Citigroup Global Markets Limited Pillar 3 Disclosures

30 June 2021

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Introduction

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

CGML is authorised by the Prudential Regulation Authority (PRA) and regulated by the PRA and Financial Conduct Authority (FCA). CGML is also a Commodity Futures Trading Commission (CFTC) registered swap dealer and is considered a Risk Taking/Operating Material Legal Entity in Citi's Global Resolution Plan.

These disclosures do not constitute any form of financial statement and must not be relied upon in making any investment in or judgement on the group or any entity within the group.

Overview of Pillar 3 Disclosures

The Capital Requirements Directive (CRD IV) package, which came into effect on 1 January 2014 and implements the provisions of the Basel Capital Accord in the European Union (EU), mandates a framework of capital adequacy regulation for banks and investment firms incorporating three distinct pillars:

- Pillar 1 - prescribes the minimum capital requirements for such firms;
- Pillar 2 - addresses the associated supervisory review process; and
- Pillar 3 - specifies further public disclosure requirements in respect of their capital and risk profile.

The Pillar 3 disclosures complement both the group level materials included in the Citigroup Annual Report, and CGML's own 2020 financial statements. The basis of the disclosure for CGML is on a consolidated basis.

These disclosures are made in accordance with Part 8 of the Capital Requirements Regulation (CRR) within the CRD IV package. In addition, we have implemented the European Banking Authority (EBA) final guidelines on revised Pillar 3 disclosures (EBA/GL/2016/11), amended in June 2017, which bring into force the disclosure of new quantitative tables to further enhance comparability and consistency across the industry.

Frequency of disclosure

CGML publishes Pillar 3 disclosures quarterly, with a more comprehensive disclosure on an annual basis in line with the CRR and EBA requirements. CGML publishes its Pillar 3 disclosures at **https://www.citigroup.com/citi/investor/reg.htm**

Quantitative Disclosure

Where not relevant to the activities of CGML, specific rows and columns have been deleted from tables. Tables may not sum due to rounding. Any information deemed as immaterial, proprietary and confidential to CGML has been omitted.

Details of disclosures omitted can be found in Appendix 1.

Policy and verification

In accordance with Article 431(3) of the CRR, CGML's Pillar 3 disclosures are covered under the Citi EU Pillar 3 Standard, which outlines the principles and minimum standards to be applied when developing a set of Pillar 3 disclosures for legal entities within the EU regulatory framework. The company operates within a framework of internal controls and procedures for assessing the appropriateness of this disclosure.

Regulatory Developments

The UK's withdrawal from the EU

The UK's membership of the European Union came to an end on 31 January, 2020 following the ratification by the UK and the EU of the Withdrawal Agreement with a transition period. The Brexit transition period ended on 31 December, 2020, resulting in EU laws, rules and regulations no longer being applicable to the UK.

The UK has on-shored relevant existing EU financial services legislation into UK law, these include the CRR, CRD, Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS). Additionally, the UK regulatory authorities are using a temporary transitional power (TTP) to delay or phase-in on-shoring changes to UK regulatory requirements arising at the end of the transition period for a period of 15 months ending 31 March 2022.
Citigroup continues to service its clients in the EEA and UK with minimal disruption, whilst maintaining simplicity and transparency.

Basel Reforms

CGML will be impacted by a number of regulatory rule changes introduced by the Basel Committee on Banking Supervision (BCBS) and other standard setters that have been legislated for in Europe by CRR II / CRD V. Following the UK's departure from the EU, the UK has on-shored certain parts of the CRR II regulation and is consulting on rules to implement other elements of CRR II in the UK.

Key elements in CRR II include changes to Counterparty Credit Risk (SA-CCR), the Large Exposures framework, the Leverage Ratio, Net Stable Funding Ratio (NSFR), Minimum Requirements for Own Funds and Eligible Liabilities (MREL) and the Fundamental Review of the Trading Book (FRTB). These have been highlighted in the December 2020 Pillar 3 Disclosure, and remain relevant for CGML as at 30 June 2021.

The PRA has now published near final rules in PS 17/21 to implement the Basel III standards in the UK covering areas such as Counterparty Credit Risk and Large Exposures and in conjunction with the FPC, it recently consulted on rules to change the UK leverage ratio framework, bringing investment firms such as CGML into its remit. These rules will all be implemented in the UK from 1 January 2022.

Key Metrics

Table 1: Key Metrics (KM1)

		30 June 2021	31 March 2021	31 December 2020	30 September 2020	30 June 2020
	Available capital	**$ million**	$ million	$ million	$ million	$ million
1	Common Equity Tier 1 (CET1)	**22,573**	20,793	16,379	15,440	14,452
2	Tier 1	**24,873**	23,093	18,679	17,740	16,752
3	Total capital	**29,473**	27,693	23,279	22,340	21,352
	Risk-weighted assets					
4	Total risk-weighted assets (RWA)	**155,146**	151,629	147,376	145,724	144,713
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	**14.5%**	13.7%	11.1%	10.6%	10.0%
6	Tier 1 ratio (%)	**16.0%**	15.2%	12.7%	12.2%	11.6%
7	Total capital ratio (%)	**19.0%**	18.3%	15.8%	15.3%	14.8%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (%)	**2.50%**	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	**0.07%**	0.06%	0.04%	0.05%	0.05%
10	Bank G-SIB and/or D-SIB additional requirements (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%)	**2.57%**	2.56%	2.54%	2.55%	2.55%
12	CET1 available after meeting the bank's minimum capital requirements (%)	**8.6%**	7.7%	5.1%	4.5%	4.4%
	Basel III Leverage Ratio [1]					
13	Total Basel III leverage ratio measure	**489,157**	476,531	453,499	437,135	427,658
14	Basel III leverage ratio (%)	**5.1%**	4.8%	4.1%	4.1%	3.9%
	Liquidity Coverage Ratio [2]					
15	Total HQLA	**28,898**	28,205	30,864	28,213	29,383
16	Total net cash outflow	**12,062**	12,107	11,293	12,548	10,537
17	LCR ratio (%)	**240%**	233%	273%	225%	279%

[1] Leverage exposure is disclosed on a fully phased-in basis in accordance with the EU delegated act.
[2] The LCR includes Pillar 1 only and the daily average is calculated for CGML solo entity, as consolidated LCR is not monitored on a daily basis.

As at 30 June 2021, CGML's CET1 ratio was 14.5%, an increase of 80bps from the prior quarter. The increase is driven by a planned capital injection in June 2021 of $2 billion, funded by an equivalent reduction of Eligible Liabilities.

There was an increase of 30bps in CGML's leverage ratio primarily due to the afore mentioned increase in Tier 1 capital, partially offset by an increase in Derivatives exposures.

Own Funds

Under the PRA's minimum capital standards, CGML is required to maintain a prescribed excess of own funds over its capital resources requirements. Own funds are measured and reported in accordance with the provisions of the Capital Requirements Regulation (CRR).

CGML's total capital resources comprise of Tier 1 and Tier 2 Capital. Tier 1 capital is comprise of common equity tier 1 (CET1) and additional tier 1 (AT1). CET1 consist of retained earnings and share capital in accordance with accounting standards, with adjustments for prudential filters such as additional value adjustment (AVA), regulatory deductions for intangible assets and defined-benefit pension fund assets. AT1 is capital instruments and the related share premium accounts that is classified as Equity. Tier 2 is comprised of subordinated loans.

CGML actively monitors the capital ratio and excess capital over Pillar 1 and Pillar 2 requirements on a daily, monthly and quarterly basis, in line with global capital policies, standards and the internal Management Action Trigger framework. The framework has been calibrated to ensure that the entity holds a sufficient capital excess to permit timely management decisions in case of short-term stresses.

Further details of CGML's Own Funds and Capital management are described on Page 23-24 of the 31 December 2020 Pillar 3 Disclosure.

Table 2: Own Funds Disclosure

This table presents CGML's capital resources as at 30 June 2021. The template is prepared using the format set out in Annex I of the final 'Implementing technical standards with regard to disclosure of own funds requirements for institutions' (Commission implementing regulation- EU 1423/2013).

		30 June 2021	31 December 2020
		$ million	$ million
Common Equity Tier 1 (CET1) capital: Instruments and reserves			
1	Capital Instruments and the related share premium accounts	**1,500**	1,500
2	Retained earnings	**2,896**	2,152
3	Accumulated other comprehensive instruments (and other reserves)	**19,525**	13,601
5a	Independently reviewed interim profits net of any foreseeable charge or dividend		
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**23,920**	17,253
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative value)	**(640)**	(443)
8	Intangible assets (net of related tax liabilities) (negative amount)	**(230)**	(213)
15	Defined-benefit pension fund assets (negative amounts)	**(454)**	(193)
20a	Exposure amount of the following items which qualify for a RW of 1250 %, where the institution opts for the deduction alternative	**(15)**	(17)
20c	*- of which: securitisation positions (negative amount)*	**(1)**	(3)
20d	*- of which: free deliveries (negative amount)*	**(15)**	(14)
24	CET1 capital elements or deductions - other	**(7)**	(7)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(1,347)**	(874)
29	**Common Equity Tier 1 (CET1) capital**	**22,573**	16,379
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	**2,300**	2,300
31	*- of which: classified as equity under applicable accounting standards*	**2,300**	2,300
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**2,300**	2,300
Additional Tier 1 (AT1) capital: regulatory adjustments			
43	**Total Regulatory Adjustments to Additional Tier 1 (AT1) Capital**	**-**	-
44	**Additional Tier 1 (AT1) capital**	**2,300**	2,300
45	**Tier 1 capital (T1 = CET1 + AT1)**	**24,873**	18,679
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts	**4,600**	4,600
51	Tier 2 (T2) capital before regulatory adjustments	**4,600**	4,600
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**	-
58	**Tier 2 (T2) capital**	**4,600**	4,600
59	**Total capital (TC = T1 + T2)**	**29,473**	23,279
60	**Total risk weighted assets**	**155,146**	147,376
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	**14.5%**	11.1%
62	Tier 1 (as a percentage of total risk exposure amount)	**16.0%**	12.7%
63	Total capital (as a percentage of total risk exposure amount)	**19.0%**	15.8%
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	**7.07%**	7.04%
65	*- of which: capital conservation buffer requirement*	**2.50%**	2.50%
66	*- of which: countercyclical buffer requirement*	**0.07%**	0.04%
67	*- of which: systemic risk buffer requirement*	**0.00%**	0.00%
67a	*- of which: Global Systemically Important Institution (G-811) or Other Systemically Important Institution (0-811) buffer*	**0.00%**	0.00%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	**8.6%**	5.1%
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions) [2]	**1,088**	1,077
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	**251**	202

Capital Requirements and Buffers

CGML complies with the CRD IV minimum capital requirements to ensure that sufficient capital is maintained to cover all relevant risks and exposures. For this purpose, the firm calculates capital charges for credit risk, counterparty credit risk, market risk, large exposures and operational risk based upon a number of internal models and standardised approaches, as well as recognising a number of credit risk mitigation techniques.

