Supplement No. 1

pursuant to Article 23 of Regulation (EU) 2017/1129

dated 14 November 2022

to the Registration Document

dated 28 April 2022

of

Citigroup Global Markets Europe AG

Frankfurt am Main

(the "Issuer")

Pursuant to Article 23 para. 2a sentence 1 of Regulation (EU) 2017/1129 dated 14 June 2017, as amended, (the "**Prospectus Regulation**") investors who have already agreed to purchase or subscribe for the securities before the supplement is published have the right, exercisable within three working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to in Article 23 para. 1 Prospectus Regulation arose or was noted before the closing of the offer period or the delivery of the securities, whichever occurs first.

Statement concerning the right of withdrawl

A right of withdrawal is only granted to those investors who had already agreed to purchase or subscribe for the securities before the supplement was published and where the securities had not yet been delivered to the investors at the time when the significant new factor, material mistake or material inaccuracy arose or was noted. Investors may exercise their right of withdrawal within three working days after publication of the supplement.

Any withdrawal should be addressed to Citigroup Global Markets Europe AG, Attn: Legal Department, Frankfurter Welle, Reuterweg 16, 60323 Frankfurt am Main; e-mail: widerruf@citi.com.

The Supplement and the Registration Document are available free of charge at the offices of Citigroup Global Markets Europe AG, Frankfurter Welle, Reuterweg 16, 60323 Frankfurt am Main and furthermore are available on the website of the issuer at www.citifirst.com under the rider Information>Legal Documents.

Reason for supplement

1. Approal of the application for permission to operate as a CRR credit institution.

   The factor giving rise to the supplement occurred on: 17 October 2022.

2. Reassessment/adjustment of material risk factors:

   The factor giving rise to the supplement occurred on: 17 October 2022.

3. Supplementing of the Issuer's (unaudited) interim financial information as of 30 June 2022, against the background of updating base prospectuses.

   The factor giving rise to the supplement occurred on: 14 November 2022.

The registration document is supplemented as follows:

*1. In section "**1. Risk Factors**" on page 13 of the Registration Document, the following risk factor is added at the end of subsection "**1.2 Operational risks**":*

> "**Rapidly evolving challenges and uncertainties related to the COVID-19 pandemic in the United States and globally will likely continue to have negative impacts on the Citigroup Group's businesses and results of operations and financial condition**

The COVID-19 pandemic has affected all of the countries and jurisdictions in which Citigroup Group operates, including severely impacting global health, financial markets, consumer and business spending and economic conditions. The extent of the future pandemic impacts remain uncertain and will likely evolve by region, country or state, largely depending on the duration and severity of the public health consequences, including the duration and further spread of the coronavirus as well as any variants becoming more prevalent and impactful; further production, distribution, acceptance and effectiveness of vaccines; availability and efficiency of testing; the public response; and government actions. The future impacts to global economic conditions may include, among others:

- further disruption of global supply chains;
- higher inflation;
- higher interest rates;
- significant disruption and volatility in financial markets;
- additional closures, reduced activity and failures of many businesses, leading to loss of revenues and net losses;
- further institution of social distancing and restrictions on businesses and the movement of the public in and among the United States and other countries; and
- reduced United States and global economic output.

The pandemic has had, and may continue to have, negative impacts on Citigroup Group's businesses and overall results of operations and financial condition, which could be material. The extent of the impact on Citigroup Group's operations and financial performance, including its ability to execute its business strategies and initiatives, will continue to depend significantly on future developments in the United States and globally. Such developments are uncertain and cannot be predicted, including the course of the coronavirus, as well as any weakness or slowing in the economic recovery or a further economic downturn, whether due to further supply chain disruptions, inflation trends, higher interest rates or otherwise.

The pandemic may not be sufficiently contained for an extended period of time. A prolonged health crisis could reduce economic activity in the United States and other countries, resulting in additional declines or weakness in employment trends and business and consumer confidence. These factors could negatively impact global economic activity and markets; cause a continued decline in the demand for Citigroup Group's products and services and in its revenues; further increase Citigroup Group's credit and other costs; and may result in impairment of long-lived assets or goodwill. These factors could also cause an increase in Citigroup Group's balance sheet, risk-weighted assets and allowance for credit losses, resulting in a decline in regulatory capital ratios or liquidity measures, as well as regulatory demands for higher capital levels and/or limitations or reductions in capital distributions (such as common share repurchases and dividends). Moreover, any disruption or failure of Citigroup Group's performance of, or its ability to perform, key business functions, as a result of the continued spread of COVID-19 or otherwise, could adversely affect Citigroup Group's operations.

