# Citicorp International Limited

## Regulatory Disclosures

For the Year ended
December 31, 2024

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# Introduction

### Purpose and Basis of preparation

The information contained in this document is for Citicorp International Limited (“the Company”), and is prepared in accordance with the Banking (Disclosure) Rules (“BDR”) and disclosure templates issued by the Hong Kong Monetary Authority (“HKMA”).

These regulatory disclosures are governed by the Company’s disclosure policy, which has been approved by the Board. The disclosure policy sets out the governance, control and assurance requirements for publication of the document.

The information in this document is not audited and does not constitute statutory accounts.

### The Regulatory Disclosures

The Company's Regulatory Disclosures at 31 December 2024 comprises information required under the framework of the Basel Committee on Banking Supervision ('BCBS'). The disclosures are made in accordance with the latest BDR issued by the HKMA.

According to the BDR, disclosure of comparative information is not required unless otherwise specified in the standard disclosure templates.

## Template KM1: Key prudential ratios

The following table provides an overview of the key prudential ratios of Citicorp International Limited ("the Company").

| | In thousands of Hong Kong dollar | (a)<br>At December 31, 2024 | (b)<br>At September 30, 2024 | (c)<br>At June 30, 2024 | (d)<br>At March 31, 2024 | (e)<br>At December 31, 2023 |
|---|---|---|---|---|---|---|
| | **Regulatory Capital** | | | | | |
| 1 | Common Equity Tier 1 (CET1) | 1,920,778 | 2,906,538 | 2,509,904 | 2,158,761 | 1,896,790 |
| 2 | Tier 1 | 1,920,778 | 2,906,538 | 2,509,904 | 2,158,761 | 1,896,790 |
| 3 | Total capital | 1,920,778 | 2,906,538 | 2,509,904 | 2,158,761 | 1,896,790 |
| | **RWA** | | | | | |
| 4 | Total RWA | 8,734,318 | 8,843,177 | 9,125,720 | 8,824,011 | 8,879,396 |
| | **Capital Adequacy Ratios** | | | | | |
| 5 | CET1 ratio (%) | 21.99% | 33.28% | 27.50% | 24.46% | 21.36% |
| 6 | Tier 1 ratio (%) | 21.99% | 33.28% | 27.50% | 24.46% | 21.36% |
| 7 | Total capital ratio (%) | 21.99% | 33.28% | 27.50% | 24.46% | 21.36% |
| | **Additional CET1 buffer requirements** | | | | | |
| 8 | Capital conservation buffer requirement (%) | 2.500% | 2.500% | 2.500% | 2.500% | 2.500% |
| 9 | Countercyclical capital buffer requirement (%) | 0.487% | 0.491% | 0.632% | 0.934% | 0.683% |
| 10 | Higher loss absorbency requirements (%) (applicable only to GSIBs or DSIBs) | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| 11 | Total AI specific CET1 buffer requirements (%) | 2.987% | 2.991% | 3.132% | 3.434% | 3.183% |
| 12 | CET1 available after meeting the AI's minimum capital requirements (%) | 13.99% | 25.28% | 19.50% | 16.46% | 13.36% |
| | **Basel III leverage ratio** | | | | | |
| 13 | Total leverage ratio (LR) exposure measure | 3,072,082 | 4,138,577 | 4,828,390 | 2,632,160 | 2,893,874 |
| 14 | LR (%) | 62.52% | 70.23% | 51.98% | 82.01% | 65.55% |
| | **Liquidity Maintenance Ratio (LMR)** | | | | | |
| 17a | LMR (%) | 22068.75% | 157762.80% | 61739.44% | 59865.84% | 6351.28% |

## Table OVA: Overview of risk management

Effective risk management is of primary importance to the Company's overall operations. Accordingly, the Company's risk management process has been designed to monitor, evaluate and manage the principal risks it assumes in conducting its activities. Specifically, the activities that the Company engages in, and the risks those activities generate, must be consistent with the Company's mission and value proposition, the key principles that guide it, and risk appetite.

Citi's overarching Enterprise Risk Management Framework consists of management of risk by risk category, Risk Culture, Risk Governance Structure (i.e. Board, Executive Management Team and Lines of Defense), Strategic Planning fully integrated with the defined Risk Appetite, Risk Management System i.e. Risk identification through the policies, procedures, and processes which the Company identifies, measures, manages, monitors, controls and reports risks across the firm. Independent Risk Management, in conjunction with other independent control and enterprise support functions, reviews and updates this Enterprise Risk Management Framework at least annually and as needed to address any modifications that may be required as a result of any material changes to the firm or its operating environment.

The Board through the establishment of a risk appetite statement and its periodic review and annual approval process ensures that an adequate risk management framework, including policies and limits, is in place to identify, measure, mitigate and control all material risks that the Company takes during its business activities.

The Company utilizes a Risk Taxonomy that supports firm-wide frameworks including the Enterprise Risk Management Framework. The Risk Taxonomy include the following risk categories: Credit risk, Liquidity Risk, Market Risk (Trading / Non-Trading, including interest rate risk), Operational Risk, Compliance risk, Reputation risk and Strategic risk. Additionally, the Company is exposed to risks that may materialize in, or arise from, more than one risk within or across multiple risk categories (e.g., credit risk and operational risk), creating crosscutting risks. Crosscutting risks include conduct risk, country risk and climate-related risk. Additionally, centralized programs may be established to enable an integrated approach for managing individual risks that are linked together by a common set of characteristics / themes, such as risks relating to digital assets, e-trading and operational resilience.

An effective risk management framework requires a strong risk culture composed of shared values and expected behaviors to promote safe and sound risk taking across the firm, in line with the firm's strategy and risk appetite. Citi's firm-wide conduct and culture programs are designed to: (i) set, reinforce and enhance the firm'srisk culture; (ii) integrate its values and conduct expectations into the organization; and (iii) provide employees with tools to assist with making prudent and ethical risk decisions and escalate issues appropriately. As part of this risk culture, all employees are accountable for risk management and must identify, escalate, and address risk-taking activities that exceed the Company's risk appetite in a timely manner.

