

Citigroup Capital Finance Ireland Limited

(Registered number 2698894)

Directors' report and financial statements

For the year ended 31 December 2011

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CITIGROUP CAPITAL FINANCE IRELAND LIMITED

Directors' report and financial statements

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CITIGROUP CAPITAL FINANCE IRELAND LIMITED

BOARD OF DIRECTORS AND OTHER INFORMATION

Directors	Paul Bushnell Anthony Golden Amir M Karimi Ciaran Kelleher Robert Doris
Secretary	Simon J Cumming
Registered Office	Citigroup Centre Canada Square Canary Wharf London E14 5LB
Bankers	Citibank Europe plc 1 North Wall Quay Dublin 1
Auditors	KPMG Chartered Accountants 1 Harbourmaster Place International Financial Services Centre Dublin 1
Solicitors	Matheson Ormsby Prentice 70 Sir John Rogerson's Quay Dublin 2

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements of Citigroup Capital Finance Ireland Limited ("the Company") for the year ended 31 December 2011. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU.

Business review and principal activities

The Company is a wholly owned subsidiary of Citibank Holdings Ireland Limited. The Company's principal activity is the provision of funding to Group companies.

The Company made a profit after tax for the year of £4,581,671 (2010: £18,041,882). The state of affairs of the Company as at the year-end is detailed in the statement of financial position on page 8.

The Company ceased to trade on 1 June 2012. Accordingly, these financial statements are presented on a wind-up basis of accounting where all assets are stated at their estimated net recoverable amounts. Full provision is made for the estimated costs of the wind-up.

Income

Operating income was £5,240,399 (2010: £20,627,085), a 75 percent decrease on the previous year, primarily due to the reduction in its intercompany placements.

Statement of financial position

Shareholders' funds of £595,442,997 were 45 percent lower than at 31 December 2010 due to the payment of a dividend to Citibank Holdings Ireland Limited amounting to £484,994,349.

Key Financial Performance Indicators

In addition to the financial results of the Company as set out on page 7, the Directors also consider the following a key financial performance indicator:

- Net interest margin (net interest as a % of interest bearing assets) 2011 – 0.63%, 2010 – 1.61%

Risk management

Risk management is an important part of the business and the risks affecting the Company and how they are managed are outlined in note 12.

Future development and significant events

The Company continued to place its capital with Citibank NA throughout 2011. On 1 June 2012 the Company became a wholly owned subsidiary of Citibank Europe Plc. On the same day its placement with Citibank NA London matured and the Company used the capital to pay out a dividend to Citibank Europe Plc of £595,553,616. The Company ceased to trade on 1 June 2012 and will shortly be placed into voluntary liquidation.

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

DIRECTORS' REPORT (CONTINUED)

Dividends

A dividend of £484,994,349 was proposed and paid in the current year (2010 £nil)

Directors

The names of the Directors who held office at 31 December 2011 were as follows

Paul Bushnell
Anthony Golden
Amir M Karim
Ciaran Kelleher
Robert Doris

Directors Indemnity

The Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Charitable donations and political contributions

There were no charitable donations or contributions for political purposes made by the Company during the year or the preceding year

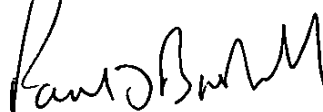
Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Chartered Accountants will therefore continue in office until the Company is liquidated.

Disclosure of Information to Auditors

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 ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

On behalf of the Board



Paul Bushnell
Director



Anthony Golden
Director

6th September 2012

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 International Financial Reporting Standards ("IFRSs") as adopted by the EU.

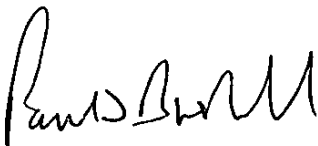
Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As explained on page 11 – basis of preparation – forming part of the financial statements, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

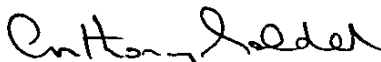
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

On behalf of the Board



Paul Bushnell
Director



Anthony Golden
Director

6th September 2012

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIGROUP CAPITAL FINANCE IRELAND LIMITED

We have audited the financial statements of Citigroup Capital Finance Ireland Limited ("the Company") for the year ended 31 December 2011 set out on pages 7 to 21 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cashflows. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the statement of accounting policies – basis of preparation – which explains that the financial statements have not been prepared on a going concern basis for the reason set out in that note.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.



