Citibank Holdings Ireland Limited and its Operating Entity, Citibank Europe Plc Pillar 3 Disclosures

30 June 2022

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Introduction

Citibank Holdings Ireland Limited (CHIL), which is a wholly-owned subsidiary of Citigroup Inc., is the parent of Citi's principal European banking entity, Citibank Europe Plc (CEP), together "CEP" unless otherwise specified. CEP is recognised as being an integral part of the Citi network, both regionally and globally as a Material Legal Entity. The core activities of CEP comprise the Institutional Clients Group (ICG) with Markets and Securities Services and Banking businesses. The activities in Banking comprise Treasury and Trade Solutions (TTS), corporate and commercial lending and private banking services.

CEP is a registered credit institution in the Republic of Ireland which is authorised and regulated by the Central Bank of Ireland (CBI) and supervised under the Single Supervisory Mechanism (SSM) by the European Central Bank (ECB). CEP is designated as an Other Systemically Important Institutions (OSII).

CEP is Citi's EU-passported bank with a presence in 22 European countries, giving clients a single point of entry to access EU banking products and services. CEP's strategy is to maintain a well-diversified, income generating business model with a strong capital and liquidity position.

CEP's primary activities continue to be the provision of core banking services to Citigroup's ICG target market clients including governments, public sector bodies, multinational corporations and their subsidiaries, large local corporates, financial institutions, and fund managers. Private banking products and services are also offered, principally to high net worth and ultra-high net worth clients primarily through CEP's Luxembourg branch.

Overview

This document contains the Pillar 3 disclosures as at 30 June 2022 in respect of the capital, leverage and liquidity. This document provides details on available Capital Resources ("Capital Resources") and regulatory defined Pillar 1 Minimum Capital Requirement. It demonstrates that CEP has capital resources in excess of this requirement.

- 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.

Basis of Preparation

The Pillar 3 disclosures complement both the group level information included in the Citigroup Annual Report, and CHIL's and CEP's own 2021 financial statements. The basis of the disclosure for CHIL and CEP is on a consolidated basis.

These disclosures are made in accordance with Part Eight of Regulation (EU) No 575/2013 of the EU's Capital Requirements Regulation (CRR), as amended under Capital Requirements Regulation II (CRR II).

The following disclosures explain the basis on which CEP has prepared and disclosed information about capital requirements and key metrics. They do not constitute any form of financial statement and must not be relied upon in making any investment or judgement on the legal entity

Frequency of disclosure

In accordance with Article 433a(2) of the CRR, CEP is required to disclose the following information semi-annually: (1) Key Metrics referred to in Article 447 and (2) Covid-19 loan moratoria.

For further information on CHIL's and CEP's own funds, capital and risk management objectives and policies, please refer to CEP's Annual Pillar 3 Disclosure for the year ended 31 December 2021.

All disclosures are made in EUR, unless otherwise stated. CEP publishes Pillar 3 Disclosures at:
https://www.citigroup.com/citi/investor/reg.htm

Quantitative Disclosure

The disclosures deemed not relevant or immaterial have been omitted. Please see Appendix 1 for further details. Additionally, rows and columns not relevant or reported as 'Nil' are removed from prescribed templates.

Policy and Verification

In accordance with Article 431 (3) of the CRR II, CEP's Pillar 3 Disclosures are covered under the Citi EU Pillar 3 Standard, which outlines the principles and minimum standards to be applied for preparing these disclosures. The firm operates within a framework of internal controls and procedures for assessing the appropriateness of these disclosures.

CEP's Pillar 3 Disclosures is subject to a formal governance process. The document is reviewed by the CEP Executive Committee, the CEP Audit Committee and approved by both the CEP and CHIL Board of Directors.

Directors Responsibility Statement

"I confirm that I have taken all reasonable measures to ensure that the information included in this disclosure complies to the best of my knowledge with Part Eight of the CRR and has been prepared in accordance with the internal control procedures and standards agreed upon by the management body".

Silvia Carpitella
CEP Interim CEO

Regulatory Outlook

Finalising Basel III Reforms

The Basel Committee on Banking Supervision has proposed further regulations, referred to as Basel 3.1, covering a new Standardised Approach to Credit Risk, a new Credit Valuation Adjustment framework, revisions to the approach to Securities Financing Transactions, further elements of the Fundamental Review of the Trading Book, the Output Floor and a new Standardised Approach to Operational Risk.

Environmental, Social and Governance (ESG) Risks

A new harmonised definition of ESG risks has been developed and credit institutions will have new reporting requirements. EU has proposed amendments to some risk weightings.

