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**Citibank, N.A. - Hong Kong Branch**

**Financial Information Disclosure Statement**

**December 31, 2020**

**CITIBANK, N.A. - HONG KONG BRANCH**

We enclose herewith the Financial Information Disclosure Statement for the year ended December 31, 2020, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

Angel Ng  
Chief Executive, Hong Kong  
April 30, 2021

**CITIBANK, N.A. - HONG KONG BRANCH**

**Income Statement (unaudited)**

Figures in US\$ millions	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest income	707	1,267
Interest expense	(135)	(431)
<b>Net interest income</b>	<b>572</b>	<b>836</b>
Profits arising from dealing in foreign currencies	217	232
Profits on disposal of available-for-sale securities	42	6
Profits on securities dealing	21	9
Profits from other dealing activities	79	14
fee and commission income	503	507
fee and commission expenses	(482)	(486)
Net fees and commission income	21	21
Others	12	(3)
<b>Operating income</b>	<b>964</b>	<b>1,115</b>
Staff costs	(225)	(203)
Premises and equipment expenses	(26)	(19)
Intercompany service fees expenses	(168)	(126)
Custodian charges & clearance fees	(29)	(21)
Others	(133)	(56)
Other operating expenses	(330)	(203)
<b>Operating profit before impairment</b>	<b>383</b>	<b>690</b>
Net charge of impairment losses	(94)	(14)
<b>Profit before taxation</b>	<b>289</b>	<b>676</b>
Taxation	(45)	(100)
<b>Profit after taxation</b>	<b>244</b>	<b>576</b>

**CITIBANK, N.A. - HONG KONG BRANCH**

**Balance Sheet (unaudited)**

Figures in US\$ millions	At December 31 2020	At June 30 2020
<b>Assets</b>		
Cash and balances with banks and other financial institutions	3,649	4,785
Placements with banks and other financial institutions (Note 1)	688	921
Amounts due from overseas offices	31,663	29,790
Trade bills	320	302
Securities held for trading	5,522	4,571
Loans and receivables (Note 2)	26,098	25,769
Available-for-sale securities	2,908	4,485
Other investments	44	20
Fixed assets	16	12
<b>Total Assets</b>	<b>70,908</b>	<b>70,655</b>
<b>Liabilities</b>		
Deposits and balances of banks and other financial institutions	3,408	4,060
Deposits from customers (Note 9)	51,494	51,509
Amounts due to overseas offices	4,111	4,038
Other liabilities	11,895	11,048
<b>Total Liabilities</b>	<b>70,908</b>	<b>70,655</b>

**CITIBANK, N.A. - HONG KONG BRANCH**

**ADDITIONAL INFORMATION (UNAUDITED)**

Figures in US\$ millions	At December 31 2020	At June 30 2020
<b>1. Placements with banks and other financial institutions</b>		
	<u>Amount</u>	<u>Amount</u>
Maturing between one month and one year	688	921
<b>2. Loans and receivables</b>		
Advances to customers	17,429	18,516
Advances to banks	-	-
Accrued interest and other accounts	8,774	7,332
Less: impairment allowances - collectively assessed	(53)	(37)
Less: impairment allowances - individually assessed	(52)	(42)
	<u>26,098</u>	<u>25,769</u>

Individually assessed impairment allowance for specific remedial credits is maintained at Citibank, N.A. Hong Kong Branch ("the Branch") while, in general, collective impairment allowance of the Branch is still maintained at head office for absorbing all probable credit losses inherent in the bank's portfolio except for commercial banking portfolio.

The impairment allowance is calculated on an individual basis and considers the borrower's overall financial condition, risk rating, impact of macroeconomic environment, loan tenor, prospects for support from any financially responsible guarantors and the realizable value of any collateral. Specific impairment value may also be established for specific remedial credits when the discounted cash flows, collateral value (less disposal costs), or observable market price of the impaired loan is lower than its carrying value.

