

Citibank Investments Limited

(Registered Number: 01911126)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2019



CITIBANK INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2019

The Directors present their Report and the audited financial statements of Citibank Investments Limited (“the Company”) for the year ended 31 December 2019.

The words “Citigroup” and “Citi” are used interchangeably throughout this document and both refer to Citigroup Inc.

Business environment

The Company is a wholly-owned indirect subsidiary of Citigroup Inc. and during the year acted as a holding company for subsidiary undertakings of Citibank, N.A. in the United Kingdom, including those related to Citigroup’s legacy consumer business (which no longer offers products to customers) and a number that are currently in liquidation. The only operating subsidiary currently held by the Company is Citigroup Centre 1 Limited, which offers office accommodation to other Citigroup entities.

Events after the reporting period

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally. The potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers.

This is a non-adjusting event and it is not expected to have any material financial effects to the Company.

Going concern basis

The financial statements are prepared on a going concern basis taking into account the Company’s existing capital and liquidity resources. The Directors acknowledge the risk that extreme circumstances might adversely impact the Company’s ability to continue trading and are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including the implications from the pandemic (COVID-19) outbreak. As the Company is part of the Citigroup, the risks that apply to the parent also apply to all subsidiaries within the group including the Company. The risk factors impacting Citigroup Inc. are described in its 2019 annual report on form 10-K, which can be found at <http://www.citigroup.com/citi/investor/sec.htm>.

The directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore, have prepared the financial statements on a going concern basis.

Further information relevant to this assessment is provided in the following sections of these financial statements:

- a financial summary, including the income statement and balance sheet, is provided in the financial results section on pages 8 to 10

CITIBANK INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2019

Strategic Report

Section 414B of the Companies Act 2006 states that a company is entitled to the small companies exemption in relation to the strategic report for a financial year if it would be so entitled but for being or having been a member of an ineligible group. As such, the Company has elected to exercise this exemption in relation to the preparation of a Strategic Report for this financial year.

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The Directors are responsible for preparing the Directors' 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 UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework* and applicable law.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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

The UK's withdrawal from the EU

As a result of the 2016 UK referendum, Citi has established a formal program with senior level sponsorship and governance to deliver a coordinated response to the UK's potential exit from the EU. Citi continues to plan for a "hard" exit scenario until negotiations have finished and the UK's withdrawal from the EU is finalised. Citi's Brexit strategy focuses on providing continuity of services to its UK, EU and non-EU clients with minimal disruption.

Given the existing CIL portfolio, it is unlikely that CIL will be significantly impacted by Brexit. This will continue to be monitored.

Citi continues to work closely with clients, regulators and other relevant stakeholders in the execution of its plans to prepare for the UK's potential exit from the EU. In addition, Citi continues to monitor short term macroeconomic scenarios and market events and has been undertaking stress testing to assess potential impacts on its businesses. Whilst Citi is operationally ready to support its clients, having executed its Brexit contingency plans, there are certain challenges which remain for the industry as a whole including but not limited to the preparedness and speed of client response and financial markets infrastructure.

CITIBANK INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2019

Dividends

The Company paid no cash dividends during the year (2018: £nil). The Company paid no dividend in specie during the year either (2018: £nil).

Directors' indemnity

Throughout the year and 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.

Directors

The Directors who served during the year and since year end were:

B J Gans (resigned on 1 September 2019)
D I Sharland (resigned on 12 December 2019)
P McCarthy (resigned on 23 December 2019)
J V Mistry (appointed on 23 December 2019)
J Warren (appointed on 12 December 2019)

Employees

There were no persons employed by the Company during the year and no persons have been employed by the Company since the year end. Services are provided to the Company by employees of other Citigroup companies.

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.

Political contributions

The Company made no political contributions and incurred no political expenditure during the year (2018: £nil).

