CITIGROUP GLOBAL MARKETS LIMITED

(Registered Number: 01763297)

UNAUDITED INTERIM REPORT AND FINANCIAL STATEMENTS

for the six months ended 30 June 2020

INTERIM MANAGEMENT REPORT
for the six months ended 30 June 2020

The Directors present their interim management report on Citigroup Global Markets Limited (CGML or the Company) for the six months ended 30 June 2020.

1. Introduction

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

CGML is authorised by the Prudential Regulation Authority (PRA) and regulated by the PRA and Financial Conduct Authority (FCA). CGML is also a Commodity Futures Trading Commission (CFTC) registered swap dealer and is considered a Risk Taking/Operating Material Legal Entity in Citi's Global Resolution Plan. As at 30 June 2020, it had four active branch office and five subsidiaries, listed below. During 2019 the staff and activities of CGML's branches in London, France, Italy and Spain were transferred to branches of Citigroup Global Markets Europe AG (CGME) in those countries as part of the Company's preparations following the UK's decision to leave the EU. Further details are included in the UK's withdrawal from the EU section of Management report below.

EU Branches	Subsidiaries
Czech Republic	Citigroup Global Markets Luxembourg S.a.R.L. (Luxembourg) (in liquidation)
	Citigroup Global Markets Funding Luxembourg SCA (Luxembourg)
Non-EU Branches	Citigroup Global Markets Funding Luxembourg GP S.a.R.L. (Luxembourg)
Israel	Citi Global Wealth Management S.A.M. (Monaco)
Switzerland	Citigroup Global Markets Europe AG (Germany)
UAE	

CGML's key activities encompass capital markets origination, corporate and investment banking and cash, exchange traded and over-the-counter (OTC) derivative products in the following markets:

- G10 Rates
- Foreign Exchange
- Equities
- Credit Markets
- Securitised Markets
- Prime, Futures and Securities Services (comprising Prime Finance, Delta-One and Futures & OTC Clearing)
- Commodities

The above business areas variously include market making, facilitating client flow trading and providing tailored solutions to client financing, risk or investment needs. Further details of these areas can be found in the Strategic Report of the Company's financial statements for the year ended 31 December 2019.

A number of CGML's functional operations are carried out in locations outside London, including at Citi Service Centres (CSCs) in Belfast, Budapest and Warsaw. In addition, CGML makes use of a number of affiliated and third party outsourcing arrangements outside EMEA.

2. Mission and Strategy

CGML's mission, in line with that of Citi, is to serve as a trusted partner to its clients by responsibly providing financial services that enable growth and economic progress. CGML's core activities are being a dealer, market maker and underwriter and providing advisory services. Whilst carrying out these activities, it ensures that actions are always in its clients' interests, create economic value and are systemically responsible.

The strategic priorities set out by CGML for 2020 were as follows:

- *Continuing to be the best for its clients by enhancing the depth and quality of its customer engagement and ensuring successful implementation of its plans for the UK's proposed departure from the European Union*

  Citi maintained its strong client rankings across Fixed Income products and continued its improvement in Equities. It also consolidated its top 3 ranking across capital markets origination and mergers and acquisitions.

  Following Board and Regulatory approvals in the UK and Germany, CGML purchased a German Citi affiliate, CGME, to create an EEA Investment Firm. This represented a key milestone in CGML's planning to continue to deliver high standards of service to European clients following the UK's decision to leave the European Union. Following this strategy, the activities and staff in existing branches of CGML in key EU jurisdictions have been transferred to newly established CGME branches in these jurisdictions.

- *Maintaining robust capital and liquidity levels, improvement in key financial performance indicators and continuous enhancement of the internal control infrastructure*

  Capital and liquidity levels are monitored on a daily basis and have been maintained at strong levels throughout 2020, while operating efficiency improved 23% compared to the first half of 2019.

- *Attraction, development and retention of talent including promotion of diversity and furtherance of equal employment opportunities*

  Commitment to Diversity and Inclusion is core to Citi's values. As part of its pledge to the Women in Finance Charter, Citi has set a goal to increase the number of senior management roles held by women. Citi is also focusing on ensuring a balanced gender intake to its graduate recruitment programmes. These developments are further supported by initiatives to identify and retain high performing employees.

INTERIM MANAGEMENT REPORT
for the six months ended 30 June 2020

3. Financial Highlights

Income Statement Summary

	2020 $ Million	2019 $ Million
Commission income and fees	594	627
Net dealing income	2,397	1,170
Interest receivable	211	911
Interest payable	(587)	(1,026)
Gross profit	**2,615**	**1,682**
Operating expenses	(1,399)	(1,323)
Impairment of investments	(42)	-
Other income and expenses	13	19
Operating profit on ordinary activities before taxation	**1,187**	**378**

Gross Profit

Gross profit rose by $933 million, a 55% increase on 2019.

Net dealing income rose significantly in the first half of 2020 as a result of an increase in trading activity driven by market volatility surrounding the COVID-19 pandemic. This increase in activity impacted all businesses across Markets and Securities Services, with Rates and Currencies seeing the largest year on year increase particularly on the European Government Bonds trading desk supplemented by rising Italian Government bond yields.

In addition to the increase in revenues under Markets and Securities Services, there were further gains of approximately $510 million on the early termination of long term debt. The company borrowed additional funding during the peak market volatility, however was able to terminate the debt early after volatility subsided while credit spreads remained relatively wide.

The year on year decrease in both interest receivable and interest payable reflects the overall downward trend of USD and GBP interest rates with the largest fall occurring in March after the Fed and Bank of England cut base rates in response to the uncertainty surrounding COVID-19.

Operating Expenses

Operating expenses were $1,399 million with the largest costs being compensation, technology and transaction costs. The increase in 2020 was mainly due to an increase in compensation and benefits owing to the strong revenue performance, and an increase in transaction expenses following the increase in trading activity for the period.

Profit for the Period

Net profit for the first six months was $884 million (2019: $294 million), a 201% increase. This included a tax charge of $303 million for the period (2019: $84 million).

3. Financial Highlights (continued)

Balance Sheet

	2020 $ Million	2019 $ Million
Total assets	525,100	427,278
Total liabilities	506,234	409,307
Shareholders' funds	18,866	17,971

CGML's assets consist primarily of collateralised financing transactions, derivatives and trading inventory. Collateralised financing transactions include reverse repos and stock borrows; derivatives encompass interest rate credit, equity and commodity derivatives; whilst bonds and equities form the largest categories of trading inventory. The Company's liabilities predominantly comprise collateralised financing transactions, derivatives and securities sold not yet purchased.

Asset and liability growth in 2020 was largely a result of an increase in Derivative balances, particularly on Interest Rate Derivatives as yields fell during the year, and also an overall increase in trading activity.

Shareholders' funds were $18,866 million (31 December 2019: $17,971 million) which represented an increase of $895 million. This included the profit for the period, mainly offset by the coupon payments on the Additional Tier 1 (AT1) notes and the revaluation gains recognised in equity reserve and comprehensive income. Further details of the current period movements are presented in the Statement of Changes in Equity.

4. Future Outlook

CGML's core strategic themes and operational priorities are defined in accordance with Citi's overall strategy. These themes are summarised below:

- *Use innovation to improve the client experience and deepen relationships with target clients*
- *Increase the Company's proportion of available client business in areas where we have a differentiated ability to serve our target clients*
- *Ensure sustainability of financial performance through the economic cycle*
- *Ensure continuity to clients following the UK's departure from the EU*
- *Prepare for future regulatory changes*
- *Maintain a robust internal control environment*
- *Maintain operational resilience.*

4.1 The UK's withdrawal from the EU

Following the UK referendum on EU membership in June 2016, Citi established a formal programme ("Project Arch") to deliver a coordinated response to the UK's decision to leave the EU. The UK's membership of the European Union came to an end on 31st January, 2020 following the ratification by the UK and the EU of the Withdrawal Agreement with a transition period until 31st December, 2020. Given the uncertainties in the final outcome of the UK's negotiations with the EU, CGML continues to progress with its contingency planning assuming a "Hard" Brexit scenario, without an extended transition period or an agreed deal. The scenario therefore assumes a loss of EU passporting at the end of transition period on 31st December, 2020.

The key objective of Project Arch is to design and implement a strategy that would allow Citi to continue servicing its clients in the EEA and UK with minimal disruption, whilst maintaining simplicity and transparency.

4. Future Outlook (continued)

4.1 The UK's withdrawal from the EU *(continued)*

Across the impacted legal entities, Citi is operationally ready to support its clients following the end of Brexit transition period. Citi continues to monitor Brexit related political, legislative and regulatory considerations, for its EEA based client activities and all impacted legal entities.

