

Citibank Investments Limited
(Registered Number: 01911126)

ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2021



CITIBANK INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2021

The Directors present their report and the financial statements of Citibank Investments Limited ("the Company") for the year ended 31 December 2021.

The words "Citigroup" and "Citi" are used interchangeably throughout this document and both refer to Citigroup Inc.

Business environment

The Company is a wholly-owned indirect subsidiary of Citigroup Inc. and during the year acted as a holding company for subsidiary undertakings of Citibank, N.A. in the United Kingdom, including those related to Citigroup's legacy consumer business (which no longer offers products to customers) and a number that are currently in liquidation. The only operating subsidiary currently held by the Company is Citigroup Centre 1 Limited, which offers office accommodation to other Citigroup entities.

Events after the reporting period

The recent action of Russian military forces and support personnel in Ukraine has escalated tensions between Russia and the U.S., NATO, the EU and the U.K., and was followed by packages of financial and economic sanctions that, in various ways, constrain transactions with numerous Russian entities and individuals. The Company does not have direct exposures in Russia or Ukraine and therefore, has not been directly impacted. The Company continues to monitor the potential indirect macroeconomic impacts from the tensions and conflict in order to mitigate its exposures and risks.

Going concern basis

The financial statements are prepared on a going concern basis taking into account the Company's existing capital and liquidity resources. The Directors acknowledge the risk that extreme circumstances might adversely impact the Company's ability to continue trading and are satisfied that the Company 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, including the implications from the pandemic (COVID-19) outbreak. As the Company is part of the Citigroup, the risks that apply to the parent also apply to all subsidiaries within the group including the Company. The risk factors impacting Citigroup Inc. are described in its 2021 annual report on form 10-K, which can be found at <http://www.citigroup.com/citi/investor/sec.htm>.

The Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore, have prepared the financial statements on a going concern basis.

In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including the Company's existing capital and liquidity resources and the level of reliance placed on support from Citigroup Inc., the Company's ultimate parent.

Further information relevant to this assessment is provided in the following sections of these financial statements:

- a financial summary, including the income statement and balance sheet, is provided in the financial results section on pages 8 to 10.

Strategic Report

Section 414B of the Companies Act 2006 states that a company is entitled to the small companies exemption in relation to the strategic report for the financial year if it would be so entitled but for being a member of an ineligible group. The Company has elected to exercise this exemption in relation to the preparation of a Strategic Report for this financial year as it meets the definition of a small company.

CITIBANK INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2021

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Directors' 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 101 *Reduced Disclosure Framework*.

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 the Company and of the profit or loss of the Company for that 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;
- assess the Company'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 the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 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 the Company and to prevent and detect fraud and other irregularities.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Dividends

The Company did not pay an interim dividend during the year (2020: £nil) and the Directors do not recommend the payment of a final dividend in respect of the year (2020: £nil).

Directors' indemnity

Throughout the year and at the date of this report the Company is party to a group-wide indemnity policy which benefits all of its current directors and is a qualifying third party indemnity provision for the purpose of section 236 of the Companies Act 2006.

Directors

The Directors who served during the year and since year end were:

J V Mistry (resigned on 23 July 2021)

J Warren

B Z Sudhoff (appointed on 23 July 2021)

Employee involvement

There were no persons employed by the Company during the year and no persons have been employed by the Company since the year end. Services are provided to the Company by employees of other Citigroup companies.

CITIBANK INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2021

Environmental matters

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities. Initiatives designed to minimise the Company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Political contributions

The Company made no political contributions or incurred any political expenditure during the year (2020: £nil).

Disclosure of information to auditor's

In accordance with section 418 of the Companies Act 2006 and subject to all the provisions of section 418, the Directors who held office at the date of approval of this Directors' Report confirm that:

- so far as each is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- each Director has taken all the steps that he/ she ought to have taken as a Director to make himself/ herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



J Warren
Director

13 October 2022

Incorporated in England and Wales

Registered office: Citigroup Centre, Canada Square, London E14 5LB
Registered number: 01911126

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CITIBANK INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Citibank Investments Limited ("the company") for the year ended 31 December 2021 which comprise the Income statement, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board minutes;
- Using analytical procedures to identify any unusual or unexpected relationship.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CITIBANK INVESTMENTS LIMITED

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to fraud (continued)

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting. On this audit we do not believe there is a fraud risk related to revenue recognition due to it being an intermediate holding company with no revenues.

