of its business. The Company does not assume balance sheet risk as it does not book products or positions to its balance sheet. Additionally, while it has regulatory permissions relating to dealing, arranging deals and safeguarding and administration of bonds, notes and shares, in practice CTCL does not use all of these permissions.

CTCL has risk management processes in place, commensurate with the limited nature of its business, to ensure that it has effective systems and controls in place to identify, monitor and manage the risks it faces. The key risks identified as applicable to CTCL and the mitigations thereof, are provided in the table below.

Table 1: Key risks and mitigations

Risk type	Consideration	Mitigation
Fiduciary Risk	Fiduciary risk primarily materialises from failure of the business to monitor its obligations under the trust agreements or governing documents, in particular, to monitor whether or not an Event of Default has occurred and to discharge its duties effectively in the best interest of its note holders.	• Legal obligations of the trustee are typically limited per the legal documentation. The business and management actively monitor transactions which are in distress or in default. This allows the business to be sensitive to developments and act in accordance with the legal documentation.
Reputational Risk & Franchise Risk	Reputation and franchise risk, stems from fiduciary risk and the failure to act in accordance with its legal obligations and effective discharge of duties. This could lead to litigation or public censure which would have a negative impact on Citi	• For each default case, the business has access to external legal counsel to help ensure the business acts in accordance with legal documents and in the best interests of note holders. • Each default case is discussed at various business meetings, enabling senior management oversight on developments with case; • This allows the business to fulfil its fiduciary duties and therefore reduces any reputational & franchise risk which may arise; • CTCL benefits from the organisation structure and procedures of Issuer Services, which includes specialised teams to manage transactional events including restructuring and default; • In particular, a specialised Restructuring team, staffed by qualified lawyers supports CTCL transactions for these events; • Additionally, procedures include working closely with Internal and External counsel and Citi's Global Public Affairs
Human Capital risk	Human capital risk – is the risk of limited access to sufficiently qualified staff with fiduciary expertise to manage portfolio and act in accordance with legal documentation	• The business has access to several senior individuals with 20+ years in fiduciary roles. Also, the fiduciary team is made up of ex-lawyers familiar with covenants in legal documents

Risk management overview

Management has oversight of the key risks and controls impacting CTCL via the Regional Fiduciary forum. The forum meets quarterly and is responsible for overseeing fiduciary activities, as specifically defined in the "Activities Subject to OCC Regulation 9 and Fiduciary Activities Policy and Standards" ("Fiduciary Policy") conducted by the EMEA fiduciary businesses reporting into the Committee. The forum is charged in relation to Regional Fiduciary Activities including, but not limited to:

- Addressing compliance, operational, credit, strategic and reputational risk issues for fiduciary activities.
- Reviewing potential fiduciary issues, potential conflicts of interest, issues related to strategic initiatives, and regulatory matters;
- Escalating significant items to the Securities Services Regional Fiduciary Oversight Committee;
- Overseeing compliance with the Citi's activities subject to OCC Reg 9 and Fiduciary Activities Policy and Standards (the "Fiduciary Policy") to ensure adherence to applicable laws, regulations, regulatory guidance and fiduciary policies and standards;
- Providing guidance and direction on any significant issues involving breaches of fiduciary duties and required corrective action, potential and current issues, strategic initiatives and regulatory matters and escalating significant items to the Securities Services Regional Fiduciary Oversight Committee;
- Recommending changes to business-level policies, procedures, and training;
- Reviewing significant regulatory examination, Internal Audit, and MCA findings relating to the EMEA fiduciary businesses and make appropriate recommendations; and
- Reviewing periodic reports provided by the regional fiduciary businesses and make appropriate recommendations.

CTCL is also subject to internal policies and procedures relating to controls, and the business utilizing the legal vehicle is subject to ongoing review through testing performed by first line of defence as well as reviews conducted by second and third lines of defence.