Stress testing is an integral component of how the Company measures risk and supports business-as-usual risk management, as well as capital and liquidity planning, strategic and operating planning and recovery and resolution planning. Stress tests are forward-looking assessments of the potential impact of various adverse events and circumstances on the Company. The Company's Enterprise Stress Testing Policy establishes the framework for evaluating the impact of the adverse and / or stressful events and circumstances on its operations and financial conditions. Stress testing is performed for individual risk categories, products and portfolios and to evaluate aggregations of risks at an overall Company level.

The Company uses a lines of defense model as a key component of the Enterprise Risk Management Framework to manage its risk. The model comprises units that create and own risks (first line of defense), those that independently oversees risk taking activities and challenges first line in their execution of risk management activities (second line of defense) and units that provide independent assurance (third line of defense). Additionally, the firm has units tasked with maintaining a strong control environment (Enterprise Support Functions).

**First Line of Defense: Front Line Units and Front-Line Unit activities**

The first line of defense ("first line") owns the risks and associated controls inherent in, or arising from, the execution of their business activities and is responsible for identifying, measuring, monitoring, controlling and reporting those risks consistent with Citi's strategy, Mission and Value Proposition, Leadership Principles and risk appetite. The first line is subject to the oversight and challenge by IRM/ ICRM.

o In addition, front line units engage in in-unit control and in-unit management activities. These activities benefit the front-line unit through (i) the performance and/or support of the management of risks generated by the unit (i.e., in-unit control); or (ii) the performance of activities that are critical to risk management (e.g., talent, performance management, compensation; program management; governance).

o Front line units are responsible and held accountable for managing the risks associated with their activities within the boundaries set by independent risk management. They are also responsible for designing and implementing effective internal controls and maintaining processes for managing their risk profile, including through risk mitigation, so that it remains consistent with the Company's established risk appetite.

o Front line units may also conduct enterprise support activities which are also subject to the relevant Bank-wide independent risk management oversight processes specific to the risk category that they generate (e.g., operational risk, compliance risk, reputation risk).

Other than the front-line Business units, a number of Corporate Functions, due to their nature of responsibility, are considered as First Line of Defense. These include Chief Operating Office, Enterprise Services and Public Affairs, Finance, Technology and Business Enablement.

**Second Line of Defense: Independent Risk Management**

The second line of defense ("second line") is independent of the first line. The second line is responsible for overseeing the risk-taking activities of the first line and challenging the first line in their execution of their risk management responsibilities. It is also responsible for independently identifying, measuring, monitoring, controlling and reporting aggregate risks and for setting standards for the management and oversight of risk.

The second line is comprised solely of Independent Risk Management (IRM) and Independent Compliance Risk Management (ICRM) and is led by the Group CRO and Group Chief Compliance Officer respectively.

**Third Line of Defense: Internal Audit**

Internal audit is independent of front-line units and independent risk / compliance risk management. The role of Internal Audit is to provide independent, objective, reliable, valued and timely assurance to the Board of Directors, and it's Audit Committee as relevant, senior management and regulators over the effectiveness of governance, risk management and controls that mitigate current and evolving risks and enhance the control culture.

**Enterprise Support Functions**

Human Resources (HR) and Global Legal Affairs (including Legal, Regulatory Strategy & Policy, and Citi Security and Investigative Services) are the Enterprise Support Functions. They engage in activities that support safety and soundness across the Company. While these functions are not considered part of the second line of defense, they provide advisory services and/or design, implement, maintain, and oversee firm-wide programs that support maintaining an effective control environment. As noted above, any front-line unit activities within enterprise support functions remain subject to the relevant Bank-wide independent risk management oversight processes specific to the risk categories for which it is accountable.

**Template OV1: Overview of Risk-Weighted Assets**

The following table provides an overview of capital requirements in terms of a detailed breakdowns of RWAs for various risks.

| | | (a) | (b) | (c) |
|---|---|---|---|---|
| | | **RWA** | | **Minimum capital requirements** |
| | **In thousands of Hong Kong dollar** | **As at December 31, 2024** | **As at September 30, 2024** | **As at December 31, 2024** |
| 1 | Credit risk for non-securitization exposures | 422,743 | 501,939 | 33,819 |
| 2 | Of which STC approach | 422,743 | 501,939 | 33,819 |
| 24 | Operational risk | 8,311,575 | 8,341,238 | 664,926 |
| **27** | **Total** | **8,734,318** | **8,843,177** | **698,745** |

The Company has adopted the "standardized approach" and the "basic indicator approach" for the calculation of the risk-weighted assets for credit risk and operational risk respectively.

The Company does not have any credit-related derivatives and exposures to CCPs as at reporting date.

### Template LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

The following table shows the differences between the carrying values as reported in the Company's financial statements following the scope of accounting consolidation and the carrying values under the scope of regulatory consolidation, with a breakdown into regulatory risk categories of every item of the assets and liabilities reported in financial statements based on the scope of accounting consolidation.

