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**Citibank (Hong Kong) Limited**

**Financial Information Disclosure Statements**

**2024 Interim**

**CITIBANK (HONG KONG) LIMITED**

We enclose herewith the Financial Information Disclosure Statement for the half-year ended June 30, 2024, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

By Order of the Board

Kong Pik Tung Vicky  
Director and Chief Executive

September 30, 2024

**CITIBANK (HONG KONG) LIMITED**

The directors are pleased to announce the unaudited interim results of Citibank (Hong Kong) Limited (the "Company") for the half-year ended June 30, 2024.

**2024 First Half Results**

- Operating Income up 18% to HK\$ 4,106 million (HK\$ 3,476 million for the first half of 2023)
- Profit before taxation up 114% to HK\$ 1,374 million (HK\$ 644 million for the first half of 2023)
- Profit after taxation up 118% to HK\$ 1,273 million (HK\$ 584 million for the first half of 2023)

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in thousands of Hong Kong dollar unless otherwise indicated)

	<i>Note</i>	<i>Half-year ended Jun 30, 2024</i>	<i>Half-year ended Jun 30, 2023</i>
Interest income	1	6,265,779	5,411,434
Interest expense	2	(4,273,617)	(3,747,708)
<b>Net interest income</b>		<b>1,992,162</b>	<b>1,663,726</b>
Net fee and commission income	3	1,737,512	1,441,600
Net trading income	4	373,545	350,853
Dividend income from unlisted investment		995	939
Other operating income		2,024	18,745
<b>Operating income</b>		<b>4,106,238</b>	<b>3,475,863</b>
Staff costs		(724,001)	(797,585)
Premises & equipment expenses		(41,544)	(34,761)
Depreciation expenses		(102,030)	(104,608)
Other operating expenses	5	(1,774,905)	(1,670,444)
<b>Operating expenses</b>		<b>(2,642,480)</b>	<b>(2,607,398)</b>
<b>Operating profit before impairment losses</b>		<b>1,463,758</b>	<b>868,465</b>
Impairment losses - loans and advances to customers		(94,642)	(226,217)
Impairment losses - others		5,345	3,410
<b>Impairment losses</b>		<b>(89,297)</b>	<b>(222,807)</b>
<b>Operating profit after impairment losses</b>		<b>1,374,461</b>	<b>645,658</b>
Loss from disposal of property, plant and equipment		-	(1,943)
<b>Profit before taxation</b>		<b>1,374,461</b>	<b>643,715</b>
Taxation	6	(100,986)	(59,298)
<b>Profit after taxation</b>		<b>1,273,475</b>	<b>584,417</b>
<b>Other comprehensive income for the period, net of tax</b>			
Item that will not be classified to profit or loss:			
Remeasurement of defined benefit plan		(2,801)	2,636
Item that may be classified subsequently to profit or loss:			
Changes in financial assets measured at fair value through other comprehensive income		(40)	52,032
<b>Other comprehensive income for the period</b>		<b>(2,841)</b>	<b>54,668</b>
<b>Total comprehensive income for the period</b>		<b>1,270,634</b>	<b>639,085</b>

## STATEMENT OF FINANCIAL POSITION

(Expressed in thousands of Hong Kong dollar unless otherwise indicated)