Cryptoasset exposures

The Basel Committee on Banking Supervision has published their second consultation on the prudential treatment of these exposures.

Cryptoassets are divided into two groupings:

- **Group 1** consists of those that meet in full a set of classification conditions, these would be subject to at least equivalent risk-based capital requirements based on the risk weights of underlying exposures as set out in the existing Basel Capital Framework. Examples of cryptoassets in this group are tokenised traditional assets and cryptoassets with effective stabilisation mechanisms.

- **Group 2** consists of those that fail to meet any of the classification conditions (such as unbacked cryptoassets and stablecoins with ineffective stabilisation mechanisms). Since they pose additional and higher risks compared with Group 1 cryptoassets they would be subject to a newly prescribed conservative capital treatment.

Other changes include new elements such as an infrastructure risk add-on to cover the new and evolving risks of distributed ledger technologies, adjustments to increase risk sensitivity and an overall gross limit on Group 2 cryptoassets.

Key Metrics

Table 1: Key Metrics (KM1) for CEP

		30 June 2022	31 March 2022	31 December 2021	30 September 2021	30 June 2021
	Available own funds	**€ million**	€ million	€ million	€ million	€ million
1	Common Equity Tier 1 (CET1) capital	**11,530**	9,963	9,887	8,916	8,693
2	Tier 1 capital	**11,530**	9,963	9,887	8,916	8,693
3	Total capital	**11,530**	9,963	9,887	8,916	8,693
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	**57,654**	53,066	46,136	45,758	42,482
	Capital ratios					
5	Common Equity Tier 1 ratio (%)	**20.00%**	18.77%	21.43%	19.48%	20.46%
6	Tier 1 ratio (%)	**20.00%**	18.77%	21.43%	19.48%	20.46%
7	Total capital ratio (%)	**20.00%**	18.77%	21.43%	19.48%	20.46%
	Additional own funds requirements to address risks other than the risk of excessive leverage					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	**2.50%**	2.50%	2.70%	2.70%	2.70%
EU 7b	of which: to be made up of CET1 capital (percentage points)	**1.41%**	1.41%	1.52%	1.52%	1.52%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	**1.88%**	1.88%	2.03%	2.03%	2.03%
EU 7d	Total SREP own funds requirements (%)	**10.50%**	10.50%	10.70%	10.70%	10.70%
	Combined buffer requirement					
8	Capital conservation buffer (%)	**2.50%**	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	**-**	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	**0.06%**	0.06%	0.05%	0.05%	0.05%
EU 9a	Systemic risk buffer (%)	**-**	-	-	-	-
10	Global Systemically Important Institution buffer (%)	**-**	-	-	-	-
EU 10a	Other Systemically Important Institution buffer	**1.00%**	1.00%	1.00%	1.00%	0.50%
11	Combined buffer requirement (%)	**3.56%**	3.56%	3.55%	3.55%	3.05%
EU 11a	Overall capital requirements (%)	**14.06%**	14.06%	14.25%	14.25%	13.75%
12	CET1 available after meeting the total SREP own funds requirements (%)	**14.09%**	12.87%	15.41%	13.47%	14.44%
	Leverage Ratio					
13	Total exposure measure	**130,502**	108,102	99,803	95,935	92,069
14	Leverage ratio (%)	**8.84%**	9.22%	9.91%	9.29%	9.44%
	Additional own funds requirements to address the risk of excessive leverage					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	**-**	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	**-**	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	**3.00%**	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement					
EU 14d	Leverage ratio buffer requirement (%)	**-**	-	-	-	-
EU 14e	Overall leverage ratio requirements (%)	**3.00%**	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	**26,165**	24,923	24,660	24,270	23,318
EU 16a	Cash outflows - Total weighted value	**29,263**	27,581	26,281	25,177	23,979
EU 16b	Cash inflows - Total weighted value	**9,816**	9,169	8,319	7,763	7,096
16	Total net cash outflows (adjusted value)	**19,448**	18,412	17,962	17,414	16,883
17	Liquidity coverage ratio (%)	**134.83%**	135.68%	137.43%	139.61%	138.28%
	Net Stable Funding Ratio					
18	Total available stable funding	**33,520**	30,600	29,736	25,982	25,050
19	Total required stable funding	**25,522**	24,621	22,718	21,938	20,960
20	NSFR ratio (%)	**131.34%**	124.28%	130.89%	118.43%	119.51%

