

Balance Sheet for the Fiscal Year as of June 30, 2023
Citigroup Global Markets Europe AG, Frankfurt am Main

Assets					31/12/2022	
					EUR	KEUR
1. Cash reserve						
a)Cash on hand					—	—
b)Credit balances held at central banks, of which: at the Deutsche Bundesbank (German Central Bank)					5,653,700.89	496,000
	EUR	5,653,701)	(12/31/2022 kEUR	496,000)		
c)Credit balances held at post giro offices					—	5,653,700.89
3. Receivables from banks						
a)Payable on demand					563,975,362.66	833,902
b)Other receivables					31,689,703.20	595,665,065.86
						—
4. Receivables from clients					31,074,431,411.53	27,863,341
of which: secured through <i>in rem</i>						
security interets	EUR	—)	(12/31/2022 kEUR	—)		
Municipal loans	EUR	—)	(12/31/2022 kEUR	—)		
6a Trading portfolio					13,345,285,312.41	11,703,563

7. Equity investments				1,135,714.07	1,136
of which: held in banks	EUR	—)	(12/31/2022 kEUR	—)	
of which: held in financial service institutions	EUR	1,135,714)	(12/31/2022 kEUR	1,136)	
of which: held at investment institutions	EUR	—)	(12/31/2022 kEUR	—)	
9. Trust assets				185,324,463.16	446,356
of which: trust loans	EUR	185,324,463.16	(12/31/2022 kEUR	446.356)	
11. 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				2,861.13	4
c) Goodwill				51,566,666.67	56,117
d) Prepayments				—	51,569,527.80
12. Tangible assets				20,193,136.78	17,064
14. Other assets				1,159,018,543.86	1,097,788
15. Prepaid and deferred items				29,654,839.96	1,233
17. Excess of plan assets over post-employment benefit liability				25,122.00	33
Total Assets				46,467,956,838.32	42,516,536

					Liabilities and Equity Capital	
					31/12/2022	
					EUR	kEUR
1. Liabilities owed to banks						
a) Payable on demand					173,432,894.65	205,903
b) With an agreed term or notice period					145,421,619.90	318,854,514.55
2. Liabilities owed to clients						
a) Savings deposits						
āa) with agreed notice period of three months				—		—
ab) with agreed notice period of more than three months Monaten				—	—	—
b) Other liabilities						
ba) payable on demand				—		8,670,371
bb) with agreed term or notice period				29,910,601,463.69	29,910,601,463.69	29,910,601,463.69
						18,468,217
3a Trading portfolio					11,536,483,215.10	9,901,842
4. Trust liabilities					185,324,463.16	446,356
of which: trust loans	EUR	185,324,463.16	(12/31/2022 kEUR	446,356)		

5. Other liabilities				528,535,612.14	802,057
6. Deferred income				7,279,365.50	7,712
7. Accrued liabilities					
a)Pensions and similar obligations		58,478,503.05			57,130
b)Tax reserves		7,295,545.51			7,420
c)Other accrued liabilities		165,897,579.17	231,671,627.73		167,322
11. Funds for general bank risks				31,833,610.23	31,834
of which: items defined under § 340e (4) HGB				EUR	31,833,610.23
				(12/31/2022 kEUR	31,834)
12. Equity capital					
a)Subscribed capital		242,393,054.05	242,393,054.05		242,393
b)Capital reserves		3,405,961,524.46	3,405,961,524.46		3,405,962
c)Earnings reserves					
ca)legal reserve		33,027,197.15			33,027
cb)reserve for treasury shares		—			—
cc)reserves as required by the articles of association		—			—
cd)other earnings reserves		68,991,285.31	102,018,482.46	3,750,373,060.97	61,666
d)Unappropriated earnings/loss (balance sheet profit/loss)			(33,000,094.75)	(33,000,094.75)	7,325
Total Liabilities and Equity Capital				46,467,956,838.32	42,516,536

Income Statement
for the Period of January 1, 2023 through June 30, 2023
Citigroup Global Markets Europe AG, Frankfurt am Main

