



Citicorp International Limited

Financial Information Disclosure Statement

2022 Interim

CITICORP INTERNATIONAL LIMITED

We enclose herewith the Financial Information Disclosure Statement for the half-year ended June 30, 2022, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

By Order of the Board

Rudolf Hitsch
Director and Alternate Chief Executive

September 30, 2022

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, 2022.

2022 First Half Results

- Operating income down 4% to HK\$ 2,265 million (HK\$2,362 million for the first half of 2021)
- Profit before taxation down 22% to HK\$935 million (HK\$1,205 million for the first half of 2021)
- Profit after taxation down 23% to HK\$780 million (HK\$ 1,008 million for the first half of 2021)

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, 2022</i>	<i>Half-year ended Jun 30, 2021</i>
Interest income	1	4,416	2,817
Interest expense	2	(46)	-
Net interest income		4,370	2,817
Net fee and commission income	3	2,263,326	2,359,418
Net trading income	4	(2,514)	(666)
Operating income		2,265,182	2,361,569
- Staff costs		(854,239)	(747,269)
- Premises & equipment expenses		(67,430)	(73,243)
- Depreciation expenses		(63)	(48)
- Other operating expenses		(408,776)	(335,877)
Operating expenses		(1,330,508)	(1,156,437)
Profit before taxation		934,674	1,205,132
Taxation	5	(154,772)	(196,978)
Profit after taxation		779,902	1,008,154
Other comprehensive income			
Remeasurement of net defined benefit liabilities		1,223	(3,405)
Total comprehensive income		781,125	1,004,749

STATEMENT OF FINANCIAL POSITION

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

	<i>Note</i>	<i>At Jun 30, 2022</i>	<i>At Dec 31, 2021</i>
Assets			
Balances with banks	6	8,496,521	7,695,331
Plant and equipment	7	596	545
Deferred tax assets		21,530	14,449
Current tax recoverable		-	68,599
Other assets		19,565	32,252
		<u>8,538,212</u>	<u>7,811,176</u>
Liabilities			
Deposits and balances of banks		316,197	311,024
Defined benefit liabilities		12,130	12,900
Current taxation		93,538	-
Other liabilities		548,573	701,636
		<u>970,438</u>	<u>1,025,560</u>
Equity			
Share capital		187,556	187,556
Reserves	8	7,380,218	6,598,060
		<u>7,567,774</u>	<u>6,785,616</u>
		<u>8,538,212</u>	<u>7,811,176</u>

Additional Information

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

1 Interest income

	<i>Half-year ended Jun 30, 2022</i>	<i>Half-year ended Jun 30, 2021</i>
Interest income on placements with banks	<u>4,416</u>	<u>2,817</u>

2 Interest expense

	<i>Half-year ended Jun 30, 2022</i>	<i>Half-year ended Jun 30, 2021</i>
Interest expense on deposits and balances of banks	<u>46</u>	<u>-</u>

3 Net fee and commission income

	<i>Half-year ended Jun 30, 2022</i>	<i>Half-year ended Jun 30, 2021</i>
Agency and servicing fees	51,877	63,973
Banking support services fees	<u>2,211,449</u>	<u>2,295,445</u>
	<u>2,263,326</u>	<u>2,359,418</u>

4 Net trading income

	<i>Half-year ended Jun 30, 2022</i>	<i>Half-year ended Jun 30, 2021</i>
Net loss from dealing in foreign exchange	<u>(2,514)</u>	<u>(666)</u>

Additional Information

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

5 Taxation

	<i>Half-year ended Jun 30, 2022</i>	<i>Half-year ended Jun 30, 2021</i>
Current Tax - Hong Kong Profits Tax	162,137	198,135
Current Tax - Overseas	40	423
Deferred Tax	<u>(7,405)</u>	<u>(1,580)</u>
	<u>154,772</u>	<u>196,978</u>

6 Balances with banks

	<i>At Jun 30, 2022</i>	<i>At Dec 31, 2021</i>
Balances with banks	3,497,021	2,695,831
Placement with bank maturing within one month	5,000,000	5,000,000
Less: Impairment allowance	<u>(500)</u>	<u>(500)</u>
Maturing within one month	<u>8,496,521</u>	<u>7,695,331</u>

7 Plant and equipment

	<i>Furniture and equipment</i>
<i>Cost:</i>	
At January 1, 2022	3,040
Additions	<u>114</u>
At June 30, 2022 3,154
<i>Accumulated depreciation:</i>	
At January 1, 2022	2,495
Charge for the period	<u>63</u>
At June 30, 2022 2,558
<i>Net book value:</i>	
At June 30, 2022	<u>596</u>
At December 31, 2021	<u>545</u>

Additional Information

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

8 Reserves

	<i>At Jun 30, 2022</i>	<i>At Dec 31, 2021</i>
Retained profits	7,321,912	6,540,787
Capital reserves	58,306	57,273
	7,380,218	6,598,060

(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 \$5,727,032 thousand (2021 interim dividend: \$2,154,727 thousand) in respect of the six months ended June 30, 2022.

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, 2022</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	615,960	-	150	880	616,990
of which United States	615,120	-	40	150	615,310
<i>At Dec 31, 2021</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	394,270	-	1,110	1,070	396,450
of which United States	394,180	-	30	160	394,370

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, 2022</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)	235	-	235
2 Local governments, local government-owned entities and their subsidiaries and JVs	172	-	172
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,435	-	2,435
4 Other entities of central governments not reported in item 1 above	-	-	-
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	1,595	-	1,595
Total	4,437	-	4,437
Total assets after provision	8,538,212		
On-balance sheet exposures as percentage of total assets	0.05%		

	<i>At Dec 31, 2021</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)	430	-	430
2 Local governments, local government-owned entities and their subsidiaries and JVs	1,121	-	1,121
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,036	-	2,036
4 Other entities of central governments not reported in item 1 above	-	-	-
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	2,994	-	2,994
Total	6,581	-	6,581
Total assets after provision	7,811,176		
On-balance sheet exposures as percentage of total assets	0.08%		

Additional Information

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

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>At Jun 30, 2022</i>	<i>USD</i>	<i>GBP</i>	<i>EUR</i>	<i>AUD</i>	<i>SGD</i>
Spot assets	581,459	12,607	2,605	2,397	5,455
Spot liabilities	(613,488)	(5,723)	(252)	(20)	(35)
Net short position	(32,029)	6,884	2,353	2,377	5,420
<i>At Dec 31, 2021</i>	<i>USD</i>	<i>GBP</i>	<i>EUR</i>	<i>AUD</i>	<i>SGD</i>
Spot assets	299,942	7,166	2,430	2,451	5,314
Spot liabilities	(564,362)	(7)	(139)	(24)	(79)
Net short position	(264,420)	7,159	2,291	2,427	5,235

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.