



Citibank, N.A. - Hong Kong Branch

Financial Information Disclosure Statement

2021 Interim

CITIBANK, N.A. - HONG KONG BRANCH

We enclose herewith the Financial Information Disclosure Statement for the half-year ended June 30, 2021, 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, 2021

CITIBANK, N.A. - HONG KONG BRANCH

Income Statement (unaudited)

Figures in US\$ millions	Half-year ended June 30, 2021	Half-year ended June 30, 2020
Interest income	229	462
Interest expense	<u>(18)</u>	<u>(113)</u>
Net interest income	211	349
Profits arising from dealing in foreign currencies	166	83
Profits on disposal of available-for-sale securities	6	34
Profits on securities dealing	2	18
Profits from other dealing activities	23	42
fee and commission income	<u>279</u>	<u>252</u>
fee and commission expenses	<u>(242)</u>	<u>(251)</u>
Net fees and commission income	37	1
Others	<u>1</u>	<u>(10)</u>
Operating income	446	517
Staff costs	(119)	(110)
Premises and equipment expenses	(11)	(14)
Intercompany service fees expenses	<u>(92)</u>	<u>(55)</u>
Custodian charges & clearance fees	(16)	(13)
Others	<u>(25)</u>	<u>(24)</u>
Other operating expenses	<u>(133)</u>	<u>(92)</u>
Operating profit before impairment	183	301
Net recovery / (charge) of impairment losses	<u>17</u>	<u>(58)</u>
Profit before taxation	200	243
Taxation	<u>(33)</u>	<u>(36)</u>
Profit after taxation	<u>167</u>	<u>207</u>

CITIBANK, N.A. - HONG KONG BRANCH

Balance Sheet (unaudited)

Figures in US\$ millions	At June 30 2021	At December 31 2020
Assets		
Cash and balances with banks and other financial institutions	4,561	3,649
Placements with banks and other financial institutions (Note 1)	600	688
Amounts due from overseas offices	37,087	31,663
Trade bills	279	320
Securities held for trading	5,422	5,522
Loans and receivables (Note 2)	26,617	26,098
Available-for-sale securities	4,329	2,908
Other investments	28	44
Fixed assets	12	16
Total Assets	78,935	70,908
Liabilities		
Deposits and balances of banks and other financial institutions	5,031	3,408
Deposits from customers (Note 9)	57,529	51,494
Amounts due to overseas offices	5,162	4,111
Other liabilities	11,213	11,895
Total Liabilities	78,935	70,908

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION (UNAUDITED)

Figures in US\$ millions	At June 30 2021	At December 31 2020
1. Placements with banks and other financial institutions		
	<u>Amount</u>	<u>Amount</u>
Maturing between one month and one year	600	688
2. Loans and receivables		
Advances to customers	20,802	17,429
Advances to banks	17	-
Accrued interest and other accounts	5,863	8,774
Less: impairment allowances - collectively assessed	(40)	(53)
Less: impairment allowances - individually assessed	(25)	(52)
	<u>26,617</u>	<u>26,098</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 June 30, 2021		At December 31, 2020	
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	397	1%	320	1%
Property investment	1,053	18%	1,074	15%
Financial concerns	6,826	88%	5,840	88%
Stockbrokers	-	0%	-	0%
Wholesale and retail trade	917	22%	783	31%
Manufacturing	1,222	6%	1,095	7%
Transport and transport equipment	477	16%	391	1%
Recreational activities	3	0%	-	0%
Information technology	406	0%	99	0%
Others	2,845	75%	2,242	61%
	<u>14,146</u>		<u>11,844</u>	
Individuals				
Advances for the purchase of other residential properties	18	100%	14	100%
Others	1,852	100%	1,685	100%
	<u>1,870</u>		<u>1,699</u>	
Gross advances to customers for use in Hong Kong	16,016	66%	13,544	64%
Trade finance	1,440	19%	1,028	23%
Gross advances to customers for use outside Hong Kong	3,346	0%	2,857	2%
Gross advances to customers	<u>20,802</u>	52%	<u>17,429</u>	51%

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, 2021

At December 31, 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	2,739	13.17%	2,512	14.41%

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	4	0.02%	-	31	0.18%	-
1 year or less but over 6 months	22	0.11%	-	7	0.04%	1
Over 1 year	-	0.00%	1	1	0.01%	-
	<u>26</u>	<u>0.13%</u>	<u>1</u>	<u>39</u>	<u>0.23%</u>	<u>1</u>

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

14	11
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Covered portion of overdue advances to customers
Uncovered portion of overdue advances to customers

10	7
16	32
<u>26</u>	<u>39</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 June 30, 2021 and December 31, 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 June 30, 2021 and December 31, 2020.

