

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

(Registered Number: 4329029)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2017



CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2017

The Directors present their Report and the audited financial statements of Citigroup Participation Luxembourg Limited (the Company) for the year ended 31 December 2017.

Business environment and principal activities

The Company is wholly owned indirect subsidiary of Citigroup Inc. The words "Citigroup" and "Citi" are used interchangeably throughout this document and both refer to Citigroup Inc.

During the year ended 31 December 2017, the Company acted as a holding company, its principal activities being the investment in, and the holding of shares and other financial instruments in, subsidiary undertakings. As the Directors intend to liquidate the Company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. The effect of this is explained in Note 1 'Principal accounting policies'.

The Company has its effective centre of management and control in Luxembourg and as such is subject to corporate law requirements under Luxembourg law. The Company is registered in England and Wales as well as registered as a Société à Responsabilité Limitée (SARL) in Luxembourg.

The financial statements have been prepared in accordance with the provisions of the Companies Act 2006.

Consolidation

The Company has applied the exemption in section 401 of the Companies Act 2006 from the preparation of consolidated group accounts as the financial results of the Company and its subsidiary undertakings are included in the consolidated group accounts of Citigroup Inc. on a basis that is consistent with the financial reporting requirements of the Companies Act. As such, these financial statements present information about the Company as an individual undertaking and not about its group. The consolidated financial statements of Citigroup Inc. within which the Company is included are available from the address stated in Note 13 'Group structure'.

Going concern basis

As the Directors intend to liquidate the Company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. The effect of this is explained in Note 1 'Principal accounting policies'.

Post balance sheet events

On 24 August, 2018, the Company received a dividend distribution in cash of \$1,977 million from its subsidiary Citigroup (Jersey) Limited.

On 24 August, 2018, the Company reduced its existing share capital by cancelling the existing \$532,290,264 share premium account of the Company; and by cancelling and extinguishing 17,400,000 of the ordinary shares of \$30 each which are registered in the name of Citigroup International Luxembourg Limited.

Following the share capital reduction, on 24 August, 2018, the Company distributed an interim dividend in cash in the amount of \$1,989,500,000 to its immediate parent, Citigroup International Luxembourg Limited.

On 14 September, 2018, Citigroup (Jersey) Limited, a subsidiary of the Company was liquidated.

Dividends

Dividend income of \$15.2 million was received by the Company during the year (2016: \$40.0 million).

\$354.0 million dividends were paid by the Company during the year (2016: \$nil) and the Directors do not recommend the payment of a final dividend (2016: \$nil).

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2017

Employment of disabled people

Applications for employment by disabled persons are fully and fairly considered having regard to the aptitudes and abilities of each applicant. Efforts are made to enable any employees who become disabled during employment to continue their careers within the Company. Opportunities for training, career development and promotion of disabled persons are, as far as possible, identical to those available to other employees who are not disabled.

Employee involvement

The Company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed by written communications and meetings on matters affecting them as employees and on the various factors affecting the Company's business. Employees are encouraged to present their suggestions and views to the Company through various channels including an employee representative body and the annual Voice of the Employee survey. Qualifying employees participate in performance-based incentive schemes.

Diversity

At Citi diversity is recognised as one of its key values. Therefore, the Company has made it a priority to foster a culture where the best people want to work, where people are promoted on their merits, where respect for others is demanded and valued and where opportunities to develop are widely available to all – regardless of differences. The Company fosters a workplace with different backgrounds, perspectives and ideas and provides employees with a wide range of experiences and skills to develop to their full potential. Citi's code of conduct prohibits discrimination and harassment.

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities. Initiatives designed to minimise the Company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Charitable donations and political contributions

No charitable donations and political contributions were made during the year (2016: \$nil).

Risk management

The Company has elected to include information on financial risk management as per Schedule 7.6(1)(a) & (b) of the "Large and Medium-sized Companies and Groups Regulations 2008" in the Strategic report as the directors consider financial risk management of strategic importance to the Company.

Directors

The Directors who held office during the year ended 31 December 2017 and since year end were:

A-E David
A Brusi

Directors' indemnity

Throughout the year and as at the date of this report the Company is party to a group-wide indemnity policy which benefits all of its current Directors and is a qualifying third party indemnity provision for the purpose of section 236 of the Companies Act 2006.