To assess the adequacy of capital to support current and expected future activities, the firm produces regular capital forecasts for CGML, taking into account both normal business conditions and a variety of stressed scenarios. On at least an annual basis CGML prepares an Internal Capital Adequacy Assessment Process ('ICAAP') document, setting out its risk appetite, capital requirements and associated policies and procedures. Through its Supervisory Review and Evaluation Process, the PRA has set CGML a fixed Pillar 2A requirement of $3.013 billion, equivalent to a Total Capital Requirement (Pillar 1 + Pillar 2A) of 9.94% as at 30 June 2021.

The table below provides information on the exposures and calculation approaches by risk type

Risk Category	Definitions	Regulatory Exposure Approach	Risk Weight Assets (RWA) Approach
Credit Risk	Credit risk measures the risk of loss arising from a borrower failing to meet its obligations.	Credit Risk exposures are captured as accounting value, net of general and specific credit risk adjustments.	CGML uses the standardised approach to determine credit and counterparty credit risk capital requirements, based on External Credit Assessment Institution (ECAI) ratings for calculating Risk Weighted Assets (RWAs)
Counterparty Credit Risk	Counterparty credit risk (CCR) arise from derivatives and securities financing transactions (SFTs) across the banking and trading books, and in the regulatory framework captures the methodologies for measuring exposures resulting from market movements.	CGML adopts three approaches for the calculation of CCR exposures: • Internal model method (IMM) - applies to over-the-counter (OTC) derivatives as approved by the regulator • Current exposure method (CEM) - applies to exchange traded derivatives and non-IMM approved OTCs • Financial collateral comprehensive method (FCCM) - applies to Securities Financing Transactions (SFTs) (Further details outlined in Counterparty Credit Risk section)	
Credit Valuation Adjustment	The CVA represents a portfolio-level adjustment to reflect the risk premium associated with the counterparty's non performance risk.	CGML uses a combination of Advanced and Standardised calculations for CVA	Standardised Approach: computation includes factors based on ECAI ratings and effective maturity Advanced Approach: the computation of expected exposure is based on our IMM model and the calculation of the CVA requirement is then generated utilising VaR.
Securitisation	A securitisation is a transaction or scheme where the associated credit risk of the exposure or pool of exposures is tranched, where key features include: • the tranching reflects subordination of the distribution of losses on the transaction or scheme • the payments in the transaction or scheme rely on the exposure or pool of exposures' performance	Securitised exposures from traditional securitisations are captured as the accounting value after relevant specific credit risk adjustments for on-balance sheet securitisation position for both trading and non-trading book exposures.	Under the revised securitisation framework, CGML risk weights relevant positions using the Standardised Approach (SEC-SA) and External Ratings Based Approach (SEC-ERBA).
Market Risk	Market risk assesses the risk of losses to positions or a portfolio from market movements. Market volatility may be driven by one or more of: market price, interest rates, indices, correlations or implied volatilities.	Market Risk positions are based on accounting values and notionals in both trading and non-trading books.	CGML uses a Value at Risk (VaR) model to calculate market risk capital requirements for the majority of its trading portfolio under an IMA permission granted by the PRA. The permission covers VaR, Stressed VaR (SVaR) and the Incremental Risk Charge (IRC). For residual positions, these are captured under standardised approach (SA).
Large Exposures	Large exposures captures single name concentration risk. Any exposure to a counterparty or group of connected counterparties which is equal to or exceeds 10% of the firm's eligible capital constitutes a large exposure.	Exposures are broadly consistent with the assessment of credit and counterparty credit risk in the trading and non-trading books. Issuer risk exposures are also included.	Large Exposure capital requirements are calculated on the trading book excess.
Operational Risk	Operational risk captures the loss resulting from inadequate or failed internal processes, people and systems or from external events	CGML uses a combination of advanced measurement approach (AMA) and standardised approach. AMA is based on a permission granted by the PRA. Under standardised approach, activities are divided into individual business lines for calculation of operational risk	Operational Risk uses a combination of Standardised Approach and Advanced Measurement Approach (AMA) in line with regulatory permissions

Table 3: Overview of RWA (OV1)

The following table provides an overview of RWAs, calculated in accordance with Article 92 of Capital Requirements Regulation, by risk type and calculation approach.

		30 June 2021	31 March 2021	30 June 2021
		RWAs	RWAs	Minimum capital requirements
		$ million	$ million	$ million
1	**Credit risk (excluding CCR)**	7,369	6,663	590
2	Of which the standardised approach	7,369	6,663	590
6	**CCR**	72,976	74,317	5,838
7	Of which mark to market	22,573	19,901	1,806
7a	Of which Financial collateral comprehensive method (for SFTs)	32,233	37,001	2,579
10	Of which internal model method (IMM)	11,455	11,459	916
11	Of which risk exposure amount for contributions to the default fund of a CCP	339	278	27
12	Of which CVA	6,376	5,678	510
13	**Settlement risk**	209	282	17
14	**Securitisation exposures in the banking book**	2	68	0
16	Of which external ratings-based approach ("SEC-ERBA")	2	68	0
18	Of which standardised approach ("SEC-SA")	0	0	0
19	**Market risk**	53,812	47,639	4,305
20	Of which the standardised approach	29,844	23,621	2,387
21	Of which IMA	23,968	24,018	1,917
22	**Large exposures**	-	1,949	-
23	**Operational risk**	20,778	20,710	1,662
25	Of which standardised approach	591	585	47
26	Of which advanced measurement approach	20,188	20,125	1,615
29	**Total**	155,146	151,629	12,412

Credit Risk

RWAs rose by $0.7 billion primarily due to an increase in cash and other non-trading book exposures.

Counterparty Credit Risk

CCR RWA fell by $1.3 billion primarily due to a reduction in SFT transactions.

Market Risk

RWAs increased by $6.2 billion, primarily under the standardised approach due to an increase in FX, equity & funds and traded debt instruments exposure.

Large Exposures

RWA reduced $1.9 Billion primarily due to an increase in eligible capital resulting in increased large exposure thresholds.

Table 4: RWA flow statements of CCR exposures under the IMM (CCR7)

This table presents a flow statement explaining changes in the CCR RWAs determined under the IMM for Counterparty Credit Risk (derivatives) in accordance with Part 3, Title II and Chapter 6 of the CRR.

		RWAs	Capital requirements
		$ million	$ million
1	**RWAs as at 31 March 2021**	11,459	917
2	Asset size	(15)	(1)
3	Credit quality of counterparties	12	1
4	Model updates (IMM only)	-	-
5	Methodology and policy (IMM only)	-	-
6	Acquisitions and disposals	-	-
7	Foreign exchange movements	-	-
8	Other	-	-
9	**RWAs as at 30 June 2021**	11,455	916

During the second quarter of 2021 there were no significant changes for counterparty credit risk RWAs under the IMM.

Table 5: RWA flow statements of market risk exposures under the IMA (MR2-B)

This table presents a flow statement explaining variations in the market risk RWAs.

		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total capital requirements
		$ million	$ million	$ million	$ million	$ million	$ million	$ million
1	**RWAs at 31 March 2021**	6,204	12,383	5,431	-	-	24,018	1,921
1a	*Regulatory adjustment*	(4,263)	(7,960)	(1,116)	-	-	(13,339)	(1,067)
1b	*RWAs at the previous quarter-end (end of the day)*	1,940	4,423	4,315	-	-	10,679	854
2	Movement in risk levels	127	130	(76)	-	-	181	14
3	Model updates/changes	(128)	(132)	-	-	-	(261)	(21)
4	Methodology and policy	-	-	-	-	-	-	-
5	Acquisitions and disposals	-	-	-	-	-	-	-
6	Foreign exchange movements	-	-	-	-	-	-	-
7	Other [1]	176	292	-	-	-	468	37
8a	*RWAs at the end of the reporting period (end of the day)*	2,115	4,712	4,239	-	-	11,067	885
8b	*Regulatory adjustment*	4,008	8,477	416	-	-	12,901	1,032
8	**RWAs at 30 June 2021**	6,123	13,189	4,655	-	-	23,968	1,917

[1] Other represents immaterial items, e.g. across data and parameter updates that cannot be attributed to any other category.

Over the quarter, total RWAs remained stable. SVaR increased by $0.9 billion primarily driven by market volatility, which is fully offset by the decrease in VaR and IRC.

Leverage

The leverage ratio is a measure which allows for the assessment of institutions' exposure to the risk of excessive leverage. It is a simple non-risk based measure to reinforce the risk-based capital framework. The Basel III Framework ensures broad and adequate capture of both the on- and off-balance sheet sources of banks and investment firms' leverage and aims to constrain the build-up of excess leverage in the financial sector.

