Chair's DC Governance Statement, covering the 12 months to 31 December 2021

1. Introduction

Governance requirements apply to defined contribution ("DC") pension arrangements (a DC pension scheme is where employee and employer contributions are paid into it, and the member chooses their investments as well as bearing the investment risk), to help members achieve a good outcome from their pension savings. The Trustee of the Citibank (UK) Pension Plan (the "Plan") is required to produce a yearly statement (which is signed by the Chair of Trustees) to describe how these governance requirements have been met for the DC benefits, including additional voluntary contributions ("AVCs"), within the Plan in relation to:

- the default investment options (this means the main default arrangement and other funds also classed as default arrangements);
- the requirements for processing financial transactions;
- the charges and transaction costs borne by members;
- an illustration of the cumulative effect of these costs and charges;
- a 'value for members' assessment; and
- Trustee knowledge and understanding.

This Statement covers the period from 1 January 2021 to 31 December 2021 (the "Plan Year").

An AVC pension allows members to build up pension benefits in addition to the standard benefits provided by the Plan. The Plan's AVC arrangements represent a very small proportion of the overall DC asset value in the Plan.

2. Default arrangements

The Plan is not used for auto-enrolment but it is a Qualifying Scheme.

The Plan's main default arrangement

The Trustee has made available a range of investment options for members. Members in the Plan that have not chosen an investment option are invested in the Drawdown Lifestyle arrangement, (the "Default"). When deciding on the Plan's investment strategy, the Trustee recognises that most members do not make active investment decisions and instead invest in the Default. After taking advice, the Trustee decided to make the Default a lifestyle strategy, which means that members' assets are automatically moved between different investment funds as they approach their Target Access Age ("TAA"). Members further than 10 years from their TAA are fully invested in the Growth Fund, which comprises global equities and diversified growth funds. At 10 years to TAA members begin to de-risk into the Pre-Retirement Fund, which comprises global equities, diversified growth funds, index-linked gilts and corporate bonds. At TAA members are fully invested in the Pre-Retirement Fund.

The Plan's other default arrangements

A number of other funds are also classified as defaults for some members following past investment changes where members' funds have been transferred without the members expressing a choice. These are:

- The Cash Lifestyle – Members further than 10 years from their TAA are fully invested in the Growth Fund. At 10 years to TAA members begin to de-risk into the Pre-Retirement Fund. Then at 5 years to TAA members begin to de-risk further into the Cash Targeting Fund – Active (previously known as the Deposit Fund – Active). At TAA members are fully invested in the Cash Targeting Fund – Active;
- The Sterling Liquidity Fund – Active; and
- The Core Fund.

In addition, a number of funds are classified as default arrangements for governance purposes (although will not be treated as default arrangements for charge cap purposes due to a legal exemption applying). These funds are:

- The Annuity Targeting Fund (when self-selected by members rather than as forming part of any lifestyle strategy);
- The Growth Fund (when self-selected by members rather than as forming part of any lifestyle strategy);
- The Pre-Retirement Fund (when self-selected by members rather than as forming part of any lifestyle strategy); and
- The Diversified Growth Fund – Semi Passive.

These arrangements along with the Default are referred to as the "default arrangements".

Statement of Investment Principles

The Trustee is responsible for investment governance, which includes setting and monitoring the investment strategy for the default arrangements.

Details of the objectives and the Trustee's policies regarding the default arrangements can be found in a document called the 'Statement of Investment Principles' ("SIP"). The Plan's SIP covering the default arrangements is attached as Appendix 1 to this annual statement.

The aims and objectives of the default arrangements, as stated in section 3 of the attached SIP, are as follows:

- The Default (the Drawdown Lifestyle arrangement): To target a return significantly above inflation within the growth phase and then in the 10 years before a member's intended TAA switch into an asset allocation designed to be appropriate for members who wish to access their benefits via drawdown.
- The Cash Lifestyle: To target a return significantly above inflation within the growth phase and then in the 10 years before a member's intended TAA switch into an asset allocation designed to be appropriate for members wishing to take 100% cash at retirement.
- The Sterling Liquidity Fund – Active: To maintain capital by investing in one or more Sterling Liquidity funds. These funds will predominantly invest in a range of short-term money market instruments and government securities.
- The Core Fund: To track the performance of a blend of passive equity index and corporate bond funds.
- Annuity Targeting Fund (Self-select): To be appropriate for members who wish to purchase an annuity at retirement by broadly aiming to track annuity prices.
- Growth Fund (Self-select): To provide members with long term growth by investing in one or more appropriate asset classes.
- Pre-Retirement Fund (Self-select): To contain an appropriate balance between risk and return for members approaching their TAA who are expecting to draw down income.
- Diversified Growth Fund – Semi Passive: To deliver positive growth over the long term by investing passively across various asset classes and adjusting the amounts held within different asset classes over time to strategically manage risk and reduce volatility.

Review

The default arrangements are reviewed at least every three years. The Trustee began its most recent triennial review of the default arrangements during the Plan Year on 16 November 2021 by conducting analysis on the membership demographics of the Plan. This concluded that the Default should continue to target income drawdown in retirement as this remained suitable for the majority of members and the Cash Lifestyle also remained appropriate for the majority of members who were already invested within that strategy. The Trustee will conduct further analysis on the appropriateness of the composition of the default arrangements and the self-select fund range as it continues its review during 2022.

In addition to the triennial strategy review the Trustee also reviews the performance of the default arrangements against their aims, objectives and policies on a quarterly basis. These reviews include an analysis of fund performance and member activity to check that the risk and return levels are meeting expectations. The Trustee's reviews that took place during the Plan Year concluded that the default arrangements were performing broadly as expected.

3. Requirements for processing core financial transactions

3.1 DC arrangements

The processing of core financial transactions, in relation to the DC benefits within the Plan (such as the investment of contributions, processing transfers in and out of the Plan, processing transfers of Plan assets between different investments, and payments to members/beneficiaries) is carried out by the administrator of the Plan, Willis Towers Watson ("WTW").

Service level agreement

The Plan has a service level agreement ("SLA") in place with the administrator which covers the accuracy and timeliness of all core financial transactions such as retirement settlements, transfer out quotes and retirement quotes.

WTW internal controls

The Trustee has received assurance from WTW that there are adequate internal controls to ensure that core financial transactions relating to the Plan are processed promptly and accurately. The key processes adopted by WTW to help ensure that the processing of core transactions is prompt and accurate, and that the SLAs are met, are as follows:

- A task logging system is in place which is reviewed regularly for upcoming workloads and tasks are allocated daily;
- A regular cash reconciliation is carried out;
- All monetary transactions are checked and peer reviewed by a senior administrator or above before being authorised by a team leader. All monetary transactions above £250,000 require a second level of authorisation by an administration manager or above;
- Bank balances were reviewed daily by the treasury team;
- To ensure promptness, all payments are made electronically, and members have online access to facilitate contribution and investment decisions; and
- A target for each month was agreed with the Trustee for the number of days taken for contributions to be invested from receipt. Over the Plan Year, the average number of days taken for contributions to be invested from receipt was 6 days, which is within the agreed target and a slight improvement on the last Plan Year (average of c.7 days).

Trustee Monitoring

To help the Trustee monitor whether service levels are being met, the Administration Committee on behalf of the Trustee receives quarterly reports about the administrator's performance and compliance with the SLA. For the year to 31 December 2021, quarterly performance of administration tasks against SLAs was 83%, 88%, 91% and 91% (average of 88% over the Plan Year). This is in relation to administration tasks for both the DC and Defined Benefit sections of the Plan. Whilst performance against the SLAs is below the 95% SLA target, there has been a significant improvement in performance against SLAs relative to the Plan Year ending 31 December 2020 (where the performance against SLAs for the final quarter was 73% and the average over 2020 was 80%) and there is a Service Improvement Plan in place to help performance against SLAs reach the 95% target by Q2 2022. WTW discusses all performance statistics with the Citi pensions team fortnightly and with the Trustee on a quarterly basis. The Trustee is satisfied that there were no material issues in relation to processing core financial transactions.

The Trustee is satisfied that over the Plan Year:

- the administrator was operating appropriate procedures, checks and controls. Whilst SLA performance remains lower than the contractual SLA target of 95%, the Trustee understands the challenges that may have impacted SLA performance due to the Covid-19 pandemic and is satisfied that there has been a marked improvement in performance relative to the Plan Year ending in 31 December 2020;
- there have been no material administration issues in relation to processing of core financial transactions;
- there were no errors over the Plan Year within the main DC Plan, but the Trustee notes that there was an error with regards to the Overseas DC Section that is being rectified by WTW; and

- core financial transactions have been processed promptly and accurately to an acceptable level during the Plan Year.

Overall, the Trustee had no major concerns with the administration of the Plan in relation to the DC benefits during the Plan Year.

3.2 AVC arrangements

Prudential and Standard Life are the Plan's AVC providers. The Trustee reviews the Plan's AVC arrangements on a triennial basis. The last review took place over the previous Plan Year in June 2020. The AVC review included a review of the performance of funds, as well as fees paid by members.

Given the guarantees associated with the Standard Life and Prudential AVC policies and funds, the Trustee concluded that the AVC policies with Standard Life and Prudential remain appropriate and, together with a consideration of possible penalties for surrendering these policies, a consolidation exercise would not be in the best interest of members.

The AVC providers have provided the following information in relation to the controls they have in place to ensure core financial transactions are processed promptly and accurately.

Standard Life targets an SLA of 10 working days. It has an internal controls statement which outlines information about processing of their core financial transactions. Governance and oversight arrangements are in place to monitor SLA performance against defined service levels and risk standards. Authorising and processing transactions is achieved through controlled systems including, but not limited to, the following actions.

