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## Non-collateralised Structured Products

### First Addendum to the Base Listing Document dated 29 April 2021 relating to Structured Products to be issued by



## Citigroup Global Markets Europe AG

*(a stock corporation (Aktiengesellschaft) founded  
in Germany under German law)*

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This document, for which we accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the purpose of giving information with regard to us and our standard warrants (“**Warrants**”), callable bull/bear contracts (“**CBBCs**”) and other structured products (together, the “**Structured Products**”) to be listed on the Stock Exchange from time to time. You must read this addendum in conjunction with our base listing document dated 29 April 2021 (our “**Base Listing Document**”).

We, having made all reasonable enquiries, confirm that to the best of our knowledge and belief the information contained in this addendum and our Base Listing Document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or this addendum misleading.

**The Structured Products are complex products. Investors should exercise caution in relation to them. The Structured Products involve derivatives. Investors should not invest in the Structured Products unless they fully understand and are willing to assume the risks associated with them. Investors are warned that the price of the Structured Products may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Structured Products and carefully study the risk factors set out in this document and, where necessary, seek professional advice, before they invest in the Structured Products.**

The Structured Products constitute our general unsecured contractual obligations and of no other person and will rank equally among themselves with all our other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the Structured Products, you are relying upon our creditworthiness and have no rights under the Structured Products against (a) the company which has issued the underlying securities; (b) the trustee or the manager of the underlying unit trust; or (c) the index compiler of any underlying index or any company constituting the underlying index. If we become insolvent or default on our obligations under the Structured Products, you may not be able to recover all or even part of the amount due under the Structured Products (if any). The Issuer is subject to the exercise of the bail-in powers under the German legislation for implementation of the Bank Recovery and Resolution Directive.

Sponsor

Citigroup Global Markets Asia Limited

## IMPORTANT INFORMATION

### What is this addendum about?

This addendum is a supplement to our Base Listing Document.

You should read this addendum together with our Base Listing Document (including any other addendum to our Base Listing Document to be issued by us from time to time) and the relevant launch announcement and supplemental listing document (including any addendum to such launch announcement and supplemental listing document to be issued by us from time to time) (together, the “**Listing Documents**”) before investing in any Structured Product.

### Where can you inspect the relevant documents?

Copies of each of the Listing Documents and other documents set out in the section headed “Where can you inspect the relevant documents?” in our Base Listing Document may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the office of the Sponsor, which is presently at 50th Floor, Champion Tower, Three Garden Road, Central, Hong Kong.

各上市文件連同於基本上市文件「閣下可在何處查閱有關文件？」一節所載的其他文件，可於任何週日(星期六、星期日及公眾假期除外)的一般辦公時間內，在保薦人的辦事處（地址為香港中環花園道3號冠君大廈50樓）查閱。

### Are we subject to any litigation?

Save as disclosed in our Base Listing Document and this addendum, we and our subsidiaries have no litigation or claims of material importance pending or threatened against us or them.

### Has our financial position changed since last financial year-end?

Save as disclosed in Appendices 5 and 6 to our Base Listing Document and this addendum, there has been no material adverse change in our financial or trading position since 31 December 2020.

### What are our credit ratings?

Our credit ratings as of the day immediately preceding the date of this addendum are:

<i>Rating Agency</i>	<i>Rating (outlook)</i>
Moody’s Investors Service, Inc.	A1 (Stable)
S&P Global Ratings	A+ (Stable)

### How can you get further information about us?

You may visit [www.citifirst.com.hk](http://www.citifirst.com.hk) to obtain further information about us and our Structured Products.

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**OUR FINANCIAL STATEMENTS FOR THE SIX MONTHS  
FROM 1 JANUARY 2021 TO 30 JUNE 2021**

Our financial statements for the six months from 1 January 2021 to 30 June 2021 are set out in this section. References to page numbers on the following pages are to the page numbers of such document.