Governance Arrangements

The Board of Directors provides leadership and has oversight responsibilities of CTCL's business. The Board is ultimately accountable for CTCL's strategy and performance; financial reporting, risks and controls; structure and capital; and corporate governance arrangements. The Board meets quarterly and on ad-hoc basis as required. Business functions across CTCL are responsible for preparing and collating all papers and supporting documentation for reporting to the Board. Papers are circulated to the Directors a week in advance of each Board meeting.

CTCL's Board is composed of a CEO and an Executive Director. The following table provides the detail of the directors and the number of directorships held by each member as at 31st December, 2022.

Table 2: Board of Directors

Name	SMF Function	Biography	Total Number of Directorships
Andrew Mulley	SMF1 CEO SMF 9 (Chair of Governing Body)	Andrew Mulley joined the Board on 29th April, 2019. He is the EMEA Head of Issuer Services. Previously held senior management roles at JP Morgan Chase Bank and Shinsei Bank.	2
Anoop Ghai	SMF3 Executive Director	Anoop Ghai joined the Board on 30th December, 2019. He is the Citi Country Officer for Channel Islands and has over forty years of experience in banking services.	9

Board Committees

The daily management of the business is delegated to two governance committees:

- **Operating forum (regional quarterly fiduciary forum):** The Operating forum's purpose is to review activity of CTCL's portfolio, manage annual audits and ensure compliance with procedures and Citi's activities subject to OCC Reg 9 and Fiduciary Activities Policy and Standards (the "Fiduciary Policy"). The forum operates on behalf of CTCL's Board and has the authority to require further information in order to conduct its review and may hold over decisions pending receipt of such information.

- **New Business forum (weekly deal review):** The New Business forum's purpose is to review and, as appropriate, approve or reject proposed new transactions. The forum operates on behalf of CTCL's Board and has the authority to require further information in order to conduct its review and may hold over decisions pending receipt of such information.

Risk, remuneration and nomination committees (MIFIDPRU 7.3)

CTCL's last 4 years average asset was £17.9 million, which is below the thresholds laid down in MIFIDPRU 7.1.4 and therefore it is not required to establish Risk, remuneration and nomination committees as per MIFIDPRU 7.3.

Own Funds

As of 31st December 2022, CTCL's own funds constitute of share capital, retained earnings and other reserves, which together comprise of the CET1 capital. The company does not have any Additional Tier 1 Capital and Tier 2 Capital.

Table 3: OF1 - Composition of regulatory own funds

	Items	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	**OWN FUNDS**	17,004	
2	**TIER 1 CAPITAL**	17,004	
3	**COMMON EQUITY TIER 1 CAPITAL**	**17,004**	
4	Fully paid-up capital instruments	4,000	Page 15, Note 11
5	Share premium	-	
6	Retained earnings	12,979	Page 9, 'Balance Sheet'
7	Accumulated other comprehensive income	-	
8	Other reserves	25	Page 9, 'Balance Sheet'
9	Adjustments to CET1 due to prudential filters	-	
10	Other funds	-	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-	
19	CET1: Other capital elements, deductions and adjustments	-	
20	**ADDITIONAL TIER 1 CAPITAL**	**-**	
21	Fully paid up, directly issued capital instruments	-	
22	Share premium	-	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
24	Additional Tier 1: Other capital elements, deductions and adjustments	-	
25	**TIER 2 CAPITAL**	**-**	
26	Fully paid up, directly issued capital instruments	-	
27	Share premium	-	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	
29	Tier 2: Other capital elements, deductions and adjustments	-	

Table 4: OF2 - Reconciliation of regulatory own funds to balance sheet in the audited financial Statements

	a	b	c
	Balance sheet as in published/audited financial statements	**Under regulatory scope of consolidation**	**Cross reference to template OF1 (above)**
Amount (GBP thousands)	**As at period end**	**As at period end**	
Assets - Breakdown by asset classes according to the balance sheet in the audited financial statements			
Cash at bank and in hand	15,600	n/a	
Debtors	4,522	n/a	
Total Assets	**20,122**		
Liabilities - Breakdown by liability classes according to the balance sheet in the audited financial statements			
Creditors: amount falling due within one year	(2,864)	n/a	
Creditors: amounts falling due after more than one year	(254)	n/a	
Total Liabilities	**(3,118)**		
Shareholders' Equity			
Called up share capital	4,000	n/a	4 - Fully paid-up capital instruments
Capital reserves	25	n/a	8 - Other reserves
Profit and loss account	12,979	n/a	6 - Retained earnings
Total Shareholders' equity	**17,004**		

