Supplement No. 2

pursuant to Section 16 para. 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*)

dated 28 September 2017

to the

Registration Document

dated 16 May 2017

of

Citigroup Global Markets Deutschland AG,

Frankfurt am Main

(the "Issuer")

This supplement is drawn up in connection with the publication of the Issuer's semi annual financial information as of 30 June 2017 which was published on 28 September 2017 (the "**Semi-Annual-Report**").

The information contained in the Registration Document shall be supplemented as described in the following:

*1. In section "**14. Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses**" on page 26 of the Registration Document the subsection "**14.3 Significant change in the financial condition or trading position of the Issuer**" shall be deleted and replaced by the following subsections:*

"**14.3 Interim Financial Information**

The issuer is disclosing unaudited interim financial information on the first six months of the fiscal year 2017. The Balance Sheet as of 30 June 2017, the Income Statement for the first six months of the fiscal year 2017 as well as the Notes to the Half-Year Financial Report as of 30 June 2017 have been prepared under the responsibility of the issuer according to German Accounting Standards. The unaudited interim financial statements of the issuer as of 30 June 2017 are included in this Registration Document in Annex IV on pages I-1 through I-19.

14.4 Significant change in the financial condition or trading position of the Issuer

There has been no material change in the Issuer's financial condition or trading position since the date of the last interim financial statements (30 June 2017)."

*2. The information in section "**18. Documents on display**" on page 26 of the Registration Document shall be deleted and replaced by the following information:*

"During the valid term of this Registration Document, copies of the following documents are available for inspection:

(a) the Issuer's articles of association;

(b) the audited annual financial statements of the Issuer for the short fiscal year from 1 December 2016 through 31 December 2016, the fiscal year from 1 December 2015 through 30 November 2016 and the fiscal year from 1 December 2014 through 30 November 2015;

(c) the unaudited interim financial statements of the Issuer as of 30 June 2017.

A hard copy of the documents (a) to (c) may be inspected during normal office hours at the Issuer's place of business located at the following address: Legal Department, Reuterweg 16, 60323 Frankfurt am Main."

*3. The pages I-1 through I-19 contained in the Appendix to this Supplement are added as "**Annex IV: Interim Management Report for the Half-Year Financial Report as of 30 June 2017**" after page H-39 of the Registration Document.*

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

Pursuant to Section 16 para. 3 of the German Securities Prospectus Act, investors who have already agreed to purchase or subscribe for securities before this Supplement has been published shall have the right, exercisable within a time period of two working days after the publication of this Supplement, to withdraw their acceptances, provided that t he new factor, mistake or inaccuracy arose before the final closing of the offer to the public and the delivery of the securities.

Addressee of a withdrawal is Citigroup Global Markets Deutschland AG, Attn. Legal Department, Frankfurter Welle, Reuterweg 16, 60323 Frankfurt am Main. The withdrawal does not have to contain reasons and has to be in text form. The timely dispatch of the withdrawal is sufficient to comply with the deadline.

Appendix

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ANNEX IV: INTERIM MANAGEMENT REPORT FOR THE HALF-YEAR FINANCIAL REPORT AS OF 30 JUNE 2017

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Interim Balance Sheet June 30, 2017
Citigroup Global Markets Deutschland AG , Frankfurt am Main

Assets

	EUR	EUR	EUR	31/12/2016 TEUR
1. Cash reserves				
a) Petty cash		-.--		-
b) Credit balances held at central banks		16,308,584.74		6,879
of which: at the German *Bundesbank* (German Central Bank)				
EUR 16,308,584.74 (31/12/2016 TEUR 6,879)				
c) Credit balances held at postgiro offices		-.--	16,308,584.74	6,879
2. Receivables from banks				
a) Due upon demand		284,755,339.50		148,146
b) Other receivables		3,114,793,828.36	3,399,549,167.86	3,488,135
3. Receivables from clients			176,793,302.28	131,837
Of which: secured by real property security				
interests EUR -.-- (31/12/2016 TEUR -)				
Municipal loans EUR -.-- (31/12/2016 TEUR -)				
4. Debt securities and other fixed-income securities				
a) Money market paper				
aa) issued by government institutions	-.--			-
ab) issued by others	-.--	-.--		-
b) Bonds and debt securities				
ba) issued by government institutions	-.--			-
of which: eligible as collateral with the German				
Bundesbank EUR -.-- (31/12/2016 TEUR -)				
bb) issued by others	-.--	-.--		
of which: eligible as collateral with the German				
Bundesbank EUR -.-- (31/12/2016 -)				
c) Bank's own debt securities		-.--	-.--	-
Face value EUR -.-- (31/12/2016 -)				