Interim Balance Sheet as of June 30, 2021  
Citigroup Global Markets Europe AG, Frankfurt am Main

<b>Assets</b>		<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>12/31/2020 kEUR</b>
<b>1. Cash reserve</b>					
a) Cash on hand		-	-	-	-
b) Credit balances held at central banks		-	-	-	-
of which: at the Deutsche Bundesbank ( <i>German Central Bank</i> )		-	-	-	-
EUR	-	(12/31/2020 kEUR	-	-	-
c) Credit balances held at post giro offices		-	-	-	-
<b>2. Receivables from banks</b>					
a) Due upon demand		1,465,277,284.82	-	1,465,277,284.82	1,679,128
b) Other receivables		-	-	-	-
<b>3. Receivables from clients</b>					
of which: secured through in rem security		-	-	38,782,197,877.72	13,783,745
interests ( <i>Grundpfandrechte</i> )	EUR	-	(12/31/2020 kEUR	-	-
Municipal loans	EUR	-	(12/31/2020 kEUR	-	-
<b>4. Debt securities and other fixed-income securities</b>					
a) Money market paper		-	-	-	-
aa) issued by government entities		-	-	-	-
ab) issued by other entities		-	-	-	-
b) Bonds and debt securities		-	-	-	-
ba) issued by government entities		-	-	-	-
of which: qualifying as collateral for the Deutsche		-	-	-	-
Bundesbank	EUR	-	(12/31/2020 kEUR	-	-
bb) issued by other entities		-	-	-	-
of which: qualifying as collateral for the Deutsche		-	-	-	-
Bundesbank	EUR	-	(12/31/2020 kEUR	-	-
c) Own debt securities		-	-	-	-
Face value	EUR	-	(12/31/2020 kEUR	-	-
<b>5. Stocks and other variable-yield securities</b>					
<b>5a Trading portfolio</b>					
				42,370,338,447.15	46,751,212
<b>6. Equity investments</b>					
of which: held in banks	EUR	-	(12/31/2020 kEUR	1,135,714.07	1,136
held in financial service		-	(12/31/2020 kEUR	-	-
institutions	EUR	-	(12/31/2020 kEUR	-	-
<b>7. Trust assets</b>					
of which: trust loans	EUR	323,178,685.06	(12/31/2020 kEUR	323,178,685.06	315,617
<b>8. Intangible assets</b>					
a) Internally-generated industrial property rights and similar rights and assets		-	-	-	-
b) Paid-for concessions, industrial property rights and similar		58,519.63	-	58,519.63	77
rights and assets as well as licenses to such rights and assets		69,766,667.00	-	69,766,667.00	74,317
c) Goodwill		-	-	-	-
d) Prepayments		-	-	69,825,186.63	-
<b>9. Tangible assets</b>					
				5,571,077.09	2,538
<b>10. Other assets</b>					
				8,112,148,566.26	7,689,123
<b>11. Prepaid and deferred items</b>					
				9,181,905.42	1,126
<b>12. Excess of plan assets over post-employment benefit liability</b>					
				10,586.00	-
<b>Total Assets</b>				<b>91,138,865,330.22</b>	<b>70,298,019</b>

	EUR	EUR	Liabilities and equity capital	
			EUR	12/31/2020 kEUR
<b>1. Liabilities owed to banks</b>				
a) Payable on demand		926,894,177.02		235,866
b) With an agreed term or notice period		--	926,894,177.02	-
<b>2. Liabilities owed to clients</b>				
a) Savings deposits				
aa) with an agreed notice period of three months	--			-
ab) with an agreed notice period of more than three months	--	--		-
b) Other liabilities				
ba) payable on demand	35,026,494,844.14			11,482,090
bb) with an agreed term or notice period	1,193,437,638.19	36,219,932,482.33	36,219,932,482.33	1,146,438
<b>3. Securitized liabilities</b>				
a) Issued debt securities		--		-
b) Other securitized liabilities of which:		--		-
Money market paper	EUR -- (12/31/2020 kEUR -)			-
Own acceptances and promissory notes outstanding ( <i>Solawechsel</i> )	EUR -- (12/31/2020 kEUR -)			-
c) Miscellaneous securitized liabilities		--	--	-
<b>3a Trading portfolio</b>			42,173,130,335.87	46,503,037
<b>4. Trust liabilities</b>			323,178,685.06	315,617
<b>5. Other liabilities</b>			8,061,405,211.79	8,619,262
<b>6. Deferred income</b>			--	-
<b>7. Accrued liabilities</b>				
a) Pensions and similar obligations		29,255,584.95		21,001
b) Tax reserves		29,516,524.48		22,130
c) Other accrued liabilities		107,253,532.39	166,025,641.82	102,737
<b>8. Funds for general bank risks as defined in § 340e (4) HGB</b>	EUR 28,333,610.23 (12/31/2020 kEUR 28,334 )		28,333,610.23	28,334
<b>9. Equity capital</b>				
a) Subscribed capital				
aa) registered share capital	242,393,054.05			242,393
ab) silent partner capital	--	242,393,054.05		-
b) Capital reserves	2,919,340,204.41	2,919,340,204.41		1,501,320
c) Earnings reserves				
ca) legal reserve	33,027,197.15			33,027
cb) reserves for treasury shares	--			-
cc) reserves required by articles of association	--			-
cd) other earnings reserves	44,766,609.17	77,793,806.32		27,917
d) Unappropriated earnings/loss (balance sheet profit/loss)		438,121.32	3,239,965,186.10	16,850
<b>Total liabilities and equity capital</b>			91,138,865,330.22	70,298,019

