CITIGROUP GLOBAL MARKETS FUNDING LUXEMBOURG S.C.A.

Registered Number: RC B 169 199

UNAUDITED INTERIM REPORT AND FINANCIAL STATEMENTS

for the six months ended 30 June 2021

31, Z.A. Bourmicht, L-8070 Bertrange
Luxembourg
RCS: Luxembourg B 169 199

MANAGEMENT REPORT

For the six months ended 30 June 2021

The Management presents its report and the financial statements for the six months ended 30 June 2021. The Management is responsible for preparing the Management Report (which for the purpose of the Transparency Directive is intended to be the Interim Management Report).

1. Activities and review of the development of the business

Citigroup Global Markets Funding Luxembourg S.C.A. ("the Company" or "CGMFL") was incorporated in the Grand Duchy of Luxembourg on 24 May 2012 as a corporate partnership limited by shares ("société en commandite par actions") for an unlimited period.

The Company is a 100% subsidiary of Citigroup Global Markets Limited (hereafter "the Parent" or "CGML"), which is a private company limited by shares governed by the Law of the UK. CGML is a wholly-owned indirect subsidiary of Citigroup Inc. (hereafter "the Ultimate Parent Company" or "Citigroup"). It is headquartered in London, and operates globally, generating the majority of its business from Europe, Middle East and Africa (EMEA) region, with the remainder coming from Asia and the Americas.

The state of affairs of CGMFL at the interim results is adequately presented in the Financial Statements, as published herein. The course of business of the Company has been as expected by the Board of Managers (hereafter "the Board"). During the first six months of 2021, the Company conducted its activity as an issuer of structured notes, certificates and warrants and thereby raising funding for group companies.

During the period under review, the Company did not exercise any research and development activity, nor have a branch, nor acquire own shares.

2. Business review

For the six months ended 30 June 2021:

- The Company reports a net profit of USD 48 thousand.
- The Company issued 9,542 structured notes (in the form of new products or new tranches) under the Global Medium Term Note Programme for a proceed amount of USD 16,758,321,602 and 3,873 securities (in the form of new products or new tranches) under the Citi Warrant Programme, of which 1,515 are presented in the financial statements as index linked certificates for a proceed amount of USD 1,272,583,072 and 2,358 warrants presented in the financial statements as derivatives for a proceed amount of USD 2,804,450,704;
- The Company issued 30 preference shares in USD and in GBP for a proceed equivalent amount of USD 3,919;
- 1,972 structured notes matured for a proceed amount of USD 3,470,791,274 (USD 3,211,107,487 in cash payments and USD 259,683,788 through physical settlements) and 972 index linked certificates matured for a proceed amount of USD 607,050,005 (USD 479,157,301 in cash payments and USD 127,892,704 through physical settlements) as well as 633 warrants matured for a proceed amount of USD 1,986,321,943 (USD 1,833,842,830 in cash payments and USD 152,479,113 through physical settlements);
- The Company fully redeemed 5,018 structured notes with a proceed amount of USD 6,676,147,535 and 267 index linked certificates for a proceed amount of USD 219,115,534 as well as 1,086 warrants for a proceed amount of USD 805,298,471;
- The Company fully or partially retired 903 structured notes with a net proceed amount of USD 2,052,763,091, 59 index linked certificates with a net proceed amount of USD 55,065,811 as well as 13 warrants with a net proceed amount of USD 8,461,027;
- The Company paid 22,002 coupons for a total amount of USD 544,639,295;
- Since 1 January 2021, 60 instruments were listed on the Main Securities Market (MSM) and 10 on the Global Exchange Market (GEM) of the Irish Stock Exchange, 50 on the Frankfurt Freiverkehr, 56 on the Luxembourg Stock Exchange and 3 on the Nasdaq Stockholm AB exchange.
- There were no credit events that affected the Company.

3. Balance sheet

Total assets of USD 23,446,645 thousand (USD 18,654,103 thousand as at 31 December 2020). This is a result of increased note issuance by the vehicle during the period; this is in line with management expectations around growth of the business.

4. Results and dividends for the six months ended 30 June 2021

The results for the period are set out in the Condensed Interim Statement of Comprehensive Income of the Financial Statements. No dividends are recommended by the Board for the six months ended period under review.

5. Risk Management

The financial risk management objectives and policy and detailed exposure to market, liquidity, credit, country and operational risk have been disclosed in Note 17 'Financial instruments and risk management' of the Company's financial statements for the year ended 31 December 2020. The risk management objectives and policy have not materially changed in the reporting period and further details of the current period exposures are presented in the interim Management report under 'Financial highlights'.

6. Financial instruments

The financial risk management objectives and policies and the exposures to credit risk and liquidity risk of the Company have been disclosed in the risk management policies in the Management Report of the Company's financial statements for the year ended 31 December 2020 and have not materially changed in the reporting period.

It does not have any externally imposed capital requirements, other than the minimum capital requirements of the Commercial Law in Luxembourg.

7. Board of Managers and their interests

The Board of Managers (the "Board") who held office on 30 June 2021 did not hold any shares in the Company at that date, or during the period. There were no contracts of any significance in relation to the business of the Company in which the Managers had any interest, at any time during the period.

8. Statement of Board of Managers' responsibilities

The Board is responsible for preparing the Management Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Board to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and applicable laws.

Under company law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of their profit or loss for that period. In preparing each of the Company's financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board confirms that it has complied with the above requirements in preparing the Financial Statements attached herewith. The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial positions of the Company, and which enable them to ensure that the Financial Statements comply with the applicable Luxembourg laws.

8. Statement of Board of Managers' responsibilities (continued)

The Board confirms that to the best of its knowledge, the Financial Statements which have been prepared in accordance with the applicable GAAP give a true and fair view of the assets, liabilities, financial positions and profit or loss of the Company.

The Board further confirms that to the best of its knowledge, the Management Report includes a fair review of the business and important events that have occurred during the financial period and their impact on the Financial Statements, as well as a description of the principal risks and uncertainties of the business.

The Board has a general responsibility for taking such reasonably available steps to safeguard the assets of the Company.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Luxembourg Commercial Law. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

9. Corporate Governance Statement

The Company is subject to and complies with the Commercial Law of Luxembourg, the Listing Rules of the Luxembourg Stock Exchange and the Listing Rules of the Irish Stock Exchange, of the Nasdaq Stockholm AB Stock Exchange and of the Frankfurt Freiverkehr. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to its own corporate governance requirements; in particular, the Company's Parent, CGML, has in place a dedicated management team and governance structure. CGML provides operational and technology services, in line with the global technology model used by its businesses and relies on shared services provided centrally or by local Citigroup entities.

Financial Reporting Process

The Board is responsible for establishing and maintaining adequate internal control and risk management systems for the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achiever the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is responsible for managing the business affairs of the Company with the Articles of Association. The Board may delegate certain functions to other parties, subject to the supervision and direction by the Board.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the external auditor's performance, qualification and independence.

Risk Assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Company has in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's Financial Statements.

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors. The Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the Board to perform effective monitoring and oversight of the internal control and risk management system of the Company in relation to the financial reporting process. The Company's activities are in the scope of CGML's internal audit function.

Capital Structure and Share Capital

The Company is managed by Citigroup Global Markets Funding Luxembourg GP S.à r.l. ("the Manager"). The Board provides independent management of the Company. The Company is a wholly owned indirect subsidiary of Citigroup Inc. No shareholder, or associated group of shareholders acting together, owns enough shares of Citigroup Inc.'s common stock to directly or indirectly exercise control over Citigroup Inc.

9. Corporate Governance Statement (continued)

On 24 May 2012, the date of the Company's incorporation, one-quarter (EUR 500,000) of the subscribed share capital was paid up.

The subscribed share capital of the Company is equivalent to two million USD (USD 2,000,203) divided into one (1) share with a nominal value of one Euro (EUR 1-) (action de commandité, the "Unlimited Share") held by Citigroup Global Markets Funding Luxembourg GP S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 31, Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg (the "Unlimited Shareholder"), one million nine hundred ninety-nine thousand nine hundred ninety-nine (1,999,999) shares with a nominal value of one Euro (EUR 1.-) each (actions de commanditaire, the "Limited Shares") held (i) by the Unlimited Shareholder for one (1) Limited Share and (ii) by Citigroup Global Markets Limited ("CGML"), a private limited company, incorporated under the laws of the United Kingdom, having its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom for one million nine hundred ninety-nine thousand nine hundred ninety-eight (1,999,998) Limited Shares.

CGML also held two hundred and three (203) redeemable preferred shares in two hundred and three (203) different classes each having a nominal value of EUR one (1) each. The redeemable preference shares issued are classified as a financial liability and presented in the caption "Redeemable preference shares" because it is mandatorily redeemable in cash.

Except the preference shares, which are not entitled to any dividend, all shares confer identical rights in respect of capital, dividends, voting and otherwise.

Refer to Note 6 of the Financial Statements as at and for the six months ended 30 June 2021.

During the first six months of 2021, thirty (30) new preference shares have been issued to CGML for a total amount of USD 3,919 (including share premium).

Powers of Managers

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Managers may delegate certain functions to other parties, subject to the supervision and direction by the Managers.

There is no agreement between the Company and its Board providing for compensation if they resign or are removed from office for any reason by a Shareholders' decision.

10. Events after the reporting period

The performance of the Company for 2021 will continue to depend on the appetite of institutional and retail investors for structured products, the increase of the market share of Citigroup products as well as on the liquidity requirements of CGML and the various sources of funding available.

As interest rates remain low, structured products will also remain attractive investment opportunities for investors.