CGML currently calculates the leverage ratio in accordance with the Commission Delegated Regulation (EU) 2015/62. The PRA and FPC have published their Policy Statement (PS21/21) on the UK leverage ratio framework. Under these rules, CGML will be subject to a minimum requirement of 3.25% from 1 January 2023, and will follow the PRA and FPC's rules on leverage ratio disclosures from 1 January 2022.

Table 6: Summary Reconciliation of Accounting Assets and Leverage Ratio Exposures (LRSUM)

This table summarises the total leverage exposure, comprising of the total assets in FINREP and other regulatory adjustments for leverage purposes.

		30 June 2021	31 December 2020
		$ million	$ million
1	Total assets as per published financial statements [1]	**519,342**	558,426
4	Adjustments for derivative financial instruments	**(47,092)**	(130,580)
5	Adjustment for securities financing transactions (SFTs)	**29,313**	30,622
6	Adjustment for off-balance sheet items (i.e conversion to credit equivalent amounts of off-balance sheet exposures)	**-**	-
7	Other adjustments - differences in Statutory and Regulatory consolidation	**(12,405)**	(4,969)
8	**Leverage ratio total exposure measure**	**489,157**	453,499

[1] Total assets as per published financial statements is based on Q2 2021 CGML FINREP in the absence of CGML consolidated financial statements.

Table 7: Leverage Ratio Common Disclosure (LRCOM)

This table shows the breakdown of the Leverage exposure disclosed in Table 7.

		30 June 2021	31 December 2020
		$ million	$ million
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	**155,254**	143,696
2	(Asset amounts deducted in determining Tier 1 capital)	**(1,325)**	(431)
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)**	**153,929**	143,266
Derivative exposures			
4	Replacement cost associated with *all* derivatives transactions (i.e. net of eligible cash variation margin)	**12,208**	13,647
5	Add-on amounts for PFE associated with *all* derivatives transactions (mark- to-market method)	**129,921**	104,020
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	**(19,917)**	(24,925)
8	(Exempted CCP leg of client-cleared trade exposures)	**(10,900)**	(13,851)
9	Adjusted effective notional amount of written credit derivatives	**592,922**	509,879
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**(546,957)**	(463,820)
11	**Total derivatives exposures (sum of lines 4 to 10)**	**157,276**	124,950
SFT exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions [1]	**209,914**	242,562
13	(Netted amounts of cash payables and cash receivables of gross SFT assets) [1]	**(53,205)**	(80,677)
14	Counterparty credit risk exposure for SFT assets	**21,243**	23,398
16	**Total securities financing transaction exposures (sum of lines 12 to 15a)**	**177,952**	185,284
Other off-balance sheet exposures			
17	Off-balance sheet exposures at gross notional amount	**-**	-
18	(Adjustments for conversion to credit equivalent amounts)	**-**	-
19	**Other off-balance sheet exposures (sum of lines 17 and 18)**	**-**	-
Capital and total exposure measure			
20	**Tier 1 capital**	**24,873**	18,679
21	**Leverage ratio total exposure measure** (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	**489,157**	453,499
Leverage ratio			
22	**Leverage ratio**	**5.08%**	4.12%
Choice on transitional arrangements and amount of derecognised fiduciary items			
EU-23	Choice on transitional arrangements for the definition of the capital measure	**Fully phased in**	
	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013	**Fully phased in**	

CGML's Leverage ratio increased to 5.08% as at 30 June 2021, reflecting a $2 billion increase in Tier 1 capital due to a capital injection in June, offset by an increase in leverage exposure attributed to higher derivatives exposures.

Table 8: Split-up of on Balance Sheet Exposures (Excluding Derivatives, SFTs and Exempted Exposures) (LRSplit)

		30 June 2021	31 December 2020
		$ million	$ million
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	**135,336**	118,771
EU-2	Trading book exposures	**120,668**	108,283
EU-3	Banking book exposures, of which:	**14,668**	10,487
EU-4	Covered bonds	**-**	-
EU-5	Exposures treated as sovereigns	**3,061**	1,686
EU-6	Exposures to regional governments, MDB, international organisations and PSE **not** treated as sovereigns	**-**	-
EU-7	Institutions	**6,788**	2,046
EU-8	Secured by mortgages of immovable properties	**-**	-
EU-9	Retail exposures	**-**	-
EU-10	Corporate	**2,829**	2,380
EU-11	Exposures in default	**-**	-
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	**1,990**	4,376

Total Loss Absorbing Capacity (TLAC)

From January 2019, systemically important banks were required to hold additional long term debt which could be made available to absorb losses from a failing institution, known as Total Loss Absorbing Capacity or TLAC.

In the EU these requirements were introduced under CRR II as the Minimum Requirement for Own Funds and Eligible Liabilities (MREL), with effect from June 2019. MREL is a requirement for firms to maintain a minimum amount of loss-absorbing resources over and above the own funds requirements. This helps to ensure that when firms fail, the resolution authority (the Bank of England) can use a firm's own financial resources to absorb losses and recapitalise the business so it can continue to provide critical functions without the need to rely upon public funds and without threatening financial market stability. MREL resources can take the form of regulatory capital (own funds) and certain types of debt liabilities (eligible liabilities) that will be written down and/or converted to equity if a firm is likely to fail.

Under CRR II, CGML is subject to a minimum internal MREL of 16% of RWA and 6% of leverage exposures, subject to a 90% scalar.

Table 9: TLAC Key Metrics (KM2)

In the EU these requirements were introduced under CRR II as the Minimum Requirement for Own Funds and Eligible Liabilities (MREL), with effect from June 2019. MREL

	30 June 2021	31 March 2021	31 December 2020	30 September 2020	30 June 2020
	$ million	$ million	$ million	$ million	$ million
Total loss absorbing capital (TLAC) available	**33,473**	33,693	29,279	28,340	27,352
Risk-weighted assets (RWA) and leverage exposure measure for TLAC purposes					
Total RWA adjusted as permitted under the TLAC regime	**155,146**	151,629	147,376	145,724	144,713
Leverage exposure measure	**489,157**	476,531	453,499	437,135	427,658
TLAC ratios and buffers					
TLAC (as a percentage of RWA adjusted as permitted under the TLAC regime)	**22%**	22%	20%	19%	19%
TLAC (as a percentage of leverage exposure)	**6.8%**	7.1%	6.5%	6.5%	6.4%

Table 10: TLAC Composition (TLAC1)

The table below provides details of the composition of CGML's internal TLAC eligible instruments. CGML, as a material subsidiary of a non-EU GSII under Article 92b of CRR II, makes these disclosures in accordance with point (b) of Article 430 (1), Article 437a and point (h) of Article 447.

		30 June 2021	31 December 2020
		$ million	$ million
Regulatory capital elements of TLAC and adjustments			
1	**Common Equity Tier 1 (CET1) capital**	**22,573**	16,379
2	Additional Tier 1 (AT1) capital before TLAC adjustments	**2,300**	2,300
3	AT1 capital ineligible as TLAC as issued out of subsidiaries to third parties	**-**	-
4	Other adjustments	**-**	-
5	**AT1 instruments eligible under the TLAC framework**	**2,300**	2,300
6	Tier 2 (T2) capital before TLAC adjustments	**4,600**	4,600
7	Amortised portion of Tier 2 instruments where remaining maturity > 1 year	**-**	-
8	Tier2 capital ineligible as TLAC as issued out of subsidiaries to third parties	**-**	-
9	Other adjustments	**-**	-
10	**Tier2 instruments eligible under the TLAC framework**	**4,600**	4,600
11	**TLAC arising from regulatory capital**	**29,473**	23,279
Non-regulatory capital elements of TLAC			
12	Internal TLAC instruments issued directly by the entity and subordinated to excluded liabilities	**4,000**	6,000
13	Internal TLAC instruments issued directly by the entity which are not subordinated to excluded liabilities but meet all other TLAC Term Sheet requirements	**-**	-
17	**TLAC arising from non-regulatory capital instruments before adjustments**	**4,000**	6,000
Non-regulatory capital elements of TLAC: adjustments			
18	TLAC before deductions	**33,473**	29,279
19	Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to single point of entry G-SIBs)	**-**	-
20	Deduction of investments in own other TLAC liabilities	**-**	-
21	Other adjustments to TLAC	**-**	-
22	**TLAC after deductions**	**33,473**	29,279
Risk-weighted assets (RWA) and leverage exposure measure for TLAC purposes			
23	Total RWA adjusted as permitted under the TLAC regime	**155,146**	147,376
24	Leverage exposure measure	**489,157**	453,499
TLAC ratios and buffers			
25	TLAC (as a percentage of RWA adjusted as permitted under the TLAC regime)	**22%**	20%
26	TLAC (as a percentage of leverage exposure)	**6.8%**	6.5%
27	CET1 (as a percentage of RWA) available after meeting the entity's minimum capital and TLAC requirements[1]	**7.2%**	5.1%
28	Bank-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss-absorbency requirement, expressed as a percentage of RWA)	**2.57%**	2.54%
29	Of which: capital conservation buffer requirement	**2.50%**	2.50%
30	Of which: bank-specific countercyclical buffer requirement	**0.07%**	0.04%
31	Of which: higher loss-absorbency requirement	**-**	-

[1] Basis of calculation has been modified to reflect CGML's internal MREL requirement.

Table 11: TLAC Creditor Ranking (TLAC2)

The following table provides a breakdown of eligible instruments in the creditor hierarchy of CGML.