At 31 December, 2024:

| | (a) and (b) | (c) | (d) | (e) | (f) | (g) |
|---|---|---|---|---|---|---|
| | | Carrying values of items: | | | | |
| **In thousands of Hong Kong dollar** | Carrying values as reported in published financial statements and the carrying values under scope of regulatory consolidation | subject to credit risk framework | subject to counterparty credit risk framework | subject to the securitization framework | subject to market risk framework | not subject to capital requirements or subject to deduction from capital |
| **Assets** | | | | | | |
| Balances with banks | 2,059,964 | 2,060,104 | - | - | - | (140) |
| Financial assets at fair value through other comprehensive income | 994,830 | 994,830 | - | - | - | - |
| Plant and equipment | 308 | 308 | - | - | - | - |
| Deferred tax assets | 41,555 | - | - | - | - | 41,555 |
| Other assets | 16,980 | 16,997 | - | - | - | (17) |
| **Total assets** | **3,113,637** | **3,072,239** | - | - | - | **41,398** |
| | | | | | | |
| **Liabilities** | | | | | | |
| Deposits and balances from banks | 465,885 | - | - | - | - | **465,885** |
| Current taxation | 90,604 | - | - | - | - | - |
| Other liabilities | 668,599 | - | - | - | - | **668,599** |
| **Total liabilities** | **1,225,088** | - | - | - | - | **1,134,484** |

**Template LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements**

The following table provides information on the main sources of differences between the carrying values in financial statements and the exposure amounts used for the calculation of regulatory capital in respect of the assets and liabilities based on the scope of regulatory consolidation.

At 31 December, 2024:

| | | (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|---|---|
| | | Total | Items subject to: | | | |
| | **In thousands of Hong Kong dollar** | | credit risk framework | securitization framework | counterparty credit risk framework | market risk framework |
| **1** | **Asset carrying value amount under scope of regulatory consolidation (as per template LI1)** | **3,072,239** | **3,072,239** | **-** | **-** | **-** |
| 2 | - Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1) | - | - | - | - | - |
| 3 | Total net amount under regulatory scope of consolidation | 3,072,239 | 3,072,239 | - | - | - |
| 4 | Off-balance sheet amounts | - | - | - | - | - |
| **5** | **Exposure amounts considered for regulatory purposes** | **3,072,239** | **3,072,239** | **-** | **-** | **-** |

## Template LIA: Explanations of differences between accounting and regulatory exposure amounts

The following provides explanations on the differences observed between accounting carrying values (as defined in template LI1) and amounts considered for regulatory capital purposes (as defined in template LI2).

**Differences between the amounts in columns (a) and (b) in template LI1**

The Company's carrying values as reported in published financial statements and the carrying values under scope of regulatory consolidation are the same.

**The main drivers for the differences between accounting values and amounts considered for regulatory purposes shown in template LI2**

There is no difference between accounting values and amounts considered for regulatory purposes shown in template LI2.

**Valuation of financial instruments**

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. Where available, the most suitable measure for fair value is the quoted market price. In the absence of organized secondary markets for most financial instruments, and in particular for loans, deposits and unlisted derivatives, direct market prices are not available. The fair value of such instruments was therefore calculated on the basis of well-established valuation techniques using current market parameters. In particular, the fair value is a theoretical value applicable at a given reporting date, and hence can only be used as an indicator of the value realizable in a future sale.

All valuation models are validated before they are used as a basis for financial reporting, by qualified personnel independent of the area that created the model. These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experiences and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values. Derived fair value estimates cannot necessarily be substantiated by comparison to independent markets and, in many cases, could not be realized in an immediate sale of the instruments.

*Fair value hierarchy*

The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unverified inputs and validated models. Unverified inputs are inputs for which market data are not available.

Level 3 valuations: Fair value measured using significant unverified inputs or invalidated models.

**Table PV1: Prudent valuation adjustments**

The following table provide a detailed breakdown of the constituent elements of valuation adjustment.

At 31 December, 2024:

| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
|---|---|---|---|---|---|---|---|---|---|
| | In thousands of Hong Kong dollar | Equity | Interest rates | FX | Credit | Commodities | Total | Of which: In the trading book | Of which: In the banking book |
| 1 | Close-out uncertainty, of which: | - | - | (4) | - | - | (4) | - | (4) |
| 2 | *Mid-market value* | - | - | *(4)* | - | - | *(4)* | - | *(4)* |
| 3 | *Close-out costs* | - | - | - | - | - | - | - | - |
| 4 | *Concentration* | - | - | - | - | - | - | - | - |
| 5 | Early termination | - | - | - | - | - | - | - | - |
| 6 | Model risk | - | - | - | - | - | - | - | - |
| 7 | Operational risks | - | - | - | - | - | - | - | - |
| 8 | Investing and funding costs | | | | | | - | - | - |
| 9 | Unearned credit spreads | | | | | | - | - | - |
| 10 | Future administrative costs | - | - | - | - | - | - | - | - |
| 11 | Other adjustments | - | - | - | - | - | - | - | - |
| **12** | **Total adjustments** | - | - | (4) | - | - | (4) | - | (4) |