	EUR	EUR	EUR	01/01/2022 - 06/30/2022 kEUR
1. Interest income from				
a) Loans and money market transactions	488,501,444.52			50,672
2. Negative interest income from				
a) Loans and money market transactions	6,743,987.37	481,757,457.15		26,403
3. Interest expenses	455,903,708.17			73,624
4. Positive interest from loans and money market transactions	284,393.62	-455,619,314.55	26,138,142.60	21,914
5. Current income from				
a) Shares and other variable-yield securities		—		—
b) Equity investments		—		436
c) Interests in affiliated enterprises		—	—	—
6. Commission income		297,364,187.07		260,439
7. Commission expenses		148,928,526.84	148,435,660.23	139,161
8. Net income from financial trading operations			32,035,183.37	69,607
Included therein are deposits into funds for general bank risks per § 340e (4) HGB				
	EUR	—	(01/01/2022 - 06/30/2022 kEUR --)	
9. Other operating income			82,705,957.56	87,204
10. General administrative expenses				
a) Personnel expenses				
aa) Wages and salaries	127,889,845.24			105,256
ab) Social security contributions, pension and social welfare expenses	10,755,437.32	138,645,282.56		13,267
of which: for pensions	EUR 2,324,117.45	(01/01/2022 - 06/30/2022 kEUR 9,787)		
b) Other administrative expenses		164,609,710.67	303,254,993.23	136,179

11. Depreciation, amortization and write-downs of tangible and intangible assets	5,682,869.57	5,731
12. Other operating expenses	134,289.14	25,310
13. Write-downs of, and provisions for, receivables and certain securities and additions to loan reserves	1,146,720.00	—
14. Income from reversal of write-downs of receivables and certain securities, and income from reversal of loan reserves	— -1,146,720.00	—
15. Write-downs and valuation adjustments on equity investments, interests in affiliated enterprises and long-term securities	—	—
16. Results from ordinary operations	-20,903,928.18	-34,657
17. Taxes on income and earnings	12,096,166.57	1,229
18. Other taxes, to the extent not included in item 12	— 12,096,166.57	—
19. Annual net loss	-33,000,094.75	-35,886
20. Profit carried forward/Loss carried forward from the prior year	—	—
	-33,000,094.75	—
21. Transfers from capital reserves	—	—
	-33,000,094.75	—
22. Transfer from earnings reserves		
a)from the legal reserve	—	—
b)from the reserve for treasury shares	—	—
c)from reserves required by the bank's articles of association	—	—
d)from other earnings reserves	—	—
	-33,000,094.75	—
23. Transfers to earnings reserves		
a)to the legal reserves	—	—
b)to the reserve for treasury shares	—	—
c)to the reserves required by the bank's articles of association	—	—
d)to other earnings reserves	—	—
	-33,000,094.75	—
24. Unappropriated profit (balance sheet profit)	-33,000,094.75	-35,886

Citigroup Global Markets Europe AG, Frankfurt am Main

Notes – Condensed – as of June 30, 2023¹

BASES OF THE ACCOUNTING

Citigroup Global Markets Europe AG, Frankfurt am Main (abbreviated herein as “CGME”), is a stock corporation with its registered place of business in Frankfurt am Main and is recorded in the Commercial Register of the Local Court of Frankfurt am Main under registration number HRB 88301.

CGME is classified as a CRR credit institution in accordance with Directive (EU) No. 2019/2034 in combination with Article 4 para. 1, no. 1 of Regulation (EU) No. 575/2013 and is considered a public interest entity (“PIE”) within the meaning of § 316a no. 2 of the German Commercial Code (abbreviated herein as “HGB”) in combination with § 1 para. 3d, sentence 1 of the German Banking Act (abbreviated herein as “KWG”).

CGME is not a capital markets-oriented corporation within the meaning of § 264d HGB in combination with § 340a (1) HGB, because during the reporting period none of the securities issued by CGME were admitted for trading on an organized market within the meaning of § 2 (11) of the German Securities Trading Act (abbreviated herein as “WpHG”) and because during the reporting period CGME also did not apply for admission to trading such securities on an organized market within the meaning of § 2 (11) of the WpHG.

Furthermore, CGME is exempted from the obligation to prepare a half-year financial report pursuant § 115 WpHG because during the reporting period none of the securities issued by CGME were admitted to trading on an organized market within the meaning of § 2 (11) WpHG.