		Creditor ranking				
		(most junior) 1	2	3	(most senior) 4	Total as at 30 June 2021
		$ million	$ million	$ million	$ million	$ million
1	Is the resolution entity the creditor/investor? (yes or no)	Yes	Yes	Yes	Yes	
2	Description of creditor ranking (free text)	Ordinary Shares	AT1	Subordinated Loans	Senior Subordinated Loans	-
3	Total capital and liabilities net of credit risk mitigation	1,500	2,300	4,600	4,000	12,400
4	Subset of row 3 that are excluded liabilities	-	-	-	-	-
5	Total capital and liabilities less excluded liabilities (row 3 minus row 4)	1,500	2,300	4,600	4,000	12,400
6	Subset of row 5 that are eligible as TLAC	1,500	2,300	4,600	4,000	12,400
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	-	-	-	1,500	1,500
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	-	-	-	-	-
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	-	-	3,600	2,500	6,100
10	Subset of row 6 with residual maturity ≥ 10 years, but excluded perpetual securities	-	-	1,000	-	1,000
11	Subset of row 6 that is perpetual securities	1,500	2,300	-	-	3,800

Credit Risk and Credit Risk Mitigation

Credit risk is the risk that counterparties may be unable or unwilling to make a payment or fulfil contractual obligations. This may be characterised in terms of an actual default or by deterioration in a counterparty's credit quality. The former case may result in an actual and immediate loss, whereas in the latter case, future losses may become more likely.

Further details of the credit risk CGML is subject to and the Company's credit risk management practices can be found on page 10 of the 31 December 2020 CGML Pillar 3 disclosure.

Table 12: Credit Quality of exposures by Exposure Class and Instrument (CR1-A)

This table provides a comprehensive picture of the credit quality of CGML's on-balance-sheet and off-balance-sheet exposures.

		Gross carrying values of						
		Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
		$ million	$ million	$ million	$ million	$ million	$ million	$ million
	Standardised approach	-	-	-	-	-	-	
16	Central governments or central banks	-	**3,061**	-	-	-	-	**3,061**
21	Institutions	-	**6,831**	-	-	-	-	**6,831**
22	Corporates	-	**3,670**	-	-	-	-	**3,670**
31	Claims on institutions and corporates with a short- term credit assessment	-	-	-	-	-	-	-
33	Equity exposures	-	**171**	-	-	-	-	**171**
34	Other exposures	-	**1,112**	-	-	-	-	**1,112**
35	**Total standardised approach at 30 June 2021**	-	**14,845**	-	-	-	-	**14,845**
37	Of which: Loans	-	**2,437**	-	-	-	-	**2,437**

		Gross carrying values of						
		Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
		$ million	$ million	$ million	$ million	$ million	$ million	$ million
	Standardised approach	-	-	-	-	-	-	
16	Central governments or central banks	-	1,686	-	-	-	-	1,686
21	Institutions	-	2,077	-	-	-	-	2,077
22	Corporates	-	2,924	-	-	-	-	2,924
31	Claims on institutions and corporates with a short- term credit assessment	-	3,210	-	-	-	-	3,210
33	Equity exposures	-	101	-	-	-	-	101
34	Other exposures	-	621	-	-	-	-	621
35	Total standardised approach at 31 December 2020	-	10,619	-	-	-	-	10,619
37	Of which: Loans	-	2,031	-	-	-	-	2,031

Credit risk exposures rose $4.2 billion primarily driven by an increase in third party cash and third party receivables.

Table 13: Credit Quality of exposures industry or counterparty types (CR1-B)

The table provides a picture of the credit quality of CGML's on-balance-sheet and off-balance sheet exposures by industry or counterparty types.

		Gross carrying values of						
		Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges	Net values
		$ million	$ million	$ million	$ million	$ million	$ million	$ million
2	Mining and quarrying	-	**675**	-	-	-	-	**675**
3	Manufacturing	-	**9**	-	-	-	-	**9**
4	Electricity, gas, steam and air conditioning supply	-	**96**	-	-	-	-	**96**
7	Wholesale and retail trade	-	**853**	-	-	-	-	**853**
11	Financial and insurance activities	-	**12,914**	-	-	-	-	**10,805**
12	Real estate activities	-	**2**	-	-	-	-	**2**
15	Public administration and defence, compulsory social security	-	**296**	-	-	-	-	**296**
20	**Total as at 30 June 2021**	-	**14,845**	-	-	-	-	**14,845**

		Gross carrying values of						
		Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges	Net values
		$ million	$ million	$ million	$ million	$ million	$ million	$ million
2	Mining and quarrying	-	111	-	-	-	-	111
11	Financial and insurance activities	-	10,205	-	-	-	-	10,205
12	Real estate activities	-	6	-	-	-	-	6
15	Public administration and defence, compulsory social security	-	296	-	-	-	-	296
20	Total as at 31 December 2020	-	10,619	-	-	-	-	10,619

Exposures rose across most counterparty types, the largest increase being in finance and insurance activities and wholesale and retail trade.

Table 14: Credit Quality of Exposures by Geography (CR1-C)

This table provide a picture of the credit quality of CGML's on-balance-sheet and off-balance-sheet exposures by geography. Exposures to countries representing less than 1% of the total exposure value are summarized under "Other Countries"

	Gross carrying values of						
	Defaulted exposures	**Non-defaulted exposures**	**Specific credit risk adjustment**	**General credit risk adjustment**	**Accumulated write-offs**	**Credit risk adjustment charges**	**Net values**
	$ million	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**
EMEA	-	7,893	-	-	-	-	7,893
United Kingdom	-	6,010	-	-	-	-	6,010
Germany	-	530	-	-	-	-	530
Ireland	-	257	-	-	-	-	257
Switzerland	-	242	-	-	-	-	242
France	-	227	-	-	-	-	227
Finland	-	223	-	-	-	-	223
Belgium	-	149	-	-	-	-	149
Other Countries	-	256	-	-	-	-	256
North America	-	6,162	-	-	-	-	6,162
United States	-	5,028	-	-	-	-	5,028
Canada	-	1,134	-	-	-	-	1,134
Other Countries	-	0	-	-	-	-	0
APAC	-	741	-	-	-	-	741
Singapore	-	581	-	-	-	-	581
Other Countries	-	160	-	-	-	-	160
LATAM	-	49	-	-	-	-	49
Total as at 30 June 2021 [1]	-	14,845	-	-	-	-	14,845

	Gross carrying values of						
	Defaulted exposures	**Non-defaulted exposures**	**Specific credit risk adjustment**	**General credit risk adjustment**	**Accumulated write-offs**	**Credit risk adjustment charges**	**Net values**
	$ million	$ million	$ million	$ million	$ million	$ million	$ million
EMEA	-	6,171	-	-	-	-	6,171
United Kingdom	-	4,376	-	-	-	-	4,376
Germany	-	427	-	-	-	-	427
Ireland	-	407	-	-	-	-	407
Switzerland	-	6	-	-	-	-	6
France	-	163	-	-	-	-	163
Finland	-	230	-	-	-	-	230
Belgium	-	75	-	-	-	-	75
Other Countries	-	488	-	-	-	-	488
North America	-	4,143	-	-	-	-	4,143
United States	-	3,658	-	-	-	-	3,658
Canada	-	486	-	-	-	-	486
Other Countries	-	0	-	-	-	-	0
APAC	-	266	-	-	-	-	266
Singapore	-	2	-	-	-	-	2
Other Countries	-	263	-	-	-	-	263
LATAM	-	39	-	-	-	-	39
Total as at 31 December 2020 [1]	-	10,619	-	-	-	-	10,619

[1]Prior year geographical area comparatives amended to be in line with the 2021 geographical breakdown.

Exposures rose across all regions with the majority of the increase being in EMEA due to higher UK central government cash exposures. Exposures in North America rose in both US and Canada reflecting an increase in corporate and institutional exposures.

Table 15: Credit Quality of performing and non-performing exposures by past due days

	$ million	Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaul-ted
1	**Loans and advances**	**2,437**	**2,437**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5	*Other financial corporations*	**805**	**805**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
6	*Non-financial corporations*	**1,632**	**1,632**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
22	**Total as at 30 June 2021**	**2,437**	**2,437**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	$ million	Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaul-ted
1	Loans and advances	2,031	2,031	-	-	-	-	-	-	-	-	-	-
5	*Other financial corporations*	800	800	-	-	-	-	-	-	-	-	-	-
6	*Non-financial corporations*	1,231	1,231	-	-	-	-	-	-	-	-	-	-
22	Total as at 31 December 2020	2,031	2,031	-	-	-	-	-	-	-	-	-	-

Table 16: Performing and non-performing exposures and related provisions

	$ million	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumul-ated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures			Non-performing exposures				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
1	**Loans and advances**	**2,437**	**2,437**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5	*Other financial corporations*	**805**	**805**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
6	*Non-financial corporations*	**1,632**	**1,632**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
22	**Total as at 30 June 2021**	**2,437**	**2,437**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	$ million	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumul-ated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures			Non-performing exposures				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
1	Loans and advances	2,031	2,031	-	-	-	-	-	-	-	-	-	-	-	-	-
5	*Other financial corporations*	800	800	-	-	-	-	-	-	-	-	-	-	-	-	-
6	*Non-financial corporations*	1,231	1,231	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Total as at 31 December 2020	2,031	2,031	-	-	-	-	-	-	-	-	-	-	-	-	-

Credit Risk Mitigation

As part of its risk management activities, the firm uses various risk mitigants to hedge portions of the credit risk in its portfolio, in addition to outright asset sales. Credit risk mitigation, including netting, collateral and other techniques, is important to Citi in the effective management of its credit risk exposures.

The utilisation of collateral is of critical importance in the mitigation of risk. In-house legal counsel, in consultation with approved external legal counsel, will determine whether collateral documentation is enforceable and gives the firm the right to liquidate or take possession of collateral in a timely manner in the event of the default, insolvency, bankruptcy or other defined credit event of the obligor.

CGML has a well-established framework in place for managing credit risk across all businesses. This includes a defined risk appetite, credit limits and credit policies. Citi's credit risk management also includes processes and policies with respect to problem recognition, including "Watchlists," portfolio review, updated risk ratings and classification triggers.

The tables in this section detail CGML's credit risk profile under the standardised approach.

Table 17: CRM Techniques – Overview (CR3)

This table shows the extent of the use of CRM techniques.

		Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
		$ million	$ million	$ million	$ million	$ million
1	Total loans	2,437	-	-	-	-
2	Total debt securities	-	-	-	-	-
3	**Total exposures as at 30 June 2021**	2,437	-	-	-	-
4	Of which defaulted	-	-	-	-	-

		Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
		$ million	$ million	$ million	$ million	$ million
1	Total loans	2,031	-	-	-	-
2	Total debt securities	-	-	-	-	-
3	Total exposures as at 31 December 2020	2,031	-	-	-	-
4	Of which defaulted	-	-	-	-	-

Table 18: Standardised Approach – Credit Risk Exposure and CRM Effects (CR4)

The below table shows the effect of CCF and CRM techniques applied on total on-balance sheet and off-balance sheet credit risk exposures, across exposure classes. RWA density is expressed as total risk weighted exposures divided by exposures post-CCF and post-CRM.

	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density
	$ million	$ million	$ million	$ million	$ million	$ million
Exposure classes						
Central governments or central banks	3,061	-	3,061	-	741	24%
Institutions	6,831	-	6,831	-	1,445	21%
Corporates	3,670	-	3,670	-	3,664	100%
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
Equity	171	-	171	-	256	150%
Other exposures	1,112	-	1,112	-	1,263	114%
Total as at 30 June 2021	14,845	-	14,845	-	7,369	50%

	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density
	$ million	$ million	$ million	$ million	$ million	$ million
Exposure classes						
Central governments or central banks	1,686	-	1,686	-	741	44%
Institutions	2,077	-	2,077	-	479	23%
Corporates	2,924	-	2,924	-	2,924	100%
Institutions and corporates with a short-term credit assessment	3,210	-	3,210	-	1,340	42%
Equity	101	-	101	-	102	101%
Other exposures	621	-	621	-	772	124%
Total as at 31 December 2020	10,619	-	10,619	-	6,358	60%

RWAs increased across most exposure classes in line with the increase of the related exposures with the exception of central government RWAs and RWA density, where the increase in exposure is attributed to cash exposures receiving 0% risk weight.

Table 19: Standardised Approach – Risk Weighted (CR5)

This table provides the breakdown of exposures under the standardised approach by asset class and risk weight.

	Risk weight																	
	0%	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1250%**	**Others**	**Deducted**	**Total**	**Of which: unrated**
	$ million	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**
Exposure classes																		
Central governments or central banks	**2,765**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**296**	**-**	**-**	**-**	**-**	**3,061**	**296**
Institutions	**-**	**-**	**-**	**-**	**6,578**	**-**	**249**	**-**	**-**	**5**	**-**	**-**	**-**	**-**	**-**	**-**	**6,831**	**3,110**
Corporates	**-**	**-**	**-**	**-**	**-**	**-**	**12**	**-**	**-**	**3,657**	**1**	**-**	**-**	**-**	**-**	**-**	**3,670**	**3,656**
Institutions and corporates with a short-term credit assessment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**114**	**-**	**57**	**-**	**-**	**-**	**-**	**171**	**170**
Other items	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,011**	**-**	**101**	**-**	**-**	**-**	**-**	**1,112**	**1,112**
Total as at 30 June 2021	**2,765**	**-**	**-**	**-**	**6,578**	**-**	**261**	**-**	**-**	**4,786**	**1**	**455**	**-**	**-**	**-**	**-**	**14,845**	**8,344**

	Risk weight																	
	0%	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1250%**	**Others**	**Deducted**	**Total**	**Of which: unrated**
	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
Exposure classes																		
Central governments or central banks	1,389	-	-	-	-	-	-	-	-	-	-	296	-	-	-	-	1,686	317
Institutions	-	-	-	-	1,866	-	211	-	-	0	-	-	-	-	-	-	2,077	1,869
Corporates	-	-	-	-	-	-	-	-	-	2,924	0	-	-	-	-	-	2,924	2,924
Institutions and corporates with a short-term credit assessment	-	-	-	-	883	-	2,328	-	-	-	-	-	-	-	-	-	3,210	-
Equity	-	-	-	-	-	-	-	-	-	101		1	-	-	-	-	101	101
Other items	-	-	-	-	-	-	-	-	-	520	1	101	-	-	-	-	621	621
Total as at 31 December 2020	1,389	-	-	-	2,749	-	2,539	-	-	3,545	1	397	-	-	-	-	10,619	5,833

The increase in risk weights 20% and 100% is attributed to an increase in third party loan and cash exposures, while the increase in the 0% risk weight band is due to the higher central government cash exposures as at 30 June 2021.

Counterparty Credit Risk

Counterparty credit risk (CCR) arise from derivatives and securities financing transactions (SFTs) across banking and trading book exposures, and is the risk a transaction could default before the final settlement of the transaction's cash flows.

The measures of Exposure at Default (EAD) used to determine these requirements are described below.

Risk Category	Approach of Calculating Exposure	Application
Derivatives	Mark-to-Market Approach	Under mark to market approach, exposures are calculated using current exposure method (CEM), which is the replacement cost plus regulatory add-ons for potential future exposure (PFE) to capture market volatility. This method applies to all derivatives not calculated under IMM
	Internal Modelling Method (IMM)	IMM applies to all derivatives provided for in the PRA modelled permission. These derivative exposures are calculated as the standard supervisory alpha factor of 1.4 multiplied by the effective expected positive exposure (EEPE), modelled using the Monte Carlo simulation
Securities Financing Transactions (SFTs)	Financial Collateral Comprehensive Method (FCCM)	Under FCCM, the exposure value is calculated as positive difference in the exposure value of securities, commodities or cash sold, posted or lent and the value of securities, commodities or cash received in return, and applying regulatory haircuts for security volatility adjustments and any applicable currency mis-matches

Table 20: Analysis of CCR Exposure by Approach (CCR1)

This table provide a comprehensive view of the methods used by CGML to calculate CCR regulatory requirements and the main parameters used within each method. This excludes CVA charges or exposures cleared through a CCP.

		Notional	Replacement cost/current market value	Potential future credit exposure	EEPE	Multiplier	EAD post CRM	RWAs
		$ million	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**
1	Mark to market	**-**	**2,977**	**32,618**	**-**	**-**	**37,257**	**22,154**
2	Original exposure	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	Standardised approach	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4	IMM (for derivatives and SFTs)	**-**	**-**	**-**	**12,083**	**1.4**	**16,916**	**10,983**
5	Of which securities financing transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**
6	Of which derivatives and long settlement transactions	**-**	**-**	**-**	**12,083**	**1.4**	**16,916**	**10,983**
7	Of which from contractual cross-product netting	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8	Financial collateral simple method (for SFTs)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9	Financial collateral comprehensive method (for SFTs)	**-**	**-**	**-**	**-**	**-**	**50,606**	**32,094**
10	VaR for SFTs	**-**	**-**	**-**	**-**	**-**	**-**	**-**
11	**Total as at 30 June 2021**	**-**	**-**	**-**	**-**	**-**	**-**	**65,231**

		Notional	Replacement cost/current market value	Potential future credit exposure	EEPE	Multiplier	EAD post CRM	RWAs
		$ million	$ million	$ million	$ million	$ million	$ million	$ million
1	Mark to market	-	1,961	24,455	-	-	27,235	16,282
2	Original exposure	-	-	-	-	-	-	-
3	Standardised approach	-	-	-	-	-	-	-
4	IMM (for derivatives and SFTs)	-	-	-	11,633	1.4	16,286	10,588
5	Of which securities financing transactions	-	-	-	-	-	-	-
6	Of which derivatives and long settlement transactions	-	-	-	11,633	1.4	16,286	10,588
7	Of which from contractual cross-product netting	-	-	-	-	-	-	-
8	Financial collateral simple method (for SFTs)	-	-	-	-	-	-	-
9	Financial collateral comprehensive method (for SFTs)	-	-	-	-	-	50,622	34,984
10	VaR for SFTs	-	-	-	-	-	-	-
11	Total as at 31 December 2020	-	-	-	-	-	-	61,854

Counterparty credit risk RWA increased by $3.4 billion compared to December 2020 primarily due to new derivative positions in the portfolio with both intercompany and third party clients, which is partially offset by a reduction in SFT RWAs.

Table 21: Credit Valuation Adjustment (CVA) Capital Charge (CCR2)

The following table provides a view of CVA regulatory calculations with a breakdown by standardised and advanced approach

		30 June 2021		31 December 2020	
		Exposure value	**RWAs**	**Exposure value**	**RWAs**
		$ million	**$ million**	$ million	$ million
1	Total portfolios subject to the advanced method	**10,120**	**3,039**	9,723	3,128
2	(i) VaR component (including the 3× multiplier)	**-**	**894**	-	1,111
3	(ii) SVaR component (including the 3× multiplier)	**-**	**2,145**	-	2,017
4	All portfolios subject to the standardised method	**9,899**	**3,337**	6,484	2,790
5	**Total subject to the CVA capital charge**	**20,018**	**6,376**	16,207	5,918

Table 22: Exposures to CCPs (CCR8)

This table provide a comprehensive picture of the institution's exposures to CCPs. In particular, the template includes all types of exposures (due to operations, margins, and contributions to default funds) and related capital requirements.

	As at 30 June 2021		As at 31 December 2020	
	EAD post CRM	**RWAs**	**EAD post CRM**	**RWAs**
	$ million	**$ million**	**$ million**	**$ million**
Exposures to QCCPs (total)		**1,369**		**1,151**
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	**20,772**	**904**	16,774	439
(i) OTC derivatives	**11,487**	**463**	9,284	266
(ii) Exchange-traded derivatives	**6,987**	**301**	3,996	98
(iii) SFTs	**2,298**	**139**	3,494	75
(iv) Netting sets where cross-product netting has been approved	**-**	**-**	-	-
Segregated initial margin	**-**	**-**	-	-
Non-segregated initial margin	**6,310**	**126**	4,968	99
Prefunded default fund contributions	**1,105**	**339**	1,072	612
Alternative calculation of own funds requirements for exposures	**-**	**-**	-	-

During the first half of 2021, CGML's exposure to CCPs rose by $4 billion, in both OTC and ETD derivatives. Initial margin also increased compared to prior year in line with the increase in EAD, with the majority of the initial margin attributed to ETD derivatives.