The impacts of Covid-19 on economic conditions, business and investors continue to be monitored by the Company and by its parent, CGML. During the six months under review and after, the Company has continued to issue structured products, increasing its market share and to meet the liquidity requirements of CGML.

11. Audit Committee

Until Brexit became effective 1 January 2021, the Company was applying according to Art. 52. § 5 a) the exemption from the requirements to set up a local audit committee, as the audit committee exists on a group level with CGML. The role of the audit committee was undertaken by the full Board, which was deemed appropriate given the defined business activities of the Company.

In accordance with the Luxembourg Audit Law (Art. 52 § 2 and § 3), the Audit Committee of Citigroup Global Markets Limited, had delegated effectively 1st February 2018 the following responsibilities to the Board of its subsidiary, CGMFL:

- Overseeing the integrity of CGMFL's financial statements and CGMFL's accounting and financial reporting processes and financial statement audits.
- Overseeing CGMFL's compliance with Luxemburg legal and regulatory requirements.
- Overseeing CGMFL's independent auditor's qualifications and independence.
- Overseeing CGMFL's independent auditor performance.
- Overseeing CGMFL's system of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by the company.
- Pre-approve any permitted non-audit services ("NAS"), rendered by its auditor or any member of its auditor's network.
- Ensure that expenses of NAS pre-approved are not above the 70% cap of audit fees based on a three-year rolling average.
- Ensure the implementation of rotation rules of independent auditor in accordance with Luxembourg laws.

The Company is currently finalizing with its parent, CGML, how it will organise the duties of the Audit Committee onwards.

Bertrange, 29 September 2021

Ms Alberta Brusi	Mr Vincent Mazzoli	Mr Jonas Bossau
Manager	Manager	Manager

Registered in Luxembourg
Registered Office: 31, Z.A. Bourmicht, L-8070 Bertrange

CITIGROUP GLOBAL MARKETS FUNDING LUXEMBOURG S.C.A.

These condensed interim financial statements are unaudited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Notes	For the period ended 30 June 2021	For the period ended 30 June 2020
		$ 000	**$ 000**
Net fee and commission income		1,094	1,077
Net trading income		-	-
Net income from other financial instruments at fair value through profit or loss		-	-
Total operating income		1,094	1,077
General and administrative expenses		(1,030)	(1,013)
Profit / (loss) before income tax		64	64
Income tax expense	**5**	(16)	(16)
Profit / (loss) for the period		48	48
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the period		48	48
Profit / (loss) attributable to:			
Equity holders of the Company		48	48
Non-controlling interest		-	-
Total comprehensive income attibutable to:			
Equity holders of the Company		48	48
Non-controlling interest		-	-

The total comprehensive income and expense for the period is attributable to shareholders of the Company.

The accompanying notes on pages 11 to 34 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM BALANCE SHEET
As at 30 June 2021

	Notes	30 June 2021	31 December 2020
		$ 000	$ 000
Assets			
Cash and cash equivalents	7, 8	3,272	64,847
Structured notes purchased	7, 8	21,228,580	16,661,236
Index linked certificates purchased	7, 8	1,001,371	638,470
Derivative assets	7, 8	1,170,144	1,142,160
Other assets		43,278	147,390
Total assets		23,446,645	18,654,103
Liabilities			
Bank loans and overdrafts	7, 8	22,158	65,633
Structured notes issued	7, 8	21,228,580	16,661,236
Index linked certificates issued	7, 8	1,001,371	638,470
Derivative liabilities	7, 8	1,170,144	1,142,160
Redeemable preference shares	7, 8	23	23
Other liabilities	7, 8	23,288	145,526
Current tax liabilities		35	57
Total liabilities		23,445,599	18,653,105
Equity			
Share capital	6	627	627
Reserves**	6	63	63
Foreign currency translation reserve	6	41	41
Retained earnings	6	315	267
Total equity		1,046	998
Total liabilities and equity		23,446,645	18,654,103

** legal reserve has been allocated up to 10% of the EUR paid up capital as the presentation currency is USD there is a foreign exchange impact.

The accompanying notes on pages 11 to 34 form an integral part of these condensed interim financial statements.

The financial statements were approved by the Board on 29 September 2021.

Ms Alberta Brusi
Manager

Mr Vincent Mazzoli
Manager

Mr Jonas Bossau
Manager

CITIGROUP GLOBAL MARKETS FUNDING LUXEMBOURG S.C.A.

These condensed interim financial statements are unaudited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	Share Capital	Reserves	Foreign currency translation reserve	Retained Earnings	Total Equity
	$ 000	$ 000	$ 000	$ 000	$ 000
Balance as at 1 January 2020	627	63	41	183	914
Allocation of previous period net result	-	-	-	48	48
Allocation to reserves	-	-	-	-	-
Balance as at 30 June 2020	627	63	41	231	961

For the six months ended 30 June 2021

	Share Capital	Reserves	Foreign currency translation reserve	Retained Earnings	Total Equity
	$ 000	$ 000	$ 000	$ 000	$ 000
Balance as at 31 December 2020	627	63	41	267	998
Allocation of current period net result	-	-	-	48	48
Balance as at 30 June 2021	627	63	41	315	1,046

The accompanying notes on pages 11 to 34 form an integral part of these condensed interim financial statements.

CITIGROUP GLOBAL MARKETS FUNDING LUXEMBOURG S.C.A.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

CONDENSED INTERIM CASH FLOW STATEMENT

For the six months ended 30 June 2021

	For the period ended 30 June 2021	For the period ended 30 June 2020
	$ 000	**$ 000**
Cash flow from/(used in) operating activities		
Profit/Loss before tax	48	48
Net (increase)/decrease in operating assets:		
Change in current income tax assets	-	-
Change in other assets	104,112	(3,063)
Net increase/(decrease) in operating liabilities:		
Change in accruals and other liabilities	(122,238)	(10,278)
Change in current tax liabilities	(22)	16
Income tax paid	-	-
Net cash flow from operating activities	(18,100)	(13,277)
Cash flow from/(used in) investing activities		
Interest received on financial instruments purchased	544,639	284,313
Payments from financial instruments purchased	(20,835,355)	(11,184,872)
Proceeds from redemption and retirement of financial instruments	9,816,851	5,284,861
Proceeds from maturity of financial instruments	6,064,163	1,714,204
Net cash flow (used in)/from investing activities	(4,409,702)	(3,901,494)
Cash flow from/(used in) financing activities		
Interest paid on financial instruments issued	(544,639)	(284,313)
Proceeds from redeemable preference shares	-	-
Proceeds from issuance of financial instruments	20,835,355	11,184,872
Payments from maturity of financial instruments	(6,064,163)	(1,714,204)
Payments from redemption and retirement of financial instruments	(9,816,851)	(5,284,861)
Net cash flow from financing activities	4,409,702	3,901,494
Net increase/(decrease) in cash and cash equivalents	(18,100)	(13,277)
Cash at bank including bank overdrafts at 1 January	(786)	11,084
Effects of exchange rate changes on cash and cash equivalents	-	(2)
Cash at bank bank including bank overdrafts at 30 June	(18,886)	(2,195)

The accompanying notes on pages 11 to 34 form an integral part of these condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. General information

Citigroup Global Markets Funding Luxembourg S.C.A. (hereafter "the Company" or "CGMFL") was incorporated in the Grand Duchy of Luxembourg on 24 May 2012 as a corporate partnership limited by shares ("société en commandite par actions") for an unlimited period.

The registered office of the Company is established at 31 Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg. Its registration number is RCS B 169 199.

The Company is managed by Citigroup Global Markets Funding Luxembourg GP S.à r.l. (hereafter "the Manager"). The Board of Managers (hereafter "the Board") provides independent management of the Company to enable the Company to realise its objects. The Company is a wholly owned indirect subsidiary of Citigroup Inc. (hereafter "the Ultimate Parent Company" or "Citigroup"). No shareholder, or associated group of shareholders acting together, owns enough shares of Citigroup Inc.'s common stock to directly or indirectly exercise control over Citigroup Inc.. The Company's registered office is situated at 31, Z.A. Bourmicht, L-8070 Bertrange, Grand Duchy of Luxembourg.

The primary object of the Company is the granting of loans or other forms of funding directly or indirectly in whatever form or means to any entities belonging to the same group (e.g. including, but not limited to, by subscription of bonds, debentures, other debt instruments, advances, the granting of pledges or the issuing of other guarantees of any kind to secure the obligations of any entities, through derivatives or otherwise).

The Company may finance itself in whatever form including, without limitation, through borrowing or through issuance of listed or unlisted notes and other debt or equity instruments, convertible or not (e.g. including but not limited to bonds, notes, loan participation notes, subordinated notes, promissory notes, certificates and warrants) including under stand-alone issues, medium term note and commercial paper programmes.

The Company may also:

— grant security for funds raised, including notes and other debt or equity instruments issued, and for the obligations of the Company; and
— enter into all necessary agreements, including, but not limited to underwriting agreements, marketing agreements, management agreements, advisory agreements, administration agreements and other contracts for services, selling agreements, deposit agreements, fiduciary agreements, hedging agreements, interest and/or currency exchange agreements and other financial derivative agreements, bank and cash administration agreements, liquidity facility agreements, credit insurance agreements and any agreements creating any kind of security interest.

In addition to the foregoing, the Company can perform all legal, commercial, technical and financial investments or operations and, in general, all transactions which are necessary or useful to fulfil its objects as well as all operations connected directly or indirectly to facilitating the accomplishment of its purpose in all areas described above.

