



Citigroup Capital Finance Ireland Limited

(formerly Citicorp Diners Club Limited)

Directors' report and
financial statements

Year ended 31 December 2001

Registered number 2698894





Citigroup Capital Finance Ireland Limited

(formerly Citicorp Diners Club Limited)

Directors' report

The Directors submit their report together with the audited financial statements of the company for the year ended 31 December 2001, which have been prepared in accordance with the provisions of the Companies Act 1985.

Principal activities, business review and future developments

The Company's principal activity is that of the provision of financing activities to members of the parent group. The Directors expect the current levels of activity to continue for the foreseeable future.

On 16 October 2001 the Company changed its name from Citicorp Diners Club Limited to Citigroup Capital Finance Ireland Limited and transferred residency to the Republic of Ireland.

On 26 October 2001 the Company purchased a number of subordinated floating rate notes and subordinated floating rate partnership securities from group companies. The Company's principal source of income is interest income earned on these debt instruments.

Results and dividends

The results for the year are set out on page 8. A dividend of Stg£184,205 (2000: Stg£nil) per share was paid during the year. The Directors do not recommend the payment of a final dividend.

Directors

The following served as Directors during 2001:

Mr. David Blackshaw (appointed 15 October 2001; resigned 5 December 2001).

Mr. Aidan M. Brady (appointed 15 October 2001).

Mr. Paul J. Bushnell (appointed 15 October 2001).

Miss. Valerie A. Dickson (appointed 12 September 2001; resigned 15 October 2001).

Mr. Andrew M. Gaulter (appointed 22 August 2001; resigned 15 October 2001).

Mr. David Geoghegan (appointed 15 October 2001; resigned 11 January 2001).

Mr. Peter W. Randell (resigned 15 October 2001).

Mr. Nial A. Whelan (appointed 5 December 2001).

Mr. Joshua M. Fine (appointed 26 March 2002).

Mr. Mark J. Fitzgerald (appointed 11 January 2002; resigned 26 March 2002).

In accordance with the Articles of Association, the directors are not required to retire by rotation.



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Directors' report *(continued)*

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985 as amended. 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.

Interests of directors and secretary

The Directors and Secretary who held office at 31 December 2001 had no interest in the shares, debentures or loan stock of the company at 31 December 2001 or 1 January 2001.

Employees

There were no persons employed by the company during the year or in the preceding year and no persons have been employed by the company since the year end.

Charitable donations and political contributions

There were no charitable donations nor any contributions for political purposes made by the Company during the year or the preceding year.

Close company provisions

In the opinion of the Directors, the close company provisions of the Income and Corporation Taxes Act 1988, as amended, do not apply to the Company during the period in which it was UK resident. Equivalent close company provisions in Ireland did not at 31 December 2001 apply to the Company.



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Directors' report *(continued)*

Ultimate holding company

The Directors regard Citigroup Inc., which is incorporated in the United States of America under laws of the State of Delaware, as the ultimate holding company at 31 December 2001.

Auditors

An elective resolution to dispense with the annual appointment of auditors pursuant to Section 386 of the Companies Act 1985 is in force. KPMG Audit Plc, London, tendered their resignation as auditors of the Company with effect from 9 July 2002. In accordance with Section 396 of the Companies Act 1985, they confirmed that there were no circumstances connected with their ceasing to hold office as auditors that they considered should be brought to the attention of members or creditors of the Company. KPMG, Dublin, were appointed as auditors with effect from 26 June 2002.

On behalf of the board

Paul Bushnell
Director

Nial Whelan
Director

4/10/2002



Chartered Accountants

5 George's Dock
IFSC
Dublin 1
Ireland

Independent auditors' report to the members of Citigroup Capital Finance Ireland Limited

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and independent auditors

The Directors are responsible for preparing the Directors' Report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts. We also report to you if, in our opinion the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

Chartered Accountants
Registered Auditors

4 October 2002

Citigroup Capital Finance Ireland Limited

(formerly Citicorp Diners Club Limited)

Statement of accounting policies

for the year ended 31 December 2001

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements are prepared in accordance with applicable accounting principles under the historical cost convention and comply with Financial Reporting Standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in England and Wales.

Cash flow statement

A cashflow statement has not been prepared as required under Financial Reporting Standards No. 1 (Revised) as the company is a subsidiary of Citigroup Inc., a company incorporated in the State of Delaware, United States of America which has prepared consolidated financial statements which are publicly available.

Income recognition

Interest receivable and payable is recognised in the profit and loss account as it accrues over the term of the investments and deposits.

Investments

All investments are held at the lower cost and net realisable value.

Foreign currency

The financial statements are expressed in British pounds (Stg£).

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transactions or at a contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the profit and loss account.

Taxation

Corporation tax payable is provided on taxable profits at current rates.

Citigroup Capital Finance Ireland Limited

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Profit and loss account

for the year ended 31 December 2001

	Note	2001 Stg£	2000 Stg£
Operating income - continuing activities	<i>1</i>	9,188,619	37,876
Administrative expenses		(33,739)	-
		<hr/>	<hr/>
Operating profit - continuing activities		9,154,880	37,876
Interest payable and similar charges		-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	<i>3</i>	9,154,880	37,876
Tax on profit on ordinary activities	<i>4</i>	(1,132,207)	(11,363)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		8,022,673	26,513
Dividend paid	<i>5</i>	(184,205)	-
		<hr/>	<hr/>
Retained profit for financial year		7,838,468	26,513
Profit and loss account at beginning of year		184,205	157,692
		<hr/>	<hr/>
Profit and loss account at end of year		8,022,673	184,205
		<hr/>	<hr/>

The company had no recognised gains or losses in the financial period or the preceding period other than those set out in the profit and loss account and, accordingly, a separate statement of total recognised gains and losses has not been prepared.

