Citigroup Global Markets Limited

Pillar 3 Disclosures

30 June 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 30 June 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 30 June 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 Article 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

Key Metrics

Table 1: Key metrics template (UK KM1)

		30 June 2023	31 December 2022	30 June 2022
	Available own funds (amounts)	$ million	$ million	$ million
1	Common Equity Tier 1 ("CET1") capital	**22,533**	22,512	22,516
2	Tier 1 capital	**26,833**	26,812	26,816
3	Total capital	**29,433**	29,412	29,416
	Risk-weighted exposure amounts			
4	Total risk-weighted exposure amount[1]	**151,792**	148,373	164,372
	Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	**14.8%**	15.2%	13.7%
6	Tier 1 ratio (%)	**17.7%**	18.1%	16.3%
7	Total capital ratio (%)	**19.4%**	19.8%	17.9%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)			
UK 7a	Additional CET1 SREP requirements (%)	**1.4%**	1.3%	1.1%
UK 7b	Additional AT1 SREP requirements (%)	**0.5%**	0.4%	0.4%
UK 7c	Additional T2 SREP requirements (%)	**0.6%**	0.6%	0.5%
UK 7d	Total SREP own funds requirements (%)	**10.5%**	10.3%	10.0%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	**2.5%**	2.5%	2.5%
UK 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	**–**	–	–
9	Institution specific countercyclical capital buffer (%)	**0.6%**	0.4%	0.1%
UK 9a	Systemic risk buffer (%)	**–**	–	–
10	Global Systemically Important Institution buffer (%)	**–**	–	–
UK 10a	Other Systemically Important Institution buffer	**–**	–	–
11	Combined buffer requirement (%)	**3.1%**	2.9%	2.6%
UK 11a	Overall capital requirements (%)	**13.5%**	13.2%	12.6%
12	CET1 available after meeting the total SREP own funds requirements (%)	**8.9%**	9.4%	7.9%
	Leverage ratio			
13	Total exposure measure excluding claims on central banks	**456,912**	414,076	422,522
14	Leverage ratio excluding claims on central banks (%)	**5.9%**	6.5%	6.3%
	Additional leverage ratio disclosure requirements[2]			
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**5.9%**	–	–
14b	Leverage ratio including claims on central banks (%)	**5.8%**	–	–
14c	Average leverage ratio excluding claims on central banks (%)	**5.8%**	–	–
14d	Average leverage ratio including claims on central banks (%)	**5.8%**	–	–
14e	Countercyclical leverage ratio buffer (%)	**0.2%**	–	–
	Liquidity Coverage Ratio			
15	Total high-quality liquid assets ("HQLA") (Weighted value -average)	**50,000**	45,211	37,475
UK 16a	Cash outflows – Total weighted value	**49,032**	51,594	52,844
UK 16b	Cash inflows – Total weighted value	**34,824**	38,621	40,570
16	Total net cash outflows (adjusted value)	**14,513**	14,291	13,802
17	Liquidity coverage ratio ("LCR") (%)	**346.1%**	317.8%	274.0%
	Net Stable Funding Ratio			
18	Total available stable funding	**80,693**	79,498	78,890
19	Total required stable funding	**58,215**	57,367	59,078
20	Net Stable Funding Ratio ("NSFR") (%)	**139.0%**	138.9%	133.9%

[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 was remediated in Q1 2023.
[2] CGML is a UK Leverage Ratio Capital Requirement ("LREQ") firm in line with instructions included in Annex II of the PS 21/21 effective from 1 January 2023. As such, additional disclosure requirements are now applicable.

As at 30 June 2023, CGML's CET1 ratio stands at 14.8%, a decrease of 0.4% compared to 31 December 2022 . This is driven by a $3.4 billion increase in RWA, with the material drivers being market risk and counterparty credit risk.

CGML's leverage ratio decreased to 5.9% as at 30 June 2023, reflecting a $42.8 billion increase in leverage exposures resulting from planned seasonal business activity and increased derivative exposures.

CGML's 12 months average liquidity coverage ratio increased in 2023 primarily due to a drop of net outflows from equities in Q2.