The Company's Article's of Association however prohibit it from entering into any transaction which would constitute a regulated activity of the financial sector or require a business licence under Luxembourg law without due authorisation under Luxembourg law.

The Company grants loans and other forms of funding to entities belonging to the same group and therefore competes in any market in which the group has a presence.

The Company is a wholly owned indirect subsidiary of Citigroup Inc.. Citigroup Inc. is a global diversified financial services holding company whose businesses provide consumers, corporations, governments and institutions with a broad range of financial products and services. It services its obligations primarily with dividends and advances that it receives from subsidiaries (Citigroup Inc. and its subsidiaries, hereafter "the Group", or "Citigroup").

The Company is included in the consolidated financial statements of Citigroup Inc. forming the smallest and the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The registered office of that company is located at 399 Park Avenue, New York, NY and the consolidated accounts are available at that address.
The financial statements of the Company at the year ended 31 December 2020 are available upon request from the Company's registered office at 31 Z.A. Bourmicht, L-8070 Bertrange, the Grand Duchy of Luxembourg.

1. General information (continued)

These condensed interim financial statements were approved for issue on 29 September 2021.

These condensed interim financial statements have been reviewed, not audited.

On 14 October 2016, Fitch Ratings had assigned Long-and Short-Term Issuer Default Ratings (IDRs) of 'A'/'F1' to the Company reflecting Citigroup Inc.'s ability and propensity to support the Company. The Company is primarily a funding vehicle for Citigroup Global Markets Limited ("the Parent" or "CGML") issuing structured notes and warrants (presented in the financial statements as derivatives) and redeemable preference shares. Given the Parent's ability and propensity to support the Company, Fitch has equalised the ratings with the Parent.

On 8 May 2020, Fitch Ratings has upgraded the Long-Term Issuer Default Rating (IDR) of the Company and its Senior Debt Rating in line with that of its Parent, Citigroup Global Markets Limited (CGML). The rating Outlook remains Negative, reflecting the disruption to economic activity and financial markets from the Covid-19 pandemic. The Company's Short-Term IDR remains unchanged.

This action follows Fitch's upgrade of CGML's Long-term IDR to 'A+' from 'A' with a Negative Outlook on 22 April 2020. The ratings of the Company are in line with those of its Parent CGML, and reflect Fitch's view of CGML's ability and propensity to support its wholly owned subsidiary. In particular, the upgrade reflects CGML's irrevocable and unconditional guarantee of CGMFL's liabilities, including outstanding senior debt.
On 21 June 2017, S&P Global Ratings assigned its 'A+/A-1' issuer credit ratings to CGMFL. The outlook is stable, reflecting that of other core operating subsidiaries of Citigroup.

Multiple services with regards to valuation of financial instruments are provided to the Company by other Citigroup entities.

During the period, the Company issued 9,542 structured notes (in the form of new products or new tranches) under the Global Medium Term Note Programme for a proceed amount of USD 16,758,321,602 and 3,873 securities (in the form of new products or new tranches) under the Citi Warrant Programme, of which 1,515 are presented in the financial statements as index linked certificates for a proceed amount of USD 1,272,583,072 and 2,358 warrants presented in the financial statements as derivatives for a proceed amount of USD 2,804,450,704.

The Company issued 30 preference shares in USD and in GBP for a proceed equivalent amount of USD 3,919.

1,972 structured notes matured for a proceed amount of USD 3,470,791,274 (USD 3,211,107,487 in cash payments and USD 259,683,788 through physical settlements) and 972 index linked certificates matured for a proceed amount of USD 607,050,005 (USD 479,157,301 in cash payments and USD 127,892,704 through physical settlements) as well as 633 warrants matured for a proceed amount of USD 1,986,321,943 (USD 1,833,842,830 in cash payments and USD 152,479,113 through physical settlements).

The Company fully redeemed 5,018 structured notes with a proceed amount of USD 6,676,147,535 and 267 index linked certificates for a proceed amount of USD 219,115,534 as well as 1,086 warrants for a proceed amount of USD 805,298,471.

The Company fully or partially retired 903 structured notes with a net proceed amount of USD 2,052,763,091, 59 index linked certificates with a net proceed amount of USD 55,065,811 as well as 13 warrants with a net proceed amount of USD 8,461,027.

The Company paid 22,002 coupons for a total amount of USD 544,639,295.

Since 1 January 2021, 60 instruments were listed on the Main Securities Market (MSM) and 10 on the Global Exchange Market (GEM) of the Irish Stock Exchange, 50 on the Frankfurt Freiverkehr, 56 on the Luxembourg Stock Exchange and 3 on the Nasdaq Stockholm AB exchange.

2. Statement of compliance

These condensed financial statements for the six months ended 30 June 2021 have been prepared and approved by the Board in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). They have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for the full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2020.

3. Principal accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

As from 1st January 2018, the Board assessed that the functional currency of the Company was USD and the financial statements are therefore presented in USD. Please also refer to Note 3(c).

The Company has rounded figures to the nearest thousand USD, unless otherwise stated. The Company's financial year is the calendar year. These financial statements are of the individual Company and are prepared on a going concern basis.

As was reported in the Ultimate Parent company's (Citigroup's) Quarterly Report on SEC Form 10-Q for the quarterly period ended 30 June 2021, Citigroup disclosed that that due to the continued virus contagion and challenges in vaccine distribution, the Covid-19 pandemic has continued to have adverse, albeit relatively lessening, impacts on macroeconomic conditions in the U.S. and around the world. In considering going concern, the Company continues to closely monitor developments related to the outbreak of Covid-19. The potential impacts from Covid-19 remain uncertain, including, among other things, on economic conditions, business and consumers.

To assess any potential impact on the Company, the Board reassessed the components of capital, liquidity and the financial position of the Company and have concluded that the going concern basis is still appropriate.

The company continues to maintain a strong client franchise and competitive position in the client segments, countries and products by capturing growth opportunities despite huge uncertainties, volatile markets and an unprecedentedly challenging year operationally due to Covid-19.

These financial statements have been prepared under the historical cost convention as modified to include the fair value of certain financial instruments to the extent required or permitted under the accounting standards and as set out in the relevant accounting policies. This includes financial instruments at fair value through profit or loss that are measured at fair value in the statement of financial position.

The financial statements were authorised for issue by the Board of Managers on 29 September 2021.

3. Principal accounting policies (continued)

(b) Changes in accounting policy and disclosures

The accounting policies adopted are consistent within the accounts and with those of the previous financial year, except for certain amendments and improvements to the IFRSs implemented as at 1 January 2021, which did not have a material impact on the Company unless otherwise noted below. There were no other material or amended standards or interpretations that resulted in a change in accounting policy for the period ended 30 June 2021.

Standards and amendments issued and effective from 1 January 2021

There are a number of accounting standards that have been issued by the International Accounting Standards Board ("IASB"), which became effective from 1 January 2021. They include:

- *Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16) – Phase 2*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16, Leases)*

The above amendments to IFRS 16 did not have any impact on the Company's financial statements, as the Company does not have any leases. More discussion of Interest Rate Benchmark Reform is included below.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 ,IFRS 7,IFRS 4 and IFRS 16) – Phase 2

LIBOR is currently used as the interest rate benchmark to price or value a wide range of financial products. Citi, and by extension the Company, is currently conducting a global LIBOR governance and implementation program which is focused on identifying and addressing the LIBOR transition impacts to Citi's clients, operational capabilities and legal and financial contracts, among others. The program operates globally across Citi's businesses and functions. Citi, and by extension the Company, also continued to engage with regulators, financial accounting bodies and others on LIBOR transition matters. Citi also has continued to identify its LIBOR transition exposures, including financial instruments that do not contain contract provisions that adequately contemplate the discontinuance of reference rates and that would require additional negotiation with counterparties. Citi's LIBOR transition efforts include, among other things, using alternative reference rates in certain newly issued financial instruments and products. Further, Citi has also been investing in its systems and infrastructure, as client activity moves away from LIBOR to alternative reference rates.

In September 2019, the IASB issued the Phase 1 of its response to IBOR Reform, which were amendments to IAS 39 and IFRS 9 addressing hedge accounting matters arising prior to the transition to new reference rate reform. Because the Company does not apply hedge accounting referencing LIBOR in its standalone financial statements, these amendments did not impact the Company. On 27 August 2020, the IASB issued the Phase 2 amendments which address transition and post-replacement issues, including issues broader than hedge accounting such as modifications of financial assets and liabilities:

- Modifications of financial assets and financial liabilities: The amendments will require an entity to account for a change in the basis for determining contractual cash flows of a financial asset or financial liability that is required by IBOR Reform by updating the effective interest rate of the financial asset or financial liability.
- Hedge Accounting: The amendments provide exceptions to the hedge accounting, which is not applicable to the Company.
- Disclosure: The amendments also require the entity to disclose additional information about the entity's exposure to risks arising from IBOR reform and related risk management activities.

In March 2021, following the completion of its consultation, the ICE Benchmark Administration, the authorised LIBOR administrator, notified the U.K. Financial Conduct Authority of its intention to cease publication of GBP, EUR, JPY, CHF settings for all tenors, as well as USD LIBOR settings for one-week and two-month tenors after December 31, 2021, while the publication of USD LIBOR settings for overnight and one-, three-, six- and 12-month tenors would cease after June 30, 2023.

In April 2021, New York State legislation addressing USD LIBOR discontinuance became effective. The legislation addresses the transition away from USD LIBOR for legacy contracts that are governed by New York law and that lack fallback provisions or contain fallback provisions that are based in any way on USD LIBOR. Upon USD LIBOR's permanent discontinuance, USD LIBOR in such contracts will be replaced with a rate based on SOFR plus a spread adjustment by operation of law.

