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

**Financial Information Disclosure Statement**

**December 31, 2021**

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

We enclose herewith the Financial Information Disclosure Statement for the year ended December 31, 2021, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

Angel Ng  
Chief Executive, Hong Kong  
April 29, 2022

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

**Income Statement (unaudited)**

Figures in US\$ millions	For the year ended December 31, 2021	For the year ended December 31, 2020
Interest income	437	707
Interest expense	<u>(35)</u>	<u>(135)</u>
<b>Net interest income</b>	<b>402</b>	<b>572</b>
Profits arising from dealing in foreign currencies	331	217
Profits on disposal of available-for-sale securities	6	42
Profits on securities dealing	19	21
Profits from other dealing activities	14	79
fee and commission income	<u>548</u>	<u>503</u>
fee and commission expenses	<u>(463)</u>	<u>(482)</u>
Net fees and commission income	85	21
Others	<u>21</u>	<u>12</u>
<b>Operating income</b>	<b>878</b>	<b>964</b>
Staff costs	(246)	(225)
Premises and equipment expenses	(22)	(26)
Intercompany service fees expenses	<u>(191)</u>	<u>(168)</u>
Custodian charges & clearance fees	(35)	(29)
Others	<u>(59)</u>	<u>(133)</u>
Other operating expenses	<u>(285)</u>	<u>(330)</u>
<b>Operating profit before impairment</b>	<b>325</b>	<b>383</b>
Net recovery / (charge) of impairment losses	<u>28</u>	<u>(94)</u>
<b>Profit before taxation</b>	<b>353</b>	<b>289</b>
Taxation	<u>(40)</u>	<u>(45)</u>
<b>Profit after taxation</b>	<b><u>313</u></b>	<b><u>244</u></b>

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

**Balance Sheet (unaudited)**

Figures in US\$ millions	At December 31 2021	At June 30 2021
<b>Assets</b>		
Cash and balances with banks and other financial institutions	3,475	4,561
Placements with banks and other financial institutions (Note 1)	259	600
Amounts due from overseas offices	34,767	37,087
Trade bills	240	279
Securities held for trading	3,483	5,422
Loans and receivables (Note 2)	24,287	26,617
Available-for-sale securities	3,197	4,329
Other investments	23	28
Fixed assets	10	12
<b>Total Assets</b>	<b>69,741</b>	<b>78,935</b>
<b>Liabilities</b>		
Deposits and balances of banks and other financial institutions	3,875	5,031
Deposits from customers (Note 9)	54,338	57,529
Amounts due to overseas offices	3,934	5,162
Other liabilities	7,594	11,213
<b>Total Liabilities</b>	<b>69,741</b>	<b>78,935</b>

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

**ADDITIONAL INFORMATION (UNAUDITED)**

Figures in US\$ millions	At December 31 2021	At June 30 2021
<b>1. Placements with banks and other financial institutions</b>		
	<u>Amount</u>	<u>Amount</u>
Maturing between one month and one year	259	600
<b>2. Loans and receivables</b>		
Advances to customers	18,591	20,802
Advances to banks	29	17
Accrued interest and other accounts	5,704	5,863
Less: impairment allowances - collectively assessed	(31)	(40)
Less: impairment allowances - individually assessed	(6)	(25)
	<u>24,287</u>	<u>26,617</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, 2021		At June 30, 2021	
<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	430	0%	397	1%
Property investment	1,064	18%	1,053	18%
Financial concerns	5,920	84%	6,826	88%
Stockbrokers	29	0%	-	0%
Wholesale and retail trade	634	35%	917	22%
Manufacturing	1,283	4%	1,222	6%
Transport and transport equipment	603	0%	477	16%
Recreational activities	3	0%	3	0%
Information technology	209	0%	406	0%
Others	2,348	74%	2,845	75%
	<u>12,523</u>		<u>14,146</u>	
Individuals				
Advances for the purchase of other residential properties	36	100%	18	100%
Others	1,782	100%	1,852	100%
	<u>1,818</u>		<u>1,870</u>	
Gross advances to customers for use in Hong Kong	14,341	63%	16,016	66%
Trade finance	1,180	18%	1,440	19%
Gross advances to customers for use outside Hong Kong	3,070	1%	3,346	0%
Gross advances to customers	<u>18,591</u>	50%	<u>20,802</u>	52%