Own Funds

Table 2: Composition of regulatory own funds (UK CC1)

This template is prepared in accordance with Annex VII of the PRA rulebook and presents CGML's consolidated capital resources as at 30 June 2023.

		30 June 2023 $ million	31 December 2022 $ million
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	19,999	19,999
2	Retained earnings	3,108	2,992
3	Accumulated other comprehensive income (and other reserves)	927	1,023
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	24,034	24,014
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(710)	(745)
8	Intangible assets (net of related tax liability) (negative amount)	(320)	(289)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(141)	(96)
15	Defined-benefit pension fund assets (negative amount)	(232)	(168)
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(58)	(89)
UK-20c	of which: securitisation positions (negative amount)	(47)	(73)
UK-20d	of which: free deliveries (negative amount)	(11)	(16)
27a	Other regulatory adjustments to CET1 capital *(including IFRS 9 transitional adjustments when relevant)*	(39)	(115)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(1,501)	(1,502)
29	**Common Equity Tier 1 (CET1) capital**	22,533	22,512
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	4,300	4,300
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	4,300	4,300
Additional Tier 1 (AT1) capital: regulatory adjustments			
44	**Additional Tier 1 (AT1) capital**	4,300	4,300
45	**Tier 1 capital (T1 = CET1 + AT1)**	26,833	26,812
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	2,600	2,600
51	**Tier 2 (T2) capital before regulatory adjustments**	2,600	2,600
Tier 2 (T2) capital: regulatory adjustments			
57	**Total regulatory adjustments to Tier 2 (T2) capital**	-	-
58	**Tier 2 (T2) capital**	2,600	2,600
59	**Total capital (TC = T1 + T2)**	29,433	29,412
60	**Total Risk exposure amount**	151,792	148,373
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	14.8%	15.2%
62	Tier 1 (as a percentage of total risk exposure amount)	17.7%	18.1%
63	Total capital (as a percentage of total risk exposure amount)	19.4%	19.8%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	8.9%	8.7%
65	of which: capital conservation buffer requirement	2.5%	2.5%
66	of which: countercyclical buffer requirement	0.6%	0.4%
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)**	8.1%	9.4%
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	937	1,311
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	1	1
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	183	337
Applicable caps on the inclusion of provisions in Tier 2		-	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		-	-

Details of the main features, terms and conditions of CGML's capital instruments including eligible liabilities are outlined in Appendix 1.

Capital Requirements

CGML complies with the minimum Pillar 1 capital requirements in accordance with Article 92 of the CRR. The capital requirements consist primarily of credit risk, counterparty credit risk, credit valuation adjustment, securitisation, market risk, large exposures in the trading book and operational risk.

CGML uses a combination of standardised and internal model approaches, in line with its regulatory permissions, to calculate its Pillar 1 capital requirements. Details of the approaches used to calculate Exposure at Default ("EAD") and Risk Weighted Assets ("RWA") can be found in CGML's Q4 2022 Pillar 3 disclosure. Where own funds requirements are provided in these disclosures, this represents the total minimum capital charge of 8% of RWAs.

Table 3: Overview of risk weighted exposure amounts (UK OV1)

		30 June 2023	31 December 2022	30 June 2023
		RWAs	RWAs	Total own funds requirements
		$ million	$ million	$ million
1	**Credit risk (excluding CCR)**	5,878	5,274	470
2	Of which the standardised approach	5,878	5,274	470
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which: slotting approach	-	-	-
UK 4a	Of which: equities under the simple risk weighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	**Counterparty credit risk - CCR**	73,814	71,778	5,905
7	Of which the standardised approach	21,724	23,264	1,738
8	Of which internal model method (IMM)	16,323	13,254	1,306
UK 8a	Of which exposures to a CCP	3,251	3,936	259
UK 8b	Of which credit valuation adjustment - CVA	7,350	8,306	588
9	Of which other CCR	25,181	23,018	2,014
15	**Settlement risk**	212	681	17
16	**Securitisation exposures in the non-trading book (after the cap)**	84	54	7
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	83	54	7
19	Of which SEC-SA approach	1	-	-
UK 19a	Of which 1250% / deduction	-	-	-
20	**Position, foreign exchange and commodities risk (Market risk)**	49,420	47,396	3,954
21	Of which the standardised approach	28,230	27,316	2,258
22	Of which IMA	21,190	20,079	1,695
UK 22a	**Large exposures**	-	-	-
23	**Operational risk**	21,839	22,694	1,747
UK 23a	Of which basic indicator approach	-	-	-
UK 23b	Of which standardised approach	1,014	769	81
UK 23c	Of which advanced measurement approach	20,825	21,925	1,666
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	457	842	37
25	**Other Risk Exposure Amounts**[1]	545	497	44
29	**Total**	151,792	148,373	12,143

