



Citibank, N.A. - Hong Kong Branch

Financial Information Disclosure Statement

2019 Interim

CITIBANK, N.A. - HONG KONG BRANCH

We enclose herewith the Financial Information Disclosure Statement for the half-year ended June 30, 2019, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

Angel Ng
Chief Executive, Hong Kong
September 30, 2019

CITIBANK, N.A. - HONG KONG BRANCH

Income Statement

Figures in US\$ millions	Half-year ended June 30, 2019	Half-year ended June 30, 2018
Interest income	637	446
Interest expense	<u>(217)</u>	<u>(123)</u>
Net interest income	420	323
Profits arising from dealing in foreign currencies	110	155
Profits on disposal of available-for-sale securities	3	-
Profits on securities dealing	6	2
Profits from other dealing activities	5	5
fee and commission income	<u>345</u>	<u>197</u>
fee and commission expenses	<u>(345)</u>	<u>(202)</u>
Net fees and commission income / (expenses)	-	(5)
Other operating profits	<u>-</u>	<u>2</u>
Operating income	544	482
Staff costs	(101)	(107)
Premises and equipment expenses	(10)	(6)
Intercompany service fees expenses	<u>(68)</u>	<u>(37)</u>
Custodian charges & clearance fees	(9)	(8)
Others	<u>(27)</u>	<u>(33)</u>
Other operating expenses	<u>(104)</u>	<u>(78)</u>
Operating profit before impairment	329	291
Net (charge) / recovery of impairment losses	<u>(7)</u>	<u>3</u>
Profit before taxation	322	294
Taxation	<u>(50)</u>	<u>(49)</u>
Profit after taxation	<u>272</u>	<u>245</u>

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

Figures in US\$ millions	At June 30 2019	At December 31 2018
Assets		
Cash and balances with banks and other financial institutions	3,642	2,713
Placements with banks and other financial institutions (Note 1)	687	845
Amounts due from overseas offices	20,967	16,409
Trade bills	357	263
Securities held for trading	4,562	6,605
Loans and receivables (Note 2)	23,884	22,639
Available-for-sale securities	4,242	4,688
Other investments	-	3
Fixed assets	10	8
Total Assets	58,351	54,173
Liabilities		
Deposits and balances of banks and other financial institutions	4,250	3,652
Deposits from customers (Note 9)	42,911	39,132
Amounts due to overseas offices	2,464	2,535
Other liabilities	8,726	8,854
Total Liabilities	58,351	54,173

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION

Figures in US\$ millions	At June 30 2019	At December 31 2018
1. Placements with banks and other financial institutions		
	<u>Amount</u>	<u>Amount</u>
Maturing between one month and one year	687	845
2. Loans and receivables		
Advances to customers	18,687	16,963
Advances to banks	18	68
Accrued interest and other accounts	5,206	5,636
Less: impairment allowances - collectively assessed	(27)	(28)
Less: impairment allowances - individually assessed	-	-
	<u>23,884</u>	<u>22,639</u>

Starting from 2009, 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, 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 June 30, 2019		At December 31, 2018	
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	330	31%	308	0%
Property investment	1,357	21%	1,446	26%
Financial concerns	5,610	91%	4,911	89%
Stockbrokers	3	0%	2	0%
Wholesale and retail trade	742	31%	704	24%
Manufacturing	1,574	10%	952	13%
Transport and transport equipment	503	15%	503	14%
Recreational activities	3	0%	1	0%
Information technology	116	0%	255	0%
Others	2,544	57%	2,541	49%
	<u>12,782</u>		<u>11,623</u>	
Individuals				
Advances for the purchase of other residential properties	17	100%	17	100%
Others	2,262	100%	1,635	100%
	<u>2,279</u>		<u>1,652</u>	
Gross advances to customers for use in Hong Kong	15,062	64%	13,275	60%
Trade finance	1,333	23%	1,222	26%
Gross advances to customers for use outside Hong Kong	2,292	0%	2,466	0%
Gross advances to customers	<u>18,687</u>	54%	<u>16,963</u>	49%

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

ADDITIONAL INFORMATION

Figures in US\$ millions

At June 30, 2019

At December 31, 2018

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	2,356	12.61%	2,017	11.89%

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	-	-	1	-	-	1
1 year or less but over 6 months	-	-	2	-	-	1
Over 1 year	-	-	-	-	-	-
	<u>-</u>	<u>0.00%</u>	<u>3</u>	<u>-</u>	<u>0.00%</u>	<u>2</u>
Covered portion of overdue advances to customers	-			-		
Uncovered portion of overdue advances to customers	<u>-</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.

There were no overdue advances to banks as at June 30, 2019 and December 31, 2018.

6. Rescheduled advances to customers

	Amount	% of Gross Advances to Customers	Amount	% of Gross Advances to Customers
Rescheduled advances to customers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 June 30, 2019 and December 31, 2018.