- Automated systems are designed to ensure consistent, timely and accurate receipt and allocation to the correct funds for regular and single payments.
- Reconciliations are carried out between Finance and Customer Operations to ensure contributions are accurately recorded.
- Documented business procedures are in place for contributions processes.
- Compliance with processes is supported by an automated workflow system that ensures work is enabled, tracked and managed.
- A dedicated control team actively manages manual payments (including automation failures) and the reporting of missed contributions to the Pensions Regulator.
- An automated quotes system, which ensures the consistent application of calculations.
- Scheme rules and policy provisions are coded within automated systems that have been built and tested to established project management practices.
- A quality assurance framework is in place to ensure that payments are processed in line with the defined processes and service levels.

Prudential uses 'End to End' ("E2E") reporting rather than reporting against an SLA, which means that performance is measured against the total time taken to deal with a work item, from the day of receiving it through to the closure date of the work item. The aim of this reporting system, which was introduced on 1 July 2019, is that queries will be dealt with in a shorter number of days. Some examples of transactions that are covered by this new reporting are complaints, contributions, retirement claims, and transfers in and out.

Through E2E reporting, Prudential has set four target time periods for the completion of work items: Upper Target Days, Lower Target Days, Lower to Tail Target Days and Tail Target Days (with the fewest days taken to complete work items being Upper Target Days and the most being Tail Target Days). Prudential aims to complete 75% and 95% of tasks within Upper and Lower Target Days respectively. At the time of writing, Prudential has been unable to provide E2E reporting figures specific to the Plan over 2021, however the Trustee's adviser will continue to follow up with Prudential to obtain this information.

Overall, whilst the Trustee had some concerns with Prudential's service over the Plan Year, the Trustee believes that Prudential is taking steps to improve service. The Trustee had no concerns with Standard Life's service.

4. Member-borne charges and transaction costs

The Trustee is required to set out the ongoing charges incurred by members over the Plan Year in this Statement. The stated charges exclude any administration costs, since these are not met by the members.

The Trustee calculated the charges borne by members of the Plan for the period 1 January 2021 to 31 December 2021. During the Plan Year:

- The employer paid the annual management charges ("AMC") and investment platform fees, on behalf of the members invested in the Plan's three lifestyle arrangements, the Core Fund and the Sterling Liquidity Fund – Active (both as an underlying fund of the lifestyle strategies and as a self-select option). Therefore, members only paid the additional expenses (in excess of the AMC) for these funds during the Plan Year, shown in the TER. The additional expenses for the underlying funds of the three lifestyles, the Core Fund and the Sterling Liquidity Fund – Active over 2021 varied between 0.000% and 0.021%.
- If the underlying funds of the lifestyle strategies were chosen as self-select options, then the employer did not pay the AMC – these costs were borne by members.
- The AMC, investment platform fees and additional expenses (shown in the TER) applicable to the other funds offered under the Plan, other than the three lifestyle arrangements, the Core Fund and the Sterling Liquidity Fund – Active, were borne by members during the Plan Year. However, there is no platform fee charged on funds managed by L&G.

The tables shown later in this section show the charges that members paid over the Plan Year.

The Trustee is also required to separately disclose transaction cost figures. In the context of this Statement, the transaction costs shown are those incurred when the Plan's fund managers buy and sell assets within investment funds but are exclusive of any costs incurred when members invest in and switch between funds. The transaction costs are borne by members.

The charges and transaction costs shown in the tables below take into account the charges and transaction costs that members incurred as a result of the investment fund changes that were implemented over the Plan Year. Over the Plan Year, the TER for the Citibank Plan Japan Equity Fund – Active increased from 0.920% pa to 0.940% pa, as a result of a change in the underlying fund.

Charges and transaction costs for all funds currently included in the Plan have been provided by L&G, Prudential, and Standard Life for the period 1 January 2021 to 31 December 2021.

A new fund, the Environmental Fund, was launched during the Plan Year on 5 November 2021. For this Fund, charges have been shown as at 31 December 2021. L&G is unable to provide transaction costs for the period since inception to 31 December 2021. Therefore, L&G has provided transaction costs for the underlying fund for the period 1 January 2021 to 31 December 2021, which is the closest period available.

Under the prescribed way in which transaction costs have been calculated it is possible for figures to be negative, where market movements are favourable between the time a trade is placed and it is executed. Any negative figures have been shown in the tables for the Plan Year as provided, but for the costs and charges illustrations zero has been used where a transaction cost is negative, to give a more realistic projection (ie transaction costs would not be expected to be negative over the long term).

4.1 Default arrangements

The current default arrangements in the Plan are the Default (the Drawdown Lifestyle arrangement), the Cash Lifestyle, the Sterling Liquidity Fund – Active, the Core Fund, the Annuity Targeting Fund, the Growth Fund, the Pre-Retirement Fund and the Diversified Growth Fund – Semi Passive.

The Default and the Cash Lifestyle have been set up as lifestyle approaches, which means that members' assets are automatically moved between different investment funds as they approach their TAA. This means that the level of charges and transaction costs will vary depending on how close members are to their TAA and in which funds they are invested.

For the period covered by this Statement, annualised charges and transaction costs are set out in the following table.

Default charges and transaction costs

Fund name		AMC (% pa)	TER (% pa)	Transaction costs (% pa)
Default (Drawdown Lifestyle)	10+ years to TAA	0.000	0.021	0.065
	5 years to TAA	0.000	0.019	0.078

Fund name		AMC (% pa)	TER (% pa)	Transaction costs (% pa)
	At TAA	0.000	0.016	0.091
Cash Lifestyle	10+ years to TAA	0.000	0.021	0.065
	5 years to TAA	0.000	0.019	0.078
	At TAA	0.000	0.010	0.058
Citibank Plan Sterling Liquidity Fund – Active		0.000	0.000	0.005
Citibank Plan Core Fund		0.000	0.000	0.035
Citibank Plan Annuity Targeting Fund (Self-select)		0.140	0.145	-0.010
Citibank Plan Growth Fund (Self-select)		0.312	0.333	0.065
Citibank Plan Pre-Retirement Fund (Self-select)		0.164	0.180	0.091
Citibank Plan Diversified Growth Fund – Semi Passive		0.250	0.272	0.245

4.2 Self-select options

In addition to the default arrangements, members also have the option to invest in an annuity targeting lifestyle (the "Annuity Lifestyle") and several other self-select funds.

The Annuity Lifestyle

The annual charges and transaction costs for the Annuity Lifestyle during the Plan Year are set out in the table below.

Fund name		AMC (% pa)	TER (% pa)	Transaction costs (% pa)
Annuity Lifestyle	10+ years to TAA	0.000	0.021	0.065
	5 years to TAA	0.000	0.019	0.078
	At TAA	0.000	0.005	-0.010

Self-select funds

The level of charges for each self-select fund (including those used in the default arrangements) and the transaction costs over the period covered by this Statement are set out in the following table. The underlying funds used within the Default and the Cash Lifestyle during the Plan Year are shown in **bold**.

Fund	AMC (% pa)	TER (% pa)	Transaction costs (%)
Citibank Plan Core Fund[1]	0.000	0.000	0.035
Citibank Plan Growth Fund (Lifestyle)[1]	0.000	0.021	0.065
Citibank Plan Annuity Targeting Fund (Lifestyle)[1]	0.000	0.005	-0.010[4]
Citibank Plan Pre-Retirement Fund (Lifestyle)[1]	0.000	0.016	0.091
Citibank Plan Cash Targeting Fund (Lifestyle)[1]	0.000	0.010	0.058
Citibank Plan Growth Fund (Self-select)	0.312	0.333	0.065
Citibank Plan Annuity Targeting Fund (Self-select)	0.140	0.145	-0.010[4]
Citibank Plan Pre-Retirement Fund (Self-select)	0.164	0.180	0.091
Citibank Plan Index-Linked Gilt Fund – Passive	0.030	0.030	0.040
Citibank Plan Fixed Interest Gilt Fund – Passive	0.030	0.030	0.039
Citibank Plan UK Equity Fund – Passive	0.035	0.035	0.018
Citibank Plan Global Equity Fund – Passive	0.038	0.038	-0.001[4]
Citibank Plan US Equity Fund – Passive	0.040	0.040	-0.008[4]
Citibank Plan European (Ex UK) Equity Fund – Passive	0.040	0.040	-0.027[4]
Citibank Plan Pacific Rim (ex Japan) Equity Fund – Passive	0.040	0.040	-0.006[4]
Citibank Plan Japan Equity Fund – Passive	0.040	0.040	0.002

Citibank Plan Shariah Fund – Passive	0.320	0.320	0.130
Citibank Plan Environmental Fund[2]	0.045	0.065	-0.004[4]
Citibank Plan UK Equity Fund – Active	0.490	0.510	0.084
Citibank Plan UK Specialist Equity Fund – Active	0.620	0.620	0.027
Citibank Plan Responsible Investment Fund[3]	0.370	0.410	0.155
Citibank Plan Global Equity Fund – Active	0.590	0.610	0.061
Citibank Plan European (ex UK) Equity Fund – Active	0.310	0.380	0.210
Citibank Plan US Equity Fund – Active	0.620	0.770	0.043
Citibank Plan Japan Equity Fund – Active	0.720	0.940	0.227
Citibank Plan Far East (Ex Japan) Equity Fund – Active	0.770	0.960	0.209
Citibank Plan Emerging Markets Equity Fund – Active	0.695	0.755	0.164
Citibank Plan Diversified Growth Fund – Semi-Passive	0.250	0.272	0.245
Citibank Plan Corporate Bond Fund – Active	0.200	0.210	0.052
Citibank Plan Overseas Bond Fund – Active	0.270	0.270	0.002
Citibank Plan Property Fund – Active	0.120	0.750	0.000
Citibank Plan Sterling Liquidity Fund – Active[1]	0.000	0.000	0.005
Citibank Plan Commodities Derivatives Fund – Active	0.420	0.610	0.457

[1]AMC and platform charges for these funds are paid by the employer.
[2]The Citibank Plan Environmental Fund was launched during the Plan Year. L&G are unable to provide transaction costs for the period since the launch of the Fund to 31 December 2021. Therefore, L&G has provided transaction costs for the underlying fund for the period 1 January 2021 to 31 December 2021, which is the closest period available.
[3] The Citibank Plan Ethical Fund – Active was renamed the Citibank Plan Responsible Investment Fund over the Plan Year.
[4]Under the prescribed way in which transaction costs have been calculated it is possible for figures to be negative, where market movements are favourable between the time a trade is placed and it is executed. However, we would expect longer term transaction costs to be positive.