	<i>Note</i>	<i>At Jun 30,</i> <i>2024</i>	<i>At Dec 31,</i> <i>2023</i>
<b>Assets</b>			
Cash and balances with banks, central banks and other financial institutions		21,485,252	18,368,951
Placements with banks and other financial institutions	7	15,955,762	18,208,957
Loans and advances	8	147,194,732	151,677,975
Financial assets measured at fair value through profit or loss		77,680,660	76,071,387
Financial assets measured at fair value through other comprehensive income		62,082,330	55,820,376
Financial assets measured at amortised cost		278,855	1,953,000
Property, plant and equipment	15	384,922	474,151
Intangible assets		1,485	6,828
Current tax assets		-	102,302
Deferred tax assets		61,244	59,222
Other assets		2,185,745	2,794,095
		<u>327,310,987</u>	<u>325,537,244</u>
<b>Liabilities</b>			
Deposits and balances from banks and other financial institutions		40,621,563	42,616,486
Deposits from customers	16	255,051,856	252,241,005
Trading financial liabilities		60,214	60,541
Current taxation		38,235	-
Other liabilities		5,039,698	5,389,325
		<u>300,811,566</u>	<u>300,307,357</u>
<b>Equity</b>			
Share capital		7,348,440	7,348,440
Reserves	17	19,150,981	17,881,447
		<u>26,499,421</u>	<u>25,229,887</u>
		<u>327,310,987</u>	<u>325,537,244</u>

The statement of financial position is prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). The following table discloses the balances in accordance with the banking return completion instructions issued by the Hong Kong Monetary Authority (“HKMA”), before the effects of offsetting as suggested in HKAS 32.

Loans and advances to customers	119,653,119	120,775,305
Deposits from customers	255,224,743	252,444,132

## NOTES ON THE FINANCIAL STATEMENTS

(Expressed in thousands of Hong Kong dollar unless otherwise indicated)

	<i>Half-year ended Jun 30, 2024</i>	<i>Half-year ended Jun 30, 2023</i>
<b>1 Interest income</b>		
Interest income on loans to customers	2,366,392	2,274,040
Interest income on placements with banks and other financial institutions	813,802	792,215
Interest income on financial assets designated at fair value through other comprehensive income and at amortised cost		
- Listed	88,792	50,195
- Unlisted	1,090,085	636,382
Interest income on financial instruments that are not measured at fair value through profit or loss	4,359,071	3,752,832
Interest income on financial assets measured at fair value through profit or loss		
- Listed	361,763	102,578
- Unlisted	1,544,945	1,556,024
Total interest income from all financial assets	6,265,779	5,411,434
Included in the above is interest income accrued on impaired financial assets of HK\$1,018 thousand (Jun 30, 2023: HK\$1,193 thousand).		
<b>2 Interest expense</b>		
Interest expense on deposits from customers	3,200,156	2,479,038
Interest expense on deposits from banks and other financial institutions	1,069,378	1,263,942
Interest on lease liabilities	4,083	4,728
Total Interest expense	4,273,617	3,747,708
<b>3 Fee and commission income</b>		
Fee and commission income from retail banking	741,695	641,736
Fee and commission income from card business	382,072	388,113
Service fee from group companies	630,201	441,583
	1,753,968	1,471,432
Fee and commission expenses	(16,456)	(29,832)
	1,737,512	1,441,600

The above amount entirely represents net fee and commission income, other than fees included in determining the effective interest rate, arising from financial assets or financial liabilities that are neither held for trading nor measured at fair value through profit or loss.

Service fee from Group companies mainly comprise of effort based fee revenue applicable to the Wealth management activities.

	<i>Half-year ended Jun 30, 2024</i>	<i>Half-year ended Jun 30, 2023</i>
<b>4 Net trading income</b>		
Net gain from foreign exchange	358,426	344,796
Net gain from financial assets measured at fair value through profit or loss	15,119	6,057
	373,545	350,853
<b>5 Other operating expenses</b>		
Marketing expenses	454,721	578,112
Intercompany expenses	1,164,533	1,000,273
Others	155,651	92,059
	1,774,905	1,670,444
<b>6 Taxation</b>		
Provision for Hong Kong Profits Tax	103,314	45,710
Overseas Taxation	-	-
Deferred Taxation	(2,328)	13,588
	100,986	59,298
<b>7 Placements with banks and other financial institutions</b>		
Maturing between one month and one year	15,959,457	18,213,976
Less: Impairment allowances		
- Stage 1	(3,695)	(5,019)
- Stage 2	-	-
- Stage 3	-	-
	15,955,762	18,208,957