Table 23 Standardised Approach – CCR Exposures by Regulatory Portfolio and Risk (CCR3)

This table provides a breakdown on the risk-weighting of Counterparty Credit Risk exposures by portfolio (type of counterparties). Risk weights are attributed according to the standardised approach.

		Risk weight									
		0%	**2%**	**4%**	**20%**	**50%**	**100%**	**150%**	**Others**	**Total**	**Of which: unrated**
		$ million	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**	**$ million**
1	Central governments or central banks	**4,810**	**-**	**-**	**1,746**	**648**	**290**	**-**	**-**	**7,494**	**6,525**
2	Regional government or local authorities	**43**	**-**	**-**	**1,312**	**-**	**23**	**-**	**-**	**1,378**	**23**
3	Public sector entities	**492**	**-**	**-**	**767**	**257**	**284**	**-**	**-**	**1,799**	**569**
4	Multilateral development banks	**189**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**189**	**-**
5	International organisations	**238**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**238**	**-**
6	Institutions	**-**	**24,370**	**4,920**	**9,242**	**32,245**	**422**	**-**	**-**	**71,198**	**24,495**
7	Corporates	**-**	**-**	**-**	**1,387**	**3,177**	**42,391**	**110**	**-**	**47,065**	**40,542**
8	Retail	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9	Institutions and corporates with a short-term credit assessment	**-**	**-**	**-**	**1,808**	**439**	**26**	**-**	**-**	**2,273**	**-**
10	Other items	**-**	**-**	**-**	**-**	**-**	**-**	**228**	**-**	**228**	**205**
10b	Claims in the form of CIU	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
11	**Total as at 30 June 2021**	**5,771**	**24,370**	**4,920**	**16,262**	**36,765**	**43,435**	**337**	**-**	**131,861**	**72,360**

		Risk weight									
		0%	**2%**	**4%**	**20%**	**50%**	**100%**	**150%**	**Others**	**Total**	**Of which: unrated**
		$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
1	Central governments or central banks	4,268	-	-	1,161	19	4,602	-	-	10,049	8,228
2	Regional government or local authorities	87	-	-	1,503	-	130	-	-	1,720	10
3	Public sector entities	402	-	-	1,046	-	177	-	-	1,625	373
4	Multilateral development banks	195	-	-	-	-	-	-	-	195	-
5	International organisations	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	21,165	3,432	6,256	26,955	439	-	-	58,247	16,329
7	Corporates	-	-	-	1,213	3,438	37,543	90	-	42,285	36,010
8	Retail	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	276	882	82	356	-	1,597	-
10	Other items	-	-	-	-	-	-	167	-	167	142
10b	Claims in the form of CIU	-	-	-	-	-	-	-	-	-	-
11	Total as at 30 December 2020	4,952	21,165	3,432	11,455	31,295	42,973	614	-	115,885	61,092

CCR exposures increased across all risk weight bands reflecting an overall increase of $16 billion and the majority of the increase being in the Institutional and Corporate exposures offset by a $2.6 billion decrease in Central Government exposures.

Table 24: Impact of Netting and Collateral Held on Exposure Values (CCR5-A)

The table provides an overview of the impact of netting and collateral held on exposures for SFT and derivatives, including exposures arising from transactions cleared through a CCP.

		Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure
		$ million	$ million	$ million	$ million	$ million
1	Derivatives[1]	**252,304**	**204,763**	**47,542**	**35,115**	**12,426**
2	SFTs	**484,259**	**-**	**484,259**	**474,755**	**9,504**
3	Non-eligible collateral under the CRR[2]				**57,302**	
4	**Total as at 30 June 2021**	**736,563**	**204,763**	**531,800**	**567,172**	**21,930**

		Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure
		$ million	$ million	$ million	$ million	$ million
1	Derivatives[1]	300,782	257,199	43,583	36,352	7,231
2	SFTs	539,140	-	539,140	528,107	11,033
3	Non-eligible collateral under the CRR[2]				68,341	
4	Total as at 31 December 2020	839,922	257,199	582,723	632,800	18,264

[1]The aggregation of *derivatives gross positive fair value has been revised, with 31 December 2020 being restated to be on a consistent basis.*
[2]*Collateral held includes collateral not eligible for CRM or that would have no impact on the netted current credit exposure in the application of Chapter 4 and Chapter 6 of Part Two, Title III of the CRR.*

Table 25: Composition of Collateral for Exposures to CCR (CCR5-B)

This table shows the breakdown of all types of collateral posted or received by CGML to support or reduce Counterparty Credit Risk exposures related to derivative transactions or to SFTs, including transactions cleared through a CCP.

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
	$ million	$ million	$ million	$ million	$ million	$ million
Cash	**-**	**22,880**	**-**	**27,910**	**173,622**	**228,225**
Sovereign Debt	**372**	**6,119**	**921**	**4,900**	**206,699**	**173,755**
Corporate Bond	**207**	**2,186**	**107**	**3,025**	**17,138**	**22,884**
Equities	**156**	**41**	**74**	**-**	**75,658**	**55,691**
Other	**1**	**3,153**	**-**	**-**	**1,639**	**3,704**
Total as at 30 June 2021	**736**	**34,379**	**1,102**	**35,834**	**474,755**	**484,259**

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
	$ million	$ million	$ million	$ million	$ million	$ million
Cash	-	24,670	0	39,070	196,977	255,304
Sovereign Debt	409	6,217	1,066	4,520	245,773	209,332
Corporate Bond	93	1,733	426	2,430	17,220	19,556
Equities	220	19	1	-	65,520	51,312
Other	-	2,991	-	-	2,617	3,636
Total as at 31 December 2020	722	35,630	1,493	46,020	528,107	539,140

Collateral for derivatives and SFTs moved in line with current credit exposures as a result of general trading activity.

Table 26: Credit Derivatives Exposures (CCR6)

The table below illustrate the extent of CGML's exposures to credit derivative transactions broken down between derivatives bought or sold.

	Credit derivative hedges[1]		Other credit derivatives	
	Protection bought	**Protection sold**	**Protection bought**	**Protection sold**
	$ million	**$ million**	**$ million**	**$ million**
Notionals as at 30 June 2021				
Single-name credit default swaps	**-**	**-**	**235,790**	**235,356**
Index credit default swaps	**-**	**-**	**335,002**	**332,627**
Total return swaps	**-**	**-**	**348**	**311**
Credit options	**-**	**-**	**23,587**	**23,611**
Other credit derivatives	**-**	**-**	**-**	**1,017**
Total notionals	**-**	**-**	**594,727**	**592,922**
Fair values	**-**	**-**	**-**	
Positive fair value (asset)	**-**	**-**	**1,346**	**15,293**
Negative fair value (liability)	**-**	**-**	**(15,198)**	**(1,325)**

	Credit derivative hedges[1]		Other credit derivatives	
	Protection bought	**Protection sold**	**Protection bought**	**Protection sold**
	$ million	$ million	$ million	$ million
Notionals as at 31 December 2020				
Single-name credit default swaps	-	-	245,894	246,883
Index credit default swaps	-	-	261,982	257,092
Total return swaps	-	-	43,433	42,489
Credit options	-	-	6,689	4,976
Other credit derivatives	-	-	-	-
Total notionals	-	-	557,998	551,440
Fair values	-	-	-	-
Positive fair value (asset)	-	-	3,604	12,612
Negative fair value (liability)	-	-	(13,139)	(5,145)

[1] CGML does not use credit derivatives for credit risk mitigation purposes.

Market Risk

Market risk assesses the risk of losses to positions or a portfolio from market movements. Market volatility may be driven by one or more of: market price, rates, indices, correlations or implied volatilities.

There are two approaches to calculating market risk capital requirements – Standardised Approach and Internal Model Approach (IMA).

The following risk types are covered by Standardised Approach and Internal Model Approach (IMA).

Risk Category	Description
Interest rate risk (general and specific)	Risk arising from fluctuations in the level of interest rates due to monetary policies and impacts prices of interest rate sensitivities assets
Equity risk (general and specific)	Risk arising from fluctuations in equity prices, volatilities and dividend yields
Foreign exchange risk	Risk arising from fluctuations in foreign exchange rates and impacts transactions denominated in a currency other than the domestic currency of CGML
Commodity risk	Risk arising from fluctuations in the prices of commodities

Further details of CGML's market risk management practices can be found on Page 14 of the 31 December 2020 CGML Pillar 3 disclosure.

Standardised Approach

CGML uses the standardised approach to calculate regulatory capital requirements for the part of the trading portfolio, which is not covered under the IMA approach.

Table 27: Market Risk under the Standardised Approach (MR1)

The table display the components of own funds requirements under the standardised approach for market risk.

		30 June 2021		31 December 2020	
		RWAs	**Capital requirements**	**RWAs**	**Capital requirements**
		$ million	**$ million**	$ million	$ million
	Outright products				
1	Interest rate risk (general and specific)	**11,081**	**886**	10,415	833
2	Equity risk (general and specific)	**8,762**	**701**	5,548	444
3	Foreign exchange risk	**3,993**	**319**	2,906	232
4	Commodity risk	**574**	**46**	471	38
	Options				
5	Simplified approach	**-**	**-**	-	-
6	Delta-plus method	**-**	**-**	-	-
7	Scenario approach	**5,040**	**403**	4,819	386
8	Securitisation (specific risk)	**395**	**32**	655	52
9	**Total**	**29,844**	**2,387**	24,814	1,985

Market risk RWAs under the Standardised Approach increased by $5 billion, primarily in equity risk and foreign exchange risk.

