



Citicorp International Limited

Financial Information Disclosure Statement

2023 Interim

CITICORP INTERNATIONAL LIMITED

We enclose herewith the Financial Information Disclosure Statement for the half-year ended June 30, 2023, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

By Order of the Board

Susan Kwek Ai Kheng
Director and Alternate Chief Executive

September 29, 2023

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, 2023.

2023 First Half Results

- Operating income up 24% to HK\$ 2,805 million (HK\$2,265 million for the first half of 2022)
- Profit before taxation up 60% to HK\$1,494 million (HK\$935 million for the first half of 2022)
- Profit after taxation up 60% to HK\$1,252 million (HK\$780 million for the first half of 2022)

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, 2023</i>	<i>Half-year ended Jun 30, 2022</i>
Interest income	1	21,832	4,416
Interest expense	2	(19,078)	(46)
Net interest income		2,754	4,370
Net fee and commission income	3	2,804,736	2,263,326
Net trading income	4	(2,757)	(2,514)
Operating income		2,804,733	2,265,182
- Staff costs		(902,881)	(854,239)
- Premises & equipment expenses		(85,929)	(67,430)
- Depreciation expenses		(64)	(63)
- Other operating expenses		(321,498)	(408,776)
Operating expenses		(1,310,372)	(1,330,508)
Profit before taxation		1,494,361	934,674
Taxation	5	(242,830)	(154,772)
Profit after taxation		1,251,531	779,902
Other comprehensive income			
Remeasurement of net defined benefit liabilities		890	1,223
Changes in fair value of financial assets through other comprehensive income		(4,351)	-
Total comprehensive income		1,248,070	781,125

STATEMENT OF FINANCIAL POSITION

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

	<i>Note</i>	<i>At Jun 30, 2023</i>	<i>At Dec 31, 2022</i>
Assets			
Balances with banks	6	4,107,318	3,190,189
Financial assets at fair value through other comprehensive income		1,630,784	1,141,997
Plant and equipment	7	478	542
Deferred tax assets		25,542	22,576
Other assets		48,594	20,789
		<u>5,812,716</u>	<u>4,376,093</u>
Liabilities			
Deposits and balances of banks		940,170	779,755
Defined benefit liabilities		9,274	11,718
Current taxation		250,709	91,592
Other liabilities		508,624	671,694
		<u>1,708,777</u>	<u>1,554,759</u>
Equity			
Share capital		187,556	187,556
Reserves	8	3,916,383	2,633,778
		<u>4,103,939</u>	<u>2,821,334</u>
		<u>5,812,716</u>	<u>4,376,093</u>

Additional Information

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

1 Interest income

	<i>Half-year ended Jun 30, 2023</i>	<i>Half-year ended Jun 30, 2022</i>
Interest income on financial assets at fair value through other comprehensive income		
- Unlisted	21,679	-
Interest income on balances with banks	153	4,416
	21,832	4,416

2 Interest expense

	<i>Half-year ended Jun 30, 2023</i>	<i>Half-year ended Jun 30, 2022</i>
Interest expense on deposits and balances of banks	19,078	46
	19,078	46

3 Net fee and commission income

	<i>Half-year ended Jun 30, 2023</i>	<i>Half-year ended Jun 30, 2022</i>
Agency and servicing fees	41,996	51,877
Banking support services fees	2,762,740	2,211,449
	2,804,736	2,263,326

Additional Information

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

4 Net trading income

	<i>Half-year ended Jun 30, 2023</i>	<i>Half-year ended Jun 30, 2022</i>
Net loss from dealing in foreign exchange	<u>(2,757)</u>	<u>(2,514)</u>

5 Taxation

	<i>Half-year ended Jun 30, 2023</i>	<i>Half-year ended Jun 30, 2022</i>
Current Tax - Hong Kong Profits Tax	250,920	162,137
Current Tax - Overseas	910	40
Deferred Tax	<u>(9,000)</u>	<u>(7,405)</u>
	<u>242,830</u>	<u>154,772</u>

6 Balances with banks

	<i>At Jun 30, 2023</i>	<i>At Dec 31, 2022</i>
Balances with banks	4,107,804	3,190,675
Less: Impairment allowance	<u>(486)</u>	<u>(486)</u>
Maturing within one month	<u>4,107,318</u>	<u>3,190,189</u>

7 Plant and equipment

	<i>Furniture and equipment</i>
<i>Cost:</i>	
At January 1, 2023	1,507
Additions	<u>-</u>
At June 30, 2023 1,507
<i>Accumulated depreciation:</i>	
At January 1, 2023	965
Charge for the period	<u>64</u>
At June 30, 2023 1,029
<i>Net book value:</i>	
At June 30, 2023	<u>478</u>
At December 31, 2022	<u>542</u>

Additional Information

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

8 Reserves

	<i>At Jun 30, 2023</i>	<i>At Dec 31, 2022</i>
Retained profits	3,823,531	2,571,110
Capital reserves	96,549	62,014
Fair value reserves	<u>(3,697)</u>	<u>654</u>
	<u><u>3,916,383</u></u>	<u><u>2,633,778</u></u>

(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 \$2,240,739 thousand (2022 interim dividend: \$5,727,032 thousand) in respect of the six months ended June 30, 2023.

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, 2023</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>	
Developed countries	808,310	-	410	670	809,390
of which United States	808,230	-	170	-	808,400
	<i>At Dec 31, 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	449,080	-	520	970	450,570
of which United States	449,000	-	30	20	449,050

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, 2023</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	270	-	270
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	3,410	-	3,410
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	348	-	348
Total	<u>4,263</u>	<u>-</u>	<u>4,263</u>
Total assets after provision	5,812,716		
On-balance sheet exposures as percentage of total assets	0.07%		

	<i>At Dec 31, 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)	547	-	547
2 Local governments, local government-owned entities and their subsidiaries and JVs	410	-	410
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	2,592	-	2,592
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	2,617	-	2,617
Total	<u>6,166</u>	<u>-</u>	<u>6,166</u>
Total assets after provision	4,376,093		
On-balance sheet exposures as percentage of total assets	0.14%		

Additional Information

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

11 Currency risk

The Company's foreign currency positions mainly arise from foreign exchange dealing and other banking related operations. All foreign currency positions are managed by the Trading and 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, 2023</i>	<i>At Dec 31, 2022</i>
Spot assets	739,248	443,065
Spot liabilities	<u>(1,237,819)</u>	<u>(1,056,925)</u>
Net short position	<u><u>(498,571)</u></u>	<u><u>(613,860)</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.