We did not identify any additional fraud risk.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted without used ID, those posted and approved by the same user, manual entries with no description, journal entries made to unrelated accounts and journal entries containing key words.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: certain aspects of company legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CITIBANK INVESTMENTS LIMITED

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CITIBANK INVESTMENTS LIMITED

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Pinks (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountant

15 Canada Square

London

E14 5GL

13 October 2022

CITIBANK INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Interest expense and similar charges		(81)	(7)
Net interest expense		(81)	(7)
Operating expenses		(1)	(19)
Total operating loss		(82)	(26)
Reversal of impairment/(impairment) of investment	5	7,538	(3,374)
(Loss)/gain on FX revaluation		(10)	10
Profit/(loss) before income tax		7,446	(3,390)
Income tax	4	—	—
Profit/(loss) for the year		7,446	(3,390)
Total comprehensive profit/(loss) for the year		7,446	(3,390)

The accompanying notes on pages 11 to 18 form an integral part of these financial statements.

CITIBANK INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Notes	2021 £'000	2020 £'000
Assets			
Cash at bank and in hand	9	26,802	28,318
Investments in subsidiary undertaking	5	46,032	38,494
Amount due from group undertakings		2,082	—
Tax receivable	4	116,325	124,014
Other assets		1	2
Total assets		191,242	190,828
Liabilities			
Amount due to group undertakings		545	7,568
Other liabilities		461	470
Total liabilities		1,006	8,038
Equity shareholders' funds			
Share capital	7	500	500
Other reserves	8	64,000	64,000
Retained earnings	8	125,736	118,290
Total equity shareholders' funds		190,236	182,790
Total liabilities and equity shareholders' funds		191,242	190,828

The accompanying notes on pages 11 to 18 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 13 October 2022 and were signed on its behalf by:



J Warren
Director
Registered Number: 01911126

CITIBANK INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Share capital £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2020	500	64,000	121,680	186,180
Loss for the year	—	—	(3,390)	(3,390)
At 31 December 2020	500	64,000	118,290	182,790
Profit for the year	—	—	7,446	7,446
At 31 December 2021	500	64,000	125,736	190,236

The accompanying notes on pages 11 to 18 form an integral part of these financial statements.

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has taken the exemption available under FRS 101 not to disclose all transactions with other group companies and investees of the group qualifying as related parties. It has also taken the exemption available under FRS 101 not to prepare a cash flow statement, the effects of new but not yet effective IFRSs and the disclosure requirements of IFRS 7 - 'Financial Instruments: Disclosures' and IFRS 13 - 'Fair Value Measurement'.

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. The functional and presentational currency of the Company is Pound Sterling (£) and all values are rounded to the nearest thousand pounds, except where otherwise indicated.

The accounting policy set out below has, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements are prepared on a going concern basis taking into account the Company's existing capital and liquidity resources. The Directors acknowledge the risk that extreme circumstances might adversely impact the Company's ability to continue trading and are satisfied that the Company 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, including the implications from the pandemic (COVID-19) outbreak. As the Company is part of the Citigroup, the risks that apply to the parent also apply to all subsidiaries within the group including the Company. The risk factors impacting Citigroup Inc. are described in its 2021 annual report on form 10-K, which can be found at <http://www.citigroup.com/citi/investor/sec.htm>.

The Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore, have prepared the financial statements on a going concern basis.

In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including the Company's existing capital and liquidity resources and the level of reliance placed on support from Citigroup Inc., the Company's ultimate parent.

b) Changes in accounting policy and disclosures

Standards issued and effective

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 (Amendments to IFRS 16, Leases)
- Amendments to IAS 1, Presentation of financial statements' on classification of liabilities

The above amended standards and interpretations did not have any impact on the Company's financial statements.