Internal Model Approach (IMA)

CGML uses a Value at Risk (VaR) model to calculate market risk capital requirements for the majority of its trading portfolio under an IMA permission granted by the PRA. The permission covers general market risk and issuer specific risk for a number of Fixed Income, Equities and Commodities businesses. In addition to VaR based capital requirements, CGML is required to set aside capital in respect of Stressed VaR (SVaR) and the Incremental Risk Charge (IRC).

Non-proprietary details of the scope of CGML's IMA permission are available in the Financial Services Register on the FCA website.

Table 28: Market Risk under the IMA (MR2-A)

This table display the components of the own funds requirements under the IMA for market risk

		As at 30 June 2021		As at 31 December 2020	
		RWAs	**Capital requirements**	RWAs	Capital requirements
		$ million	**$ million**	$ million	$ million
1	**VaR (higher of values a and b)**	**6,123**	**490**	6,177	494
(a)	Previous day's VaR (Article 365(1) of the CRR (VaRt-1))		**169**		149
(b)	Average of the daily VaR (Article 365(1)) of the CRR on each of the preceding 60 business days (VaRavg) x multiplication factor (mc) in accordance with Article 366 of the CRR		**490**		494
2	**SVaR (higher of values a and b)**	**13,189**	**1,055**	13,034	1,043
(a)	Latest SVaR (Article 365(2) of the CRR (SVaRt-1))		**377**		342
(b)	Average of the SVaR (Article 365(2) of the CRR) during the preceding 60 business days (SVaRavg) x multiplication factor (ms) (Article 366 of the CRR)		**1,055**		1,043
3	**IRC (higher of values a and b)**	**4,655**	**372**	6,046	484
(a)	Most recent IRC value (incremental default and migration risks calculated in accordance with Article 370 and Article 371 of the CRR)		**339**		471
(b)	Average of the IRC number over the preceding 12 weeks		**372**		484
4	**Comprehensive risk measure (higher of values a, b and c)**	**-**	**-**	-	-
(a)	Most recent risk number for the correlation trading portfolio (Article 377 of the CRR)		**-**		-
(b)	Average of the risk number for the correlation trading portfolio over the preceding 12 weeks		**-**		-
(c)	8% of the own funds requirement in the standardised approach on the most recent risk number for the correlation trading portfolio (Article 338(4) of the CRR)		**-**		-
5	**Other**	**-**	**-**	-	-
6	**Total**	**23,968**	**1,917**	25,257	2,021

Market Risk RWA's calculated under the IMA decreased $1.3 billion primarily driven by a decrease in Risks Not In VaR and IRC.

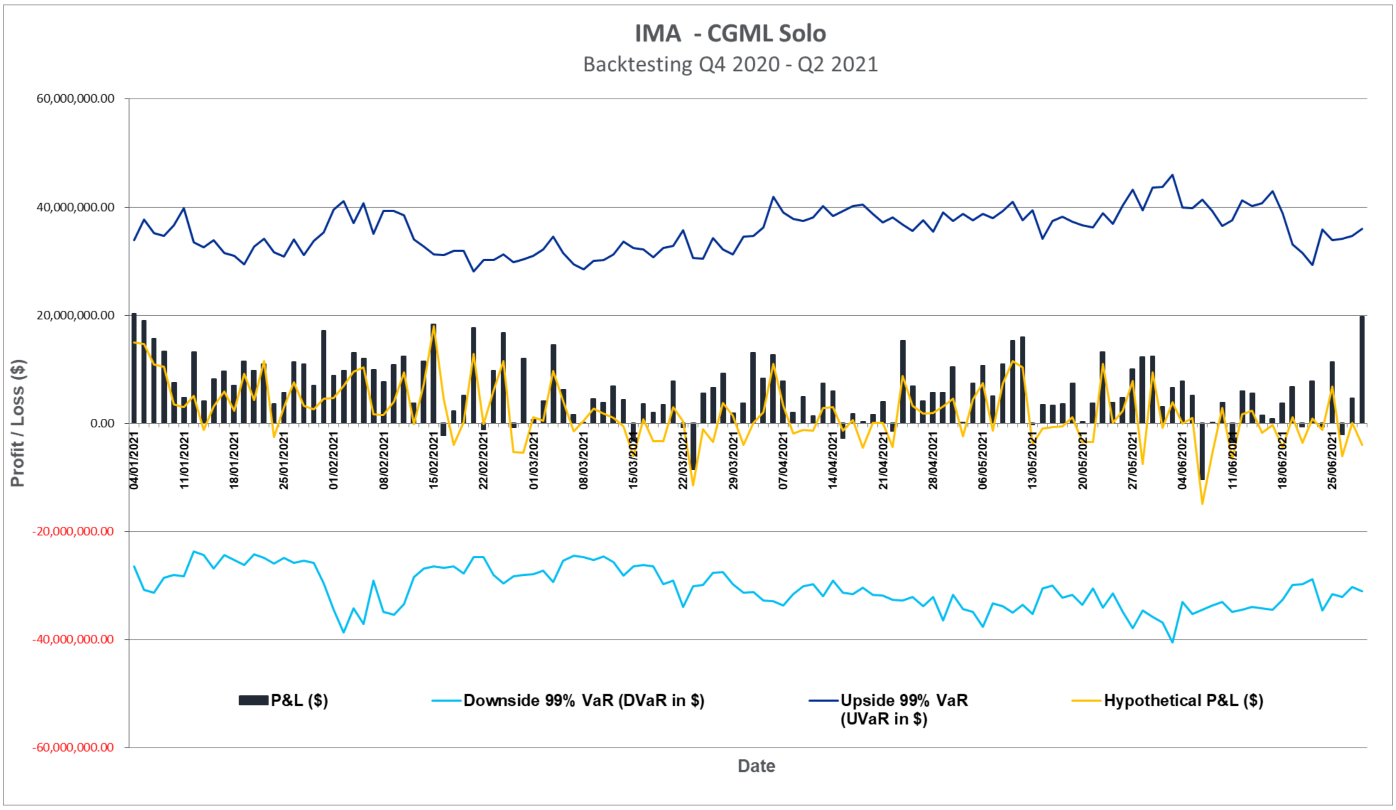
Table 29: IMA Values for Trading Portfolios (MR3)

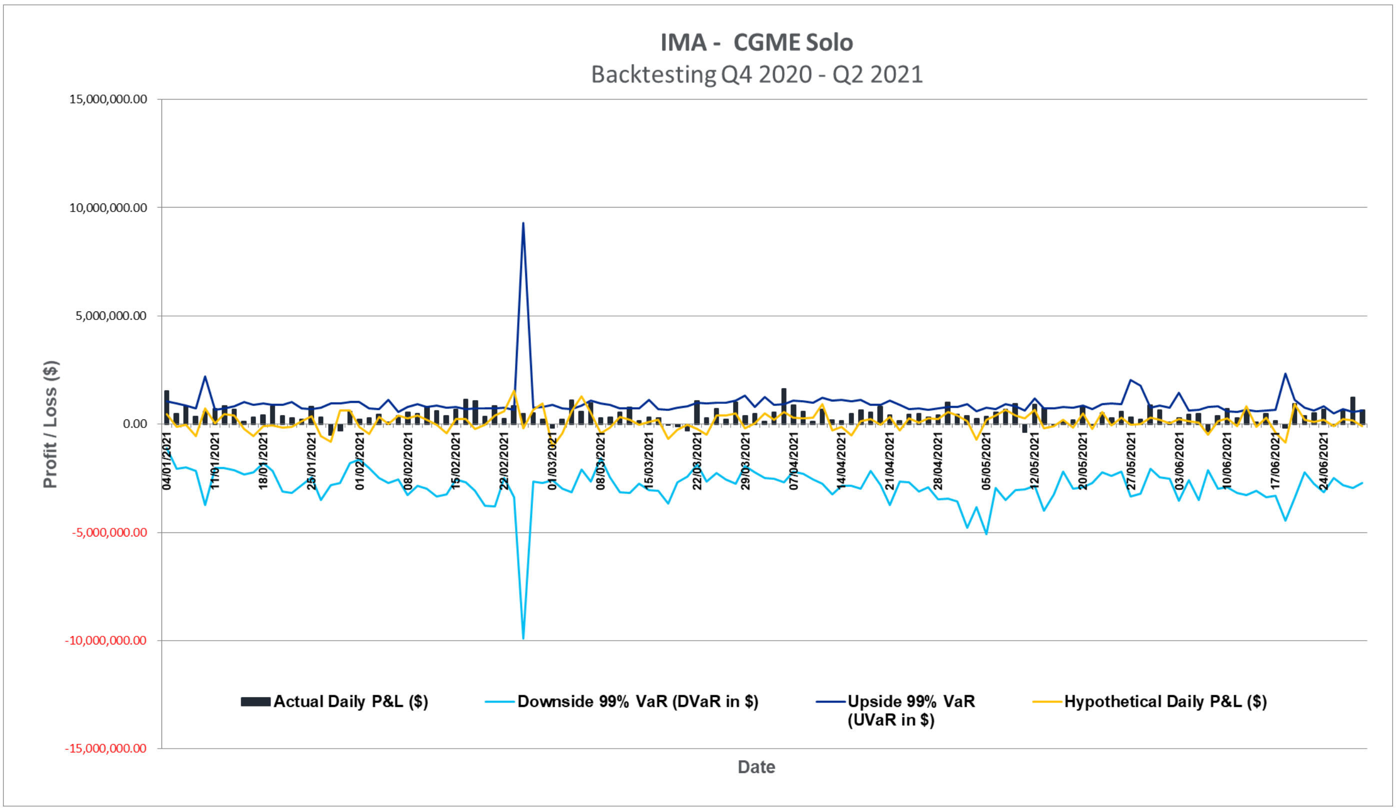
This table displays the values (maximum, minimum, average and end of the reporting period) resulting from the different elements of the regulatory capital charge at the group level, over six months to 30 June 2021

	CGML Solo		CGME Solo	
	30 June 2021	31 December 2020	**30 June 2021**	31 December 2020
	$ million	$ million	**$ million**	$ million
VaR (10 day 99%)				
Maximum value	**110**	127	**37**	33
Average value	**77**	69	**19**	16
Minimum value	**51**	42	**10**	8
Period end	**74**	60	**25**	9
SVaR (10 day 99%)				
Maximum value	**303**	260	**117**	83
Average value	**195**	150	**62**	49
Minimum value	**135**	61	**35**	25
Period end	**207**	182	**72**	44
IRC (99.9%)				
Maximum value	**538**	567	**0**	2
Average value	**401**	454	**0**	0
Minimum value	**305**	329	**0**	0
Period end	**334**	471	**0**	0

Table 30: Comparison of VaR Estimates with Gains/Losses (MR4)

The following charts present a comparison of the results of the approved regulatory VaR model with both hypothetical and actual trading outcomes, in order to highlight the frequency and the extent of the backtesting exceptions and to give an analysis of the main outliers in backtested results. The chart includes the backtesting results of the businesses that fall within the scope of CGML's IMA model permission. There was no P&L backtesting exceptions on CGML or CGME during the first half of 2021.