Income Statement  
for the period of January 1, 2021 through June 30, 2021  
Citigroup Global Markets Europe AG, Frankfurt am Main

	EUR	EUR	EUR	01/01/2020 - 06/30/2020 kEUR
<b>1. Interest income from</b>				
a) Loans and money market transactions	46,516,218.82			4,726
<b>2. Negative interest income from</b>				
a) Loans and money market transactions	<u>27,132,086.48</u>	<u>19,384,132.34</u>		6,385
<b>3. Interest expenses</b>	54,288,968.53			18,750
<b>4. Positive interest from loans and money market transactions</b>	<u>17,690,233.56</u>	<u>-36,598,734.97</u>	<u>-17,214,602.63</u>	4
<b>5. Current income from</b>				
a) Shares and other variable yield securities		<u>-,-</u>		-
b) Equity investments		<u>385,085.39</u>		-
c) Interest in affiliated enterprises		<u>-,-</u>	<u>385,085.39</u>	-
<b>6. Commission income</b>		<u>221,981,834.51</u>		124,268
<b>7. Commission expenses</b>		<u>63,878,017.34</u>	<u>158,103,817.17</u>	25,584
<b>8. Net income from financial trading operations</b>			<u>28,609,201.54</u>	12,433
Included therein are deposits into funds for general bank risks per § 340e (4) HGB EUR -- (01/01/2020-06/30/2020 EUR --)				
<b>9. Other operating income</b>			<u>51,846,942.07</u>	26,050
<b>10. General administrative expenses</b>				
a) Personnel expenses				
aa) wages and salaries	<u>99,639,681.83</u>			81,328
ab) social security contributions, pension and welfare expenses of which: for pensions EUR <u>3,681,068.79</u> (01/01/2020-06/30/2020 kEUR 3,001)	<u>7,205,756.27</u>	<u>106,845,438.10</u>		5,581
b) Other administrative expenses		<u>91,756,658.21</u>	<u>198,602,096.31</u>	61,137
<b>11. Depreciation, amortization and write-downs of tangible and intangible assets</b>			<u>4,991,247.88</u>	5,046
<b>12. Other operating expenses</b>			<u>13,144,992.96</u>	14,914
<b>13. Write-downs of, provisions for, receivables and certain securities and additions to loan reserves</b>		<u>-,-</u>		-
<b>14. Income from reversal of write-downs of receivables and certain securities, and income from reversal of loan receivables</b>		<u>-,-</u>	<u>-,-</u>	-
<b>15. Write-downs on equity investments, interests in affiliated enterprises and long-term securities</b>			<u>-,-</u>	-
<b>16. Results from ordinary operations</b>			<u>4,992,106.39</u>	<u>/ 51,244</u>
<b>17. Extraordinary income</b>			<u>-,-</u>	-
<b>18. Extraordinary expenses</b>			<u>-,-</u>	-
<b>19. Extraordinary result</b>			<u>-,-</u>	0
<b>20. Taxes on income and earnings</b>		4,553,985.07		55
<b>21. Other taxes, to the extent not included in item 12</b>		<u>-,-</u>	<u>4,553,985.07</u>	-
<b>22. Income from loss transfers</b>			<u>-,-</u>	-
<b>23. Profits transferred pursuant to a profit pooling, profit transfer or partial profit transfer agreement</b>			<u>-,-</u>	0
<b>24. Annual net profit/Annual net loss</b>			<u>438,121.32</u>	<u>/ 51,299</u>
<b>25. Profit carried forward/Loss carried forward from the prior year</b>		<u>/,-</u>	<u>-,-</u>	<u>-,-</u>
		<u>/,-</u>	<u>-,-</u>	<u>-,-</u>
<b>26. Transfers from capital reserves</b>			<u>-,-</u>	-
<b>27. Transfer from earnings reserves</b>				
a) from legal reserve		<u>-,-</u>		-
b) from reserve for treasury shares		<u>-,-</u>		-
c) from reserves required by the bank's articles of association		<u>-,-</u>		-
d) from other earning reserves		<u>-,-</u>	<u>-,-</u>	-
			<u>-,-</u>	-
<b>28. Transfers from profit participation rights capital (Genusssrechtskapital)</b>			<u>-,-</u>	-
			<u>-,-</u>	-
<b>29. Transfers to earnings reserves</b>				
a) to legal reserve		<u>-,-</u>		-
b) to reserve for treasury shares		<u>-,-</u>		-
c) to reserves required by the bank's articles of association		<u>-,-</u>		-
d) to other earning reserves		<u>-,-</u>	<u>-,-</u>	-
			<u>-,-</u>	-
<b>30. Replenishment of profit participation rights capital</b>			<u>-,-</u>	-
<b>31. Unappropriated profit (balance sheet profit)</b>			<u>438,121.32</u>	<u>/ 51,299</u>