	At Jun 30, 2024	At Dec 31, 2023
<b>8 Loans and advances less impairment</b>		
Gross loans and advances to customers	119,802,376	120,900,515
Less: Impairment allowances		
- Stage 1	(162,346)	(174,834)
- Stage 2	(114,103)	(120,407)
- Stage 3	(45,695)	(33,096)
	119,480,232	120,572,178
Gross loans and advances to banks	27,720,918	31,114,370
Less: Impairment allowances		
- Stage 1	(6,418)	(8,573)
- Stage 2	-	-
- Stage 3	-	-
	147,194,732	151,677,975

**9 Loans and advances to customers analyzed by geographical area**

Loans and advances to customers by geographical area are classified according to the location of the counterparties. 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 amount of loans and advances to customers as at the above respective reporting dates.

**10 International claims**

The country risk exposures in the tables below are prepared in according to the location and types of the counterparties as defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA's Return of 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.

International claims attributable to individual countries or areas not less than 10% of the bank's total international claims, after recognised risk transfer, are shown as follows:

At Jun 30, 2024					
<i>Non-bank private sector</i>					
	<i>Banks</i>	<i>Official Sector</i>	<i>Non-bank financial institutions</i>	<i>Non-financial private sector</i>	<i>Total</i>
Developed countries	63,830,112	69,521,948	4,429,246	1,615,263	139,396,569
of which United States	63,233,319	56,670,899	331,260	434,122	120,669,600
At Dec 31, 2023					
<i>Non-bank private sector</i>					
	<i>Banks</i>	<i>Official Sector</i>	<i>Non-bank financial institutions</i>	<i>Non-financial private sector</i>	<i>Total</i>
Developed countries	66,617,145	70,111,040	5,522,257	1,663,938	143,914,380
of which United States	65,823,179	60,005,188	1,993,067	450,186	128,271,620



## 11 Mainland Activities

The following analysis of non-bank Mainland exposures is based on the categories of non-bank counterparties and the type of direct exposures defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA Return of Mainland Activities.

	<i>At Jun 30, 2024</i>		
	<i>On-balance sheet exposures</i>	<i>Off-balance sheet exposures</i>	<i>Total exposures</i>
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	751,789	-	751,789
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	450	-	450
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposure	5,411	-	5,411
<b>Total</b>	<b>757,650</b>	<b>-</b>	<b>757,650</b>
Total assets after provision	327,483,784		
On-balance sheet exposures as percentage of total assets	0.23%		
	<i>At Dec 31, 2023</i>		
	<i>On-balance sheet exposures</i>	<i>Off-balance sheet exposures</i>	<i>Total exposures</i>
PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	747,503	-	747,503
PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	539	-	539
Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposure	11,103	-	11,103
<b>Total</b>	<b>759,145</b>	<b>-</b>	<b>759,145</b>
Total assets after provision	325,740,371		
On-balance sheet exposures as percentage of total assets	0.23%		

**12 Loans and advances to customers analyzed by industry sector**

	At Jun 30, 2024		At Dec 31, 2023	
	Amount	% of loans and advances covered by collateral or other security	Amount	% of loans and advances covered by collateral or other security
<b>Loans and advances to customers for use in Hong Kong</b>				
<i>Industrial, commercial and financial</i>				
Property investment	2,000,342	100%	2,023,971	100%
Wholesale and retail trade	-	-	-	-
Manufacturing	-	-	-	-
Others	-	-	-	-
<i>Individuals</i>				
Loans for the purchase of other residential properties	86,960,595	99%	86,260,814	100%
Credit card advances	12,961,361	-	14,042,507	-
Others	18,049,386	80%	18,771,100	77%
	119,971,684		121,098,392	
Netting adjustment on account of foreign currency margin products	(172,887)		(203,127)	
Total loans and advances to customers for use in Hong Kong	119,798,797		120,895,265	
Loans and advances to customers for use outside Hong Kong	3,579	-	5,250	-
Total	119,802,376		120,900,515	

The above analysis has been classified according to categories and definitions used by the HKMA.

