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**Citicorp International Limited**

**Financial Information Disclosure Statement**

**2019 Interim**

**CITICORP INTERNATIONAL LIMITED**

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.

By Order of the Board

David Russell  
Director and Chief Executive  
September 30, 2019

## **CITICORP INTERNATIONAL LIMITED**

The directors are pleased to announce the unaudited interim results of Citicorp International Limited ("the Company") for the half-year ended June 30, 2019

### **2019 First Half Results**

- Operating income up 3% to HK\$ 2,294 million (HK\$ 2,228 million for the first half of 2018)
- Profit before taxation up 1% to HK\$ 1,280 million (HK\$ 1,262 million for the first half of 2018)
- Profit after taxation up 3% to HK\$ 1,073 million (HK\$ 1,047 million for the first half of 2018)

## 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, 2019</i>	<i>Half-year ended Jun 30, 2018</i>
Interest income	1	51,535	27,803
Interest expense	2	<u>(8)</u>	<u>-</u>
<b>Net interest income</b>		<b>51,527</b>	<b>27,803</b>
Net fee and commission income	3	2,242,621	2,200,728
Net trading income	4	(79)	(617)
<b>Operating income</b>		<b>2,294,069</b>	<b>2,227,914</b>
- Staff costs		(672,130)	(645,659)
- Premises & equipment expenses		(72,382)	(72,234)
- Depreciation expenses		(44)	(56)
- Other operating expenses		(269,316)	(247,769)
<b>Operating expenses</b>		<b><u>(1,013,872)</u></b>	<b><u>(965,718)</u></b>
<b>Profit before taxation</b>		<b>1,280,197</b>	<b>1,262,196</b>
Taxation	5	<u>(206,909)</u>	<u>(215,169)</u>
<b>Profit after taxation</b>		<b>1,073,288</b>	<b>1,047,027</b>
<b>Other comprehensive income</b>			
Remeasurement of net defined benefit liabilities		<u>290</u>	<u>300</u>
<b>Total comprehensive income</b>		<b><u><u>1,073,578</u></u></b>	<b><u><u>1,047,327</u></u></b>

## STATEMENT OF FINANCIAL POSITION

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

	<i>Note</i>	<i>At Jun 30, 2019</i>	<i>At Dec 31, 2018</i>
<b>Assets</b>			
Balances with banks	6	8,709,221	7,610,531
Fixed assets	7	419	222
Deferred tax assets		18,458	23,290
Other assets		40,503	42,188
		<u>8,768,601</u>	<u>7,676,231</u>
<b>Liabilities</b>			
Current taxation		287,978	161,114
Other liabilities		491,335	653,595
		<u>779,313</u>	<u>814,709</u>
<b>Equity</b>			
Share capital		187,556	187,556
Reserves	8	7,801,732	6,673,966
		<u>7,989,288</u>	<u>6,861,522</u>
		<u>8,768,601</u>	<u>7,676,231</u>

## Additional Information

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

### 1 Interest income

	<i>Half-year ended Jun 30, 2019</i>	<i>Half-year ended Jun 30, 2018</i>
Interest income on placements with banks	<u>51,535</u>	<u>27,803</u>

### 2 Interest expense

	<i>Half-year ended Jun 30, 2019</i>	<i>Half-year ended Jun 30, 2018</i>
Interest expense on deposits and balances of banks	<u>8</u>	<u>-</u>

### 3 Net fee and commission income

	<i>Half-year ended Jun 30, 2019</i>	<i>Half-year ended Jun 30, 2018</i>
Agency and servicing fees	64,253	49,583
Banking support services fees	<u>2,178,368</u>	<u>2,151,145</u>
	<u>2,242,621</u>	<u>2,200,728</u>

### 4 Net trading income

	<i>Half-year ended Jun 30, 2019</i>	<i>Half-year ended Jun 30, 2018</i>
Net loss from dealing in foreign exchange	<u>(79)</u>	<u>(617)</u>

## Additional Information

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

### 5 Taxation

	<i>Half-year ended Jun 30, 2019</i>	<i>Half-year ended Jun 30, 2018</i>
Current Tax - Hong Kong Profits Tax	208,117	215,445
Current Tax - Overseas	1,490	714
Deferred tax	<u>(2,698)</u>	<u>(990)</u>
	<u>206,909</u>	<u>215,169</u>

### 6 Balances with banks

	<i>At Jun 30, 2019</i>	<i>At Dec 31, 2018</i>
Balances with banks	2,909,260	1,210,570
Placement with bank maturing within one month	5,800,000	6,400,000
Less: Impairment allowance	<u>(39)</u>	<u>(39)</u>
Maturing within one month	<u>8,709,221</u>	<u>7,610,531</u>

### 7 Fixed assets

	<i>Furniture and equipment</i>
<i>Cost:</i>	
At January 1, 2019	4,800
Additions	241
Write-offs	<u>-</u>
At June 30, 2019	.....5,041
<i>Accumulated depreciation:</i>	
At January 1, 2019	4,578
Charge for the period	44
Write-offs	<u>-</u>
At June 30, 2019	.....4,622
<i>Net book value:</i>	
At Jun 30, 2019	<u>419</u>
At Dec 31, 2018	<u>222</u>

## Additional Information

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

### 8 Reserves

	<i>At Jun 30, 2019</i>	<i>At Dec 31, 2018</i>
Retained profits	7,719,433	6,645,856
Capital reserves	82,299	28,110
	7,801,732	6,673,966

(a) *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.

- (b) The Directors have declared an interim dividend of \$2,036,840 thousands (2018 interim dividend: \$3,923,000 thousands) in respect of the six months ended June 30, 2019.

### 9 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:

<i>At Jun 30, 2019</i>					
<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	279,336	-	6,860	971	287,167
of which United States	279,095	-	1,219	31	280,345
<i>At Dec 31, 2018</i>					
<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	113,380	-	3,760	1,110	118,250
of which United States	113,280	-	1,600	170	115,050



## Additional Information

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

### 10 Currency risk

The Company's foreign currency positions arise from foreign exchange dealing. All foreign currency positions are managed by the Treasury Department within limits approved by the Market Risk Management.

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

The net positions in foreign currencies are disclosed when each currency constitutes 10% or more of the respective total net position in all foreign currencies.

<i>USD</i>	<i>At Jun 30, 2019</i>	<i>At Dec 31, 2018</i>
Spot assets	282,538	133,981
Spot liabilities	<u>(260,719)</u>	<u>(254,336)</u>
Net long /(short) position	<u><u>21,819</u></u>	<u><u>(120,355)</u></u>
 <i>GBP</i>		
Spot assets	10,551	4,046
Spot liabilities	<u>(6,421)</u>	<u>(1,276)</u>
Net long position	<u><u>4,130</u></u>	<u><u>2,770</u></u>

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

### 11 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/cil](http://www.citibank.com.hk/cil).