The interim reporting by CGME as of June 30, 2023 is being carried out on the basis of the prospectus-related obligations prescribed under Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (EU Prospectus Regulation) and was prepared in accordance with the provisions under the German Stock Corporation Act (abbreviated herein as “AktG”) and the HGB as well as the supplemental provisions of the German Regulation on Accounting for Banks and Financial Services Institutions (abbreviated herein as “RechKredV”).

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

¹ In accordance with § 115 (5) WpHG, a review pursuant to § 317 HGB (in other words, a so-called “prüferische Durchsicht”) of the interim financial report as of June 30, 2023 was not performed.

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

In accordance with § 115 (3) of the WpHG and following DRS 16, a decision was made not to supplement the interim report as of June 30, 2023 with a condensed statement of equity capital and an interim management report.

Pursuant to the provisions § 115 (3) sentence 2 WpHG as well as DRS 16.15 in combination with §§ 265 (2) and 340a (1) HGB, the numerical information for the comparative period in the balance sheet items refers to December 31, 2022. With regard to the items on the income statement and the condensed cash flow statement of the interim report as of June 30, 2023, DRS 16.15 b) provides that the comparative figures to be used are the financial statement items of the relevant time period of the fiscal year immediately preceding the interim report per June 30, 2023.

There is no obligation to prepare a consolidated half-year financial report pursuant to § 115 (3) WpHG in combination with § 290 (5) HGB because the only relevant subsidiaries are those that - under § 296 (2) HGB - do not need to be included in the consolidated financial statements. With regard to that point, reference is also made to the fact that the application of German Accounting Standard (*Deutsche Rechnungslegungs Standard* or DRS) No. 16 relating to interim reporting (referred to as DRS 16) is not required. This does not rule out the possibility that individual provisions under the Standard could be voluntarily applied in connection with the interim reporting, to the extent it would serve to ensure better insight into the net assets, financial condition and results of operation of CGME as of June 30, 2023.

ACCOUNTING AND VALUATION POLICIES

The same accounting and valuation methods that were used in connection with preparing the half-year financial report as of June 30, 2022 and the annual financial statements as of December 31, 2022 were also used in preparing the interim report as of June 30, 2023.

Receivables from banks and clients are recognized on the balance sheet at their nominal value plus accrued interest. For counterparty credit (or default) risks, appropriate risk provisioning in the amount of the anticipated default was taken into account, where necessary, in accordance with the valuation principles under commercial law.

Standard valuation allowances have been created on the balance sheet to account for general credit risks. In the absence of any historical loan defaults, these allowances now cover potential losses for the future, while factoring in current information and expectations regarding the risk situation. In accordance with IDW Statement IDW RS BFA 7 of February 8, 2020, the election or option of using a simplified model was exercised when determining the standard valuation allowances, whereby the standard allowances were determined for the first time in the reporting year using the so-called "IFRS 9 phased model". As of June 30, 2023, there were no loans or credits that would need to be allocated to risk levels 2 and 3 in terms of their expected counterparty default risk.

In addition to the client-specific credit ratings and expected credit default probabilities, the calculation of the standard allowances also takes into account, among other things, macroeconomic factors of the countries in which the CGME clients have their registered headquarters (e.g., gross domestic product, unemployment rate), which can generally influence the client-specific counterparty default risk. The respective factors are reviewed on a quarterly basis in terms of appropriateness and then adjusted, if necessary. Furthermore, the valuation parameters are subject to regular

sensitivity analysis in order to determine the influence of macroeconomic factors on expected loan losses.

An adjustment to the model results in the form of a Top Level Adjustment (TLA) - for example, due to the knock-on effects of the Russian/Ukraine war and the COVID pandemic - was not performed. Compared with the same period of the previous year, an insignificant additional valuation expense of EUR 1 million was booked in the reporting period.

The **financial instruments in the trading portfolio** that are traded on and off the stock exchange, or the resulting **receivables**, are recognized for accounting purposes on the balance sheet as of the settlement date.

CGME offsets positive and negative fair values as well as the related settlement payments (cash collateral) of trading portfolio derivatives that are traded over-the-counter with central counterparties and non-central counterparties (OTC derivatives).