**12 Loans and advances to customers analyzed by industry sector (continued)**

The amount of overdue and impaired loans and advances to customers and respective collective and specific impairment allowances in respect of loans and advances to industry sectors which constitute not less than 10% of the Company's total loans and advances to customers are shown as follows:

	<i>At Jun 30,</i>	<i>At Dec 31,</i>
	<u>2024</u>	<u>2023</u>
<u>Overdue loans and advances to customers</u>		
<i>Individuals</i>		
Loans for the purchase of other residential properties	4,762	10,609
Credit card advances	43,373	29,109
Others	2,580	1,720
 <u>Impaired loans and advances to customers</u>		
<i>Individuals</i>		
Loans for the purchase of other residential properties	4,762	10,609
Credit card advances	43,373	29,109
Others	14,125	14,880
 <u>Collective impairment allowances</u>		
<i>Individuals</i>		
Loans for the purchase of other residential properties	5,455	2,826
Credit card advances	252,804	270,738
Others	18,190	21,677
 <u>Specific impairment allowances</u>		
<i>Individuals</i>		
Loans for the purchase of other residential properties	-	-
Credit card advances	43,798	31,616
Others	1,897	1,480

**13 Overdue and rescheduled assets**

**(i) Overdue loans and advances to customers**

	<i>At Jun 30, 2024</i>		<i>At Dec 31, 2023</i>	
	<i>Amount</i>	<i>% of loans and advances to customers</i>	<i>Amount</i>	<i>% of loans and advances to customers</i>
Loans and advances to customers which have been overdue for periods of:				
- 6 months or less but over 3 months	45,953	0.04%	34,955	0.03%
- 1 year or less but over 6 months	-	-	6,483	0.01%
- over 1 year	4,762	0.00%	-	-
	50,715	0.04%	41,438	0.04%
Current market value of collateral held against the covered portion of overdue loans and advances to customers	6,000		17,280	
Covered portion of overdue loans and advances to customers	4,762		10,609	
Uncovered portion of overdue loans and advances to customers	45,953		30,829	
	50,715		41,438	
Specific impairment allowances	39,204		26,832	

The covered portion of overdue loans and advances to customers represents the amount of collateral held against outstanding balances. Where collateral values are greater than gross loans and advances, only the amount of collateral up to the gross loans and advance was included.

The collateral held in respect of the overdue loans and advances mainly consists of properties.

The specific impairment allowance is the reserve held for uncovered portion of overdue loans and advances to customers.

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 loans and advances to customers as at the above respective reporting dates.

**13 Overdue and rescheduled assets (continued)**

**(ii) Rescheduled loans and advances to customers**

	<i>At Jun 30, 2024</i>		<i>At Dec 31, 2023</i>	
	<i>Amount</i>	<i>% of loans and advances to customers</i>	<i>Amount</i>	<i>% of loans and advances to customers</i>
Rescheduled loans and advances to customers	<u>11,545</u>	0.01%	<u>13,160</u>	0.01%

Rescheduled loans and advances are those loans and 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 loans and advances to customers are stated net of any loans and advances which have subsequently become overdue for over three months and which are included in overdue loans and advances to customers in part (i).

**(iii) Impaired loans and advances to customers**

	<i>At Jun 30, 2024</i>		<i>At Dec 31, 2023</i>	
	<i>Amount</i>	<i>% of loans and advances to customers</i>	<i>Amount</i>	<i>% of loans and advances to customers</i>
Overdue loans and advances to customers	50,715	0.04%	41,438	0.04%
Rescheduled loans and advances to customers	<u>11,545</u>	0.01%	<u>13,160</u>	0.01%
Impaired loans and advances to customers	<u>62,260</u>	0.05%	<u>54,598</u>	0.05%

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

There were no advances to banks or other assets which were overdue for over three months as at 30 June 2024 and 31 December 2023, nor were there any rescheduled advances to banks and other financial institutions.