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2017

Statement of Directors' responsibilities in respect of the Directors' report, Strategic report and the Financial Statements

The Directors are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. As explained in Note 1 - *Principal accounting policies*, the Directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

In accordance with section 418, Companies Act 2006 and subject to all the provisions of section 418, the Directors who held office at the date of approval of this Directors' Report confirm that:

- so far as each is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

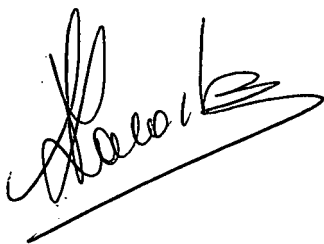
DIRECTORS' REPORT

for the year ended 31 December 2017

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

A handwritten signature in black ink, appearing to read 'A-E David', with a long horizontal stroke extending to the right.

A-E David
Director

15 October 2018

31, Z.A Bourmicht
L-8070 Bertrange
Luxembourg

Registered in England and Wales
Registered Office: Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB
Registered Number: 4329029

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

STRATEGIC REPORT

for the year ended 31 December 2017

The Directors present their Strategic Report of Citigroup Participation Luxembourg Limited ("the Company") for the year ended 31 December 2017.

Overview and principal activities

The Company acts as a holding company, its principal activities being the investment in, and the holding of shares and other financial instruments in, subsidiary undertakings. It has its effective centre of management and control in Luxembourg and as such is subject to corporate law requirements under Luxembourg law. The Company is registered in England and Wales as well as registered as a Société à Responsabilité Limitée (SARL) in Luxembourg.

Business review and financial results

Results

The Company's pre-tax profit for the year to 31 December 2017 was \$15.9 million (2016: \$40.0 million). The Company's profit after tax was \$15.3 million compared to a gain of \$40.0 million in the previous year. The profit in the current and prior year was driven by dividend income received from its investments.

Expenses

Administrative expenses were \$2.4 million compared to \$1.5 million in previous year. The variance was mainly driven by an increase in Luxembourg net wealth tax payable during the year.

Balance Sheet

The Company's net assets were \$1,316.8 million as at 31 December 2017 (2016: \$1,655.6 million).

Risk Management

The principal risks relate to the maintenance of the value of the Company's fixed asset investments in its subsidiaries and other investments. The risks affecting these companies could adversely affect the recoverable amount of the Company's investments, thereby negatively impacting the Company's financial position and performance.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, human factors, systems or from external events. It includes the reputation and franchise risk associated with business practices or market conduct in which Citi is involved.

Citi's operational risk is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management. This framework includes:

- recognised ownership of the risk by the businesses;
- oversight by Citi's independent risk management and control functions; and
- independent assessment by Citi's Internal Audit function.

The goal is to keep operational risk at appropriate levels relative to the characteristics of Citi's businesses, the markets in which it operates, its capital and liquidity, and the competitive, economic and regulatory environment.

Currency risk

Currency risk is a risk of loss resulting from transactions in foreign currencies on cash accounts. The Company is exposed to currency risk on its euro denominated balances within loans and advances to banks. The impact of this risk is monitored closely by management.

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

STRATEGIC REPORT

for the year ended 31 December 2017

Key financial performance indicators

The Company's Directors consider that the financial results indicated above are key financial performance indicators for the operations of the Company.

Citigroup Inc. manages its operations on a divisional basis and the Company's results are included in the banking and markets results of Citigroup Inc. For that reason, the Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Future outlook

The Directors intend to liquidate the Company within 12 months after signing these financial statements, therefore they have not prepared the financial statements on a going concern basis.