The valuation (recognition) of **financial instruments in the trading portfolio** was done at fair value less a risk discount in accordance with sentence one of § 340e (3) HGB. The financial instruments are initially recognized at their cost of acquisition. In accordance with an official statement (RS BFA 2) of the Institute of Public Auditors in Germany (IDW), the follow-up valuation at fair value is based on the value at which competent parties, who are independent of one another but wish to contract, could exchange an asset or pay a liability and is performed in accordance with the hierarchical order of valuation criteria set forth in § 255 (4) HGB. The value of financial instruments that are not listed on an exchange is determined using comparative prices and the valuation results that obtained by applying valuation models.

In general, these methods are based on estimates of future cash flow, while taking into account any risk factors that could apply. In this regard, the most important factors, in each case dependent on the nature of the relevant financial instrument, are the "underlying price", "implicit volatilities", "yield curves" and "dividend forecasts". In this regard and depending on the structure of the respective financial instrument, there are, *inter alia*, other assumptions that the valuation is "risk-neutral" with regard to the future development of market prices, that interest rates and credit costs are deterministic and, for example, that the amount of dividends is generally known and will be paid on certain dates. Furthermore, when applying the valuation models, additional probabilities regarding the occurrence of certain valuation parameters or factor sensibilities (Delta, Gamma) are also taken into account.

As of June 30, 2023, a **risk discount (value-at-risk; VaR)** calculated for regulatory purposes was applied to the financial instruments in the trading portfolio in accordance with § 340e (3) HGB. The VaR is generally calculated for the entire portfolio and deducted from the line item "trading assets". For purposes of calculating the value-at-risk, CGME uses a model that was developed by Citigroup and applied uniformly within the corporate group (IMA) and that is utilized to satisfy the equity capital requirements for market price risks. In this regard, the VaR reflects the maximum expected loss of a trading book during a certain holding period (10 days) with a pre-defined probability (confidence level of 99%). Specific risks of certain stocks (beta risk) are likewise factored into the calculation. The calculation of the VaR is made using a Monte Carlo simulation, which is run for all trading activities on the basis of uniform assessment criteria. The volatilities of the individual market factors, which are included in the calculation as well as their correlation to one another, are computed on an empirical basis. Any increase in the risk discount over the previous year that is required in accordance with § 340e (4) HGB will be recognized in profit or loss and charged to net income from the trading portfolio in accordance with § 340c (1) HGB. Where a risk discount is applied to trading liabilities, it is accounted for as a surcharge, which is also recognized as an expense in determining the net trading income pursuant to IDW Statement IDW RS BFA 2.

Any exchange-traded derivatives that yielded settlement payments were recognized in the balance sheet under the items "Other assets" and "Other liabilities".

The model valuation of non-exchange-traded derivatives in the trading portfolio (with the parameters used in this process) requires assumptions and estimates, the scale of which depends on the transparency and availability of market data and on the complexity of the respective financial instrument. Since these are associated with uncertainties and may be subject to change, the actual results and values could differ from these estimates. The valuation methods applied include all factors and parameters that CGME believes would also be considered by other market participants. **Valuation adjustments** are made if the valuation methods do not take individual factors into account or if such action appears appropriate to eliminate weaknesses in the models used to date. Significant valuation adjustments relate, among other things, to the counterparty's credit risk (Credit Valuation Adjustment, or CVA) and the Group's own credit risk (Debt Valuation Adjustment, DVA) for OTC derivatives.

For the funding valuation adjustments (FVA), the funding or refinancing expenses and income of unsecured derivatives and secured derivatives, for which only partial collateral is available or the collateral cannot be used for refinancing, are booked at fair value. For the calculation of the FVA, the refinancing effects were taken into account in the valuation when computing the present cash values *via* premiums applied to the discount rates.

Observable market data (e.g., credit default swap spreads) are used to determine the fair value of CVA, DVA and FVA, where available. Changes in the fair value of the trading portfolio are netted and reported in the net result of the trading portfolio.

Derivative financial transactions are generally not recognized as pending transactions. If the derivatives are exchange-traded, then they are recognized on the balance sheet at their market price. In the case of OTC derivatives, the market price is determined using standardized and customary valuation models (e.g., present value or option pricing models).