[1]Other risk exposure amounts include additional risk exposure amount due to Article 3 of CRR.

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.

Table 4: Summary reconciliation of accounting assets and leverage ratio exposures (UK LR1 – LRSum)

This table summarises the total leverage exposure, comprising of the total assets in FINREP and other regulatory adjustments for leverage purposes.

		30 June 2023
		$ million
1	Total assets as per published financial statements	584,271
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	223
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for exemption of exposures to central banks)	(3,016)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) of the CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	(104,499)
9	Adjustment for securities financing transactions (SFTs)	23,706
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	3,012
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	-
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point I of Article 429a(1) of the CRR)	-
UK-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	-
12	Other adjustments	(46,786)
13	**Total exposure measure**	456,912

Table 5: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (UK LR3 – LRSpl)

		30 June 2023
		$ million
UK-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	176,999
UK-2	Trading book exposures	165,711
UK-3	Banking book exposures, of which:	11,288
UK-4	Covered bonds	-
UK-5	Exposures treated as sovereigns	3,288
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-
UK-7	Institutions	4,584
UK-8	Secured by mortgages of immovable properties	-
UK-9	Retail exposures	-
UK-10	Corporate	1,526
UK-11	Exposures in default	-
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	1,889

Table 6: Leverage ratio common disclosure (UK LR2 – LRCom)

This table shows a more granular breakdown of the leverage exposures and the leverage ratio calculation.

		30 June 2023 $ million	31 March 2023 $ million
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	160,341	143,847
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	–	–
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(27,084)	(28,334)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	–	–
5	(General credit risk adjustments to on-balance sheet items)	–	–
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(1,216)	(1,283)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	132,042	114,231
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	18,132	17,043
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	–	–
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	55,012	54,782
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	–	–
UK-9b	Exposure determined under the original exposure method	–	–
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(4,960)	(4,422)
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	–	–
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	–	–
11	Adjusted effective notional amount of written credit derivatives	868,793	1,066,354
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(806,201)	(1,001,573)
13	**Total derivatives exposures**	130,776	132,184
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	270,755	251,188
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(97,350)	(67,322)
16	Counterparty credit risk exposure for SFT assets	23,706	28,068
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	–	–
17	Agent transaction exposures	–	–
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	–	–
18	**Total securities financing transaction exposures**	197,111	211,934
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	–	–
20	(Adjustments for conversion to credit equivalent amounts)	–	–
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)		
22	**Off-balance sheet exposures**	–	–
Excluded exposures			
UK-22a	(Exposures excluded from the total exposure measure in accordance with point I of Article 429a(1) of the CRR)	–	–
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on- and off- balance sheet))	–	–
UK-22g	(Excluded excess collateral deposited at triparty agents)	–	–
UK-22k	**(Total exempted exposures)**	–	–
Capital and total exposure measure			
23	**Tier 1 capital (leverage)**	26,833	26,968
24	Total exposure measure including claims on central banks	459,929	458,349
UK-24a	(-) Claims on central banks excluded	(3,016)	(2,902)
UK-24b	**Total exposure measure excluding claims on central banks**	456,912	455,447
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	5.9%	5.9%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.9%	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 (%)	0.0%	0.0%
UK-25c	Leverage ratio including claims on central banks (%)	5.8%	5.9%
26	Regulatory minimum leverage ratio requirement (%)	3.25%	3.25%
Additional leverage ratio disclosure requirements – leverage ratio buffers			
27	Leverage ratio buffer (%)	0.2%	0.2%
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	0.0%	0.0%
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.2%	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	468,058	439,960
UK-32	Average total exposure measure excluding claims on central banks	465,094	437,097
UK-33	Average leverage ratio including claims on central banks	5.8%	6.1%
UK-34	Average leverage ratio excluding claims on central banks	5.8%	6.2%