## Cash Flow Statement

	01/01/21 - 06/30/21	01/01/20 - 06/30/20
	kEUR	kEUR
<b>Annual Net Profit/Loss</b>	<b>438</b>	<b>-51,299</b>
<i>Cash positions included in the annual net income and reconciliation with cash flow from current operating activities:</i>		
Amortization/depreciation, value adjustments and reversals on receivables, tangible and financial assets	4,603	11,202
Changes in accruals	15,889	2,436
Change in other non-cash expenses/income	-	-
Gain/loss from the sale of financial and tangible assets	-	9
Other adjustments (in net terms)	11,188	18,441
<b>Subtotal:</b>	<b>32,118</b>	<b>-19,211</b>
<i>Change in assets and liabilities from current operating activities:</i>		
<i>Receivables:</i>		
- from banks	213,851	-558,660
- from clients	-25,006,014	-6,520,088
Trading portfolio assets	4,380,874	-1,889,459
Other assets from current operating activities	-431,092	-160,603
<i>Liabilities:</i>		
- owed to banks	691,028	601,116
- owed to clients	23,598,966	5,669,679
Securitized liabilities	-	-
Trading portfolio liabilities	-4,329,907	1,774,080
Other liabilities from current operating activities	-557,731	850,806
Interest and dividend payments received	74,787	6,749
Interest paid	-81,421	-25,135
Income tax payments	-4,554	-55
<b>Cash flow from current operating activities</b>	<b>-1,419,095</b>	<b>-270,781</b>
<i>Payments received from the outflow of</i>		
- Financial assets	4,531	404
- Tangible assets	-	-
<i>Payments made for investments in</i>		
- Financial assets	-	-
- Tangible assets	-3,456	-261
Payments received from the sale of consolidated companies and other business units	-	-
Payments made for the purchase of consolidated companies and other business units	-	-
Change in cash resources based on investing activities (in net terms)	-	-
<b>Cash flow from investing activities</b>	<b>1,075</b>	<b>143</b>
Payments received from contributions to equity capital	1,418,020	270,638
<i>Payments made to company owners:</i>		
- Dividend payments	-	-
- Other outgoing payments	-	-
Change in cash resources other capital (in net terms)	-	-
<b>Cash flow from financing activities</b>	<b>1,418,020</b>	<b>270,638</b>
<b>Cash and cash equivalents at the end of previous period</b>	<b>0</b>	<b>0</b>
Cash flow from current operating activities	-1,419,095	-270,781
Cash flow from investing activities	1,075	143
Cash flow from financing activities	1,418,020	270,638
<b>Cash and cash equivalents at the end of the period</b>	<b>0</b>	<b>0</b>



**Citigroup Global Markets Europe AG,  
Frankfurt am Main**

**Notes – Condensed - as of June 30, 2021<sup>1</sup>**

**1. General Notice about Key Legal and Business Changes in the First Half of 2021**

Citigroup Global Markets Europe AG (CGME), with its registered offices in Frankfurt am Main, is entered in the Commercial Register of the District Court of Frankfurt am Main under registration number HRB 88301.

In February 2021 and pursuant to § 272 (2) no. 4 of the German Commercial Code (HGB), the sole shareholder of CGME, Citigroup Global Markets Limited, London/United Kingdom (“CGML”), paid in additional equity capital in the amount of USD 700 million (equaling roughly EUR 576.8 million).