Acquired or issued structured products are recognized as assets or liabilities in accordance with IDW Statement IDW RS HFA 22.

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

In order to calculate the present cash value, a discount rate of 1.80% (12/31/2022: 1.78%) based on a 15-year term was used. Pursuant to § 253 (2) sentence 1 HGB, the average market rate of the previous ten fiscal years was used as the discount rate for calculating the present cash value in the recently completed fiscal year. Future salary and wage increases were estimated at 3.0%, and at the same time, a 2.3% adjustment of the current annuities was assumed.

In general, the biometric data was derived from the Dr. Klaus Heubeck 2018 G mortality tables. In connection with accounting for the accruals for pensions and similar obligations, assets that serve only to settle the debts owed under the pension obligations or similar long-term obligations in accordance with § 340a (1) in combination with § 246 (2) sentence 2 HGB were offset against them.

NOTES TO SELECTED SIGNIFICANT ITEMS ON THE INCOME STATEMENT

To explain the significant changes in income statement items for the first half of 2023, the values of the interim reporting for the previous fiscal year are used for comparison.

(1) Interest income and expenses

The negative interest income and positive interest expenses are shown in the income statement line items no. 2 “Negative interest income” or line item no. 4 “Positive interest from loans and money market transactions” in accordance with § 340c paras. (1) and (2) HGB in combination with § 265 (5) HGB.

The negative interest income and positive interest expenses are attributable mainly to the closed-out repo transactions and to the collateral given or received from the broker/dealer business.

Net interest income (interest result) improved sharply from EUR -27 million in the first half year of 2022 to EUR 26 million in the first half of 2023. The increase is due essentially to the hikes in the key interest rate of the European Central Bank to combat inflationary price increases as one of the consequences of the war waged by Russia against Ukraine, which resulted in the interest income received on collateral provided in the broker/dealer business climbing more than the interest expense payable on collateral received.

(2) Commission income and expenses

Net commission income increased less sharply, rising by EUR 27 million from EUR 121 million in the same period last year to EUR 148 million. This increase is attributable mainly to the emphatic decline in income from the BCMA business segment in the first half of 2023, which could be compensated only partially by internal Group cost allocation. The Global Markets unit, particularly the Agency Services and Global Finance Desk, benefited from the uncertainties and market volatilities, thereby growing favorably.

(3) Net income from financial trading operations

Net income from the financial trading portfolio decreased significantly by EUR 38 million to EUR 32 million in the first half of 2023 compared to the same period of the previous year, due primarily to customer restraint in both trading volumes and activities, existing price stability and investment uncertainties, and (XVA) valuation discounts totalling EUR 70 million.

(4) Other operating income

This item mainly consists of income from passing through costs to the shareholder (EUR 31 million) and income from passing through expenses to other affiliated enterprises (EUR 39 million).

(5) General administrative expenses

Compared to the same period of the previous year, the **general administrative expenses** have climbed by EUR 49 million to a total of EUR 303 million. This growth is attributable primarily to rising personnel expenses triggered by the increase in staffing compared to the same period of the previous year and to the increase in other administrative expenses related mostly to transaction fees, expenses from intercompany charges and the bank levy (*Bankenabgabe*).

Overall, the net loss was reduced slightly compared to the same period of the previous year despite the currently prevailing difficult market environment. The net loss in the first half year of 2023 equaled EUR 33 million (H1 2022: net loss of EUR 36 million).

(6) Block on dividend payments

During the reporting period, the amounts that were **blocked from dividend payments** pursuant to § 268 (8) und § 253 (6) HGB totaled EUR 11 million (prior year: EUR 10 million). Of this amount, EUR 6 million (prior year: EUR 3 million) relates to an amount that was blocked from dividend distribution due to the capitalization of plan assets in connection with pension obligations at fair value in accordance with § 268 (8) sentence 3 in conjunction with § 340a (1) HGB. The remaining EUR 5 million (12/31/2022: EUR 7 million) blocked from dividend distribution is attributable to the difference between the amount recognized for pension provisions based on the relevant average market interest rate over the past ten fiscal years and the amount recognized for pension provisions based on the relevant market interest rate over the past seven fiscal years.