Jonathan Lew (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants
1 Harbourmaster Place
International Financial Services Centre
Dublin 1

6th September 2012

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

STATEMENT OF COMPREHENSIVE INCOME

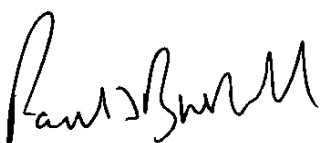
For the year ended 31 December 2011

	Note	2011 GBP	2010 GBP
Interest income	1	5,234,069	21,422,421
Interest expense	3	<u>(1,680)</u>	<u>(1,524,353)</u>
Net interest income		5,232,389	19,898,068
Other income	1	<u>8,010</u>	<u>729,017</u>
Operating income	1	5,240,399	20,627,085
Administration expenses	2	<u>(10,000)</u>	<u>(20,998)</u>
Profit on ordinary activities		5,230,399	20,606,087
Provision for wind-up of Company	4	<u>(10,000)</u>	<u>-</u>
Profit before taxation		5,220,399	20,606,087
Tax on profit on ordinary activities	6	(638,728)	(2,564,205)
Profit after taxation		<u>4,581,671</u>	<u>18,041,882</u>

The Company has no recognised gains or losses in the financial year or the preceding year other than those set out in the statement of comprehensive income

The notes in pages 11 to 21 form an integral part of the financial statements

On behalf of the Board



Paul Bushnell
Director



Anthony Golden
Director

6th September 2012

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

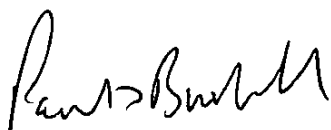
STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

		2011 GBP	2010 GBP
	Note		
Assets			
Cash and cash equivalents	7	595,434,094	1,075,754,611
Prepayments and accrued income	8	73,401	1,200,526
Total assets		<u>595,507,495</u>	<u>1,076,955,137</u>
Liabilities			
Other liabilities	9	64,498	1,099,462
Total liabilities		<u>64,498</u>	<u>1,099,462</u>
Equity shareholders' funds			
Called up share capital	10, 11	1,000,000	1,000,000
Retained earnings	11	4,581,671	389,548,658
Capital reserve	11	589,861,326	685,307,017
Total equity attributable to shareholders		595,442,997	1,075,855,675
Total liabilities and equity shareholders' funds		<u>595,507,495</u>	<u>1,076,955,137</u>

The notes in pages 11 to 21 form an integral part of the financial statements

On behalf of the Board



Paul Bushnell
Director



Anthony Golden
Director

6th September 2012

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

STATEMENT OF CHANGES IN EQUITY

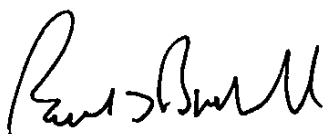
For the year ended 31 December 2011

	Share Capital £ '000	Capital Reserve £ '000	Retained Earnings £ '000	Total £ '000
Balance at 1 January 2011	1,000,000	685,307,017	389,548,658	1,075,855,675
Total comprehensive income for the year				
Profit for the year	-	-	4,581,671	4,581,671
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>4,581,671</u>	<u>4,581,671</u>
Transactions with owners, recorded directly in equity				
Dividends/remittances	-	(95,445,691)	(389,548,658)	(484,994,349)
Total contributions by and distributions to owners	<u>-</u>	<u>(95,445,691)</u>	<u>(389,548,658)</u>	<u>(484,994,349)</u>
Balance at 31 December 2011	<u>1,000,000</u>	<u>589,861,326</u>	<u>4,581,671</u>	<u>595,442,997</u>

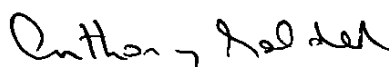
	Share Capital £ '000	Capital Reserve £ '000	Retained Earnings £ '000	Total £ '000
Balance at 1 January 2010	1,000,000	685,307,017	371,506,776	1,057,813,793
Total comprehensive income for the year				
Profit for the year	-	-	18,041,882	18,041,882
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>18,041,882</u>	<u>18,041,882</u>
Balance at 31 December 2010	<u>1,000,000</u>	<u>685,307,017</u>	<u>389,548,658</u>	<u>1,075,855,675</u>