A-E David
Director



15 October 2018

31, Z.A Bourmicht
L-8070 Bertrange
Luxembourg

Registered in England and Wales
Registered office: Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

Opinion

We have audited the financial statements of Citigroup Participation Luxembourg Limited (the Company) for the year ended 31 December 2017 which comprise the income statement, balance sheet, statement of changes in equity and related notes, including the principal accounting policies in Note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in Note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Strategic report and Directors' report

The Directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 2-5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

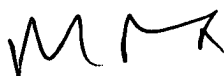
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Furneaux (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

14 October 2018

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

INCOME STATEMENT

for the year ended 31 December 2017

	Note	2017 \$'000	2016 \$'000
Investment income	3	15,173	40,000
Interest income	4	3,299	1,660
Gross profit		18,472	41,660
Interest payable	4	(6)	(19)
Administrative expenses	5	(2,371)	(1,523)
Foreign exchange losses		(182)	(123)
Operating profit		15,913	39,995
Profit before taxation		15,913	39,995
Tax (charge)/credit for the year	6	(660)	2
Profit for the financial year		15,253	39,997

There were no other recognised gains or losses during the year and hence no statement of total recognised gains and losses is presented.

The accompanying notes on pages 13 to 18 form an integral part of these financial statements.

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

BALANCE SHEET

as at 31 December 2017

	Note	2017 \$'000	2016 \$'000
Fixed assets			
Shares in subsidiary undertakings	7	1,302,035	1,302,035
Current assets			
Cash at bank and in hand	8	16,239	69,889
Loans and advances to banks	9	- ✓	285,000 ✓
Other assets		-	1,276
		<u>16,239</u>	<u>356,165</u>
Creditors: amounts falling due within one year	10	<u>(1,453)</u>	<u>(2,632)</u>
Net current assets		<u>14,786</u>	<u>353,533</u>
Net Assets		<u><u>1,316,821</u></u>	<u><u>1,655,568</u></u>
Capital and reserves			
Called up share capital	11	577,515	577,515
Share premium account		532,290	532,290
Other reserve	12	57,752	57,752
Profit and loss account		149,264	488,011
Shareholder's funds		<u><u>1,316,821</u></u>	<u><u>1,655,568</u></u>

The accompanying notes on pages 13 to 18 form an integral part of these financial statements.

The financial statements were approved by the Directors on 15 October 2018 and were signed on their behalf by:

A-E David
Director



Registered Number: 4329029

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium account	Other reserves	Profit and loss account	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 January 2016	577,515	532,290	57,752	448,014	1,615,571
Profit for the year	-	-	-	39,997	39,997
As at 1 January 2017	577,515	532,290	57,752	488,011	1,655,568
Profit for the year	-	-	-	15,253	15,253
Dividend	-	-	-	(354,000)	(354,000)
As at 31 December 2017	577,515	532,290	57,752	149,264	1,316,821

The accompanying notes on pages 13 to 18 form an integral part of these financial statements.

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

(a) Basis of presentation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (Adopted IFRSs), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has taken exemption available under FRS 101 not to disclose all transactions with other group companies and investees of the group qualifying as related parties. It has also taken the exemption available under FRS 101 not to prepare a cash flow statement, the effects of new but not yet effective IFRSs and Capital Management disclosures.

These financial statements have been prepared under the historical cost convention as modified to include the fair value of certain financial instruments to the extent required or permitted under the accounting standards and as set out in the relevant accounting policies.

The financial statements have been prepared in US Dollars, which is the presentational and functional currency of the Company, and any reference to \$ in these financial statements refers to US Dollars. All values are rounded to the nearest US Dollars, except where otherwise indicated.

The principal accounting policies have been applied consistently throughout the current and preceding year.

The Directors intend to liquidate the Company following the settlement of the remaining net assets, therefore the Directors have not prepared the financial statements on going concern basis but on a net realisable value basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

(b) Consolidation

The Company has applied the exemption in section 401 of the Companies Act 2006 from the preparation of consolidated group accounts as the financial results of the Company and its subsidiary undertakings are included in the consolidated group accounts of Citigroup Inc. on a basis that is consistent with the financial reporting requirements of the Companies Act. As such, these financial statements present information about the Company as an individual undertaking and not about its group. The consolidated financial statements of Citigroup Inc. within which the Company is included are available from the address stated in Note 13 'Group structure'.

(c) Foreign currencies and net foreign exchange gains and losses

The Company's financial statements are presented in US Dollars (\$), which is the functional and presentational currency of the Company.

At the balance sheet date monetary assets and liabilities are translated at the year end rates of exchange and translation differences are included in the income statement. Non-monetary assets and liabilities measured at historical cost are translated at the exchange rate at the date of the transaction. Foreign currency differences are recognised in the profit and loss account.