As of June 30, 2023, the **amounts blocked from dividend payments**, which were recognized in the balance sheet under the item "Funds for general bank risks" in accordance with Section 340e (4) HGB, equaled EUR 31.4 million (12/31/2022: EUR 31.4 million).

NOTES TO SELECTED SIGNIFICANT ITEMS OF THE BALANCE SHEET

(7) Trading portfolio assets and liabilities

The **trading portfolio assets and liabilities** consist of the following:

Trading Portfolio				
	Asset	Liability	Asset	Liability
	06/30/2023 (EUR million)	06/30/2023 (EUR million)	12/31/2022 (EUR million)	12/31/2022 (EUR million)
1. Derivative Financial Instruments				
• FX-induced transactions				
○ OTC-currency options and swaps	4,716	4,718	5,365	5,375
○ Currency warrants Own issues	165	171	147	152
○ Foreign exchange spot transactions	538	539	617	617
• Stock warrants own issues	5,340	5,546	3,645	3,777
• OTC equity and index options and swaps	1,678	1,670	1,681	1,655
• Index warrants – own issues	2,570	2,603	2,259	2,297
• Exchange-traded stock & index options	143	3	66	3
• OTC interest rate options and swaps	27,284	27,300	27,396	27,418
• Commodity warrants - own issues	134	136	107	109
• OTC commodity options and swaps	1,561	1,567	2,154	2,156
Subtotal	44,129	44,253	43,437	43,559
2. Bonds and other fixed-income secu- rities	249	553	211	473
<i>of which marketable (börsenfähig)</i>	249	553	211	473
<i>of which marketable</i>	249	553	211	473
3. Stocks and other variable-yield secu- rities	277	31	267	33
<i>of which marketable</i>	277	31	267	33
<i>of which marketable</i>	277	31	267	33
Total	44,655	44,837	43,915	44,065
- Other Market-Value Adjustments	7	0	8	1
- Value-at-Risk	- 9	-	- 9	-
- Netting	- 31,308	- 33,301	- 32,209	- 34,162
Total	13,345	11,536	11,704	9,902

(8) Receivables from and liabilities owed to clients

These balance sheet items primarily consist of receivables (EUR 20,462 million; 12/31/2022: EUR 13,443 million) and liabilities (EUR 15,945 million; 12/31/2022: EUR 11,272 million) generated from repurchase agreements that were entered into in connection with the fixed income finance business (so-called "Matchbook Desk") and for purposed of liquidity management. Moreover, these balance sheet items include short-term receivables and liabilities in connection with broker/dealer business that was established in CGME's own name and for its own account. The option to apply settlement date accounting has been exercised in the recognition and reporting of **receivables from and liabilities to clients**.

(9) Trust services

CGME has been providing its clients with services that are part of its business services connected with derivatives. Under this so-called "**FCX Business**" (which stands for "Futures, Clearing and FX Prime Brokerage Business"), the CGME investor services business encompasses, *inter alia*, the trading of derivate financial instruments in its own name but for the account of the clients as well as the related receipt and forwarding of client funds, which must be deposited by the client to serve as collateral to secure the trading in futures. The contractual arrangements that were thereby made stipulate a segregation of client assets from the CGME assets in an effort to specifically shield client assets from any third-party enforcement action that could be initiated in the event that the "asset-managing" CGME becomes the subject of an insolvency proceeding. The client assets are therefore held in trust. Accordingly, as of June 30, 2023, CGME is reporting **trust assets** and **trust liabilities** *vis-à-vis* its clients in an amount totaling EUR 185 million (12/31/2021: EUR 446 million).

(10) Other assets

Other assets (EUR 1,159 million; 12/31/2022: EUR 1,098 million) primarily comprise receivables from variation/initial margins paid (EUR 1,091 million; 12/31/2022: EUR 828 million) as well as tax refund claims (EUR 57 million; 12/31/2022: EUR 27 million).

(11) Prepaid and deferred items

Prepaid expenses (EUR 30 million; 12/31/2022: EUR 1 million) relate to prepaid fees and expenses. The increase compared to the same period last year is mainly due to the bank levy that was prepaid for the entire 2023 year.