Figures in US\$ millions	At December 31, 2020		At June 30, 2020	
<b>3. Advances to customers analyzed by industry sector</b>				
	<u>Amount</u>	<u>% of advances covered by collateral or other securities</u>	<u>Amount</u>	<u>% of advances covered by collateral or other securities</u>
Gross advances to customers for use in Hong Kong				
Industrial, commercial and financial				
Property development	320	1%	372	1%
Property investment	1,074	15%	1,295	17%
Financial concerns	5,840	88%	6,038	88%
Stockbrokers	-	0%	-	0%
Wholesale and retail trade	783	31%	943	26%
Manufacturing	1,095	7%	1,135	9%
Transport and transport equipment	391	1%	435	1%
Recreational activities	-	0%	1	0%
Information technology	99	0%	121	0%
Others	2,242	61%	2,267	62%
	<u>11,844</u>		<u>12,607</u>	
Individuals				
Advances for the purchase of other residential properties	14	100%	14	100%
Others	1,685	100%	1,624	100%
	<u>1,699</u>		<u>1,638</u>	
Gross advances to customers for use in Hong Kong	13,544	64%	14,246	63%
Trade finance	1,028	23%	1,063	29%
Gross advances to customers for use outside Hong Kong	2,857	2%	3,207	2%
Gross advances to customers	<u>17,429</u>	51%	<u>18,516</u>	50%

The above analysis has been classified according to categories and definitions used by the Hong Kong Monetary Authority.

Figures in US\$ millions

At December 31, 2020

At June 30, 2020

**4. Advances to customers analyzed by geographic area**

Advances to customers by geographical area are classified according to the location of the counterparties. After taking into account the transfer of risk, exposures to a single country outside Hong Kong exceeding 10% of the aggregate gross amount of advances to customers are disclosed.

	Amount	% of Gross Advances to Customers	Amount	% of Gross Advances to Customers
China	2,512	14.41%	2,648	14.30%

**5. Overdue advances to customers**

	Overdue Advances to Customers	% of Gross Advances to Customers	Other Assets	Overdue Advances to Customers	% of Gross Advances to Customers	Other Assets
Advances to customers which have been overdue for periods of:						
6 months or less but over 3 months	31	0.18%	-	-	-	7
1 year or less but over 6 months	7	0.04%	1	-	-	2
Over 1 year	1	0.01%	-	-	-	1
	<u>39</u>	<u>0.23%</u>	<u>1</u>	<u>-</u>	<u>0.00%</u>	<u>10</u>

Current market value of collateral held against the covered portion of overdue advances to customers

11	-
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Covered portion of overdue advances to customers  
Uncovered portion of overdue advances to customers

7	-
<u>32</u>	<u>-</u>
<u>39</u>	<u>-</u>

The covered portion of overdue advances to customers represents the amount after credit risk mitigation, which consists of guarantee, standby letter of credit, fixed deposits and properties.

After taking into account the transfer of risk, there were no exposures to a single country outside Hong Kong exceeding 10% of the aggregate overdue advances to customers as at the above respective reporting dates.

There were no overdue advances to banks as at December 31, 2020 and June 30, 2020.

**6. Rescheduled advances to customers**

	Amount	% of Gross Advances to Customers	Amount	% of Gross Advances to Customers
Rescheduled advances to customers	-	-	-	-

Rescheduled advances are those advances which have been restructured or renegotiated because of a deterioration in the financial position of the borrower, or because of the inability of the borrower to meet the original repayment schedule. Rescheduled advances to customers are stated net of any advances which have subsequently become overdue for over three months and which are included in overdue advances to customers in Note 5.

There were no rescheduled advances to banks as at December 31, 2020 and June 30, 2020.

Figures in US\$ millions

At December 31, 2020

At June 30, 2020

**7. Impaired advances to customers****a) Impaired advances to customers**

	Amount	% of Gross Advances to Customers	Amount	% of Gross Advances to Customers
Overdue advances to customers	39	0.23%	-	-
Rescheduled advances to customers	-	-	-	-
Less: impairment allowances - collectively assessed	-	-	-	-
Less: impairment allowances - individually assessed	(19)	-	-	-
	<u>20</u>	<u>0.23%</u>	<u>-</u>	<u>-</u>

After taking into account the transfer of risk, there were no exposures to a single country outside Hong Kong exceeding 10% of the aggregate gross impaired advances to customers as at the above respective reporting dates.