**Template CC1: Composition of regulatory capital**

| | | In thousands of Hong Kong dollar | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
|---|---|---|---|
| | **CET1 capital: instruments and reserves** | | |
| 1 | Directly issued qualifying CET1 capital instruments plus any related share premium | 187,556 | (2) |
| 2 | Retained earnings | 1,658,265 | (3) |
| 3 | Disclosed reserves | 104,338 | (4) + (5) |
| *4* | *Directly issued capital subject to phase-out arrangements from CET1 (only applicable to non-joint stock companies)* | Not applicable | Not applicable |
| 5 | Minority interests arising from CET1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in CET1 capital of the consolidation group) | 0 | |
| 6 | **CET1 capital before regulatory deductions** | 1,950,159 | |
| | **CET1 capital: regulatory deductions** | | |
| 7 | Valuation adjustments | 0 | |
| 8 | Goodwill (net of associated deferred tax liability) | 0 | |
| 9 | Other intangible assets (net of associated deferred tax liability) | 0 | |
| 10 | Deferred tax assets net of deferred tax liabilities | 29,381 | (1) |
| 11 | Cash flow hedge reserve | 0 | |
| 12 | Excess of total EL amount over total eligible provisions under the IRB approach | 0 | |
| 13 | Credit-enhancing interest only strip, and any gain on sale and other increase in the CET1 capital arising from securitization transactions | 0 | |
| 14 | Gains and losses due to changes in own credit risk on fair valued liabilities | 0 | |
| 15 | Defined benefit pension fund net assets (net of associated deferred tax liabilities) | 0 | |
| 16 | Investments in own CET1 capital instruments (if not already netted off paid-in capital on reported balance sheet) | 0 | |
| 17 | Reciprocal cross-holdings in CET1 capital instruments | 0 | |
| 18 | Insignificant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | 0 | |
| 19 | Significant LAC investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | 0 | |
| 20 | Mortgage servicing rights (net of associated deferred tax liabilities) | Not applicable | Not applicable |
| 21 | Deferred tax assets arising from temporary differences (net of associated deferred tax liabilities) | Not applicable | Not applicable |
| 22 | Amount exceeding the 15% threshold | Not applicable | Not applicable |
| 23 | of which: significant investments in the ordinary share of financial sector entities | Not applicable | Not applicable |
| 24 | of which: mortgage servicing rights | Not applicable | Not applicable |
| 25 | of which: deferred tax assets arising from temporary differences | Not applicable | Not applicable |
| 26 | National specific regulatory adjustments applied to CET1 capital | 0 | |
| 26a | Cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) | 0 | |
| 26b | Regulatory reserve for general banking risks | 0 | |
| 26c | Securitization exposures specified in a notice given by the Monetary Authority | 0 | |
| 26d | Cumulative losses below depreciated cost arising from the institution's holdings of land and buildings | 0 | |
| 26e | Capital shortfall of regulated non-bank subsidiaries | 0 | |
| 26f | Capital investment in a connected company which is a commercial entity (amount above 15% of the reporting institution's capital base) | 0 | |
| 27 | Regulatory deductions applied to CET1 capital due to insufficient AT1 capital and Tier 2 capital to cover deductions | 0 | |
| 28 | **Total regulatory deductions to CET1 capital** | 29,381 | |
| 29 | **CET1 capital** | 1,920,778 | |
| | **AT1 capital: instruments** | | |
| 30 | Qualifying AT1 capital instruments plus any related share premium | 0 | |
| 31 | of which: classified as equity under applicable accounting standards | 0 | |
| 32 | of which: classified as liabilities under applicable accounting standards | 0 | |
| 33 | *Capital instruments subject to phase out arrangements from AT1 capital* | 0 | |
| 34 | AT1 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in AT1 capital of the consolidation group) | 0 | |
| *35* | *of which: AT1 capital instruments issued by subsidiaries subject to phase-out arrangements* | 0 | |
| 36 | **AT1 capital before regulatory deductions** | 0 | |

**Template CC1: Composition of regulatory capital (continued)**

| | | In thousands of Hong Kong dollar | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
|---|---|---|---|
| | **AT1 capital: regulatory deductions** | | |
| 37 | Investments in own AT1 capital instruments | 0 | |
| 38 | Reciprocal cross-holdings in AT1 capital instruments | 0 | |
| 39 | Insignificant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold) | 0 | |
| 40 | Significant LAC investments in AT1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | 0 | |
| 41 | National specific regulatory adjustments applied to AT1 capital | 0 | |
| 42 | Regulatory deductions applied to AT1 capital due to insufficient Tier 2 capital to cover deductions | 0 | |
| 43 | **Total regulatory deductions to AT1 capital** | 0 | |
| 44 | **AT1 capital** | 0 | |
| 45 | **Tier 1 capital (T1 = CET1 + AT1)** | 1,920,778 | |
| | **Tier 2 capital: instruments and provisions** | | |
| 46 | Qualifying Tier 2 capital instruments plus any related share premium | 0 | |
| 47 | *Capital instruments subject to phase out arrangements from Tier 2 capital* | 0 | |
| 48 | Tier 2 capital instruments issued by consolidated bank subsidiaries and held by third parties (amount allowed in Tier 2 capital of the consolidation group) | 0 | |
| 49 | *of which: capital instruments issued by subsidiaries subject to phase-out arrangements* | 0 | |
| 50 | Collective impairment allowances and regulatory reserve for general banking risks eligible for inclusion in Tier 2 capital | 0 | |
| 51 | **Tier 2 capital before regulatory deductions** | 0 | |
| | **Tier 2 capital: regulatory deductions** | | |
| 52 | Investments in own Tier 2 capital instruments | 0 | |
| 53 | Reciprocal cross-holdings in Tier 2 capital instruments and non-capital LAC liabilities | 0 | |
| 54 | Insignificant LAC investments in Tier 2 capital instruments issued by, and non-capital LAC liabilities of, financial sector entities that are outside the scope of regulatory consolidation (amount above 10% threshold and, where applicable, 5% threshold) | 0 | |
| 54a | Insignificant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (amount formerly designated for the 5% threshold but no longer meets the conditions) (for institutions defined as "section 2 institution" under §2(1) of Schedule 4F to BCR only) | 0 | |
| 55 | Significant LAC investments in Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | 0 | |
| 55a | Significant LAC investments in non-capital LAC liabilities of financial sector entities that are outside the scope of regulatory consolidation (net of eligible short positions) | 0 | |
| 56 | National specific regulatory adjustments applied to Tier 2 capital | 0 | |
| 56a | Add back of cumulative fair value gains arising from the revaluation of land and buildings (own-use and investment properties) eligible for inclusion in Tier 2 capital | 0 | |
| 56b | Regulatory deductions applied to Tier 2 capital to cover the required deductions falling within §48(1)(g) of BCR | 0 | |
| 57 | **Total regulatory deductions to Tier 2 capital** | 0 | |
| 58 | **Tier 2 capital (T2)** | 0 | |
| 59 | **Total capital (TC = T1 + T2)** | 1,920,778 | |