Ongoing legislative and regulatory changes in the United States and globally to address the economic impact from the pandemic could further affect Citigroup Group's businesses, operations and financial performance. Citigroup Group could also face challenges, including legal and reputational, and scrutiny in its efforts to provide relief measures. Such efforts have resulted in, and may continue to result in, litigation, including class actions, and regulatory and government actions and proceedings. Such actions may result in judgments, settlements, penalties and fines adverse to Citigroup Group. In addition, the different types of government actions could vary in scale and duration across jurisdictions and regions with varying degrees of effectiveness.

Citigroup Group has taken measures to maintain the health and safety of its colleagues; however, these measures could result in additional expenses, and illness of employees could negatively affect staffing for a period of time. In addition, Citigroup Group's ability to recruit, hire and onboard colleagues in key areas could be negatively impacted by pandemic restrictions as well as Citigroup Group's COVID-19 vaccination requirement.

Further, it is unclear how the macroeconomic or business environment or societal norms may be impacted after the pandemic. The post-pandemic environment may undergo unexpected developments or changes in financial markets, fiscal, monetary, tax and regulatory environments and consumer customer and corporate client behaviour. These developments and changes could have an adverse impact on Citigroup Group's results of operations and financial condition. Ongoing business and regulatory uncertainties and changes may make Citigroup Group's longer-term business, balance sheet and strategic and budget planning more difficult or costly. Citigroup Group and its management and businesses may also experience increased or different competitive and other challenges in this environment. To the extent that it is not able to adapt or compete effectively, Citigroup Group could experience loss of business and its results of operations and financial condition could suffer.

Any negative impact of the COVID-19 pandemic on Citigroup Group, including the Issuer, could adversely affect the ability of the Issuer, to fulfil its obligations under the Securities, and consequently the value of and return on such Securities may also be adversely affected."

*2. In the section "**1. Risk Factors**", on page 16 of the Registration Document, in the subsection "**1.5 Legal and regulatory risks**", the first risk factor and the information already included therein shall be deleted and replaced by the following information:*

"**Legal provisions enable the competent resolution authority to take resolution measures with regard to the Issuer.**

Under the EU plan to establish a European Banking Union, responsibility for the supervision, resolution and funding of banks has been pooled at EU level. The first pillar of the European Banking Union consists of a single supervisory mechanism (Single Supervisory Mechanism, "**SSM**") covering all banks in the euro area. The SSM was established by Council Regulation (EU) No. 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions ("**SSM Regulation**"). Upon entry into force of the SSM Regulation, the European Central Bank ("**ECB**") assumed direct supervision of the largest and most significant banks in the euro area. At the current time, the Issuer is part of this group of systemically important banks directly supervised by the ECB.

The second pillar of the European Banking Union is the single resolution mechanism (Single Resolution Mechanism, "**SRM**"). The SRM was established by Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 (as amended from time to time, the "**SRM**

Regulation"). Under the SRM, a single resolution process applies to all credit institutions and investment firms established in EU Member States participating in the SSM. The objective of the SRM is to ensure the orderly (and, where appropriate, cross-border) resolution of banks while avoiding adverse effects on financial stability, the real economy and public finances.

In order to achieve this objective, the single resolution board (Single Resolution Board), as the competent resolution authority, may, in accordance with the provisions of the SRM Regulation and Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time, the Bank Recovery and Resolution Directive - "**BRRD**"), take measures that result in payments owed under Securities issued by the Issuer being converted into core capital instruments of the Issuer or permanently reduced to zero (0) (so-called "**Creditor Participation**"). In such a case, the affected Securities Holders shall have no claim against the Issuer for payment in accordance with the relevant Terms and Conditions.

This occurs if, in the opinion of the competent resolution authority, the continued existence of the Issuer is at risk, the threat of default cannot be averted just as effectively by alternative measures, and the measure taken is in the public interest. In this context, in order to compensate for an existing shortage of equity capital, instruments of core capital and then those of supplementary capital can be permanently written down or converted into core capital instruments of the Issuer ("**bail-in instruments**"). To the extent that these instruments are not sufficient to compensate for an existing shortage of equity capital, debt securities that qualify as eligible liabilities under the minimum capital requirements and eligible liabilities within the meaning of the SRM Regulation, as well as all other liabilities of the Issuer that qualify for bail-in under the SRM Regulation, may also be permanently written down or converted into core capital instruments of the Issuer in accordance with their ranking in the insolvency.

