CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED

ANNUAL FINANCIAL REPORT

31 DECEMBER 2024

ABN: 64 003 114 832

Registered office

Level 23
2 Park Street
Sydney NSW 2000

CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED

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CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED

DIRECTORS' REPORT

The directors present their report together with the financial report of Citigroup Global Markets Australia Pty Limited (the Company) for the financial year ended 31 December 2024, and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year are:

Mark Woodruff	Appointed as director on 27 May 2022.
William Langley	Appointed as director on 24 August 2023.
Christina Chang	Appointed as director 15 July 2024.
Alexis Cartel	Appointed as director on 24 May 2022, resigned 5 August 2024.

Secretaries

The secretaries of the Company at any time during or since the end of the financial year are:

Michael Forde	Appointed as secretary on 6 November 2017.
Melissa Carmody	Appointed as secretary on 22 August 2022.
Charmaine Byrne	Appointed as secretary on 31 March 2023.

Principal activities

The principal activities of the Company during the course of the financial year were stockbroking for wholesale institutional clients, fixed income sales and trading, futures broking and clearing, equity and debt capital market services, corporate advisory and other financial services. There were no significant changes in the nature of the activities of the Company during the year.

Review of operations

In 2024, Citi Australia's revenue from Australian clients grew 14%[1] year on year, and local revenues earned from international clients' Australian subsidiaries grew by 10%[2] year on year.

Citigroup Global Markets Australia Pty Limited (CGMA) represents approximately 13% of Citi Australia's total revenues.

Citigroup Inc. (Citi) operates its activities in Australia through several reporting entities; Citigroup Global Markets Australia Pty Limited (CGMA), Citigroup Pty Limited (CPL), and Citibank N.A. (CBNA). CPL represents approximately 40% of Citi Australia's revenues. CBNA accounts for approximately 47% of Citi Australia's revenues.

It does not consolidate its Australian operational activities into one set of financial statements.

CGMA is the primary reporting entity for the Equities business in the Markets division as well as Capital Markets and Advisory.

The Equities business offers execution, liquidity and idea generation to our clients. It includes cash equities, prime services and derivatives markets. The Capital Markets and Advisory business provides advisory services and debt and equity capital markets solutions for corporations, governments and financial institutions.

In 2024, CGMA delivered fee revenues[3] of $174.9 million, up 14% from $153.8 million in 2023. It decreased expenses by 16%, driven by declines in employment costs and internal management fees. Net interest and dividend income was down on the prior year, and trading income fell. CGMA recorded strong performance in all lines of business in 2024. The fourth quarter was a record quarter for fee revenue and Citi is well placed to capitalise on this momentum into 2025.

Markets

Total Equities were up year-on-year driven by increased market share in Cash Equities, gains in Delta 1 trading, and higher revenues in the Futures business due to client acquisitions and a positive external environment. Prime Finance's continuous build-out of the Prime Brokerage offering resulted in an uplift in revenues over prior year. Fixed Income revenue was up due to higher revenue from Rates Inflation bonds despite the economic headwind, and volatile global inflation and interest rate environment. Spread Products' revenue from financing and securitisation advisory fees contributed to this year's performance.

Capital Markets and Advisory

The Capital Markets and Advisory business had an outstanding 2024 with landmark deals spanning several sectors. The 2024 success builds a strong foundation for 2025.

Highlights include Citi acting as financial advisor to Blackstone on its acquisition of AirTrunk with a transaction value of AU$24 bn. This transaction is the largest ever data centre deal globally, the largest M&A deal in Australia in 2024 and the second largest cash M&A deal in Australia ever. 2024 was another strong year for our Debt Capital Markets business, helping Australian and New Zealand issuers raise a combined ~US$44bn equivalent in domestic and offshore investment grade primary markets. This included US$1.25bn in 10yr and 30yr tranches for CSL, US$1bn in 3yr and 5yr tranches for NBN and US$13.25bn in multiple tranches for ANZ and ANZNZ.

In recognition of its performance in 2024, Citi received a number of awards for businesses within the CGMA legal entity. These include:

FinanceAsia:

- Best Bond Deal for CSL Financial's US$1.25bn bond
- Best Equity Deal for an A$1.4bn block trade in Worley Limited
- Best DCM Banker (Dealmaker Poll) awarded to Citi Australia's Derek Ong
- Highly Commended M&A Deal for PSP Consortiums's A$2.5bn acquisition of Costa Group

[1] Refers to revenues from Australian clients where the revenues are recognised in either Australian legal entities or globally in non-Australian legal entities.
[2] Refers to revenues from international clients that have an Australian subsidiary and the revenues are recognised in an Australian legal entity.
[3] Includes advisory fees, brokerage and other commission revenue

Review of operations continued

Australian Investor Relations Association Awards:

- Best Investment Conference for Australasia for the Citi Australia and New Zealand Investment Conference

Australian Stockbrokers Foundation:

- Best block trade awarded to Citi for the $1.4 bn transaction for Worley Llimited – the largest ASX block trade since 2017

Results

The net loss after tax attributable to members of the Company for the year ended 31 December 2024, amounted to $29.7 million (2023: net loss after tax $21.8 million).

Dividends

The directors do not recommend that any amount be paid by way of dividends. No dividends were paid or declared by the Company during the year ended 31 December 2024 (2023: Nil).

State of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year.

Environmental regulation

As at 31 December 2024 the Company's operations were not subject to any significant environmental regulations under either Commonwealth or State legislation.

Events subsequent to balance date

There has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future years.

Likely developments

The directors are unaware of any likely developments in the Company's operations in future financial years which they expect would have a material adverse effect on those operations.

Directors' emoluments

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregated amount of compensation received or due and receivable by directors, as included in the financial report) by reason of a contract made by the Company or a related entity with a director or with a firm of which a director is a member, or with an entity in which a director has a substantial financial interest.

Indemnification and insurance of directors

During the year, Citigroup Inc., the ultimate parent of the Company, maintained insurance for current and former directors and officers, including executive officers, of the Company. The insurance, subject to its terms, conditions and exclusions, covers losses and liabilities relating to any civil or criminal claim against an individual officer as well as any costs or expenses incurred in defending such a claim for which the Company is unable to indemnify. The insurance contract does not cover circumstances where the claim is based on any deliberately dishonest or fraudulent act or omission by the officer, or where there is any personal profit or advantage to which the officer is not legally entitled. The insurance cover is limited to liability or loss, which is permissible to cover at law.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid under the Policy, as such disclosure is prohibited under the terms of the contract.

Auditor's independence declaration

The auditor's independence declaration is on page 36 and forms part of the Directors' report for the financial year ended 31 December 2024.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, in accordance with that Instrument, amounts in the financial report and Directors' report have been rounded to the nearest one hundred thousand dollars, unless otherwise stated.

Dated this 26th day of March, 2025
in Sydney, Australia.

Signed in accordance with a resolution of the directors by:
William Langley
Director

CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 $Million	2023 $Million
Advisory fees	3(a)	108.8	101.5
Brokerage and other commissions	3(b)	66.1	52.3
Net trading income	3(c)	(4.2)	25.6
Interest income	3(d)	529.3	473.1
Interest expense	3(d)	(580.8)	(521.0)
Dividend income - trading securities	3(e)	88.5	197.4
Dividend expense - trading securities	3(e)	(55.7)	(113.9)
Management fee income	27	23.7	13.9
Total revenue, net of interest and dividend expenses		175.7	228.9
Expenses			
Management fees	27	(83.1)	(102.1)
Employee expenses		(95.0)	(113.2)
Brokerage and other clearing, settlement and exchange fees		(19.5)	(25.4)
Impairment expense		0.1	0.2
Other expenses		(20.0)	(19.5)
Total expenses		(217.5)	(260.0)
Loss before income tax		(41.8)	(31.1)
Income tax benefit	4	12.1	9.3
Net loss attributable to members of the Company		(29.7)	(21.8)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Defined benefit plan actuarial gains and losses, net of tax		-	0.1
Other comprehensive income after income tax		-	0.1
Total comprehensive loss for the year attributable to the members of the Company		(29.7)	(21.7)

The Statement of Comprehensive Income should be read in conjunction with the notes to the financial statements on the accompanying pages.

CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	2024 $Million	2023 $Million
Assets			
Cash and cash equivalents	5	3,241.0	2,619.5
Financial assets at fair value through profit or loss	13(a)	4,986.9	7,138.4
Financial assets at amortised cost	15(a)	6,246.2	3,218.6
Receivables	6(a)	795.6	228.2
Current tax assets		3.4	10.0
Deferred tax assets	4(c)	30.6	18.1
Other financial assets	7	1,172.6	446.1
Total assets		16,476.3	13,678.9
Liabilities			
Borrowings	8	2,611.3	1,970.9
Financial liabilities at fair value through profit or loss	13(b)	7,527.5	6,242.2
Financial liabilities at amortised cost	15(b)	3,326.1	3,500.0
Trade and other payables	9	2,182.3	1,093.8
Employee provisions	10	56.6	61.6
Subordinated debt	11	471.8	471.7
Total liabilities		16,175.6	13,340.2
Net assets		300.7	338.7
Equity			
Share capital	16	177.2	177.2
Reserves		(14.5)	(4.9)
Retained earnings		138.0	166.4
Total equity		300.7	338.7

The Statement of Financial Position should be read in conjunction with the notes to the financial statements on the accompanying pages.

CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Share Capital $Million	Reserves $Million	Retained Earnings $Million	Total Equity $Million
2024					
Balance at the beginning of the year		177.2	(4.9)	166.4	338.7
Net loss		-	-	(29.7)	(29.7)
Other comprehensive income / (loss)					
Total comprehensive income for the year, net of income tax attributable to the members of the Company		-	-	(29.7)	(29.7)
Net movement in tax consolidation reserve		-	(9.6)	-	(9.6)
Share Based Payment Transactions (Net of tax)		-	-	1.3	1.3
Balance of equity at the end of the year	16	177.2	(14.5)	138.0	300.7
2023					
Balance at the beginning of the year		177.2	(4.9)	186.2	358.5
Net profit		-	-	(21.8)	(21.8)
Other comprehensive income / (loss)					
Defined benefit plan actuarial gains and losses, net of tax		-	-	0.1	0.1
Total comprehensive income for the year, net of income tax attributable to the members of the Company		-	-	(21.7)	(21.7)
Share Based Payment Transactions (Net of tax)		-	-	1.9	1.9
Balance of equity at the end of the year	16	177.2	(4.9)	166.4	338.7

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements on the accompanying pages.

CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 $Million	2023 $Million
Cash flows from operating activities			
Fees and other income received		177.3	158.7
Net trading activity cash inflow / (outflow)		3,262.5	(681.4)
Interest received		530.4	469.0
Interest paid		(582.0)	(522.7)
Dividends received		86.4	197.1
Dividends paid		(53.5)	(114.3)
Other operating expenses paid		(228.7)	(254.2)
Income tax refunded from / (paid to) head entity		(3.4)	4.9
Net securities at amortised cost (purchased) / sold subject to resale agreements		(3,201.5)	485.8
Receipt of receivables and payables		(7.1)	233.2
Net cash used in operating activities	28	(19.6)	(23.9)
Cash flows from investing activities			
Proceeds from sale of financial investments		-	9.6
Net cash from investing activities		-	9.6
Cash flows from financing activities			
Net proceeds / (repayments) from term borrowings		641.6	(985.4)
Net cash from / (used in) financing activities		641.6	(985.4)
Net increase / (decrease) in cash and cash equivalents		622.0	(999.7)
Cash and cash equivalents at the beginning of the financial year		2,619.5	3,619.2
Cash and cash equivalents at the end of the financial year	5	3,241.5	2,619.5

The Statement of Cash Flows should be read in conjunction with the notes to the financial statements on the accompanying pages.

1. ABOUT THIS REPORT

Citigroup Global Markets Australia Pty Limited (the Company) is a company incorporated and domiciled in Australia. The Company's registered office is Level 23, 2 Park Street, Sydney, New South Wales, 2000, Australia.

The Company is a for-profit entity and is primarily involved in stockbroking for wholesale institutional clients, fixed income sales and trading, futures broking and clearing, equity and debt capital market services, corporate advisory and other financial services.

The immediate parent of the Company is Citigroup Global Markets Australia Holdings Pty Limited (the Parent Company), a company incorporated and domiciled in Australia. The ultimate parent of the Company is Citigroup Inc., a company incorporated in the United States of America.

The financial report was authorised for issue by the Directors on 26th March, 2025.

2. FINANCIAL STATEMENTS PREPARATION

Basis of preparation

(a) Basis of accounting

- Australian Accounting Standards and interpretations as issued by the Australian Accounting Standards Board (AASB); and
- The Corporations Act 2001

The financial report complies with IFRS and interpretations issued by the International Accounting Standards Board.

All amounts have been rounded in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, to the nearest one hundred thousand dollars, unless otherwise stated.

(b) Historical cost convention

The financial report is prepared on the historical cost basis except for financial instruments designated at fair value through profit or loss.

c) Principles of consolidation

The Company has elected to prepare separate financial statements and apply the exemption from preparing the accounts on a consolidated basis in accordance with *AASB 127 Separate Financial Statements* . The Parent Company, Citigroup Global Markets Australia Holdings Pty Limited, prepares consolidated financial statements that comply with IFRS. Citigroup Global Markets Australia Holdings Pty Limited is a company domiciled in Australia. The financial statements of the Parent Company are available at its registered office: Level 23, 2 Park Street, Sydney NSW 2000, Australia.

(d) Foreign currency translation

Functional and presentation currency
The financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of its subsidiaries.

Transactions
Foreign currency transactions are translated into the functional currency at the rates of the exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at reporting date are translated at the rates of exchange ruling on that date. Exchange differences relating to the amounts payable and receivable in foreign currencies are recognised as exchange gains or losses in the Consolidated Statement of Comprehensive Income in the financial year in which the exchange rates change.

(e) Use of judgements and estimates

The preparation of a financial report 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 periodically. 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 judgement in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- Note 4(c): recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.
- Note 6 and 12: Allowance for impairment: determination of inputs into ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.
- Note 25(d): measurement of fair value of financial instruments with significant unobservable inputs.

(f) Changes in Accounting Policy

There are no new standards or interpretations which have been issued for early adoption, or adoption in current year, that considered to have a material impact on the Company's financial statements.

2. FINANCIAL STATEMENTS PREPARATION (continued)

(g) New Standards and interpretation not yet adopted

The following new standards and interpretations which may have an impact on the Company have been issued, but are not mandatory for 31 December 2024, and have not been early adopted by the Company.

AASB 18 Presentation and Disclosure in Financial Statements
AASB 18 Presentation and Disclosure in Financial Statements (AASB 18) will replace AASB 101 Presentation of Financial Statements and applies for annual reporting periods beginning on of after 1st January 2027. The standard will not change the recognition and measurement of items in the statement of comprehensive income, but will impact the presentation and disclosure in the financial statements. The standard introduces requirements to improve the Company's reporting of financial performance and give users a better basis of analysing and comparing entities. These requirement aim to improve comparability in the statement of comprehensive income, enhance transparency of management-defined performance measures and changes to the grouping information in the financial statements to provide more useful information. The Company is still assessing the impact of the new standard in future annual reports.

There are no new standards issued that are expected to have a material impact on the Company's financial statements.

3. REVENUE RECOGNITION

(a) Advisory fees

Advisory fees are recognised at the point in time when the performance obligation is fulfilled. Out-of-pocket expenses associated with underwriting activities are deferred and recognised at the time the associated revenue is recognised, while out-of-pocket expenses associated with advisory arrangements are expensed as incurred. Expenses incurred are recorded in other expenses. In certain instances, the Company receives amounts in advance. In these instances, the amounts received will be recognised as a liability and not recognised in revenue until the service is delivered.

(b) Brokerage and other commissions

Brokerage commissions primarily include commissions and fees from executing transactions for clients on exchanges and over-the-counter markets and assisting clients in clearing transactions, providing brokerage services and other such activities. Brokerage commissions are recognised at the point in time the related service performance obligation is fulfilled.

(c) Net trading income

Revenue recognition policies for trading securities, repurchase and reverse repurchase agreements, investments in controlled entities and derivative financial instruments are described in note 7 *Other financial assets* and note 12 *Financial instruments.*

(d) Interest income and expense

Interest income and expense are recognised in the Statement of Comprehensive Income using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the net carrying amount of the financial asset or financial liability. When calculating the effective interest, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all transaction costs, all other premiums or discounts, and fees between parties to the contract that are an integral part of the effective interest rate.

	2024	**2023**
	$Million	$Million
Interest income		
Cash and cash equivalents	113.1	112.3
Financial assets at fair value through profit or loss	71.9	115.1
Financial assets at amortised cost	294.1	210.1
Receivables	17.1	12.9
Other financial assets	33.1	22.7
	529.3	473.1
Interest expense		
Borrowings	133.7	146.0
Financial liabilities at fair value through profit or loss	75.8	112.9
Financial liabilities at amortised cost	309.5	214.6
Trade and other payables	32.3	20.7
Subordinated debt	29.5	26.9
	580.8	521.1

e) Dividend income

Dividend income is recognised when the right to receive income is established.

4. INCOME TAX

Income tax expense consists of current and deferred tax and is recognised in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Global minimum top-up tax OECD GLoBE Pillar 2 rules
In December 2021, the Organization for Economic Co-operation and Development issued model rules for a new global minimum tax framework known as Global Anti-Base Erosion (GloBE) Pillar Two rules. The OECD Globe Pillar two rules comprise an Income Inclusion rule (IIR), a Qualifying Domestic Minimum Top-up Tax (QDMTT), and an Under-Taxed Profits Rule (UTPR). In December 2024, Australia enacted legislation to give effect to each of these OECD Globe Pillar two rues, with the IIR and QDMTT rules applying from 1 January 2024, and the UTPR applying from 1 January 2025. The Company considers that no additional tax should arise under either the proposed IIR or QDMTT. The ultimate parent entity has commenced a global project to assess the future impact of the UTPR which would be a tax imposed by Australia on a share of the profits earned by of certain offshore related parties from 1 January 2025 to the extent those offshore related parties have an effective tax rate computed under the GloBE rules of less than 15%. The Company has applied temporary mandatory relief from deferred tax acounting for the impacts of the Global minimum top up tax and accounts for it as current tax when incurred.