The notes in pages 11 to 21 form an integral part of the financial statements

On behalf of the Board



Paul Bushnell
Director



Anthony Golden
Director

6th September 2012

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

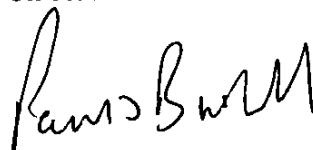
STATEMENT OF CASH FLOWS

For the year ended 31 December 2011


	Note	2011 GBP	2010 GBP
Cash flows from operating activities			
Profit before tax		5,220,399	20,606,087
Changes in operating assets and liabilities			
Change in investments		-	1,090,702,286
Change in loans and advances from banks		-	(353,941,646)
Change in derivative financial instruments		-	5,673,964
Change in prepayments and accrued income		1,127,125	4,548,881
Change in accruals and other liabilities		(669,381)	63,832
Tax paid		(1,004,310)	(2,833,507)
Net cash flow from operating activities		<u>4,673,833</u>	<u>764,819,897</u>
Net cash flow from investing activities		-	-
Dividend paid		(484,994,349)	-
Net cash flow from financing activities		<u>(484,994,349)</u>	<u>-</u>
Net decrease in cash and cash equivalents		(480,320,516)	764,819,897
Cash and cash equivalents at 1 January		1,075,754,611	310,934,714
Cash and cash equivalents at 31 December	7	<u>595,434,094</u>	<u>1,075,754,611</u>

The notes in pages 11 to 21 form an integral part of the financial statements.

On behalf of the Board:



Paul Bushnell
Director



Anthony Golden
Director

6th September 2012

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

STATEMENT OF ACCOUNTING POLICIES

For the year ended 31 December 2011

Reporting entity

Citigroup Capital Finance Ireland Limited is a company domiciled in the United Kingdom. The address of the Company's registered office is noted on page 2. As at 31 December 2011 the Company was a wholly owned subsidiary of Citibank Holdings Ireland Limited. Its principal activities are the provision of funding to Group companies.

Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and under the wind-up basis of accounting.

b) Basis of measurement

The Company did not cease its business activity during the year, however, it is the intention to liquidate the Company in the foreseeable future. Accordingly, these financial statements are presented on a wind-up basis of accounting where all assets are stated at their estimated net recoverable amounts. The Company ceased to trade on 1 June 2012 and will shortly be placed into voluntary liquidation. The Company has sufficient cash reserves to meet its legal and regulatory obligations and remain solvent.

The comparatives relating to the year ended 31 December 2010 have been prepared on a going concern basis as the financial statements relating to that year had been approved and finalised before the decision to wind-up was taken.

c) Functional and presentation currency

These financial statements are presented in Pound Sterling ("GBP"), which is the Company's functional currency.

Significant accounting policies

a) Foreign currency

Transactions in foreign currencies are translated to the respective functional currency of the operation at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the spot exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

For the year ended 31 December 2011

Significant accounting policies (continued)

b) Use of estimates and judgements

The preparation of the 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.

c) Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income using the effective interest 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 (or, where appropriate, a shorter period) 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.

The calculation of the effective interest rate includes all fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Interest income and expense presented in the statement of comprehensive income includes interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis.

Interest income and expense on all trading assets and liabilities are considered to be incidental to the Company's trading operations and are presented together with all other changes in the fair value of trading assets and liabilities in net trading income.

d) Fees and commissions

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, are recognised as the related services are performed.

e) Income tax

Income tax expense comprises current tax, which is recognised in the statement of comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

f) Expenses

Expenses are accounted for on an accruals basis.

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

For the year ended 31 December 2011

Significant accounting policies (continued)

g) Provision for wind-up

As explained in the basis of preparation paragraph, the Company has ceased to trade and provision is made for the full impact of the wind-up and future operating results expected until the date the Company will be liquidated

h) Cash and cash equivalents

Cash and cash equivalents include highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Cash and cash equivalents also include placements with original maturities of three months or less.

Cash and cash equivalents are carried at amortised cost in the statement of financial position

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2011

1. Operating income

	2011 GBP	2010 GBP
Interest income	5,234,069	21,422,421
Interest expense	(1,680)	(1,524,353)
Net interest income	<u>5,232,389</u>	<u>19,898,068</u>
Other income	8,010	729,017
Net operating income	<u>5,240,399</u>	<u>20,627,085</u>

For 2010 other income relates to breakage fees generated on the early repayment of the intercompany long-term structured deals, foreign exchange gains and losses and net realised gains and losses on derivatives. For 2011 other income relates to foreign exchange gains.