4.3 AVCs

The charges and transaction costs for the Plan's AVC arrangements which were available to members during the Plan Year (except where otherwise stated below) are detailed in the table below.

Fund name	AMC (% pa)	TER[1] (% pa)	Transaction costs[2] (% pa)
Prudential			
Prudential With-Profits Fund	N/A[3]	N/A[3]	0.00
Standard Life			
Standard Life Fidelity Global Special Situations Pension Fund	2.00	2.16	0.20
Standard Life Managed Pension Fund	1.00	1.02	0.12
Standard Life Stock Exchange Pension Fund	1.00	1.02	0.08
Standard Life European Equity Pension Fund	1.00	1.01	0.08
Standard Life Far East Equity Pension Fund	1.00	1.07	0.19
Standard Life North American Equity Pension Fund	1.00	1.01	0.28
Standard Life UK Equity Pension Fund	1.00	1.01	0.40
Standard Life Ethical Pension Fund	1.00	1.01	0.06
Standard Life Money Market Pension Fund	1.00	1.01	0.00
Standard Life Baillie Gifford Managed Pension Fund	1.28	1.31	0.15
Standard Life Fidelity Special Situations Pension Fund	2.00	2.15	0.13
Standard Life With-Profits Fund	N/A[4]	N/A[4]	0.12
Standard Life With-Profits Inflation Plus	N/A[4]	N/A[4]	0.00
Standard Life With-Profits Millennium	N/A[4]	N/A[4]	0.17

[1]At the time of writing, Prudential has been unable to provide TERs as at 31 December 2021. TERs shown are correct as at October 2021.
[2]At the time of writing, Prudential has been unable to provide transaction costs over the year to 31 December 2021. Therefore, transaction costs have been shown over the closest period available which is the year to 30 September 2021.
[3]Charges on the Prudential With-Profits business depend on the performance of the With-Profits Fund and, in particular, the investment returns achieved, and expenses incurred. Over time, if investment returns are higher, then the charges would be expected to be higher, and if investment returns are lower, the charges would be expected to be lower.
[4]There are no explicit charges or additional expenses for the unitised Standard Life With-Profits funds as charges are allowed for in the calculation of the final bonus rates. Deductions may also be made for the cost of With-Profits guarantees.

4.4 Illustration of charges and transaction costs

Over a period of time, the charges and transaction costs that are taken out of a member's pension savings can reduce the amount available to the member at retirement. The following table sets out an illustration of the impact of charges and transaction costs on the projection of an example member's pension savings.

In preparing this illustration, the Trustee has had regard to the relevant statutory guidance.

As each member has a different amount of savings within the Plan and the amount of any future investment returns and future costs and charges cannot be known in advance, the Trustee has had to make a number of assumptions about what these might be. The assumptions are explained below:

- The "before costs" figures represent the savings projection assuming an investment return with no deduction of member borne charges or transaction costs. The "after costs" figures represent the savings projection using the same assumed investment return but after deducting member borne charges and an allowance for transaction costs.
- The transaction cost figures used in the illustration are those provided by the managers over the last two years, supplied by L&G (the Plan's platform provider), subject to a floor of zero (so the illustration does not assume a negative cost over the long term).
- The illustration is shown for all of the Plan's default arrangements, as well as two funds from the Plan's self-select fund range. The two self-select funds shown in the illustration are:
  - the fund with highest annual member borne costs – this is the Citibank Plan Far East (Ex Japan) Equity Fund – Active
  - the fund with lowest annual member borne costs – this is the Citibank Plan Global Equity Fund – Passive

Projected pension pot in today's money

	Default option		Cash Lifestyle		Citibank Plan Sterling Liquidity Fund - Active		Citibank Plan Core Fund		Citibank Plan Annuity Targeting Fund	
Years invested	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs
1	£59,300	£59,300	£59,300	£59,300	£56,700	£56,700	£59,200	£59,200	£56,900	£56,800
3	£62,400	£62,100	£62,400	£62,100	£54,500	£54,400	£62,000	£61,900	£54,900	£54,700
5	£65,500	£65,000	£65,500	£65,000	£52,300	£52,200	£64,900	£64,700	£53,000	£52,600
10	£71,500	£70,500	£71,500	£70,500	£47,300	£47,200	£72,700	£72,200	£48,500	£47,800
15	£73,600	£72,000	£73,600	£72,000	£42,800	£42,500	£81,400	£80,700	£44,400	£43,400

Projected pension pot in today's money

	Citibank Plan Growth Fund		Citibank Plan Pre-Retirement Fund		Citibank Plan Diversified Growth Fund - Semi Passive		Citibank Plan Far East (Ex Japan) Equity Fund - Active		Citibank Plan Global Equity Fund - Passive	
Years invested	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs	Before costs	After costs
1	£59,300	£59,100	£58,000	£57,800	£58,500	£58,300	£59,500	£58,800	£59,500	£59,500
3	£62,400	£61,600	£58,100	£57,600	£59,700	£59,000	£62,800	£60,700	£62,800	£62,700
5	£65,500	£64,300	£58,200	£57,400	£60,900	£59,700	£66,300	£62,700	£66,300	£66,200
10	£74,100	£71,300	£58,500	£57,000	£64,000	£61,500	£75,900	£68,000	£75,900	£75,700
15	£83,900	£79,100	£58,800	£56,500	£67,200	£63,400	£87,000	£73,600	£87,000	£86,500

Notes

- Values shown are estimates and are not guaranteed. The illustration does not indicate the likely variance and volatility in the possible outcomes from each fund. The numbers shown in the illustration are rounded to the nearest £100 for simplicity.
- Projected pension pot values are shown in today's terms, and do not need to be reduced further for the effect of future inflation. Inflation is assumed to be 2.5%.
- The starting pot size used is £57,900 as this is the median pot size for Plan members.

- The illustration is shown for a member currently aged 45, as this is the age of the youngest member of the Plan, with a TAA of 60.
- The starting salary is assumed to be £0 and total contributions are assumed to be 0% since the majority (c96%) of the Plan's membership are deferred, meaning they no longer receive a salary from the employer and they no longer contribute to the Plan, nor receive contributions from the employer.
- The projected annual returns used are as follows:
  - Default option: 2.50% above inflation for the initial years, gradually reducing to a return of 0.10% above inflation at the ending point of the lifestyle.
  - Cash Lifestyle: 2.50% above inflation for the initial years, gradually reducing to a return of 1.75% below inflation at the ending point of the lifestyle.
  - Citibank Plan Sterling Liquidity Fund: 2.0% below inflation.
  - Citibank Plan Core Fund: 2.30% above inflation.
  - Citibank Plan Annuity Targeting Fund: 1.75% below inflation.
  - Citibank Plan Growth Fund: 2.50% above inflation.
  - Citibank Plan Pre-Retirement Fund: 0.10% above inflation.
  - Citibank Plan Diversified Growth – Semi Passive Fund: 1.00% above inflation.
  - Citibank Plan Far East (Ex Japan) Equity Fund – Active: 2.75% above inflation.
  - Citibank Plan Global Equity Fund – Passive: 2.75% above inflation.
- No allowance for active management outperformance has been made.

5. Investment returns

In this section, the Trustee has stated the annual geometric return, after the deduction of charges and transaction costs, for all investment options that members can select or could select during the Plan Year, and in which assets relating to members were invested during the Plan Year.

For the arrangements where returns vary with age, such as for the Default, the Department of Work and Pensions guidance states that the Trustee should show the returns over various periods for a member aged 25, 45 and 55 in the current Plan Year, which is shown in the tables below. A TAA of 60 has been assumed for each of these tables as this is the default TAA for members of the Plan.

At the time of writing, L&G has been unable to provide longer term performance for all of the Plan's funds. Therefore, performance has been shown over 1 year to 31 December 2021.

Drawdown lifestyle strategy net returns over 1 year to Plan Year end

Age of member at start of 2021	1 year (%)[1]
25	11.86
45	11.86
55	8.35
60	4.84

[1]At the time of writing, L&G has been unable to provide the net of fees returns to 31 December 2021 for these funds, therefore 1 year performance has been calculated using gross returns and charges and transaction costs as at 31 December 2021.

Annuity lifestyle strategy net returns over 1 year to Plan Year end

Age of member at start of 2021	1 year (%)[1]
25	11.86
45	11.86
55	8.35
60	-1.07

[1]At the time of writing, L&G has been unable to provide the net of fees returns to 31 December 2021 for these funds, therefore 1 year performance has been calculated using gross returns and charges and transaction costs as at 31 December 2021.

Cash lifestyle strategy net returns over 1 year to Plan Year end

Age of member at start of 2021	1 year (%)[1]
25	11.86
45	11.86
55	8.35
60	0.26

[1]At the time of writing, L&G has been unable to provide the net of fees returns to 31 December 2021 for these funds, therefore 1 year performance has been calculated using gross returns and charges and transaction costs as at 31 December 2021.