Disclosure of information to auditor's

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
- each Director has taken all the steps that he/ she ought to have taken as a Director to make himself/ herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

CITIBANK INVESTMENTS LIMITED

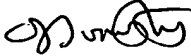
DIRECTORS' REPORT

for the year ended 31 December 2019

Auditor

In accordance with 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:



J V Mistry
Director

15 December 2020

Incorporated in England and Wales
Registered Office: Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB
Registered Number: 01911126

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIBANK INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Citibank Investments Limited (“the company”) for the year ended 31 December 2019 which comprise the Statement of Comprehensive income, Statement of Financial Position, Statement of changes in equity and related notes, including the 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 2019 and of its loss 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.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors’ conclusions, we considered the inherent risks to the company’s business model and analysed how those risks might affect the company’s financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor’s report is not a guarantee that the company will continue in operation.

Directors’ report

The directors are responsible for 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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIBANK INVESTMENTS LIMITED

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.

Directors' responsibilities

As explained more fully in their statement set out on page 3, 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.



Richard Pinks (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

15 December 2020

CITIBANK INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Interest income		-	148
Interest expense and similar charges		(2)	(636)
Net interest expense		<u>(2)</u>	<u>(488)</u>
Other operating income	3	-	3,734
Other operating expense		-	40
Total operating (loss)/profit		<u>(2)</u>	<u>3,286</u>
Impairment of investments	6,7	(11,417)	(6,896)
(Loss)/gain on FX revaluation		(10)	-
Loss before income tax		<u>(11,429)</u>	<u>(3,610)</u>
Income tax	5	-	(358)
Loss for the year		<u>(11,429)</u>	<u>(3,968)</u>
Total comprehensive loss for the year		<u><u>(11,429)</u></u>	<u><u>(3,968)</u></u>

The accompanying notes on pages 11 to 18 form an integral part of these financial statements.

CITIBANK INVESTMENTS LIMITED

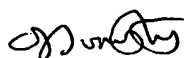
STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Note	2019 £'000	2018 £'000
Assets			
Cash at bank	10	21,038	20,148
Investments in subsidiary undertakings	6	41,868	53,285
Amount due from group undertakings		814	-
Tax receivable	5	117,396	124,357
Other assets		6,068	8,260
Total assets		187,184	206,050
Liabilities			
Amount due to group undertakings		544	7,975
Other liabilities		460	466
Total liabilities		1,004	8,441
Equity shareholders' funds			
Share capital	8	500	500
Other reserves	9	64,000	64,000
Retained earnings	9	121,680	133,109
Total equity shareholders' funds		186,180	197,609
Total liabilities and equity shareholders' funds		187,184	206,050

The accompanying notes on pages 11 to 18 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 15 December 2020 and were signed on its behalf by:



J V Mistry
Director

Registered Number: 01911126

CITIBANK INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	Share capital £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2018	500	64,000	137,077	201,577
Loss for the year	-	-	(3,968)	(3,968)
Balance at 31 December 2018	500	64,000	133,109	197,609
Loss for the year	-	-	(11,429)	(11,429)
Balance at 31 December 2019	500	64,000	121,680	186,180

The accompanying notes on pages 11 to 18 form an integral part of these financial statements.

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

a) Basis of preparation

The Company's financial statements have been prepared and approved by the Directors in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). In the previous year, the financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. 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. In the transition to FRS 101 from Adopted IFRS, the Company has made no measurement and recognition adjustments.

The Company has taken the 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 disclose a cash flow statement, the effects of new but not yet effective IFRSs and the disclosure requirements of IFRS 7 - *Financial Instruments: Disclosures* and IFRS 13 - *Fair Value Measurement*.

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 are presented in Pounds Sterling (£) and all values are rounded to the nearest thousand pounds, except where otherwise indicated.

The accounting policy set out below has, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements are prepared on a going concern basis taking into account the Company's existing capital and liquidity resources. The Directors acknowledge the risk that extreme circumstances might adversely impact the Company's ability to continue trading and are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including the implications from the pandemic (COVID-19) outbreak. As the Company is part of the Citigroup, the risks that apply to the parent also apply to all subsidiaries within the group including the Company. The risk factors impacting Citigroup Inc. are described in its 2019 annual report on form 10-K, which can be found at <http://www.citigroup.com/citi/investor/sec.htm>.

The directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore, have prepared the financial statements on a going concern basis.

b) Changes in accounting policy and disclosures

Standards issued and effective

There are a number of accounting standards that have been issued by the International Accounting Standards Board ("IASB"), which became effective during 2019. They include:

- **IFRS 16 – Leases.** In January 2016, the IASB issued IFRS 16, which sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard removes the current requirement for lessees to classify leases as finance leases or operating leases by introducing a single lessee accounting model that requires the recognition of lease assets and lease liabilities on the balance sheet for most leases. Lessees will also recognise depreciation expense on the lease asset and interest expense on the lease liability in the income statement. There are no significant changes to lessor accounting aside from enhanced disclosure requirements. The change in accounting standard did not have any impact on the Company, as it does not enter into lease arrangements.
- **IFRIC 23 – Uncertainty over Income Tax Treatments.** The interpretation provides requirements that add to the requirements in IAS 12 – Income Taxes by specifying how to reflect the effects of uncertainty in accounting for income taxes. The interpretation has no a significant impact on the Company.

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (continued)

c) Basis of 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 12 – ‘Parent companies’

d) Foreign currencies and net foreign exchange gains and losses

The Company’s financial statements are presented in Pounds Sterling (£), 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.

e) 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 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.

f) Financial assets and liabilities

Amortised Cost

A financial asset debt instrument shall be classified and subsequently measured at amortised cost (unless designated under FVO) only if both of the following conditions are met:

- (i) Business Model test: the financial asset debt instrument is held under a business model whose objective is to hold assets in order to collect contractual cash flows; and
- (ii) SPPI test: the contractual terms of the financial asset debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The following financial assets are classified under ‘amortised cost’ as at 31 December 2018 and as at 31 December 2019 respectively:

Cash and cash equivalents, loans and advances to group undertakings and other assets

Cash and cash equivalents, loans and advances to group undertakings and other assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term. They comprise Cash and cash equivalents, Loans and advances to group undertakings and Other assets that are deemed to have contractual cash flows of SPPI.

Loans and advances to group undertakings are initially recognised at fair value, which is the cash given to originate the loan, net of transaction costs and subsequently measured at amortised cost using the effective interest rate method, less any impairment charges.

Financial liabilities

Loans and advances from group undertakings and other liabilities are measured at amortised cost using the effective interest rate.

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (continued)

g) Impairment of financial assets

Under IFRS 9, the same impairment model is applied to all financial assets, except for: (a) debt investments classified or designated as FVTPL, and (b) equity investments, which are not subject to impairment assessment. The scope of the IFRS 9 expected credit loss (ECL) impairment model includes amortised cost financial assets, debt securities classified as FVOCI, and off-balance sheet loan commitments and financial guarantees which were previously provided for under IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets*.

The estimation of an ECL is required to be unbiased and probability weighted, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. The estimate also considers the time value of money.

IFRS 9 has three 'stages' for impairment recognition, whereby the measure of expected credit losses, and the interest income recognition, differs depending on the change in credit risk of the financial asset since initial recognition.

Due to the nature of business activities and the financial assets on the Company's balance sheet the recognition of incremental expected credit losses has a minimal impact. Therefore, for the vast majority of its exposures the Company has taken advantage of the practical expedient allowed by IFRS 9 in which lifetime expected credit losses are recognised irrespective of changes in credit risk (i.e. other assets).

h) Derecognition of financial assets and liabilities

Financial assets are derecognised when the right to receive cash flow from assets has expired or the Company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished, that is, when the obligation is discharged, cancelled or expired.

i) Dividend income

Dividend income is recognised when the right to receive payment is established which is the ex-dividend date for equity securities.

j) Investments in subsidiary and associate undertakings

Investments in subsidiaries and associates, comprising unlisted securities, are shown at cost, less allowance for impairment. At each reporting date, the Company assesses whether there is any indication that its investments in subsidiaries or associates are impaired. Investments are impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the investment and prior to the balance sheet date ("a loss event") and that loss event or events has had an impact on the estimated future cash flows of the investment that can be reliably estimated.