Securitisation

The regulatory capital framework for securitisation exposures is a risk sensitive framework that focuses on credit risks that have been transferred and repackaged. CGML's securitisation activities fall within the Institutional Clients Group (ICG) business segment. Within ICG, securitisation activity is conducted within Global Securitised Products (GSP-CMO) and Global Spread Products (GSP-Markets).

CGML holds securitisation positions mainly in assets based securities, commercial or residential mortgage backed securities.

Further information of CGML's securitisation business and risk management can be found on page 50 of the 31 December 2020 CGML Pillar 3 disclosure.

Table 31: Securitisation Exposures in the Trading Book (SEC2)

The following tables set out the aggregate amount of securitisation positions held in the trading book by CGML as at 30 June 2021.

		30 June 2021			31 December 2020		
		Institution acts as investor			Institution acts as investor		
		Traditional Non-STS	**Synthetic**	**Sub-total**	Traditional Non-STS	Synthetic	Sub-total
		$ million	**$ million**	**$ million**	$ million	$ million	$ million
1	**Retail (total)**	**115**	**1**	**116**	308	1	309
2	residential mortgage	**106**	**1**	**107**	292	1	293
3	credit card	**-**	**-**	**0**	11	-	11
4	other retail exposures	**8**	**-**	**8**	5	-	5
5	re-securitisation	**-**	**-**	**-**	-	-	-
6	**Wholesale (total)**	**12**	**-**	**12**	30	-	30
7	loans to corporates	**-**	**-**	**-**	1	-	1
8	commercial mortgage	**12**	**-**	**12**	27	-	27
9	lease and receivables	**0**	**-**	**-**	-	-	-
10	other wholesale	**-**	**-**	**-**	2	-	2
11	re-securitisation	**-**	**-**	**-**	-	-	-
12	**Total**	**127**	**1**	**128**	338	1	339

Table 32: Securitisation Exposures in the Non-Trading Book (SEC1)

The following tables set out the aggregate amount of securitisation positions held in the banking book by CGML as at 30 June 2021.

		30 June 2021			31 December 2020		
		Institution acts as investor			Institution acts as investor		
		Traditional Non-STS	**Synthetic**	**Sub-total**	Traditional Non-STS	Synthetic	Sub-total
		$ million	**$ million**	**$ million**	$ million	$ million	$ million
1	**Retail (total), of which;**	**1**	**-**	**1**	10	-	10
2	Residential mortgage	**1**	**-**	**1**	10	-	10
3	Credit card	**-**	**-**	**-**	-	-	-
4	Other retail exposures	**-**	**-**	**-**	-	-	-
5	Re-securitisation	**-**	**-**	**-**	-	-	-
6	**Wholesale (total), of which;**	**1**	**-**	**1**	5	-	5
7	Loans to corporates	**-**	**-**	**-**	-	-	-
8	Commercial mortgage	**1**	**-**	**1**	5	-	5
9	Lease and receivables	**-**	**-**	**-**	-	-	-
10	Other wholesale	**-**	**-**	**-**	-	-	-
11	Re-securitisation	**-**	**-**	**-**	-	-	-
12	**Total**	**2**	**-**	**2**	15	-	15

Table 33: Securitisation Exposures in the Non-Trading Book – bank acting as investor (SEC4)

		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			
		≤20% RW	>20% to <50% RW	>50% to <100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA	SEC-SA	1250%
		$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
2	**Traditional securitisation**	**0**	**-**	**-**	**1**	**1**	**-**	**1**	**0**	**0**
3	Of which securitisation	**0**	**-**	**-**	**1**	**1**	**-**	**1**	**0**	**0**
4	Of which retail underlying	**-**	**-**	**-**	**1**	**-**	**-**	**1**	**-**	**-**
6	Of which wholesale	**0**	**-**	**-**	**-**	**1**	**-**	**0**	**0**	**0**
8	Of which re-securitisation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9	**Synthetic securitisation**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1	**Total as at 30 June 2021**	**0**	**-**	**-**	**1**	**1**	**-**	**1**	**0**	**0**
2	Traditional securitisation	-	1	0	11	2	-	13	0	2
3	Of which securitisation	-	1	0	11	2	-	13	0	2
4	Of which retail underlying	-	1	0	7	1	-	9	0	1
6	Of which wholesale	-	-	-	4	1	-	4	-	1
8	Of which re-securitisation	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-
1	Total as at 31 December 2020	-	1	0	11	2	-	13	0	2

		RWA				Capital charge after cap			
		SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	1250%[1]	SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	1250%[1]
		$ million	$ million	$ million	$ million	$ million	$ million	$ million	$ million
2	**Traditional securitisation**		**2**	**0**	**-**	**-**	**0**	**0**	**-**
3	Of which securitisation	**-**	**2**	**0**	**-**	**-**	**0**	**0**	**-**
4	Of which retail underlying	**-**	**2**	**-**	**-**	**-**	**0**	**-**	**-**
6	Of which wholesale	**-**	**-**	**0**	**-**	**-**	**-**	**0**	**-**
8	Of which re-securitisation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9	**Synthetic securitisation**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1	**Total as at 30 June 2021**	**-**	**2**	**0**	**-**	**-**	**0**	**0**	**-**
2	Traditional securitisation	-	78	0	-	-	6	0	-
3	Of which securitisation	-	78	0	-	-	6	0	-
4	Of which retail underlying	-	57	0	-	-	5	0	-
6	Of which wholesale	-	21	-	-	-	2	-	-
8	Of which re-securitisation	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-
1	Total as at 31 December 2020	-	78	0	-	-	6	0	-

[1] Securitisation exposures with 1250% risk weight are deducted from own funds, therefore no RWA or Capital charge applies for these positions.

Both trading book and non-trading book securitisation positions decreased slightly compared to year end due to seasonal business activity.

Appendix 1: Non-disclosed Tables

Please see below a list of disclosure tables not included in CGML's Pillar 3:

Table	Rationale
Credit Quality of Forborne Exposures	Templates excluded on the basis of immateriality or non-applicability
Collateral obtained by taking possession and execution processes	
CR2-A: Changes in the Stock of General and Specific Credit Risk Adjustments	
CR2-B: Changes in the Stock of Defaulted and Impaired Loans and Debt Securities	
CR6: IRB – Credit risk exposures by exposure class and PD range	CGML does not have any credit or counterparty credit exposures under the IRB approach
CR7: IRB – Effect on RWA of credit derivatives used as CRM techniques	
CR8: RWA flow statements of credit risk exposures under IRB	
CR9: IRB – Backtesting of probability of default (PD) per exposure class	
CCR4: IRB – CCR exposures by portfolio and PD scale	
TLAC3 – Resolution entity – creditor ranking at legal entity level	CGML is only required to discloses TLAC requirements on a material subgroup entity level
SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	CGML acts only as investor in its Securitisation book

Glossary

AMA	Advanced Measurement Approach
AT1	Additional Tier 1
AVA	Additional Value Adjustments
BCBS	Basel Committee on Banking Supervision
CCF	Credit Conversion Factor
CCP	Central Counterparty Clearing House
CEM	Current Exposure Method
CET1	Common Equity Tier 1
CGML	Citigroup Global Markets Limited
CFTC	Commodity Futures Trading Commission
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CVA	Credit Valuation Adjustment
EAD	Exposure at Default
EBA	European Banking Authority
ECAI	External Credit Assessment Institutions
EEPE	Effective Expected Positive Exposures
EU	European Union
FCA	Financial Conduct Authority
FCCM	Financial Collateral Comprehensive Method
FPC	Financial Policy Committee
FRTB	Fundamental Review of the Trading Book
GSP	Global Spread Products
G-SIB	Global Systemically Important Bank
HQLA	High-Quality Liquid Assets
ICAAP	Internal Capital Adequacy Assessment Process
ICG	Institutional Clients Group
IFRS	International Financial Reporting Standards
IRC	Incremental Risk Charge
IMA	Internal Model Approach
IMM	Internal Model Method
ITS	Implementing Technical Standards
LCR	Liquidity Coverage Ratio
MREL	Minimum Requirement for Eligible Liabilities
NSFR	Net Stable Funding Ratio
OTC	Over-the-Counter Derivatives
PFE	Potential Future Exposure
PRA	Prudential Regulation Authority
RTS	Regulatory Technical Standards
RWA	Risk Weighted Asset
SA-CCR	Standardised Approach for Counterparty Credit Risk
SA-CR	Standardised Approach to Credit Risk
SFT	Securities Financing Transaction
sVaR	Stressed Value-at-Risk
TLAC	Total Loss Absorbing Capacity
TTP	Temporary Transitional Power
VaR	Value-at-Risk