	2024 $Million	2023 $Million
(a) Income tax benefit		
Current tax benefit		
Current year	-	(9.9)
Adjustment relating to prior years	0.4	-
Global minimum top-up tax	-	-
Deferred tax benefit		
Origination / (reversal) of timing differences	(12.5)	0.6
Income tax benefit	(12.1)	(9.3)
(b) Reconciliation between income tax expense and pre-tax profit		
Loss before tax	(41.8)	(31.1)
Prima facie income tax benefit at 30% of profit before tax	(12.5)	(9.3)
Decrease in income tax benefit due to:		
Over provision from prior years	0.4	-
Global minimum top-up tax	-	-
Income tax benefit	(12.1)	(9.3)
(c) Deferred tax assets and tax liabilities		
Details of recognised deferred tax assets		
Provisions & other liabilities	12.1	11.6
Deferred compensation	5.6	5.7
Tax losses	13.4	-
Others	-	0.8
Deferred tax assets	31.1	18.1
Set-off of deferred tax liabilities pursuant to set-off provisions *	(0.5)	-
Net deferred tax assets	30.6	19.5
Details of recognised deferred tax liabilities		
Others	(0.5)	-
Deferred tax liabilities	(0.5)	-
Set-off of deferred tax assets pursuant to set-off provisions *	0.5	-
Net deferred tax liabilities	-	-

* Deferred tax assets and liabilities are set-off where they relate to the same taxation authority on the same taxable entity and where there is a legally enforceable right to offset.

4. INCOME TAX (continued)

(d) Movement in temporary differences

	2024 $Million	2023 $Million
Opening balance at the beginning of the year	18.1	19.5
Adjustments	-	(0.8)
Recognised in income	12.5	(0.6)
Closing balance at the end of the year	30.6	18.1

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST). Where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), the GST is recognised as a separate expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a net basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Tax consolidation

The Company and its wholly-owned Australian resident entities are part of a Consolidated group. The head entity of the tax consolidated group is Citigroup Global Markets Australia Holdings Pty Ltd and all members of the tax consolidated group are taxed as a single entity.

Members of the consolidated tax group have entered into a tax sharing agreement, as prescribed in the Australian tax consolidation regime, which provides for the allocation of income tax liabilities between the entities should the head entity default on its income tax obligations. No amounts have been recognised in the financial statements in respect of this agreement since the payment of any amounts under the tax sharing agreement is considered remote.

(g) Dividend Franking Account

The Company's franking account is inoperative since it is a subsidiary member of the tax consolidation group for which Citigroup Global Markets Australia Holdings Pty Ltd is the head entity.

5. CASH AND CASH EQUIVALENTS

	2024 $Million	2023 $Million
Deposits with banks	2,798.2	2,222.2
Client monies and trust accounts	443.3	397.3
Net cash and cash equivalents in the statement of cash flows	3,241.5	2,619.5
Less: provision for ECL	(0.5)	-
Net cash and cash equivalents in the statement of financial position	3,241.0	2,619.5

Cash and cash equivalents include cash balances and highly liquid financial assets with original maturities of less than three months which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments. These are initially recognised at fair value including direct and incremental transaction costs and subsequently measured at amortised cost using the effective interest rate method, and subject to expected credit loss impairment under AASB 9 (refer 12(e) *Impairment of financial assets*).

Client monies is restricted to client activities and is not used for own activities.

6. RECEIVABLES

(a) Carrying amount

	2024 $Million	2023 $Million
Securities sales pending settlement	170.2	7.1
Receivables	625.6	221.8
Gross carrying amount	795.8	228.9
Less: provision for ECL	(0.2)	(0.7)
Net carrying amount	795.6	228.2

(b) Reconciliation of allowance for impairment

	2024 $Million	2023 $Million
Balance at the beginning of the year	(0.7)	(0.9)
Provisions released during the year	0.5	0.2
Write-offs during the year	-	-
Balance at the end of the year	(0.2)	(0.7)

Receivables incorporate trade debtors, including settlement receivables, 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, and subject to expected credit loss impairment under AASB 9 (refer 12(e) *Impairment of financial assets*).

7. OTHER FINANCIAL ASSETS

	2024 $Million	2023 $Million
Exchange deposits	1,171.3	445.3
Other assets	1.3	0.8
	1,172.6	446.1

Exchange deposits consists of regulatory deposit commitments and margin deposits as a clearing participant of ASX Clear Pty Ltd and ASX Clear (Futures) Pty Limited.

Other financial assets include investments in controlled entities, exchange deposits, accrued interest and other debtors. Investments in controlled entities are carried at the lower of cost and recoverable amounts, with dividends brought to account as the right to receive payment is established. Exchange deposits, prepayments, accrued interest and receivables from clients are brought to account at the gross value of the outstanding balance which is expected to approximate cost.

8. BORROWINGS

	2024 $Million	2023 $Million
Term borrowings	2,605.4	1,963.8
Interest payable	5.9	7.1
	2,611.3	1,970.9

Borrowings and debt securities held are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method.

9. TRADE AND OTHER PAYABLES

	2024 $Million	2023 $Million
Securities purchased pending settlement	78.4	85.4
Accounts payable	57.0	36.7
Customer payables & margin accounts	2,044.4	969.9
Brokerage payable	2.5	1.8
	2,182.3	1,093.8

Payables include accrued expenses, interest payable, margin accounts and security purchases pending settlement. These are brought to account at the gross value of the outstanding balance which is expected to approximate cost.

10. EMPLOYEE PROVISIONS

	2024 $Million	2023 $Million
Short-term employee benefits	50.2	52.2
Long-term employee benefits	5.0	5.3
Provision for restructuring	1.4	4.1
	56.6	61.6

In determining the provision for employee entitlements, consideration is given to future increases in wage and salary rates, the Company's experience with staff departures and related on-costs. Provisions for employee entitlements that are not expected to be settled within twelve months are discounted using the rates attaching to high quality corporate bonds at year end, which most closely match the terms of maturity to the related provisions.

Wages, salaries and bonuses
The provisions for employee entitlements to wages, salaries and bonuses represent present obligations resulting from employees' services provided up to the reporting date, calculated at undiscounted amounts based on current wage and salary rates that the Company expects to pay as at reporting date including related on-costs.

Annual and long service leave
The provision for employees' entitlements to annual and long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided up to the reporting date.

Superannuation
As prescribed and up to the maximum threshold within the Australian Superannuation Guarantee (Administration) Act 1992, the Company is required to provide superannuation guarantee (SG) contributions to a complying fund.

The Company recognises contributions due in respect of the accounting period in the Consolidated Statement of Comprehensive Income. Any contributions unpaid at the financial year end are recognised as a liability.

Provisions
Provisions are recognised when there is a legal or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation and the timing or amount of which is uncertain.

Provisions in respect of internal restructuring of Citi are costs incurred at the US parent entity level and distributed globally to all subsidiary entities based on a cost sharing framework.

Short and Long Term employee benefits prior year amounts have been reclassified for consistency with the current year presentation. These reclassification had no effect on the reported results of the operations.

11. SUBORDINATED DEBT

Subordinated debt is provided by the immediate parent Citigroup Global Markets Australia Holdings Pty Limited. It is initially measured at fair value plus transaction costs, and subsequently measured at amortised cost using the effective interest method.

	2024 $Million	2023 $Million
Subordinated debt	470.0	470.0
Interest payable	1.8	1.7
	471.8	471.7

12. FINANCIAL INSTRUMENTS

The Company classifies financial assets in the following categories:

- Financial assets at fair value through profit or loss (FVTPL); and
- Financial assets at amortised cost.

The Company classifies financial liabilities in the following categories:

- Financial liabilities at fair value through profit or loss (FVTPL); and
- Financial liabilities at amortised cost.

Financial assets and liabilities measured at amortised cost include:

- Receivables (note 6);
- Borrowings (note 8);
- Trade and other payables (note 9);
- Subordinated debt (note 11); and
- Securities subject to repurchase and resale agreements (note 15);

Management determines the classification of financial assets and financial liabilities at initial recognition.

Purchases and sales of financial assets, except for receivables, are recognised at trade-date, the date on which the Company commits to purchase or sell the asset. Receivables are recognised on settlement date. Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

Financial liabilities are recognised when an obligation arises. Financial liabilities measured at fair value through profit or loss are recognised initially at fair value. All other financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

Financial assets are derecognised when the contractual rights of the Company to the cash flows from the asset expire, or if the Company transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained is recognised as a separate asset or liability.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

a) Business model assessment

The business model assessment for the purpose of categorising financial instruments is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The Company's business model does not depend on management's intentions for an individual instrument (i.e. it is not an instrument-by-instrument assessment). This assessment is performed at a higher level of aggregation. The level of aggregation is at a level which is reviewed by key management personnel, enabling them to make strategic decisions for the business. The Company has more than one business model for managing its financial instruments.

The assessment of the business model requires judgment based on facts and circumstances, considering quantitative and qualitative factors. All relevant evidence that is available at the date of the assessment is considered, including, but not limited to:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity.

b) Assessment of whether the contractual cash flows are solely payments of principal and interest

If an instrument is held in either a hold to collect, or a hold to collect and sell, business model, then an assessment to determine whether contractual cash flows are solely payments of principal and interest (SPPI) on the principal outstanding is required to determine the classification. For SPPI, interest is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding during a period of time. It can also include consideration of other basic lending risks (for example, liquidity risk) and costs (for example, administrative costs) associated with holding the financial asset for a particular period of time, and a profit margin that is consistent with a basic lending arrangement. Other contractual features that result in cash flows that are not payments of principal and interest result in the instrument being measured at FVTPL.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that meet the SPPI criteria.