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (continued)

(d) Net interest income

Interest income and expense on financial assets and liabilities are recognised in the income statement using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial assets or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

(e) Taxation

Income tax payable on profits is recognised as an expense based on the applicable tax laws in each jurisdiction in the period in which profits arise. The tax effects of income tax losses available for carry-forward are recognised as a deferred tax asset if it is probable that future taxable profit will be available against which the losses can be utilised.

Deferred tax assets and liabilities are recognised for taxable and deductible temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that there will be suitable profits available against which these differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on tax rates that are enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Current and deferred taxes are recognised as income tax benefit or expense in the income statement.

The net wealth tax (currently 0.5%) is levied annually on the total net assets of Luxembourg companies, and is calculated based on the value of all the titles and assets making up the company's assets as of 1 January each year, after deduction of any liabilities encumbering these assets. Investment in subsidiary undertakings is also exempted in calculating the total tax base. The net wealth tax expense is included in administrative expenses.

(f) Shares in subsidiary undertakings

Shares in subsidiary undertakings, comprising unlisted securities, are stated at cost, less allowance for impairment.

The Company determines whether it is necessary to recognise an impairment loss on its investment in shares in subsidiary undertakings by comparing the carrying value of the investment with the net asset value of the subsidiary undertaking at the reporting date. As the financial statements have not been prepared on going concern basis, the investments are stated at the lower of its carrying amount and fair value less costs to sell.

(g) Loans and accounts receivables and payables

Loans and accounts receivables presented as loans and advances to banks on the Balance Sheet and are initially recognised at fair value including direct and incremental transaction costs and subsequently measured at amortised cost using the effective interest rate method. Accounts payables are measured at amortised cost using the effective interest rate method.

2. Directors' emoluments

Total emoluments of the Directors during the year were \$nil (2016: \$nil).

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Investment income

The Company received dividend income of \$2.6 million (2016: \$10.0 million) from Cititrust (Cayman) Limited and \$12.6 million (2016: \$30.0 million) from Cititrust (Bahamas) Limited respectively.

4. Interest income and interest payable

Interest income from group companies was \$3,299,000 (2016: \$1,660,000), which related to the term deposit the Company held until November 2017. Interest paid to group companies was \$6,000 (2016: \$19,000), which related to interest payments on the bank overdraft.

5. Administrative expenses

Administrative expenses were \$2,371,600 (2016: \$1,523,400).

Administrative expenses comprise:

	2017 \$'000	2016 \$'000
Luxembourg net wealth tax	1,644	1,351
Management recharges	300	-
Staff costs:		
- Employee remuneration	23	20
- Social security	8	10

The Company employed an average of 2 employees during the year (2016: 2).

The auditor's remuneration for the year of \$22,000 (2016: \$16,515) is paid and borne by Citibank Europe Plc.

6. Tax on profit

(a) Analysis of tax charge for the year

	2017 \$'000	2016 \$'000
Current tax:		
Foreign tax claimed	660	(2)
Total current tax charge/(credit) (Note 6b)	<u>660</u>	<u>(2)</u>

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6. Tax on profit (continued)

(b) Factors affecting tax charge/(credit) for the year:

The tax assessed for the year is equal to the effective rate of the corporate and municipal tax rate in Luxembourg 29.33% (2016: 29.97%). The differences are explained below:

	2017 \$'000	2016 \$'000
Profit before taxation	15,913	39,995
Profit multiplied by the standard rate of corporate and municipal tax rate of 29.33% (2016: 29.97%)	4,667	11,987
Effects of:		
Income/loss not subject to tax charge	(4,332)	(11,960)
Non-deductible expenses	482	404
Recognition of previously unrecognised tax losses	(157)	(435)
Prior year tax reimbursement	-	2
Current tax charge/(credit) for the year (Note 6a)	660	(2)

No deferred tax asset has been recognised by the Company due to uncertainty in relation to timings of future profits.

Tax losses carried forward for which no deferred tax asset was recognised amounted to \$nil (2016: \$536,403).

No limitation in time applies in relation to losses generated between 1 January 1991 and 31 December 2016, whereas the loss carry forward will be limited in time to 17 years for losses realized as from financial years closing after 31 December 2016.