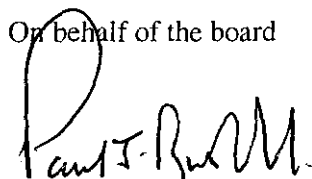
Citigroup Capital Finance Ireland Limited

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Balance sheet
at 31 December 2001

	Note	2001 Stg£	2000 Stg£
Fixed assets			
Investments	6	685,750,000	-
Current assets			
Debtors	7	7,939,785	3,399
Cash at bank		1,860,135	1,255,757
		<u>9,799,920</u>	<u>1,259,156</u>
Creditors: amounts falling due within one year	8	<u>(1,220,230)</u>	<u>(74,951)</u>
Net current assets		<u>8,579,690</u>	<u>1,184,205</u>
Net assets		<u>694,329,690</u>	<u>1,184,205</u>
Capital and reserves			
Called up share capital	9	1,000,000	1,000,000
Profit and loss account		8,022,673	184,205
Capital contribution	11	685,307,017	-
Shareholders' funds - equity		<u>694,329,690</u>	<u>1,184,205</u>

On behalf of the board



Paul Bushnell
Director



Nial Whelan
Director

Citigroup Capital Finance Ireland Limited

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Notes

forming part of the financial statements

1 Operating income

	2001 Stg£	2000 Stg£
Interest on loans notes	2,977,058	-
Interest in partnership securities	4,962,727	-
Interest on deposits	1,248,834	37,876
	<u>9,188,619</u>	<u>37,876</u>

2 Staff numbers and costs

The Company had no employees in the year or the preceding year.

3 Statutory information

Profit on ordinary activities before taxation is stated after charging:

	2001 Stg£	2000 Stg£
Directors' remuneration	-	-
Auditors' remuneration	3,900	-
	<u>3,900</u>	<u>-</u>

Directors' remuneration is borne by Citibank Ireland Financial Services plc.

4 Tax on profit on ordinary activities

The Company has received approval for a licence to operate in the International Financial Services Centre under Section 446 of the Taxes Consolidation Act 1997 which entitles the company to the 10% rate of tax on qualifying activities. Passive income is taxable at 25%.

The Company was resident in the United Kingdom until October 2001 and income earned in that period was taxed at the UK corporation tax rate, of 30% (2000:30%).

Corporation taxation has been calculated based on the results for the year and the resulting taxation charge is as follows:

	2001 Stg£	2001 Stg£
UK corporation tax @ 30% (1999: 30.25%)	174,018	11,363
Irish corporation tax @ 10%	958,189	-
	<u>1,132,207</u>	<u>11,363</u>

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Notes (continued)

5	Dividend	2001 Stg£	2000 Stg£
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Dividend of Stg£0.1842 per share
(2000: Stg£nil per share)

184,205

-

6	Investments	2001 Stg£	2000 Stg£
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Investments

685,750,000

-

During the year the Company purchased subordinated floating rate notes of Stg£335,750,000 from Citibank Investments Limited and subordinated floating rate partnership securities of Stg£350,000,000 from Citigroup Partners UK. The Company is the Limited Partner of Citigroup Partners UK. All notes are due to be redeemed in 2031.

7	Debtors	2001 Stg£	2000 Stg£
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Accrued interest

7,939,785

3,399

All amounts fall due within one year.

8	Creditors: amounts falling due within one year	2001 Stg£	2000 Stg£
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Amounts due to fellow subsidiary undertaking

56,535

63,588

Accruals

33,740

-

Corporation tax payable

1,129,955

11,363

1,220,230

74,951

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Notes (continued)

9 Share capital	2001 Stg£	2000 Stg£
<i>Authorised:</i>		
100,000,000 ordinary shares of Stg£1 each	100,000,000	100,000,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
1,000,000 ordinary shares of Stg£1 each	1,000,000	1,000,000
	<hr/>	<hr/>
 10 Reconciliation of movement in shareholders' funds	 2001 Stg£	 2000 Stg£
Shareholders' funds at beginning of year	1,184,205	1,157,692
Total recognised gains and losses for the year	7,838,468	26,513
Capital contribution received	685,307,017	-
	<hr/>	<hr/>
Shareholders' funds at end of year	694,329,690	1,184,205
	<hr/>	<hr/>
 11 Capital contribution	 2001 Stg£	 2000 Stg£
At beginning of year	-	-
Received in year	685,307,017	-
	<hr/>	<hr/>
At end of year	685,307,017	-
	<hr/>	<hr/>

During the year, the Company received capital contributions of Stg£685,307,017 from Citibank Overseas Investment Corporation, which form part of distributable reserves.

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Notes *(continued)*

12 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 consolidated financial statements of Citigroup Inc. are available to the public and may be obtained from Citigroup Document Services, 140 58th Street, Suite 51, Brooklyn, New York, NY11220, United States of America.

The smallest group in which the results of the accounts are consolidated is that headed by Citibank Overseas Investment Corporation. Copies of these group accounts are available to the public and may be obtained from its offices at 336 Strand, London, WC2R 1HB.

13 Related parties

As the Company is ultimately a subsidiary of Citigroup Inc. it is availing of the disclosure exemption under Financial Reporting Standard No. 8 for subsidiary undertakings.