There were no material changes in the total leverage exposures during Q2, with CGML's leverage ratio remaining at 5.9%.

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 30 June 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 7: TLAC composition (TLAC1)

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

		30 June 2023 $ million	31 March 2023 $ million
Regulatory capital elements of TLAC and adjustments			
1	**Common Equity Tier 1 (CET1) capital**	22,533	22,668
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**	29,433	29,568
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	37,933	38,068
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**	37,933	38,068
Risk-weighted assets (RWA) and leverage exposure measure for TLAC purposes			
23	Total RWA adjusted as permitted under the TLAC regime	151,792	164,896
24	Leverage exposure measure	456,912	455,447
TLAC ratios and buffers			
25	TLAC (as a percentage of RWA adjusted as permitted under the TLAC regime)	25.0%	23.1%
26	TLAC (as a percentage of leverage exposure)	8.3%	8.4%
27	CET1 (as a percentage of RWA) available after meeting the entity's minimum capital and TLAC requirements	8.8%	6.9%
28	Bank-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss-absorbency requirement, expressed as a percentage of RWA)	3.1%	2.9%
29	Of which: capital conservation buffer requirement	2.5%	2.5%
30	Of which: bank-specific countercyclical buffer requirement	0.6%	0.4%
31	Of which: higher loss-absorbency requirement	-	-

Table 8: TLAC Creditor Ranking (TLAC2)

The following table provides a breakdown of eligible instruments in the creditor hierarchy of CGML.

		Creditor ranking				
		(most junior) 1	2	3	(most senior) 4	Total as at 31 December 2022
		$ million	$ million	$ million	$ million	$ million
1	Is the resolution entity the creditor/investor? (yes or no)	Yes	Yes	Yes	Yes	
2	Description of creditor ranking	Ordinary Shares	AT1	Subordinated Loans	Senior Subordinated Loans	
3	Total capital and liabilities net of credit risk mitigation	19,999	4,300	2,600	8,500	35,399
4	Subset of row 3 that are excluded liabilities	-	-	-	-	-
5	Total capital and liabilities less excluded liabilities (row 3 minus row 4)	19,999	4,300	2,600	8,500	35,399
6	Subset of row 5 that are eligible as TLAC	19,999	4,300	2,600	8,500	35,399
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	-	-	-	-	-
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	-	-	-	1,000	1,000
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	-	-	1,600	7,500	9,100
10	Subset of row 6 with residual maturity ≥ 10 years, but excluded perpetual securities	-	-	1,000	-	1,000
11	Subset of row 6 that is perpetual securities	19,999	4,300	-	-	24,299

Appendix 1: Capital Instruments Main Features

The template is prepared using the format set out in Annex VII of the PRA rulebook and provides details of CGML's regulatory own fund instruments and eligible liabilities instruments.

Table 9: Main features of regulatory own funds instruments and eligible liabilities instruments (UK CCA)