Deferred income of EUR 7 million (12/31/2022: EUR 8 million) comprises payments received in the reporting period for services that will be performed in the subsequent period.

(12) Other liabilities

Other liabilities (EUR 529 million; 12/31/2022: EUR 802 million) are primarily liabilities from variation/initial margins received (EUR 464 million; Dec. 31, 2022: EUR 744 million) and tax liabilities (EUR 51 million; 12/31 2022: EUR 48 million).

(13) Accruals for pensions and similar obligations

To hedge third-party claims from pension and similar commitments, assets in the form of liquid funds and units or shares in securities funds (*Wertpapiersondervermögen*) are available as of the balance sheet date. The funds are managed exclusively by outside asset managers who invest in exchange-traded securities in accordance with the relevant investment guidelines. In the event CGME enters insolvency, CGME creditors will be denied access to the assets that are transferred to the trustees.

In accordance with § 246 (2) sentence 2 in combination with § 340a (1) HGB, the assets used for hedging purposes will be set off (netted) at their fair value against the obligations valued at the settlement amount. The fair values of the relevant funds' assets are documented as of the balance sheet date in a schedule that is provided by the administrator.

The contractual hedge of the business pension obligations was carried out on the basis of a contractual trust arrangement (CTA) with the trustee, Towers Watson Treuhand e.V.

In 2022, pension obligations and fund shares in the special fund, "MI-Fonds F42", were transferred to Metzler Pensionsfonds (MPF). In accordance with Art. 28 of the Introductory Act to the German Commercial Code (EGHGB), no reserve was set aside for this indirect obligation arising from commitments for current pensions. The settlement amount from the pension obligations that were transferred to MPF equals EUR 133 million as of June 30, 2023 (12/31/2022: EUR 136 million).

As of June 30, 2023, shares that are held in the special fund "MI-Fonds F42" (costs of acquisition of EUR 55 million; formerly referred to as the "Rose" fund) and were purchased or contractually promised by CGME are made available in order to hedge the pension commitments and, pursuant to § 246 (2) sentence 2 in combination with § 340a (1) HGB, were netted at their fair value (EUR 57 million) against the settlement amount from the pension obligations (EUR 104 million). The settlement amount exceeding the plan assets as of the balance sheet date and equaling EUR 47 million (12/31/2022: EUR 46 million) is recognized on the balance sheet under the item, "Accruals for pensions and similar obligations".

As of June 30, 2023, there are also obligations from pension plans resulting from bonus conversions. The obligations under these plans are thereby linked to the fair values of the corresponding fund assets to be used as plan assets. In detail, the balance sheet values of the accruals for pensions and similar obligations are composed as shown in the table below, while factoring in the relevant available plan assets that were netted against the fair values in accordance with § 246 (2) sentence 2 HGB:

	06/30/2023		12/31/2022	
	EUR million	EUR million	EUR million	EUR million
I. General pension obligations				
Settlement amount	104		102	
Less				
Plan assets *)	- 57	47	- 56	46
II. Pension obligations from bonus conversions				
Settlement amount	73		71	
Less				
Plan assets **)	- 62	11	- 60	11
Excess of plan assets over post-employment benefit liabilities		-		-
Accruals for pensions and similar obligations		58		57

*) Acquisition costs EUR 55 million

**) Acquisition costs EUR 57 million

(14) Equity capital

As of June 30, 2023, equity as reported on the balance sheet decreased from the previous balance sheet date by EUR 33 million to EUR 3,717 million. The cause of this decline is the EUR 33 million net loss reported in the first half of the year.

MISCELLANEOUS NOTES

(15) Number of persons employed

	06/30/2023	12/31/2022
Number of staff members	596	558
Total	596	558

(16) Governing bodies (officers and directors) of CGME

Supervisory Board

Members

Ms. Dagmar Kollmann, Vienna, Lawyer, independent Supervisory Board member,
- Chairperson of the Supervisory Board - ,

Ms. Barbara Frohn, London, Bank Director, Citigroup Global Markets Limited, London,
- Deputy Chairperson of the Supervisory Board - ,

Mr. Leonardo Arduini, London, Bank Director, Citigroup Global Markets Limited,
London,

Mr. James Bardrick, Coggeshal Hamlet, Bank Director, CEO, Citigroup Global Markets Limited,
London,

Mr. Tim Färber, Kelsterbach, Bank employee, Employee Representative,

Mr. Dirk Georg Heß, Friedrichsdorf, Bank employee, Employee Representative.