**b) Individually assessed impaired advances to customers**

	Amount	Amount
Gross individually assessed impaired advances to customers	74	-
Less: impairment allowances - individually assessed	(52)	-
	<u>22</u>	<u>-</u>

Collateral held in respect of gross individually assessed impaired advances to customers:

Amount of collateral which has been taken into account in respect of gross individually assessed impaired advances to customers	<u>3</u>	<u>-</u>
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Where collateral values are greater than gross advances, only the amount of collateral up to the gross advance was included.

**8. Repossessed assets**

	Amount	Amount
Reposessed assets	<u>4</u>	<u>3</u>

Assets acquired in exchange for the release in full or in part of the obligations of the borrowers due to restructuring or the inability of borrowers to repay, are recorded as "Other assets" in the statement of financial position at the lower of net realization value and the carrying amount of the asset (net of any impairment allowance), until the assets are realized.

**9. Deposits from customers**

	Amount	Amount
Demand deposits and current accounts	40,163	37,987
Saving deposits	7,123	6,500
Time, call and notice deposits	4,208	7,022
	<u>51,494</u>	<u>51,509</u>

Figures in US\$ millions	At December 31 2020			At June 30 2020		
<b>10. Non-bank Mainland exposure</b>						
The following analysis of non-bank Mainland exposures is based on the categories contained in the HKMA Return of Mainland Activities (MA(BS)20) as submitted to the HKMA by the Branch.						
	On-balance sheet exposure	Off-balance sheet exposure	Total	On-balance sheet exposure	Off-balance sheet exposure	Total
1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	360	424	784	618	254	872
2 Local governments, local government-owned entities and their subsidiaries and JVs	33	-	33	48	1	49
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,551	1,186	2,737	1,586	1,087	2,673
4 Other entities of central governments not reported in item 1 above	339	309	648	99	378	477
5 Other entities of local governments not reported in item 2 above	-	-	-	-	-	-
6 PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	222	120	342	294	111	405
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1,322	219	1,541	1,825	233	2,058
Total	<u>3,827</u>	<u>2,258</u>	<u>6,085</u>	<u>4,470</u>	<u>2,064</u>	<u>6,534</u>
Total assets after provision	70,734			70,557		
On-balance sheet exposures as percentage of total assets	5.41%			6.34%		

**11. Foreign currency exposure**

The net non-structural foreign currency position (regardless of sign) for each foreign currency which constitutes 10% or more of the total net non-structural positions in all foreign currencies are disclosed.

	At December 31 2020	At June 30 2020
<b>a) Hong Kong Dollars</b>		
Spot assets	19,316	18,883
Spot liabilities	(22,016)	(20,264)
Forward purchases	43,333	50,134
Forward sales	(41,109)	(49,403)
Net short position	<u>(476)</u>	<u>(650)</u>
<b>b) Chinese Renminbi</b>		
Spot assets	3,700	2,862
Spot liabilities	(5,773)	(5,515)
Forward purchases	80,754	68,116
Forward sales	(78,015)	(65,181)
Net long position	<u>666</u>	<u>282</u>

There were no foreign currency structural positions nor net option positions as at the above reporting dates.



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 Figures in US\$ millions
 

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**12. International Claims**

The country-risk exposures in the table below are prepared in accordance with the HKMA Return of the International Banking Statistics. International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk. Countries or geographical areas constituting 10% or more of the total cross-border claims are disclosed.

	Banks	Official Sector	Non-bank financial institutions	Non-financial private sector	Others	Total
<b><u>As at December 31, 2020</u></b>						
a) Developed countries	32,188	797	1,762	1,940	-	36,687
Of which: United States	31,737	499	1,157	671	-	34,064
b) Offshore centres	1,558	1	2,424	4,287	-	8,270
Of which: Hong Kong SAR	1,545	1	2,183	3,883	-	7,612
c) Developing Asia and Pacific	1,484	899	1,280	1,932	-	5,595
Of which: China	954	845	1,030	1,515	-	4,344
<b><u>As at June 30, 2020</u></b>						
a) Developed countries	30,345	1,206	1,740	1,802	-	35,093
Of which: United States	29,903	649	1,078	678	-	32,308
b) Offshore centres	1,276	1	2,578	4,494	-	8,349
Of which: Hong Kong SAR	1,249	1	2,267	4,221	-	7,738
c) Developing Asia and Pacific	3,232	279	1,402	2,108	-	7,021
Of which: China	939	273	1,044	1,636	-	3,892

Figures in US\$ millions	At December 31 2020	At June 30 2020
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**13. Off-balance sheet information****a) Contingent liabilities and commitments**

Contractual or notional amounts		
Direct credit substitutes	933	759
Transaction-related contingencies	305	289
Trade-related contingencies	270	257
Other commitments	15,489	15,174
Others	1,200	100
	<u>18,197</u>	<u>16,579</u>

Contingent liabilities and commitments are credit-related instruments, the risk involved is similar to the credit risk involved in extending loan facilities to customers. These transactions are, therefore, subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans. The contract amounts represent the amounts at risk should the contract be fully drawn upon and the client default.