	Capital Instruments main features	CET1	CET1	AT1	AT1	AT1	Tier 2	Tier 2	Tier 2
1	Issuer	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2a	Public or private placement	Private	Private	Private	Private	Private	Private	Private	Private
3	Governing law(s) of the instrument	English Law	English Law	English Law	English Law	English Law	English Law	English Law	English Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Regulatory treatment									
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Ordinary shares	Perpetual Notes	Perpetual Notes	Perpetual Notes	Subordinated Loans	Subordinated Loans	Subordinated Loans
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	US$1,500m	US$18,499m	US$1,800m	US$500m	US$2,000m	US$600m	US$1,000m	US$1,000m
9	Nominal amount of instrument	US$1.00	US$1.00	US$1,800m	US$500m	US$2,000m	US$600m	US$1,000m	US$1,000m
UK-9a	Issue price	US$1.00	US$1.00	N/A	N/A	N/A	N/A	N/A	N/A
UK-9b	Redemption price	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	Accounting classification	Shareholder's equity	Shareholder's equity	Liability – Fair value option	Liability – Fair value option	Liability – Fair value option	Liability – Amortised cost	Liability – Amortised cost	Liability – Amortised cost
11	Original date of issuance	21/12/1995	31/12/2021	20/06/2017	19/06/2018	16/09/2021	21/12/2018	21/12/2018	21/12/2018
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Dated	Dated	Dated
13	Original maturity date	N/A	N/A	N/A	N/A	N/A	27/10/2028	24/01/2039	25/07/2028
14	Issuer call subject to prior supervisory approval	No	No	Yes	Yes	Yes	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	20/06/2022	20/06/2023	21/06/2027	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	Callable by issuer any date after original call date with sufficient notice and requirements, as defined in the conditions of the instrument.	Callable by issuer any date after original call date with sufficient notice and requirements, as defined in the conditions of the instrument.	Callable by issuer any date after original call date with sufficient notice and requirements, as defined in the conditions of the instrument.	N/A	N/A	N/A
Coupons / dividends									
17	Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating	Floating	Floating	Floating	Floating
18	Coupon rate and any related index	Discretionary	Discretionary	8.66%	8.50%	7.73% (SOFR + Margin + Sub fee)	7.75% (SOFR + Margin + Sub fee)	8.05% (SOFR + Margin + Sub fee)	7.76% (SOFR + Margin + Sub fee)
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Mandatory
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
30	Write-down features	No	No	Yes	Yes	Yes	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	N/A	N/A	Bank of England, Own Fund Instrument written off and	Bank of England, Own Fund Instrument written off and	Bank of England, Own Fund Instrument written off and	Bank of England , Own Fund Instrument written off and	Bank of England , Own Fund Instrument written off and	Bank of England , Own Fund Instrument written off and

				Any resolution entity in Citi is under resolution.	Any resolution entity in Citi is under resolution.	Any resolution entity in Citi is under resolution.	Any resolution entity in Citi is under resolution.	Any resolution entity in Citi is under resolution.	Any resolution entity in Citi is under resolution.
32	If write-down, full or partial	N/A	N/A	Always Fully	Always Fully	Always Fully	Always Fully	Always Fully	Always Fully
33	If write-down, permanent or temporary	N/A	N/A	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual	Contractual	Contractual	Contractual	Contractual	Contractual
UK-34b	Ranking of the instrument in normal insolvency proceedings	1 (most junior)	1 (most junior)	2	2	2	3	3	3
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	As common equity, immediately subordinate to Additional Tier 1	As common equity, immediately subordinate to Additional Tier 1	Notes constitute direct, unsecured and subordinated obligations of the Issuer and are immediately subordinate to Tier 2 instruments.	Notes constitute direct, unsecured and subordinated obligations of the Issuer and are immediately subordinate to Tier 2 instruments.	Notes constitute direct, unsecured and subordinated obligations of the Issuer and are immediately subordinate to Tier 2 instruments.	Immediately subordinate to Senior Subordinated Debt (Eligible Liabilities)	Immediately subordinate to Senior Subordinated Debt (Eligible Liabilities)	Immediately subordinate to Senior Subordinated Debt (Eligible Liabilities)
36	Non-compliant transitioned features	No	No	No	No	No	No	No	No
37	If yes, specify Non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Main features of regulatory own funds instruments and eligible liabilities instruments (UK CCA) - continued