5.	**Equities and other variable-yield securities**		-.--	-
5a.	**Trading portfolio**		5,703,721,225.09	5,026,986
6.	**Equity investments**		1,135,714.07	1,136
	of which: in banks EUR -.-- (31/12/2016 TEUR)			
	in financial service institutions EUR -.-- (31/12/2016 TEUR -)			
7.	**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	-.--		-
	c) Goodwill	-.--		-
	d) Prepayments	-.--	-.--	-
8.	**Tangible assets**		2,457,202.33	2,640
9.	**Other assets**		19,107,774.30	15,125
10.	**Prepaid and deferred items**		3,289,527.54	725
11.	**Excess of plan assets over post-employment benefit liability**		-.--	-
	Total assets		9,322,362,498.21	8,821,609

Liabilities and Equity Capital

	EUR	EUR	EUR	31/12/2016 TEUR
1. Liabilities owed to banks				
a) Payable on demand		632,456,067.44		963,051
b) Having agreed term or notice period		18,648,410.49	651,104,477.93	24,928
2. Liabilities owed to clients				
a) Savings deposits				
aa) having an agreed notice period of three months	-.--			-
ab) having an agreed notice period of more than three months	-.--	-.--		-
b) Other liabilities				
ba) payable on demand	1,421,012,269.70			1,234,399
bb) having an agreed term or notivce period	831,447,140.43	2,252,459,410.13	2,252,459,410.13	830,336
3. Securitized liabilities				
a) Debt securities issued		-.--		-
b) Other securitized liabilities		-.--		-
of which:				
money market paper EUR -.-- (31/12/2016 TEUR -)				
own acceptance and promissory notes outstanding EUR -.-- (31/12/2016 TEUR -)				
c) Miscellaneous securitized liabilities		-.--	-.--	-
3a. Trading portfolio			5,656,606,686.47	5,034,428
4. Other liabilities			93,361,434.41	65,574

5. Deferred items			170,812.09	206
6. Accrued liabilities				
a) Pensions and similar obligations		15,059,220.00		11,145
b) Tax accruals		-.--		-
c) Other accrued liabilities		37,376,159.75	52,435,379.75	41,318
7. Funds for general bank risks			25,743,512.35	25,743
8. Equity capital				
a) Subscribed capital				
aa) registered share capital	210,569,889.00			210,570
ab) silent partner capital	-.--	210,569,889.00		-
b) Capital reserve	318,967,162.22	318,967,162.22		318,967
c) Earnings reserves				
ca) legal reserve	33,027,197.15			33,027
cb) reserve for shares held in controlling companies	-.--			-
or companies in which majority shareholding exists	-.--			-
cc) reserves required by the Bank's articles of association	-.--			-
cd) other earnings reserves	27,916,536.71	60,943,733.86		27,917
d) Unappropriated earnings/loss (balance sheet profit/loss)			590,480,785.08	-
	Total liabilities and equity capital		9,322,362,498.21	8,821,609

	EUR	**EUR**	**31/12/2016**
1. Contingent liabilities			
a) Contingent liabilities from credited but uncleared bills of exchange	-.--		-
b) Contingent liabilities from guarantees and warranty commitments	537,380,154.85		475,448
c) Contingent liabilities from security provided on behalf of third parties	-.--	537,380,154.85	-
2. Other obligations			
a) Commitments under fictitious/reverse repurchase (repo) agreements	-.--		-
b) Placement and underwriting commitments	-.--		-
c) Irevocable lines of credit previously granted	506,934,083.18	506,934,083.18	492,788