3. Principal accounting policies (continued)

(b) Changes in accounting policy and disclosures (continued)

These amendments are effective for annual periods beginning on or after 1 January 2021, with earlier application permitted. The Company has adopted these amendments in its half-yearly financial statements. The impact of these amendments is to require additional disclosures of the Company's IBOR exposures; see Note 11.

There have been some other amendments to IFRS issued by the International Accounting Standards Board (IASB), but which are not yet effective for the Company. These amendments are expected to either have no impact or an immaterial impact to the Company upon adoption.

(c) Foreign currencies

On 9 November 2018, the shareholder resolved to convert the presentation currency of the Company from EURO ("EUR") to United Stated Dollar ("USD" or "$"), with an effective date of 1st January 2018. Following the assessment of the Board that the functional currency of the Company as of 1st of January 2018 is USD.

In its assessment of the functional currency, the Board has used judgement and considered the underlying transactions, events and conditions applicable to the Company, as at 30 June 2021.

Whilst the Company's equity, tax payments and a majority of its administrative expenses are Euro-denominated, and the note issuance activity of the Company since 2018 has been done in various currencies, the majority has been issued in USD. The Board considers that note issuances will continue to occur mostly in USD. Furthermore, the decision will enable a better comparison of the Company's financial information with that of the rest of Citigroup, as CGML and Citigroup Inc. have USD as presentation currency.

This change in functional currency as at 1st of January 2018 has been considered to lead to a change in presentational currency in accordance with IAS 1.

At the date of the statement of financial position monetary assets and liabilities were translated at the year-end rates of exchange and resulting translation differences were included in the statement of profit or loss and other comprehensive income. The whole monetary assets and liabilities of the Company are going throughout profit or loss exclusively. Any exchange profits and losses on non-monetary items are taken directly to the statement of profit or loss. Transactions in foreign currencies are measured in the functional currency of the primary economic environment in which the Company operates. All amounts have been rounded to the nearest thousands, except when otherwise indicated.

(d) Net interest expense

Interest income and expense on financial assets and liabilities are recognised in the statement of profit or loss and other comprehensive income using the effective interest rate method. The effective interest method is a way of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. Fair value changes on other financial assets and liabilities carried at fair value through profit or loss are presented in "net income from financial instruments at fair value through profit or loss" in the statement of profit or loss and other comprehensive income (refer to Note 2 (f)).

(e) Net fee and commission income

Net fee and commission income is recognised on a straight-line basis. Fee and commission income relates to intra-group financing (in the form of structured notes purchased, index linked certificates purchased and derivative assets) and administrative services for the benefit of CGML, and since 2017 is calculated on a 'cost plus margin' basis.

Fees received in connection with performed services are recognised as income in the period these services are provided.

3. Principal accounting policies (continued)

(f) Net income from other financial instruments at fair value through profit or loss

Net income from financial instruments mandatorily measured at fair value through profit or loss relates to financial assets and financial liabilities designated or mandatorily measured at fair value through profit or loss, and includes all realised and unrealised fair value changes, together with related interest, dividends and foreign exchange differences.

The Company issues notes to investors, who subscribe and pay the issue price. The same day, the Company enters into a fully funded swap with CGML. The fact that both transactions take place on the same day mitigates the Company against foreign exchange gain or loss.

(g) Derivatives

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

In the normal course of business, the fair value of a derivative on initial recognition is considered to be the transaction price (i.e. the fair value of the consideration given or received). However, in certain circumstances the fair value of an instrument will be evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets, including interest rate yield curves, option volatilities and currency rates.

When such evidence exists, the Company recognises a trading profit or loss on inception of the derivative. If observable market data are not available, the initial increase in fair value indicated by the valuation model, but based on unobservable inputs, is not recognised immediately in the statement of profit or loss and other comprehensive income but is recognised over the life of the transaction on an appropriate basis, or recognised in the statement of profit or loss and other comprehensive income when the inputs become observable, or when the transaction matures or is closed out.

(h) Financial instruments

Classification and measurement of the financial assets

From a classification and measurement perspective, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics (whether the contractual cash flows are solely payments of principal and interest (SPPI)).

Categories for classification of assets under IFRS 9 are Fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI), and amortised cost. IFRS 9 also allows entities to continue to irrevocably designate instruments that qualify for amortised cost or FVOCI instruments as FVTPL, if doing so eliminates or significantly reduces an accounting mismatch.

Business model

The Company issues structured notes, index linked certificates and derivatives and thereby raises funding to any entities belonging to the same group.

The primary objective of the Company is the granting of loans or other forms of funding directly or indirectly in whatever form or means to any entities belonging to the same group (e.g. including but not limited to, by subscription of bonds, debentures, other debt instruments, advances, the granting of pledges or the issuing of other guarantees of any kind to secure the obligations of any entities, through derivatives or otherwise).

3. Principal accounting policies (continued)

(h) Financial instruments (continued)

Business model (continued)

The business model refers to how the Company manages its financial assets in order to generate cash flows. It is determined at a level that reflects how groups of financial assets are managed rather than at an instrument level. IFRS 9 identifies three types of business models:

- ‘hold to collect’,
- ‘hold to collect and sell’ and
- ‘other’.

CGMFL’s main financial assets are contracted on the trade date of a new structured note liability, which is the primary business driver of decisions related to managing portfolios of assets. On the trade date of the associated structured notes, the Company enters into an offsetting transaction with CGML by means of a swap. At the settlement date of the structured notes, the cash received from the investor is paid to CGML under this swap transaction. The transaction between the Company and CGML is designed to offset for the Company all the future payoffs which would result from the notes issued which effectively eliminates the market risk for the Company.

Any business decisions related to managing portfolios of the Company’s assets are primarily driven by what happens with the Company’s liabilities. As a result, fair value and its movements are the key consideration in assessment of the performance of the assets.

Based on the above it has been concluded, that the business model selected for those is ‘other’ and as a result the assets would be classified as “Financial assets at fair value through profit and loss”.

Fair value through profit or loss (FVTPL)

Where the asset is not held within a business model whose objective is to hold to collect the contractual cash flows or within a business model whose objective is to both collect the cash flows and to sell the assets, then the asset will be classified as FVTPL.

If a portfolio of financial assets within a business model are managed on a fair value basis, then the business model assessment dictates that these financial assets are categorised and measured at fair value through profit or loss.

All hybrid contracts with embedded derivatives will fail the cash flow characteristics test under IFRS 9 (i.e., the cash flows are not solely payments of principal and interest of a basic lending arrangement).

Following consideration of the above business model analysis, further analysis of the cash flow characteristics of the structured notes purchased or the index linked certificates purchased is not necessary as such hybrid financial assets, previously designated as FVTPL under IAS 39, will be mandatorily measured at fair value through profit or loss under IFRS 9 as per the reasons above.

Structured notes purchased, derivatives assets/ liabilities and index linked certificates purchased and redeemable preference shares have been mandatorily measured at fair value through profit or loss.

The only financial assets held at amortised cost are cash and cash equivalents. From a credit impairment perspective and the application of the expected credit loss model, there is expected to be an insignificant impact to the carrying value as the counterparty to such balances are very low in credit risk (financial institutions mainly intra group) and short term.

The Company has no financial instruments categorised at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are recognised at the trade date, whereas financial assets measured at amortised cost are recognised at the settlement date.

3. Principal accounting policies (continued)

(h) Financial instruments (continued)

Financial Liabilities

Financial liabilities are initially measured at fair value net of transactions costs. Subsequently, they are measured at amortised cost using the effective interest rate method, except for derivative financial liabilities and those designated at fair value through profit or loss. On the trade date of a structured note issuance (usually hybrid instruments), the Company recognises a derivative, which between trade date and settlement date (the issuance date of the notes) is marked to market through P&L. When issuance proceeds are received at settlement date, derivative financial liabilities then become funded (i.e., become financings with embedded derivative features), and then are accounted for as financings with embedded derivatives. Derivatives issued are mandatorily measured at fair value through profit or loss.

Financial liabilities designated at fair value

The Company may designate financial instruments at fair value through profit or loss when:

i) this will eliminate or significantly reduce measurement or recognition inconsistencies that would otherwise arise from measuring financial assets or financial liabilities, or recognising gains and losses on them, on different bases;
ii) groups of financial assets, financial liabilities or combinations thereof are managed, and their performance evaluated, on a fair value basis in accordance with a documented risk management or investment strategy, and where information about groups of financial instruments is reported to Management on that basis.
iii) in respect of an entire hybrid contract, when the contract contains one or more embedded derivatives, unless those embedded derivatives either do not significantly modify the cash flow that would otherwise be required by the contract or are ones for which it is clear with little or no analysis when considering a similar hybrid instruments that separation is prohibited.

The fair value designation, once made, is irrevocable. Designated financial instruments are initially recognised at fair value on issue date and subsequently re-measured at fair value. Gains and losses realised on disposal or redemption and unrealised gains and losses from changes in fair value are reported in “net income from financial instruments at fair value through profit or loss”.

Structured notes issued and index linked certificates issued have been designated at fair value through profit or loss, as they meet criterion (i) above.

Credit Risk on the Company’s liabilities designated at fair value through profit or loss

Movements on gains or losses arising from an entity’s own credit risk relating to liabilities designated at fair value through profit or loss are presented in OCI with no subsequent reclassification to the income statement, unless an accounting mismatch in profit or loss would arise

To determine whether split presentation would create or enlarge an accounting mismatch in profit or loss, the Company must assess whether it expects that the changes in the financial liability’s credit risk will be offset in profit or loss by a change in the fair value of another financial instrument measured at fair value through profit or loss.