Currently, CGML relies on passporting to provide products and services on a cross-border basis across the EEA. In preparation for Brexit and to minimise client and market disruption, CGML is seeking to maintain its existing EEA client, counterparty and Financial Market Infrastructure (FMI) relationships by making use of cross-border licences or licence exemptions in certain EEA jurisdictions, where available. Where such cross-border licences and licence exemptions are not available, EEA client facing activities are being transferred to Citigroup Global Markets Europe AG (CGME, Citi's EEA Investment Firm and a wholly owned subsidiary of CGML) or Citibank Europe Plc (CEP) in certain instances to ensure continuity of services and products. CGME and CEP are operationally ready and provision of Markets & Securities Services to certain EU-based clients have commenced.

Further, as a part of Citi's Brexit Day 1 strategy, activities in CGML's existing EEA branches in France, Italy and Spain have been transferred to newly established branches of CGME in the respective EEA locations to support provision of investment services and products. CGML branches in France, Spain and Italy are in the process of being closed after due regulatory and Board approvals. CGML Ireland Branch activities have been transferred to CEP and the branch has been formally closed. The valuation and transaction terms for the transfer of Branch activities were formally approved by the CGML Board.

CGME's client base will comprise eligible counterparties and professional clients (including clients who may be treated as professionals on request) for the purpose of Directive 2014/65/EU on markets in financial instruments. These typically include financial institutions, institutional and other investors, corporates, government and public sector entities and retail intermediaries.

Solving for Brexit to ensure continuity of EEA client facing activities from CGME and CEP remain a priority for Citi in 2020. However, expectations from our European regulators (ECB, CBI and BaFin) require Citi to extend and enhance existing trading and risk management capabilities in CGME and CEP for material products on these entities in relation to EEA clients ("Day 2 operating model").

While Citi's Day 2 operating model is expected to have an impact on CGML, CGML will continue to be a full service Investment Firm and one of Citi's global market risk hubs in the target state. Further, CGML will continue to focus on ensuring sustained future viability of CGME as a part of post-Brexit restructuring.

CGML is operationally ready to support its clients through successful execution of its Brexit contingency plans. However, there are certain challenges which remain for the industry as a whole, including but not limited to, the speed of client response on migration to EU entities and preparedness of financial markets infrastructure.

4.2 Market Outlook

Looking forward, the Company is likely to be impacted by a number of developments with specific significance for its operations and strategy:

- The UK's withdrawal from the EU and its associated economic, political, legal and regulatory ramifications will continue to be a source of uncertainty during 2020 as the exact nature of UK's future relationship with EU remains unclear.
- The global spread of COVID-19 has resulted in governments taking varied actions towards stemming its spread and also bolstering economies. Consequently, the global economy has seen a slowdown of economic activity in many sectors and increased volatility in the financial markets including the UK. The impact of COVID-19 is expected to continue for the coming months with likely adverse effects on the operations and financial position of the business. The Company is closely monitoring the spread of COVID-19, the actions and reactions of Governments and the potential effects it will have on its business.

4. Future Outlook (continued)

4.2 Market Outlook (continued)

- Uncertainties with respect to Global Growth both in advanced and emerging-market economies may have an impact on confidence and financial activity.
- Political uncertainty is expected to continue through 2020.
- Technological Developments within the finance industry have the potential to significantly change the current technological and operational infrastructure across financial institutions.
- MiFID II will have an ongoing impact on the competitive environment, further electronification, margin compression and potentially on business models.

Citi and CGML will continue to monitor and assess these developments in order to mitigate any impact to services offered to clients and to take advantage of any opportunities that they may create.

5. Key performance indicators

In addition to the financial results of the Company, senior management considers the monitoring of the following key financial and non-financial items critical to the Company's future: adequacy of regulatory capital and liquidity, external ratings and future regulatory developments. Please refer to the Strategic Report of the Company's financial statements for the year ended 31 December 2019 for further information.

6. 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 29 'Financial instruments and risk management' of the Company's financial statements for the year ended 31 December 2019. 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'.

7. Statement of Directors' responsibilities

The Directors are responsible for preparing the Interim Management Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 104 *Interim Financial Reporting.*

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of CGML and of the profit or loss of CGML for the relevant period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the CGML's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate CGML or to cease operations, or have no realistic alternative but to do so.

7. Statement of Directors' responsibilities (continued)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain CGML's transactions and disclose with reasonable accuracy at any time the financial position of CGML and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of CGML and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on CGML's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern basis

The financial statements are prepared on a going concern basis taking into account CGML's existing capital and liquidity resources and the level of reliance placed on support from Citi, CGML's ultimate parent. The Directors acknowledge the risk that extreme circumstances might adversely impact CGML's ability to continue trading and are satisfied that CGML has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions.

As CGML is part of the Citigroup, the risks that apply to the parent also apply to all subsidiaries within the group including CGML. The risk factors impacting Citigroup Inc. are described in its 2019 annual report on form 10-K and in its 2020 interim reports on form 10-Q, which can be found at http://www.citigroup.com/citi/investor/sec.htm.

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. In considering going concern, the Company continues to closely monitor developments related to the outbreak of COVID-19.

As was reported in the Parent company's (Citigroup's) Quarterly Report on SEC Form 10-Q for the quarterly period ended 30 June 2020, Citigroup disclosed that in addition to the widespread public health implications, the emergence of the COVID-19 pandemic has had an extraordinary impact on macroeconomic conditions in the U.S. and around the world. To assess any potential impact of COVID-19 on the Company, the directors reassessed the components of capital, liquidity and the financial position of the Company and have concluded that the going concern basis is still appropriate.

Directors
The Directors who held office during the period ended 30 June 2020 were:

Non-Executive
C Ardalan (Chairman)
M P Basing
R F Goulding
D L Taylor

Executive
L Arduini
J D K Bardrick
D Jain
F M Mannion

7. Statement of Directors' responsibilities (continued)

Directors' indemnity

Throughout the period and at the date of this report CGML is party to a group-wide indemnity policy which benefits all the Directors and is a qualifying third party indemnity provision for the purpose of section 236 of the Companies Act 2006.

Political contributions

No political contributions were made during the period (2019: none).

Events after the reporting period

On 25 August 2020 the Company drew down additional paid in capital of $1 billion from its parent, Citigroup Global Markets Holdings Bahamas Limited.

The impact of COVID-19 is expected to continue on the global economy for the coming months with likely adverse effects on the operations and financial position of the business. CGML has invoked its business continuity plans following the advice from Government restricting movement of people and there has been no material impact on the operations of the Company. The Company has and continues to assess material risks and their implications to the business operations as a result of the global spread of COVID-19. As this is an evolving situation, emerging risks are reviewed and actively managed accordingly as they arise.

This is a non-adjusting event and an estimate of the financial effect cannot be made at the date of approving these financial statements as the situation remains a rapidly evolving one.

At the date on which these financial statements were approved, there were no other significant events affecting the Company since the period end.

Auditors

The Company has elected not to have an audit of these interim financial statements. A full audit will be performed at 31 December 2020.

By order of the Board

J D K Bardrick
Director

29 October 2020

Incorporated in England and Wales
Registered office: Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB
Registered Number: 01763297

CITIGROUP GLOBAL MARKETS LIMITED

INCOME STATEMENT
for the six months ended 30 June 2020

	Notes	30 June 2020 $ Million	30 June 2019 $ Million
Fee and commission income	5	594	627
Net dealing income		2,397	1,170
Interest receivable		211	911
Interest payable		(587)	(1,026)
Gross profit	15	2,615	1,682
Operating expenses		(1,399)	(1,323)
Impairment of investments in subsidiary	8	(42)	-
Net finance income on pension		8	7
Other income		5	12
Operating profit on ordinary activities before taxation		1,187	378
Tax on profits on ordinary activities	6	(303)	(84)
Profit after taxation for the financial year		884	294

The accompanying notes on pages 15 to 32 form an integral part of these financial statements.

CITIGROUP GLOBAL MARKETS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2020

	30 June 2020 $ Million	30 June 2019 $ Million
Profit after taxation for the financial year	884	294
Other Comprehensive Income (Expense)		
Items that will not be reclassified subsequently to the income statement:		
Gross gains/(losses) on remeasurement of defined benefit pension asset	82	(35)
Deferred tax (charge)/benefit associated with remeasurement of pension asset	(31)	9
Gains/(losses) on debt valuation adjustment (DVA)	78	(35)
Deferred tax (charge)/benefit associated with losses on DVA	(20)	9
Other comprehensive (expense)/income net of tax	109	(52)
Total comprehensive gain for the financial year	993	242

The net movement in the Statement of Comprehensive Income in respect of the pension scheme reflects changes in the actual and expected returns on scheme assets and liabilities and the related tax impact associated with the balance sheet valuation of the defined pension asset.