Tests for impairment are carried out annually or more frequently if events or changes in circumstances indicate that it might be impaired. If, in a subsequent year, management considers that part or all of the impaired investments in subsidiary and associate undertakings become recoverable, the previously recognised impairment loss is reversed and is recognised in the income statement up to an amount not exceeding the recoverable amount.

k) Income taxes

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.

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (continued)

k) Income taxes (continued)

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.

l) Cash and cash equivalents

Cash and cash equivalents comprise balances with an original maturity of less than three months, including cash and bank overdraft.

2. Use of assumptions and estimates

The results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. The accounting policies used in the preparation of the financial statements are described in detail above.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is the impairment of investments.

Going Concern

The financial statements are prepared on a going concern basis taking into account the Company's existing capital and liquidity resources and the level of reliance placed on support from Citi, the Company's ultimate parent. The Directors acknowledge the risk that extreme circumstances might adversely impact the Company's ability to continue trading and are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions. As the Company is part of Citigroup, the risks that apply to the parent also apply to all subsidiaries within the group including the Company. The risk factors impacting Citigroup Inc. are described in its 2018 annual report on form 10-K, which can be found at <http://www.citigroup.com/citi/investor/sec.htm>.

Impairment of investments in subsidiary and associate undertakings

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.

3. Other operating income

Prior to 2010, Citifin S.r.l, the Company's former indirect subsidiary had a consumer finance business in Italy selling Credit Life policies with Metlife and AIG. Following the liquidation of Citifin S.r.l in 2016, all its rights and obligations were transferred to the Company, including accumulated profit share payments due to Citifin S.r.l by Metlife and AIG. In 2018, other operating income represented £3.7 million one-off accumulated profit share payments based on the signed final agreements with the above mentioned insurance companies.

4. Auditor's remuneration

Auditor's remuneration in relation to the audit of the Company amounted to £26,478 (2018: £26,035). The auditor's remuneration for these financial statements is borne and paid by another group company.

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. Tax on loss on ordinary activities

a) Analysis of tax charge for the year

There was no tax charge incurred during the year (2018: £358 thousand).

b) Factors affecting tax charge for the year

	2019 £'000	2018 £'000
Loss before tax	(11,429)	(3,610)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	(2,172)	(686)
Effects of:		
Expenses not deductible for tax purposes	2,172	1,310
Utilisation of losses carried forward	-	(266)
Current charge for the year (Note 5a)	-	358

The main rate of corporation tax in the UK has been 19% from 1 April 2017. The Finance Act 2016, which was enacted on 15 September 2016, reduced the main rate of corporation tax to 17% with effect from 1 April 2020.

The 2020 Budget has removed the reduction to 17% such that the rate will remain at 19%, however, the impact of this has not been reflected, as this has not been substantively enacted at the balance sheet date.

At 31 December 2019, the Company had an unrecognised deferred tax asset of £102 million (2018: £102 million). This has not been recognised on the grounds that there is insufficient evidence that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

The Company has a current tax receivable balance of £117 million (2018: £124 million). The receivable was subsumed into the Company from the subsidiary CitiFin S.r.l. upon its liquidation on 6 December 2016, together with all of its balances.

6. Investments in subsidiary undertakings

The movement in the Company's investments in subsidiary undertakings was as follows:

	2019 £ '000	2018 £ '000
At 1 January	53,285	60,181
Impairment	(11,417)	(6,896)
At 31 December	41,868	53,285

Impairment

In 2019, the Company impaired its investment in subsidiaries by £11.4 million (2018: £6.9 million). The impairment during 2019 was to Citigroup Centre 1 Limited ("CGC1") of £11.4 million (2018: £6.9 million).

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6. Investments in subsidiary undertakings (continued)

Details of Company subsidiary undertakings held at 31 December 2019 as required by section 409 of the Companies Act are set out below. All have a year end of 31 December and a registered address of Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