Table 2: Key Metrics (KM1) for CHIL

		30 June 2022	31 March 2022	31 December 2021	30 September 2021	30 June 2021
	Available own funds	**€ million**	€ million	€ million	€ million	€ million
1	Common Equity Tier 1 (CET1) capital	**11,543**	9,975	9,899	8,927	8,704
2	Tier 1 capital	**11,543**	9,975	9,899	8,927	8,704
3	Total capital	**11,543**	9,975	9,899	8,927	8,704
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	**57,736**	53,136	46,212	45,825	42,553
	Capital ratios					
5	Common Equity Tier 1 ratio (%)	**19.99%**	18.77%	21.42%	19.48%	20.45%
6	Tier 1 ratio (%)	**19.99%**	18.77%	21.42%	19.48%	20.45%
7	Total capital ratio (%)	**19.99%**	18.77%	21.42%	19.48%	20.45%
	Additional own funds requirements to address risks other than the risk of excessive leverage					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	**2.50%**	2.50%	2.70%	2.70%	2.70%
EU 7b	of which: to be made up of CET1 capital (percentage points)	**1.41%**	1.41%	1.52%	1.52%	1.52%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	**1.88%**	1.88%	2.03%	2.03%	2.03%
EU 7d	Total SREP own funds requirements (%)	**10.50%**	10.50%	10.70%	10.70%	10.70%
	Combined buffer requirement					
8	Capital conservation buffer (%)	**2.50%**	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	**-**	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	**0.05%**	0.06%	0.05%	0.05%	0.05%
EU 9a	Systemic risk buffer (%)	**-**	-	-	-	-
10	Global Systemically Important Institution buffer (%)	**-**	-	-	-	-
EU 10a	Other Systemically Important Institution buffer	**1.00%**	1.00%	1.00%	1.00%	0.50%
11	Combined buffer requirement (%)	**3.55%**	3.56%	3.55%	3.55%	3.05%
EU 11a	Overall capital requirements (%)	**14.05%**	14.06%	14.25%	14.25%	13.75%
12	CET1 available after meeting the total SREP own funds requirements (%)	**14.09%**	12.87%	15.40%	13.46%	14.44%
	Leverage Ratio					
13	Total exposure measure	**130,590**	108,185	99,885	96,017	92,145
14	Leverage ratio (%)	**8.84%**	9.22%	9.91%	9.30%	9.45%
	Additional own funds requirements to address the risk of excessive leverage					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	**-**	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	**-**	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	**3.00%**	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement					
EU 14d	Leverage ratio buffer requirement (%)	**-**	-	-	-	-
EU 14e	Overall leverage ratio requirements (%)	**3.00%**	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	**26,165**	24,923	24,660	24,270	23,318
EU 16a	Cash outflows - Total weighted value	**29,264**	27,582	26,282	25,179	23,982
EU 16b	Cash inflows - Total weighted value	**9,816**	9,169	8,319	7,763	7,096
16	Total net cash outflows (adjusted value)	**19,448**	18,413	17,963	17,416	16,886
17	Liquidity coverage ratio (%)	**134.83%**	135.67%	137.42%	139.59%	138.26%
	Net Stable Funding Ratio					
18	Total available stable funding	**33,552**	30,672	29,767	25,987	25,049
19	Total required stable funding	**25,565**	24,661	22,738	21,959	20,978
20	NSFR ratio (%)	**131.24%**	124.38%	130.91%	118.34%	119.41%

Both the Total Capital Ratio and Leverage Ratio decreased over the period due to higher RWA's associated with Banking, Treasury and Trade Solutions (TTS) and European Government Bond businesses.

Additional Disclosures related to COVID-19

The following tables disclose information on loans and advances subject to the EBA Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 pandemic (EBA/GL/2020/07).

Member States have introduced legislative moratoria on loan repayments and various forms of public guarantees to be applied to new lending, amongst other measures. These measures do not automatically trigger forbearance classification or do not automatically lead to the classification of default.

The number of clients subject to Covid moratoria are Hungarian Commercial Bank clients and corporate airlines.

At 30 June 2022, the total loans and advances subject to legislative and non-legislative moratoria is €61.3 million, a reduction of €46.7 million since 31 December 2021. The total newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis is €34 million, a reduction of €53 million since 31 December 2021.