**Template CC1: Composition of regulatory capital (continued)**

| | | In thousands of Hong Kong dollar | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
|---|---|---|---|
| 60 | **Total risk weighted assets** | 8,734,318 | |
| | **Capital ratios (as a percentage of risk weighted assets)** | | |
| 61 | CET1 capital ratio | 21.99% | |
| 62 | Tier 1 capital ratio | 21.99% | |
| 63 | Total capital ratio | 21.99% | |
| 64 | Institution-specific buffer requirement (capital conservation buffer plus countercyclical capital buffer plus higher loss absorbency requirements) | 7.487% | |
| 65 | *of which: capital conservation buffer requirement* | 2.500% | |
| 66 | *of which: bank specific countercyclical buffer requirement* | 0.487% | |
| 67 | *of which: higher loss absorbency requirement* | 0.000% | |
| 68 | CET1 (as a percentage of RWA) available after meeting minimum capital requirements | 13.99% | |
| | **National minima (if different from Basel 3 minimum)** | | |
| 69 | National CET1 minimum ratio | Not applicable | Not applicable |
| 70 | National Tier 1 minimum ratio | Not applicable | Not applicable |
| 71 | National Total capital minimum ratio | Not applicable | Not applicable |
| | **Amounts below the thresholds for deduction (before risk weighting)** | | |
| 72 | Insignificant capital investments in CET1, AT1 and Tier 2 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | 0 | |
| 73 | Significant capital investments in CET1 capital instruments issued by financial sector entities that are outside the scope of regulatory consolidation | 0 | |
| 74 | Mortgage servicing rights (net of related tax liability) | Not applicable | Not applicable |
| 75 | Deferred tax assets arising from temporary differences (net of related tax liability) | Not applicable | Not applicable |
| | **Applicable caps on the inclusion of provisions in Tier 2 capital** | | |
| 76 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to the BSC approach, or the STC approach and SEC-ERBA, SEC-SA and SEC-FBA (prior to application of cap) | 0 | |
| 77 | Cap on inclusion of provisions in Tier 2 under the BSC approach, or the STC approach, and SEC-ERBA, SEC-SA and SEC-FBA | 0 | |
| 78 | Provisions eligible for inclusion in Tier 2 in respect of exposure | 0 | |
| 79 | Cap for inclusion of provisions in Tier 2 under the IRB approach and SEC-IRBA | 0 | |
| | **Capital instruments subject to phase-out arrangements** | | |
| 80 | *Current cap on CET1 capital instruments subject to phase-out arrangements* | Not applicable | Not applicable |
| 81 | *Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)* | Not applicable | Not applicable |
| 82 | *Current cap on AT1 capital instruments subject to phase-out arrangements* | 0 | |
| 83 | *Amount excluded from AT1 capital due to cap (excess over cap after redemptions and maturities)* | 0 | |
| 84 | *Current cap on Tier 2 capital instruments subject to phase-out arrangements* | 0 | |
| 85 | *Amount excluded from Tier 2 capital due to cap (excess over cap after redemptions and maturities)* | 0 | |

Notes to the Template

| **Row No.** | **Description** | **Hong Kong basis** | **Basel III basis** |
|---|---|---|---|
| **10** | **Deferred tax assets net of deferred tax liabilities** | 29,381 | 29,381 |
| | Explanation<br>As set out in paragraphs 69 and 87 of the Basel III text issued by the Basel Committee (December 2010), DTAs that rely on future profitability of the bank to be realized are to be deducted, whereas DTAs which relate to temporary differences may be given limited recognition in CET1 capital (and hence be excluded from deduction from CET1 capital up to the specified threshold). In Hong Kong, an AI is required to deduct all DTAs in full, irrespective of their origin, from CET1 capital. Therefore, the amount to be deducted as reported in row 10 may be greater than that required under Basel III.<br><br>The amount reported under the column "Basel III basis" in this box represents the amount reported in row 10 (i.e. the amount reported under the "Hong Kong basis") adjusted by reducing the amount of DTAs to be deducted which relate to temporary differences to the extent not in excess of the 10% threshold set for DTAs arising from temporary differences and the aggregate 15% threshold set for MSRs, DTAs arising from temporary differences and significant investments in CET1 capital instruments issued by financial sector entities (excluding those that are loans, facilities and other credit exposures to connected companies) under Basel III. | | |

Remarks:

The amount of the 10% threshold mentioned above is calculated based on the amount of CET1 capital determined in accordance with the deduction methods set out in BCR Schedule 4F. The 15% threshold is referring to paragraph 88 of the Basel III text issued by the Basel Committee (December 2010) and has no effect to the Hong Kong regime.

**Template CC2: Reconciliation of regulatory capital to balance sheet**

| | Balance sheet as in published financial statements | Under regulatory scope of consolidation | Cross reference to Definition of Capital Components |
|---|---|---|---|
| **In thousands of Hong Kong dollar** | **As at December 31, 2024** | **As at December 31, 2024** | |
| **Assets** | | | |
| Balances with banks | 2,059,964 | 2,059,964 | |
| Financial assets at fair value through other comprehensive income | 994,830 | 994,830 | |
| Plant and equipment | 308 | 308 | |
| Deferred tax assets | 41,555 | 29,381 | (1) |
| Other assets | 16,980 | 16,980 | |
| **Total Assets** | **3,113,637** | **3,101,463** | |
| | | | |
| **Liabilities** | | | |
| Deposits and balances from banks | 465,885 | 465,885 | |
| Current taxation | 90,604 | 90,604 | |
| Other liabilities | 668,599 | 594,815 | |
| **Total liabilities** | **1,225,088** | **1,151,304** | |
| **Shareholders' Equity** | | | |
| Share capital | 187,556 | 187,556 | (2) |
| Reserves | 1,700,993 | 1,762,603 | |
| *of which: retained profits* | | 1,658,265 | (3) |
| *capital reserves* | | 104,203 | (4) |
| *Investment revaluation reserve* | | 135 | (5) |
| **Total shareholders' equity** | 1,888,549 | 1,888,549 | |
| **Total liabilities and shareholders' equity** | **3,113,637** | **3,039,853** | |