Income Statement
of
Citigroup Global Markets Deutschland AG, Frankfurt am Main
for the period January 1, 2017 through June 30, 2017

	EUR	EUR	EUR	Dec 1, 2015 - May 31, 2016 TEUR
1. Interest income from				
a) Loans and money market transactions	3,684,210.82			3,821
b) Fixed income securities and debt registered claims	-. --			-
2. Negative interest income from				
a) Loans and money market transactions	7,405,753.03	./. 3,721,542.21		5,978
3. Interest expenses	1,280,479.76			1,330
4. Positive interest from loans and money market transactions	3,899,806.26	2,619,326.50	./. 1,102,215.71	2,443
5. Current income from				
a) Shares and other variable-yield securities		-. --		-
b) Equity investments		19,808.70		17
c) Interests held in affiliated enterprises		-. --	19,808.70	-
6. Commission income		96,752,115.52		66,626
7. Commission expenses		6,442,788.61	90,309,326.91	1,022
8. Net income from financial trading operations			31,394,437.04	26,104
9. Other operating income			7,256,116.29	11,581
10. General administrative expenses				
a) Personnel expenses				
aa) wages and salaries	33,401,994.56			37,593
ab) social security contributions, pension and welfare expenses,	3,756,068.03	37,158,062.59		2,173
of which: for pensions EUR 1,594,392.81 (12/1/15 - 5/31/16 TEUR 312)				
b) Other administrative expenses		54,036,265.81	91,194,328.40	44,231
11. Depreciation, amortization and write-downs of tangible and intangible assets			342,511.76	337
12. Other operating expenses			7,130,938.67	1,765
13. Write-downs of, and provisions for, receivables and certain securities and additions to loan reserves		-. --		85
14. Income from reversal of write-downs of receivables and certain securities, and income from reversal of loan reserves		733,965.14	733,965.14	50
15. Income from reversal of investments, interests in affiliated enterprises, and long-term securities treated as assets		-. --	-. --	-
16. Result from ordinary operations			**29,943,659.54**	**16,128**

	EUR	EUR	EUR	Dec 1, 2015 - May 31, 2016 TEUR
17. Extraordinary income		-. --		-
18. Extraordinary expenses		-. --		-
19. Extraordinary result		-. --	-. --	-
20. Taxes on income and earnings		85,997.32		-
21. Other taxes, to the extent not included under item 10		-. --	85,997.32	-
22. Profits transferred pursuant to a profit pooling, profit transfer or partial profit transfer agreement			29,857,662.22	16,128
23. Annual net income			-. --	-
24. Profit carried forward/loss carry forward from prior year			-. --	-
			-. --	-
25 Transfer from capital reserves			-. --	-
			-. --	-
26. Transfers 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 earnings reserves		-. --	-. --	-
			-. --	-
27. Transfers from capital participation rights			-. --	-
			-. --	-
28. 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 earnings reserves		-. --	-. --	-
			-. --	-
27. Replenishment of capital with profit participation rights			-. --	-
29. Unappropriated earnings (balance sheet profit)			-. --	-

Citigroup Global Markets Deutschland AG
Frankfurt am Main

Notes to the Half-Year Financial Report as of June 30, 2017

1. Bases of the Accounting

Citigroup Global Markets Deutschland AG, Frankfurt am Main ("CGMD"), is a German stock corporation with its registered offices in Frankfurt am Main. Since June 10, 2010, it has been recorded in the commercial register of the District Court of Frankfurt am Main under registration number HRB 88301.

Pursuant to a resolution adopted by the shareholders' meeting on August 29, 2016, the Company changed its fiscal year. Previously the fiscal year had begun on December 1 of a given year and ended on November 30 of the following year. Effective as of January 1, the fiscal year would begin on January 1 of a given year and then end on December 31 of that same year. For the period from December 1 through December 31, 2016, a short fiscal year was established. The comparison figures for items on the balance sheet refer to the record date of December 31, 2016. In the income statement, the prior year comparative period was December 1, 2015 through May 31, 2016.