Self-select fund net returns over 1 year to Plan Year end

Fund name	1 year (%)
Citibank Plan Core Fund	16.69[1]
Citibank Plan Growth Fund (Lifestyle)	11.86[1]
Citibank Plan Annuity Targeting Fund (Lifestyle)	-1.07[1]
Citibank Plan Pre-Retirement Fund (Lifestyle)	4.84[1]
Citibank Plan Cash Targeting Fund (Lifestyle)	0.26[1]
Citibank Plan Growth Fund (Self-select)	11.51
Citibank Plan Annuity Targeting Fund (Self-select)	-1.21
Citibank Plan Pre-Retirement Fund (Self-select)	4.67
Citibank Plan Index-Linked Gilt Fund – Passive	4.61
Citibank Plan Fixed Interest Gilt Fund – Passive	-7.30
Citibank Plan UK Equity Fund – Passive	17.86
Citibank Plan Global Equity Fund – Passive	16.38[1]
Citibank Plan US Equity Fund – Passive	29.57
Citibank Plan European (Ex UK) Equity Fund – Passive	16.49
Citibank Plan Pacific Rim (ex Japan) Equity Fund – Passive	2.36
Citibank Plan Japan Equity Fund – Passive	2.53
Citibank Plan Shariah Fund – Passive	27.46
Citibank Plan Environmental Fund	N/A[2]
Citibank Plan UK Equity Fund – Active	2.42
Citibank Plan UK Specialist Equity Fund – Active	24.54
Citibank Plan Responsible Investment Fund	20.74
Citibank Plan Global Equity Fund – Active	8.69
Citibank Plan European (ex UK) Equity Fund – Active	11.75
Citibank Plan US Equity Fund – Active	27.26
Citibank Plan Japan Equity Fund – Active	7.10
Citibank Plan Far East (Ex Japan) Equity Fund – Active	-6.20
Citibank Plan Emerging Markets Equity Fund – Active	-9.21
Citibank Plan Diversified Growth Fund – Semi-Passive	5.65
Citibank Plan Corporate Bond Fund – Active	-4.54
Citibank Plan Overseas Bond Fund – Active	-1.90
Citibank Plan Property Fund – Active	23.48
Citibank Plan Sterling Liquidity Fund – Active	-0.10
Citibank Plan Commodities Derivatives Fund – Active	30.16

Note: The underlying funds used within the Default and the Cash Lifestyle during the Plan Year are shown in **bold**.

[1]At the time of writing, L&G has been unable to provide the net of fees returns to 31 December 2021 for these funds, therefore 1 year performance has been calculated using gross returns and charges and transaction costs as at 31 December 2021.
[2]The Fund was launched during the Plan Year, hence 1 year performance is not yet available.

Fund name	5 years (%)	1 year (%)
Prudential		
Prudential With-Profits Fund	N/A	N/A
Standard Life		
Standard Life Fidelity Global Special Situations Pension Fund	15.2	11.5
Standard Life Managed Pension Fund	9.2	6.3
Standard Life Stock Exchange Pension Fund	13.8	8.0
Standard Life European Equity Pension Fund	13.3	9.1
Standard Life Far East Equity Pension Fund	-1.3	8.6
Standard Life North American Equity Pension Fund	27.4	14.8
Standard Life UK Equity Pension Fund	14.3	2.9
Standard Life Ethical Pension Fund	9.9	7.6
Standard Life Money Market Pension Fund	-0.9	-0.4
Standard Life Baillie Gifford Managed Pension Fund	3.4	12.7
Standard Life Fidelity Special Situations Pension Fund	22.2	4.4
Standard Life With-Profits Fund	N/A	N/A
Standard Life With-Profits Inflation Plus	N/A	N/A
Standard Life With-Profits Millennium	N/A	N/A

6. Value for members assessment

The Trustee is required to assess the extent to which member borne charges and transaction costs incurred over the Plan Year represent good value for members and to explain that assessment.

The Trustee reviews all member-borne charges (including transaction costs where available) annually, with the aim of ensuring that members are obtaining value for money given the circumstances of the Plan. The most recent assessment was considered by the Trustee during April 2022 with the final report being agreed on 29 April 2022. This review focused on member-borne charges in respect of the Plan's main DC assets, given these represent the vast majority of the overall DC assets in the Plan. A formal review of the Plan's AVC arrangement was last carried out in June 2020 which covered the performance of funds, as well as fees paid by members. As a result, the Trustee agreed to consolidate AVC policies previously held with Utmost within the Plan's main DC arrangement with L&G, as it concluded that this was in the best interest of members. The Trustee's adviser continues to monitor the Plan's remaining AVC providers as part of the value for members assessment and, despite some concerns about service levels at Prudential (see Section 3.2 above), believes the current AVC arrangements remain suitable.

There is no legal definition of 'good value' which means that determining this is subjective. The Trustee notes that value for money does not necessarily mean the lowest fee, and the overall quality of the service received has also been considered in this assessment. The assessment was undertaken taking account of the Pensions Regulator's Code of Practice No.13 (Governance and administration of occupational trust-based schemes providing money purchase benefits).

The assessment was undertaken by a sub-group of the Trustee with assistance from the Trustee's DC consultant and involved a wide assessment of value considering the key elements of the Plan and agreeing relevant value ratings for each area, in addition to looking at the value attributable to member borne costs and charges.

6.1 Member borne charges

Members only pay for investment related charges and transaction costs (and in relation to the Default, the other lifestyle options and certain other arrangements as detailed above, they do not pay the AMC or platform fee). The employer pays for all other costs relating to the Plan.

The Trustee's investment adviser has confirmed that the fund charges are competitive for the types of funds available to members. Overall, total charges paid by members are low for an investment-only arrangement relative to similar sized pension schemes, with only a small minority of self-select funds having been identified as being less competitively priced (active regional equity funds).

The Trustee believes the transaction costs which members pay provide value for members as the ability to transact forms an integral part of the investment approaches and the Trustee expects this to lead to greater investment returns net of fees over time.

The Trustee's assessment included considering the performance of the Plan's investment funds (after all charges) in the context of their investment objectives, for those funds where members pay the TER (ie the majority of the Plan's funds except the Core Fund and Sterling Liquidity Fund – Active). The Trustee monitors the risk and return profile of the funds available in the Plan on a quarterly basis. Over the Plan Year, the performance of active funds was mixed. Whilst equity funds' performance was generally positive over the Plan Year on an absolute basis, most of the active equity funds underperformed their benchmark as markets continued to recover from the Covid-19 pandemic. However, both longer term (over 3 years to 31 December 2021) absolute and relative performance was positive for the majority of active funds.

Over the Plan Year, bond performance was generally negative on an absolute basis as markets struggled, while relative performance was generally positive. Over the longer term (over 3 years to 31 December 2021) absolute and relative performance was positive for all bond funds (where data is available). All active funds are monitored quarterly and reviewed following continued underperformance, with the Trustee looking to replace funds which it does not believe provide value for members. All passive funds broadly tracked their index over the Plan Year also. However, past performance is no indication of future performance and the Trustee will continue to monitor performance compared to equivalent funds in the market.

6.2 Wider assessment

The employer paid for all other costs and charges relating to the Plan such as the cost of the Plan's Trustee, external advisers (investment consulting, legal, auditors and communications) and administration costs.

In carrying out the value for members assessment, the Trustee also considered the other benefits members receive from the Plan, not related to the charges and costs that they pay, which fall into the following criteria:

- Administration;
- Governance;
- Communications;
- Investment range;
- At retirement services; and
- Plan design.

They concluded that:

- As detailed in section 3 covering the processing of core financial transactions, the Trustee is comfortable with the quality and efficiency of the administration processes.
- The Trustee Board, committees and individual Trustees all have clearly defined roles and responsibilities, and knowledge and understanding is of a high standard. As part of the wider governance structure, the Trustee delegates some responsibilities to sub-committees. This helps ensure more effective decision making and governance of the various aspects of the Plan. The Trustee Board has a range of experiences with varied lengths of tenure.
- The Trustee employs a dedicated independent member communications consultant, LikeMinds, who works with them, the Plan's third party advisers and the Plan's administrator to issue member guidance documentation and strategic communications. Furthermore, members can access fund information online, such as plan documentation and fund factsheets and have access to a retirement lifestyle planner. Communications are overseen by the Engagement Committee on a quarterly basis. With the help of LikeMinds, the Trustee developed an engagement plan for communications during 2021. Over the Plan Year, LikeMinds also sent communications covering topics such as fund transfers and reminders to members who had yet to complete their death benefit nomination forms.
- The Plan offers members three lifestyle strategies, targeting income drawdown, cash lump sum and annuity purchase at retirement. Members also have access to a range of self-select funds, covering an appropriate range of asset classes. The performance of the lifestyle strategies and the self-select funds are reviewed by the Trustee on a quarterly basis. The Default strategy has performed in line with expectations over the Plan Year. The Trustee began its review of the Default Strategy during the Plan Year on 16 November 2021.