The accompanying notes on pages 15 to 32 form an integral part of these financial statements

CITIGROUP GLOBAL MARKETS LIMITED

STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2020

	Share Capital $ Million	Other equity instruments $ Million	Capital reserve $ Million	Equity reserve $ Million	Retained earnings $ Million	Total $ Million
At 1 January 2019	**1,500**	**2,300**	**10,999**	**1,307**	**1,974**	**18,080**
Profit after taxation for the year					294	294
Gross losses on remeasurement of defined benefit pension asset	-	-	-	-	(35)	(35)
Deferred tax benefit associated with remeasurement of pension asset	-	-	-	-	9	9
Losses on debt valuation adjustment (DVA)	-	-	-	-	(35)	(35)
Deferred tax benefit associated with losses on DVA	-	-	-	-	9	9
Share based payment transactions	-	-	-	(74)	-	(74)
Deferred tax benefit associated with share based	-	-	-	18	-	18
Dividend on other equity instruments	-	-	-	-	(167)	(167)
At 30 June 2019	**1,500**	**2,300**	**10,999**	**1,251**	**2,049**	**18,099**
At 31 December 2019	**1,500**	**2,300**	**10,999**	**1,218**	**1,954**	**17,971**
Profit after taxation for the year	-	-	-	-	884	884
Gross losses on remeasurement of defined benefit pension asset	-	-	-	-	82	82
Deferred tax charge associated with remeasurement of pension asset	-	-	-	-	(31)	(31)
Losses on debt valuation adjustment (DVA)	-	-	-	-	78	78
Deferred tax charge associated with losses on DVA	-	-	-	-	(20)	(20)
Share based payment transactions	-	-	-	96	-	96
Deferred tax charge associated with share based payment transactions	-	-	-	(25)	-	(25)
Dividend on other equity instruments	-	-	-	-	(169)	(169)
At 30 June 2020	**1,500**	**2,300**	**10,999**	**1,289**	**2,778**	**18,866**

The capital reserve includes capital contributions from the parent company, which are distributable.

The equity reserve includes the fair value movement of the share based incentives issued, and other fair value movements captured in equity.

The accompanying notes on pages 15 to 32 form an integral part of these financial statements.

CITIGROUP GLOBAL MARKETS LIMITED

BALANCE SHEET
as at 30 June 2020

	Notes	30 June 2020 $ Million	31 December 2019 $ Million
Assets			
Financial assets at amortised cost			
- cash at bank and in hand		4,311	3,610
- collateralised financing transactions	7	70,077	54,766
Financial assets mandatorily at fair value through profit or loss			
- derivatives	7	250,985	207,941
- inventory	7	67,540	59,498
- equity securities held for investment		88	71
Financial assets designated at fair value through profit or loss	7	59,607	53,309
Investments in subsidiary and related undertakings	8	1,657	1,399
Pension asset		514	458
Other assets		70,321	46,226
Total Assets		**525,100**	**427,278**
Liabilities and Equity			
Financial liabilities at amortised cost			
- bank loans and overdrafts		9,253	8,594
- collateralised financing transactions	7	61,552	51,267
Financial liabilities mandatorily at fair value through profit or loss			
- derivatives*	7	263,882	212,394
- securities sold but not yet purchased*	7	47,550	38,342
Financial liabilities designated at fair value through profit or loss*	7	65,028	46,070
Other liabilities		48,369	42,540
Subordinated loans	9	10,600	10,100
Total Liabilities		**506,234**	**409,307**
Capital and reserves			
Called up share capital		1,500	1,500
Other equity instruments	10	2,300	2,300
Capital reserve	11	10,999	10,999
Retained earnings and other reserves		4,067	3,172
Shareholders' funds		**18,866**	**17,971**
Total Liabilities and Shareholders' Funds		**525,100**	**427,278**

*Hybrid financial liabilities have been reclassified from 'Derivatives and Securities sold but not yet purchased' into 'Financial liabilities designated at FVTPL'. This has involved a reclassification of the 31 December 2019 balance sheet figures, impacting balance sheet presentation only and not total asset and total liability balances, or the income statement.

The accompanying notes on pages 15 to 32 form an integral part of these financial statements.
The financial statements on pages 10 to 32 were approved by the Directors on 29 October 2020 and were signed on their behalf by:

J D K Bardrick
DirectorRegistered Number: 01763297

CITIGROUP GLOBAL MARKETS LIMITED

STATEMENT OF CASH FLOWS
for the six months ended 30 June 2020

	2020	2019
	$ Million	$ Million
Cash flows from operating activities:		
Profit before taxation	1,187	378
Adjustments for:		
Depreciation and amortisation	22	19
Provision released and other movements during the year	(19)	(3)
(Income)/Expense related to Pension	(83)	36
Net impairment loss on investment securities	42	-
Net impairment loss on loans and advances	4	1
Net (gain)/loss on other fair value items	(18)	(9)
Other non-cash movements including exchange rate movements	(11)	(4)
Net interest income	376	115
	1,500	533
Changes in:		
Financial assets at amortised cost	(15,314)	15,465
Financial assets mandatorily at fair value through profit or loss	(51,086)	(73,380)
Financial assets designated at fair value through profit or loss	(6,299)	29,162
Other assets	(23,988)	(18,380)
Financial liabilities at amortised cost	10,682	2,473
Financial liabilities mandatorily at fair value through profit or loss	60,696	61,138
Financial liabilities designated at fair value through profit or loss	18,957	(29,221)
Other liabilities	5,600	12,039
	748	(171)
Interest received	265	883
Interest paid	(475)	(1,011)
Income taxes paid	(106)	(94)
Net cash used in operating activities	**432**	**(393)**
Cash flows from investing activities		
Dividends received from investments	8	12
Acquisition of investment securities	(300)	(662)
Acquisition of intangible assets	(29)	(22)
Net cash used in investing activities	**(321)**	**(672)**
Cash flows from financing activities		
Proceeds from issue of subordinated liabilities	500	-
Dividends paid on other equity instruments	(169)	(167)
Net cash from financing activities	**331**	**(167)**
Net (decrease)/increase in cash and cash equivalents	442	(1,233)
Cash at bank including bank overdrafts at 1 January	3,483	4,721
Cash at bank including bank overdrafts at 30 June	**3,925**	**3,489**

Under IAS 7, Bank overdrafts which are repayable on demand and which form an integral part of an entity's cash management are also included as a component of cash and cash equivalents in the Statement of Cash Flows.

CITIGROUP GLOBAL MARKETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

This report comprises the unaudited condensed interim financial statements of CGML as at and for the six months ended 30 June 2020.

The financial statements of the Company at the year ended 31 December 2019 are available upon request from the Company's registered office at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB.

2. Statement of compliance

These condensed interim financial statements have been prepared and approved by the Directors in accordance with the EU Transparency Directive as implemented in the UK via the Disclosure and Transparency Rules issued by the FCA. They have been drawn up in compliance with FRS 104 'Interim Financial Reporting'. The condensed financial statements do not include all the information required for the full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2019.

3. Principal accounting policies

(a) Basis of presentation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 104, 'Interim Financial Reporting' (FRS 104). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 104 disclosure exemptions has been taken.

The Company has taken exemption available under FRS 104 not to disclose all transactions with other group companies and investees of the group qualifying as related parties.

The financial statements have been prepared in US Dollars, which is the functional and presentational currency of the Company, and any reference to $ in these financial statements refers to US Dollars. The Company has rounded figures to the nearest million $, unless otherwise stated.

As permitted under section 401 of the Companies Act 2006, consolidated financial statements have not been prepared because the Company is a wholly owned subsidiary of the ultimate parent Citigroup Inc. which prepares consolidated financial statements under US GAAP. The Company meets the criteria for exemption from the obligation to prepare and deliver group accounts that is available to a company included in non-EEA group accounts of a larger group. These financial statements therefore present information about the Company as an individual undertaking and not about its group. Citigroup Inc. makes its financial statements available to the public on a quarterly basis.

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. In considering going concern, the Company continues to closely monitor developments related to the outbreak of COVID-19.

As was reported in the Parent company's (Citigroup's) Quarterly Report on SEC Form 10-Q for the quarterly period ended 30 June 2020, Citigroup disclosed that in addition to the widespread public health implications, the emergence of the COVID-19 pandemic has had an extraordinary impact on macroeconomic conditions in the U.S. and around the world. To assess any potential impact of COVID-19 on the Company, the directors reassessed the components of capital, liquidity and the financial position of the Company and have concluded that the going concern basis is still appropriate.

(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 cerrtain amendments to the IFRS standards implemented as at 1 January 2020, 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 2020.