The subscribed capital of CGMD includes the registered share capital of EUR 210.6 million. The registered share capital is divided into 8,236,778 no-par value shares, which are held by Citigroup Global Markets Finance Corporation & Co. beschränkt haftende KG, (CKG), Frankfurt am Main.

The Half-Year Financial Report as of June 30, 2017 was prepared in accordance with the German Stock Corporation Act (AktG), the German Commercial Code (HGB), and the regulations concerning financial institution accounting.

2. Accounting and Valuation Methods

Commercial law requirements concerning the valuation of ownership and liability items and relating specifically to banks were observed in the valuation of the assets and liabilities.

The valuation (recognition) of **financial instruments in the trading portfolio** is done at fair value less a risk discount in accordance with sentence one of § 340e (3) 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 pursuant to the hierarchical order of valuation criteria set forth in § 255 (4) HGB. Any financial instruments, for which no active market exists, will be valued using generally accepted valuation methods (above all, 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. The most important factors are the price of the underlying, implicit volatilities, yield curves and dividend forecasts. Where the stock market price is used in the valuation, the average stock market price shall apply.

As of June 30, 2017, the risk discount equaled TEUR 394 for the foreign currency risk trading book, TEUR 7,773 for the equities and index risk trading book, and TEUR 917 for the other trading book. The underlying value at risk (VaR) figure is based on a holding period of ten business days, a confidence level of 99% and an effective historical observation period of one year.

In addition, the Bank applied - as of the balance sheet date - a discount to the Other Price Risk Trading Book in the form of a “market value adjustment” totaling TEUR 1,037, which is calculated on the basis of a mathematical method and which factors in the model-linked price risks related to derivatives as well as the potential risks of loss upon repurchasing derivatives that the Bank itself had issued.

The trading portfolio in foreign currencies is valued using the foreign exchange rates published by the European Central Bank.

Money market transactions are recognized at their face value or nominal amount. Money market transactions in foreign currencies are measured on the basis of § 256a HGB in combination with § 340h HGB.

Receivables from banks are stated at the nominal amount plus accrued interest. No write-downs were required in the first half of fiscal year 2017.

Receivables from clients are recorded at the repayment amount plus accrued interest less any allowances established to cover loan-related risks.

Equity investments are stated at their cost of acquisition less unscheduled write-downs.

Only **intangible assets,** which have been acquired for consideration, are stated at the costs of acquisition less straight-line amortization. In the event of a permanent impairment, an unscheduled write-down is taken.

Tangible assets are stated at acquisition cost less straight line-depreciation. In the event of a permanent impairment, an unscheduled write-down is taken.

Liabilities owed to banks and **liabilities owed to clients** are stated at their settlement amount [*Erfüllungsbetrag*] plus accrued interest.

In connection with hedging the interest rate risk, the Bank recognized on its accounts numerous micro-hedges with a total of five issued ***Schuldscheindarlehen*** (loans that are documented with a certificate of indebtedness known as a "*Schuldschein"*) and a face value totaling TEUR 45,000. To ensure a refinancing structure with matching maturities, the fixed annual interest rate payments under the certificates of indebtedness which amounted to TEUR 2,224 were swapped for variable interest payments based on the 3-month Euribor by relying on interest rate swap agreements having matching maturities and matching amounts. On the balance sheet date, the Bank elected not to write-up the underlying transactions [*Schuldscheindarlehen*] resulting from the lower interest rate because they had been for the most part covered by the increase in the fair values [*Markwerte*] of the hedges (interest rate swap agreements). The fair value of the *Schuldscheindarlehen* is TEUR 11,517.7 higher than the book value. The fair value increase of the hedges was also not booked. The Bank applies the net hedge presentation method [*Einfrierungsmethode*] for the hedge established under § 254 HGB. It intends to preserve the hedge until the underlying transactions expire. The prospective and retrospective effectiveness testing is done using the critical term match method.