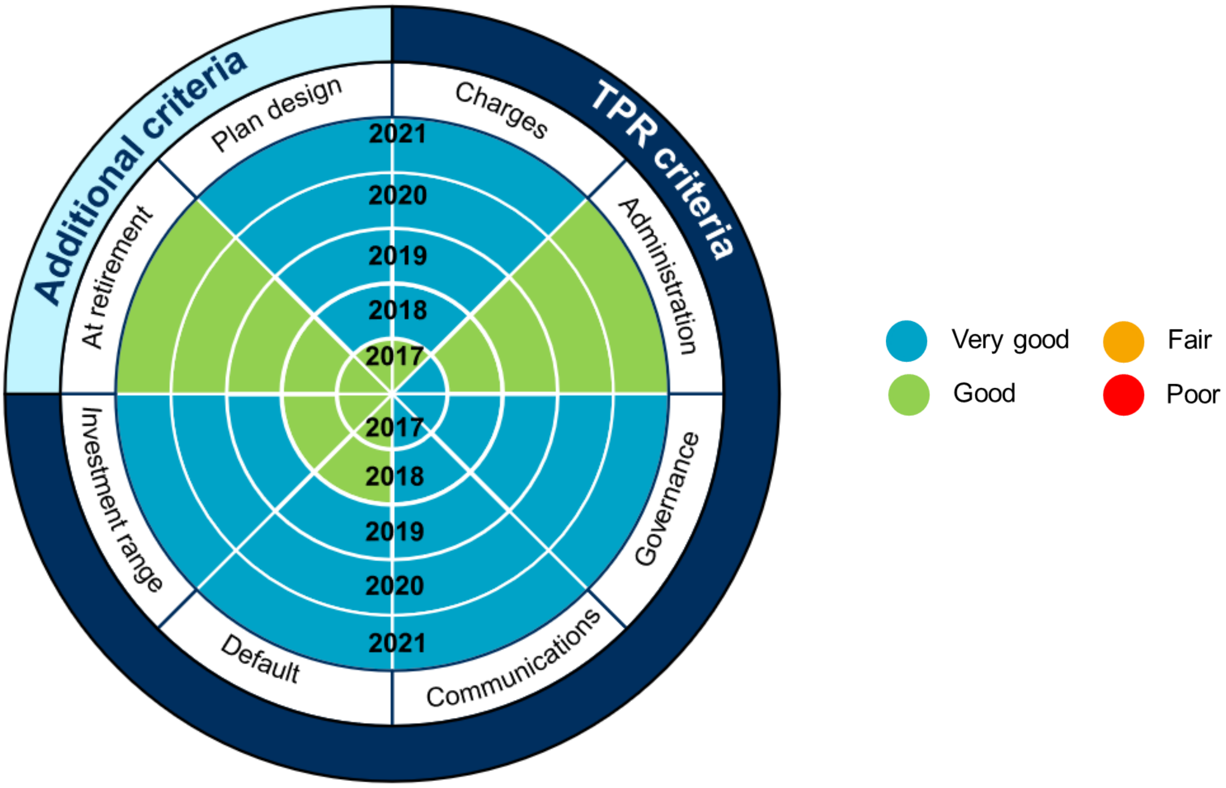
- Support and guidance offered to members is clear, timely and reflects the choices available to members when taking their benefits. Members are given access to a variety of options when they come to take their benefits, some within the Plan with others accessible by transferring out to another scheme. Within the Plan, members can take their complete pots as one uncrystallised funds pension lump sum or buy a guaranteed income for life. Members are also notified that they can access all Freedom and Choice retirement options not otherwise available in the Plan by transferring out at-retirement. The Trustee has negotiated a post-retirement arrangement with the L&G Master Trust, which it makes members aware of. Within the L&G Master Trust, members also have access to an LV= advice service.
- There were no changes to the contribution structure or non-pensions benefits over the Plan Year. Both the employer and the Trustee are committed to the long term partnership required to ensure that the right amount is paid to the right member at the right time. The employer is supportive of the Trustee's approach to running the Plan.

6.3 Conclusion

Taking all factors into account, the Trustee believes that the costs and charges members pay represents good value when compared to the benefits the members receive in relation to the Plan. The Trustee believes this because:

- There are a number of benefits provided by the Plan that are paid for by the employer as detailed above. Administration, governance and communication costs are all met by the employer. In addition, the employer also pays the AMC and platform fees for the lifestyle fund options, the Core Fund and the Sterling Liquidity Fund – Active so members only pay the additional expenses for these options.
- Members only pay the AMC and platform fees for the remaining self-select funds.
- Members (and the employer) do not pay platform fees on any funds managed by L&G.
- Most of the fees for the self-select funds are competitively priced and overall the investment charges are very low in comparison to the wider market.
- The growth phase of the Default has produced good returns, over the three years to 31 December 2021.

To help compare criteria and assess any changes between Plan Years, the Trustee has rated each criteria as either Poor, Fair, Good or Very Good. The chart below provides the ratings given for this Plan Year and a comparison against the ratings given in previous assessments.



Recognising that maintaining good value is an ongoing process, the Trustee continues to aim to improve value for members in future. The Trustee is currently in the process of taking steps to improve the Plan, which include the following:

- monitoring the service plan in place with WTW to improve service levels further;
- working with WTW to implement a data correction plans;
- working with LikeMinds to implement actions from the Engagement Plan as well as completing an at-retirement communication strategy review; and
- concluding the triennial strategy review, including considering the suitability of incorporating responsible investment options into the default strategy, considering the appropriateness of the self-select fund range and reviewing fees.

7. Financial security of pension assets

This section describes, in broad terms, the Trustee's understanding of the protections that generally apply to members' assets, should the DC platform provider, or a fund manager used by it, experience financial difficulties. Please note that this is a complex area which is largely untested in practice. Whilst the wording below represents the understanding of the Trustee based on legal advice obtained from the Trustee's legal experts, a future situation may lead to an unexpected outcome.

There are several safeguards designed to prevent default by a DC platform provider, or a fund manager used by it, and potential protections that apply should this happen:

- To prevent default, there is internal oversight carried out by the provider and fund managers. This comprises several elements such as independent internal audits, as well as the work conducted by compliance and risk functions.
- There is external oversight, which is carried out by the relevant regulatory bodies, whose role it is to ensure that the provider and fund managers discharge their financial liabilities in a responsible manner.
- A custodian will normally be appointed to each of the investment funds offered by the provider. The custodian's primary function is the safekeeping of assets. In practice this means keeping investors' funds legally separate from the provider's / fund manager's own monies, so they may not be used for meeting creditors' demands not relating to the investment funds.

Thus, the only circumstances in which a default would occur appear to be in the event of dishonesty, fraud or negligence. If a valid claim arose, in the first instance, the Trustee would expect L&G and/or the fund manager to make good any shortfall.

The Trustee has entered into an insurance policy with L&G which provides access to funds managed by third party fund managers. The Trustee's policy with L&G is currently covered by the Financial Services Compensation Scheme ("FSCS"). In the unlikely event that L&G is unable to meet its financial obligations, if a solvent insurer cannot be found to take on the business, the Trustee would have a claim on the FSCS for up to the value of the policy.

The FSCS applies to the risk of L&G not being able to meet its obligations. Under the policy, L&G offers access to a range of funds managed by third parties. Some of the third party funds are structured as unit trusts or investment companies in the UK or in EU countries. Those funds are isolated from the liabilities of the manager and its group of companies.

Some other third party funds are provided by life insurance companies under a reinsurance contract between L&G and those companies. The insurance companies concerned structure their businesses with a view to minimising the risk of other insurance liabilities having an impact on the funds which are used for the Plan and also hold capital in accordance with regulatory requirements.

Where Legal and General Assurance (Pensions Management) Limited ('PMC') invests in one or more funds operated by another life manager via reinsurance for the benefit of its pooled fund, it obtains protection as a beneficiary of a floating charge issued by such life manager over the assets of the life manager which are attributable to the liabilities reinsured by PMC.

It is not possible to completely remove the risk that some or all of a member's investment would not be recovered if a fund provider becomes insolvent and there can be no guarantee that funds will never be affected by fraud. However, the funds are subject to strict financial regulation and the funds, and the way the Plan accesses them, are structured to minimise the risk of other liabilities having an adverse impact.

The Trustee keeps the way in which the Plan accesses the funds under review. It is satisfied that the current arrangements are in line with good industry practice.

8. Trustee knowledge and understanding

The Plan's trustee directors (the "Trustee Directors") are required to maintain appropriate levels of knowledge and understanding to run the Plan effectively. The Trustee has measures in place to comply with the legal and regulatory requirements regarding knowledge and understanding of relevant matters, including investment, pension and trust law. Details of how the knowledge and understanding requirements have been met during the Plan Year are set out below.

General

The Trustee Directors, with the help of their advisers, regularly consider training requirements to identify any knowledge gaps and attend an annual training day and other bespoke training sessions to provide training on any gaps or to cover topical items or specific issues under consideration during the Plan Year. In addition, the Trustee's investment advisers proactively raise any changes in governance requirements and other relevant matters as they become aware of them. The Trustee's advisers would typically deliver training on such matters at Trustee or sub-committee meetings if they were material. Trustee Directors are also encouraged to attend external training sessions and events to keep up to date.

All the Trustees Directors are required to commit to completing relevant training, either at relevant Trustee meetings or by personal study. All the Trustee Directors are also required to complete the Pensions Regulator's Trustee toolkit (an online learning programme, designed to help trustees of occupational pension schemes meet the minimum level of knowledge and understanding required by law) within six months of taking office, and must complete two modules of the Trustee Toolkit before putting themselves forward for a Trustee Director position.

There are documented processes for the appointment of new member and employer nominated trustees. Members who are interested in becoming a Trustee Director must get the support of two other Plan members before applying for the role. Potential new member nominated trustees are also required to attend a briefing session prior to election, to ensure that they are aware of the time commitment and responsibilities that come with the role. All nominees are then assessed for suitability before being put forward for the election process. A nominations panel will consider a number of factors in making its determination, including technical skills, communication skills and the ability to meet the time commitment. If the number of candidates put forward by the nominations panel exceeds the number of vacancies, then an election will be held.

Diversity in tenure is recommended to ensure that a balance is struck between experience and new ideas. The Trustee Board has a range of experiences with varied lengths of tenure. The Trustee Directors have Actuarial, Investment, Risk, Legal and Investment Transaction experience. In order to better represent the views of minority groups and the younger generation co-optees continue to attend the quarterly Engagement Committee meetings where they can voice their opinions and share feedback on agenda items as well as communication formats and topics.