***Table CCA: Main features of the Capital Instruments Issued***

| | | | | |
|---|---|---|---|---|
| 1 | Issuer | Citicorp International Limited | Citicorp International Limited | Citicorp International Limited |
| 2 | Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement) | NA | NA | NA |
| 3 | Governing law(s) of the instrument | Hong Kong | Hong Kong | Hong Kong |
| | *Regulatory treatment* | | | |
| 4 | Transitional Basel III rules# | NA | NA | NA |
| 5 | Post-transitional Basel III rules+ | Common Equity Tier 1 | Common Equity Tier 1 | Common Equity Tier 1 |
| 6 | Eligible at solo*/group/group & solo | Solo | Solo | Solo |
| 7 | Instrument type (types to be specified by each jurisdiction) | Ordinary shares | Ordinary shares | Ordinary shares |
| 8 | Amount recognised in regulatory capital (Currency in million, as of most recent reporting date) | HKD 2 | HKD 998 | HKD 187,555,200 |
| 9 | Par value of instrument | NA | NA | NA |
| 10 | Accounting classification | Shareholders' equity | Shareholders' equity | Shareholders' equity |
| 11 | Original date of issuance | 26 October 1970 | 31 October 1970 | 28 May 2007 |
| 12 | Perpetual or dated | Perpetual | Perpetual | Perpetual |
| 13 | Original maturity date | no maturity | no maturity | no maturity |
| 14 | Issuer call subject to prior supervisory approval | No | No | No |
| 15 | Optional call date, contingent call dates and redemption amount | NA | NA | NA |
| 16 | Subsequent call dates, if applicable | NA | NA | NA |
| | *Coupons / dividends* | | | |
| 17 | Fixed or floating dividend/coupon | Floating | Floating | Floating |
| 18 | Coupon rate and any related index | NA | NA | NA |
| 19 | Existence of a dividend stopper | No | No | No |
| 20 | Fully discretionary, partially discretionary or mandatory | Fully discretionary | Fully discretionary | Fully discretionary |
| 21 | Existence of step up or other incentive to redeem | No | No | No |
| 22 | Noncumulative or cumulative | Noncumulative | Noncumulative | Noncumulative |
| 23 | Convertible or non-convertible | Non-convertible | Non-convertible | Non-convertible |
| 24 | If convertible, conversion trigger (s) | NA | NA | NA |
| 25 | If convertible, fully or partially | NA | NA | NA |
| 26 | If convertible, conversion rate | NA | NA | NA |
| 27 | If convertible, mandatory or optional conversion | NA | NA | NA |
| 28 | If convertible, specify instrument type convertible into | NA | NA | NA |
| 29 | If convertible, specify issuer of instrument it converts into | NA | NA | NA |
| 30 | Write-down feature | No | No | No |
| 31 | If write-down, write-down trigger(s) | NA | NA | NA |
| 32 | If write-down, full or partial | NA | NA | NA |
| 33 | If write-down, permanent or temporary | NA | NA | NA |
| 34 | If temporary write-down, description of write-up mechanism | NA | NA | NA |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | NA | NA | NA |
| 36 | Non-compliant transitioned features | No | No | No |
| 37 | If yes, specify non-compliant features | NA | NA | NA |

Footnote:

# *Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules*

+ *Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules*

* *Include solo-consolidated*

**Template CCyB1: Geographical distribution of credit exposures used in countercyclical capital buffer ("CCyB")**

The following table provides an overview of the geographical distribution of private sector credit exposures relevant for the calculation of the Company's CCyB ratio at December 31, 2024.

| | | (a) | (c) | (d) | (e) |
|---|---|---|---|---|---|
| | **Geographical breakdown by Jurisdiction (J)** | **Applicable JCCyb ratio in effect (%)** | **RWA used in computation of CCyB ratio (in thousands of Hong Kong dollar)** | **AI-specific CCyB ratio (%)** | **CCyB amount** |
| 1 | Hong Kong SAR | 0.500% | 3,201 | | |
| 2 | Australia | 1.000% | 133 | | |
| 3 | South Korea | 1.000% | 278 | | |
| 4 | United Kingdom | 2.000% | 1,152 | | |
| 5 | Sum | | 4,764 | | |
| 6 | Total | | 8,830 | 0.487% | 42,536 |

## Template LR1: Summary comparison of accounting assets against leverage ratio ("LR") exposure measure

The following table reconciles the total assets in the published financial statements of the Company to the LR exposure measure.

| | | (a) |
|---|---|---|
| | **Item** | **Value under the LR framework (in thousands of Hong Kong dollar)** |
| 1 | Total consolidated assets as per published financial statements | 3,113,637 |
| 2 | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | - |
| 2a | Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference | - |
| 3 | Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting standard but excluded from the LR exposure measure | - |
| 3a | Adjustments for eligible cash pooling transactions | - |
| 4 | Adjustments for derivative contracts | - |
| 5 | Adjustment for SFTs (i.e. repos and similar secured lending) | - |
| 6 | Adjustment for off-balance sheet ("OBS") items (i.e. conversion to credit equivalent amounts of OBS exposures) | - |
| 6a | Adjustment for prudent valuation adjustments and specific and collective provisions that are allowed to be excluded from exposure measure | (157) |
| 7 | Other adjustments | (29,224) |
| 8 | **Leverage ratio exposure measure** | **3,084,256** |

## Template LR2: Leverage ratio ("LR")

The following table provides a detailed breakdown of the components of the Company's LR denominator.