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (continued)

c) Basis of consolidation

The Company has applied the exemption in section 401 of the Companies Act 2006 from the preparation of consolidated group accounts as the financial results of the Company and its subsidiary undertakings are included in the consolidated group accounts of Citigroup Inc. on a basis that is consistent with the financial reporting requirements of the Companies Act. As such, these financial statements present information about the Company as an individual undertaking and not about its group. The consolidated financial statements of Citigroup Inc. within which the Company is included are available from the address stated in Note 11 – ‘Parent companies’.

d) Foreign currencies and net foreign exchange gains and losses

The Company’s financial statements are presented in Pounds Sterling (£), which is the functional and presentational currency of the Company.

At the balance sheet date, monetary assets are translated at the year end rate of exchange and translation differences are included in the income statement. Non-monetary assets and liabilities measured at historical cost are translated at the exchange rate at the date of the transaction.

e) Net interest income

Interest income and expense on financial assets and liabilities are recognised in the income statement using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

f) Financial assets and liabilities

Amortised Cost

A financial asset debt instrument shall be classified and subsequently measured at amortised cost (unless designated under FVO) only if both of the following conditions are met:

(i) Business Model test: the financial asset debt instrument is held under a business model whose objective is to hold assets in order to collect contractual cash flows; and

(ii) SPPI test: the contractual terms of the financial asset debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The following financial assets are classified under ‘amortised cost’ as at 31 December 2020 and as at 31 December 2021 respectively:

Cash and cash equivalents, loans and advances to group undertakings and other assets

Cash and cash equivalents, loans and advances to group undertakings and other assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term. They comprise Cash and cash equivalents, Loans and advances to group undertakings and Other assets that are deemed to have contractual cash flows of SPPI.

Loans and advances to group undertakings are initially recognised at fair value, which is the cash given to originate the loan, net of transaction costs and subsequently measured at amortised cost using the effective interest rate method, less any impairment charges.

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (continued)

f) Financial assets and liabilities (continued)

Financial liabilities

Loans and advances from group undertakings and other liabilities are measured at amortised cost using the effective interest rate.

g) Impairment of financial assets

Under IFRS 9, the same impairment model is applied to all financial assets, except for: (a) debt investments classified or designated as FVTPL, and (b) equity investments, which are not subject to impairment assessment. The scope of the IFRS 9 expected credit loss (ECL) impairment model includes amortised cost financial assets, debt securities classified as FVOCI, and off-balance sheet loan commitments and financial guarantees which were previously provided for under IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

The estimation of an ECL is required to be unbiased and probability weighted, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. The estimate also considers the time value of money.

IFRS 9 has three 'stages' for impairment recognition, whereby the measure of expected credit losses, and the interest income recognition, differs depending on the change in credit risk of the financial asset since initial recognition.

Due to the nature of business activities and the financial assets on the Company's balance sheet the recognition of incremental expected credit losses has a minimal impact. Therefore, for the vast majority of its exposures the Company has taken advantage of the practical expedient allowed by IFRS 9 in which lifetime expected credit losses are recognised irrespective of changes in credit risk (i.e. other assets).

h) Derecognition of financial assets and liabilities

Financial assets are derecognised when the right to receive cash flow from assets has expired or the Company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished, that is, when the obligation is discharged, cancelled or expired.

i) Dividend income

Dividend income is recognised when the right to receive payment is established which is the ex-dividend date for equity securities.

j) Investments in subsidiary and associate undertakings

Investments in subsidiaries and associates, comprising unlisted securities, are shown at cost, less allowance for impairment. At each reporting date, the Company assesses whether there is any indication that its investments in subsidiaries or associates are impaired. Investments are impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the investment and prior to the balance sheet date ("a loss event") and that loss event or events has had an impact on the estimated future cash flows of the investment that can be reliably estimated.

Tests for impairment are carried out annually or more frequently if events or changes in circumstances indicate that it might be impaired. If, in a subsequent year, management considers that part or all of the impaired investments in subsidiary and associate undertakings become recoverable, the previously recognised impairment loss is reversed and is recognised in the income statement up to an amount not exceeding the recoverable amount.

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (continued)

k) Income taxes

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. The tax effects of income tax losses available for carry-forward are recognised as a deferred tax asset if it is probable that future taxable profit will be available against which the losses can be utilised.

Deferred tax assets and liabilities are recognised for taxable and deductible temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that there will be suitable profits available against which these differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on tax rates that are enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Current and deferred taxes are recognised as income tax benefit or expense in the income statement.

l) Cash and cash equivalents

Cash and cash equivalents comprise balances with an original maturity of less than three months, including cash and bank overdraft.