Name	Nature of business	% holding in share capital	
		2019	2018
Associates Capital Limited	In liquidation	100.00%	100.00%
Avco Trust	In liquidation	100.00%	100.00%
Citibank London Nominees Limited	Bare trustee	100.00%	100.00%
CitiClient Nominees No. 8 Limited	Bare trustee	100.00%	100.00%
CitiFinancial Mortgage Corporation	In liquidation	100.00%	100.00%
Citifriends Nominee Limited	Bare trustee	100.00%	100.00%
Citigroup Centre 1 Limited	Provision of office accommodation	100.00%	100.00%
Citivic Nominees Limited	Bare trustee	100.00%	100.00%
CUIM Nominee Limited	Bare trustee	100.00%	100.00%
East Fourteen Limited	Nominee	100.00%	100.00%
Future Mortgages 1 Limited	In liquidation	100.00%	100.00%
National City Nominees Limited	Bare trustee	100.00%	100.00%
N.C.B. Trust Limited	Bare trustee	100.00%	100.00%
CitiFinancial Corporation Limited	Dissolved	0.00%	100.00%
CitiFinancial Limited	Dissolved	0.00%	100.00%

As at 31 December 2018, CitiFinancial Limited, a subsidiary of the Company, was in liquidation and was dissolved on 22 June 2019.

As at 31 December 2018, CitiFinancial Corporation Limited, a subsidiary of the Company, was in liquidation and was dissolved on 22 June 2019.

7. Investments in associates

The Company's investments in associates as at 31 December 2019 represent a 20.52% (2018: 20.52%) holding in Volbroker.com Limited, registered in England and Wales.

As at the year end, the issued equity capital of Volbroker.com Limited was £1,847,145 (2018: £1,847,146).

For the year ended 31 December 2019, the Company's share of profit of Volbroker.com Limited was £nil (2018: £nil).

Impairment

In 2016, the Company impaired its investment in Volbroker.com Limited by £1 million and keeps a record of it in the books as £nil (2018: £nil).

Summarised aggregate financial information on associates

	2019	2018
	£'000	£'000
Volbroker.com Limited		
Assets	8,889	8,109
Liabilities	-	-
Revenues	1,478	1,915
Profit	780	1,640

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. Share capital

	2019 £ '000	2018 £ '000
Allotted, called-up and fully paid		
500,000 (2018: 500,000) ordinary shares of £1 each	500	500
	<u>500</u>	<u>500</u>

All ordinary shares confer identical rights in respect of capital, dividends, voting and otherwise.

9. Capital and reserves

Further details regarding capital and reserves movements are shown in the Company Statement of Changes in Equity on page 10.

The other reserves component of equity includes capital contributions from the parent company which are distributable.

10. Cash at bank

	2019 £ '000	2018 £ '000
Cash at bank held by group undertakings	21,038	20,148
	<u>21,038</u>	<u>20,148</u>

11. Directors' remuneration

Key management are the Directors of the Company and their remuneration relates to the services provided to the Company.

	2019 £ '000	2018 £ '000
Salaries and other short-term benefits	42	42
Post-employment benefits	7	7
Share-based payments	20	23
	<u>69</u>	<u>72</u>

A listing of the Board of Directors is shown in the Directors' Report.

Contributions to defined benefit and money purchase schemes are accruing to five of the Directors (2018: three). Three of the Directors (2018: two) of the Company participate in Citigroup share plan. None of the Directors hold share options (2018: none) and during the year, none of the Directors (2018: none) exercised options. The emoluments for the highest paid Director were £60 thousand (2018: £61 thousand) with £20 thousand (2018: £23 thousand) being share based compensation and accrued pension of £6 thousand (2018: £7 thousand).

Directors' emoluments are borne by another group company.

CITIBANK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

11. Events after the reporting period

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally. The potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers.

This is a non-adjusting event and it is not expected to have any material financial effects to the Company.

12. Parent companies

At 31 December 2019, the Company is a 70% owned subsidiary of Citibank Overseas Investment Corporation, registered at One Penns Way, New Castle, DE 19720, United States of America. Citi Investments Bahamas Ltd., registered at 110 University Drive, Nassau, Bahamas, owns the remaining 30% of the Company.

The largest group in which the results of the Company are consolidated is that headed by Citigroup Inc., a company registered at 1209 Orange Street, Wilmington, New Castle, DE 19801, United States of America. Copies of these group accounts are made available to the public annually in accordance with Securities and Exchange Commission regulations and may be obtained from <http://www.citigroup.com/citi/investor/overview.html>.