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION

Figures in US\$ millions

At June 30, 2019

At December 31, 2018

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	-	-	-	-
Rescheduled advances to customers	-	-	-	-
Less: impairment allowances - collectively assessed	-	-	-	-
Less: impairment allowances - individually assessed	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

b) Individually assessed impaired advances to customers

	Amount	Amount
Gross individually assessed impaired advances to customers	-	-
Less: impairment allowances - individually assessed	-	-
	<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>
---------------------------------------------------------------------------------------------------------------------------------	----------	----------

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>1</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	31,552	28,995
Saving deposits	2,878	3,134
Time, call and notice deposits	8,481	7,003
	<u>42,911</u>	<u>39,132</u>

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION

Figures in US\$ millions	At June 30 2019			At December 31 2018		
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)	441	423	864	958	533	1,491
2 Local governments, local government-owned entities and their subsidiaries and JVs	42	1	43	39	-	39
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,860	859	2,719	1,533	799	2,332
4 Other entities of central governments not reported in item 1 above	152	538	690	52	343	395
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	235	190	425	293	196	489
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1,689	97	1,786	1,077	40	1,117
Total	<u>4,419</u>	<u>2,108</u>	<u>6,527</u>	<u>3,952</u>	<u>1,911</u>	<u>5,863</u>
Total assets after provision	58,274			54,073		
On-balance sheet exposures as percentage of total assets	7.58%			7.31%		

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 June 30 2019	At December 31 2018
a) Hong Kong Dollars		
Spot assets	20,030	18,174
Spot liabilities	(17,537)	(17,482)
Forward purchases	57,744	62,349
Forward sales	(60,558)	(63,215)
Net short position	<u>(321)</u>	<u>(174)</u>
b) Chinese Renminbi		
Spot assets	3,492	2,352
Spot liabilities	(5,119)	(3,660)
Forward purchases	79,532	75,729
Forward sales	(77,644)	(73,460)
Net long position	<u>261</u>	<u>961</u>

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

ADDITIONAL INFORMATION

 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 June 30, 2019</u>						
a) Developed countries	21,855	1,534	1,557	1,343	-	26,289
Of which: United States	21,078	550	1,033	416	-	23,077
b) Offshore centres	397	14	1,808	4,585	-	6,804
Of which: Hong Kong SAR	383	14	1,593	4,315	-	6,305
c) Developing Asia and Pacific	2,661	724	1,278	1,756	-	6,419
Of which: China	1,665	710	974	1,431	-	4,780
<u>As at December 31, 2018</u>						
a) Developed countries	16,960	5,352	1,406	1,215	-	24,933
Of which: United States	16,517	4,755	962	319	-	22,553
b) Offshore centres	336	1	1,763	4,010	-	6,110
Of which: Hong Kong SAR	335	1	1,497	3,713	-	5,546
c) Developing Asia and Pacific	2,175	672	1,156	1,424	-	5,427
Of which: China	950	672	851	1,195	-	3,668

ADDITIONAL INFORMATION

Figures in US\$ millions	At June 30 2019	At December 31 2018
13. Off-balance sheet information		
a) Contingent liabilities and commitments		
Contractual or notional amounts		
Direct credit substitutes	750	831
Transaction-related contingencies	273	247
Trade-related contingencies	344	350
Other commitments	14,755	16,133
Others	-	1,510
	<u>16,122</u>	<u>19,071</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	389,730	375,540
Interest rate contracts	294,660	247,342
Others	13,175	3,812
	<u>697,565</u>	<u>626,694</u>
Fair value assets		
Exchange rate contracts	1,904	2,518
Interest rate contracts	1,202	1,121
Others	125	157
	<u>3,231</u>	<u>3,796</u>
Fair value liabilities		
Exchange rate contracts	2,008	2,561
Interest rate contracts	1,178	1,094
Others	125	157
	<u>3,311</u>	<u>3,812</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.

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

	Quarter ended June 30, 2019	Quarter ended March 31, 2019
14. Liquidity ratio		
The average Liquidity Maintenance Ratio for the period	34.11%	32.72%
The average Core Funding Ratio for the period	231.90%	237.89%

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 value 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>.

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

ADDITIONAL INFORMATION

Figures in US\$ millions	At June 30 2019		At December 31 2018	
Capital and Capital Adequacy	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	130,742	130,742	129,091	129,091
Tier 1 Capital	132,875	132,875	131,215	131,215
Total Capital	145,554	156,304	144,358	155,154
CET1 Ratio	13.99%	12.56%	13.94%	12.50%
Tier 1 Capital Ratio	14.22%	12.76%	14.17%	12.70%
Total Capital Ratio	15.57%	15.01%	15.59%	15.02%
Stockholder's Equity	150,289	150,289	147,975	147,975
Total Risk Weighted Assets	934,661	1,041,349	926,229	1,032,809

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, Tier 1 Capital and Total Capital ratios were the lower derived under the U.S. Basel III Standardized Approach framework.

Figures in US\$ millions	At June 30 2019	At December 31 2018
Other Financial Information		
Total Assets	1,459,623	1,406,745
Total Liabilities	1,308,735	1,258,162
Total Advances (Net of Allowances for Loan Losses)	638,322	635,551
Total Deposits (including those from banks)	1,069,481	1,025,133

Figures in US\$ millions	Half-year ended June 30, 2019	Half-year ended June 30, 2018
Pre-tax Profit	10,985	11,265

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

ADDITIONAL INFORMATION

Figures in US\$ millions	At June 30 2019		At December 31 2018	
Capital and Capital Adequacy	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	141,125	141,125	139,252	139,252
Tier 1 Capital	159,447	159,447	158,122	158,122
Total Capital	185,498	197,679	183,144	195,440
CET1 Ratio	12.45%	11.89%	12.30%	11.86%
Tier 1 Capital Ratio	14.07%	13.43%	13.97%	13.46%
Total Capital Ratio	16.36%	16.65%	16.18%	16.64%
Stockholder's Equity	197,359	197,359	196,220	196,220
Total Risk Weighted Assets	1,133,593	1,187,328	1,131,933	1,174,448

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 June 30 2019	At December 31 2018
Other Financial Information		
Total Assets	1,988,226	1,917,383
Total Liabilities	1,790,116	1,720,309
Total Advances (Net of Allowances for Loan Losses)	676,204	671,881
Total Deposits (including those from banks)	1,045,607	1,013,170

Figures in US\$ millions	Half-year ended June 30, 2019	Half-year ended June 30, 2018
Pre-tax Profit	12,177	12,035