Amendments to References to Conceptual Framework in IFRS Standards

The revised Conceptual Framework for Financial Reporting (Conceptual Framework) issued in March 2018 was effective on or after 1 January 2020 for companies that use it to develop accounting policies when no IFRS Standard applies to a particular transaction. It does not override the requirements of individual IFRSs.

Adoption of the revised Conceptual Framework has not had a material impact on the Company.

Definition of a Business (Amendments to IFRS 3)

The IASB has amended the definition of a business for purposes of determining whether an acquisition is an acquisition of a business or an asset acquisition. This amendment applies to acquisitions occurring in annual reporting periods beginning on or after 1 January 2020.

These amendments have not had a material impact on the Company.

Transition from LIBOR

LIBOR is currently used as the interest rate benchmark to price or value a wide range of financial products. Following guidance from the Financial Conduct Authority ("FCA"), firms in the UK are expected to cease using LIBOR by the end of 2021. 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 continues to engage with and monitor developments involving regulators, financial accounting bodies and others on LIBOR transition matters and relief. Moreover, Citi – and by extension the Company – has been investing in its systems and infrastructure, as client activity moves away from LIBOR to alternative reference rates. Citi also has continued to identify its LIBOR transition exposures, including existing financial instruments that do not contain contract provisions that adequately contemplate the discontinuance of reference rates and that would require additional negotiation with counterparties. In addition, Citi has begun to mitigate its LIBOR transition exposures by, among other things, using alternative reference rates in certain newly issued financial instruments and products.

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. The Company does not apply hedge accounting 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. These amendments are effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

The Company is currently assessing the impact of these amendments on its financial statements.

4. Use of assumptions, estimates and judgements

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 financial statements for the year ended 31 December 2019 and have not materially changed in the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

5. Turnover and results

As permitted by paragraph 4 of Schedule 1 to the Companies Act 2006 The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No 410), the format of the income statement and the Balance sheet have been adapted to the circumstances of the Company. Instead of turnover, the Directors have reported fee and commission income, net dealing income and interest receivable less interest payable in determining the gross profit of the Company.

6. Tax on profit on ordinary activities

	30 June 2020	30 June 2019
	$ Million	$ Million
(a) Tax recognised in the Income statement		
UK corporation tax:		
Current tax on income for the period	327	66
Current tax on AT1 coupon*	(45)	(45)
Adjustments in respect of prior periods	5	-
Total current UK corporation tax	287	21
Overseas tax:		
Current overseas tax	28	53
Adjustments in respect of prior periods	2	-
Total current overseas tax	30	53
Total current tax	317	74
Deferred tax		
Brazil withholding tax	-	9
Origination and reversal of temporary differences	(14)	-
Overseas deferred tax in respect of foreign branch operations	-	1
Total deferred tax	(14)	10
Tax on profit on ordinary activities in the income statement	**303**	**84**
(b) Tax recognised in the Statement of changes in equity		
Deferred tax (benefit)/charge associated with remeasurement of pension asset	31	(9)
Deferred tax (benefit)/charge associated with share based payment transactions	25	(18)
Deferred tax (benefit)/charge associated with gains on debt valuation adjustment	20	(9)
Tax recognised in the Statement of changes in equity	**76**	**(36)**

6. Tax on profit on ordinary activities (continued)

(c) Factors that may affect future tax charges

The statutory UK tax rate applying to CGML in the year was 27% (30 June 2019: 27%). This includes a surcharge of 8% on the profits of banking companies applicable from 1 January 2016. Overseas branches provided for taxation at the appropriate rates for the countries in which they operate.

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK net deferred tax asset of $87 million as at 31 December 2019 was calculated based on this rate. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly and increased the opening deferred tax asset by $7 million.

The interim tax charge has been calculated based upon a forecast effective tax rate ("ETR") for the year of 29.09% (30 June 2019: 30.22%), before accounting for discrete items, such as the tax deduction of AT1, the impairment of the subsidiary and prior year adjustments as well as the uplift in deferred tax due to the rate change. This is higher than the statutory rate due to permanent differences, the main ones being bank levy and withholding tax which is not expected to be fully creditable. Following the amendment of IAS12 impacting the accounting treatment of tax deductions of Additional Tier 1 (AT1) notes issued by the company, these are now accounted for in the Income Statement whereas the coupon remains in Equity. The discrete items noted above have reduced the 2020 Income statement ETR to 25.53% (30 June 2019: 22.28%).

(d) Deferred tax

	30 June 2020 $ Million	30 June 2019 $ Million
Deferred tax liability on pension asset (included within Other liabilities)	(139)	(111)
Deferred Tax asset on other temporary differences included in Other Assets	164	167

Deferred tax is recognised on the company's temporary differences as it is considered probable that taxable profits will arise against which these can be utilised.

The deferred tax asset is recognised at the tax rates at which the temporary differences are expected to reverse.

7. Financial assets and liabilities accounting classifications and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities, and their fair values. Those measured at fair value, whether mandatorily or designated as such, are further allocated to levels in the fair value hierarchy in the table on the following page.

30 June 2020	Mandatorily at FVTPL $ Million	Designated at FVTPL $ Million	Amortised cost $ Million	Total carrying amount $ Million	Fair value $ Million
Cash	-	-	4,311	4,311	4,311
Derivatives	250,985	-	-	250,985	250,985
Inventory	67,540	-	-	67,540	67,540
Equity securities held for investment	88	-	-	88	88
Collateralised financing transactions	-	59,607	70,077	129,684	129,684
Cash collateral pledged	-	-	44,083	44,083	44,083
Trade debtors	-	-	25,675	25,675	25,675
Other debtors	-	-	176	176	176
	318,613	59,607	144,322	522,542	522,542
Bank loans and overdrafts	-	-	9,253	9,253	9,548
Derivatives	263,882	-	-	263,882	263,882
Securities sold but not yet purchased	47,550	-	-	47,550	47,550
Collateralised financing transactions	-	50,249	61,552	111,801	111,801
Hybrid financial liabilities	-	14,778	-	14,778	14,778
Cash collateral held	-	-	34,537	34,537	34,537
Trade creditors	-	-	9,793	9,793	9,793
Other creditors and accruals	-	-	3,664	3,664	3,664
Subordinated loans	-	-	10,600	10,600	12,530
	311,432	65,027	129,398	505,858	508,083

31 December 2019	Mandatorily at FVTPL $ Million	Designated at FVTPL $ Million	Amortised cost $ Million	Total carrying amount $ Million	Fair value $ Million
Cash	-	-	3,610	3,610	3,610
Derivatives	207,941	-	-	207,941	207,941
Inventory	59,498	-	-	59,498	59,498
Equity securities held for investment	71	-	-	71	71
Collateralised financing transactions	-	53,309	54,766	108,075	108,075
Cash collateral pledged	-	-	33,706	33,706	33,706
Trade debtors	-	-	11,787	11,787	11,787
Other debtors	-	-	181	181	181
	267,510	53,309	104,050	424,869	424,869
Bank loans and overdrafts	-	-	8,594	8,594	8,799
Derivatives*	212,394	-	-	212,394	212,394
Securities sold but not yet purchased*	38,342	-	-	38,342	38,342
Collateralised financing transactions	-	34,129	51,267	85,396	85,396
Hybrid financial liabilities*	-	11,941	-	11,941	11,941
Cash collateral held	-	-	31,309	31,309	31,309
Trade creditors	-	-	8,641	8,641	8,641
Other creditors and accruals	-	-	1,942	1,942	1,942
Subordinated loans	-	-	10,100	10,100	11,833
	250,736	46,070	111,853	408,659	410,597

*Hybrid financial liabilities have been reclassified from 'Derivatives and Securities sold but not yet purchased' into 'Financial liabilities designated at FVTPL'. This has involved a reclassification of the 31 December 2019 balance sheet figures, impacting balance sheet presentation only and not total asset and total liability balances, or the income statement.