In addition, the Trustee receives advice on investment, legal, actuarial, communication and other related issues from their advisers.

All the Trustee Directors are familiar with the Plan's governing documentation and documentation setting out the Trustee's policies, including the Trust Deed & Rules and SIP (which sets out the policies on investment matters). In particular, the Trustee refers to the Trust Deed and Rules as part of considering and deciding to make any changes to the Plan, and the SIP is formally reviewed annually and as part of making any change to the Plan's investments. Further, the Trustee Directors believe they have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil their duties.

Activities during the Plan Year

During the Plan Year, the Trustee Directors have undertaken the following actions to ensure that they have sufficient knowledge and understanding of the law relating to pensions and trusts and of the relevant principles relating to the funding and investment of occupational pension schemes to fulfil their duties.

- The Trustee Directors attended an annual trustee training day, which was held within the Plan Year, in January 2021. Topics such as ESG and Guidance, Advice and Education were covered. The latter ('Guidance, Advice and Education') related to a (then) draft guide for employers and trustees on providing support with financial matters.

- No new Trustee Directors were appointed in last Plan Year.
- The Trustee Directors received quarterly updates on topical issues in the DC market and investment matters from its investment adviser, LCP, at the quarterly DCC meetings to keep up to date with the principles of DC investing.
- The Trustee Directors received quarterly updates on topical general and DC issues from their legal advisers at each DCC meeting, Administration Committee meeting and Trustee board meeting to keep up to date with pensions and trust law. In addition, the DCC received introductory training on the new climate change regulations during the Plan Year.
- The Trustee Directors reviewed and updated the SIP during the Plan Year.
- A training log is maintained in line with best practice and the training programme is reviewed regularly to ensure it is up to date. The training log contains a section on Trustee knowledge and skills which details the essential and additional courses that each Trustee Director has completed.
- The Trustee Directors consider and apply their knowledge of the Trust Deed and Rules, SIP and Trustee policies where relevant to Trustee decisions.

Considering the knowledge and experience of the Trustee Directors outlined above and the specialist advice (both in writing and whilst attending meetings) received from the appointed professional advisers the Trustee believes it is well placed to exercise its functions as Trustee of the Plan properly and effectively.

Signed by the Chair of Trustee of the Citibank (UK) Pension Plan (signature removed)

Date: 16 June 2022

Statement of Investment Principles for the Citibank (UK) Pension Plan (the "Plan") – Defined Contribution section

1. Introduction

This Statement of Investment Principles ("SIP") sets out the policy of the Trustee of the Citibank (UK) Pension Plan - Defined Contribution section (the "Plan"), on various matters governing decisions about the investments of the Plan. This SIP replaces the previous SIP dated 16 June 2021.

This SIP contains the information required by legislation and also considers the Pension Regulator's guidance on investments.

This SIP has been prepared after obtaining and considering written professional advice from LCP, the Plan's investment adviser, whom the Trustee believe to be suitably qualified and experienced to provide such advice. The advice considers the suitability of investments including the need for diversification, given the circumstances of the Plan, and the principles contained in this SIP. The Trustee has consulted with the relevant employer in producing this SIP.

The Trustee will review this SIP from time to time and, with the help of its advisers, will amend it as appropriate. These reviews will take place as soon as practicable after any significant change in investment policy, or in the demographic profile of the relevant members in respect of the DC Section, and at least once every three years.

- **Appendix 1** sets out details of the Plan's investment governance structure, including the key responsibilities of the Trustee, investment advisers and investment managers. It also contains a description of the basis of remuneration of the investment adviser and the investment managers.
- **Appendix 2** sets out the Trustee's policy towards risk appetite, capacity, measurement and management.

2. Investment objectives

The Trustee's primary objectives for the Plan are to provide members with access to:

- an appropriate range of investment options, reflecting the membership profile of the Plan and the variety of ways that members can draw their benefits in retirement; and
- a main default investment option that the Trustee believes to be reasonable for those members that do not make their own investment decisions. The objective of the default option is to generate returns significantly above inflation whilst members are some distance from retirement, but then to switch automatically and gradually into lower risk investments to improve diversification and reduce volatility as members near retirement, maintaining the potential for a modest level of growth in excess of inflation.

3. Investment strategy

The Defined Contribution Committee ("DCC") of the Trustee, with advice from its DC investment consultant, started a review of the Plan's lifestyle strategies and self-select fund range (including the default arrangements that existed at the time) at the end of 2017. This review continued during 2018 and was concluded in the first half of the Plan year in 2019. In particular, decisions were made in relation to the existing default arrangements at meetings of the DCC on 8 March 2019 and 14 June 2019.

Further decisions relating to the implementation of the changes following the review were made at a meeting of the DCC on 24 September 2019, considering the objectives described in Section 2 above. Changes to the lifestyle strategies and self-select funds were implemented in three stages starting in the last quarter of 2019 and were concluded by the second quarter of 2020.

Further decisions relating to explicitly incorporating environmental, social, governance ("ESG") factors into the Plans' investments were made at a meeting of the DCC on 15 June 2021. It was concluded to add an additional fund to the self-select fund range as well as renaming an existing fund to make the options available clearer to members. Further key decisions regarding the new fund were made at the DCC meeting on 21 September 2021, with implementation of both changes taking place over the course of the fourth quarter of 2021. A decision was taken to consider RI integration into the default as part of the triennial strategy review, which is due to be concluded during 2022.

For the Plan, the Trustee offers members a range of investment funds. Each member is responsible for specifying one or more funds for the investment of their account, having regard to their attitude to the risks involved. The Plan's main default option was originally designed based on a review of the membership's demographic details in 2016. Following a review of the membership base in 2019, it was concluded the demographic details had remained consistent, which supported the ongoing suitability of the Plan's main default option. Therefore, the changes to the default lifestyle strategy that were implemented and concluded by the second quarter of 2020 continued to follow the same long-term strategic approach.

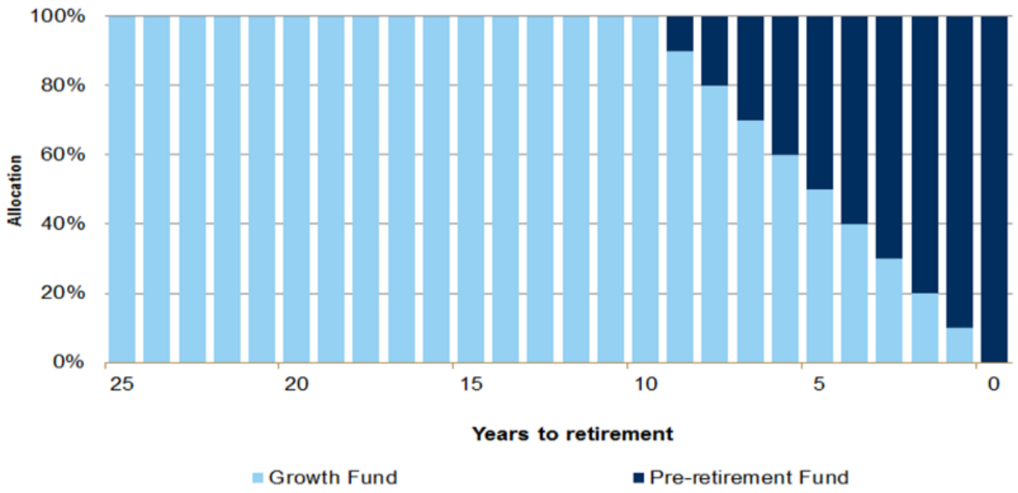
The Plan's main default arrangement is the Drawdown Lifestyle; this will be the default option if a member has not made an active investment choice. The Plan is not open to new members.

3.1 The Plan's Main Default arrangement

3.1.1 The Drawdown Lifestyle

The default option targets income drawdown at retirement, so if a member has not chosen an investment option, their account will be invested into the default option, which is managed as a "lifestyle" strategy (ie it automatically combines investments in proportions that vary according to the time to retirement – known as Target Access Age or ("TAA")).

In the initial growth phase, the default option is invested in the Growth Fund which targets an expected return significantly above inflation (making use of equity based funds). In the 10 years before a member's intended TAA, the default option starts to switch gradually into the Pre-Retirement Fund whose asset allocation is designed to be appropriate for members who wish to access their benefits via drawdown. The charts below show how the default option's asset allocation changes as a member approaches retirement.



3.2 Other default arrangements

The Trustee has identified seven other arrangements which could be considered to be additional default arrangements and consequently these are being treated as default arrangements:

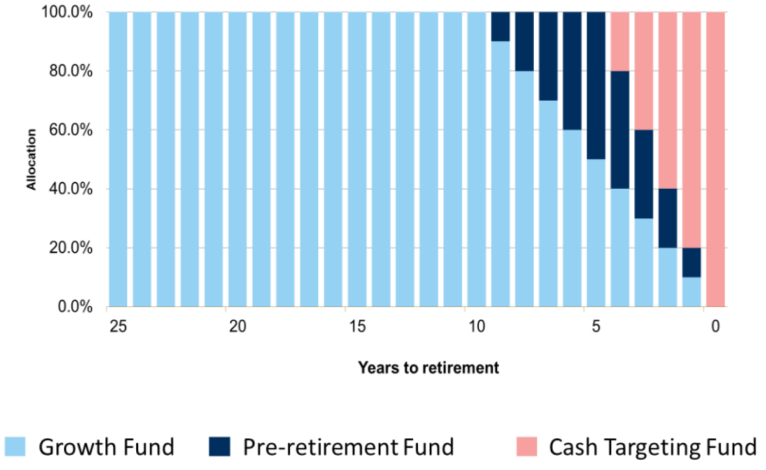
- the Cash Lifestyle;
- the Sterling Liquidity Fund – Active;
- the Core Fund;
- Annuity Targeting Fund (self-select);
- Growth Fund (self-select);
- Pre-Retirement Fund (self-select); and
- Diversified Growth Fund – Semi Passive.