2. Administration Expenses

	2011 GBP	2010 GBP
Other administrative expense	<u>10,000</u>	<u>20,998</u>

The current year expenses relate to franchise and audit fees. The average number of persons employed by the Company during the year was Nil (2010 Nil).

3. Interest expense

	2011 GBP	2010 GBP
Interest expense	<u>1,680</u>	<u>1,524,353</u>

For 2010 interest expense relates to group loans and overdrafts. For 2011 the interest expense relates to overdrafts on intercompany bank accounts.

4. Provision for wind-up of the Company

	2011 GBP	2010 GBP
Provision for wind-up of the Company	<u>10,000</u>	<u>-</u>

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2011

5. Statutory information

Profit on ordinary activities before taxation is stated after charging.

Audit of Company's financial statements	10,000	10,000
Other assurance services	-	-
Tax advisory services	-	-
Other non-audit services	-	-
	2011	2010
	GBP	GBP

Directors' remuneration is borne by other subsidiaries of Citigroup Inc

6. Tax on profit on ordinary activities

The Company pays tax at a rate of 12.5% on all activities

Analysis of charge in year	2011	2010
	GBP	GBP
Profit on ordinary activities before taxation	5,230,399	20,606,087
Total income tax expense	<u>(638,728)</u>	<u>(2,564,205)</u>
Profit excluding income tax	<u>4,591,671</u>	<u>18,041,882</u>
Income tax using the Company's domestic tax rate	<u>638,728</u>	<u>2,564,205</u>

7. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise of the following balances that mature within three months

	2011	2010
	GBP	GBP
Cash at bank	72,932	1,754,611
Placement	<u>595,361,162</u>	<u>1,074,000,000</u>
	<u>595,434,094</u>	<u>1,075,754,611</u>

All cash balances are intercompany. At year end the Company had a placement of £595,361,162 with Citibank NA London, which rolls every three months

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2011

8. Prepayments and accrued income

	2011 GBP	2010 GBP
Accrued interest	<u>73,401</u>	<u>1,200,526</u>

The accrued interest relates to the placement with Citibank NA London.

9. Other liabilities

	2011 GBP	2010 GBP
Amounts falling due within 3 months		
Due to fellow group undertakings	-	679,382
Accruals	10,000	10,000
Amounts falling due within 1 year		
Corporation tax payable	44,498	410,080
Provision for wind-up of Company	10,000	-
	<u>64,498</u>	<u>1,099,462</u>

10. Share capital

	2011 GBP	2010 GBP
Authorised		
100,000,000 ordinary shares of GBP 1 each	<u>100,000,000</u>	<u>100,000,000</u>
Allotted, called up and fully paid		
1,000,000 ordinary shares of GBP 1 each	<u>1,000,000</u>	<u>1,000,000</u>

The Company has no externally imposed capital requirements

As at 31 December 2011 the Company was a wholly owned subsidiary of Citibank Holdings Ireland Limited, with 1,000,000 ordinary shares allotted, called-up and fully paid

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2011

11. Reserves

	Share Capital £ '000	Capital Reserve £ '000	Retained Earnings £ '000	Total £ '000
Balance at 1 January 2011	1,000,000	685,307,017	389,548,658	1,075,855,675
Total comprehensive income for the year				
Profit for the year	-	-	4,581,671	4,581,671
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>4,581,671</u>	<u>4,581,671</u>
Transactions with owners, recorded directly in equity				
Dividends/remittances	-	(95,445,691)	(389,548,658)	(484,994,349)
Total contributions by and distributions to owners	<u>-</u>	<u>(95,445,691)</u>	<u>(389,548,658)</u>	<u>(484,994,349)</u>
Balance at 31 December 2011	<u>1,000,000</u>	<u>589,861,326</u>	<u>4,581,671</u>	<u>595,442,997</u>

An interim dividend of £484,994,349 was paid to the parent Citibank Holdings Ireland Limited (2010: £nil). The dividend was paid out of retained earnings and capital contributions – £389,548,658 and £95,445,691 respectively.