Executive Board

Members

Dr. Silvia Carpitella, Milan/Italy, CEO, Bank Director, Chairperson of the Executive Board, term
commencing May 1, 2023,

Dr. Jasmin Kölbl-Vogt, Frankfurt am Main, Legal, Bank Director,
Chairperson of the Executive Board / Interim CEO – term ending April 30, 2023,

Mr. Stefan Hakfe, Kelkheim, Head of BCMA, Bank Director, term commencing May 1, 2023,

Mr. Peter Kimpel, Frankfurt am Main, Head of BCMA, Bank Director, term ending March 31, 2023,

Ms. Sylvie Renaud-Calmel, Paris, Head of Markets, Bank Director,

Mr. Oliver Rusmann, Bad Vilbel, CFO, Bank Director,

Ms. Amela Sapcanin, Frankfurt am Main, CRO, Bank Director,

Ms. Jean Young, Königstein im Taunus, O&T, Bank Director.

(17) Information about significant events following the balance sheet date

Effective July 24, 2023, Mr. Leonardo Arduini resigned as a member of the Supervisory Board. Mr. Mbar Diop, London, Bank Director, Citigroup Global Markets Limited, London, was appointed to succeed Mr. Arduini in this role as a member of the Supervisory Board of CGME.

Effective September 1, 2023, Mr. Michael Weber, Frankfurt am Main, CAO, Bank Director was appointed to serve as member of the Executive Board.

There were no other significant events that occurred following the end of the reporting period and that have not yet been addressed in this interim report.

(18) Cash flow statement

CGME refinances itself primarily within the Citigroup Group. Cash investments and other financial investments are made exclusively in the short-term segment. Otherwise, we refer to the cash flow statement as set forth below.

Cash Flow Statement per German Accounting Standard No. 21	Fiscal Half Year 01/01/ - 06/30/2023 EUR million	Fiscal Half Year 01/01/ - 06/30/2022 EUR million
Annual Net Profit	-33	-36
<i>Cash positions included in the annual net income and reconciliation with cash flow from current operating activities:</i>		
Amortization/depreciation, value adjustments and reversals on receivables, tangible and financial assets	2	21
Changes in accruals	2	23
Change in other non-cash expenses/income	1	-
Gain/loss from the sale of financial and tangible assets	0	-
Other adjustments (in net terms)	-17	19
Subtotal:	-45	27
<i>Change in assets and liabilities from current operating activities:</i>		
<i>Receivables:</i>		
- from banks	238	1,016
- from clients	-2,951	-15,325
Trading portfolio assets	-1,641	-3,389
Other assets from current operating activities	-90	2,310
<i>Liabilities:</i>		
- owed to banks	113	-1,377
- owed to clients	2,511	17,889
Securitized liabilities	-	-
Trading portfolio liabilities	1,635	3,425
Other liabilities from current operating activities	-273	-4,547
Interest and dividend payments received	492	82
Interest paid	-463	-100
Income tax payments	-12	-1
Cash flow from current operating activities	-486	10
<i>Payments received from the outflow of</i>		
- Financial assets	0	0
- Tangible assets	-	-
<i>Payments made for investments in</i>		
- Financial assets	-	-3
- Tangible assets	-4	-7
Change in cash resources based on investing activities (in net terms)	-	-
Cash flow from investing activities	-4	-10
Payments received from contributions to equity capital	-	-
<i>Payments made to company owners:</i>		
- Dividend payments	-	-
- Other outgoing payments	-	-
Change in cash resources other capital (in net terms)	-	-
Cash flow from financing activities	-	-
Cash and cash equivalents at the end of previous period	496	0
Cash flow from current operating activities	-486	10
Cash flow from investing activities	-4	-10
Cash flow from financing activities	0	0
Cash and cash equivalents at the end of the period	6	0