The contractual cash flow test is performed at initial recognition of a financial asset and, if applicable, upon any subsequent changes to the contractual provisions of the instrument.

c) Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

12. FINANCIAL INSTRUMENTS (continued)

d) Modifications

Financial assets
If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different, and if so, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the gross carrying amount of the financial asset is recalculated, and a modification gain or loss is recognised in profit or loss.

As financial assets are classified at initial recognition on the basis of the contractual terms over the life of the instrument, reclassification on the basis of a financial asset’s contractual cash flows is not permitted, unless the asset has been sufficiently modified that it is derecognised.

Financial liabilities
Financial liabilities are derecognised when their terms are modified, and the cash flows are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished, and the new financial liability with modified terms, is recognised in profit or loss.

e) Impairment of financial assets

All debt instruments measured at amortised cost, or at fair value through other comprehensive income, and are subject to impairment considerations.

Expected credit loss impairment model
Expected credit loss (ECL) is an unbiased and probability weighted estimate, 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.

Measurement of ECL is primarily determined by assessment of a financial asset’s probability of default (PD), loss given default (LGD) and exposure at default (EAD) with estimated cash shortfalls discounted to reporting date. For a financial asset in Stage 1, a 12-month PD is used, whereas financial assets within Stage 2 and Stage 3 utilise a lifetime PD to estimate an impairment allowance.

Credit loss allowances are measured at reporting date according to a three-stage expected credit loss impairment model, under which each financial asset is classified in one of the stages below:

- Stage 1 – From initial recognition of a financial asset to the date on which the asset has experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults expected over the next 12 months. Interest is calculated based on the gross carrying amount of the asset.

- Stage 2 – Following a significant increase in credit risk relative to the risk at initial recognition of the financial asset, a loss allowance is recognised equal to the full credit losses expected over the remaining life of the asset. Interest is calculated based on the gross carrying amount of the asset.

When determining whether there has been a significant increase since initial recognition, the Company considers quantitative and qualitative information, based on historical experience and credit assessment, including forward-looking information. As a backstop, the Company considers that a significant increase in credit risk has occurred once an asset is more than 30 days past due.

Credit losses for financial assets in Stage 1 and Stage 2 are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

- Stage 3 – When a financial asset is considered to be credit-impaired, a loss allowance equal to the full lifetime expected credit losses is recognised. Credit losses are measured as the difference between the gross carrying amount and the present value of estimated future cash flows. Interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than on its gross carrying amount.

Evidence that a financial asset is impaired includes observable data that comes to management's attention, such as:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - adverse changes in the payment status of borrowers in the portfolio; and
  - national or local economic conditions that correlate with defaults on the assets in the portfolio.

Default is considered to have occurred when the Company has assessed that a credit obligation is unlikely to be repaid without recourse to realisation of security, or is past due by more than 90 days.

Other financial assets simplified approaches
Because of the nature of business activities and the financial assets on the Company’s balance sheet (cash and cash equivalents, high credit quality reverse repo asset loans and short term trade receivables), the recognition of expected credit losses has a minimal impact. For the vast majority of its exposures, the Company has taken advantage of practical expedients allowed by AASB 9 in which either: (a) lifetime expected credit losses are recognised irrespective of changes in credit risk (applicable to receivables such as trade date or brokerage receivables), or (b) twelve-month expected credit losses are recognised where credit risk is low at the reporting date (applicable to reverse repos and securities borrowed).

Presentation of the allowance of ECL in the Statement of Financial Position
Loss allowances for ECL are presented in the Statement of Financial Position as follows:

- Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the asset.

13. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Assets within a business model whose objective is to both collect the cash flows and to sell the assets, will be classified as FVTPL. Any instrument for which the contractual cash flow characteristics do not comprise solely payments of principal and interest (that is, they fail the SPPI test) must be classified in the FVTPL category. These financial instruments are acquired principally for the purpose of trading, managing risk, or selling in the short term. Assets held in this category represent government bonds, corporate bonds and listed equity purchased for sale in the day-to-day trading operations of the banking business. Derivatives are also included in this category unless they are designated as hedges. They are carried at fair value based on quoted bid prices or broker/dealer quotations and are recorded as at the trade-date. All changes in fair value are recognised within the Statement of Comprehensive Income. Interest received from trading securities is included within interest income in the Statement of Comprehensive Income.

The Company designates financial liabilities at fair value through profit or loss if one of the following exist:

- The liability is managed and performance evaluated on a fair value basis;
- Electing fair value will eliminate or reduce an accounting mismatch; or
- The contract contains one or more embedded derivatives.

For financial liabilities designated at fair value through profit or loss, fair value changes are presented as follows:

- The amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability must be recorded in Other Comprehensive Income (OCI), and
- The remaining amount of the change in the fair value of the liability is recorded in the Statement of Comprehensive Income.

Upon early extinguishment (e.g., liability is repurchased before maturity), changes in own credit previously recorded in OCI will not be recycled to P&L. The OCI balance is reclassified directly to retained earnings.

a) Trading securities

Trading securities are debt and listed equity securities purchased, short positions in securities sold for day-to-day trading operations, securities subject to repurchase (repo or stock lending) and resell (reverse repos or stock borrowing). They are carried at fair value based on current bid/offer price or broker/dealer quotations less any necessary market value adjustments, and are recorded on a trade date basis. Realised and unrealised gains and losses are recognised in the Statement of Comprehensive Income. Interest received on debt securities is included within interest income in the Statement of Comprehensive Income. Dividend income is brought to account as dividends are declared.

b) Securities subject to repurchase and resale agreement

Repos and reverse repos held by the Company with entities unrelated to the Company are measured at fair value plus incremental direct transaction costs and subsequently measured at fair value through profit or loss. These repos and reverse repos are part of a group of financial instruments managed together whose performance is evaluated on a fair value basis.

These transactions primarily relate to bonds. Realised and unrealised gains and losses are recognised in the Statement of Comprehensive Income. Interest received on debt securities is included within interest income in the Statement of Comprehensive Income.

c) Derivative financial instruments

The Company is exposed to changes in interest rates, foreign exchange rates and equity markets from its activities. The Company uses derivative financial instruments such as futures, options, warrants and swaps to hedge its assets and liabilities as part of its trading activities. All derivatives are classified as assets when their fair value is positive or liabilities when their fair value is negative.

Derivative financial instruments used for trading purposes are carried at net fair value based on market prices, broker/dealer quotations, discounted cash flows or estimated fair values generated by option pricing models. Revaluation gains and losses on derivative contracts are reported gross except when qualifying netting agreements are in place with the counterparties. Realised and unrealised changes in the net fair value are recognised in net trading income in the period in which the change occurs.

Financial futures, options and warrants
Financial futures, options and warrants are carried at fair value based on market prices, broker/dealer quotations, or where there is limited trading, at the estimated fair value. Changes in fair value are recognised in the Statement of Comprehensive Income.

Swaps
Interest rate, cross currency and equity swaps are carried at fair value by discounting all future cash flows to present value, by using discount rates based on market prices. Changes in fair value are recognised in the Statement of Comprehensive Income.

The following table provides a breakdown of financial assets and liabilities at fair value through profit and loss by product types.

13. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

	Note	2024 $Million	2023 $Million
(a) Financial assets at fair value through profit or loss			
Corporate bonds		81.5	376.9
Government bonds		2,490.1	2,597.7
Listed equity securities		985.3	1,435.4
Derivatives	14	267.4	279.0
		3,824.3	4,689.0
Securities purchased subject to resale agreements		1,160.4	2,444.4
Interest receivable from securities subject to resale agreements		2.2	5.0
Net securities purchased subject to resale agreements		1,162.6	2,449.4
Financial assets at fair value through profit or loss		4,986.9	7,138.4

Assets pledged

The Company has provided collateral to secure liabilities as part of standard terms of transaction with other financial institutions. The carrying value of financial assets pledged as collateral to secure liabilities are:

	2024 $Million	2023 $Million
Corporate bonds	87.4	335.2
Government bonds	2,389.3	2,392.4
Listed equity securities	641.1	1,027.1
	3,117.8	3,754.7

	Note	2024 $Million	2023 $Million
(b) Financial liabilities at fair value through profit or loss			
Corporate bonds		-	3.4
Government bonds		1,524.3	2,847.3
Listed equity securities		693.0	439.6
Derivatives	14	450.6	449.7
		2,667.9	3,740.0
Securities sold subject to repurchase agreements		4,848.3	2,495.8
Interest payable on securities subject to repurchase agreements		11.3	6.4
		4,859.6	2,502.2
Financial liabilities at fair value through profit or loss		7,527.5	6,242.2

14. DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments predominantly for trading activities. Details of the Company's outstanding derivative contracts at the end of the financial year are as follows:

	2024 $Million	2023 $Million	2024 $Million	2023 $Million
Fair value assets and liabilities	**Derivative Assets**		**Derivative Liabilities**	
Interest rate contracts	184.5	116.1	68.0	58.1
Foreign exchange contracts	8.6	7.3	4.5	7.2
Equity contracts	74.3	155.6	378.1	384.4
	267.4	279.0	450.6	449.7

15. FINANCIAL ASSETS AND LIABILITIES AT AMORTISED COST

Financial assets and liabilities at amortised cost are held in a business model whose objective is to hold assets (not intended to be sold in the short term) in order to collect contractual cash flows, and cash flows are solely payments of principal and interest on the principal amount outstanding (SPPI). Loans and receivables are recognised when cash is advanced to borrowers. They are measured at amortised cost using the effective interest method, less impairment losses.