Since a significant portion of commitments is expected to expire without being drawn upon, the total of the contract amounts is not representative of future liquidity requirements.

**b) Derivatives**

Notional amounts		
Exchange rate contracts	365,709	326,200
Interest rate contracts	311,680	296,687
Others	11,231	13,812
	<u>688,620</u>	<u>636,699</u>
Fair value assets		
Exchange rate contracts	3,905	1,520
Interest rate contracts	2,045	2,716
Others	266	384
	<u>6,216</u>	<u>4,620</u>
Fair value liabilities		
Exchange rate contracts	3,894	1,497
Interest rate contracts	1,976	2,604
Others	266	381
	<u>6,136</u>	<u>4,482</u>

The above derivatives transactions are undertaken by the Branch in the foreign exchange, interest rate, equity and commodity markets. The notional amounts of these instruments indicate the volume of transactions outstanding and do not represent amounts at risk.

Derivatives are carried at fair value in the balance sheet. Asset values represent the cost to the Branch of replacing all transactions with a fair value in the Branch's favor assuming that all the Branch's relevant counterparties default at the same time, and that transactions can be replaced at the market. Liability values represent the cost to the Branch's counterparties of replacing all their transactions with the Branch with a fair value in their favor if the Branch were to default.

The fair values of the above derivative exposures do not take into account the effects of bilateral netting arrangements.

	Quarter ended December 31, 2020	Quarter ended September 30, 2020
<b>14. Liquidity ratio</b>		
The average Liquidity Maintenance Ratio for the period	36.94%	34.69%
The average Core Funding Ratio for the period	259.60%	243.55%

The Banking (Liquidity) Rules ("BLR") signified the implementation of Liquidity Maintenance Ratio ('LMR') and Core Funding Ratio ("CFR") for category 2A institution under Basel III liquidity standards in Hong Kong. Quarterly average of LMR and CFR reported are calculated based on the arithmetic mean of the average values of its LMR and CFR reported in its liquidity position return, for each month during the quarter. The relevant disclosures pursuant to section 103 of the Banking (Disclosure) Rules can be found in our website <http://www.citibank.com.hk/cbnahk>.

**Liquidity Risk Management**

The Branch's liquidity risk management process is integrated into the overall Citi liquidity and funding process and liquidity monitoring framework. Liquidity is managed at the Citi-level, the Citibank NA-level, the Country level and the level of Material Legal Entity ("MLE").

Citi policy requires all MLE (which is the level at which the Branch is operating at) to maintain a strong liquidity position and ensure sufficient cash flows to meet all financial commitment and to capitalize on opportunities for business expansion. This includes the Branch's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory liquidity ratio, and make new loans and investments as opportunities arise. The Branch maintains a pool of customer deposits, which made up of current and savings accounts and time deposits. The customer deposits are widely diversified by type and maturity and represent a stable source of funding.

*Policies and Procedures*

The Branch has established an Asset and Liability Management Committee ("ALCO"). The ALCO Charter includes the monitoring and control of liquidity and funding. ALCO monitors trends in balance sheet and ensures that any concerns that might impact the stability of the customer deposits are addressed effectively.

It is the responsibility of the Branch's management to ensure compliance with local regulatory requirements and limits set by ALCO. The Branch's liquidity resources are managed by the treasurer. Liquidity is managed on a daily basis by treasury function. ALCO is ultimately responsible for overseeing liquidity risk that the Branch is able to take and ensure that there is a robust liquidity management process in place.