In the context of Creditor Participation, the Terms and Conditions may also be amended to the detriment of the Securities Holders. The extent to which the Issuer's liabilities under securities may become subject to Creditor Participation depends on a number of factors over which the Issuer has no control. Creditor Participation may - outside formal insolvency proceedings - result in a significant impairment of the rights of the affected Securities Holders, up to and including a predominant or complete loss of the capital invested.

In a bail-in, the claims of the creditors of the Issuer as a credit institution as well as the holders of the unsecured securities of the Issuer shall be divided into different groups and assigned to liability according to a fixed order of priority (so-called "**liability cascade**").

First, these owners of the Issuer as a credit institution (i.e. holders of shares and other company shares), then, creditors of the Issuer's additional core capital or supplementary capital and creditors of unsecured subordinated liabilities (including, for example, subordinated loans and participation rights) are affected.

The next category includes unsecured non-subordinated liabilities and thus, in principle, also debt instruments such as bearer bonds, negotiable bonds and rights comparable to these debt instruments, including registered bonds and promissory note loans (*Schuldscheindarlehen*).

Within this category there are non-structured debt instruments that are assigned a lower ranking in insolvency proceedings than other unsecured non-subordinated liabilities. The lower ranking may be based on a statutory order or an express provision by the debtor in the terms and conditions.

These so-called non-preferred debt instruments rank ahead of other unsecured non-subordinated liabilities in the liability cascade.

The Securities issued by the Issuer are in the liability cascade after the non-preferred debt instruments. Accordingly, in the event of a bail-in, the holders of the securities are only called upon after the holders of these non-preferred debt instruments.

Should the competent resolution authority take resolution measures and also consider the securities issued by the Issuer to be liable in the order specified in the liability cascade, security holders bear the risk of losing their claims from the securities. This includes in particular claims for payment of the cash amount.

Holders of securities therefore also lose their claims from the securities under the following conditions: The claims of the security holders are converted into shares in the Issuer (e.g. shares). In this case, security holders bear all the risks of a shareholder of the Issuer. The price of the Issuer's shares will usually have fallen sharply in such a situation. Therefore, security holders are likely to incur a loss under these conditions. The same applies if the securities holders' claims against the Issuer are reduced in whole or in part to zero (0). As a result, security holders are exposed to a considerable risk of loss, including the **risk of total loss**.

The competent resolution authority may also order that payment and delivery obligations of the Issuer as an Institution, e.g. under the terms and conditions of securities vis-à-vis the holders of securities, or the possibility for the holders of securities to exercise any termination or other rights under the terms and conditions of securities issued by the Issuer, be suspended until the end of the business day following the announcement of the resolution order. Under certain conditions, the competent resolution authority may also, in relation to liabilities of the Issuer, restructure individual contractual arrangements, including the terms and conditions of securities issued by the Issuer, or order the cancellation or suspension of trading of the Issuer's securities on a regulated market or exchange listing."

*3. In section "**1. Risk Factors**" on page 18 of the Registration Document, in the subsection "**1.5 Legal and regulatory risks**", the following risk factor is added at the end of subsection "**1.5 Legal and regulatory risks**":*

"**The military action by Russia in Ukraine, and related sanctions, export controls and similar actions or laws could adversely affect Citigroup Groups' business activities and customers**

Following the military action by Russia in Ukraine, the United States has imposed, and is likely to impose material additional, financial and economic sanctions and export controls against certain Russian organisations and/or individuals, with similar actions implemented and/or planned by the European Union, the United Kingdom and other jurisdictions. Citigroup Group's ability to engage in activity with certain consumer and institutional businesses in Russia and Ukraine or involving certain Russian or Ukrainian businesses and customers is dependent in part upon whether such engagement is restricted under any current or expected United States, European Union, United Kingdom or other countries' sanctions and laws, or is otherwise discontinued in light of these developments. Sanctions and export controls, as well as any actions by Russia, could adversely affect Citigroup Group's business activities and customers in and from Russia and Ukraine. Any negative impact of Russia's actions in Ukraine, and related sanctions, export controls and similar actions or laws on Citigroup Group, including the Issuer, could adversely affect the ability of the Issuer, to fulfil its obligations under the Securities, and the value of and return on the Securities may also be adversely affected."

*4. In the section "**5. Information about the Issuer**", on page 23 of the Registration Document, in the subsection "**5.1 Business history of the Issuer**", the information already included under the heading "**The Issuer as a CCR Credit Institution**" shall be deleted and replaced by the following information:*

"Pursuant to Article 4 (1)(1)(b) of Regulation (EU) No. 575/2013 (Capital Requirements Regulation), which was introduced in the course of the European regulations on significant investment firms, the Issuer falls into the category of (significant) credit institutions. The Issuer has complied with the resulting obligation to submit an application for permission to operate as a CRR credit institution by 26 June 2021. The application for permission has been approved on 17 October 2022. Thus, with effect from 18 October 2022, the Issuer shall be subject to the direct supervision of the European Central Bank as supervisory authority."