| | | (a) | (b) |
|---|---|---|---|
| | | In thousands of Hong Kong dollar | |
| | | **As at December 31, 2024** | **As at September 30, 2024** |
| **On-balance sheet exposures** | | | |
| 1 | On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral) | 3,101,620 | 4,163,784 |
| 2 | Less: Asset amounts deducted in determining Tier 1 capital | (29,381) | (25,047) |
| 3 | **Total on-balance sheet exposures (excluding derivative contracts and SFTs)** | **3,072,239** | **4,138,737** |
| **Exposures arising from derivative contracts** | | | |
| 4 | Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting) | - | - |
| 5 | Add-on amounts for PFE associated with all derivative contracts | - | - |
| 6 | Gross-up for collateral provided in respect of derivative contracts where deducted from the balance sheet assets pursuant to the applicable accounting framework | - | - |
| 7 | Less: Deductions of receivables assets for cash variation margin provided under derivative contracts | - | - |
| 8 | Less: Exempted CCP leg of client-cleared trade exposures | - | - |
| 9 | Adjusted effective notional amount of written credit-related derivative contracts | - | - |
| 10 | Less: Adjusted effective notional offsets and add-on deductions for written credit-related derivative contracts | - | - |
| 11 | **Total exposures arising from derivative contracts** | **-** | **-** |
| **Exposures arising from SFTs** | | | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | - | - |
| 13 | Less: Netted amounts of cash payables and cash receivables of gross SFT assets | - | - |
| 14 | CCR exposure for SFT assets | - | - |
| 15 | Agent transaction exposures | - | - |
| 16 | **Total exposures arising from SFTs** | **-** | **-** |
| **Other off-balance sheet exposures** | | | |
| 17 | Off-balance sheet exposure at gross notional amount | - | - |
| 18 | Less: Adjustments for conversion to credit equivalent amounts | - | - |
| 19 | **Off-balance sheet items** | **-** | **-** |
| **Capital and total exposures** | | | |
| 20 | Tier 1 capital | 1,920,778 | 2,906,538 |
| 20a | Total exposures before adjustments for specific and collective provisions | 3,072,239 | 4,138,737 |
| 20b | Adjustments for specific and collective provisions | (157) | (160) |
| 21 | Total exposures after adjustments for specific and collective provisions | 3,072,082 | 4,138,577 |
| **Leverage ratio** | | | |
| **22** | **Leverage ratio** | **62.52%** | **70.23%** |

### Table LIQA: Liquidity risk management

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitments and to capitalize on opportunities for business expansion. This includes the Company's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory liquidity ratio, and to make new loans and investments as opportunities arise.

Liquidity is managed on a daily basis by the Treasury Teams under the direction of the Country Asset and Liability Committee ("ALCO") and in accordance with the Quarterly Liquidity Review Process (Horizontal Review), which is jointly reviewed and approved by Country Risk Manager and ALCO. The Treasury Teams are responsible for ensuring that the Company has adequate liquidity for all operations, and monitoring local and international markets for the adequacy of funding and liquidity.

The Company manages liquidity risk by holding sufficient liquid assets (e.g. cash and short term funds and securities) of appropriate quality to ensure that short term funding requirements are covered within prudent limits.

*Analysis of assets and liabilities by remaining maturity*

The following maturity profile is based on the remaining period at the balance sheet date to the contractual maturity date.

| *2024* | *Total* | *Repayable on demand* | *1 month or less* | *Over 1 month to 3 months* | *Over 3 months to 1 year* | *Undated or overdue* |
|---|---|---|---|---|---|---|
| ***Assets*** | | | | | | |
| Balance with banks | 2,059,964 | 2,059,964 | - | - | - | - |
| Financial assets at fair value through other comprehensive income | 994,830 | - | - | 994,830 | - | - |
| Plant and equipment | 308 | - | - | - | - | 308 |
| Deferred tax assets | 41,555 | - | - | - | - | 41,555 |
| Other assets | 16,980 | - | - | - | - | 16,980 |
| | 3,113,637 | 2,059,964 | - | 994,830 | - | 58,843 |
| ***Liabilities*** | | | | | | |
| Deposits and balances from banks | 465,885 | - | 465,885 | - | - | - |
| Defined benefit liabilities | 9,350 | - | - | - | - | 9,350 |
| Current taxation | 90,604 | | 90,604 | | | |
| Other liabilities | 659,249 | - | - | - | - | 659,249 |
| | 1,225,088 | - | 556,489 | - | - | 668,599 |
| Net asset gap | 1,888,549 | 2,059,964 | (556,489) | 994,830 | - | (609,756) |

## Table CRA: General information about credit risk

The Board has delegated responsibility to the Hong Kong Risk Management Committee to oversee credit risk arising from businesses and ensure the asset quality, adequate policies, and business activities in accordance with established policies and relevant laws and regulations. The Committee Chair periodically reports to the Board on portfolio performance, statutory limits compliance and significant credit issues.

The credit risk management function at the Company is responsible for:

- Approving business-specific policies and procedures
- Monitoring business risk performance
- Providing ongoing assessment of portfolio credit risk
- Ensuring the appropriate level of cost of credit (loan loss reserve and credit losses)
- Approving product and credit transaction

Given the existing business activities and strategies at the Company, credit risk is considered to be low.

The Company follows the global policies and procedures in relation to credit risk to the extent that they are aligned with local regulatory and statutory requirements. Citi has established processes for calculation, measurement, monitoring and reporting of credit risk by businesses. Local risk management should follow the global policies unless prior approval is obtained from regional / global credit risk management for deviations

Credit risk is subject to the regulatory capital charge under Pillar 1 of Basel III. The standardized approach is used to calculate credit risk weighted assets in Capital Adequacy Ratio which is submitted to the HKMA quarterly.