Repos and reverse repos, which are not designated as FVTPL are measured at fair value plus incremental direct transaction costs, and subsequently measured at amortised cost. Stock borrowing and stock lending are measured at fair value plus incremental direct transaction costs, and subsequently measured at amortised cost.

	2024 $Million	2023 $Million
(a) Financial assets at amortised cost		
Securities purchased subject to resale agreements	6,230.1	3,209.5
Interest receivable from securities subject to resale agreements	16.2	9.1
	6,246.3	3,218.6
Less: provision for ECL	(0.1)	-
Net securities purchased subject to resale agreements	6,246.2	3,218.6
(b) Financial liabilities at amortised cost		
Securities sold subject to repurchase agreements	3,316.4	3,493.8
Interest payable on securities subject to repurchase agreements	9.7	6.2
	3,326.1	3,500.0

16. SHARE CAPITAL

	2024 $Million	2023 $Million
Issued and paid up capital:		
1,000,000 ordinary shares, fully paid (2023: 1,000,000)	1.0	1.0
698,500 redeemable preference shares, fully paid (2023: 698,500)	176.2	176.2
	177.2	177.2

Ordinary shares entitle the holder to participate in dividends to the number of and amounts paid on the shares held. All shares have equal voting rights, except for redeemable preference shares which carry no voting rights. Redeemable preference shares have priority in any repayment of capital on winding up and have no fixed redemption date. Holders of redeemable preference shares shall only receive a dividend at the discretion of the Directors.

	Ordinary shares		**Redeemable preference shares**	
	2024	**2023**	**2024**	**2023**
In millions of shares (units)				
Balance at the beginning of the year	1.0	1.0	0.7	0.7
Issued during the year, fully paid	-	-	-	-
Redeemed during the year	-	-	-	-
Balance at the end of the year	1.0	1.0	0.7	0.7

17. CONTROLLED ENTITIES

	Class of shares	**Country of incorporation**	**Ownership interest 2024 %**	**Ownership interest 2023 %**
CONTROLLED ENTITIES OF CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED				
Calex Nominees Pty Limited	Ordinary	Australia	100	100
Dervat Nominees Pty Limited	Ordinary	Australia	100	100
Feta Nominees Pty Limited	Ordinary	Australia	100	100

These controlled entities are small proprietary companies which are not required to produce audited financial statements and are not considered material to the Company's financial statements. All controlled entities have a financial year end of 31 December in line with the Company.

18. CAPITAL MANAGEMENT

The Company is subject to regulation by the ASX Limited, ASX Clear Pty Limited, ASX Clear (Futures) Pty Limited and Cboe Australia Pty Limited including regulatory capital requirements. The Company has complied with all regulatory capital requirements throughout the year.

The Company's capital management objectives are to ensure that capital is maintained at a level that meets regulatory requirements. The capital is monitored and managed regularly by management's Country Coordinating Committee (CCC) and by the Board of Directors.

Financial instruments, both on and off-balance sheet, impact the regulatory capital position of the Company. Positions in financial instruments are entered into by the Company in the normal course of business to provide financial services to customers, manage exposure to risk and for trading purposes.

Positions in financial instrument transactions are subject to credit standards, risk-limiting and monitoring procedures. Collateral requirements are determined by evaluating each customer and product.

19. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from the use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk
- Operational risk
- Strategic risk
- Reputation risk
- Compliance risk
- Climate risk

This note presents information about the Company's exposure to each of these risks and the objectives, policies and processes for measuring and managing risk. The management of capital is discussed in note 18.

Risk Management Framework

The Company's Risk Management Framework is aligned to the Enterprise Risk Management Framework ("ERMF"). The Risk Management Framework recognises the diversity of business activities by balancing strong corporate oversight with well-defined independent risk management functions. Management of risk is the collective responsibility of all employees. As stipulated in the framework, accountability is assigned into 'three lines of defence'.

Risks are regularly reviewed with the independent business-level risk managers, senior business managers and, as appropriate, the Board.

The Risk Management Framework is grounded on the following principles which apply to all businesses and all material risks:

- Risk management is integrated within the business plan and strategy;
- Risks and resulting returns are owned and managed by an accountable business unit;
- Risks are managed within a limit framework; risk limits are endorsed by business management and approved by independent risk management;
- Risk management policies are clearly and formally documented;
- Risks are measured using defined methodologies, including stress testing and approved portfolio benchmarks; and
- Risks are comprehensively reported throughout the organisation.

Credit risk

Credit risk is the risk of loss resulting from the decline in credit quality (or downgrade risk) or failure of a borrower, counterparty, third party or issuer to honour its financial or contractual obligations. This may be characterised in terms of an actual Default or by deterioration in counterparty's credit quality. The former case may result in an actual and immediate loss, whereas in the latter case, future losses become more likely leading to a mark-to-market impact. When characterising credit risk, the Exposure at Default, Probability of Default, and Loss Given Default are the key aspects.

Credit exposure can be divided into direct, contingent and pre-settlement exposure. Credit exposure is also generated through settlement risk and clearing risk. All exposures are monitored against approved credit lines or approved thresholds.

Pre-settlement exposure is measured based on the current market values, plus an allowance for the likely movement in market rates over the remaining term of the contract. Counterparty limits or approved thresholds cover all trading activity.

The Company has developed comprehensive credit and operation policies and procedures with respect to recording, clearance and monitoring control processes, to ensure that all customer transactions are promptly accounted for, accurate and that credit quality is closely monitored.

There is credit risk associated with the wholesale activities in the Company as well as exposure resulting from balance sheet and liquidity management of the Company. Examples include financing transactions, cash trades, exchange traded and OTC derivative transactions and placement of monies in the interbank market, Credit risk exposure is also generated through daylight overdrafts and settlement risk.

Monitoring of ongoing compliance with approved credit limits or thresholds is outlined in the Citi Wholesale Credit Risk policy.

19. FINANCIAL RISK MANAGEMENT (continued)

Market risk

Market risk includes traded / price risk and non-traded / interest rate risk. Price risk is the risk to current or anticipated earnings or capital arising from changes in the value of either trading portfolios or other obligations that are entered into as part of distributing risk. Interest rate risk is the risk to current or anticipated earnings or capital arising from movements in interest rates.

Management of market risk
Traded and non-traded market risk is managed through Citigroup-wide standards and business policies and procedures. All businesses that take market risks in trading or accrual portfolios have market risk limits approved by Market Risk Management (MRM) in accordance with the rules governing Market Risk Policy. All risk-taking units have independent market risk limits that clearly define approved risk profiles and reflect Citigroup's overall risk appetite.

The level of price risk assumed by a business is based on its objectives and earnings, its capacity to manage risk, and by the sophistication of the market. Limits are established for each major category of risk. The market risk limit structure includes limits by desk, country, region, legal entity and division.

Traded market risk (trading book)
The MRM and the trading businesses have implemented a market risk limit and trigger framework across all of its trading businesses. In addition to adhering to market risk limits and triggers, risk taking units are required to trade only within their permitted products list, approved by MRM. Market risk exposures against limits and triggers are monitored daily and limits must be reviewed at least annually by MRM. Should limit excesses occur, these must be reported as specified in the Market Risk Policy. MRM and the applicable business management are responsible for agreeing on the appropriate corrective action, including a resolution date. The methodologies used to measure market risk exposures must be approved by Citigroup Risk Analytics.

In addition, MRM has implemented a local CGMA market risk addendum (to global Mark-to-Market risk policy) and stress testing addendum (to global Mark-to-Market risk policy) where market risk limits and triggers are monitored daily. The Board is included in the distribution of the daily market report. Market risk limits and trigger excesses are actioned as specified in the policies. Market risk limits and triggers are reviewed at least annually and any changes will require Board approval. The market risk exposure is presented to the Board at each Board meeting. In addition, risk exposures are also presented and discussed in the Risk Management Committee meetings.

Non-traded market risk (banking book)
The Company did not engage in non-traded market risk during the year.

Liquidity risk

Liquidity risk is the risk that the firm will not be able to efficiently meet both expected and unexpected current and future cash flows and collateral needs without adversely affecting either daily operations or financial condition of the firm. Risk may be exacerbated by the inability of the firm to access funding sources or monetize assets and the composition of liability funding and liquid assets.

The Company maintains a liquidity risk management framework designed with the objective of funding their obligations under a range of market conditions, including stress scenarios.

The Company ensures that it will have sufficient liquidity to meet its liabilities as and when they are due, under both normal and stressed conditions, without incurring unacceptable losses.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. This definition of operational risk includes legal risk — which is the risk of loss (including litigation costs, settlements, and regulatory fines) resulting from the failure of the Company to comply with laws, regulations, prudent ethical standards, and contractual obligations in any aspect of the Company's business — but excludes strategic and reputation risks. Citi also recognises the impact of Operational Risk on the reputation risk associated with Citi's business activities.

Framework
Citi's operational risk is managed through the Operational Risk Management Policy, which defines 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 the Internal Audit function.

To monitor, mitigate and control operational risk, Citi has established a consistent framework for assessing and communicating operational risk and the overall effectiveness of the internal control environment across Citi. The Operational Risk Management Framework (ORMF) is established and overseen by the ORM organisation as described in the Citi Operational Risk Management Policy.

The "Manager's Control Assessment" (MCA) is used as the formal governance and reporting structure. MCA aims to:
- create a framework for discussing operational risks and controls;
- renew focus on the design and execution of operational controls;
- increase the capabilities for managers to obtain and consider multiple sources of control-related information in order to determine the adequacy of the overall control environment, e.g. corrective actions plans and loss event data; and
- help managers across Citi gain early line of sight into control issues and vulnerabilities, and emerging risks.