In April 2021 and pursuant to § 272 (2) no. 4 HGB, the sole shareholder of CGME, CGML, London/ United Kingdom, injected more equity capital, this time in the amount of USD 500 million (equaling roughly EUR 420.4 million).

In June 2021 and pursuant to § 272 (2) no. 4 HGB, the sole shareholder of CGME, CGML, once again made a payment into equity capital, this time in the amount of USD 503 million (equaling roughly EUR 420.8 million).

**2. Bases of the Accounting**

The obligation set forth in § 115 of the German Securities Trading Act (WpHG) to prepare a half-year financial report no longer applies to Citigroup Global Markets Europe AG, Frankfurt am Main, because none of securities issued by CGME were admitted to trading on the regulated market in the reporting period.

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<sup>1</sup> In accordance with § 115 (5) WpHG, a review pursuant to § 317 HGB (in other words, a so-called “*prüferische Durchsicht*”) of the interim financial report as of June 30, 2021 was not performed.

The interim reporting by CGME as of June 30, 2021 is being carried out on the basis of the prospectus-related obligations prescribed under Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/ EC (EU Prospectus Regulation) and was prepared in accordance with the provisions under the German Stock Corporation Act (AktG) and the German Commercial Code (HGB) as well as the supplemental provisions of the Accounting Regulation for Banks and Financial Services Institutions (RechKredV).

In accordance with the prospectus requirements under the EU Prospectus Regulation, the interim report includes a balance sheet as well as an income statement based on the Form 1 or Form 3 under § 2 (1) RechKredV as well as some selected information that is set forth in the condensed notes and a condensed cash flow statement.

The interim report was prepared in accordance with § 244 HGB in the German language and presented in euro. Unless otherwise indicated in individual sections, the figures shown are in million euros (EUR million) in an effort to provide better clarity. Due to rounding, certain numbers in the report may do not add up exactly to the sums indicated.

In accordance with § 115 (3) of the WpHG and based on DRS 16, a decision was made not to supplement the interim report as of June 30, 2021 with a condensed statement of equity capital and an interim management report.

Based on the provisions § 115 (3) sentence 2 WpHG as well as DRS 16.15 in combination with §§ 265 (2) and 340a (1) HGB, the numerical information for the comparative period in the balance sheet items refers to December 31, 2020. With regard to the items on the income statement and the condensed cash flow statement of the interim report as of June 30, 2021, DRS 16.15 b) provides that the comparative figures to be used are the financial statement items of the relevant time period of the fiscal year immediately preceding the interim report per June 30, 2021.

There is no obligation to prepare a consolidated half-year financial report pursuant to § 115 (3) WpHG in combination with § 290 (5) HGB because the only relevant subsidiaries are those that under § 296 (2) HGB do not need to be included in the consolidated financial statements. With regard to that point, reference is also made to the fact that the application

of German Accounting Standard (*Deutsche Rechnungslegungs Standard* or DRS) No. 16 relating to interim report (referred to as DRS 16) is not required. This does not rule out the possibility that individual provisions under the Standard could be voluntarily applied in connection with the interim reporting, to the extent it would serve to provide better assured insight into the net assets, financial condition, and results of operation of CGME as of June 30, 2021.

### **3. Accounting and Valuation Methods**

Unless discussed otherwise below or a supplemental explanation is considered necessary for a better understanding, the same accounting and valuation methods that were used in connection with preparing the half-year financial report as of June 30, 2020 and the annual financial statements as of December 31, 2020 were also used in preparing the interim report as of June 30, 2021.

The valuation (recognition) of **financial instruments in the trading portfolio** was done at fair value less a risk discount in accordance with sentence one of § 340e (3) sentence 1 HGB. The financial instruments are initially recognized at their cost of acquisition. In accordance with an official statement (RS BFA 2) of the Institute of Public Auditors in Germany (IDW), the follow-up valuation at fair value is based on the value at which competent parties, who are independent of one another but wish to contract, could exchange an asset, or pay a liability and is performed in accordance with the hierarchical order of valuation criteria set forth in § 255 (4) HGB. The value of financial instruments, which are traded on an active market, was determined using generally accepted valuation methods (above all, on the basis of option pricing models). In general, these methods are based on estimates of future cash flow, while taking into account any risk factors that may apply.

As of June 30, 2021, **a risk discount (value-at-risk)** totaling EUR 20.7 million was applied to the financial instruments in the trading portfolio. Compared to the valuation discount applied as of the end of fiscal year 2020 in the amount of EUR 7.4 million, this VAR has created an additional drag on earnings in the amount of EUR 13.3 million in the first half of 2021.