ADDITIONAL INFORMATION

Figures in US\$ millions

At June 30, 2021

At December 31, 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	26	0.13%	39	0.23%
Rescheduled advances to customers	-	-	-	-
Less: impairment allowances - collectively assessed	-	-	-	-
Less: impairment allowances - individually assessed	(14)	-	(19)	-
	<u>12</u>	<u>0.13%</u>	<u>20</u>	<u>0.23%</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	66	74
Less: impairment allowances - individually assessed	(25)	(52)
	<u>41</u>	<u>22</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>35</u>	<u>3</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>2</u>	<u>4</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	45,437	40,163
Saving deposits	7,490	7,123
Time, call and notice deposits	4,602	4,208
	<u>57,529</u>	<u>51,494</u>

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION

Figures in US\$ millions

At June 30
2021

At December 31
2020

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)	477	253	730	360	424	784
2 Local governments, local government-owned entities and their subsidiaries and JVs	24	2	26	33	-	33
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,936	1,169	3,105	1,551	1,186	2,737
4 Other entities of central governments not reported in item 1 above	148	124	272	339	309	648
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	218	77	295	222	120	342
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1,559	96	1,655	1,322	219	1,541
Total	4,362	1,721	6,083	3,827	2,258	6,085
Total assets after provision	78,782			70,734		
On-balance sheet exposures as percentage of total assets	5.54%			5.41%		

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 2021	At December 31 2020
a) Hong Kong Dollars		
Spot assets	19,843	19,316
Spot liabilities	(21,771)	(22,016)
Forward purchases	37,532	43,333
Forward sales	(36,202)	(41,109)
Net short position	<u>(598)</u>	<u>(476)</u>
b) Chinese Renminbi		
Spot assets	3,269	3,700
Spot liabilities	(7,170)	(5,773)
Forward purchases	89,710	80,754
Forward sales	(85,026)	(78,015)
Net long position	<u>783</u>	<u>666</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
As at June 30, 2021						
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
As at December 31, 2020						
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

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION

Figures in US\$ millions	At June 30 2021	At December 31 2020
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13. Off-balance sheet information

a) Contingent liabilities and commitments

Contractual or notional amounts		
Direct credit substitutes	949	933
Transaction-related contingencies	242	305
Trade-related contingencies	310	270
Other commitments	13,432	15,489
Others	423	1,200
	<u>15,356</u>	<u>18,197</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	375,840	365,709
Interest rate contracts	243,897	311,680
Others	7,693	11,231
	<u>627,430</u>	<u>688,620</u>
Fair value assets		
Exchange rate contracts	2,301	3,905
Interest rate contracts	1,307	2,045
Others	157	266
	<u>3,765</u>	<u>6,216</u>
Fair value liabilities		
Exchange rate contracts	2,338	3,894
Interest rate contracts	1,285	1,976
Others	159	266
	<u>3,782</u>	<u>6,136</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, 2021	Quarter ended Mar 31, 2021
14. Liquidity ratio		
The average Liquidity Maintenance Ratio for the period	39.79%	38.75%
The average Core Funding Ratio for the period	268.40%	268.27%

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>.

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

ADDITIONAL INFORMATION

Figures in US\$ millions	At June 30 2021		At December 31 2020	
Capital and Capital Adequacy				
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	146,729	146,729	142,854	142,854
Tier 1 Capital	148,858	148,858	144,962	144,962
Total Capital	165,462	173,964	161,319	169,303
CET1 Ratio	13.84%	13.41%	13.99%	13.76%
Tier 1 Capital Ratio	14.04%	13.61%	14.19%	13.97%
Total Capital Ratio	15.61%	15.90%	15.79%	16.31%
Stockholder's Equity	164,411	164,411	159,186	159,186
Total Risk Weighted Assets	1,060,121	1,093,887	1,021,479	1,038,031

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 the U.S. Basel III Standardized Approach and the Advanced Approaches framework. 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 June 30 2021	At December 31 2020
Other Financial Information		
Total Assets	1,693,227	1,661,267
Total Liabilities	1,528,143	1,501,398
Total Advances (Net of Allowances for Loan Losses)	627,957	620,976
Total Deposits (including those from banks)	1,328,460	1,282,071

Figures in US\$ millions	Half-year ended June 30, 2021	Half-year ended June 30, 2020
Pre-tax Profit	14,852	2,416

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

ADDITIONAL INFORMATION

Figures in US\$ millions	At June 30 2021		At December 31 2020	
Capital and Capital Adequacy				
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	150,378	150,378	147,274	147,274
Tier 1 Capital	169,636	169,636	167,053	167,053
Total Capital	195,972	205,531	195,959	204,849
CET1 Ratio	11.99%	11.83%	11.73%	12.06%
Tier 1 Capital Ratio	13.53%	13.35%	13.31%	13.68%
Total Capital Ratio	15.63%	16.17%	15.61%	16.77%
Stockholder's Equity	202,159	202,159	199,442	199,442
Total Risk Weighted Assets	1,253,785	1,271,046	1,255,284	1,221,576

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 the U.S. Basel III Standardized Approach and the Advanced Approaches framework. Citigroup's reportable CET1 Capital and Tier 1 Capital ratios were the lower derived under the U.S. Basel III Standardized Approach as of June 30, 2021 and the U.S. Basel III Advanced Approaches framework as of December 31, 2020, whereas Citigroup's Total Capital ratios were the lower derived under the U.S. Basel III Advanced Approaches framework for both periods presented.

Figures in US\$ millions	At June 30 2021	At December 31 2020
Other Financial Information		
Total Assets	2,327,868	2,260,090
Total Liabilities	2,124,958	2,059,890
Total Advances (Net of Allowances for Loan Losses)	657,596	650,927
Total Deposits (including those from banks)	1,310,281	1,280,671

Figures in US\$ millions	Half-year ended June 30, 2021	Half-year ended June 30, 2020
Pre-tax Profit	17,657	4,237