Capital Instruments Main Features		Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities
1	Issuer	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited	Citigroup Global Markets Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2a	Public or private placement	Private	Private	Private	Private	Private	Private	Private
3	Governing law(s) of the instrument	English Law	English Law	English Law	English Law	English Law	English Law	English Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Regulatory treatment								
4	Current treatment taking into account, where applicable, transitional CRR rules	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities
5	Post-transitional CRR rules	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated	Solo and Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior Subordinated Loans	Senior Subordinated Loans	Senior Subordinated Loans	Senior Subordinated Loans	Senior Subordinated Loans	Senior Subordinated Loans	Senior Subordinated Loans
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	US$1,500m	US$500m	US$500m	US$2,000m	US$1,500m	US$1,000m	US$1,500m
9	Nominal amount of instrument	US$1,500m	US$500m	US$500m	US$2,000m	US$1,500m	US$1,000m	US$1,500m
UK-9a	Issue price	N/A	N/A	N/A	N/A	N/A	N/A	N/A
UK-9b	Redemption price	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	Accounting classification	Liability – Amortised cost	Liability – Amortised cost	Liability – Amortised cost	Liability – Amortised cost	Liability – Amortised cost	Liability – Amortised cost	Liability – Amortised cost
11	Original date of issuance	27/12/2018	27/12/2018	03/07/2019	07/12/2021	25/02/2022	04/03/2022	06/09/2022
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	24/07/2028	29/09/2027	29/09/2027	31/03/2031	03/05/2032	03/05/2032	06/09/2032
14	Issuer call subject to prior supervisory approval	No	No	No	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A	N/A	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Coupons / dividends								
17	Fixed or floating dividend/coupon	Floating	Floating	Floating	Floating	Floating	Floating	Floating
18	Coupon rate and any related index	7.63% (SOFR + Margin + Sub fee)	7.69% (SOFR + Margin + Sub fee)	6.66% (SOFR + Margin + Sub fee)	6.66% (SOFR + Margin + Sub fee)	7.11% (SOFR + Margin + Sub fee)	7.12% (SOFR + Margin + Sub fee)	7.34% (SOFR + Margin + Sub fee)
19	Existence of a dividend stopper	No	No	No	No	No	No	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A	N/A
30	Write-down features	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	Bank of England , Own Fund Instrument written off and Any resolution entity in Citi is under resolution.	Bank of England , Own Fund Instrument written off and Any resolution entity in Citi is under resolution.	Bank of England , Own Fund Instrument written off and Any resolution entity in Citi is under resolution.	Bank of England , Own Fund Instrument written off and Any resolution entity in Citi is under resolution.	Bank of England , Own Fund Instrument written off and Any resolution entity in Citi is under resolution.	Bank of England , Own Fund Instrument written off and Any resolution entity in Citi is under resolution.	Bank of England , Own Fund Instrument written off and Any resolution entity in Citi is under resolution.
32	If write-down, full or partial	Always Fully	Always Fully	Always Fully	Always Fully	Always Fully	Always Fully	Always Fully
33	If write-down, permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual	Contractual	Contractual	Contractual	Contractual
UK-34b	Ranking of the instrument in normal insolvency proceedings	4 (most senior)	4 (most senior)	4 (most senior)	4 (most senior)	4 (most senior)	4 (most senior)	4 (most senior)
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Immediately subordinate to senior unsecured obligations of the issuer	Immediately subordinate to senior unsecured obligations of the issuer	Immediately subordinate to senior unsecured obligations of the issuer	Immediately subordinate to senior unsecured obligations of the issuer	Immediately subordinate to senior unsecured obligations of the issuer	Immediately subordinate to senior unsecured obligations of the issuer	Immediately subordinate to senior unsecured obligations of the issuer
36	Non-compliant transitioned features	No	No	No	No	No	No	No
37	If yes, specify Non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the intrument (signposting)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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
HQLA	High-Quality Liquid Assets
ICG	Institutional Clients Group
LREQ	Leverage Ratio Requirement
MLE	Material Legal Entity
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
NSFR	Net Stable Funding Ratio
OTC	Over The Counter
PRA	Prudential Regulation Authority
RWA	Risk Weighted Assets
SA-CCR	Standardised Approach to Counterparty Credit Risk
SEC	Securities Exchange Commission
SFTs	Securities Financing Transactions
TLAC	Total Loss Absorbing Capacity