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, 2021

At June 30, 2021

**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	2,290	12.32%	2,739	13.17%

**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	2	0.01%	1	4	0.02%	-
1 year or less but over 6 months	2	0.01%	-	22	0.11%	-
Over 1 year	2	0.01%	-	-	0.00%	1
	<u>6</u>	<u>0.03%</u>	<u>1</u>	<u>26</u>	<u>0.13%</u>	<u>1</u>

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

6	14
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Covered portion of overdue advances to customers  
Uncovered portion of overdue advances to customers

5	10
1	16
<u>6</u>	<u>26</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, 2021 and June 30, 2021.

**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, 2021 and June 30, 2021.

Figures in US\$ millions

At December 31, 2021

At June 30, 2021

**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	6	0.03%	26	0.13%
Rescheduled advances to customers	-	-	-	-
Less: impairment allowances - collectively assessed	-	-	-	-
Less: impairment allowances - individually assessed	(1)	-	(14)	-
	<u>5</u>	<u>0.03%</u>	<u>12</u>	<u>0.13%</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	16	66
Less: impairment allowances - individually assessed	(6)	(25)
	<u>10</u>	<u>41</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>7</u>	<u>35</u>

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>3</u>	<u>2</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	43,386	45,437
Saving deposits	7,625	7,490
Time, call and notice deposits	3,327	4,602
	<u>54,338</u>	<u>57,529</u>

Figures in US\$ millions

**10. Non-bank Mainland exposure**

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.

	At December 31 2021			At June 30 2021		
	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)	366	209	575	477	253	730
2 Local governments, local government-owned entities and their subsidiaries and JVs	20	-	20	24	2	26
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,659	1,175	2,834	1,936	1,169	3,105
4 Other entities of central governments not reported in item 1 above	184	312	496	148	124	272
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	178	487	665	218	77	295
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1,111	122	1,233	1,559	96	1,655
<b>Total</b>	<b>3,518</b>	<b>2,305</b>	<b>5,823</b>	<b>4,362</b>	<b>1,721</b>	<b>6,083</b>
Total assets after provision	69,641			78,782		
On-balance sheet exposures as percentage of total assets	5.05%			5.54%		

**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 2021	At June 30 2021
<b>a) Hong Kong Dollars</b>		
Spot assets	15,872	19,843
Spot liabilities	(17,642)	(21,771)
Forward purchases	37,532	37,532
Forward sales	(36,210)	(36,202)
Net short position	(448)	(598)
<b>b) Chinese Renminbi</b>		
Spot assets	3,618	3,269
Spot liabilities	(6,521)	(7,170)
Forward purchases	83,247	89,710
Forward sales	(79,489)	(85,026)
Net long position	855	783

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, 2021</u></b>						
a) Developed countries	35,162	1,703	1,379	1,709	-	39,953
Of which: United States	34,870	921	1,002	543	-	37,336
b) Offshore centres	1,095	2	2,468	5,372	-	8,937
Of which: Hong Kong SAR	1,095	2	2,228	5,096	-	8,421
c) Developing Asia and Pacific	1,260	884	705	2,081	-	4,930
Of which: China	976	884	574	1,727	-	4,161
<b><u>As at June 30, 2021</u></b>						
a) Developed countries	37,537	1,131	1,965	1,737	-	42,370
Of which: United States	37,192	554	1,075	700	-	39,521
b) Offshore centres	1,530	1	2,522	6,178	-	10,231
Of which: Hong Kong SAR	1,530	1	2,284	5,878	-	9,693
c) Developing Asia and Pacific	2,242	561	1,589	1,871	-	6,263
Of which: China	1,441	561	1,263	1,478	-	4,743