The **pension provisions** 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, for which commitments have been made and obligations taken on by affiliated enterprises under debt assumption agreements [*Schuldbeitrittserklärung*], 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. For 2017, CGMD had calculated an amount of TEUR 939.0 as the period of service expense on the basis of the debt assumption agreement and then charged this amount to the impacted companies. The income derived therefrom was shown in the reporting period from January 1, 2017 through June 30, 2017.

Use was made of the simplification rule under § 253 (2) sentence 2 of HGB for the pension provisions. For purposes of determining the present cash value, the discount rate [*Rechnungszins*] applied was the average market interest rate over the past ten years on a term to maturity of 15 years (equaling 3.86%). With respect to the differential yielded thereby, we refer to our discussions on page 8 about the sum of the amounts that are barred from payout (disbursement). Future salary and wage increases were estimated at 2.25%, and at the same time, a 1.7% adjustment of the current annuities was assumed. The biometrical data was taken from the Heubeck 2005G mortality tables

As part of the efforts to hedge the pension commitments, the Bank purchased or was contractually promised units in the **Rose** fund at costs of acquisition equaling TEUR 100,256.2. In addition, liquid funds [*liquide Mittel*] totaling TEUR 4,523.1 were transferred to Citibank Pensionsfund e. V. **Assets and liabilities were netted** in accordance with § 246 (2) sentence 2 HGB.

In the current fiscal year, an expense in the amount of TEUR 7,370.7 was incurred from the accrual of interest on the pension obligations (prior year: TEUR 2,935.2 in income from discounting the pension obligations), while the change in the fair value of the plan assets yielded income of TEUR 3,888.7 (prior year: TEUR 579.5 in expense). These result components are netted and then reported under other operating expenses (in the prior year reported under other operating income). In connection with the standard allocation [*Regelzuführung*], an expense in the amount of TEUR 1,576.9 (prior year: TEUR 19.4 in income) was generated.

On the balance sheet date, the fair value of the plan assets to be netted equaled TEUR 178,279.9 (prior year: TEUR 174,391.2). The settlement amount of the pension obligations to be netted equaled TEUR 184,280.4 (prior year: TEUR 178,435.0) on the balance sheet date. The settlement amount exceeding the plan assets as of the balance sheet date was TEUR 6,000.50 (prior year: TEUR 4,043.8) and was reported under the accrued liabilities item “Pensions and similar obligations”.

Pension obligations also exist under the PAS, PRS and deferred compensation plans, which resulted from bonus conversions.

The obligations resulting from the **PAS and deferred compensation** plans are linked to the fair value of the relevant fund.

The acquisition costs of the fund units in the PAS Fund (**Sondervermögen PAS)** equal TEUR 4,029.2. On the balance sheet date, the fair value of the PAS Fund assets to be netted equaled TEUR 11,330.3 (prior year: TEUR 10,260.2). The settlement amount of the liabilities to be netted equaled TEUR 11,330.30 (prior year: TEUR 10,260.2).

In the current fiscal year, a change in the fair value of the plan assets produced income of TEUR 1,070.1 (prior year: expense of TEUR 1,211.6). Since the obligation under the PAS Plan is linked to the fair value of the PAS Fund, an expense arises from the interest accrual on the obligations in the amount of TEUR 1,070.1 (prior year: income from discounting TEUR 1,211.6). These result components are netted and reported under other operating expenses.

The costs of acquiring units of the **deferred compensation** fund totaled TEUR 8,301.7. On the balance sheet date, the fair value of the netted assets of the deferred compensation fund was TEUR 9,510.3 (prior year: TEUR 10,191.6). The settlement amount of the liabilities to be netted equaled TEUR 9,510.3 (prior year: TEUR 10,191.6).

In the current fiscal year, the discounting of the obligations generated income in the amount of TEUR 6.9 (prior year: TEUR 4.9), and the change in the fair value of the plan assets yielded an expense of TEUR 6.9 (prior year: TEUR 4.9). These result components are netted and reported under other operating expenses.