To calculate the value-at-risk, CGME uses an internal model developed by Citigroup (IMA), which has been run since the beginning of 2019 to satisfy the equity capital requirements for market risks. The German Federal Financial Supervisory Authority (BaFin) has issued a

temporary permission to apply the market risk model. Compared to the standard method previously applied, the IMA allows for a more detailed calibration of the risk sensitivities. Thus, the market price risks, which make up most of the portfolio at CGME, are covered more precisely. The primary catalyst behind the increase in this position are the components of the 10-day value-at-risk in the IMA based on a confidence level of 99%.

As a supplement to the value-at-risk and as of the balance sheet date, CGME applied to the trading book item, which are shown as “other price risks”, a discount in the form of a “market value adjustment” totaling approx. EUR 3.1 million (December 31, 2020: approx. EUR 2.0 million), which was calculated using a mathematical process and factors in the model-based price risks for derivatives, as well as the potential loss risks on repurchases of CGME’s own derivatives.

#### **4. Explanations regarding Selected Key Items in the Interim Report**

##### **a. Items on the balance sheet**

In comparison to the balance sheet date of the recently completed fiscal year, the item, **receivables from clients**, has increased by EUR 24,988.5 million to EUR 38,782.2 million as of June 30, 2021. Of that amount, roughly EUR 2,638.4 million relate to receivables connected with the broker/dealer business, which was taken up in the Bank’s own name and for its own account and which CGME, *inter alia*, clears *via* the so-called “Housing” (06/30/2021: EUR 1,260.2 million; 12/31/2020: EUR 2,174.1 million) and “London” (06/30/2021: EUR 1,288.3 million; 12/31/2020: EUR 820.9 million). In addition, a total of EUR 18,259.5 million (12/31/2020: EUR 4,291.4 million) is attributable to other receivables from clients arising from the broker/dealer business with third parties, whereby a total of EUR 1,982.4 million (12/31/2020: EUR 2,816.1 million) were settled as back-to-back transactions with affiliated enterprises. The **liabilities owed to clients** increased accordingly from EUR 12,628.5 million to EUR 36,219.9 million as of June 30, 2021.

The balance sheet items also include receivables generated from executed securities repurchase transactions (reverse repos) totaling EUR 11,618.5 million (12/31/2020: EUR 4,513.1 million). Of this amount, approximately EUR 5,084.3 million involve reverse repo

transactions that were executed with third parties in connection with the “Matchbook Desk” as well as approximately EUR 6,534.2 million in reverse repo transactions that were executed with affiliated enterprises for liquidity management purposes.

Receivables from clients have a **term to maturity** of up to three months.

The “**trading portfolio**” shown in the balance sheet consists of the following:

	Trading Portfolio Assets		Trading Portfolio Liabilities	
	06/30/2021 (EUR million)	12/31/2020 (EUR million)	06/30/2021 (EUR million)	12/31/2020 (EUR million)
Derivative financial instruments	41,358.3	46,014.5	41,519.3	46,045.0
Promissory notes and other fixed-income securities	289.4	249.9	578.3	382.6
Shares and variable-yield securities	743.3	494.2	72.4	73.4
Liabilities from issued promissory notes	0	0	0	0
Market Value Adjustment	0	0	3.1	2.0
Value at Risk Adjustment	-20.7	-7.4	0	0
<b>Total</b>	<b>42,370.3</b>	<b>46,751.2</b>	<b>42,173.1</b>	<b>46,503.0</b>

Since the beginning of fiscal year 2019 and as part of its business, CGME has been providing for its clients certain services that are related to derivatives and were previously provided by the sole shareholder, “CGML”. Under this so-called “**FCC Business**” (“Futures, Collateral and Servicing Services”), the investment services performed by CGME cover, among other things, trading in derivative financial instruments in its own name but for the account of the client as well as the related receipt and transfer of client funds that must be deposited by the clients as security in connection with futures trading. The contractual arrangements reached thereby provide for a certain segregation of the client assets from the assets of CGME in an effort to protect the client assets against third-party attachment or seizure in the event of an insolvency of CGME, acting as the asset “manager”. The client assets are thereby held in trust. Accordingly, as of the end of the 2021 half-year, the **trust assets** as well as the existing **trust liabilities** owed to the clients are reported at EUR 323.2 million in each case.