Figures in US\$ millions	At December 31 2021	At June 30 2021
<b>13. Off-balance sheet information</b>		
<b>a) Contingent liabilities and commitments</b>		
Contractual or notional amounts		
Direct credit substitutes	674	949
Transaction-related contingencies	224	242
Trade-related contingencies	295	310
Other commitments	14,426	13,432
Others	-	423
	<u>15,619</u>	<u>15,356</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	293,992	375,840
Interest rate contracts	313,471	243,897
Others	2,480	7,693
	<u>609,943</u>	<u>627,430</u>
Fair value assets		
Exchange rate contracts	2,216	2,301
Interest rate contracts	1,654	1,307
Others	178	157
	<u>4,048</u>	<u>3,765</u>
Fair value liabilities		
Exchange rate contracts	2,205	2,338
Interest rate contracts	1,647	1,285
Others	172	159
	<u>4,024</u>	<u>3,782</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, 2021	Quarter ended September 30, 2021
<b>14. Liquidity ratio</b>		
The average Liquidity Maintenance Ratio for the period	41.85%	39.68%
The average Core Funding Ratio for the period	274.61%	269.06%

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 Term Liquidity Stress Test (TLST)
- Resolution Liquidity Adequacy & Positioning (RLAP)

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 2021		At June 30 2021	
<b>Capital and Capital Adequacy</b>				
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	148,262	148,262	146,729	146,729
Tier 1 Capital	150,393	150,393	148,858	148,858
Total Capital	166,635	175,131	165,511	174,071
CET1 Ratio	14.58%	13.92%	13.73%	13.31%
Tier 1 Capital Ratio	14.79%	14.12%	13.93%	13.50%
Total Capital Ratio	16.39%	16.44%	15.49%	15.79%
Stockholder's Equity	165,805	165,805	164,411	164,411
Total Risk Weighted Assets	1,016,889	1,065,170	1,068,316	1,102,550

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 2021	At June 30 2021
<b>Other Financial Information</b>		
Total Assets	1,669,227	1,693,227
Total Liabilities	1,502,799	1,528,143
Total Advances (Net of Allowances for Loan Losses)	621,849	627,957
Total Deposits (including those from banks)	1,326,516	1,328,460

Figures in US\$ millions	Year ended December 31, 2021	Year ended December 31, 2020
<b>Pre-tax Profit</b>	23,719	11,070

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

**ADDITIONAL INFORMATION**

Figures in US\$ millions	At December 31 2021		At June 30 2021	
<b>Capital and Capital Adequacy</b>				
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	149,305	149,305	150,378	150,378
Tier 1 Capital	169,568	169,568	169,636	169,636
Total Capital	194,006	203,838	195,997	205,607
CET1 Ratio	12.35%	12.25%	11.95%	11.77%
Tier 1 Capital Ratio	14.02%	13.91%	13.48%	13.28%
Total Capital Ratio	16.04%	16.72%	15.58%	16.10%
Stockholder's Equity	201,972	201,972	202,159	202,159
Total Risk Weighted Assets	1,209,374	1,219,175	1,258,045	1,277,234

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 and Tier 1 Capital ratios were the lower derived under the U.S. Basel III Standardized Approach, whereas Citigroup's Total Capital ratios were the lower derived under the U.S. Basel III Advanced Approaches framework.

Figures in US\$ millions	At December 31 2021	At June 30 2021
<b>Other Financial Information</b>		
Total Assets	2,291,413	2,327,868
Total Liabilities	2,088,741	2,124,958
Total Advances (Net of Allowances for Loan Losses)	651,312	657,596
Total Deposits (including those from banks)	1,317,230	1,310,281

Figures in US\$ millions	Year ended December 31, 2021	Year ended December 31, 2020
<b>Pre-tax Profit</b>	27,469	13,632