The Branch's liquidity risk management framework requires limits to be set for prudent liquidity management, the limits and internal targets mainly include:

- Liquidity ratios
- Deposit to loan ratio
- Daily stress test (S2)
- Resolution Liquidity Adequacy & Positioning (RLAP) Ratio

All limits and internal targets are reviewed at least annually and more frequently if required, to ensure that they remain relevant to current market conditions and business strategy. These limits and targets are monitored and reviewed by ALCO on a regular basis. Any limit excess will be escalated under a delegated authority structure and reviewed by ALCO and the Head Office. A Contingency Funding Plan (CFP) playbook is in place for Hong Kong, on a total country basis, which lays out the trigger points and actions in the event of liquidity crisis to ensure that there is an effective response by senior management in case of such an event.

The Branch's securities holdings are mainly in government securities that can be liquidated, repurchased or used as collateral in the event of liquidity stress.

**CITIBANK, N.A. (WORLDWIDE CONSOLIDATION OF CITIBANK, N.A. AND ITS SUBSIDIARIES)**

**ADDITIONAL INFORMATION**

Figures in US\$ millions	At December 31 2020		At June 30 2020	
<b>Capital and Capital Adequacy</b>				
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	142,854	142,854	137,434	137,434
Tier 1 Capital	144,962	144,962	139,518	139,518
Total Capital	161,319	169,303	155,865	163,698
CET1 Ratio	13.99%	13.76%	13.72%	13.58%
Tier 1 Capital Ratio	14.19%	13.97%	13.93%	13.79%
Total Capital Ratio	15.79%	16.31%	15.56%	16.18%
Stockholder's Equity	159,186	159,186	153,311	153,311
Total Risk Weighted Assets	1,021,479	1,038,031	1,001,841	1,011,842

Based on the "Collins Amendment" of the Dodd-Frank Act, Citibank N.A., as an Advanced Approaches banking organization, is required to publicly report the lower of the capital ratios calculated under Advanced Approaches RWA and Standardized Approach RWA. For both periods presented, Citibank's reportable CET1 Capital and Tier 1 Capital ratios were the lower derived under the U.S. Basel III Standardized Approach, whereas Citibank's Total Capital ratios were the lower derived under the U.S. Basel III Advanced Approaches framework.

Figures in US\$ millions	At December 31 2020	At June 30 2020
<b>Other Financial Information</b>		
Total Assets	1,661,267	1,633,678
Total Liabilities	1,501,398	1,479,751
Total Advances (Net of Allowances for Loan Losses)	620,976	626,351
Total Deposits (including those from banks)	1,282,071	1,244,403

Figures in US\$ millions	Year ended December 31, 2020	Year ended December 31, 2019
<b>Pre-tax Profit</b>	11,070	22,367

**CITIGROUP INC. (THE ULTIMATE HOLDING COMPANY OF CITIBANK, N.A.)**

**ADDITIONAL INFORMATION**

Figures in US\$ millions	At December 31 2020		At June 30 2020	
<b>Capital and Capital Adequacy</b>				
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	147,274	147,274	139,622	139,622
Tier 1 Capital	167,053	167,053	157,610	157,610
Total Capital	195,959	204,849	187,585	196,475
CET1 Ratio	11.73%	12.06%	11.50%	11.72%
Tier 1 Capital Ratio	13.31%	13.68%	12.98%	13.24%
Total Capital Ratio	15.61%	16.77%	15.45%	16.50%
Stockholder's Equity	199,442	199,442	191,622	191,622
Total Risk Weighted Assets	1,255,284	1,221,576	1,213,940	1,190,826

Based on the "Collins Amendment" of the Dodd-Frank Act, Citi, as an Advanced Approaches banking organization, is required to publicly report the lower of the capital ratios calculated under Advanced Approaches RWA and Standardized Approach RWA. For both periods presented, Citigroup's reportable CET1 Capital, Tier 1 Capital and Total Capital ratios were the lower derived under the U.S. Basel III Advanced Approaches framework.

Figures in US\$ millions	At December 31 2020	At June 30 2020
<b>Other Financial Information</b>		
Total Assets	2,260,090	2,232,715
Total Liabilities	2,059,890	2,040,413
Total Advances (Net of Allowances for Loan Losses)	650,927	658,872
Total Deposits (including those from banks)	1,280,671	1,233,660

Figures in US\$ millions	Year ended December 31, 2020	Year ended December 31, 2019
<b>Pre-tax Profit</b>	13,632	23,901