**14 Repossessed assets**

	<i>At Jun 30,</i> <u>2024</u>	<i>At Dec 31,</i> <u>2023</u>
Repossessed assets	<u>3,565</u>	<u>1,053</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 balance sheet at the lower of net realization value and the carrying amount of the asset (net of any impairment allowance), until the assets are realized.

**15 Property, plant and equipment**

	<i>Right-of-use assets</i>	<i>Installations, plant, machinery and other assets</i>	<i>Construction in progress</i>	<i>Total property, plant and equipment</i>
<b><i>Cost:</i></b>				
At Jan 1, 2024	1,284,992	553,339	7,509	1,845,840
Additions	4,161	1,996	10,116	16,273
Transfer	-	3,354	(3,354)	-
Disposal/write-off	-	-	(3,472)	(3,472)
At Jun 30, 2024	<u>1,289,153</u>	<u>558,689</u>	<u>10,799</u>	<u>1,858,641</u>
<b><i>Accumulated depreciation:</i></b>				
At Jan 1, 2024	937,472	434,217	-	1,371,689
Charge for the period	78,926	23,104	-	102,030
Write-back upon disposal	-	-	-	-
At Jun 30, 2024	<u>1,016,398</u>	<u>457,321</u>	<u>-</u>	<u>1,473,719</u>
<b><i>Net book value:</i></b>				
At Jun 30, 2024	<u>272,755</u>	<u>101,368</u>	<u>10,799</u>	<u>384,922</u>
At Dec 31, 2023	<u>347,520</u>	<u>119,122</u>	<u>7,509</u>	<u>474,151</u>

**16 Deposits from customers**

	<i>At Jun 30,</i> 2024	<i>At Dec 31,</i> 2023
Demand deposits and current accounts	33,568,280	33,686,646
Savings deposits	69,950,526	70,383,166
Time, call and notice deposits	151,533,050	148,171,193
	255,051,856	252,241,005

**17 Reserves**

	<i>At Jun 30,</i> 2024	<i>At Dec 31,</i> 2023
Fair value reserve	(86,642)	(86,602)
Retained profits	19,247,468	17,976,794
Capital reserves	(9,845)	(8,745)
	19,150,981	17,881,447

*(a) Nature and purpose of reserves*

Fair value reserve

This reserve comprises the cumulative net change in fair value of fair value through other comprehensive income (FVOCI) debt securities measured at FVOCI under HKFRS 9 held at the end of the reporting period.

Capital reserves

The capital reserves comprise the subsequent change in fair value of the share awards granted to employees of the Company recognized in accordance with the accounting policy for share-based payments. The Company recognizes the fair value of the awards at grant date as compensation expense over the vesting period with a corresponding credit in equity as a capital contribution from Citigroup. The Company's liability to Citigroup under the SPAPA is remeasured annually until settlement date and any changes in value are recognized in equity.

*(b) Regulatory reserve*

To satisfy the provisions of the Hong Kong Banking Ordinance and local regulatory requirements for prudential supervision purposes, the Company has earmarked a regulatory reserve directly from retained profits. As of June 30, 2024, the effect of this requirement is to reduce the amount of reserves which can be distributed to equity shareholders by \$527,385 thousand (Dec 31, 2023: \$516,153 thousand).

*(c) The Directors do not recommend a payment of interim dividend in respect of the six months ended June 30, 2024 (Jun 30, 2023: \$Nil).*

## 18 Derivatives

Derivatives are used for managing the Company's own exposures to market risk as part of its asset and liability management process and their sale to customers as part of the Company's business activities. The principal derivative instruments used by the Company are foreign exchange rate related contracts, which are primarily over-the-counter derivatives.

(i) *Notional amount of derivatives*

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices. The notional amounts of these instruments indicate the volume of outstanding transactions and do not represent amounts at risk.

