



Citicorp International Limited
Financial Information Disclosure Statement
2020 Interim

CITICORP INTERNATIONAL LIMITED

We enclose herewith the Financial Information Disclosure Statement for the half-year ended June 30, 2020, 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, 2020

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, 2020

2020 First Half Results

- Operating income up 8% to HK\$ 2,472 million (HK\$ 2,294 million for the first half of 2019)
- Profit before taxation up 13% to HK\$ 1,450 million (HK\$ 1,280 million for the first half of 2019)
- Profit after taxation up 12% to HK\$ 1,202 million (HK\$ 1,073 million for the first half of 2019)

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, 2020</i>	<i>Half-year ended Jun 30, 2019</i>
Interest income	1	45,665	51,535
Interest expense	2	<u>(9)</u>	<u>(8)</u>
Net interest income		45,656	51,527
Net fee and commission income	3	2,425,913	2,242,621
Net trading income	4	457	(79)
Operating income		2,472,026	2,294,069
- Staff costs		(697,507)	(672,130)
- Premises & equipment expenses		(69,415)	(72,382)
- Depreciation expenses		(9)	(44)
- Other operating expenses		(255,156)	(269,316)
Operating expenses		<u>(1,022,087)</u>	<u>(1,013,872)</u>
Profit before taxation		1,449,939	1,280,197
Taxation	5	<u>(247,616)</u>	<u>(206,909)</u>
Profit after taxation		1,202,323	1,073,288
Other comprehensive income			
Remeasurement of net defined benefit liabilities		<u>78</u>	<u>290</u>
Total comprehensive income		<u><u>1,202,401</u></u>	<u><u>1,073,578</u></u>

STATEMENT OF FINANCIAL POSITION

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

	<i>Note</i>	<i>At Jun 30, 2020</i>	<i>At Dec 31, 2019</i>
Assets			
Balances with banks	6	6,879,890	8,006,755
Plant and equipment	7	25,838	2,333
Deferred tax assets		23,931	18,823
Other assets		14,450	50,858
		6,944,109	8,078,769
Liabilities			
Deposits and balances of banks		72,031	69,161
Current taxation		234,536	474,044
Other liabilities		514,235	633,560
		820,802	1,176,765
Equity			
Share capital		187,556	187,556
Reserves	8	5,935,751	6,714,448
		6,123,307	6,902,004
		6,944,109	8,078,769

Additional Information

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

1 Interest income

	<i>Half-year ended Jun 30, 2020</i>	<i>Half-year ended Jun 30, 2019</i>
Interest income on placements with banks	<u>45,665</u>	<u>51,535</u>

2 Interest expense

	<i>Half-year ended Jun 30, 2020</i>	<i>Half-year ended Jun 30, 2019</i>
Interest expense on deposits and balances of banks	<u>9</u>	<u>8</u>

3 Net fee and commission income

	<i>Half-year ended Jun 30, 2020</i>	<i>Half-year ended Jun 30, 2019</i>
Agency and servicing fees	56,780	64,253
Banking support services fees	<u>2,369,133</u>	<u>2,178,368</u>
	<u>2,425,913</u>	<u>2,242,621</u>

4 Net trading income

	<i>Half-year ended Jun 30, 2020</i>	<i>Half-year ended Jun 30, 2019</i>
Net gain/(loss) from dealing in foreign exchange	<u>457</u>	<u>(79)</u>

Additional Information

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

5 Taxation

	<i>Half-year ended Jun 30, 2020</i>	<i>Half-year ended Jun 30, 2019</i>
Current Tax - Hong Kong Profits Tax	249,454	208,117
Current Tax - Overseas	1,209	1,490
Deferred tax	<u>(3,047)</u>	<u>(2,698)</u>
	<u>247,616</u>	<u>206,909</u>

6 Balances with banks

	<i>At Jun 30, 2020</i>	<i>At Dec 31, 2019</i>
Balances with banks	1,379,907	1,506,772
Placement with bank maturing within one month	5,500,000	6,500,000
Less: Impairment allowance	<u>(17)</u>	<u>(17)</u>
Maturing within one month	<u>6,879,890</u>	<u>8,006,755</u>

7 Plant and equipment

	<i>Furniture and equipment</i>
<i>Cost:</i>	
At January 1, 2020	6,927
Additions	23,514
Write-offs	<u>(1,944)</u>
At June 30, 2020 28,497
<i>Accumulated depreciation:</i>	
At January 1, 2020	4,594
Charge for the period	9
Write-offs	<u>(1,944)</u>
At June 30, 2020 2,659
<i>Net book value:</i>	
At June 30, 2020	<u>25,838</u>
At December 31, 2019	<u>2,333</u>

Additional Information

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

8 Reserves

	<i>At Jun 30, 2020</i>	<i>At Dec 31, 2019</i>
Retained profits	5,897,556	6,641,034
Capital reserves	38,195	73,414
	5,935,751	6,714,448

(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 \$1,945,878 thousand (2019 interim dividend: \$2,036,840 thousand) in respect of the six months ended June 30, 2020.

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 Hong Kong Monetary Authority (“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, 2020</i>					
<i>Non-bank private sector</i>					
<i>Non-bank</i>					
<i>financial</i>					
<i>institutions</i>					
<i>Non-financial</i>					
<i>private sector</i>					
	<i>Banks</i>	<i>Official Sector</i>			<i>Total</i>
Developed countries	37,484	-	200	708	38,392
of which United States	37,388	-	58	35	37,481
<i>At Dec 31, 2019</i>					
<i>Non-bank private sector</i>					
<i>Non-bank</i>					
<i>financial</i>					
<i>institutions</i>					
<i>Non-financial</i>					
<i>private sector</i>					
	<i>Banks</i>	<i>Official Sector</i>			<i>Total</i>
Developed countries	129,640	-	4,700	1,840	136,180
of which United States	129,590	-	30	-	129,620

Additional Information

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

10 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, 2020</i>		
	<i>On-balance sheet exposures</i>	<i>Off-balance sheet exposures</i>	<i>Total exposures</i>
1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	524	-	524
2 Local governments, local government-owned entities and their subsidiaries and JVs	1,051	-	1,051
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,516	-	1,516
4 Other entities of central governments not reported in item 1 above	261	-	261
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	-	-	-
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	875	-	875
Total	4,227	-	4,227
Total assets after provision	6,944,109		
On-balance sheet exposures as percentage of total assets	0.06%		

	<i>At Dec 31, 2019</i>		
	<i>On-balance sheet exposures</i>	<i>Off-balance sheet exposures</i>	<i>Total exposures</i>
1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	806	-	806
2 Local governments, local government-owned entities and their subsidiaries and JVs	841	-	841
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,522	-	2,522
4 Other entities of central governments not reported in item 1 above	221	-	221
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	-	-	-
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	2,348	-	2,348
Total	6,738	-	6,738
Total assets after provision	8,078,769		
On-balance sheet exposures as percentage of total assets	0.08%		

Additional Information

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11 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, 2020</i>	<i>At Dec 31, 2019</i>
Spot assets	37,522	136,479
Spot liabilities	<u>(378,767)</u>	<u>(301,695)</u>
Net short position	<u><u>(341,245)</u></u>	<u><u>(165,216)</u></u>

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

12 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.