By contributing the branch establishments in Paris, Milan and Madrid, the customer accounts existing at the branch establishments were transferred, for which a goodwill value

originally totaling EUR 91 million was ascribed to, and then amortized as, **goodwill** on a scheduled basis over a period of 10 years.

**Provisions for pension and similar obligations** were valued on the basis of the projected unit credit method. Key principles underlying the valuation are the accrual-based allocation of pension benefits during the service relationship (employment tenure), for which pension commitments have been made, and the actuarial assumptions that are used to calculate the present cash value of such future benefits. The value of the obligation as of the balance sheet date is the actuarial present cash value of all those benefits which, based on the pension formula under the plan, are attributable to the period of service completed up to that point in time.

In order to calculate the present cash value, a discount rate of 2.09% (per 12/31/2020: 2.30%) based on a 15-year term was used. Pursuant to § 253 (2) sentence 1 HGB, the average market rate of the previous ten fiscal years was used in this fiscal year. With respect to the resulting difference, we refer to our comments on page 8 of these condensed notes regarding the total sum of the amounts barred from payout distribution. Future salary and wage increases were estimated at 2.5% (no change), and at the same time, a 1.5% adjustment of the current annuities was assumed. The biometric data was taken from the 2018 G mortality tables of Professor Dr. Klaus Heubeck.

The contractual security arrangement related to the **company pension obligations** is being handled on the basis of a contractual trust arrangement (CTA) with the trustee, Towers Watson Treuhand e.V.

Factoring in the existing pension plan set-offs (netting the assets and liabilities) carried out at fair value pursuant to § 246 (2) sentence 2 HGB, the provisions for pensions and similar obligations consist of the following:

	06/30/2021		12/31/2020	
	EUR million	EUR million	EUR million	EUR million
<b>I. General Pension Obligations</b>				
Settlement amount	217.7		211.7	
less				
Plan assets Rose*)	- 199.1	18.6	- 198.0	13.7
<b>II. Pension Obligations PAS**)</b>				
Settlement amount	10.1		9.1	
less				
Plan assets	- 10.1	-	- 9.1	-
<b>III. Pension Obligations Deferred Compensation ***)</b>				
Settlement amount	3.5		8.1	
less				
Plan assets	- 3.5	-	- 8.1	-
<b>IV. Pension Obligations PRS ****)</b>				
Settlement amount	58.1		56.4	
less				
Plan assets	- 47.4	10.7	- 49.1	7.3
<b>Excess of plan assets over post-employment benefit liabilities</b>				-
<b>Accruals for pensions and similar obligations</b>		<b>29.3</b>		<b>21.0</b>

\*) Acquisition costs EUR 104.8 million

\*\*\*) Acquisition costs EUR 1.4 million

\*\*\*\*) Acquisition costs EUR 2.4 million

\*\*\*\*\*) Acquisition costs EUR 38.3 million

The following amounts were recognized in the half-year results for the period of January 1 through June 30, 2021 in comparison to the prior year:

(Figures in EUR millions)	01/01/2021 - 06/30/2021		01/01/2020 - 06/30/2020	
<b>I. General Pension Obligations</b>				
- Expense (-) / Income based on interest accrued on pension obligations	- 8.7		- 8.6	
- Change in the fair value of the plant assets	1.1		- 5.6	
- Expense for standard allocation	- 3.5	-11.1	- 2.2	-16.3
<b>II. Pension Obligations under PAS</b>				
- Expense (-) / Income based on interest accrued on the pension obligations	1.1		1.4	
- Change in the fair value of the plant assets	- 1.1	-	- 1.4	-
<b>III. Pension Obligations Deferred Compensation</b>				
- Expense (-) / Income based on interest accrued on the pension obligations	0.0		0.1	
- Change in the fair value of the plant assets	- 0.0	-	- 0.1	-
<b>IV. Pension Obligations PRS</b>				
- Expense (-) / Income based on interest accrued on the pension obligations.	- 1.6		- 1.1	
- Change in the fair value of the plant assets	- 1.7		0.9	
- Expense (-) / Income from standard allocation	- 0.2	- 3.5	- 0.7	- 0.8
<b>Total</b>		<b>- 14.6</b>		<b>- 17.1</b>

The total sum of the amounts, **which are barred from payout distribution**, consists of the following:

Amount barred from payout distribution pursuant to	06/30/2021 (EUR millions)	12/31/2020 (EUR millions)
§ 268 (8) HGB (fair value from plan assets)	113.2	112.8
§ 253 (6) sentence 1 HGB (difference from the valuation of the pension obligations with an average market interest rate over the past 10 fiscal years or the past 7 fiscal years)	22.7	23.8
<b>Total</b>	<b>135.9</b>	<b>136.6</b>

*1: Development of the amounts barred from distribution*



As of the respective financial statement dates, the freely available provisions (reserves) exceed the total sum of the amounts that are barred from payout distribution.

