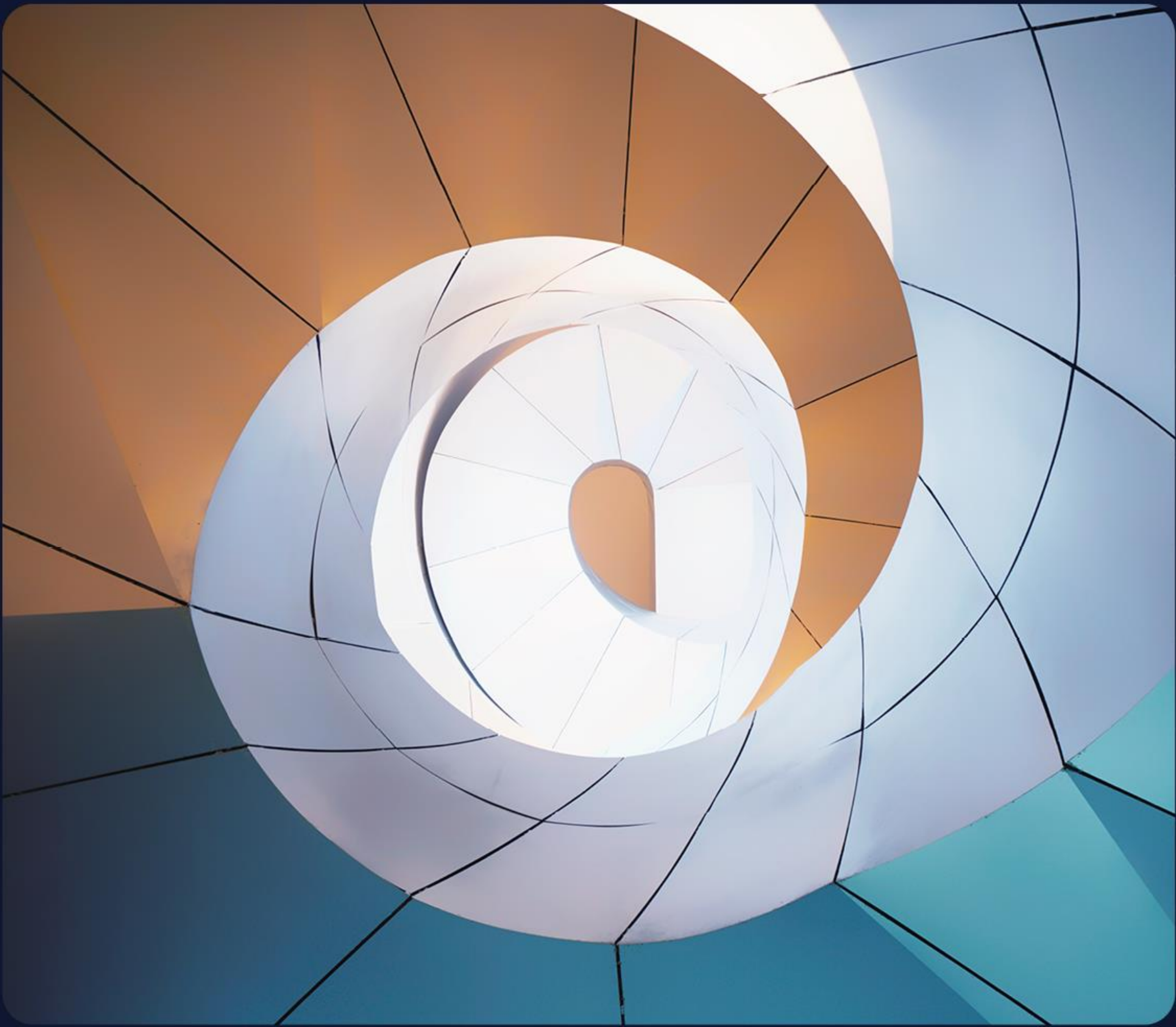

Citigroup Global Markets Limited

Pillar 3 Disclosures

31 March 2023

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Introduction

Citigroup Global Markets Limited ("CGML" or "the Company") is a wholly owned, indirect subsidiary of Citigroup Inc. ("Citi"). It is Citi's international broker dealer, providing products and services for institutional clients. CGML acts as a market maker in equity, fixed income and commodity products across cash, over-the-counter ("OTC") derivatives and exchange traded markets, as well as a provider of investment banking capital markets and advisory services. CGML operates globally, generating the majority of its business from the Europe, Middle East and Africa ("EMEA") region with the remainder coming from Asia and the Americas.