*5. In the section "**13. Financial information concerning the Issuer's assets and liabilities, financial position and profit and losses**" on page 34 of the Registration Document, subsection "**13.3 Significant change in the financial condition of the Issuer**" is deleted and replaced with the following subsections:*

"**13.3 Interim financial information**

The Issuer is publishing unaudited interim financial information for the first six months of the financial year 2022, i.e. for the first six months since the last audited annual financial statements on 31 December 2021. The interim balance sheet as of 30 June 2022, the income statement for the period from 1 January 2022 through 30 June 2022 and the notes - condensed - as of 30 June 2022 have been prepared under the responsibility of the Issuer in accordance with German accounting regulations. The interim financial information consists of the interim balance sheet as of 30 June 2022 and the income statement for the period from 1 January 2022 through 30 June 2022 as well as the notes - condensed - as of 30 June 2022, including the presentation of the accounting policies and the cash flow statement.

13.4 Significant change in the financial position of the Issuer

There has been no significant change in the financial position of the Issuer since the date of its last published unaudited interim financial statements, i.e. 30 June 2022"

*6. In the section "**18. Historical financial information** ", on page 36 of the Registration the information already included therein shall be deleted and replaced by the following information:*

"FINANCIAL INFORMATION FOR FIRST HALF YEAR FROM 1 JANUARY 2022 THROUGH 30 JUNE 2022

*7. Following section "**18. Historical financial information**", the following pages (pages E-1 to E-19) are inserted on page 36 of the Registration Form:*

Interim Balance Sheet as of June 30, 2022
Citigroup Global Markets Europe AG, Frankfurt am Main

Assets				
	EUR	**EUR**	**EUR**	**12/31/2021 kEUR**
1. Cash reserve				
a) Cash on hand		-.--		-
b) Credit balances held at central banks		-.--		-
of which: at the Deutsche Bundesbank (*German Central Bank*) EUR -.-- (12/31/2021 kEUR -)				
c) Credit balances held at post giro offices		-.--	-.--	-
2. Receivables from banks				
a) Due upon demand		866,935,747.20		1,882,879
b) Other receivables		-.--	866,935,747.20	-
3. Receivables from clients			39,213,840,169.64	24,800,615
of which: secured through in rem security interests (*Grundpfandrechte*) EUR -.-- (12/31/2021 kEUR -)				
Municipal loans EUR -.-- (12/31/2021 kEUR -)				
4. Debt securities and other fixed-income securities				
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 -.-- (12/31/2021 kEUR -)				
bb) issued by oher entities	-.--	-.--		-
of which: qualifying as collateral for the Deutsche Bundesbank EUR -.-- (12/31/2021 kEUR -)				
c) Own debt securities		-.--	-.--	-
Face value EUR -.-- (12/31/2021 kEUR -)				

5. Stocks and other variable-yield securities				-.--	-
5a Trading portfolio				51,139,980,055.63	47,750,128
6. Equity investments				1,135,714.07	1,136
of which: held in banks	EUR -.--	(12/31/2021 kEUR -)			
held in financial service institutions	EUR -.--	(12/31/2021 kEUR -)			
7. Trust assets					
of which: trust loans	EUR 1,249,818,107.57	(12/31/2021 kEUR 338,042)		1,249,818,107.57	338,042
8. Intangible assets					
a) Internally-generated industrial property rights and similar rights and assets			-.--		-
b) Paid-for concessions, industrial property rights and similar rights and assets as well as licenses to such rights and assets			22,582.54		44
c) Goodwill			60,666,667.00		65,217
d) Prepayments			-.--	60,689,249.54	-
9. Tangible assets				14,286,380.59	8,508
10. Other assets				6,699,986,992.79	9,030,656
11. Prepaid and deferred items				21,188,202.49	804
12. Excess of plan assets over post-employment benefit liability				39,884.00	35
Total Assets				99,267,900,503.52	83,878,064