The following disclosure templates provide further details:

Table 3: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis - 30 June 2022

	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
		of which: forborne	Public guarantees received	Inflows to non-performing exposures
	€ million	**€ million**	**€ million**	**€ million**
Newly originated loans and advances subject to public guarantee schemes	**34**	**2**	**27**	**-**
of which: Households	**-**			**-**
of which: Collateralised by residential immovable property	**-**			**-**
of which: Non-financial corporations	**34**	**2**	**27**	**-**
of which: Small and Medium-sized Enterprises	**17**			**-**
of which: Collateralised by commercial immovable property	**2**			**-**

Table 4: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis - 31 December 2021

	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
		of which: forborne	Public guarantees received	Inflows to non-performing exposures
	€ million	€ million	€ million	€ million
Newly originated loans and advances subject to public guarantee schemes	90	2	82	-
of which: Households	-			-
of which: Collateralised by residential immovable property	-			-
of which: Non-financial corporations	90	2	82	-
of which: Small and Medium-sized Enterprises	18			-
of which: Collateralised by commercial immovable property	2			-

Table 5: Information on loans and advances subject to legislative and non-legislative moratoria - 30 June 2022

€ thousand	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
		Performing			Non performing				Performing			Non performing			
			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
Loans and advances subject to moratorium	**61,298**	**61,075**	**1,713**	**27,769**	**223**	**223**	**223**	**(248)**	**(171)**	**(8)**	**(167)**	**(78)**	**(78)**	**(78)**	**-**
of which: Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which: Collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which: Non-financial corporations	**61,298**	**61,075**	**1,713**	**27,769**	**223**	**223**	**223**	**(248)**	**(171)**	**(8)**	**(167)**	**(78)**	**(78)**	**(78)**	**-**
of which: Small and Medium-sized Enterprises	**1,952**	**1,730**	**1,713**	**1,713**	**223**	**223**	**223**	**(86)**	**(8)**	**(8)**	**(8)**	**(78)**	**(78)**	**(78)**	**-**
of which: Collateralised by commercial immovable property	**223**	**-**	**-**	**-**	**223**	**223**	**223**	**(78)**	**-**	**-**	**-**	**(78)**	**(78)**	**(78)**	**-**

Table 6: Information on loans and advances subject to legislative and non-legislative moratoria - 31 December 2021

€ thousand	Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
		Performing			Non performing				Performing			Non performing			
			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
Loans and advances subject to moratorium	107,980	107,776	2,493	44,220	204	204	204	(281)	(190)	(30)	(176)	(91)	(91)	(91)	204
of which: Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which: Collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
of which: Non-financial corporations	107,980	107,776	2,493	44,220	204	204	204	(281)	(190)	(30)	(176)	(91)	(91)	(91)	204
of which: Small and Medium-sized Enterprises	3,017	2,812	2,493	2,794	204	204	204	(126)	(35)	(30)	(35)	(91)	(91)	(91)	204
of which: Collateralised by commercial immovable property	204	-	-	-	204	204	204	(91)	-	-	-	(91)	(91)	(91)	204

Table 7: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria - 30 June 2022

	Number of obligors	Gross carrying amount							
			Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria <= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Loans and advances for which moratorium was offered	23	85							
Loans and advances subject to moratorium (granted)	23	85	26	24	-	32	29	-	-
of which: Households		2	2	2	-	-	-	-	-
of which: Collateralised by residential immovable property		-	-	-	-	-	-	-	-
of which: Non-financial corporations		83	24	22	-	32	29	-	-
of which: Small and Medium-sized Enterprises		13	13	11	-	-	2	-	-
of which: Collateralised by commercial immovable property		19	19	19	-	-	-	-	-

Table 8: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria - 31 December 2021

	Number of obligors	Gross carrying amount							
			Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria <= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Loans and advances for which moratorium was offered	25	142							
Loans and advances subject to moratorium (granted)	25	142	38	34	-	4	4	59	41
of which: Households		2	2	2	-	-	-	-	-
of which: Collateralised by residential immovable property		-	-	-	-	-	-	-	-
of which: Non-financial corporations		140	36	32	-	4	4	59	41
of which: Small and Medium-sized Enterprises		16	16	13	-	-	3	-	-
of which: Collateralised by commercial immovable property		28	28	27	-	-	-	-	-

Appendix 1: Omissions

Please see below a list of tables excluded from CEP's Pillar 3 Disclosures as of 30 June 2022

Table 9: Non-disclosed tables

Table	Rationale
EU ILAC: Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs	CHIL and CEP do not meet the definition of a material subgroups of non-EU Global Systemically Important Institution (G-SII) and as such is not subject to Article 92a or 92b

Abbreviations

Please refer to the below abbreviations used frequently throughout the document.

CBI	Central Bank of Ireland
CEP	Citibank Europe Plc
CHIL	Citibank Holdings Ireland Limited
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
ECB	European Central Bank
EBA	European Banking Authority
EU	European Union
ICG	Institutional Clients Group
G-SII	Global Systemically Important Institution
SSM	Single Supervisory Mechanism