



Citibank, N.A. - Hong Kong Branch

Financial Information Disclosure Statement

December 31, 2022

CITIBANK, N.A. - HONG KONG BRANCH

We enclose herewith the Financial Information Disclosure Statement for the year ended December 31, 2022, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

Aveline San
Chief Executive, Hong Kong
April 28, 2023

CITIBANK, N.A. - HONG KONG BRANCH

Income Statement (unaudited)

Figures in US\$ millions	For the year ended December 31, 2022	For the year ended December 31, 2021
Interest income	1,192	437
Interest expense	<u>(266)</u>	<u>(35)</u>
Net interest income	926	402
Profits arising from dealing in foreign currencies	450	331
Profits on disposal of available-for-sale securities	-	6
(Loss)/profits on securities dealing	(30)	19
(Loss)/profits from other dealing activities	(108)	14
Fee and commission income	549	548
Fee and commission expenses	(543)	(463)
Net fees and commission income	6	85
Others	<u>(17)</u>	<u>21</u>
Operating income	1,227	878
Staff costs	(257)	(246)
Premises and equipment expenses	(29)	(22)
Intercompany service fees expenses	(211)	(191)
Custodian charges & clearance fees	(36)	(35)
Others	(44)	(59)
Other operating expenses	<u>(291)</u>	<u>(285)</u>
Operating profit before impairment	650	325
Net recovery / (charge) of impairment losses	<u>1</u>	<u>28</u>
Profit before taxation	651	353
Taxation	<u>(134)</u>	<u>(40)</u>
Profit after taxation	<u>517</u>	<u>313</u>

CITIBANK, N.A. - HONG KONG BRANCH**Balance Sheet (unaudited)**

Figures in US\$ millions	At December 31 2022	At June 30 2022
Assets		
Cash and balances with banks and other financial institutions	2,982	3,820
Placements with banks and other financial institutions (Note 1)	809	739
Amounts due from overseas offices	40,490	37,254
Trade bills	186	222
Securities held for trading	2,888	4,009
Loans and receivables (Note 2)	22,870	24,868
Available-for-sale securities	5,261	4,113
Other investments	60	100
Fixed assets	13	14
Total Assets	75,559	75,139
Liabilities		
Deposits and balances of banks and other financial institutions	3,690	4,685
Deposits from customers (Note 9)	53,942	53,926
Amounts due to overseas offices	6,742	5,336
Other liabilities	11,185	11,192
Total Liabilities	75,559	75,139

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION (UNAUDITED)

Figures in US\$ millions	At December 31 2022	At June 30 2022
1. Placements with banks and other financial institutions		
	<u>Amount</u>	<u>Amount</u>
Maturing between one month and one year	808	739
2. Loans and receivables		
Advances to customers	12,903	17,467
Advances to banks	267	117
Accrued interest and other accounts	9,729	7,315
Less: impairment allowances - collectively assessed	(29)	(25)
Less: impairment allowances - individually assessed	-	(6)
	<u>22,870</u>	<u>24,868</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, 2022		At June 30, 2022	
3. Advances to customers analyzed by industry sector				
	<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	116	16%	527	0%
Property investment	921	16%	975	20%
Financial concerns	3,394	72%	4,643	80%
Stockbrokers	1	0%	30	0%
Wholesale and retail trade	490	28%	670	25%
Manufacturing	962	5%	1,251	3%
Transport and transport equipment	397	3%	644	1%
Recreational activities	2	0%	2	0%
Information technology	123	0%	180	0%
Others	1,376	53%	2,658	69%
	<u>7,782</u>		<u>11,580</u>	
Individuals				
Advances for the purchase of other residential properties	34	100%	35	100%
Others	1,153	100%	1,430	100%
	<u>1,187</u>		<u>1,465</u>	
Gross advances to customers for use in Hong Kong	8,969	53%	13,045	57%
Trade finance	1,026	24%	1,453	16%
Gross advances to customers for use outside Hong Kong	2,907	0%	2,969	0%
Gross advances to customers	<u>12,902</u>	38%	<u>17,467</u>	44%

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

CITIBANK, N.A. - HONG KONG BRANCH

Figures in US\$ millions

At December 31, 2022

At June 30, 2022

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	1,824	14.13%	2,099	12.01%

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

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

4	4
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Covered portion of overdue advances to customers
Uncovered portion of overdue advances to customers

4	4
-	-
<u>4</u>	<u>4</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, 2022 and June 30, 2022.

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, 2022 and June 30, 2022.

CITIBANK, N.A. - HONG KONG BRANCH

Figures in US\$ millions

At December 31, 2022

At June 30, 2022

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	4	0.03%	4	0.02%
Rescheduled advances to customers	-	-	-	-
Less: impairment allowances - collectively assessed	-	-	-	-
Less: impairment allowances - individually assessed	-	-	-	-
	<u>4</u>	<u>0.03%</u>	<u>4</u>	<u>0.02%</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	-	6
Less: impairment allowances - individually assessed	-	(6)
	<u>-</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>-</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>-</u>	<u>-</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	38,739	42,868
Saving deposits	4,195	6,886
Time, call and notice deposits	11,008	4,172
	<u>53,942</u>	<u>53,926</u>

CITIBANK, N.A. - HONG KONG BRANCH

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.