2. 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 accounting policies used in the preparation of the financial statements are described in detail above.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is the impairment of investments.

Going Concern

The financial statements are prepared on a going concern basis taking into account the Company's existing capital and liquidity resources. The Directors acknowledge the risk that extreme circumstances might adversely impact the Company's ability to continue trading and are satisfied that the Company 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, including the implications from the pandemic (COVID-19) outbreak. As the Company is part of the Citigroup, the risks that apply to the parent also apply to all subsidiaries within the group including the Company. The risk factors impacting Citigroup Inc. are described in its 2021 annual report on form 10-K, which can be found at <http://www.citigroup.com/citi/investor/sec.htm>.

The Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore, have prepared the financial statements on a going concern basis.

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. Use of assumptions and estimates (continued)

In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including the Company's existing capital and liquidity resources and the level of reliance placed on support from Citigroup Inc., the Company's ultimate parent.

Further information relevant to this assessment is provided in the following sections of these financial statements:

- a financial summary, including the income statement and balance sheet, is provided in the financial results section on pages 8 to 10.

Impairment of investments in subsidiary and associate undertakings

The Company determines whether it is necessary to recognise an impairment loss on its investment in shares in subsidiary undertakings by comparing the carrying value of the investment with the net asset value of the subsidiary undertaking at the reporting date.

3. Auditors' remuneration

The auditor's remuneration of £28,920 (2020: £26,928) for these financial statements is borne and paid by another group company.

4. Tax on loss on ordinary activities

a) Analysis of tax charge for the year

There was no tax charge incurred during the year (2020: £nil).

b) Factors affecting tax charge for the year

	2021 £'000	2020 £'000
Profit/(loss) before tax	7,446	(3,390)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	1,415	(644)
Effects of:		
Expenses not deductible for tax purposes	2	639
Income not taxable	(1,433)	—
Effects of group relief/ other reliefs	16	5
Current tax charge for the year (Note 5a)	—	—

The main rate of corporation tax in the UK was 19% from 1 April 2017. Finance Act 2020, which received Royal Assent on 22 July 2020, reversed the reduction in corporation tax such that the rate will remain at 19% from 1 April 2020. A further rate change was introduced by the Finance Act 2021, which received Royal Assent on 10 June 2021 and this increases the UK corporation tax rate to 25% from 1 April 2023. As the Company does not recognise deferred tax assets on its losses, the rate change impact has therefore not been disclosed. On 23 September 2022 the Chancellor of the Exchequer announced that the corporation tax rate will remain at 19% from 1 April 2023 - reversing a previously enacted measure to increase the rate to 25%. This reversal in the tax rate from 1 April 2023 has not been enacted or substantively enacted and accordingly has no impact on the tax balances at 31 December 2021. The potential impact of this change on deferred tax balances has not been disclosed as the Company does not recognise deferred tax assets on its losses.

At 31 December 2021, the Company had an unrecognised deferred tax asset of £150 million (2020: £114million). This has not been recognised on the grounds that there is insufficient evidence that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4. Tax on loss on ordinary activities (continued)

b) Factors affecting tax charge for the year (continued)

The Company has an overseas current tax receivable balance of £116 million (2020: £124 million). The receivable was subsumed into the Company from its Italian subsidiary CitiFin S.r.l. upon its liquidation on 6 December 2016, together with all of its balances. The timing of receipt is uncertain but not expected to be within 12 months of the balance sheet date of these financial statements.

5. Investments in subsidiary undertakings

The movement in the Company's investments in subsidiary undertakings was as follows:

	2021 £'000	2020 £'000
At 1 January	38,494	41,868
Impairment	—	(3,374)
Reversal of impairment	7,538	—
At 31 December	46,032	38,494

Impairment

In 2021, the Company reversed the previously recognised impairment loss in its investment in subsidiaries by £7.5 million (2020: impairment of £3.4 million). The reversal of impairment during 2021 was recognised in relation to Citigroup Centre 1 Limited ("CGC1") in the amount of £7.5 million (2020: impairment of £3.4 million).