In connection with hedging the obligations under the bonus conversion, the Bank purchased units of the **PRS** Fund at costs of acquisition equaling TEUR 38,873.2, and netted assets and liabilities pursuant to § 246 (2) sentence 2 HGB.

In the current fiscal year, the discounting of the pension obligations generated an expense totaling TEUR 1,694.5 (prior year: income of TEUR 127.9 resulting from discounting). The change in the fair value of the plan assets resulted in an expense of TEUR 403.2 (prior year: income of TEUR 835.2). In connection with the standard allocation [*Regelzuführung*], income was generated in the amount of TEUR 140.7 (prior year: expense of TEUR 109.3). These result components are reported under other operating expenses (in prior year reported under other operating income).

On the balance sheet date, the fair value of the plan assets to be netted equaled TEUR 46,009.2 (prior year: TEUR 46,412.4). The settlement amount of the pension obligations to be netted was TEUR 55,067.9 (prior year: TEUR 53,514.1) on the balance sheet date. The settlement amount exceeding the plan assets as of the balance sheet date totaled TEUR 9,058.7 (prior year: TEUR 7,101.7) and was reported under the accrued liabilities item “pensions and similar obligations”.

All netted assets consist of liquid funds or units of equity funds. The funds are managed exclusively by outside asset managers, who invest the funds by purchasing publicly listed securities according to prescribed investor guidelines. The applied fair value for the assets is based on the overview of the individual fund assets as provided by the respective manager. Alternative valuation methods are not applied.

All funds are outsourced under trusts or other fiduciary arrangements [*Treuhänderschaften*] and are therefore removed from the grasp of creditors in the event of a CGMD insolvency.

Accrued liabilities for contingent liabilities and for potential losses from open business transactions are valued at the settlement amount required on the basis of sound business judgment [*vernünftiger kaufmännischer Beurteilung*].

The other accrued liabilities or provisions have a term to maturity of less than one year, except for the obligations under employee anniversaries and early retirement obligations.

On the balance sheet date, the settlement amount for the early retirement obligations equaled TEUR 2,793.5 (prior year: TEUR 3,430.5). The fair value of the pledged reinsurance policies in the amount of TEUR 2,464.9 (prior year: TEUR 2,664.9) was netted against the settlement amount of the early retirement obligations. The settlement amount exceeding the plan assets on the settlement date and totaling TEUR 328.5 (prior year: TEUR 765.6) was shown under the line item, “Other provisions”. In the current fiscal year, an expense in the amount of TEUR 33.3 (prior year: TEUR 88.2) has resulted from the accrual of interest on the obligations, while income in the amount of TEUR 3.4 (prior year: TEUR 130.5) has been yielded from a change in the fair value of the plan assets. These components of the result are netted and reported under other operating expenses (prior year: reported under other operating income). In connection with the standard allocation, an expense was generated in the amount of TEUR 17.6 (prior year: expense of TEUR 27.6).

In light of the examination conducted to meet the requirements of setting aside a provision for threatened losses resulting from interest rate-driven transactions in the banking book [*Bankbuch*] (whether reported on the balance sheet or not) pursuant to § 340a in combination with § 249 (1) sentence 1, Alt. 1 HGB, CGMD applies the cash value approach in accordance with IDW’s official statement RS BFA 3.

The items, which are included in the loss-free valuation, relate to typical bank contractual relationships arising from the deposits and lending business and cover the entire CGMD banking book, including off-balance sheet transactions.

The future cash flow resulting from such transactions as well as the risk and administrative costs are discounted to present value on the basis of a risk-free yield curve after converting into the reporting currency, if required.

Dividing the existing transactions into separate time bands according to currency is carried out on the basis of their contractually prescribed maturity dates. Net surplus (asset) positions in the respective time band are fictitiously closed out on the basis of the Bank's own refinancing costs. Where there are net liability positions, the fictitious lending transaction is discounted at a risk-free rate. Viewed as of June 30, 2017, the fictitious closeouts have little effect on the present cash value reported in the banking book. The applied risk costs recognized in the banking book were calculated using a scenario computation taken from risk management. The administrative costs were derived from the internal accounts.