	Share Capital £ '000	Capital Reserve £ '000	Retained Earnings £ '000	Total £ '000
Balance at 1 January 2010	1,000,000	685,307,017	371,506,776	1,057,813,793
Total comprehensive income for the year				
Profit for the year	-	-	18,041,882	18,041,882
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>18,041,882</u>	<u>18,041,882</u>
Balance at 31 December 2010	<u>1,000,000</u>	<u>685,307,017</u>	<u>389,548,658</u>	<u>1,075,855,675</u>

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2011

12. Financial instruments and risk management

Objectives, policies and strategies

Financial instruments are fundamental to the Company's business and constitute the core element of its operations. Financial instruments create, modify or reduce the liquidity, credit and market risk of the Company's statement of financial position.

The purpose for which the Company holds or issues financial instruments can be classified as loans and deposits. All Company loans and deposits are intercompany.

Market Risk

Market risk encompasses a number of components including currency risk and interest rate risk.

Interest rate risk: is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company has no significant interest rate risk as all material balances are intercompany in nature and are fixed only for the short-term (the placement is rolling over every three months).

Foreign currency risk: is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no material foreign currency risk. During the financial year ended 31 December 2011 the only foreign currency denominated balances were related to its Euro bank account with Citibank Europe Plc.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Management of liquidity is the responsibility of the Company Treasurer who aims to ensure that all funding obligations are met when due.

The following table analyses the gross contractual cash flows and Company's assets and liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2011

12. Financial instruments and risk management (continued)

Liquidity Risk (continued)

2011	3 months or less GBP '000	> 3 months and < 1 year GBP '000	> 1 year and < 5 years GBP '000	Greater than 5 years GBP '000	Total GBP '000
Assets	595,507,495	-	-	-	595,507,495
Liabilities & Equity	(595,452,997)	(54,498)	-	-	(595,507,495)
Net liquidity gap	54,498	(54,498)	-	-	-

2010	3 months or less GBP '000	> 3 months and < 1 year GBP '000	> 1 year and < 5 years GBP '000	Greater than 5 years GBP '000	Total GBP '000
Assets	1,076,955,137	-	-	-	1,076,955,137
Liabilities & Equity	(1,076,545,057)	(410,080)	-	-	(1,076,955,137)
Net liquidity gap	410,080	(410,080)	-	-	-

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As all material balances are intercompany in nature, they are monitored on an ongoing basis.

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2011

13. Related party transactions

The Company defines related parties as the Board of Directors, their close family members, parent and fellow subsidiaries and associate companies

A number of arms' length transactions are entered into with related parties. These include loans and deposits that provide funding to Group Companies

The table below summarises balances with related parties

	Other Citigroup GBP 2011	Other Citigroup GBP 2010
Assets		
Placements	595,361,162	1,074,000,000
Prepayments and accrued income	73,401	1,200,526
Cash	72,932	1,754,611
Liabilities		
Other liabilities	-	(679,382)
Statement of comprehensive income		
Interest and similar income	5,234,069	21,422,421
Interest payable	(1,680)	(1,524,353)
Net fee and commission income	-	729,017
Administrative expenses	-	(10,998)

CITIGROUP CAPITAL FINANCE IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2011

14. Subsequent events

On 1 June 2012 the Company became a wholly owned subsidiary of Citibank Europe Plc. On the same day its placement with Citi NA London matured and the Company used the capital to pay out a dividend to Citibank Europe Plc of £595,553,616. The Company has ceased to trade on 1 June 2012 and will shortly be placed into voluntary liquidation.

15. Ultimate parent undertaking

The Company's ultimate parent undertaking is Citigroup Inc., which is incorporated in the State of Delaware, United States of America.

The largest group in which the results of the Company are consolidated is that headed by Citigroup Inc. The audited consolidated financial statements of Citigroup Inc. are available to the public annually in accordance with Securities and Exchange Commission regulations and may be obtained from www.citigroup.com/citi/corporategovernance/ar.htm.

The smallest group in which the results of the accounts are consolidated is that headed by Citibank Holdings Ireland Limited, which became the parent Company on 24 November 2003. Copies of these group accounts will be available to the public and may be obtained from its offices at Citigroup Centre, 1 North Wall Quay, Dublin 1.

16. Approval of the financial statements

The directors approved the financial statements on 6th September 2012.