CGML is authorised by the Prudential Regulation Authority ("PRA") and regulated by the PRA and Financial Conduct Authority ("FCA"). CGML is also a Commodity Futures Trading Commission ("CFTC") and United States Securities Exchange Commission ("SEC") registered swap dealer, and is considered a Risk-Taking Operating Material Legal Entity ("MLE") in Citi's Global Resolution Plan.

As at 31 March 2023, CGML had four branch offices and four subsidiaries.

Subsidiaries
Citigroup Global Markets Europe AG (Germany)
Citi Global Wealth Management S.A.M. (Monaco)
Citigroup Global Markets Funding Luxembourg SCA
Citigroup Global Markets Funding Luxembourg GP S.a.R.L.

CGML's business falls within the Institutional Clients Group ("ICG") segment of Citi's operations and is almost entirely wholesale in nature, with a client base that encompasses corporates, financial institutions, institutional and other investors, as well as governments and public sector entities. CGML's principal business activities are outlined on page 1 and 2 of CGML's 2022 Financial Statements.

Regulatory framework for disclosure

Amending the Capital Requirements Directive ("CRD IV"), the Capital Requirements Directive ("CRD V") came into effect on 27 June 2019 and implements the provisions of the Basel Capital Accord in the European Union (EU) and mandates a framework of capital adequacy regulation for banks and investment firms incorporating three distinct pillars:

- Pillar 1 prescribes the minimum capital requirements for such firms;
- Pillar 2 addresses the associated supervisory review process; and,
- Pillar 3 specifies further public disclosure requirements in respect of their capital and risk profile.

Following the UK's departure from the EU, the UK has on-shored certain parts of the Capital Requirements Regulation ("CRR II") and CRD V and has published rules to implement elements of CRR II in the UK which came into effect on 1 January 2022. These disclosures are made in accordance with Part 8 of the CRR as amended by CRR II and transposed through UK legislation in line with the disclosure requirements detailed in the PRA Rulebook. In addition, CGML implemented the disclosure templates and instructions as set out in the final rules published by the PRA in Policy Statement 22/21.

These disclosures are prepared for CGML on a consolidated Group basis. As at 31 March 2023, Citigroup Global Markets Europe AG ("CGME") was the only material subsidiary of CGML. CGME is supervised by the European Central Bank ("ECB").

Means of disclosure

CGML is a non-listed large institution as defined by Article 4 (146 and 148) of the CRR and prepares disclosures in accordance with Article 433a (2), 433a (3) and 433a (4). As such, CGML publishes Pillar 3 disclosures quarterly, with a more comprehensive disclosure on an annual basis.

CGML publishes its Pillar 3 disclosures at: https://www.citigroup.. com/citi/investors/reg.htm

Disclosures for CGML's material subsidiary, CGME, are also published at the above location.

Policy and Verification

In accordance with Article 431 (3) of the CRR, CGML's Pillar 3 disclosures are governed under Citi's Basel Public Disclosures Policy and associated Pillar 3 Standard, which together outline the principles and standards to be applied for preparing CGML's Pillar 3 disclosures. The firm operates within a framework of internal controls and procedures for assessing the appropriateness of this disclosure.

"I confirm that I have taken reasonable measures to ensure that the information presented in this disclosure complies with the requirements of Part 8 of on-shored Regulation (EU) No 575/2013 and its subsequent amendments (2019/876), and Section 4 of the PRA rulebook on Disclosure, and has been prepared in accordance with the internal processes, systems and controls as detailed in Citi's Basel Public Disclosure Policy and supporting Pillar 3 Standard."