As of June 30, 2021, the **amounts barred from distribution**, which are included under the balance sheet item “fund for general bank risks” pursuant to § 340e (4) HGB, equaled EUR 26.9 million (12/31/2020: EUR 26.1 million).

Compared to the previous balance sheet date, the **equity capital on the balance sheet** increased by EUR 1,418.4 million to EUR 3,240.0 million as of June 30, 2021. This increase can be attributed mostly to the additional payments that the sole shareholder, CGML, made into equity capital in the amount of approx. EUR 1,418.0 million as well as the profits (surplus) earned in the first half of the year in the amount of EUR 0.4 million.

#### **b. Items on the income statement**

To explain the key changes in the items on the income statement for the first half of 2021, the values shown in the half-year financial statements of the previous fiscal year were used for comparison purposes.

The negative **interest income** improved from EUR - 20.4 million in the first half of 2020 to EUR - 17.2 million in the first half of 2021. This development can be attributed mainly to the increase in interest income and interest expenses in connection with the significantly elevated volume of broker/dealer business and to the significant increase of liquid asset holdings in the “Matchbook Activities” segment.

The **net commission income** improved over the same period of the prior year by EUR 59.4 million to EUR 158.1 million. The improvement can be traced mainly to the “BCMA” Division which yielded higher commission income from the “DCM & ECM business”.

The **net income from financial trading operations** in the first half of 2021 improved in comparison to the same period of the previous year by EUR 16.2 million, from EUR 12.4 million to EUR 28.6 million, mostly because of an increased trading volume in high-margin product categories.

Compared to the same period of the previous year, the **general administrative expenses** have climbed by EUR 50.6 million to a total of EUR 198.6 million. This growth is attributable primarily to the rise in other administrative expenses that was triggered mostly by consulting and service costs.

Overall, a **profit (surplus)** of EUR 0.4 million was generated in the first half of 2021 (01/01/2020 – 06/30//2020: loss (shortfall) totaling EUR 51.3 million).

## 5. Miscellaneous Information

### Supplementary Report

There have been no events of significant importance that arose after the end of the fiscal year and have not yet been included in this interim report.

### Number of staff members

	06/30/2021	12/31/2020
Average number of employees	515	443

### Branch establishments

As of the time of this report and compared with the same period of the previous year, CGME continues to maintain without change branch establishments in London, Paris, Milan, and Madrid.

## **Executive Board and Supervisory Board**

The CGME **Executive Board** consists of the following members:

- Ms. Kristine Braden, Frankfurt am Main, CEO, Bank Director, Chairwoman,
- Mr. Stefan Hafke, Kelkheim, Corporate / Commercial Banking and CCO, Bank Director,
- Mr. Andreas Hamm, Dreieich, COO, Bank Director,
- Dr. Jasmin Kölbl-Vogt, Frankfurt am Main, Legal, Bank Director,
- Mr. Oliver Rusmann, Bad Vilbel, CFO, Bank Director,
- Ms. Amela Sapcanin, Frankfurt am Main, CRO, Bank Director.

The **Supervisory Board** consists of the following members:

- Ms. Barbara Frohn, London, Bank Director, Citigroup Global Markets Limited, London, Chairwoman,
- Mr. Stefan Wintels, Frankfurt am Main, Bank Director, Deputy Chairman, (through July 16, 2021),
- Mr. Leo Arduini, London, Bank Director, Citigroup Global Markets Limited, London,
- Mr. James Bardrick, Coggeshall Hamlet, Bank Director, CEO, Citigroup Global Markets Limited, London,
- Mr. Tim Färber, Kelsterbach, Bank Employee, Employee Representative,
- Mr. Dirk Georg Heß, Friedrichsdorf, Bank Employee, Employee Representative.

In addition to her work on the Executive Board, Ms. Kristine Braden also sits on the following supervisory board pursuant to § 340a (4) no. 1 HGB:

- Member of the supervisory board of Bank Handlowy w Warszawie S.A., Warsaw, Poland

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