	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)	552	492	1,044	609	193	802
2 Local governments, local government-owned entities and their subsidiaries and JVs	13	1	14	17	-	17
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,301	1,037	2,338	1,610	1,082	2,692
4 Other entities of central governments not reported in item 1 above	26	380	406	102	303	405
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	64	256	320	93	227	320
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	878	170	1,048	1,330	183	1,513
Total	2,834	2,336	5,170	3,761	1,988	5,749
Total assets after provision	75,485			75,066		
On-balance sheet exposures as percentage of total assets	3.75%			5.01%		

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 2022	At June 30 2022
a) Hong Kong Dollars		
Spot assets	18,712	18,308
Spot liabilities	(19,263)	(21,627)
Forward purchases	53,457	65,445
Forward sales	(53,441)	(62,370)
Net short position	(535)	(244)
b) Chinese Renminbi		
Spot assets	2,044	2,882
Spot liabilities	(7,132)	(6,512)
Forward purchases	112,252	98,818
Forward sales	(106,858)	(94,348)
Net long position	306	840
c) Japanese Yen		
Spot assets	2,137	1,908
Spot liabilities	(1,407)	(1,231)
Forward purchases	9,607	5,979
Forward sales	(10,419)	(6,685)
Net long position	(82)	(29)

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

CITIBANK, N.A. - HONG KONG BRANCH

Figures in US\$ millions

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
<u>As at December 31, 2022</u>						
a) Developed countries	40,848	2,176	1,025	1,343	-	45,392
Of which: United States	40,638	1,107	562	584	-	42,891
b) Offshore centres	1,382	1	1,576	3,289	-	6,248
Of which: Hong Kong SAR	1,348	1	1,123	2,984	-	5,456
<u>As at June 30, 2022</u>						
a) Developed countries	37,666	2,138	1,045	1,803	-	42,652
Of which: United States	37,390	1,110	688	640	-	39,828
b) Offshore centres	1,500	1	2,096	5,324	-	8,921
Of which: Hong Kong SAR	1,500	1	1,821	4,866	-	8,188

CITIBANK, N.A. - HONG KONG BRANCH

Figures in US\$ millions	At December 31 2022	At June 30 2022
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13. Off-balance sheet information

a) Contingent liabilities and commitments

Contractual or notional amounts		
Direct credit substitutes	840	823
Transaction-related contingencies	249	216
Trade-related contingencies	226	420
Other commitments	14,630	14,142
Others	149	-
	16,094	15,601

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	426,148	399,183
Interest rate contracts	328,064	307,860
Others	1,498	2,190
	755,710	709,233
Fair value assets		
Exchange rate contracts	4,714	3,359
Interest rate contracts	2,778	2,097
Others	59	186
	7,551	5,642
Fair value liabilities		
Exchange rate contracts	4,492	3,182
Interest rate contracts	2,826	2,138
Others	59	176
	7,377	5,496

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.

CITIBANK, N.A. - HONG KONG BRANCH

	Quarter ended December 31, 2022	Quarter ended September 30, 2022
14. Liquidity ratio		
The average Liquidity Maintenance Ratio for the period	44.00%	39.43%
The average Core Funding Ratio for the period	248.91%	244.29%

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/cbna.hk>.

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 2022		At June 30 2022	
Capital and Capital Adequacy				
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	149,593	149,593	148,742	148,742
Tier 1 Capital	151,720	151,720	150,870	150,870
Total Capital	165,131	172,647	166,069	174,113
CET1 Ratio	14.90%	15.22%	14.12%	14.03%
Tier 1 Capital Ratio	15.12%	15.44%	14.33%	14.23%
Total Capital Ratio	16.45%	17.56%	15.77%	16.42%
Stockholder's Equity	164,337	164,337	164,335	164,335
Total Risk Weighted Assets	1,003,747	982,914	1,053,125	1,060,420

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. Citibank's binding CET1 Capital and Tier 1 Capital ratios were derived under the Basel III Advanced Approaches framework as of December 31, 2022, and under the Basel III Standardized Approach as of June 30, 2022, whereas Citibank's binding Total Capital ratio was derived under the Basel III Advanced Approaches framework for all periods presented.

Figures in US\$ millions	At December 31 2022	At June 30 2022
Other Financial Information		
Total Assets	1,768,310	1,720,308
Total Liabilities	1,603,365	1,555,402
Total Advances (Net of Allowances for Loan Losses)	609,023	635,838
Total Deposits (including those from banks)	1,383,154	1,353,773

Figures in US\$ millions	Year ended December 31, 2022	Year ended December 31, 2021
Pre-tax Profit	21,058	23,719

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

ADDITIONAL INFORMATION

Figures in US\$ millions	At December 31 2022		At June 30 2022	
Capital and Capital Adequacy				
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	148,930	148,930	144,893	144,893
Tier 1 Capital	169,145	169,145	165,159	165,159
Total Capital	188,839	197,543	187,330	196,345
CET1 Ratio	12.19%	13.03%	11.76%	11.95%
Tier 1 Capital Ratio	13.85%	14.80%	13.40%	13.62%
Total Capital Ratio	15.46%	17.28%	15.20%	16.19%
Stockholder's Equity	201,189	201,189	199,014	199,014
Total Risk Weighted Assets	1,221,538	1,142,985	1,232,568	1,212,386

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. Citi's binding CET1 Capital and Tier 1 Capital ratios were derived under the Basel III Standardized Approach, whereas Citi's binding Total Capital ratio was derived under the Basel III Advanced Approaches framework for all periods presented.

Figures in US\$ millions	At December 31 2022	At June 30 2022
Other Financial Information		
Total Assets	2,416,676	2,380,904
Total Liabilities	2,214,838	2,181,278
Total Advances (Net of Allowances for Loan Losses)	640,247	676,262
Total Deposits (including those from banks)	1,365,954	1,343,962

Figures in US\$ millions	Year ended December 31, 2022	Year ended December 31, 2021
Pre-tax Profit	18,807	27,469