As the financial assets of the Company are offsetting transactions linked to the Company’s notes and index linked certificates issued, there would be an accounting mismatch if the own credit risk component was recognised in OCI. Therefore, there will be no impact to the presentation of own credit risk in the Company due to the reasons discussed above).

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

3. Principal accounting policies (continued)

(i) Fair value measurement (continued)

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as gains and losses from changes in the fair value of derivatives held for trading.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. Where the classification of a financial instrument requires to be stated at fair value, this is determined by reference to the quoted market value in an active market wherever possible. Where no such active market exists for the particular instrument, the Company uses a valuation technique to arrive at the fair value, including the use of prices obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models and valuation techniques.

The Company uses the following procedures to determine the fair value of financial assets and financial liabilities irrespective of whether they are "held for trading" or have been "designated at fair value" including an indication of the level in the fair value hierarchy in which each financial instrument is generally classified. Where appropriate, the description includes details of the valuation models, the key inputs to those models and any significant assumptions.

Structured notes purchased / Structured notes issued

Structured notes purchased are offsetting transactions to the Company's notes issued (refer to below and Note 9) and take the form of fully-funded swaps, which are equivalent to the Company purchasing notes with the same economic exposure from CGML. By construction, the valuation of the structured notes issued by the Company corresponds to that of the underlying reference asset(s) on which their redemption amount is dependent. The Company's obligation to pay the redemption amount is offset through an instrument entered with CGML as counterparty, which exactly offsets all cash flows to be paid by the Company as well as any fair value changes.

Financial liabilities designated at fair value

CGML determines the fair value of the structured liabilities (where performance is linked to interest rates, inflation or currency risks) and hybrid financial instruments (where performance is linked to risks other than interest rates, inflation or currency risks) using derivative valuation methodology based on the nature of the embedded risk profile. The valuation techniques and inputs depend on the type and the nature of the underlying instrument. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, which may include option pricing models and discounted cash flow models which are used within CGML and Citigroup and which are subject to price verification procedures and related internal control procedures governed by Citigroup Pricing and Price Verification Policy and Standards. For the structured notes issued by the Company, typically all significant inputs and significant value drivers are observable on an active market, such as prices of shares and commodities, as well as published interest rates. When the availability of observable independent market data or pricing information for the significant valuation inputs of an instrument reduces or is not given anymore the structured notes issued will move to Level 3. The levelling assessment is done for all the financial instruments on a monthly basis.

Index linked certificates purchased / Index linked certificates issued [1]

Index linked certificates purchased from CGML are offsetting transactions to the Company's Index linked certificates issued and take the form of fully-funded swaps which are equivalent to the Company purchasing equity linked certificates with the same economic exposure from CGML. By construction, the valuation of the Index linked certificates issued by the Company corresponds to that of the underlying reference asset(s) on which their cash settlement amount is dependent. The Company's obligation to pay the settlement amount is offset through an instrument entered with CGML as counterparty, which exactly offsets all cash flows to be paid by the Company as well as any fair value changes.

[1] Index linked certificates were issued under the Citi Warrant Programme.

3. Principal accounting policies (continued)

(i) Fair value measurement (continued)

CGML determines[2] the fair value of the Index linked certificates (where performance is linked to the underlying asset(s)' prices) using derivative valuation methodology based on the nature of the embedded risk profile. The valuation techniques and inputs depend on the type and the nature of the underlying instrument. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, which may include option pricing models and discounted cash flow models which are used within CGML and Citigroup and which are subject to price verification procedures and related internal control procedures governed by Citigroup Pricing and Price Verification Policy and Standards. For the Index linked certificates issued by the Company, typically all significant inputs and significant value drivers are observable on an active market, such as prices of shares and commodities, as well as published interest rates. When the availability of observable independent market data or pricing information for the significant valuation inputs of an instrument reduces or is not given anymore the Index linked certificates will move to Level 3.

Derivatives assets/ Derivative liabilities

Derivative assets from CGML are offsetting transactions to the Company's derivative liabilities (refer to below and Note 10) and take the form of fully-funded swaps which are equivalent to the Company`s warrants with the same economic exposure from CGML. Derivatives, if entered into by the Company, will generally be executed over-the-counter and so would be valued using internal valuation techniques as no quoted market prices would exist for such instruments. The valuation techniques and inputs depend on the type of derivative and the nature of the underlying instrument. The principal techniques used to value these instruments are discounted cash flows, Black-Scholes and Monte Carlo simulation. The fair values of derivative contracts reflect cash the Company pays or receives (for example, option premiums paid and received).

The key inputs depend upon the type of derivative and the nature of the underlying instrument and include interest rate yield curves, foreign exchange rates, the spot price of the underlying volatility and correlation. The item is placed in either Level 2 or Level 3 depending on the observability of the significant inputs to the model. Correlation and items with longer tenors are generally less observable.

The Company does not apply any credit value adjustment (CVA), debit value adjustment (DVA) nor any own credit adjustment (OCA) in the valuation of its derivatives and borrowings as they are assessed by the Company to be not significant.

Other financial assets and liabilities

Carrying value has been used where it approximates fair value for other assets and other liabilities.

(j) Impairment of financial assets

The IFRS 9 impairment standard on expected credit loss ("ECL") applies to any debt instruments measured at amortised cost or at fair value through other comprehensive income, to any off-balance sheet loan commitments and financial guarantees and to any trade receivable.

The only financial assets held at amortised cost of the Company are cash and cash equivalents which are short term
(3 months) and vanilla in nature. From a credit impairment perspective and the application of the expected credit loss model on transition, there is expected to be an insignificant impact to the carrying value as the counterparty to such balances are very low in credit risk (financial institutions mainly intra-group) and short term. There are therefore no credit impairments to be calculated.

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[2] The market risk of the instruments sits with CGML, who is also the product manufacturer and maintains quotes for secondary market as broker/dealer of the index linked certificates.

3. Principal accounting policies (continued)

(k) Derecognition (recognition) of financial assets and liabilities

Financial assets are derecognised when the right to receive cash flows from assets has expired or the Company has transferred its contractual right to receive the cash flows of the financial assets and either substantially all the risks and rewards of ownership have been transferred or substantially all the risks and rewards have neither been retained nor transferred but control is not retained. Financial assets measured at fair value through profit or loss are derecognised (recognised) at the trade date, whereas financial assets measured at amortised cost are derecognised (recognised) at the settlement date.

Financial liabilities are derecognised when they are legally extinguished, that is when the obligation specified in the contract is substantially modified, exchanged, discharged, cancelled or expired. This generally means that (non-derivative) financial liabilities are derecognised (recognised) when cash is paid to the counterparty (received from the counterparty).

(l) Income tax

Income tax payable on profits is recognised as an expense based on the applicable tax laws in each jurisdiction in the period in which profits arise. Current tax assets and current tax liabilities are offset as the Company has the legal right and the intention to settle on a net basis.

(m) Provisions and contingent liabilities

Provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a current legal or constructive obligation as a result of past events, and a reliable estimate can be made of the amount of the obligation. This includes where the Company has undrawn loan commitment and a provision is made for expected losses.

On the trade date of an instrument involved, the Company is committed to issue a structured note to the investor (provided the investor pays for that note). As per the accounting policy in (k) above, the notes will be recognised on the balance sheet at the issuance date when the cash is received from the investor.

The Company will also be obligated to pass on to CGML the cash received from the investor at the issuance date. This commitment is contingent upon cash being received from the investor from the note issuance, meaning if the investor does not pay then the Company has no obligation to give cash to CGML.

(n) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with original maturity of less than three months, including: cash and non-restricted balances with central banks, treasury bills and other eligible bills, loans and advances to banks and amounts due from other banks. Cash and cash equivalents in the statement of cash flows include bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

(o) Redeemable preference shares

The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Company’s redeemable preference shares are classified as financial liabilities because they are mandatorily redeemable in cash and they do not bear dividend. The redeemable preference shares have been mandatorily measured at fair value through profit or loss.

4. Use of assumptions and estimates

The results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. The assumptions and estimates used in the preparation of the financial statements are described in detail in the Company’s annual financial statements as at and for the year ended 31 December 2020.

4. Use of assumptions and estimates (continued)

The Company's accounting policy for valuation of financial instruments is included in Note 3. The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. To the extent practical, models use only observable data. Where this is not possible, the Management may be required to make estimates. Further information about the valuation of financial instruments is disclosed in Note 7.

5. Income tax

The Company's tax rate for the interim period ended 30 Jun 2021 was 25.69% (31 December 2020 was 25.69%). No deferred tax assets and liabilities have been recognised as at 30 June 2021 (2020: $ nil).

6. Share capital and reserves

Share Capital

	Authorised			Allocated, called-up and fully paid
	Number of shares	Nominal value	Amount	Amount
		$	$	$
Unlimited shares	1	1.2536	1.2536	0.31
Limited shares	1,999,999	1.2536	2,507,199	626,799.69
	2,000,000		2,507,200	626,800

The capital has been subscribed as follows:			Allocated, called-up and fully paid
	Number of unlimited shares	Number of limited shares	Amount
			$
Citigroup Global Markets Funding Luxembourg GP S.à r.l.	1	1	0.62
Citigroup Global Markets Limited	-	1,999,998	626,799.38
	1	1,999,999	626,800

All shares confer identical rights in respect of capital, dividends, voting and otherwise.

On 24 May 2012, the date of the Company's incorporation, one-quarter (USD 626,800 equivalent to EUR 500,000) of the subscribed share capital was paid up.