Table 5: OF3 - Main features of own instruments issued by CTCL

Capital instruments main features	
Public or private placement	Private
Instrument type	Ordinary shares
Amount recognised in regulatory capital (GBP thousands, as of most recent reporting date)	4,000
Nominal amount of instrument	4,000
Issue price	£1
Redemption price	N/A
Accounting classification	Called up shared capital
Original date of issuance	1988
Perpetual or dated	Perpetual
Maturity date	N/A
Issuer call subject to prior supervisory approval	N/A
Optional call date, contingent call dates and redemption amount	N/A
Subsequent call dates, if applicable	N/A
Coupons/dividends	N/A
Fixed or floating dividend/coupon	N/A
Coupon rate and any related index	N/A
Existence of a dividend stopper	N/A
Convertible or non-convertible	N/A
Write-down features	N/A
Link to the terms and conditions of the instrument	N/A

Own Funds Requirements

CTCL must at all times have capital over and above the highest of the following:

- Permanent Minimum Requirement ("PMR") – As defined by the regulation is £750,000 for CTCL;
- Fixed overheads Requirement ("FOR") – is equal to 25% of CTCL's relevant expenditure of £1,984,872, which equates to £496,218; or
- K-factor requirement - As CTCL does not utilise, nor does it plan to utilise, its permissions to trade on its own account, the K-factor requirements are zero for each of the nine requirement categories. If this changes, this assumption will have to be reconsidered.

This fixes CTCL's capital requirement to the PMR at £750,000.

ICARA Process

CTCL assesses the key risks and harms, along with its Own funds adequacy, Liquid asset adequacy and Recovery and Wind down process through the Internal capital adequacy and risk assessment ("ICARA").

The ICARA assessment is performed annually and presented to and approved by the CTCL Board.

Overall financial adequacy rule

As outlined in MIFIDPRU 7.4.7R, CTCL must at all times, hold adequate and quality own funds and liquid assets, to ensure it remains financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities, and that its business can be wound down in an orderly manner, minimising harm to customers or to other market participants.

As at 31st December 2022, CTCL maintained £17 million own funds against a requirement of £0.75 million and core liquid assets of £12.6 million against a Liquid asset threshold requirement of £3.2 million.

Remuneration Policies & Practices

Citi's Compensation Philosophy

Citi's compensation programs are designed to appropriately balance the incentives offered to employees who take risks to achieve financial and competitive performance objectives and the need to prudently manage those risks along with other imperatives. Citi Compensation Philosophy is available online at: https://www.citigroup.com/rcs/citigpa/storage/public/comp-phil-policy.pdf.

Currently there are no staff employed within CTCL therefore, there is no remuneration policy to disclose at the entity level.

Remuneration Governance

CTCL is subject to supervision of the EMEA Remuneration Oversight Group ("EMEA ROG"), a management group designed to provide EMEA-wide remuneration oversight, advice, and governance support. The Compensation, Performance Management and Culture Committee (the "CPC Committee") fulfils the role of the remuneration committee at the Group level.

Material Risk Takers (MRTs)

CTCL annually identifies its MRTs and maintains a record of those identified. This process captures the categories of individuals whose professional activities are determined as having a material impact on the Entity's risk profile.

CTCL has identified four Senior Managers under the requirements of the Senior Manager and Certification Regime and 30 MRTs under the requirements of SYSC 19G.5 for the 2022 performance year. However, all individuals identified as MRTs and Senior Managers for the Entity, are employed by other Citi legal entities. As such, CTCL has nil to report under the disclosure requirements of MIFIDPRU 8.6.8, because none of the individuals identified as MRTs or Senior Managers for the entity are employed by or have any remuneration awarded by CTCL.

Details regarding remuneration of CTCL Directors, can be found in the financial statement for 2022 financial year.