	EUR	EUR	EUR	12/31/2021 kEUR
Liabilities and equity capital				
1. Liabilities owed to banks				
a) Payable on demand		448,135,293.94		1,825,961
b) With an agreed term or notice period		-.--	448,135,293.94	-
2. Liabilities owed to clients				
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	33,912,217,237.35			20,351,832
bb) with an agreed term or notice period	5,006,257,828.00	38,918,475,065.35	38,918,475,065.35	1,589,264
3. Securitized liabilities				
a) Issued debt securities		-.--		-
b) Other securitized liabilities		-.--		-
of which:				
Money market paper EUR -.-- (12/31/2021 kEUR -)				
Own acceptances and promissory notes outstanding (*Solawechsel*) EUR -.-- (12/31/2021 kEUR -)				
c) Miscellaneous securitized liabilities	-.--	-.--	-.--	-
3a Trading portfolio			51,150,485,089.63	47,725,053
4. Trust liabilities			1,249,818,107.57	338,042

5. Other liabilities			4,034,443,193.70	8,582,291
6. Deferred income			-.--	-
7. Accrued liabilities				
a) Pensions and similar obligations		55,214,852.16		30,121
b) Tax reserves		4,736,732.34		19,258
c) Other accrued liabilities		157,718,828.94	217,670,413.44	131,481
8. Funds for general bank risks			28,333,610.23	28,334
as defined in § 340e (4) HGB EUR 28,333,610.23 (12/31/2021 kEUR 28,334)				
9. Equity capital				
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		2,919,340
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	61,665,971.21	94,693,168.36		61,666
d) Unappropriated earnings/loss (balance sheet profit/loss)		-35,886,697.16	3,220,539,729.66	0
Total liabilities and equity capital			99,267,900,503.52	83,878,064

Income Statement

for the period of January 1, 2022 through June 30, 2022

Citigroup Global Markets Europe AG, Frankfurt am Main

	EUR	EUR	EUR	01/01/2021 - 06/30/2021 kEUR
1. Interest income from				
a) Loans and money market transactions	50,672,025.40			46,516
2. Negative interest income from				
a) Loans and money market transactions	26,402,818.96	24,269,206.44		27,132
3. Interest expenses	73,623,675.73			54,289
4. Positive interest from loans and money market transactions	21,914,462.36	-51,709,213.37	-27,440,006.93	17,690
5. Current income from				
a) Shares and other variable yield securities		-. --		-
b) Equity investments		436,303.22		385
c) Interest in affiliated enterprises		-. --	436,303.22	-
6. Commission income		260,439,438.62		221,982
7. Commission expenses		139,161,201.77	121,278,236.85	63,878
8. Net income from financial trading operations			69,607,038.74	28,609
Included therein are deposits into funds for general bank risks per § 340e (4) HGB EUR -.-- (01/01/2021-06/30/2021 EUR -.--)				
9. Other operating income			87,204,248.90	51,847
10. General administrative expenses				
a) Personnel expenses				
aa) wages and salaries	105,256,163.65			99,640
ab) social security contributions, pension and welfare expenses	13,266,645.70	118,522,809.35		7,206
of which: for pensions EUR 9,787,382.32 (01/01/2021-06/30/2021 kEUR 3,681)				
b) Other administrative expenses		136,179,447.50	254,702,256.85	91,757
11. Depreciation, amortization and write-downs of tangible and intangible assets			5,731,302.89	4,991
12. Other operating expenses			25,309,572.77	13,145
13. Write-downs of, provisions for, receivables and certain securities and additions to loan reserves		-. --		-

14. Income from reversal of write-downs of receivables and certain securities, and income from reversal of loan receivables	-. --	-. --	-
15. Write-downs on equity investments, interests in affiliated enterprises and long-term securities		-.--	-
16. Results from ordinary operations	./.	34,657,311.73	4,992
17. Taxes on income and earnings	1,229,385.43		4,554
18. Other taxes, to the extent not included in item 12	-.--	1,229,385.43	-
19. Income from loss transfers		-. --	-
20. Profits transferred pursuant to a profit pooling, profit transfer or partial profit transfer agreement		-. --	0
21. Annual net loss/Annual net profit	./.	35,886,697.16	438
22. Profit carried forward/Loss carried forward from the prior year	./.	-. --	-. --
	./.	-. --	-. --
23. Transfers from capital reserves			
		-. --	-
24. Transfer from earnings reserves			
a) from legal reserve	-. --		-
b) from reserve for treasury shares	-. --		-
c) from reserves required by the bank's articles of association	-. --		-
d) from other earning reserves	-. --	-. --	-
		-. --	-
25. Transfers from profit participation rights capital (*Genussrechtskapital*)		-. --	-
		-. --	-
26. Transfers to earnings reserves			
a) to legal reserve	-. --		-
b) to reserve for treasury shares	-. --		-
c) to reserves required by the bank's articles of association	-. --		-
d) to other earning reserves	-. --	-. --	-
		-. --	-
27. Replenishment of profit participation rights capital		-. --	-
28. Unappropriated loss (balance sheet loss)/Unappropriated profit (balance sheet profit)	./.	35,886,697.16	438

Citigroup Global Markets Europe AG,
Frankfurt am Main

Notes – Condensed – as of June 30, 2022[1]

1 In General

1.1 General information

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.