7. Financial assets and liabilities accounting classifications and fair values (continued)

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

30 June 2020	**Level 1 $ Million**	**Level 2 $ Million**	**Level 3 $ Million**	**Total $ Million**
Financial assets mandatorily at fair value				
Derivatives	44	247,274	3,667	250,985
Government bonds	38,472	2,075	7	40,554
Non-government bonds	778	7,640	602	9,020
Equities	15,630	857	25	16,512
Commodities	-	1,130	-	1,130
Commercial Paper	-	323	-	323
	54,924	259,299	4,301	318,524
Financial assets designated at fair value				
Collateralised financing transactions	-	59,515	92	59,607
Other financial assets at fair value through P&L				
Equity securities held for investment	-	-	88	88
	54,924	318,814	4,481	378,219
Financial liabilities mandatorily at fair value				
Derivatives	42	260,185	3,655	263,882
Securities sold but not yet purchased	42,456	5,044	50	47,550
	42,498	265,229	3,705	311,432
Financial liabilities designated at fair value				
Collateralised financing transactions	-	50,249	-	50,249
Hybrid financial liabilities	-	10,782	3,996	14,778
	42,498	326,260	7,701	376,459

31 December 2019	**Level 1 $ Million**	**Level 2 $ Million**	**Level 3 $ Million**	**Total $ Million**
Financial assets mandatorily at fair value				
Derivatives	9	206,500	1,432	207,941
Government bonds	25,214	3,753	14	28,981
Non-government bonds	604	8,395	257	9,256
Equities	19,058	902	14	19,974
Commodities	-	1,043	-	1,043
Commercial Paper	-	244	-	244
	44,885	220,837	1,717	267,439
Financial assets designated at fair value				
Collateralised financing transactions	-	53,207	102	53,309
Other financial assets at fair value through P&L				
Equity securities held for investment	-	-	71	71
	44,885	274,044	1,890	320,819
Financial liabilities mandatorily at fair value				
Derivatives*	7	210,951	1,437	212,395
Securities sold but not yet purchased*	34,338	3,982	22	38,342
	34,345	214,933	1,459	250,737
Financial liabilities designated at fair value				
Collateralised financing transactions	-	34,129	-	34,129
Hybrid financial liabilities*	-	8,343	3,598	11,941
	34,345	257,405	5,057	296,807

*Hybrid financial liabilities have been reclassified from ‘Derivatives and Securities sold but not yet purchased’ into ‘Financial liabilities designated at FVTPL’. This has involved a reclassification of the 31 December 2019 balance sheet figures, impacting balance sheet presentation only and not total asset and total liability balances, or the income statement.

7. Financial assets and liabilities accounting classifications and fair values (continued)

For the six months ended June 2020, there was no significant transfer above $100 million between Level 1 and Level 2 categories.

The following table shows an analysis of financial assets and liabilities classified as held at amortised cost by level in the hierarchy:

30 June 2020	Level 1 $ Million	Level 2 $ Million	Level 3 $ Million	Total $ Million
Financial assets at amortised cost				
Cash	4,311	-	-	4,311
Collateralised financing transactions	-	70,077	-	70,077
Cash collateral pledged	-	44,083	-	44,083
Trade debtors	-	25,675	-	25,675
Other debtors	-	176	-	176
	4,311	140,011	-	144,322
Financial liabilities at amortised cost				
Bank loans and overdrafts	-	9,253	-	9,253
Collateralised financing transactions	-	61,552	-	61,552
Cash collateral held	-	34,537	-	34,537
Trade creditors	-	9,793	-	9,793
Other creditors	-	3,664	-	3,664
Subordinated loans	-	10,600	-	10,600
	-	129,399	-	129,399

31 December 2019	Level 1 $ Million	Level 2 $ Million	Level 3 $ Million	Total $ Million
Financial assets at amortised cost				
Cash	-	3,610	-	3,610
Collateralised financing transactions	-	54,766	-	54,766
Cash collateral pledged	-	33,706	-	33,706
Trade debtors	-	11,787	-	11,787
Other debtors	-	181	-	181
	-	104,050	-	104,050
Financial liabilities at amortised cost				
Bank loans and overdrafts	-	8,594	-	8,594
Collateralised financing transactions	-	51,267	-	51,267
Cash collateral held	-	31,309	-	31,309
Trade creditors	-	8,641	-	8,641
Other creditors	-	1,942	-	1,942
Subordinated loans	-	10,100	-	10,100
	-	111,853	-	111,853

7. Financial assets and liabilities accounting classifications and fair values (continued)

Given the short term nature and characteristics of collateralised financing transactions, trade debtors, other debtors, trade creditors, other creditors and accruals the fair value has been assumed to approximate the carrying value. The fair value of subordinated loans has been calculated using the present value of future estimated cash flows, discounted using a discount rate of USD 3 month Overnight Indexed Swap (OIS) plus the Company's credit spread as at 30 June 2020.

Fair Value Measurement

IFRS 13 – *Fair Value Measurement* defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Among other things, the standard requires the Company to maximise the use of observable inputs and minimise the use of unobservable inputs when measuring fair value.

Under IFRS 13, the probability of default of a counterparty is factored into the valuation of derivative positions and includes the impact of the Company's own credit risk on derivatives and other liabilities measured at fair value.

<u>Fair Value Hierarchy</u>

The calculation of fair value incorporates the Company's estimate of the fair value of financial assets and financial liabilities. Other entities may use different valuation methods and assumptions in determining fair values, so comparisons of fair values between entities may not necessarily be meaningful.

The Company measures fair values using the following fair value hierarchy that indicates whether the inputs to those valuation techniques are observable or unobservable. Observable inputs denote market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions.

The types of inputs have created the following fair value hierarchy:

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company considers relevant and observable market prices in its valuations where possible. The frequency of transactions and the size of the bid-ask spread when comparing similar transactions are factors that are driven by the liquidity of markets and determine the relevance of observed prices in those markets.

Financial instruments may move between levels in the fair value hierarchy when factors such as the observability of pricing information, or of market input parameters, change. The Company's policy with respect to transfers between levels of the fair value hierarchy is to recognise transfers into and out of each level as of the end of the reporting period.

7. Financial assets and liabilities accounting classifications and fair values (continued)

Determination of Fair Value

These financial statements, when available, the Company generally uses quoted market prices in an active market to calculate the fair value of a financial asset or liability and classifies such items as Level 1. In some specific cases where a market price is available, the Company will make use of alternative pricing techniques, such as matrix pricing, whereby a similar instrument is used as a proxy, to calculate more appropriate fair value for the instrument being valued, in which case the items are classified as Level 2.

If quoted market prices are not available, fair values are based upon internally developed valuation techniques that use, where possible, current market-based or independently sourced market input parameters such as interest rates, foreign exchange rates and option volatilities. Instruments valued using such internally generated valuation techniques are classified according to the significance of the inputs to the valuation. Thus an instrument may be classified in Level 3 even though there may be other significant inputs that are readily observable. Similarly, an instrument may be classified in Level 2, if the unobservable inputs are not deemed significant to the valuation.

Where available, the Company may also make use of quoted prices for recent trading activity in positions with the same or similar characteristics to that being valued. The frequency and size of transactions are among the factors considered in determining the relevance of prices observed from those markets. If relevant and observable prices are available for all significant pricing inputs, those instruments would be classified as Level 2. If relevant and observable market information is not available for significant pricing inputs, other valuation techniques would be used and the item would be classified as Level 3. Fair value estimates from internal valuation techniques are verified, where possible, to prices obtained from independent vendors or brokers. Vendors' and brokers' valuations may be based on a variety of inputs ranging from observed prices to proprietary valuation models, and the Company assesses the quality and relevance of this information in determining the fair value measurement and disclosure of each instrument if such information is used as part of that determination.

Set out below is a description of the procedures used by CGML to determine the fair value of financial assets and financial liabilities irrespective of whether they are measured at fair value mandatorily or have been designated as such. This description includes an indication of the level in the fair value hierarchy in which each financial instrument is generally classified. Where appropriate, it also includes details of the valuation models, the key inputs to those models and any significant assumptions.

Individual business units are responsible for providing the fair value measurements for substantially all trading account assets and liabilities. Fair value measurements of assets and liabilities are determined using various techniques including, but not limited to, discounted cash flows and internal models, such as option and correlation models. Management ensures that the resulting fair values are appropriate for financial reporting through an internal independent price verification process, which is defined and governed by established policies, standards and procedures. Results from this independent price verification process are reported to management via formally governed committees, as well as the firm's auditors and regulators.

Any pricing models used in measuring the fair value are governed by an independent control framework. Although the models are developed and tested by the individual business units, they are independently validated by the appropriate independent internal control functions, separate from the trading businesses. The purpose of this independent control framework is to assess model risk arising from models' theoretical soundness, calibration techniques where needed, and the appropriateness of the model for a specific product in a defined market. To ensure their continued applicability, models are subject to independent annual model review.

Market valuation adjustments
Market valuation adjustments are applied to items in Level 2 and Level 3 of the fair value hierarchy to ensure that the fair value reflects an exit price. These valuation adjustments therefore take into account bid-ask and, where relevant to fair value, additional liquidity considerations.

7. Financial assets and liabilities accounting classifications and fair values (continued)

Credit valuation adjustments
Counterparty credit-risk adjustments are applied to derivatives, such as over-the-counter uncollateralised derivatives, where the base valuation uses market parameters based on the relevant base interest rate curves. Not all counterparties have the same credit risk as that implied by the relevant base curve, so it is necessary to consider the market view of the credit risk of a counterparty in order to estimate the fair value of such an item.