The calculation as of June 30, 2017 produced no need for setting aside a provision to cover threatened losses from the valuation of interest-rate driven transactions.

The **total sum of the amounts, which are barred from payout distribution,** is TEUR 116,381.2 (prior year: TEUR 107,928.7). The amount barred from payout distribution within the meaning of § 268 (8) HGB and in the amount of TEUR 89,146.3 (prior year: TEUR 84,597.6) results entirely from the capitalization of the plan assets at fair value in the amount of TEUR 245,129.7 (prior year: TEUR 241,255.4). The amount, which is barred from payout distribution within the meaning of sentence one of § 253 (6) HGB, equals TEUR 27,234.9 (prior year: TEUR 23,331.2) and results from the difference between the valuation of the pension provision using the 10-year average annual interest rate as stipulated under § 253 (2) HGB and the 7-year average annual interest rate. The freely available provisions exceed the total sum of the amounts that are barred from payout distribution.

Accruals are set aside in the balance sheet for **contracts and pending legal disputes**, which could have an adverse effect on CGMD's financial condition.

Income and **expense** items are duly allocated to the period in which they were generated.

In accordance with § 340a (1) and (2) HGB in combination with § 265 (5) HGB, negative interest income [*Negative Zinserträge*] and negative interest expenses [*negative Zinsaufwendungen*] are shown in the income statement under line items no. 2 "Negative interest income" and no. 4 "positive interest" [*Positive Zinsen*], respectively and.

In accordance with § 256a HGB, **foreign currency positions** were converted into Euros at the exchange rate set by the ECB on the reporting date and published by the German *Bundesbank* system (average spot exchange rate).

3. Notes on the Balance Sheet and on the Income Statement

We refer at this point to the statements made in the Management Report.

4. Other Notes

The asset item shown on the balance sheet, trading portfolio (line item 5a), is divided into derivative financial instruments totaling TEUR 4,327,576.5 (prior year: TEUR 3,972,950.1), debt securities and other fixed-income securities in the amount of TEUR 820,485.2 (prior year: TEUR 673,193.8), and shares including, *inter alia*, variable-yield securities in the amount of TEUR 555,659.5 (prior year: TEUR 380,485.2). Of the debt securities and other fixed income securities, TEUR 820,485.2 (prior year: TEUR 673,193.8) were eligible and listed for trading on the financial markets. Of the shares and variable-yield securities, TEUR 555,659.5 (prior year: TEUR 380,485.2) were eligible and listed for trading on a stock market.

The equity investments totaling TEUR 1,135.7 (prior year: TEUR 1,135.7) are not eligible for stock market listing.

The item shown as other assets in the amount of TEUR 19,107.8 (prior year: TEUR 15,125.0) includes primarily tax receivables of TEUR 7,529.6 (prior year: TEUR 5,942.0), initial margin payments made and totaling TEUR 10,321.5 (prior year: TEUR 8,494.5), and claims under non-pledged reinsurance policies of TEUR 393.0 (prior year: TEUR 575.4).

The liability item shown on the balance sheet, trading portfolio (line item 3a), is divided into derivative financial instruments in the amount of TEUR 4,459,308.2 (prior year: TEUR 4,067,590.4) and liabilities arising from issued and outstanding debt securities in the amount of TEUR 1,197,298.5 (prior year: TEUR 966,837.2).

The item, other liabilities, in the amount of TEUR 93,361.4 (prior year: TEUR 65,574.0) relates primarily to liabilities under the profit transfer obligation and totaling TEUR 29,857.7 (prior year: TEUR 49,177.8), liabilities arising from the withheld capital yield tax [*Kapitalertragsteuer*]) and the solidarity tax surcharge on dividends in the amount of TEUR 55,768.0 (prior year: TEUR 2.5), liabilities arising from the restructuring totaling TEUR 1,396.9 (prior year: TEUR 3,758.4) and value-added tax totaling TEUR 480.6 (prior year: TEUR 2,592.0).