Details of Company subsidiary undertakings held at 31 December 2021 as required by section 409 of the Companies Act are set out below. All have a year end of 31 December and a registered address of Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, except for Citibank Pensions Trustees Ireland Designated Activity Company, which is registered at IFSC, 1 North Wall Quay, Dublin 1, Ireland.

Name	Nature of business	% holding in share capital	
		2021	2020
Associates Capital Limited	In liquidation	100.00 %	100.00 %
Avco Trust	In liquidation	100.00 %	100.00 %
Citibank London Nominees Limited	Bare trustee	100.00 %	100.00 %
Citibank Pensions Trustees Ireland Designated Activity Company	Bare trustee	100.00 %	100.00 %
Citiclient Nominees No. 8 Limited	Bare trustee	100.00 %	100.00 %
CitiFinancial Mortgage Corporation	In liquidation	100.00 %	100.00 %
Citifriends Nominee Limited	Bare trustee	100.00 %	100.00 %
Citigroup Centre 1 Limited	Provision of office accommodation	100.00 %	100.00 %
Citivic Nominees Limited	Bare trustee	100.00 %	100.00 %
CUIM Nominee Limited	Bare trustee	100.00 %	100.00 %
East Fourteen Limited	Nominee	100.00 %	100.00 %
Future Mortgages 1 Limited	In liquidation	100.00 %	100.00 %
National City Nominees Limited	Bare trustee	100.00 %	100.00 %
N.C.B. Trust Limited	Bare trustee	100.00 %	100.00 %

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6. Investments in associates

The Company's investments in associates as at 31 December 2021 represent a 20.52% (2020: 20.52%) holding in Volbroker.com Limited, registered in England and Wales.

As at the year end, the issued equity capital of Volbroker.com Limited was £1,847,145 (2020: £1,847,145).

In 2016, the Company impaired its investment in Volbroker.com Limited by £1 million and keeps a record of it in the books as £nil (2020: £nil).

7. Share capital

	2021 £'000	2020 £'000
Allotted, called-up and fully paid		
500,000 (2020: 500,000) ordinary shares of £1 each	500	500
	<u>500</u>	<u>500</u>

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

8. Capital and reserves

Further details regarding capital and reserves movements are shown in the Company Statement of Changes in Equity on page 10.

The other reserves component of equity includes capital contributions from the parent company which are distributable.

9. Cash at bank

	2021 £'000	2020 £'000
Cash at bank held by group undertakings	26,802	28,318
	<u>26,802</u>	<u>28,318</u>

10. Directors' remuneration

Key management are the Directors of the Company and their remuneration relates to the services provided to the Company.

	2021 £'000	2020 £'000
Salaries and other short-term benefits	3	5
Share-based payments	—	1
	<u>3</u>	<u>6</u>

A listing of the Board of Directors is shown in the Directors' Report.

Contributions to money purchase schemes are accruing to three of the Directors (2020: two). Two of the Directors (2020: one) of the Company participate in Citigroup share plan. None of the Directors hold share options (2020: none) and during the year, none of the Directors (2020: none) exercised options. The emoluments for the highest paid Director were £2.6 thousand (2020: £3 thousand) with £260 (2020: £555) being share based compensation and accrued pension of £71 (2020: £24).

Directors' emoluments are borne by another group company.

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

11. Parent companies

At 31 December 2021, the Company is a 70% owned subsidiary of Citibank Overseas Investment Corporation, registered at One Penns Way, New Castle, DE 19720, United States of America. Citi Investments Bahamas Ltd., registered at 110 University Drive, Nassau, Bahamas, owns the remaining 30% of the Company.

The largest group in which the results of the Company are consolidated is that headed by Citigroup Inc., a company registered at 1209 Orange Street, Wilmington, New Castle, DE 19801, United States of America. Copies of these group accounts 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>.

12. Events after the reporting period

The recent action of Russian military forces and support personnel in Ukraine has escalated tensions between Russia and the U.S., NATO, the EU and the U.K., and was followed by packages of financial and economic sanctions that, in various ways, constrain transactions with numerous Russian entities and individuals. The Company does not have direct exposures in Russia or Ukraine and therefore, has not been directly impacted. The Company continues to monitor the potential indirect macroeconomic impacts from the tensions and conflict in order to mitigate its exposures and risks.