1.2 Supplementary report

In August 2022 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 500 million (equaling roughly EUR 486.6 million).

The war of aggression initiated by Russia against Ukraine could continue to impact the European and German financial systems. On the one hand, the war affects the commodity markets, as the military conflict further exacerbates the rise in the price of oil and gas. It can also be assumed that the war will continue to impair existing supply chains and, combined with rising energy and production costs, will kindle the same high levels of uncertainty that prevailed on the financial and capital markets at the end of 2021. As of the June 30, 2022 balance sheet date, CGME held no direct receivables against Russian banks. The volume of existing indirect receivables held against Russian debtors is considered limited.

[1] In accordance with § 115 (5) of the German Securities Trading Act (WpHG), a review pursuant to § 317 HGB (in other words, a so-called "*prüferische Durchsicht*") of the interim financial report as of June 30, 2022 was not performed.

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

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.

The interim reporting by CGME as of June 30, 2022 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, 2022 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, 2021. With regard to the items on the income statement and the condensed cash flow statement of the interim report as of June 30, 2022, 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, 2022.

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 reporting (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, 2022.

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, 2021 and the annual financial statements as of December 31, 2021 were also used in preparing the interim report as of June 30, 2022.

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, 2022, **a risk discount (value-at-risk)** totaling EUR 15.4 million was applied to the financial instruments in the trading portfolio. Compared to the valuation discount applied as of the end of fiscal year 2021 in the amount of EUR 16.6 million, this VAR has yielded a small drag on earnings in the amount of EUR 1.3 million in the first half of 2022.

To calculate the value-at-risk, CGME uses an internal model developed by Citigroup (IMA), which is applied in order to satisfy the equity capital requirements for market risks. In this respect, the VaR reflects the maximum expected loss of a trading book during a certain holding period (CGME: 10 days) with a predetermined probability (CGME: confidence level of 99%). The specific risks of individual stocks (beta risk) are also factored into the calculation. The VaR is calculated using a Monte Carlo simulation, which is performed for all trading activities on the basis of uniform assessment criteria. The volatilities of the individual market factors, which are included in the calculation, as well as their correlations are determined on an empirical basis.

In addition to the value-at-risk and as of the balance sheet date, CGME has also booked as a liability on its balance sheet a discount in the form of a “market value adjustment” totaling approx. EUR 2.3 million (December 31, 2021: approx. EUR 2.3 million) in an effort to account for the trading book item shown as “Other price risks”, and this discount 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

4.1 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 14,413.2 million to EUR 39,213.8 million as of June 30, 2022. Of that amount, roughly EUR 10,162.2 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 clears for, *inter alia*, the transaction & settlement segment "other external clearing houses" (so-called "Housing") (06/30/2022: EUR 5,798.2 million; 12/31/2021: EUR 3,828.0 million) and "Clearing London/CGML" (06/30/2022: EUR 4,360.2 million; 12/31/2021: EUR 1,310.4 million). In addition, a total of EUR 10,934.5 million (12/31/2021: EUR 3,381.1 million) is attributable to other receivables from clients arising from the broker/dealer business with third parties, whereby a total of EUR 3,335.3 million (12/31/2021: EUR 2,163.0 million) were settled as back-to-back transactions with affiliated enterprises. The **liabilities owed to clients** increased accordingly from EUR 21,941.1 million to EUR 38,918.5 million as of June 30, 2022.

The balance sheet items also include receivables generated from executed securities repurchase transactions (reverse repos) totaling EUR 13,443.1 million (12/31/2021: EUR 14,371.7 million). Of this amount, approximately EUR 4,358.2 million involve reverse repo transactions that were executed with third parties in connection with the so-called "Matchbook Desk" as well as approximately EUR 9,084.9 million in reverse repo transactions that were executed with affiliated enterprises for liquidity management purposes.