Francisco Tobias
SMF2 Chief Finance

Leverage

The leverage ratio is a measure which allows for the assessment of an institutions' exposure to the risk of excessive leverage. It is a simple non-risk based measure to reinforce the risk based capital framework. The Basel III Framework ensures broad and adequate capture of both the on and off-balance sheet sources of banks and investment firms' leverage and aims to constrain the build-up of excess leverage in the financial sector.

CGML currently calculates the leverage ratio in accordance with the Commission Delegated Regulation (EU) 2015/62. The PRA and FPC have published their Policy Statement, PS21/21, on the UK leverage ratio framework. Under these rules, CGML is an LREQ firm and became subject to a minimum leverage ratio of 3.25% from 1 January 2023 and follows the PRA and FPC's rules on leverage ratio disclosures from 1 January 2023.

CGML manages its leverage ratio through the use of a Management Action Trigger framework, with daily monitoring in place to maintain a robust leverage ratio. Furthermore, both actuals and forecasted leverage metrics are reported to the UK Capital Forum and UK ALCO monthly.

Table 1: Leverage ratio common disclosure (UK LR2 – LRCom)

		31 March 2023	31 December 2022
		$ million	$ million
Capital and total exposure measure			
23	**Tier 1 capital (leverage)**	26,968	26,812
24	Total exposure measure including claims on central banks	458,349	416,871
UK-24a	(-) Claims on central banks excluded	(2,902)	(2,795)
UK-24b	**Total exposure measure excluding claims on central banks**	455,447	414,076
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	5.9%	6.5%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.9%	-
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	-	-
UK-25c	Leverage ratio including claims on central banks (%)	5.9%	-
26	Regulatory minimum leverage ratio requirement (%)[1]	3.25%	-
Additional leverage ratio disclosure requirements – leverage ratio buffers			
27	Leverage ratio buffer (%)	0.2%	-
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	0.0%	-
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.2%	-
Additional leverage ratio disclosure requirements – disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	-	-
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
UK-31	Average total exposure measure including claims on central banks	439,960	-
UK-32	Average total exposure measure excluding claims on central banks	437,097	-
UK-33	Average leverage ratio including claims on central banks	6.1%	-
UK-34	Average leverage ratio excluding claims on central banks	6.2%	-

[1] Effective from 1 January 2023, CGML is subject to additional disclosure requirements for Leverage Ratio as a designated LREQ firm. Comparatives for these additional disclosures are therefore not provided.

CGML's leverage ratio decreased to 5.9% over the first quarter, primarily reflecting increased trading volumes and seasonal growth across Derivatives and Securities Financing Transactions ("SFT").

Minimum Requirement for Own Funds and Eligible Liabilities

From January 2019, systemically important banks were required to hold additional long-term debt which could be made available to absorb losses from a failing institution, known as Total Loss Absorbing Capacity ("TLAC"), or Minimum Requirement for Own Funds and Eligible Liabilities ("MREL") as implemented in the UK.

In the EU these requirements were introduced under CRR II as the MREL, with effect from June 2019. MREL requirements under CRR II were adopted to UK law by The Capital Requirements (Amendment) (EU Exit) Regulations 2019. MREL is a requirement for firms to maintain a minimum amount of loss-absorbing resources over and above the own funds requirements. This helps to ensure that when firms fail, the resolution authority (the Bank of England) can use a firm's own financial resources to absorb losses and recapitalise the business so it can continue to provide critical functions without the need to rely upon public funds and without threatening financial market stability. MREL resources can take the form of regulatory capital and certain types of debt liabilities (or eligible liabilities) that will be written down and/or converted to equity if a firm is likely to fail.

CGML, as a material subsidiary of a non-UK/non-EU Global Systemically Important Institution ("G-SII") under Article 92b of CRR II, makes these disclosures in accordance with point (b) of Article 430 (1), Article 437a and point (h) of Article 447. These tables have been prepared using the uniform format set out in the Basel Committee for Banking Supervision Standard on Pillar 3 disclosure requirements published in 2017. As at 31 March 2023, CGML is subject to a minimum CRR II internal MREL requirement of the higher of 18% of RWA or 6.75% of leverage exposures, both subject to a 90% scalar.