The MCA standards for Risk and Controls Assessment and Monitoring are applicable to all businesses and staff functions and establish a process whereby important risks inherent in the activities of a business are identified and the effectiveness of the key controls over those risks are evaluated and monitored.

19. FINANCIAL RISK MANAGEMENT (continued)

Operational risk (continued)

Framework (continued)
The MCA is a comprehensive self-assessment program, methodology and tools that allow management to enable i) risk and control identification; ii) assessment and monitoring; and iii) residual risk management for Operational and Compliance risks. MCA is focused on the most significant risks and key controls. MCA provides Citi's Management and independent risk and control functions a holistic view of residual risk rating and insight into trends & drivers for their business or function.

MCA supports the management of Operational and Compliance Risks and is a key component of the Business Environment and Internal Control Factors (BEICFs) required under the Basel Capital Standard. MCA Standard is consistent with the requirements of the COSO 2013 Internal Control – Integrated Framework, and complement Sarbanes-Oxley (SOX) Sections 302 and 404, to support overall Internal Control over Financial Reporting (ICFR).

The operational risk standards facilitate the effective communication of operational risk within and across businesses. Information about the businesses' operational risk, historical losses and the control environment is reported by each major business segment and functional area and summarised for senior management and the Board.

The entire process is monitored and periodically validated by Enterprise Risk Management teams and is subject to audit by the entity's Internal Audit Department. The results of MCA are included in periodic management reporting, including reporting to senior management.

Audits
Internal Audit (IA) undertakes independent periodic audits of all businesses of the Company using a risk-based approach.

Reputation risk

Reputation risk is the risk to current or projected financial condition and resilience resulting from negative opinion held by key stakeholders. Reputation risk can arise from, or exist in combination with, other key risks, primarily Operational, Strategic and Compliance risk or through failure to consider long-term impacts of business decisions on stakeholders.

All Citi product lines and functions are responsible for identifying and managing material reputation risks and for escalating concerns to the appropriate Reputation Risk Committee Coordinators where reputation risk exceeds Citi's Reputation Risk Appetite, in accordance with the Governance Policy, Escalation Policy and the Reputation Risk Escalation Procedure. The Group Reputation Risk Committee will communicate reputation risk issues to the appropriate Board committee(s), as needed.

Strategic risk

Strategic risk is the risk of a sustained impact to the firm's core strategic objectives as measure by impacts on anticipated earnings, market capitalisation, or capital, arising from the external factors affecting the firm's operating environment, as well as the risks associated with defining the strategy and executing the strategy.

The Company's senior management are responsible for the development and execution of strategy. At the business level, business heads are accountable for the interpretation and execution of the business plan, as it applies to their area, including decisions on new product introductions.

The management of strategic risk rests upon elements such as clear articulation of the Company's strategy, defined financial and operating targets, regular updates to senior management and the Board on performance, including financial and operating targets, current and potential macro-economic events, the strength of capital and liquidity positions, staffing levels, stress testing results and other factors such as market growth rates and peer analysis and management scorecards.

In assessing its strategic risks, the Company assesses emerging risks through the material risk inventory.

Compliance risk

Compliance Risk is the risk to current or projected financial condition and resilience arising from violations of laws, rules, or regulations, or from non-conformance with prescribed practices, internal policies and procedures or ethical standards. It exposes the Company to fines, civil money penalties, payment of damages, and the voiding of contracts. Compliance Risk can result in diminished reputation, harm to the Company's customers, limited business opportunities, and lessened expansion potential. Compliance Risk encompasses the risk of non-compliance will all laws, rules and regulations, as well as prudent ethical standards and contractual obligations. It also includes exposure to litigation (known as Legal Risk) from all aspects of banking, traditional and non-traditional. Compliance risk is managed through the Compliance Risk Management Policy which aims to achieve a consistent approach to adherence to laws, rules and regulations across the three lines of defence.

Climate risk

Citi's Climate Risk Management Framework ("Climate RMF") details the governance, principles and requirements that support identification, measurement, monitoring, controlling and reporting of climate risks, thereby promoting a globally consistent approach to managing climate risk across the bank.

Climate Risk is defined in the Climate RMF as risk stemming from climate change, either through physical risk (which refers to impact of changes in climate and weather), or through transaction risk (which refers to risk arising from actions needed to mitigate the impacts of climate change by transitioning to a low-carbon economy).

Citi views Climate Risk as a risk which can manifest through or amplify existing risks within Citi's risk taxonomy.

20. CREDIT RISK

	2024 $Million	2023 $Million
(a) The Company's maximum exposure to credit risk of financial assets:		
Cash and cash equivalents	3,241.0	2,619.5
Financial assets at fair value through profit or loss	4,986.9	7,138.4
Financial assets at amortised cost	6,246.2	3,218.6
Receivables	795.6	228.2
Other financial assets	1,172.6	446.1
	16,442.3	13,650.8

(b) Counterparty exposure by credit rating

	2024 $Million	2023 $Million
AAA	1,297.1	1,837.7
AA+ to AA-	4,688.5	4,266.5
A+ to A-	881.9	2,665.2
BBB+ to BBB-	8,401.7	4,216.7
BB+ to BB-	48.1	78.2
B+ to B-	66.3	2.9
Not Rated	1,058.7	583.6
	16,442.3	13,650.8

Counterparty exposure for listed equity and debt securities purchased is determined with reference to the underlying securities. All other exposures are determined with reference to the counterparty.

(c) Collateral received

All collateral received from counterparties to secure liabilities is received in the form of cash or securities. These transactions are conducted as part of standard terms of transaction with other financial institutions.

An estimate of the fair value of collateral held is as follows:

	2024 $Million	2023 $Million
Securities subject to resale agreements	8,375.2	3,734.1
Derivatives	15.6	10.1
	8,390.8	3,744.2

21. CREDIT RISK CONCENTRATIONS

Industry Sectors	Trading securities and derivatives $Million	Securities purchased subject to resale $Million	Loans and receivables $Million	Cash and other financial assets $Million	Total $Million
2024					
Government and public authorities	1,707.9	-	-	-	1,707.9
Financial services	2,561.0	6,246.2	780.0	4,412.5	13,999.7
Telecommunications and media	25.8	-	-	-	25.8
Manufacturing	243.9	-	5.9	-	249.8
Real estate	43.0	-	2.5	-	45.5
Energy and utilities	57.7	-	-	-	57.7
Healthcare	97.8	-	-	-	97.8
Other commercial and industrial	249.8	-	7.2	1.1	258.1
	4,986.9	6,246.2	795.6	4,413.6	16,442.3
2023					
Government and public authorities	1,618.0	-	-	-	1,618.0
Financial services	4,257.6	3,218.6	161.5	3,065.1	10,702.8
Telecommunications and media	40.9	-	-	-	40.9
Manufacturing	147.7	-	-	-	147.7
Real estate	26.5	-	-	-	26.5
Hospitality	1.9	-	-	-	1.9
Energy and utilities	242.9	-	-	-	242.9
Healthcare	6.1	-	-	-	6.1
Other commercial and industrial	796.8	-	66.7	0.5	864.0
	7,138.4	3,218.6	228.2	3,065.6	13,650.8

Credit risk concentration is determined as described in note 20 *Credit risk.*

22. EXPOSURE TO MARKET RISK

The Company segregates its exposure to market risk between trading and non-trading portfolios. Trading portfolios cover risks arising from market making, together with financial assets and liabilities that are managed on a fair value basis.

Traded Market Risk

Traded market risk is managed and controlled using a value-at-risk (VaR) model along with factor sensitivities which are the standard measures used in the industry. VaR is an estimate of the potential losses resulting from interest rate risk (spread and volatility), equity risk (spot and volatility), currency exchange risk (spot and volatility), and commodity risk. VaR is calculated with internally developed models designed to capture the market risk of each specific product in the corporate portfolio. The one-day 99% VaR is obtained from the sample 1% quantile of the distribution of portfolio profit and loss obtained as a result of 5,000 Monte-Carlo simulated scenarios of one-day changes in the market risk factors underlying the portfolio.

The market factors are modelled as either normal or lognormal stochastic diffusion processes. Volatility parameters are calculated using the most recent historical times series data available, typically of three years in length. Under these assumptions, the market factor returns are multivariate normal. The one-day period covariance matrix characterising in the multivariate normal distribution of these market factor changes is estimated from the historical times series data of market rates/prices. VaR is integrated into the daily risk management process and is managed against the Company's VaR limits.

Non-Traded Market Risk

The Company segregates its exposure to market risk between trading and non-trading portfolios. Trading book portfolios cover risks arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis. The Company currently does not have a banking book.

Summary of the 1 day VaR position of the trading portfolio:	**Balance** $Million	**Average** $Million	**Maximum** $Million	**Minimum** $Million
As at 31 December 2024	5.6	5.0	43.2	3.0
As at 31 December 2023	6.4	5.1	8.3	3.3

Average, maximum and minimum positions are calculated over the year ended 31 December.