Bilateral or "own" credit-risk adjustments are applied to reflect the Company's own credit risk when valuing derivative liabilities and other liabilities measured at fair value. Counterparty and own credit adjustments consider the expected future cash flows between the Company and its counterparties under the terms of the instrument and the effect of credit risk on the valuation of those cash flows, rather than a point-in-time assessment of the current recognised net asset or liability. Furthermore, the credit-risk adjustments take into account the effect of credit-risk mitigants, such as pledged collateral and any legal right of offset (to the extent such offset exists) with a counterparty through arrangements such as netting agreements.

Derivatives
Exchange-traded derivatives in active markets are generally fair valued using quoted market prices (i.e. exchange prices) and are therefore classified as Level 1 of the fair value hierarchy.

The majority of derivatives entered into by the Company are executed over the counter and are valued using a combination of external prices and internal valuation techniques, including benchmarking to pricing vendor services. The valuation techniques and inputs vary according to the type of derivative and the nature of the underlying instrument. The principal methods used to value these instruments are those adopted industry wide and include discounted cash flows, modelling and numerical approaches.

The type of inputs may include interest rate yield curves, credit spreads, foreign exchange rates, volatilities and correlations.

The Company discounts future cash flows using appropriate interest rate curves. In the case of collateralised interest rate derivatives the Company follows the terms in the collateral agreement governing the transaction. The agreements generally provide that an OIS curve is used. The OIS curves reflect the interest rate paid on the collateral against the fair value of these derivatives. Citi uses the relevant benchmark curve for the currency of the derivative (e.g., the U.S. Dollar London Interbank Offered Rate (LIBOR) for U.S. dollar derivatives) as the discount rate for uncollateralized derivatives.

Government bonds, corporate bonds and equities
CGML uses quoted market prices to determine the fair value of government bonds and exchange traded equities; such items are typically classified as Level 1 of the fair value hierarchy.

For government bonds, corporate bonds and equities traded over the counter, for which a quoted price is not available, CGML generally determines fair value utilising internal valuation techniques. Fair value estimates from internal valuation techniques are verified, where possible, to prices obtained from independent vendors. Vendors compile prices from various sources and may apply alternative pricing techniques, such as matrix pricing, whereby a similar instrument is used as a proxy for similar bonds or loans where no price is observable. If available, the Company may also use quoted prices for recent trading activity of assets with similar characteristics to the bond being valued. Government bonds, corporate bonds and equities priced using such methods are generally classified as Level 2. However, when less liquidity exists for government bonds, corporate bonds or equities, a quoted price is stale or prices from independent sources vary, they are generally classified as Level 3.

Collateralised financing transactions
No quoted prices exist for such financial instruments and so fair value is determined using a discounted cash-flow technique. Cash flows are estimated based on the terms of the contract, taking into account any embedded derivative or other features. Expected cash flows are discounted using market rates appropriate to the maturity of the instrument as well as the nature and amount of collateral taken or received. Generally, when such instruments are held at fair value, they are classified within Level 2 of the fair value hierarchy as the inputs used in the valuation are readily observable.

7. Financial assets and liabilities accounting classifications and fair values (continued)

Changes in Level 3 Fair Value Category

The following tables present the changes in the Level 3 fair value category for the six months ended 30 June 2020 and 31 December 2019. Gains and losses presented below include changes in the fair value related to both observable and unobservable inputs. CGML often hedges positions with offsetting positions that are classified in a different level.

		Gain/(loss) recorded in the profit and loss statement								
2020	**At 1 January $ Million**	**Realised $ Million**	**Unrealised $ Million**	**Purchases $ Million**	**Sales $ Million**	**Issuances $ Million**	**Settlements $ Million**	**Transfers into Level 3 $ Million**	**Transfers out of Level 3 $ Million**	**At 30 June $ Million**
Financial assets mandatorily at fair value										
Derivatives	1,432	524	356	72	(10)	-	454	1,438	(599)	3,667
Government bonds	14	8	(9)	10	(30)	-	-	16	(2)	7
Non-government bonds	257	40	-	482	(370)	-	(3)	257	(60)	602
Equities	14	3	(7)	8	(33)	-	-	40	-	25
Financial assets designated at fair value										
Collateralised financing transactions	102	(7)	4	93	-	-	(100)	-	-	92
Other assets at fair value through P&L										
Equity securities held for investment	71	-	17	-	-	-	-	-	-	88
	1,890	568	361	665	(443)	-	351	1,751	(661)	4,481

		(Gain)/loss recorded in the profit and loss statement								
Financial liabilities held for trading	**At 1 January $ Million**	**Realised $ Million**	**Unrealised**	**Purchases $ Million**	**Sales $ Million**	**Issuances $ Million**	**Settlements $ Million**	**Transfers into Level 3 $ Million**	**Transfers out of Level 3 $ Million**	**At 30 June $ Million**
Derivatives	1,437	523	312	4	-	-	732	835	(187)	3,655
Securities sold but not yet purchased	22	(10)	108	-	-	15	(96)	19	(10)	49
Financial liabilities designated at fair value										
Collateralised financing transactions	-	-	-	-	-	-	-	-	-	-
Hybrid financial liabilities	3,598	25	(1,184)	-	-	8	1,397	865	(713)	3,996
	5,057	538	(764)	4	-	23	2,033	1,719	(910)	7,700

		Gain/(loss) recorded in the profit and loss statement								
2019	**At 1 January $ Million**	**Realised $ Million**	**Unrealised $ Million**	**Purchases $ Million**	**Sales $ Million**	**Issuances $ Million**	**Settlements $ Million**	**Transfers into Level 3 $ Million**	**Transfers out of Level 3 $ Million**	**At 31 December $ Million**
Financial assets held for trading										
Derivatives	1,703	(632)	(19)	278	(95)	9	513	425	(750)	1,432
Government bonds	15	221	(227)	134	(13)	-	-	2	(118)	14
Non-government bonds	407	(66)	39	491	(758)	-	(1)	231	(86)	257
Equities	20	(2)	1	7	(9)	-	-	7	(10)	14
Commodities	-	-	-	-	-	-	-	-	-	-
Financial assets designated at fair value										
Collateralised financing transactions	99	(14)	16	195	-	-	(194)	-	-	102
Other assets at fair value through P&L										
Equity securities held for investment	33	-	37	1	-	-	-	-	-	71
	2,277	(493)	(153)	1,106	(875)	9	318	665	(964)	1,890

		(Gain)/loss recorded in the profit and loss statement								
Financial liabilities held for trading	**At 1 January $ Million**	**Realised $ Million**	**Unrealised**	**Purchases $ Million**	**Sales $ Million**	**Issuances $ Million**	**Settlements $ Million**	**Transfers into Level 3 $ Million**	**Transfers out of Level 3 $ Million**	**At 31 December $ Million**
Derivatives*	1,810	(43)	(406)	(30)	26	3	351	613	(887)	1,437
Securities sold but not yet purchased*	119	4	1	(3)	6	-	(113)	9	(1)	22
Financial liabilities designated at fair value										
Collateralised financing transactions	-	-	-	-	-	-	-	-	-	-
Hybrid financial liabilities*	1,796	(33)	(373)	-	-	1,613	725	593	(723)	3,598
	3,725	(72)	(778)	(33)	32	1,616	963	1,215	(1,611)	5,057

*Hybrid financial liabilities have been reclassified from 'Derivatives and Securities sold but not yet purchased' into 'Financial liabilities designated at FVTPL'. This has involved a reclassification of the 31 December 2019 balance sheet figures, impacting balance sheet presentation only and not total asset and total liability balances, or the income statement.

7. Financial assets and liabilities accounting classifications and fair values (continued)

During 2020 there has been a $5.2 billion increase in total Level 3 balances. The Level 3 financial instruments assets increased mainly due to transfer-ins, gains and losses and purchases while increase on liabilities was driven by transfer-ins and settlements.

The Level 3 asset increase on transfer-ins was driven by $0.8 billion on interest rate derivatives mainly on callable swaps and exotic derivatives and by $0.5 billion on credit derivatives mainly on credit default swaps due to decreased pricing observability. The Level 3 asset increase on gains and losses was mainly driven by $0.3 billion on commodity options. Additionally the Level 3 asset increase on purchases was driven by $0.4 billion on mortgage-backed securities and corporate bonds.

The Level 3 liability increase on transfer-ins was driven by $1.1 billion on interest rate derivatives mainly on callable swaps and exotic derivatives and by $0.5 billion on credit derivatives mainly on credit default swaps due to decreased pricing observability. The $2.0bn Level 3 liability increase due to settlements was driven by equity hybrid derivatives. This was partially offset by $1.2 billion unrealised gains on equity derivatives mainly on hybrids.