The item entitled "other accrued liabilities" relates primarily to provisions made for bonuses and early retirement obligations. The provisions for bonuses equaling TEUR 19,974.2 (prior year: TEUR 20,657.1) was set up on the basis of the individual employees. Provisions in the amount of TEUR 5,650.0 (prior year: TEUR 9,200) relate to outstanding capital yield withholding tax payments for prior fiscal years. Provisions for early retirement equaled TEUR 328.5 (prior year: TEUR 765.6) after allowing for pledged re-insurance policies in the amount of TEUR 2,464.9 (prior year: TEUR 2,664.9).

The profits allocated on the basis of a profit transfer or partial profit transfer contract equal TEUR 29,857.7 and relate to Citigroup Global Markets Finance Corporation & Co. beschränkt haftende KG, Frankfurt am Main.

The contingent liabilities relate to guarantees and warranty agreements. These agreements stem from guarantees made in the amount of TEUR 537,380.2 (prior year: TEUR 475,447.7). The Bank believes that the likelihood that claims will be made under the guarantees and warranty contracts, which are shown in the balance sheet, is small due to the current credit-standing of the beneficiaries. We have found no evidence that would compel us to reach a different conclusion.

Of the irrevocable credit lines granted in the amount of TEUR 506,934.1 (prior year: TEUR 492,787.9), TEUR 506,934.1 (prior year: TEUR 481,065.2) had a term to maturity of more than one year. The lines of credit have been granted exclusively to non-banks.

As of the balance sheet date, the Bank had not engaged in any off-balance sheet transactions which fall within the meaning of § 285 no. 3 HGB and which were outside the ordinary course of business.

Transactions with related parties within the meaning of § 285 no. 21 HGB are made only on an arm's length basis.

The Half-Year Financial Report as of June 30, 2017 and the Interim Management Report of CGMD were not audited in accordance with § 317 HGB nor were they reviewed by an auditor.

CGMD is included in the subgroup financial statements of Citigroup Global Markets Finance Corporation & Co. beschränkt haftende KG, Reuterweg 16, 60323 Frankfurt am Main, which is where the subgroup financial statements of Citigroup Global Markets Finance Corporation & Co. beschränkt haftende KG can also be obtained. Citigroup Global Markets Finance Corporation & Co. beschränkt haftende KG is included in the consolidated financial statements of Citigroup Inc., 388 Greenwich Street in New York, as the ultimate group parent company, which is where the Citigroup consolidated financial statements can also be obtained.

Since 2001, CGMD has had a branch in London, which carries out primarily warrant transactions.

The CGMD Executive Board consist of the following members

Stefan Wintels, Frankfurt am Main, Bank Director, Chairman

Dr. Silvia Carpitella, Frankfurt am Main, Bank Director

Thomas Falk, Hochheim am Main, Bank Director

Stefan Hafke, Kelkheim, Bank Director

Andreas Hamm, Dreieich, Bank Director

Dr. Jasmin Kölbl-Vogt, Frankfurt am Main, Bank Director,

Christian Spieler, Bad Homburg, Bank Director,

The Supervisory Board consists of the following members:

Hans W. Reich, Kronberg, Bank Director, Chairman,

Bradley Gans, London, Bank Director, Deputy Chairman,

Tim Färber, Kelsterbach, Salaried Bank Employee, Employee Representative

Frankfurt am Main, September 15, 2017

Citigroup Global Markets Deutschland AG

Stefan Wintels (CEO)	Dr. Silvia Carpitella
Thomas Falk	Stefan Hafke
Andreas Hamm	Dr. Jasmin Kölbl-Vogt
Christian Spieler	

SIGNATURES

Frankfurt am Main, 28 September 2017

Citigroup Global Markets Deutschland AG,
Frankfurt am Main

by Dirk Heß Director	by Steffen Thomas Vice President