23. INTEREST RATE RISK

Exposure to interest rate risk for each class of financial assets and financial liabilities is as follows:

	2024 $Million	**2023** $Million
Financial assets		
Fixed-rate instruments	8,990.2	7,882.2
Variable-rate instruments	5,999.2	3,849.5
Non-interest bearing	1,452.9	1,919.1
	16,442.3	13,650.8
Financial liabilities		
Fixed-rate instruments	8,954.1	7,661.3
Variable-rate instruments	5,893.9	4,619.4
Non-interest bearing	1,271.0	1,055.4
	16,119.0	13,336.1

24. LIQUIDITY RISK – CONTRACTUAL MATURITY PROFILE

The tables below present cash flows associated with financial liabilities, including derivative liabilities, payable at the balance sheet date, by remaining contractual maturity. The amounts disclosed in the table are the contractual cash flows, whereas the Company manages inherent liquidity risk based on expected cash flows.

Cash flows associated with liabilities include both principal payments as well as fixed or variable interest payments incorporated into the relevant coupon period. Principal payments reflect the earliest contractual maturity date.

Foreign exchange obligations have been translated to Australian dollars using the closing spot rates at the end of the financial year.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	< 1 year	1-5 years	> 5 years	Total
2024	$Million	$Million	$Million	$Million
Financial liabilities				
Borrowings	1,968.8	501.0	323.0	2,792.8
Financial liabilities at fair value through profit or loss	6,315.5	715.7	808.1	7,839.3
Financial liabilities at amortised cost	3,334.6	-	-	3,334.6
Trade and other payables	2,183.6	-	-	2,183.6
Employee Provisions	55.2	-	-	55.2
Subordinated debt	29.7	46.2	470.0	545.9
	13,887.4	1,262.9	1,601.1	16,751.4

	< 1 year	1-5 years	> 5 years	Total
2023	$Million	$Million	$Million	$Million
Financial liabilities				
Borrowings	1,339.5	552.9	293.1	2,185.5
Financial liabilities at fair value through profit or loss	3,490.6	1,856.2	1,303.5	6,650.3
Financial liabilities at amortised cost	3,509.8	-	-	3,509.8
Trade and other payables	1,151.3	-	-	1,151.3
Subordinated debt	29.4	544.8	-	574.2
	9,520.6	2,953.9	1,596.6	14,071.1

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Carrying value

Fair value of financial assets and liabilities that are not measured at fair value is approximate to their carrying value due to their short-term nature.

(b) Fair value hierarchy

Financial instruments carried at fair value are categorised into different levels in the table below. The different levels have been defined as follows:

- Level 1: Includes assets and liabilities utilising quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Includes assets and liabilities where the valuation techniques use inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Includes assets and liabilities where the valuation techniques include significant inputs for the asset or liability that are not based on observable market data.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Level 1 $Million	**Level 2** $Million	**Level 3** $Million	**Total** $Million
2024				
Assets				
Corporate bonds	71.8	9.7	-	81.5
Government bonds	1,902.2	587.9	-	2,490.1
Listed equity securities	981.9	3.0	0.4	985.3
Derivatives	0.1	254.3	13.0	267.4
Securities purchased subject to resale agreements	-	1,162.6	-	1,162.6
Financial assets at fair value through profit or loss	2,956.0	2,017.5	13.4	4,986.9
Liabilities				
Corporate bonds	-	-	-	-
Government bonds	1,436.0	88.3	-	1,524.3
Listed equity securities	692.2	-	0.8	693.0
Derivatives	0.1	438.1	12.4	450.6
Securities sold subject to repurchase agreements	-	4,859.6	-	4,859.6
	2,128.3	5,386.0	13.2	7,527.5
2023				
Assets				
Corporate bonds	95.3	281.6	-	376.9
Government bonds	1,219.2	1,378.5	-	2,597.7
Listed equity securities	1,419.8	12.7	2.9	1,435.4
Derivatives	-	201.9	77.1	279.0
Securities purchased subject to resale agreements	-	2,449.4	-	2,449.4
Financial assets at fair value through profit or loss	2,734.3	4,324.1	80.0	7,138.4
Liabilities				
Corporate bonds	1.4	2.0	-	3.4
Government bonds	2,344.1	503.2	-	2,847.3
Listed equity securities	437.9	-	1.7	439.6
Derivatives	-	359.1	90.6	449.7
Securities sold subject to repurchase agreements	-	2,502.2	-	2,502.2
	2,783.4	3,366.5	92.3	6,242.2

25. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

(c) Level 3 Reconciliation

For the year-ended	31 December 2024			31 December 2023		
	Financial assets $Million	Financial liabilities $Million	Net $Million	Financial assets $Million	Financial liabilities $Million	Net $Million
Balance at the beginning of the year	80.0	92.3	(12.3)	58.5	22.3	36.2
In profit or (loss)						
- realised	8.8	10.5	(1.7)	4.5	(3.6)	8.1
- unrealised	17.7	22.5	(4.8)	44.9	50.1	(5.2)
Purchases	31.5	(24.9)	56.4	6.6	(0.6)	7.2
Sales	(147.6)	1.3	(148.9)	(64.2)	0.1	(64.3)
Settlements	1.3	23.7	(22.4)	(0.3)	1.8	(2.1)
Transfers into and out of level 3	21.7	(112.2)	133.9	30.0	22.2	7.8
Balance at the end of the year	13.4	13.2	0.2	80.0	92.3	(12.3)

Transfers into Level 3 from Level 2 are due to certain underlying market inputs becoming less observable this year, with reduced coverage from external market data sources. The products affected are structured debt instruments, equity derivative contracts and corporate bonds.

Transfers out of Level 3 to Level 2 largely relate to equity derivative contracts as certain underlying market inputs become observable.

(d) Measurement of fair values

Valuation techniques and key inputs

The Company has an established control framework with respect to the measurement of fair value. 'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in principle or, in its absence, the most advantageous market to which the Company has access at that date.

When available, the Company generally uses quoted market prices to determine fair value and classifies such items as Level 1. In some cases where a market price is unavailable, the Company will make use of acceptable practical expedients (such as matrix pricing) to calculate fair value, in which case the items are classified as Level 2.

For bonds traded over the counter, the Company generally determines fair value using valuation techniques, including discounted cash flows, price-based and internal models, such as Black-Scholes and Monte Carlo simulation. Fair value estimates from these internal valuation techniques are verified, where possible, to prices obtained from independent vendors and brokers. Vendors compile prices from various sources and may apply matrix pricing for similar bonds where no price is observable. Vendors or brokers' valuations may be based on a variety of inputs ranging from observed prices to proprietary valuation models.

The yields used in discounted cash flow models are derived from the same price information. Trading securities priced using such methods are generally classified as Level 2. However, when less liquidity exists for a security, a quoted price is stale, a significant adjustment to the price of a similar security is necessary to reflect differences in the terms of the actual security being valued, or prices from independent sources are insufficient to corroborate valuation, a security is generally classified as Level 3.

The Company may also apply a price-based methodology, which uses, where available, quoted prices or other market information obtained from recent trading activity in positions with the same or similar characteristics to the position being valued. The market activity and the amount of the bid-ask spread are among the factors considered in determining the liquidity of markets and the relevance of observed prices from those markets. If relevant and observable prices are available, those valuations may be classified as Level 2.

26. OFFSETTING FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position where the Company currently has a legally enforceable right of set-off for the recognised amounts and there is an intention to settle net or realise the asset and settle the liability simultaneously. In the normal course of business, the Company enters into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set-off in certain circumstances, such as bankruptcy or termination of the contracts.

The following table presents the recognised financial instruments that are subject to set off arrangements or subject to enforceable master netting agreements or other similar agreements but were not offset. The 'Net' column shows what the net impact would be on the Company's Statement of Financial Position if all set-off rights were exercised.

	Amounts subject to enforceable master netting or similar agreements					
		Related amounts not set-off				
	Amounts of recognised financial assets / (liabilities)	Financial instruments	Financial collateral (received) / pledged	Net amount	Financial assets / (liabilities) not subject to enforceable master netting or similar agreements	Total financial assets / (liabilities) recognised
	$Million	$Million	$Million	$Million	$Million	$Million
2024						
Financial assets						
Financial assets at fair value through profit or loss:						
Corporate bonds	81.5	-	-	81.5	-	81.5
Government bonds	2,490.1	-	-	2,490.1	-	2,490.1
Listed equity securities	985.3	-	-	985.3	-	985.3
Derivatives	267.4	(98.7)	(29.9)	138.8	-	267.4
Securities purchased subject to resale agreements	1,162.6	(1,077.0)	(85.6)	-	-	1,162.6
Financial assets at amortised cost	6,246.2	(3,308.0)	(2,938.2)	-	-	6,246.2
	11,233.1	(4,483.7)	(3,053.7)	3,695.7	-	11,233.1
Financial liabilities						
Financial liabilities at fair value through profit or loss:						
Government bonds	(1,524.3)	-	-	(1,524.3)	-	(1,524.3)
Listed equity securities	(693.0)	-	-	(693.0)	-	(693.0)
Derivatives	(450.6)	98.7	136.1	(215.8)	-	(450.6)
Securities purchased subject to repurchase agreements	(4,859.6)	1,077.0	3,782.6	-	-	(4,859.6)
Financial liabilities at amortised cost	(3,326.1)	3,308.0	18.1	-	-	(3,326.1)
	(10,853.6)	4,483.7	3,936.8	(2,433.1)	-	(10,853.6)