Fair Value Hierarchy Classification

Management classifies the inventory as Level 1, Level 2 or Level 3 within the fair value hierarchy, based on the observability of inputs used. This is performed by an independent control function, separate from the trading businesses. When a position involves one or more significant inputs that are not directly observable, additional price verification procedures are applied. These procedures may include reviewing relevant historical data, analysing profit and loss, valuing each component of a structured trade individually and benchmarking, amongst others.

Reports of Level 3 inventory of each business line of the Company are distributed to senior management across trading, and applicable control functions. Reports are also discussed in monthly meetings with Senior Management. Whenever a valuation adjustment is needed to bring the price of an asset or liability to its fair value price, these adjustments are made by the independent price verification function, who provide transparent reporting to management along with other price verification results.

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.

Unobservable inputs
During the year, total changes in fair value, representing a gain of $1.2 billion (2019: $204 million gain) were recognised in the income statement relating to items where fair value was estimated using a valuation technique that incorporated one or more significant inputs based on unobservable market data. As these valuation techniques were based upon assumptions, changing the assumptions would change the estimate of fair value. The potential impact of using reasonably possible alternative assumptions for the valuation techniques for both observable and unobservable market data has been quantified as approximately $508 million downside and $665 million upside (2019: $448 million downside and $413 million upside). The main contributors to this impact are Equity Markets and Credit Trading businesses.

Valuation uncertainty is computed on a quarterly basis. The methodology used to derive the impact across each product is determined by applying adjustments to the price or significant model input parameters used in the valuation.

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.

7. Financial assets and liabilities accounting classifications and fair values (continued)

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 2020 and 31 December 2019. Note that these tables represent key drivers by disclosures line and may not agree back to the Changes in Level 3 Fair Value Category table.

	Fair Value			Range of Inputs		
2020	**$ million**	**Methodology**	**Input**	**Min**	**Max**	**Unit**
Assets						
Derivative assets	250,985					
Equity Derivatives		Model-based	Equity-FX Correlation	-95.0	59.4	%
		Model-based	Equity-Equity Correlation	-47.1	99.6	%
Commodity Derivatives		Model-based	Forward Price	36.2	356.5	%
		Model-based	Commodity Volatility	8.4	99.0	%
		Model-based	Commodity Correlation	-40.7	90.3	%
Inventory	67,540					
Equity Securities - Trading		Price-based	Price	-	865.9	$
Liabilities						
Derivative liabilities	263,882					
Commodity Derivatives		Model-based	Forward Price	36.2	356.5	%
		Model-based	Commodity Volatility	8.4	99.0	%
		Model-based	Commodity Correlation	-40.7	90.3	%
Equity Derivatives		Model-based	Equity Volatility	14.9	32.9	%
		Model-based	Forward Price	36.2	356.5	%
		Model-based	Equity-IR Correlation	-40.0	45.0	%
		Model-based	Commodity Volatility	8.4	99.0	%
		Model-based	Equity-Equity Correlation	-47.1	99.6	%
		Model-based	Commodity Correlation	-40.7	90.3	%
		Model-based	Equity-FX Correlation	-95.0	59.4	%
Interest Rate Derivatives		Model-based	IR Normal Volatility	0.2	0.8	%
		Model-based	Inflation Volatility	0.4	2.5	%

	Fair Value			Range of Inputs		
2019	**$ million**	**Methodology**	**Input**	**Min**	**Max**	**Unit**
Assets						
Derivative assets	207,941					
Equity Derivatives		Model-based	Equity-FX Correlation	-94.5	60.0	%
Commodity Derivatives		Model-based	Forward Price	37.6	362.6	%
		Model-based	Commodity Volatility	5.3	93.6	%
		Model-based	Commodity Correlation	-39.7	87.8	%
Inventory	59,498					
Non-government bonds		Price-based	Price	-	1,238.1	$
Liabilities						
Derivative liabilities	212,394					
Commodity Derivatives		Model-based	Forward Price	37.6	362.6	%
		Model-based	Commodity Volatility	5.3	93.6	%
		Model-based	Commodity Correlation	-39.7	87.8	%
Equity Derivatives		Model-based	Forward Price	37.6	362.6	%
		Model-based	Equity-IR Correlation	15.0	44.0	%
		Model-based	Commodity Volatility	5.3	93.6	%
		Model-based	Equity-Equity Correlation	-45.0	99.6	%
		Model-based	Commodity Correlation	-39.7	87.8	%
		Model-based	Equity-FX Correlation	-94.5	60.0	%

7. Financial assets and liabilities accounting classifications and fair values (continued)

Sensitivity to unobservable inputs and interrelationships between unobservable inputs

The impact of key unobservable inputs on the Level 3 fair value measurements may not be independent of one another. In addition, the amount and direction of the impact on a fair value measurement for a given change in an unobservable input depends on the nature of the instrument as well as whether the Company holds the instrument as an asset or a liability. For certain instruments, the pricing, hedging and risk management are sensitive to the correlation between various inputs rather than on the analysis and aggregation of the individual inputs.

The following section describes the sensitivities and interrelationships of the most significant unobservable inputs used by the Company in Level 3 fair value measurements.

Yield
Adjusted yield is generally used to discount the projected future principal and interest cash flows on instruments, such as loans. Adjusted yield is impacted by changes in the interest rate environment and relevant credit spreads.

In some circumstances, the yield of an instrument is not observable in the market and must be estimated from historical data or from yields of similar securities. This estimated yield may need to be adjusted to capture the characteristics of the security being valued. In other situations, the estimated yield may not represent sufficient market liquidity and must be adjusted as well. Whenever the amount of the adjustment is significant to the value of the security, the fair value measurement is classified as Level 3.

Recovery
Recovery is the proportion of the total outstanding balance of a bond or loan that is expected to be collected in a liquidation scenario. For many credit securities (such as asset-backed securities), there is no directly observable market input for recovery, but indications of recovery levels are available from pricing services. The assumed recovery of a security may differ from its actual recovery that will be observable in the future. The recovery rate impacts the valuation of credit securities. Generally, an increase in the recovery rate assumption increases the fair value of the security. An increase in loss severity, the inverse of the recovery rate, reduces the amount of principal available for distribution and, as a result, decreases the fair value of the security.

Credit Spread
Credit spread is a component of the security's yield representing its credit quality. Credit spread reflects the market perception of changes in prepayment, delinquency and recovery rates. Changes in credit spread affect the fair value of securities differently depending on the characteristics and maturity profile of the security. For example, credit spread is a more significant driver of the fair value measurement of a high yield bond as compared to an investment grade bond. Generally, the credit spread for an investment grade bond is also more observable and less volatile than its high yield counterpart.

Volatility
Volatility represents the speed and severity of market price changes and is a key factor in pricing options. Typically, instruments can become more expensive if volatility increases. For example, as an index becomes more volatile, the cost to Citi of maintaining a given level of exposure increases because more frequent rebalancing of the portfolio is required. Volatility generally depends on the tenor of the underlying instrument and the strike price or level defined in the contract. Volatilities for certain combinations of tenor and strike are not observable. The general relationship between changes in the value of a portfolio to changes in volatility also depends on changes in interest rates and the level of the underlying index. Generally, long option positions (assets) benefit from increases in volatility, whereas short option positions (liabilities) will suffer losses. Some instruments are more sensitive to changes in volatility than others. For example, an at-the-money option would experience a larger percentage change in its fair value than a deep-in-the-money option. In addition, the fair value of an option with more than one underlying security (for example, an option on a basket of bonds) depends on the volatility of the individual underlying securities as well as their correlations.

7. Financial assets and liabilities accounting classifications and fair values (continued)

Correlation
Correlation is a measure of the co-movement between two or more variables. A variety of correlation-related assumptions are required for a wide range of instruments, including equity baskets, foreign-exchange options and many other instruments. For almost all of these instruments, correlations are not observable in the market and must be estimated using historical information. Estimating correlation can be especially difficult where it may vary over time. Extracting correlation information from market data can require judgement. Changes in correlation levels can have a major impact, favorable or unfavorable, on the value of an instrument, depending on its nature.

Qualitative discussion of the ranges of significant unobservable inputs

The following section describes the ranges of the most significant unobservable inputs used by the Company in Level 3 fair value measurements. The level of aggregation and the diversity of instruments held by the Company lead to a wide range of unobservable inputs that may not be evenly distributed across the Level 3 inventory.

Price
The price input is a significant unobservable input for certain fixed income instruments. For these instruments, the price input is expressed as a percentage of the notional amount, with a price of 100 meaning that the instrument is valued at par. For most of these instruments, the price varies between zero and slightly above 100. Relatively illiquid assets that have experienced significant losses since issuance, such as certain asset-backed securities, are at the lower end of the range, whereas most investment grade corporate bonds will fall in the middle to the higher end of the range. The price input is also a significant unobservable input for certain equity securities; however, the range of price inputs varies depending on the nature of the position, the number of shares outstanding and other factors.