On 30 October 2015 the Company's statutes were amended in order to enable it to issue redeemable preference shares to CGML. The preference shares do not foresee the right of dividend payments. During the first six months of year 2021 the Company issued 30 redeemable preference shares for a proceed amount of USD 3,919. The redeemable preference shares issued in the financial year are classified as a financial liability and presented in the caption "Redeemable preference shares" because they are mandatorily redeemable in cash.

Legal Reserve

Under Luxembourg law, the Company is required to allocate annually at least 5% of its annual net income to a non-distributable legal reserve until the aggregate reserve equals 10% of the subscribed share capital.

On 26 April 2018, the Board recommended to incorporate EUR 50,000 equivalent to USD 60,515 to the legal reserve.

On 29 April 2019, the Board recommended to incorporate USD 2,000 to the legal reserve.

During 2020, there were no additional reserves incorporated to the total legal reserve, as the above stated requirement had already been reached.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

7. Financial assets and liabilities

The following tables summarise the carrying value and fair values of the financial assets and financial liabilities and the classification of each class of financial asset and liability:

As at 30 June 2021	Mandatory measured at fair value through profit or loss	Designated at fair value through profit or loss	Amortised cost	Total carrying amount	Fair value
	$ 000	$ 000	$ 000	$ 000	$ 000
Assets					
Cash and cash equivalents	-	-	3,272	3,272	3,272
Structured notes purchased	21,228,580	-	-	21,228,580	21,228,580
Index linked certificates purchased	1,001,371	-	-	1,001,371	1,001,371
Derivative assets	1,170,144	-	-	1,170,144	1,170,144
Total financial assets	23,400,095	-	3,272	23,403,367	23,403,367
Other assets		-	-	43,278	43,278
Total assets	23,400,095	-	3,272	23,446,645	23,446,645
Liabilities					
Bank loans and overdrafts	-	-	22,158	22,158	22,158
Structured notes issued	-	21,228,580	-	21,228,580	21,228,580
Index linked certificates issued	-	1,001,371	-	1,001,371	1,001,371
Derivative liabilities	1,170,144	-	-	1,170,144	1,170,144
Redeemable preference shares	23	-	-	23	23
Total financial liabilities	1,170,167	22,229,951	22,158	23,422,276	23,422,276
Other liabilities		-	-	23,288	23,288
Current tax liabilities		-	-	35	35
Total liabilities	1,170,167	22,229,951	22,158	23,445,599	23,445,599

7. Financial assets and liabilities (continued)

As at 31 December 2020	Mandatory measured at fair value through profit or loss $ 000	Designated at fair value through profit or loss $ 000	Amortised cost $ 000	Total carrying amount $ 000	Fair value $ 000
Assets					
Cash and cash equivalents	-	-	64,847	64,847	64,847
Structured notes purchased	16,661,236	-	-	16,661,236	16,661,236
Index linked certificates purchased	638,470	-	-	638,470	638,470
Derivative assets	1,142,160	-	-	1,142,160	1,142,160
Total financial assets	18,441,866	-	64,847	18,506,713	18,506,713
Other assets	-	-	-	147,390	147,390
Total assets	18,441,866	-	64,847	18,654,103	18,654,103
Liabilities					
Bank loans and overdrafts	-	-	65,633	65,633	65,633
Structured notes issued	-	16,661,236	-	16,661,236	16,661,236
Index linked certificates issued	-	638,470	-	638,470	638,470
Derivative liabilities	1,142,160	-	-	1,142,160	1,142,160
Redeemable preference shares	23	-	-	23	23
Total financial liabilities	1,142,182	17,299,706	65,633	18,507,522	18,507,522
Other liabilities	-	-	-	57	57
Current tax liabilities	-	-	-	145,526	145,526
Total liabilities	1,142,182	17,299,706	65,633	18,653,105	18,653,105

The following table shows an analysis of financial assets and liabilities measured by fair value hierarchy:

As at 30 June 2021	Level 1 $ 000	Level 2 $ 000	Level 3 $ 000	Total $ 000
Financial assets				
Structured notes purchased	-	17,458,508	3,770,072	21,228,580
Index linked certificates purchased	-	928,714	72,657	1,001,371
Derivative assets	-	1,083,163	86,981	1,170,144
Total financial assets	-	19,470,385	3,929,710	23,400,095
Financial liabilities				
Structured notes issued	-	17,458,508	3,770,072	21,228,580
Index linked certificates issued	-	928,714	72,657	1,001,371
Derivative liabilities	-	1,083,163	86,981	1,170,144
Redeemable preference shares	-	23	0	23
Total financial liabilities	-	19,470,408	3,929,710	23,400,118

7. Financial assets and liabilities (continued)

As at 31 December 2020	Level 1 $ 000	Level 2 $ 000	Level 3 $ 000	Total $ 000
Financial assets				
Structured notes purchased	-	12,170,291	4,490,945	16,661,236
Index linked certificates purchased	-	575,376	63,094	638,470
Derivative assets	-	1,121,950	20,210	1,142,160
Total financial assets	-	13,867,617	4,574,249	18,441,866
Financial liabilities				
Structured notes issued	-	12,170,291	4,490,945	16,661,236
Index linked certificates issued	-	575,376	63,094	638,470
Derivative liabilities	-	1,121,950	20,210	1,142,160
Redeemable preference shares	-	23	-	23
Total financial liabilities	-	13,867,640	4,574,249	18,441,889

CITIGROUP GLOBAL MARKETS FUNDING LUXEMBOURG S.C.A.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

7. Financial assets and liabilities (continued)

The below table presents the fair value of financial instruments as at 30 June 2021 moved between the fair value hierarchy levels:

2021	At 1 January $ 000	Gain/(loss) $ 000	Purchases $ 000	Sales $ 000	Issuances $ 000	Settlements $ 000	Transfers into Level 3 $ 000	Transfers out of Level 3 $ 000	At 30 June $ 000
Financial assets									
Structured notes purchased	4,490,945	(172,010)	-	-	1,790,803	(1,502,028)	283,039	(1,120,677)	3,770,072
Index linked certificates purchased	63,094	(10,034)	-	-	17,159	(550)	3,483	(495)	72,657
Derivative assets	20,210	46,695	-	-	3,158	(13,412)	43,229	(12,899)	86,981
	4,574,249	(135,349)	-	-	1,811,120	(1,515,990)	329,751	(1,134,071)	3,929,710

	At 1 January $ 000	Gain/(loss) $ 000	Purchases $ 000	Sales $ 000	Issuances $ 000	Settlements $ 000	Transfers into Level 3 $ 000	Transfers out of Level 3 $ 000	At 30 June $ 000
Financial liabilities									
Structured notes purchased	4,490,945	(172,010)	-	-	1,790,803	(1,502,028)	283,039	(1,120,677)	3,770,072
Index linked certificates purchased	63,094	(10,034)	-	-	17,159	(550)	3,483	(495)	72,657
Derivative assets	20,210	46,695	-	-	3,158	(13,412)	43,229	(12,899)	86,981
	4,574,249	(135,349)	-	-	1,811,120	(1,515,990)	329,751	(1,134,071)	3,929,710

2020	At 1 January $ 000	Gain/(loss) $ 000	Purchases $ 000	Sales $ 000	Issuances $ 000	Settlements $ 000	Transfers into Level 3 $ 000	Transfers out of Level 3 $ 000	At 31 December $ 000
Financial assets									
Structured notes purchased	3,358,024	274,069	-	-	3,179,456	(2,769,836)	517,514	(68,282)	4,490,945
Index linked certificates purchased	40,115	(17,786)	-	-	73,491	(33,074)	348	-	63,094
Derivative assets	11,230	18,124	-	-	1,696	(3,611)	3,532	(10,761)	20,210
	3,409,369	274,407	-	-	3,254,642	(2,806,521)	521,394	(79,043)	4,574,249

	At 1 January $ 000	Gain/(loss) $ 000	Purchases $ 000	Sales $ 000	Issuances $ 000	Settlements $ 000	Transfers into Level 3 $ 000	Transfers out of Level 3 $ 000	At 31 December $ 000
Financial liabilities									
Structured notes purchased	3,358,024	274,069	-	-	3,179,456	(2,769,836)	517,514	(68,282)	4,490,945
Index linked certificates purchased	40,115	(17,786)	-	-	73,491	(33,074)	348	-	63,094
Derivative assets	11,230	18,124	-	-	1,696	(3,611)	3,532	(10,761)	20,210
	3,409,369	274,407	-	-	3,254,642	(2,806,521)	521,394	(79,043)	4,574,249

Transfers from Level 2 to Level 3 arise when the availability of observable independent market data or pricing information for the significant valuation inputs of an instrument reduces. Transfers from Level 3 to Level 2 can occur when observability of the independent market data or pricing information for significant valuation inputs improves, or where the significance of the unobservable inputs reduces sufficiently.

Valuation techniques and significant unobservable inputs

Valuation uncertainty is computed on a quarterly basis based on the methodology used per instruments. Price or models input parameters will be adjusted in consequence if any impact across each product.

7. Financial assets and liabilities (continued)

Valuation techniques and significant unobservable inputs (continued)

The adjustments are typically computed with reference to proxy analysis using third party data. Examples of the approach used to derive sensitivity adjustments are outlined below:

- Equity Markets: Valuation uncertainty is computed from a combination of consensus market data and proxy analysis using third party data providers.
- Credit Trading and Securitised Markets: Valuation uncertainty is computed from a combination of consensus market data, broker data and proxy analysis using third party data providers.
- Commodity Markets: Valuation uncertainty is computed from a combination of consensus market data and proxy analysis using third party data providers.