7. Shares in subsidiary undertakings

The Company's investments in the share capital of subsidiary undertakings comprised:

	2017 \$'000	2016 \$'000
As at 1 January and 31 December	1,302,035	1,302,035

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

7. Shares in subsidiary undertakings (continued)

Details of the Company's subsidiary undertakings held at 31 December 2017 as required by section 409 of the Companies Act are set out below. All have a year end of 31 December.

Name	Address of registered office	Nature of business	% equity holding
Citi International Financial Services LLC	235 Federico Costa St. Suite 101 Parque Las Americas 1 San Juan, Puerto Rico, 00918	Broker	100%
Cititrust (Cayman) Limited	Boundary Hall, Cricket Square Grand Cayman, Cayman Islands	Trust Company	100%
Cititrust (Bahamas) Limited	14 University Drive (formerly 110 Thompson Boulevard) Nassau, Bahamas	Trust Company	100%
Cititrust (Switzerland) Limited	Hardstrasse 201 Zurich, Switzerland, 8005	Trust Company	100%
Cititrust (Jersey) Limited	38 Esplanade, St. Helier Jersey, Channel Islands, JE4 8ZT	Trust Company	100%
Citibank (Channel Islands) Limited	38 Esplanade, St. Helier Jersey, Channel Islands, JE4 8ZT	Finance Company	100%
Citigroup (Jersey) Limited	38 Esplanade, St. Helier Jersey, Channel Islands, JE4 8ZT	Finance Company	100%

All investments are unlisted.

8. Cash at bank and in hand

	2017 \$'000	2016 \$'000
Cash at bank	12	39
Cash at bank held by other group undertakings	16,227	69,850
	<u>16,239</u>	<u>69,889</u>

9. Loans and advances to banks

	2017 \$'000	2016 \$'000
Time deposits held with other group undertakings	-	285,000
	<u>-</u>	<u>285,000</u>

CITIGROUP PARTICIPATION LUXEMBOURG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10. Creditors

	2017 \$'000	2016 \$'000
Amounts falling due within one year		
Overdraft	-	1,143
Amounts owed to group undertakings	14	14
Taxation	1,151	1,468
Other creditors	288	7
	<u>1,453</u>	<u>2,632</u>

The prior year overdraft is the result of a duplicated deduction of net wealth tax payment by CEP Luxembourg, which acts as the paying agent for the Company. The duplicated deduction amount of \$1,260,000 has been accounted for as a receivable within other assets and was refunded on the Company's cash account in January 2017.

11. Share capital

	2017 \$'000	2016 \$'000
Allotted, called-up and fully paid		
19,250,500 ordinary shares of \$30 each	<u>577,515</u>	<u>577,515</u>

12. Reserves

On 28 June 2006 the High Court of Justice approved a reduction in the share premium account of \$57,751,500 to be treated as a legal reserve for the purpose of Luxembourg Law. The court order was registered at Companies House, Cardiff on 29 June 2006.

13. Post balance sheet events

On 24 August, 2018, the Company received a dividend distribution in cash of \$1,977 million from its subsidiary Citigroup (Jersey) Limited.

On 24 August, 2018, the Company reduced its existing share capital by cancelling the existing \$532,290,264 share premium account of the Company; and by cancelling and extinguishing 17,400,000 of the ordinary shares of \$30 each which are registered in the name of Citigroup International Luxembourg Limited.

Following the share capital reduction, on 24 August, 2018, the Company distributed an interim dividend in cash in the amount of \$1,989,500,000 to its immediate parent, Citigroup International Luxembourg Limited.

On 14 September, 2018, Citigroup (Jersey) Limited, a subsidiary of the Company was liquidated.

14. Group structure

The Company's immediate parent undertaking is Citigroup International Luxembourg Limited (CILL), registered at 31, Z.A. Bourmicht, Bertrange, L-8070, Luxembourg. Its registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

The Company's ultimate parent undertaking is Citigroup Inc., registered at 1209 Orange Street, Wilmington, New Castle, DE, 19810, United States of America.

The audited consolidated financial statements of Citigroup Inc. are made available to the public annually in accordance with Securities and Exchange Commission regulations and may be obtained from www.citigroup.com/citi/corporategovernance/ar.htm.