The Cash Lifestyle, Sterling Liquidity Fund – Active and Core Fund are considered to be defaults for governance purposes and must also meet charge cap restrictions. The Growth Fund, Annuity Targeting Fund, Pre-Retirement Fund and Diversified Growth Fund – Semi Passive are considered default arrangements for governance purposes only and therefore do not need to meet the charge cap restrictions.

3.2.1 The Cash Lifestyle

The default was set to the Cash Lifestyle for deferred members who in 2016 were projected to have relatively small pots at retirement and for the DC contributions of Defined Benefit members who were more than 10 years from their TAA at the time of the June 2016 review.

In the initial growth phase this default option is invested in the Growth Fund which targets an expected return significantly above inflation (making use of equity based funds). In the 10 years before a member's intended TAA, the default option starts to switch gradually into the Pre-Retirement Fund and then from 5 years before a member's intended TAA it will switch 100% into the Cash Targeting Fund. This lifestyle is designed to be appropriate for members wishing to take 100% cash at retirement.



3.2.2 Sterling Liquidity Fund - Active

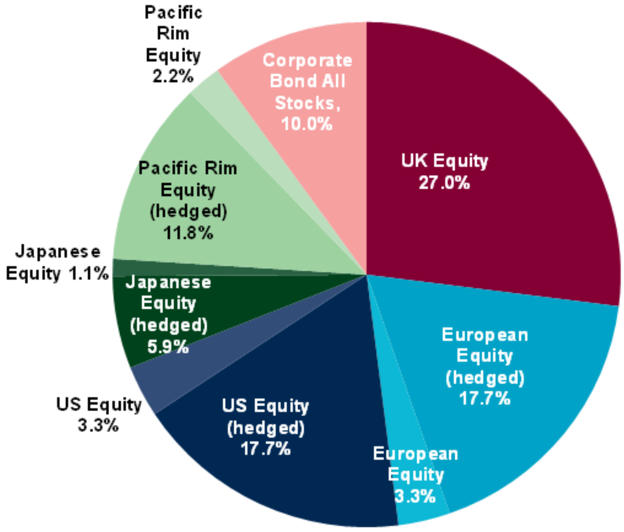
The Sterling Liquidity Fund – Active invests in the BlackRock Institutional Sterling Government Liquidity Fund with no lifestyling and is the default option for the DC contributions of Defined Benefit members who were within 10 years of their TAA at the time of the June 2016 review.

The Fund is designed to maintain capital by investing in one or more Sterling Liquidity funds. These funds will predominantly invest in a range of short-term money market instruments and government securities.

3.2.3 Core Fund

The Core Fund was historically used as the 'growth' element of the default strategy for the Plan. The Core Fund was removed from the default strategy in June 2016, but members who had assets in the Core Fund attracting the Unit Price Guarantee ("UPG") stayed in the Core Fund, which became a standalone fund from June 2016, with any future contributions for members with assets attracting the UPG being directed into this fund going forward, without their consent.

The Core Fund aims to track the performance of a blend of passive equity index and corporate bond funds. The chart below shows the composition of the Core Fund. The non-UK equity element is approximately 84% currency hedged back to Sterling. This is achieved via investment in a suitable mix of currency hedged and non-currency hedged funds.



3.2.4 Annuity Targeting Fund (self-select)

The Fund is designed for members who wish to purchase an annuity at retirement by broadly aiming to track annuity prices.

3.2.5 Growth Fund (self-select)

The Growth Fund is designed to provide members with long term growth by investing in one or more appropriate asset classes.

3.2.6 Pre-Retirement Fund (self-select)

The Pre-retirement Fund is designed to contain an appropriate balance between risk and return for members approaching their target access age who are expecting to draw down income.

3.2.7 Diversified Growth Fund – Semi Passive

The Diversified Growth Fund – Semi Passive is designed to deliver positive growth over the long term by investing passively across various asset classes and adjusting the amounts held within different asset classes over time to strategically manage risk and reduce volatility.

The Trustee believes that the aims and objectives of the default arrangements as explained above and their policies in respect of all investments (including the default arrangements) as outlined in the rest of this Statement, are intended to ensure that assets are invested in the best interests of the majority of members invested in each of the default arrangements, taking into account the demographics of those members and the reasons why members are invested in these arrangements.

4. Other lifestyle strategies

An Annuity Lifestyle which is designed for members wishing to purchase an annuity at retirement, has also been made available to members.

5. Trustee's policy to reviewing the investment arrangements

The Trustee will review the default options and the other investment options at least every three years and as soon as practicable after any significant change in investment policy, or the demographic profile of relevant members.

The Trustee will also review periodically the relevant members' use of their options at retirement or on taking benefits from the Plan to check whether assumptions made about how members access their benefits are borne out in practice.

The Trustee has ensured that each of the default options is below the cap on member-borne charges of 0.75% per annum. This does not apply to the defaults that have been categorised as defaults for governance purposes only. These are the Growth Fund, Annuity Targeting Fund, Pre-Retirement Fund and Diversified Growth Fund – Semi Passive. The Trustee will ensure that the cap on all member-borne charges will continue to apply to members' funds which remain invested in the other default arrangements, which are the Drawdown Lifestyle, The Cash Lifestyle, Sterling Liquidity Fund and the Core Fund. This will be the case even if the member leaves their employer or stops making contributions and becomes a non-contributing, or 'deferred' member.

6. Considerations made in determining the investment arrangements

When deciding how to invest the Plan's assets, the Trustee considers several risks, including, but not limited to, those set out in Appendix 2. Some of these risks are more quantifiable than others, but the Trustee has tried to allow for the relative importance and magnitude of each risk.

The Trustee considered a wide range of asset classes for investment, taking account of the expected returns and key individual risks associated with those asset classes as well as how these risks can be mitigated where appropriate.

In determining the investment arrangements for the Plan, the Trustee also took into account:

- the best interests of all members and beneficiaries;
- the profile of the membership and what this was likely to mean for the choices members might make upon reaching retirement;
- the risks, rewards and suitability of a number of possible asset classes and lifestyle strategies and whether the return expected for taking any given investment risk is considered sufficient given the risk being taken;
- the need for appropriate diversification within the default strategy and between the other investment options offered to members;
- any other considerations which the Trustee considers financially material over the periods until members' retirement, or any other timeframe which the Trustee believes to be appropriate; and
- the Trustee's investment beliefs about how investment markets work and which factors are most likely to impact investment outcomes.

7. Implementation of the investment arrangements

Before investing in any manner, the Trustee obtains and considers proper written advice from its investment adviser on the question of whether the investment is satisfactory, having regard to the need for suitable and appropriately diversified investments.

Details of the investment managers and their objectives are set out in the separate Investment Policy Implementation Document.

The Trustee has entered into a contract with a platform provider, who makes available the range of investment options to members. There is no direct relationship between the Plan and the underlying investment managers of the DC investment funds.

The Trustee and investment managers to whom discretion has been delegated exercise their powers to giving effect to the principles in this Statement of Investment Principles, so far as is reasonably practicable.

The Trustee has limited influence over managers' investment practices because all the Plan's assets are held in pooled funds, but it encourages its managers to improve their practices where appropriate.

The Trustee's view is that the fees paid to the investment managers, and the possibility of their mandate being terminated, ensure they are incentivised to provide a high-quality service that meets the stated objectives, guidelines and restrictions of the fund. However, in practice managers cannot fully align their strategy and decisions to the (potentially conflicting) policies of all their pooled fund investors in relation to strategy, long-term performance of debt/equity issuers, engagement and portfolio turnover.

It is the Trustee's responsibility to ensure that the managers' investment approaches are consistent with its policies before any new appointment, and to monitor and to consider terminating any existing arrangements that appear to be investing contrary to those policies. The Trustee expects investment managers, where appropriate, to make decisions based on assessments of the longer term financial and non-financial (eg firm stability, remuneration, staff turnover) performance of debt/equity issuers, and to engage with issuers to improve their performance. It assesses this when selecting and monitoring managers.

The Trustee evaluates investment manager performance by considering performance over both shorter and longer-term periods as available. The Trustee selects investment managers with the expectation of a longer-term appointment. The nature of the DC funds is that the Trustee can move away from a given manager on short notice, but the Trustee would not expect to do so on short term performance grounds alone. Each manager's remuneration, and the value for money it provides, is assessed in light of these considerations.

The Trustee recognises that portfolio turnover and associated transaction costs are a necessary part of investment management and that the impact of portfolio turnover costs is reflected in performance figures provided by the investment managers. The Trustee expects its investment consultant to incorporate portfolio turnover and resulting transaction costs as appropriate in its advice on the Plan's investment mandates. Portfolio turnover is monitored regularly via quarterly investment reviews and portfolio transaction costs are monitored on an annual basis by the Trustee as part of the annual Chair's Statement.

8. Realisation of investments

The investment managers have discretion over the timing of realisation of investments of the fund they manage and in considerations relating to the liquidity of investments. For the Plan, the Trustee's policy is to invest in funds that offer daily dealing to enable members to readily realise and change their investments.

9. Financially material considerations and non-financial matters

The Trustee has considered how environmental, social, governance ("ESG") and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of its members.

The Trustee expects its investment managers to take account of financially material considerations (including climate change and other ESG considerations) where permissible within applicable guidelines and restrictions. The Trustee seeks to appoint managers that have appropriate skills and processes to do this, and from time to time reviews how its managers are taking account of these issues in practice.