Valuation Techniques and Inputs for Level 3 Fair Value Measurements

The following tables present the valuation techniques covering the majority of Level 3 inventory and the most significant unobservable inputs used in Level 3 fair value measurements as of 30 June 2021. Note that these tables represent key drivers by disclosures line.

				Range of Inputs		
As at 30 June 2021	**Fair Value**	**Methodology**	**Input**	**Min**	**Max**	**Unit**
Financial assets						
Structured notes purchased						
Commodities structured notes	51,635	Model-based	Forward Price	63.8	112.2	%
		Model-based	Commodity Volatility	10.5	69.5	%
		Model-based	Commodity Correlation	-49.3	92.0	%
Equity structured notes	130,461	Model-based	Equity Volatility	0.1	298.7	%
		Model-based	Equity-Equity Correlation	-40.0	99.0	%
		Model-based	Equity-FX Correlation	-81.0	80.0	%
		Model-based	Price	52.0	73.0	%
		Price-based	Price	0.0	28.7	%
		Model-based	Equity Forward	57.4	124.5	%
Hybrid structured notes	2,444,606	Model-based	Equity-FX Correlation	-81.0	80.0	%
		Model-based	Equity-IR Correlation	-13.0	60.0	%
		Model-based	Equity Forward	57.4	124.5	%
		Model-based	Equity-Equity Correlation	-40.0	99.0	%
		Model-based	Equity Volatility	0.1	298.7	%
Rates structured notes	1,143,370	Model-based	Price	100.0	100.0	%
		Model-based	IR Normal Volatility	0.1	0.8	%
		Model-based	IR-FX Correlation	40.0	60.0	%
		Model-based	IR-IR Correlation	40.0	40.0	%
		Model-based	FX Volatility	5.5	11.8	%
Index linked certificates purchased						
Commodities index linked certificates	1,007	Model-based	Forward Price	63.8	112.2	%
		Model-based	Commodity Volatility	10.5	69.5	%
		Model-based	Commodity Correlation	-49.3	92.0	%
Equity index linked certificates	29,034	Model-based	Equity Forward	57.4	124.5	%
		Model-based	Equity Volatility	0.1	298.7	%
		Model-based	Equity-Equity Correlation	-40.0	99.0	%
		Model-based	Equity-FX Correlation	-81.0	80.0	%
Hybrid index linked certificates	42,616	Model-based	Equity Forward	57.4	124.5	%
		Model-based	Equity-FX Correlation	-81.0	80.0	%
		Model-based	Equity Volatility	0.1	298.7	%
		Model-based	Equity-Equity Correlation	-40.0	99.0	%
		Model-based	Equity-IR Correlation	-13.0	60.0	%
Derivative assets						
Commodity derivatives	2,166	Model-based	Forward Price	63.8	112.2	%
		Model-based	Commodity Volatility	10.5	69.5	%
		Model-based	Commodity Correlation	-49.3	92.0	%
Equity derivatives	84,013	Model-based	Equity Forward	57.4	124.5	%
		Model-based	Equity Volatility	0.7	128.6	%
		Model-based	Equity-Equity Correlation	38.8	99.0	%
		Model-based	Equity-FX Correlation	-81.0	80.0	%
		Model-based	Price	44.9	79.7	%
		Price-based	Price	30.9	46.9	%
Hybrid derivatives	173	Model-based	Forward Price	57.4	124.5	%
Rates derivatives	629	Model-based	IR Normal Volatility	0.1	0.8	%

7. **Financial assets and liabilities** (continued)

Valuation Techniques and Inputs for Level 3 Fair Value Measurements (continued)

As at 30 June 2021	Fair Value	Methodology	Input	Range of Inputs Min	Max	Unit
Financial liabilities						
Structured notes issued						
Commodities structured notes	51,635	Model-based	Forward Price	63.8	112.2	%
		Model-based	Commodity Volatility	10.5	69.5	%
		Model-based	Commodity Correlation	-49.3	92.0	%
Equity structured notes	130,461	Model-based	Equity Volatility	0.1	298.7	%
		Model-based	Equity-Equity Correlation	-40.0	99.0	%
		Model-based	Equity-FX Correlation	-81.0	80.0	%
		Model-based	Price	52.0	73.0	%
		Price-based	Price	0.0	28.7	%
		Model-based	Equity Forward	57.4	124.5	%
Hybrid structured notes	2,444,606	Model-based	Equity-FX Correlation	-81.0	80.0	%
		Model-based	Equity-IR Correlation	-13.0	60.0	%
		Model-based	Equity Forward	57.4	124.5	%
		Model-based	Equity-Equity Correlation	-40.0	99.0	%
		Model-based	Equity Volatility	0.1	298.7	%
Rates structured notes	1,143,370	Model-based	Price	100.0	100.0	%
		Model-based	IR Normal Volatility	0.1	0.8	%
		Model-based	IR-FX Correlation	40.0	60.0	%
		Model-based	IR-IR Correlation	40.0	40.0	%
		Model-based	FX Volatility	5.5	11.8	%
Index linked certificates purchased						
Commodities index linked certificates	1,007	Model-based	Forward Price	63.8	112.2	%
		Model-based	Commodity Volatility	10.5	69.5	%
		Model-based	Commodity Correlation	-49.3	92.0	%
Equity index linked certificates	29,034	Model-based	Equity Forward	57.4	124.5	%
		Model-based	Equity Volatility	0.1	298.7	%
		Model-based	Equity-Equity Correlation	-40.0	99.0	%
		Model-based	Equity-FX Correlation	-81.0	80.0	%
Hybrid index linked certificates	42,616	Model-based	Equity Forward	57.4	124.5	%
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		Model-based	Equity Volatility	0.1	298.7	%
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		Model-based	Equity-IR Correlation	-13.0	60.0	%
Derivative assets						
Commodity derivatives	2,166	Model-based	Forward Price	63.8	112.2	%
		Model-based	Commodity Volatility	10.5	69.5	%
		Model-based	Commodity Correlation	-49.3	92.0	%
Equity derivatives	84,013	Model-based	Equity Forward	57.4	124.5	%
		Model-based	Equity Volatility	0.7	128.6	%
		Model-based	Equity-Equity Correlation	38.8	99.0	%
		Model-based	Equity-FX Correlation	-81.0	80.0	%
		Model-based	Price	44.9	79.7	%
		Price-based	Price	30.9	46.9	%
Hybrid derivatives	173	Model-based	Forward Price	57.4	124.5	%
Rates derivatives	629	Model-based	IR Normal Volatility	0.1	0.8	%

CITIGROUP GLOBAL MARKETS FUNDING LUXEMBOURG S.C.A.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

7. **Financial assets and liabilities** (continued)

Valuation Techniques and Inputs for Level 3 Fair Value Measurements (continued)

				Range of Inputs		
As at 31 December 2020	**Fair Value $ 000**	**Methodology**	**Input**	**Min**	**Max**	**Unit**
Financial assets						
Structured notes purchased						
Commodities structured notes	119,164	Model-based	Forward Price	15.4	262.0	%
		Model-based	Commodity Volatility	0.2	80.2	%
		Model-based	Commodity Correlation	- 44.9	95.9	%
Equity structured notes	1,090,706	Model-based	Equity Volatility	14.1	91.4	%
		Model-based	Forward Price	65.9	104.4	%
Hybrid structured notes	2,109,597	Model-based	Equity-FX Correlation	- 45.0	-	%
		Model-based	Equity-IR Correlation	13.0	45.0	%
		Model-based	Forward Price	65.9	104.4	%
		Model-based	Equity Volatility	5.0	91.4	%
Rates structured notes	1,171,478	Model-based	Inflation Volatility	0.5	2.5	%
		Model-based	IR Normal Volatility	0.1	0.7	%
		Model-based	IR-FX Correlation	- 31.9	73.8	%
		Model-based	IR-IR Correlation	- 10.0	56.1	%
		Model-based	FX Volatility	6.1	11.4	%
Index linked certificates purchased						
Commodities index linked certificates	470	Model-based	Forward Price	15.4	262.0	%
		Model-based	Commodity Volatility	0.2	80.2	%
		Model-based	Commodity Correlation	- 44.9	95.9	%
Equity index linked certificates	23,846	Model-based	Equity Volatility	5.0	91.4	%
		Model-based	Forward Price	65.9	104.4	%
Hybrid index linked certificates	38,778	Model-based	Equity-FX Correlation	- 45.0	-	%
		Model-based	Forward Price	96.4	104.4	%
		Model-based	Equity Volatility	5.0	21.1	%
		Model-based	Equity-IR Correlation	13.0	45.0	%
Derivative assets						
Commodities derivatives	1,024	Model-based	Forward Price	15.4	262.0	%
		Model-based	Commodity Volatility	0.2	80.2	%
		Model-based	Commodity Correlation	- 44.9	95.9	%
Equity derivatives	16,495	Model-based	Equity Volatility	14.1	91.4	%
		Model-based	Forward Price	65.9	98.1	%
Hybrid derivatives	136	Model-based	Forward Price	96.4	104.4	%
Rates derivatives	2,555	Model-based	Inflation Volatility	0.5	2.5	%
		Model-based	IR Normal Volatility	0.1	0.6	%

7. Financial assets and liabilities (continued)

Valuation Techniques and Inputs for Level 3 Fair Value Measurements (continued)