26. OFFSETTING FINANCIAL ASSETS AND LIABILITIES (continued)

	Amounts subject to enforceable master netting or similar agreements					
		Related amounts not set-off				
	Amounts of recognised Financial assets / (liabilities)	Financial instruments	Financial collateral (received) / pledged	Net amount	Financial assets / (liabilities) not subject to enforceable master netting or similar agreements	Total Financial assets / (liabilities) recognised
	$Million	$Million	$Million	$Million	$Million	$Million
2023						
Financial assets						
Financial assets at fair value through profit or loss:						
Corporate bonds	376.9	-	-	376.9	-	376.9
Government bonds	2,597.7	-	-	2,597.7	-	2,597.7
Listed equity securities	1,435.4	-	-	1,435.4	-	1,435.4
Derivatives	279.0	(174.5)	(10.2)	94.3	-	279.0
Securities purchased subject to resale agreements	2,449.4	(1,352.0)	(1,097.4)	-	-	2,449.4
Financial assets at amortised cost	3,218.6	(2,754.6)	(464.0)	-	-	3,218.6
	10,357.0	(4,281.1)	(1,571.6)	4,504.3	-	10,357.0
Financial liabilities						
Financial liabilities at fair value through profit or loss:						
Corporate bonds	(3.4)	-	-	(3.4)	-	(3.4)
Government bonds	(2,847.3)	-	-	(2,847.3)	-	(2,847.3)
Listed equity securities	(439.6)	-	-	(439.6)	-	(439.6)
Derivatives	(449.7)	174.5	61.7	(213.5)	-	(449.7)
Securities purchased subject to repurchase agreements	(2,502.2)	1,352.0	1,150.2	-	-	(2,502.2)
Financial liabilities at amortised cost	(3,500.0)	2,754.6	710.9	(34.5)	-	(3,500.0)
	(9,742.2)	4,281.1	1,922.8	(3,538.3)	-	(9,742.2)

For the purpose of this disclosure, the related amounts of financial instruments and financial collateral not set-off on the Statement of Financial Position have been capped by relevant netting agreements so as not to exceed the net amounts of financial assets and liabilities reported on the Statement of Financial Position, i.e. over-collateralisation, where it exists, is not reflected in the tables.

27. RELATED PARTIES

(a) Related party relationships

In this financial report, controlled entities refers to the entities controlled by the Company as disclosed in note 17 *Controlled Entities.*

Controlling entities refers to Citigroup Global Markets Australia Holdings Pty Limited, which owns 100% of the issued shares of the Company, and companies directly in the ownership chain up to and including Citigroup Inc., the ultimate parent of the Company incorporated in the United States of America.

Commonly controlled entities refer to entities controlled by the ultimate parent of the Company, Citigroup Inc. Citigroup Inc. produces publicly available financial statements.

The Company provides administrative services to related entities. Management fees are charged by the Company, based on the use of its services by related entities. Management fees are paid by the Company to related entities based on the use of their services.

Management fees paid by the Company for these services are calculated based on "cost plus margin". The methodology employed in determining the amount of costs for the purposes of calculating the management fee is based on costs incurred in the previous year. This management fee methodology is reviewed annually.

Information regarding transactions and balances with Controlled, Controlling and Commonly Controlled entities is disclosed in note 27(b) and note 27(c). Information regarding transactions and balances with key management personnel is disclosed in note 27(d).

(b) Transactions with Controlled, Controlling and Commonly Controlled entities

	Controlled	Controlling	Commonly controlled	Total
	$000	$000	$000	$000
2024				
Fee and commission income	-	-	64,925	64,925
Net trading income	-	-	102,649	102,649
Interest income	-	-	329,668	329,668
Interest expense	-	(163,206)	(166,413)	(329,619)
Management fee income	-	-	23,707	23,707
Expenses	-	(1,905)	(92,589)	(94,494)
	-	(165,111)	261,947	96,836
2023				
Fee and commission income	-	-	25,018	25,018
Net trading income	-	-	372,010	372,010
Interest income	-	-	254,505	254,505
Interest expense	-	(172,901)	(108,252)	(281,153)
Management fee income	-	-	13,946	13,946
Expenses	-	(745)	(110,825)	(111,570)
	-	(173,646)	446,402	272,756

27. RELATED PARTIES (continued)

(c) Balances with Controlled, Controlling and Commonly Controlled entities

	Controlled	Controlling	Commonly controlled	Total
	$000	$000	$000	$000
2024				
Assets				
Cash and cash equivalents	-	-	3,241,533	3,241,533
Financial assets at fair value through profit or loss	-	-	255,809	255,809
Financial assets at amortised cost	-	-	6,278,379	6,278,379
Loans and receivables	-	114	629,013	629,127
Other financial assets	-	-	190	190
	-	114	10,404,924	10,405,038
Liabilities				
Borrowings	-	2,611,270	-	2,611,270
Financial liabilities at fair value through profit or loss	-	-	245,619	245,619
Financial liabilities at amortised cost	-	-	3,378,872	3,378,872
Trade and other payables	-	7,630	864,426	872,056
Subordinated debt	-	471,802	-	471,802
	-	3,090,702	4,488,917	7,579,619
2023				
Assets				
Cash and cash equivalents	-	-	2,619,530	2,619,530
Financial assets at fair value through profit or loss	-	-	253,895	253,895
Financial assets at amortised cost	-	-	3,192,812	3,192,812
Loans and receivables	-	-	160,417	160,417
Other financial assets	-	-	262	262
	-	-	6,226,916	6,226,916
Liabilities				
Borrowings	-	1,970,876	-	1,970,876
Financial liabilities at fair value through profit or loss	-	-	240,021	240,021
Financial liabilities at amortised cost	-	-	3,341,645	3,341,645
Trade and other payables	-	8,650	512,614	521,264
Subordinated debt	-	471,731	-	471,731
	-	2,451,257	4,094,280	6,545,537

27. RELATED PARTIES (continued)

(d) Key management personnel compensation

Key management personnel compensation represents compensation paid or payable to the Directors and specified employees by the Company or related entities for their services to the Company. Payments to former key management personnel for their period of service have also been included in the compensation computation.

	2024 $000	2023 $000
Short term employee benefits	894	2,211
Other long term employee benefits	7	12
Post-employment benefits	17	30
Termination benefits	-	177
Equity compensation benefits	119	630
Total income payable or otherwise made available to all key management personnel of the Company	1,037	3,060

Some key management personnel compensation has also been paid by Citigroup Pty Limited and Citibank NA Australia during 2024 and is included in the results of those companies.

28. NOTES TO THE STATEMENT OF CASH FLOWS

	2024 $Million	2023 $Million
(a) Reconciliation of net loss to net cash from operating activities		
Net loss	(29.7)	(21.8)
Movement in provisions	(4.9)	3.8
	(34.6)	(18.0)
Changes in assets and liabilities during the financial year:		
Decrease / (increase) in financial assets at fair value through profit or loss	2,151.5	(888.7)
(Increase) / decrease in financial assets at amortised cost	(3,027.7)	706.4
(Increase) / decrease in receivables	(566.9)	274.7
Increase in current tax assets	(3.0)	(5.8)
(Increase) / decrease in deferred tax assets	(12.5)	1.4
(Increase) / decrease in other financial assets	(726.5)	335.6
Increase in financial liabilities at fair value through profit or loss	1,285.3	254.8
Decrease in financial liabilities at amortised cost	(173.9)	(220.5)
Increase / (decrease) in trade and other payables	1,089.8	(462.1)
Decrease in interest payable on borrowings	(1.1)	(1.7)
Net cash from operating activities	(19.6)	(23.9)
(b) Reconciliation of movements of liabilities from financing activities		
Increase / (decrease) in borrowings	641.6	(985.4)
	641.6	(985.4)

(c) Financing arrangements

The Company has access to the following lines of credit:

	2024	2023
Total facilities available at balance date		
- Standby credit facilities - controlling entities	700.0	700.0
Total facilities available at balance date	700.0	700.0
Facilities unused at balance date		
- Standby credit facilities - controlling entities	230.0	230.0
Total facilities unused at balance date	230.0	230.0

29. AUDITOR'S REMUNERATION

	2024 $000	2023 $000
Statutory audit	233	259
Regulatory audits	149	144
Other assurance	54	54
	436	457

Auditor's remuneration has been paid during 2024 by Citigroup Pty Limited, a related party, and is included in the results of that company.

Statutory audit fees relate to the audit of the financial statements of the Company in accordance with the requirements of the *Corporations Act 2001* .

Regulatory audits relate to ASX Clear, Cboe Australia, AFSL and APRA RRS710 audits.

30. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2024 (31 December 2023: nil).

31. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future years.

CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED

DIRECTORS' DECLARATION

In the opinion of the Directors of Citigroup Global Markets Australia Pty Limited (the Company):

(a) the financial statements and notes that are set out on pages 5 to 34 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2024, and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated this 26th day of March, 2025
in Sydney, Australia.

Signed in accordance with a resolution of the Directors by:
William Langley
Director

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the shareholders of Citigroup Global Markets Australia Pty Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Citigroup Global Markets Australia Pty Limited for the financial year ended 31 December 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Quang Dang

Quang Dang

Partner

Sydney

26 March 2025

KPMG

Independent Auditor's Report

To the shareholders of Citigroup Global Markets Australia Pty Limited

Opinion

We have audited the ***Financial Report*** of Citigroup Global Markets Australia Pty (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the Citigroup Global Markets Australia Pty Limited's financial position as at 31 December 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 31 December 2024;
- Statement of comprehensive income, Statement of changes in equity and Statements of cash flows for the year then ended;
- Notes, including material accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in Citigroup Global Markets Australia Pty Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and that is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes 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 for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf This description forms part of our Auditor's Report.

KPMG

KPMG

Quang Dang

Quang Dang

Partner

Sydney

26 March 2025