The Trustee has delegated responsibility for the selection, retention and realisation of investments within all investment funds to the underlying investment managers (within certain guidelines and restrictions).

In pooled funds, the Trustee has limited influence over managers' investment practices, particularly in relation to those pooled funds which are designed to track an index (passive funds) where the choice of index dictates the assets held by the manager. The Trustee accepts that the role of the passive manager is to deliver returns in line with the index and this approach is in line with the basis on which their current strategy has been set. However, the Trustee will periodically review the indices employed for this purpose and encourages its managers to improve their practices where appropriate. In relation to funds where the manager is permitted to make active decisions about the selection, retention and realisation of investments, the Trustee expects the managers to consider all financially material factors, including ESG-related issues where permissible within applicable guidelines and restrictions.

The Trustee will review how ESG-related issues are taken into account in the investment processes adopted by their investment managers within the main default option on a regular basis. The Trustee will challenge these approaches where appropriate and will report on ESG-related issues in relation to the main default option as part of their implementation policy that will be produced annually.

The Trustee does not take into account any non-financial matters (ie matters relating to the ethical and other views of members and beneficiaries, rather than considerations of financial risk and return) in the selection, retention and realisation of investments. However, the Trustee recognises that some members may wish to invest specifically in ethical or Shariah compliant funds and offers members appropriate funds to achieve this.

10. Stewardship

The Trustee recognises its responsibilities as owners of capital, and believes that good stewardship practices, including monitoring and engaging with investee companies, and exercising voting rights attaching to investments, protect and enhance the long-term value of investments. The Trustee has delegated to its investment managers the exercise of rights attaching to investments, including voting rights, and engagement with issuers of debt and equity and other relevant persons about relevant matters such as performance, strategy, risks, capital structure, conflicts of interest and ESG considerations.

The Trustee does not monitor or engage directly with issuers or other holders of debt or equity. It expects the investment managers to exercise ownership rights and undertake monitoring and engagement in line with the managers' general policies on stewardship, as provided to the Trustee from time to time, taking in to account the long-term financial interests of the beneficiaries. The Trustee seeks to appoint managers that have strong stewardship policies and processes, reflecting where relevant the recommendations of the UK Stewardship Code issued by the Financial Reporting Council, and from time to time the Trustee reviews how these are implemented in practice.

For on behalf of the Trustee of the Citibank (UK) Pension Plan (signature removed):

Date: 16 June 2022

Appendix 1

Investment governance, responsibilities, decision-making and fees

The Trustee has decided on the following division of responsibilities and decision-making for the Plan. This division is based upon the Trustee's understanding of the various legal requirements placed upon it, and its view that this division allows for efficient operation of the Plan overall, with access to an appropriate level of expert advice and service. The Trustee's investment powers are set out within the Plan's governing documentation.

1. Trustee

In broad terms, the Trustee is responsible in respect of investment matters for:

- monitoring the exercise of the investment powers that they have delegated to the investment managers and monitoring compliance with Section 36 of the Act;
- formulating a policy on socially responsible investment issues;
- formulating a policy on voting rights;
- reviewing the content of this SIP from time to time and modifying it if deemed appropriate; and
- consulting with the employer(s) when reviewing the SIP.

The Trustee has set up a DC Committee and delegated certain tasks to this Committee.

2. DC Committee

In broad terms, the DC Committee is responsible in respect of investment matters for:

- setting the investment strategy, in consultation with the employers;
- reviewing the investment policy as part of any review of the investment strategy;
- setting the policy for rebalancing between asset classes;
- selecting (and, when necessary, reviewing) investment managers;
- appointing (and, when necessary, dismissing) platform providers, custodians and investment advisers;
- monitoring the exercise of the investment powers that they have delegated to the investment managers and monitoring compliance with Section 36 of the Act;
- the reconciliation of the units within the DC arrangements and any other matters raised within the Committee as to the proper administration of those arrangements;
- the preparation and monitoring of the budgets for all aspects of the Plan's DC arrangements;
- communicating with members as appropriate on investment matters;
- formulating a policy in relation to financially material considerations, such as those relating to ESG considerations (including but not limited to climate change); and

- Compliance with any Code of Practice (or similar guidance) issues by the Pensions Regulator or any legislative provisions relating, in each case, to the governance of DC arrangements.

3. Investment platform provider

In broad terms, the investment platform provider will be responsible for:

- providing access to a range of funds managed by various investment managers;
- providing the Trustee, through the platform, with regular information concerning the management and performance of the assets; and
- having regard to the provisions of Section 36 of the Act insofar as it is necessary to do so.

4. Investment managers

In broad terms, the investment managers will be responsible for:

- managing the portfolios of assets according to their stated objectives, and within the guidelines and restrictions set out in their respective investment manager agreements and/or other relevant governing documentation, as agreed with the Trustee;
- providing the Trustee with regular information concerning the management and performance of their respective portfolios;
- taking account of financially material considerations (including climate change and other ESG considerations) as appropriate when managing their respective portfolios where permissible within applicable guidelines and restrictions; and
- having regard to the provisions of Section 36 of the Act insofar as it is necessary to do so.

5. Custodians

The custodians of the Plan funds (whether there is a direct relationship between the custodian and the Trustee or not) are responsible for safe keeping of the assets of those funds and for facilitating all transactions within the funds.

6. Investment consultant

In broad terms, the investment adviser will be responsible, in respect of investment matters, as requested by the Trustee, for:

- for the Plan, advising on a suitable fund range and default strategy for the Plan, and how material changes to legislation or within the Plan's benefits and membership may impact this;
- advising on the selection, and review, of the investment managers; and
- participating with the Trustee in reviews of this SIP.

7. Fee structures

The Trustee recognises that the provision of investment management and advisory services to the Plan results in a range of charges to be met, directly or indirectly, by deduction from the Plan's assets.

The Trustee has agreed Terms of Business with the Plan's investment advisers, under which work undertaken is charged for by an agreed fixed fee or on a "time-cost" basis.

The investment managers and platform provider receive fees calculated by reference to the market value of assets under management. The fee rates are believed to be consistent with the managers' general terms for institutional clients and are considered by the Trustee to be reasonable when compared with those of other similar providers.

The fee structure used in each case has been selected with regard to existing custom and practice, and the Trustee's view as to the most appropriate arrangements for the Plan. However, the Trustee will consider revising any given structure if and when it is considered appropriate to do so.

8. Performance assessment

The Trustee is satisfied, taking into account the external expertise available, that there are sufficient resources to support its investment responsibilities. The Trustee believes that it has sufficient expertise and appropriate training to carry out its role effectively.

It is the Trustee's policy to assess the performance of the Plan's investments, investment providers and professional advisers from time to time. The Trustee will also carry out periodically an assessment of its own effectiveness as a decision-making body and will decide how this may then be reported to members.

Policy towards risk

The Trustee considers that there are a number of different types of investment risk that are important for the Plan. These include, but are not limited to:

1. Risk of inadequate returns

In the Plan, as members' benefits are dependent on the investment returns achieved, it is important that investment options are available which can be expected to produce adequate real returns over the longer term. Accordingly, equity and equity-based funds, which are expected to provide positive returns above inflation over the long term, have been made available to members and feature in the growth phase of the default strategy. To reduce the chance of a sharp deterioration in members' benefits close to retirement, the Trustee has made the default option a "lifestyle" strategy.

2. Risk from lack of diversification

This is the risk that failure of a particular investment, or the general poor performance of a given investment type, could materially adversely affect the Plan's assets. The Trustee believes that the Plan's DC default strategy is adequately diversified between different asset classes and within each asset class, and the DC options provide a suitably diversified range for members to choose from. This was a key consideration when determining the Plan's investment arrangements.

3. Investment manager risk

This is the risk that an investment manager fails to meet its investment objectives. Prior to appointing an investment manager, the Trustee receives written advice from a suitably qualified individual, and will typically undertake an investment manager selection exercise. The Trustee monitors the investment managers on a regular basis.

4. Liquidity/marketability risk

For the Plan, this is the risk that core financial transactions, such as investing and disinvesting members' contributions, are not processed promptly due to lack of liquidity in the investments. The Trustee manages this risk by only using pooled funds with daily dealing within the default strategy and diversifying the strategy across different types of investment.

5. Risk from excessive charges

Within the Plan, if the investment management charges together with other charges levied on, for example, transfers or early retirement are excessive, then the value of a member's account will be reduced unnecessarily. The Trustee is comfortable that the charges applicable to the Plan are in line with market practice and assesses regularly whether these represent good value for members.

6. Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Plan is subject to credit risk because it invests in bonds via pooled funds. The Trustee manages its exposure to credit risk by only investing in pooled funds that have a diversified exposure to different credit issuers.

7. Currency risk

The Plan is subject to currency risk because some of the Plan's investments are held in overseas markets.

For the Plan's lifestyle investment strategies, the Trustee believes that the currency exposure is managed in an appropriate manner given the objective of each of those strategies.

Within the Plan's self-select fund range some funds will be subject to currency risk where the underlying investments are held in overseas markets which the Trustee considers reasonable.

8. Environmental, social and governance (ESG) risks

Environmental, social and corporate governance (ESG) factors are sources of risk to the Plan's investments, some of which could be financially material, over both the short and longer term. These potentially include risks relating to factors such as climate change, unsustainable business practices, and unsound corporate governance. The Trustee seeks investment options that address these risks and to appoint investment managers who will manage these risks appropriately on their behalf where permissible within applicable guidelines and restrictions.

9. Other non-investment risks

The Trustee recognises that there are other, non-investment, risks faced by the Plan, and takes these into consideration as far as practical in setting the Plan's investment arrangement.