Yield
Ranges for the yield inputs vary significantly depending upon the type of security. For example, securities that typically have lower yields, such as German or U.S. government bonds, will fall on the lower end of the range, while more illiquid securities or securities with lower credit quality, such as certain residual tranche asset-backed securities, will have much higher yield inputs.

Credit Spread
Credit spread is relevant primarily for fixed income and credit instruments; however, the ranges for the credit spread input can vary across instruments. For example, certain fixed income instruments, such as certificates of deposit, typically have lower credit spreads, whereas certain derivative instruments with high-risk counterparties are typically subject to higher credit spreads when they are uncollateralized or have a longer tenor. Other instruments, such as credit default swaps, also have credit spreads that vary with the attributes of the underlying obligor. Stronger companies have tighter credit spreads, and weaker companies have wider credit spreads.

Volatility
Similar to correlation, asset-specific volatility inputs vary widely by asset type. For example, ranges for foreign exchange volatility are generally lower and narrower than equity volatility. Equity volatilities are wider due to the nature of the equities market and the terms of certain exotic instruments. For most instruments, the interest rate volatility input is on the lower end of the range; however, for certain structured or exotic instruments (such as market-linked deposits or exotic interest rate derivatives), the range is much wider.

Correlation
There are many different types of correlation inputs, including credit correlation, cross-asset correlation (such as equity-interest rate correlation), and same-asset correlation (such as interest rate-interest rate correlation). Correlation inputs are generally used to value hybrid and exotic instruments. Generally, same-asset correlation inputs have a narrower range than cross-asset correlation inputs. However, due to the complex nature of many of these instruments, the ranges for correlation inputs can vary widely across portfolios.

8. Investments in subsidiary and related undertakings

	30 June 2020 $ Million	31 December 2019 $ Million
Cost		
At 1 January	1,487	769
Additions	300	706
Transfer of branches	-	12
At 30 June	1,787	1,487
Impairment		
At 1 January	88	-
Charge for the year:	42	88
At 30 June	130	88
Net book value		
At 30 June	1,657	1,399

Citigroup Global Markets Europe AG was purchased from a Citi affiliate as part of Citi's strategy to continue serving its European clients following the UK's decision to leave the European Union.

On 13 March 2020 CGML made a capital contribution of $300 million to its subsidiary, CGME.

The loss in 2020 was driven by an impairment charge of $42 million (2019: charge of $ 88 million) against the Company's investment in CGME as the value in use, determined by the net assets of the subsidiary fell below the value of the Company's investment in it, which resulted from the losses incurred during 2020 in the subsidiary.

Details of all related undertakings held at 30 June 2020 as required by CA2006 SI 2008 No 410 Sch 4 Para 1 are set out below. All undertakings have a year end of 31 December and all of the Company's holdings are of ordinary shares.

Directly held subsidiary undertakings (all 100% owned)

Name	Registered address
Citigroup Global Markets Europe AG	16 Reuterweg, Frankfurt am Main 30323, Germany
Citigroup Global Markets Luxembourg S.a.R.L.	31, Z.A. Bourmicht, L-8070 Bertrange, Luxembourg
Citigroup Global Markets Funding Luxembourg SCA	31, Z.A. Bourmicht, L-8070 Bertrange, Luxembourg
Citigroup Global Markets Funding Luxembourg GP S.a.R.L.	31, Z.A. Bourmicht, L-8070 Bertrange, Luxembourg
Citi Global Wealth Management S.A.M.	Monte Carlo Palace, 7-9 Boulevard des Moulins, MC98000 Monaco

NOTES TO THE FINANCIAL STATEMENTS

9. Subordinated loans

The subordinated loans form part of the Company's eligible liability resources held to meet the Minimum Requirements for Own Funds and Eligible Liabilities (MREL) of the UK Resolution Authority – Bank of England and can only be repaid with their consent. The loans, on which interest is payable at market rates on quarterly basis, are due to other group undertakings. The following amounts were included within subordinated loans:

Subordinated Loans	Currency	$ Million	Weighted Average Interest Rate	Weighted Average Maturity (Years)
30 June 2020	USD	10,600	2.83%	7.17
31 December 2019	USD	10,100	4.05%	7.78

On 9 June 2020, CGML drew down $500 million of MREL compliant subordinated loan borrowings from Citicorp LLC.

As at 30 June 2020, subordinated loans consists of $6,000 million of Minimum Requirements for Own Funds and Eligible Liabilities (MREL) subordinated loan borrowings from Citicorp LLC and $4,600 million of Tier 2 subordinated loan borrowings from Citicorp LLC.

The MREL loans rank as senior subordinated claims, which are subordinate to the claims of senior creditors, but rank ahead of Own Funds Instruments, which comprise Common Equity Tier 1 instruments, Additional Tier 1 instruments and Tier 2 instruments.

The Tier 2 loans rank as subordinated claims, which are subordinated to senior creditors but rank ahead of Common Equity Tier 1 instruments and Additional Tier 1 instruments.

In the event that the Company's Own Funds Instruments have been written down, or if the Company or certain of its direct or indirect parent entities are subject to Resolution Proceedings in the UK or elsewhere, then all or a portion of the subordinated loans and/or interest on them shall be reduced or cancelled as instructed by the UK Resolution Authority (Bank of England).

There are no other circumstances under which early repayment may be demanded by the lender.

10. Other equity instruments

The Company did not issue any additional notes during the period ended 30 June 2020. During 2018 and 2017 CGML issued a total of $2,300 million of Additional Tier 1 Notes to Pipestone LLC, another Citi entity

The notes are perpetual with no fixed redemption date, and are redeemable at the issuer's option subject to approval from the PRA. Interest is fixed every 5 years, interest payments are not cumulative and the issuer may cancel any interest payment at its sole discretion. The notes do not confer any voting rights.

In the event that CGML's Common Equity Tier 1 (CET1) ratio falls below 7.0%, the notes will be written down to zero. If a winding up occurs under these circumstances, no payment will be made to the noteholders. If a winding up takes place under any other circumstances, the noteholders will rank *pari passu* with the holders of the most senior class(es) of preference shares (if any) and ahead of all other classes of issued shares, but junior to the claims of senior creditors, for the amount of the principal and any accrued but unpaid interest on the notes.

11. Capital reserve

The Company did not receive any capital contribution during the period ended 30 June 2020.

12. Financial instruments and risk management

All aspects of the Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2019.

13. Events after the reporting period

On 25 August 2020 the Company drew down additional paid in capital of $1 billion from its parent, Citigroup Global Markets Holdings Bahamas Limited.

The impact of COVID-19 is expected to continue on the global economy for the coming months with likely adverse effects on the operations and financial position of the business. CGML has invoked its business continuity plans following the advice from Government restricting movement of people and there has been no material impact on the operations of the Company. The Company has and continues to assess material risks and their implications to the business operations as a result of the global spread of COVID-19. As this is an evolving situation, emerging risks are reviewed and actively managed accordingly as they arise.

This is a non-adjusting event and an estimate of the financial effect cannot be made at the date of approving these financial statements as the situation remains a rapidly evolving one.

At the date on which these financial statements were approved, there were no other significant events affecting the Company since the period end.

14. Group structure

The Company's immediate parent undertaking is Citigroup Global Markets Holdings Bahamas Limited (CGMHBL), a company registered at Ocean Centre, Montagu Foreshore, East Bay Street, and P.O. Box N3247, Nassau, Bahamas. The Company's ultimate parent company and ultimate controlling party is Citigroup Inc., registered at 1209 Orange Street, Wilmington, DE 19801 United States of America.

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/overview.html

15. Revenue analysis

As outlined in the Strategic Report, the Company is Citi's international broker-dealer and management reviews its performance by geography in the same way as Citigroup Inc. reports its performance.

Citi is organised into four regions, Asia Pacific, EMEA, Latin America and North America.

	Asia Pacific	EMEA	Latin America	North America	Total Regional	Other / Corp	Total
Revenue by Region	**$ Million**	**$ Million**	**$ Million**	**$ Million**	**$ Million**	**$ Million**	**$ Million**
30 June 2020	111	2,151	22	(141)	2,143	472	2,615
30 June 2019	189	1,211	3	(49)	1,354	328	1,682
Increase (decrease) compared to prior year	(78)	940	19	(92)	789	144	933

Other / Corporate items relate to certain transfer pricing revenues and expenses. These form part of intercompany pricing arrangements between affiliated Citi entities, to ensure that entities are appropriately compensated for the use of their resources.