As at 31 December 2020	Fair Value $ 000	Methodology	Input	Range of Inputs Min	Max	Unit
Structured notes issued						
Commodities structured notes	119,164	Model-based	Forward Price	15.4	262.0	%
		Model-based	Commodity Volatility	0.2	80.2	%
		Model-based	Commodity Correlation	- 44.9	95.9	%
Equity structured notes	1,090,706	Model-based	Equity Volatility	14.1	91.4	%
		Model-based	Forward Price	65.9	104.4	%
Hybrid structured notes	2,109,597	Model-based	Equity-FX Correlation	- 45.0	-	%
		Model-based	Equity-IR Correlation	13.0	45.0	%
		Model-based	Forward Price	65.9	104.4	%
		Model-based	Equity Volatility	5.0	91.4	%
Rates structured notes	1,171,478	Model-based	Inflation Volatility	0.5	2.5	%
		Model-based	IR Normal Volatility	0.1	0.7	%
		Model-based	IR-FX Correlation	- 31.9	73.8	%
		Model-based	IR-IR Correlation	- 10.0	56.1	%
		Model-based	FX Volatility	6.1	11.4	%
Index linked certificates issued						
Commodities index linked certificates	470	Model-based	Forward Price	15.4	262.0	%
		Model-based	Commodity Volatility	0.2	80.2	%
		Model-based	Commodity Correlation	- 44.9	95.9	%
Equity index linked certificates	23,846	Model-based	Equity Volatility	5.0	91.4	%
		Model-based	Forward Price	65.9	104.4	%
Hybrid index linked certificates	38,778	Model-based	Equity-FX Correlation	- 45.0	-	%
		Model-based	Forward Price	96.4	104.4	%
		Model-based	Equity Volatility	5.0	21.1	%
		Model-based	Equity-IR Correlation	13.0	45.0	%
Derivative liabilities						
Commodities derivatives	1,024	Model-based	Forward Price	15.4	262.0	%
		Model-based	Commodity Volatility	0.2	80.2	%
		Model-based	Commodity Correlation	- 44.9	95.9	%
Equity derivatives	16,495	Model-based	Equity Volatility	14.1	91.4	%
		Model-based	Forward Price	65.9	98.1	%
Hybrid derivatives	136	Model-based	Forward Price	96.4	104.4	%
Rates derivatives	2,555	Model-based	Inflation Volatility	0.5	2.5	%
		Model-based	IR Normal Volatility	0.1	0.6	%

8. Related party transactions

The Company defines related parties as the Board, their close family members, parent and fellow subsidiaries and associated companies.

A number of arm’s length transactions are entered into with related parties. These include cash and cash equivalent balances deposited with affiliated undertakings, as well as structured notes, index linked certificates purchased and derivative assets, which are offsetting transactions to the structured notes, index linked certificates and derivatives issued by the Company as further described in Note 3 and Note 7.

The Company is also remunerated for the services rendered as issuer to CGML. Services provided between related parties are on an arm’s length basis.

No provisions have been recognised in respect of deposits with related parties or structured notes purchased.

8. Related party transactions (continued)

The table below summarises balances with related parties. There were no related party transactions with the ultimate parent company, Citigroup Inc.

	As at 31 June 2021		
	Parent undertaking $ 000	Other affiliated undertakings $ 000	Total $ 000
Assets			
Cash and cash equivalents	-	3,272	3,272
Structured notes purchased	21,228,580	-	21,228,580
Index linked certificates purchased	1,001,371	-	1,001,371
Derivative assets	1,170,144	-	1,170,144
Other assets	7,501		7,501
Liabilities			
Bank loans and overdrafts	-	22,158	22,158
Derivative liabilities	41,339	-	41,339
Redeemable preference shares	23	-	23
Other liabilities	23	-	23
Statement of comprehensive income			
Net fee and commission income	1,094	-	1,094
General and administrative expenses		146	146
Net income from financial instruments at fair value through profit or loss	374,924		374,924

	As at 31 December 2020		
	undertaking	undertakings	$ 000
Assets			
Cash and cash equivalents	-	64,776	64,776
Structured notes purchased	16,661,236	-	16,661,236
Index linked certificates purchased	638,470	-	638,470
Derivative assets	1,123,898	-	1,123,898
Other assets	145,778	1,539	147,317
Liabilities			
Bank loans and overdrafts	-	64,883	64,883
Derivative liabilities	18,262	-	18,262
Redeemable preference shares	23	-	23
Other liabilities	101	-	101

	As at 31 June 2020		
	undertaking	undertakings	$ 000
Statement of comprehensive income			
Interest expense and similar charges			
Net fee and commission income	1,077	-	1,077
General and administrative expenses	-	(146)	(146)
Net income from financial instruments at fair value through profit or loss	1,236,696	-	1,236,696

8. Related party transactions (continued)

The Company's accounting policy foresees to include income from financial assets and financial liabilities designated at fair value through profit or loss on a net basis in the caption 'Net income from other financial instruments at fair value through profit or loss', and includes all realised and unrealised fair value changes, together with related interest, dividends and foreign exchange differences (refer to Note 2(f)).

9. Segmental reporting

The Company's activity is the issuance of listed or unlisted structured products in the form of structured notes, index liked certificates and derivatives to grant loans or other forms of funding directly or indirectly in whatever form or means to any entities belonging to Citigroup Inc.

In accordance with IFRS 8 "Operating Segments", an operating segment is defined as a business activity whose operating results are reviewed by the Chief Operating Decision-Maker ("CODM") and for which discrete information is available. The management approach is used to determine the reportable operating segments. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM, as required by IFRS 8. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board Citigroup Global Markets Funding Luxembourg GP S.à r.l. ("the Manager").

The CODM monitors the issuance activity based on a breakdown of information about the regional distribution of the products issued by the Company to institutional and retail investors. The products issued by the Company are distributed to investors classified in four regions:

- *Europe, Middle-East and Africa ("EMEA")*
- *Asia Pacific, excluding Japan ("APAC")*
- *Japan ("JP")*
- *Latin America ("Latam")*

For each region the CODM is provided with key performance indicators ("KPIs") reporting the total number of instruments issued and the total net proceed amount issued during the period.

At the end of the period a regional breakdown of the number of financial instruments issued, the market value of the financial instruments issued at the end of the period as well as the gains and losses related to the issuance of these financial instruments during the year.

9. Segmental reporting (continued)

For the period ended 30 June 2021 ($ 000)

	APAC	EMEA	JP	LATAM	Grand Total
Number of instruments issued	9,000	2,323	792	1,327	13,442
Net proceed of the instruments issued	11,757,493	6,138,243	784,216	2,155,404	20,835,356
Market value of the instruments outstanding at the end of the period [3]	8,964,249	10,565,238	1,356,952	2,513,656	23,400,095
Losses related to the instruments issued	(625,891)	164,493	(18,600)	105,074	(374,924)
Gains related to the instruments purchased	625,891	(164,493)	18,600	(105,074)	374,924

For the year ended 31 December 2020 ($ 000)

	APAC	EMEA	JP	LATAM	Grand Total
Number of instruments issued	9,733	2,495	701	2,159	15,088
Net proceed of the instruments issued	12,868,997	6,019,616	1,118,648	3,442,873	23,450,134
Market value of the instruments outstanding at year-end [3]	6,821,804	8,408,275	1,107,553	2,104,234	18,441,866
For the period ended 30 June 2020 ($ 000)					
Losses related to the instruments issued	(206,718)	(567,221)	(4,460)	(458,297)	(1,236,696)
Gains related to the instruments purchased	206,718	567,221	4,460	458,297	1,236,696

10. Financial instruments and risk management

All aspects of the Company’s financial risk management objectives and policies are consistent with that disclosed in the annual report and financial statements as at and for the year ended 31 December 2020.

11. LIBOR Transition

The table below presenting an analysis of the carrying amount of financial instruments, including the nominal amount of derivatives, that have yet to transition alternative benchmark rate as at the end of the reporting period, disaggregated by significant interest rate benchmark exposures as at 30 June 2021:

IBOR Exposures by benchmark ($ 000)	USD Libor	EUR Libor	JPY Libor	GBP Libor	CHF Libor	Total
Structured notes purchased/issued						
Carrying amount / contract par amount of non-derivative contracts	2,473,562	134,252	13,457	10,288	-	2,631,559
Index linked certificates purchased/issued						
Carrying amount / contract par amount of non-derivative contracts	939	9,354	-	-	-	10,293
Derivative assets/liabilities						
Notional amount	1,470,616	-	-	-	1,081	1,471,697

The Interest Rate Benchmark Reform is discussed in more details in Note 3 (b) “Changes in accounting policy and disclosures”.

12. Events after the reporting period

The performance of the Company for 2021 will continue to depend on the appetite of institutional and retail investors for structured products, the increase of the market share of Citigroup products as well as on the liquidity requirements of CGML and the various sources of funding available.

As interest rates remain low, structured products will also remain attractive investment opportunities for investors.

The impacts of Covid-19 on economic conditions, business and investors continue to be monitored by the Company and by its parent, CGML. During the six months under review and after, the Company has continued to issue structured products, increasing its market share and to meet the liquidity requirements of CGML.

[3] The instruments outstanding at the end of the period (at the end of the year) are composed of structured notes, index linked certificates and derivatives.

13. Parent companies

The Company is a wholly owned indirect subsidiary of Citigroup Inc. No shareholder, or associated group of shareholders acting together, owns enough shares of Citigroup Inc.'s common stock to directly or indirectly exercise control over 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 http://www.citigroup.com/citi/investor/qer.htm.

The Company is managed by Citigroup Global Markets Funding Luxembourg GP S.à r.l. The Board provides independent management of the Company.