Table 2: TLAC composition (TLAC1)

The table below provides details of the composition of CGML's internal TLAC eligible instruments.

		31 March 2023	31 December 2022
		$ million	$ million
Regulatory capital elements of TLAC and adjustments			
1	**Common Equity Tier 1 (CET1) capital**	22,668	22,512
2	Additional Tier 1 (AT1) capital before TLAC adjustments	4,300	4,300
3	AT1 capital ineligible as TLAC as issued out of subsidiaries to third parties	-	-
4	Other adjustments	-	-
5	**AT1 instruments eligible under the TLAC framework**	4,300	4,300
6	Tier 2 (T2) capital before TLAC adjustments	2,600	2,600
7	Amortised portion of Tier 2 instruments where remaining maturity > 1 year	-	-
8	Tier2 capital ineligible as TLAC as issued out of subsidiaries to third parties	-	-
9	Other adjustments	-	-
10	**Tier2 instruments eligible under the TLAC framework**	2,600	2,600
11	**TLAC arising from regulatory capital**	29,568	29,412
Non-regulatory capital elements of TLAC			
12	Internal TLAC instruments issued directly by the entity and subordinated to excluded liabilities	8,500	8,500
13	Internal TLAC instruments issued directly by the entity which are not subordinated to excluded liabilities but meet all other TLAC Term Sheet requirements	-	-
17	**TLAC arising from non-regulatory capital instruments before adjustments**	8,500	8,500
Non-regulatory capital elements of TLAC: adjustments			
18	TLAC before deductions	38,068	37,912
19	Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to single point of entry G-SIBs)	-	-
20	Deduction of investments in own other TLAC liabilities	-	-
21	Other adjustments to TLAC	-	-
22	**TLAC after deductions**	38,068	37,912
Risk-weighted assets (RWA) and leverage exposure measure for TLAC purposes			
23	Total RWA[1] adjusted as permitted under the TLAC regime	164,896	148,373
24	Leverage exposure measure	455,447	414,076
TLAC ratios and buffers			
25	TLAC (as a percentage of RWA adjusted as permitted under the TLAC regime)	23.1%	25.6%
26	TLAC (as a percentage of leverage exposure)	8.4%	9.2%
27	CET1 (as a percentage of RWA) available after meeting the entity's minimum capital and TLAC requirements	6.9%	9.4%
28	Bank-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss-absorbency requirement, expressed as a percentage of RWA)	2.9%	2.9%
29	Of which: capital conservation buffer requirement	2.5%	2.5%
30	Of which: bank-specific countercyclical buffer requirement	0.4%	0.4%
31	Of which: higher loss-absorbency requirement	-	-

[1] As detailed in the Q4 2022 Pillar 3 disclosure, the comparative RWAs for 31 December 2022 are impacted by an error in the calculation of Market Risk RWA of circa. $2 billion. This has been remediated for the 31 March 2023 RWAs.

Across the first quarter, CGML's RWA increased by $16.5 billion, primarily reflecting seasonal business growth and the impacts of continued market volatility.

Abbreviations

Please refer to the below abbreviations used frequently throughout the document.

CET1	Common Equity Tier 1
CFTC	Commodity Futures Trading Commission
CGME	Citigroup Global Markets Europe AG
CGML	Citigroup Global Markets Limited
CITI	Citigroup Inc.
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CVA	Credit Valuation Adjustment
ECB	European Central Bank
EMEA	Europe, Middle East and Africa
EU	European Union
FCA	Financial Conduct Authority
FPC	Financial Policy Committee
G-SII	Global Systemically Important Institution
ICG	Institutional Clients Group
LREQ	Leverage Ratio Requirement
MLE	Material Legal Entity
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
OTC	Over The Counter
PRA	Prudential Regulation Authority
RWA	Risk Weighted Assets
SEC	Securities Exchange Commission
SFT	Securities Financing Transaction
TLAC	Total Loss Absorbing Capacity