	<i>At Jun 30,</i> <i>2024</i>	<i>At Dec 31,</i> <i>2023</i>
<b><i>Currency derivatives</i></b>		
Forwards and futures	10,115,949	16,490,976
Options purchased	4,649,452	3,797,746
Options written	4,649,452	3,797,746
	19,414,853	24,086,468

Currency forwards and futures are acquired or incurred principally for hedging purposes. Currency options are customer driven transactions and hedging transactions. The Company has elected not to use hedge accounting.

(ii) *Fair values and credit risk weighted amounts of derivatives*

	<i>At Jun 30, 2024</i>			<i>At Dec 31, 2023</i>		
	<i>Fair value</i>		<i>Credit risk weighted amount</i>	<i>Fair value</i>		<i>Credit risk weighted amount</i>
	<i>Assets</i>	<i>Liabilities</i>		<i>Assets</i>	<i>Liabilities</i>	
Currency derivatives	33,662	60,214	22,681	178,551	60,541	76,791

The credit equivalent amounts are assessed in accordance with the Banking (Capital) Rules and depend on the status of the counterparty and maturity characteristics of the instrument.

The fair value and credit risk weighted amounts do not take into account any bilateral netting arrangements entered into during the period and accordingly these amounts are shown on a gross basis.



**19 Contingent liabilities and commitments**

	<i>At Jun 30,</i>	<i>At Dec 31,</i>
	<u>2024</u>	<u>2023</u>
<b>Contractual or notional amounts</b>		
Trade-related contingencies	-	-
Forward forward deposits placed	-	62
Other commitments		
- with an original maturity of not more than one year	118,658	131,721
- with an original maturity of more than one year	211,819	226,010
- which are unconditionally cancellable	<u>85,309,986</u>	<u>85,281,348</u>
	<u>85,640,463</u>	<u>85,639,141</u>
Credit risk weighted amounts	<u>52,716</u>	<u>61,175</u>

Contingent liabilities and commitments are forward forward deposits placed as well as 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 contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of other commitments is expected to expire without being drawn upon, the total of contractual amounts is not representative of future liability requirements.

The credit risk-weighted amounts are assessed in accordance with the Banking (Capital) Rules and depend on the status of the counterparty and the maturity characteristics of the instrument.

## 20 Currency risk

The Company's foreign currency positions arise from foreign exchange transactions. All foreign currency positions are managed by the Treasury Department and Wealth Management Department within limits approved by the Business Head and Market Risk Management, dotted notification to Risk Management Committees (RMC) and Asset and Liability Management Committee (ALCO).

The Company seeks to manage closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

The net position in foreign currencies are disclosed when the individual currency constitutes not less than 10% of the total net position in all foreign currencies:

<i>At Jun 30, 2024</i>	USD	RMB	AUD
Spot assets	108,176,561	1,054,064	7,350,655
Spot liabilities	(101,422,998)	(3,799,811)	(7,629,661)
Forward purchases	1,146,001	2,787,055	901,772
Forward sales	(7,797,394)	(12,727)	(601,192)
Net long non-structural position	<u>102,170</u>	<u>28,581</u>	<u>21,574</u>

<i>At Dec 31, 2023</i>	USD	RMB	AUD
Spot assets	120,658,725	674,868	5,567,756
Spot liabilities	(108,578,280)	(3,239,874)	(8,404,669)
Forward purchases	1,510,410	3,433,404	3,463,868
Forward sales	(13,463,631)	(838,560)	(625,117)
Net long non-structural position	<u>127,224</u>	<u>29,838</u>	<u>1,838</u>

There were no foreign structural positions and option positions as at the above reporting dates.

## 21 Regulatory disclosures

The regulatory disclosures which are prepared in accordance with the Banking (Disclosure) Rules and disclosure templates issued by the HKMA can be found in our website [www.citibank.com.hk](http://www.citibank.com.hk).