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

	Trading Portfolio Assets		**Trading Portfolio Liabilities**	
	06/30/2022 (EUR million)	**12/31/2021 (EUR million)**	**06/30/2022 (EUR million)**	**12/31/2021 (EUR million)**
Derivative financial instruments	50,472.5	46,223.2	50,541.0	46,432.3
Promissory notes and other fixed-income securities	293.0	331.8	585.7	1,147.1
Shares and variable-yield securities	389.9	1,211.7	21.5	143.4
Liabilities from issued promissory notes	0	0	0	0
Market Value Adjustment	0	0	2.3	2.3
Value at Risk Adjustment	-15.4	-16.6	0	0
Total	**51,140.0**	**47,750.1**	**51,150.5**	**47,725.1**

As part of its business, CGME has been providing for its clients certain services that are related to derivatives. Under this so-called “**FCX Business**” (“Futures, Clearing and FX PrimeBrokerage Business”), 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 2022 half-year, the **trust assets** as well as the existing **trust liabilities** owed to the clients are reported at EUR 1,249.8 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 1.78% (per 12/31/2021: 1.87%) 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 9 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 2.3% 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.

In accordance with Art. 28 of the Introductory Act to the German Commercial Code (EGHGB), no provision was recognized for the indirect obligations based on commitments for current pensions transferred to the Metz pension fund (MPF). The settlement amount from these pension obligations amounts to EUR 98.1 million as of June 30, 2022.

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:

	06/30/2022		12/31/2021	
	EUR million	EUR million	EUR million	EUR million
I. General Pension Obligations				
Settlement amount	137.3		125.5	
less				
Plan assets Rose*)	-97.4	39.9	-107.4	18.1
II. Pension Obligations under PAS)**				
Settlement amount	8.7		9.7	
less				
Plan assets	-8.7	-	-9.7	-
III. Pension Obligations Deferred Compensation*)**				
Settlement amount	3.4		3.6	
less				
Plan assets	-3.4	-	-3.6	-
IV. Pension Obligations under PRS **)**				
Settlement amount	60.2		58.8	
less				
Plan assets	-44.9	15.3	-46.8	12.0
Excess of plan assets over post-employment benefit liabilities		**-**		**-**
Accruals for pensions and similar obligations		**55.2**		**30.1**

*) Acquisition costs EUR 55.4 million
**) Acquisition costs EUR 2.9 million
***) Acquisition costs EUR 2.3 million
****) Acquisition costs EUR 40.1 million

The following amounts were recognized in the half-year results for the period of January 1 through June 30, 2022 in comparison to the prior year:

(Figures in EUR millions)	01/01/2022 - 06/30/2022		01/01/2021 - 06/30/2021	
I. General Pension Obligations				
- Expense (-) / Income based on interest accrued on pension obligations	-3.2		-8.7	
- Change in the fair value of the plan assets	-10.0		1.1	
- Expense for standard allocation	-9.6	-22.8	- 3.5	-11.1
II. Pension Obligations under PAS				
- Expense (-) / Income based on interest accrued on the pension obligations	1.0		1.1	
- Change in the fair value of the plan assets	-1.0	-	-1.1	-
III. Pension Obligations Deferred Compensation				
- Expense (-) / Income based on interest accrued on the pension obligations	0.0		0.0	
- Change in the fair value of the plan assets	-0.0	-	-0.0	-
IV. Pension Obligations under PRS				
- Expense (-) / Income based on interest accrued on the pension obligations	-1.2		-1.6	
- Change in the fair value of the plan assets	-4.7		-1.7	
- Expense (-) / Income from standard allocation	-0.2	-6.1	-0.2	- 3.5
Total		**- 28.9**		**- 14.6**

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

Amount barred from payout distribution pursuant to	06/30/2022 (EUR millions)	12/31/2021 (EUR millions)
§ 268 (8) HGB (fair value from plan assets)	53.7	69.4
§ 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)	11.0	12.9
Total	**64.7**	**82.3**

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, 2022, 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 (12/31/2021: EUR 26.9 million).

Compared to the previous balance sheet date, the **equity capital on the balance sheet** as of June 30, 2022 declined by EUR 35.9 million to EUR 3,220.5 million. The cause of the decline is the loss sustained in the first half-year in the amount of EUR 35.9 million.

4.2 Items on the income statement

To explain the key changes in the items on the income statement for the first half of 2022, the values shown in the half-year financial statements of the previous fiscal year were used for comparison purposes.

The **interest result** worsened from EUR -17.2 million in the first half of 2021 to EUR -27.4 million in the first half of 2022. The item mainly includes the EUR 19.3 million jump in interest expenses that is mostly related to the security provided for the broker/dealer business, the volume of which rose significantly compared with the previous year.

Net fee and commission income decreased by EUR 36.8 million year-on-year to EUR 121.3 million. This is mainly due to the sharp decline in income from the BCMA business unit in the first half of 2022 and the increase in commission expenses in the Agency Services business unit.

The **net income from financial trading operations** in the first half of 2022 improved significantly in comparison to the same period of the previous year, climbing by EUR 41.0 million from EUR 28.6 million to EUR 69.6 million, mostly because of the increase in both trading volume and elevated trading activity resulting from the war of aggression launched by Russia against Ukraine.

Other operating income mainly comprises income from the recharging of costs to affiliated companies in the amount of EUR 85.4 million. This includes income from the recharging of costs to affiliated companies due to adjustments in transfer pricing relating to the product categories 'Equities Brokerage' (EUR 20.1 million) and 'G10 Rates' (EUR 40.9 million).

Compared to the same period of the previous year, the **general administrative expenses** have risen by EUR 56.1 million to a total of EUR 254.7 million. This development is attributable primarily to the rise in other administrative expenses related mainly to transaction fees, expenses from intra-group settlements and the levy on banks (*Bankenabgabe*).

Overall, a **loss** (**deficiency**) of EUR 35.9 million was generated in the first half of 2022 (01/01/2021 – 06/30/2021: profit (surplus) totaling EUR 0.4 million).

5 Miscellaneous Information

5.1 Number of staff members

	06/30/2022	**12/31/2021**
Average number of employees	534	517

5.2 Branch establishments

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

5.3 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. Peter Kimpel, Frankfurt am Main, BCMA, Bank Director,
- Ms. Dr. Jasmin Kölbl-Vogt, Frankfurt am Main, Legal, Bank Director,
- Ms. Sylvie Renaud-Calmel, Paris, Bank Director,
- Mr. Oliver Russmann, Bad Vilbel, CFO, Bank Director,
- Ms. Amela Sapcanin, Frankfurt am Main, CRO, Bank Director,
- Ms. Jean Young, Königstein im Taunus, O&T, Bank Director, since 1/1/2022.

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

- Ms. Dagmar Kollmann, Vienna, independent Supervisory Board Member, Chairwoman,
- Ms. Barbara Frohn, London, Bank Director, Citigroup Global Markets Limited, London, Deputy Chairwoman,
- Mr. Leonardo 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 CGME 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

5.4 Cash flow statement

CGME refinances itself primarily from within the Citigroup Group. Cash and other financial investments are made solely on a short-term basis. Otherwise, we would refer to the following cash flow statement of the Bank.

Cash Flow Statement

	1/1/2022 - 6/30/2022 kEUR	1/1/2021 - 6/30/2021 kEUR
Annual Net Profit/Loss	**-35,887**	**438**
Cash positions included in the annual net income and reconciliation with cash flow from current operating activities:		
Amortization/depreciation, value adjustments and reversals on receivables, tangible and financial assets	21,498	4,603
Changes in accruals	22,727	15,889
Change in other non-cash expenses/income	-	-
Gain/loss from the sale of financial and tangible assets	-	-
Other adjustments (in net terms)	18,910	11,188
Subtotal:	**27,248**	**32,118**
Change in assets and liabilities from current operating activities:		
Receivables:		
- from banks	1,015,944	213,851
- from clients	-15,325,001	-25,006,014
Trading portfolio assets	-3,389,852	4,380,874
Other assets from current operating activities	2,310,280	-431,092
Liabilities:		
- owed to banks	-1,377,826	691,028
- owed to clients	17,889,155	23,598,966
Securitized liabilities	-	-
Trading portfolio liabilities	3,425,432	-4,329,907
Other liabilities from current operating activities	-4,546,758	-557,731
Interest and dividend payments received	82,346	74,787
Interest paid	-100,027	-81,421
Income tax payments	-1,229	-4,554
Cash flow from current operating activities	**9,712**	**-1,419,095**
Payments received from the outflow of		
- Financial assets	87	4,531
- Tangible assets	-	-
Payments made for investments in		
- Financial assets	-2,861	-
- Tangible assets	-6,938	-3,456
Payments received from the sale of consolidated companies and other business units	-	-
Payments made for the purchase of consolidated companies in other business units	-	-
Change in cash resources based on investing activities (in net terms)	-	-
Cash flow from investing activities	**-9,712**	**1,075**
Payments received from contributions to equity capital	-	1,418,020
Payments made to company owners:		
- Dividend payments	-	-
- Other outgoing payments	-	-
Change in cash resources other capital (in net terms)	-	-
Cash flow from financing activities	-	1,418,020
Cash and cash equivalents at the end of previous period	**0**	**0**
Cash flow from current operating activities	9,712	-1,419,095
Cash flow from investing activities	-9,712	1,075
Cash flow from financing activities	0	1,418,020
Cash and cash equivalents at the end of the period	**0**	**0**