**Template CR1: Credit quality of exposures**

The following table provides an overview of credit quality of on- and off-balance exposures as at December 31, 2024.

| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) |
|---|---|---|---|---|---|---|---|---|
| | | Gross carrying amounts of | | Allowances / impairments | Of which ECL accounting provisions for credit losses on STC approach exposures | | Of which ECL accounting provisions for credit losses on IRB approach exposures | Net values (a+b-c) |
| | **In thousands of Hong Kong dollar** | Defaulted exposures | Non-defaulted exposures | | Allocated in regulatory category of specific provisions | Allocated in regulatory category of collective provisions | | |
| 1 | Loans | - | - | - | - | - | - | - |
| 2 | Debt securities | - | 994,830 | - | - | - | - | 994,830 |
| 3 | Off-balance sheet exposures | - | - | - | - | - | - | - |
| **4** | **Total** | **-** | **994,830** | **-** | - | - | - | **994,830** |

## Table CRB: Additional disclosure related to credit quality of exposures

***Impairment of assets***

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence that financial assets are impaired includes observable data that comes to the attention of the Company about one or more of the following loss events which has an impact on the future cash flows on the assets that can be estimated reliably:

- significant financial difficulty of the borrower;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the borrower;
- disappear of an active market for financial assets because of financial difficulties; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, the carrying amount is reduced to the estimated recoverable amount by means of a charge to the profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognized in respect of loans and receivables, which are measured at amortized cost, whose recovery is considered doubtful but not remote. In this case, the impairment losses are recorded using an allowance account. When the Company is satisfied that recovery is remote, the amount considered irrecoverable is written off against loans and receivables directly and any amounts held in the allowance account relating to that borrower/investment are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognized in the profit or loss.

As at reporting date, the Company has no impaired, past due or restructured exposures.

## Template CR2: Changes in defaulted loans and debt securities

The following table provides information on the changes in defaulted loans and debt securities, including any changes in the amount of defaulted exposures, movements between non-defaulted and defaulted exposures, and reductions in the defaulted exposures due to write-offs as at December 31, 2024 and June 30, 2024 respectively.

| | | (a) |
|---|---|---|
| | **In thousands of Hong Kong dollar** | Amount |
| **1** | **Defaulted loans and debt securities at end of the previous reporting period** | **-** |
| 2 | Loans and debt securities that have defaulted since the last reporting period | - |
| 3 | Returned to non-defaulted status | - |
| 4 | Amounts written off | - |
| 5 | Other changes | - |
| **6** | **Defaulted loans and debt securities at end of the current reporting period** | **-** |

As at reporting date, the Company has no outstanding reportable item in this template.

## Table CRC: Qualitative disclosures related to credit risk mitigation

Under the Banking (Capital) Rules, recognized netting is defined as any netting done pursuant to a valid bilateral netting arrangement. Consistent with the Banking (Capital) Rules, the Company only includes valid bilateral netting arrangements in the calculation of credit risk mitigation for capital adequacy purpose.

Given the business activities of the Company, there is no collateral received or managed in its normal operation.

**Template CR3: Overview of recognized credit risk mitigation**

The following table presents the extent of credit risk exposures covered by different types of recognized CRM as at December 31, 2024.

| | | (a) | (b1) | (b) | (d) | (f) |
|---|---|---|---|---|---|---|
| | **In thousands of Hong Kong dollar** | Exposures unsecured: carrying amount | Exposures to be secured | Exposures secured by recognized collateral | Exposures secured by recognized guarantees | Exposures secured by recognized credit derivative contracts |
| 1 | Loans | - | - | - | - | - |
| 2 | Debt securities | 994,830 | - | - | - | - |
| **3** | **Total** | **994,830** | **-** | **-** | **-** | **-** |
| 4 | Of which defaulted | - | - | - | - | - |

### Table CRD: Qualitative disclosures on use of ECAI ratings under STC approach

Credit ratings from Moody's Investors Service and Standard & Poor's Ratings Services are used for the exposures of Sovereign, Public sector entity ("PSE"), Multilateral development bank, Bank, Securities firm, Corporate and Collective investment scheme ("CIS"). The Company follows the process prescribed in Part 4 of the Banking (Capital) Rules to map the ratings to the exposures booked in the Company's banking book.

### Template CR4: Credit risk exposures and effects of recognized credit risk mitigation – for STC approach

The following table illustrates the effect of any recognized CRM (including recognized collateral under both comprehensive and simple approaches) on the calculation of capital requirements under STC approach as at December 31, 2024.

| | | (a) | (b) | (c) | (d) | (e) | (f) |
|---|---|---|---|---|---|---|---|
| | **In thousands of Hong Kong dollar** | **Exposures pre-CCF and pre-CRM** | | **Exposures post-CCF and post-CRM** | | **RWA and RWA density** | |
| | Exposure classes | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | RWA | RWA density |
| 1 | Sovereign exposures | 994,830 | - | 994,830 | - | - | 0% |
| 2 | PSE exposures | - | - | - | - | - | 0% |
| 2a | Of which: domestic PSEs | - | - | - | - | - | 0% |
| 2b | Of which: foreign PSEs | - | - | - | - | - | 0% |
| 3 | Multilateral development bank exposures | - | - | - | - | - | 0% |
| 4 | Bank exposures | 2,069,039 | - | 2,069,039 | - | 413,914 | 20% |
| 5 | Securities firm exposures | 109 | - | 109 | - | 55 | 50% |
| 6 | Corporate exposures | 7,034 | - | 7,034 | - | 7,548 | 107% |
| 7 | CIS exposures | - | - | - | - | - | 0% |
| 8 | Cash items | - | - | - | - | - | 0% |
| 9 | Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis | - | - | - | - | - | 0% |
| 10 | Regulatory retail exposures | - | - | - | - | - | 0% |
| 11 | Residential mortgage loans | - | - | - | - | - | 0% |
| 12 | Other exposures which are not past due exposures | 1,226 | - | 1,226 | - | 1,226 | 100% |
| 13 | Past due exposures | - | - | - | - | - | 0% |
| 14 | Significant exposures to commercial entities | - | - | - | - | - | 0% |
| **15** | **Total** | **3,072,238** | **-** | **3,072,238** | **-** | **422,743** | **14%** |

**Template CR5: Credit risk exposures by asset classes and by risk weights – for STC approach**

The following table presents a breakdown of credit risk exposures under STC approach by asset classes and by risk weights as at December 31, 2024.

| | In thousands of Hong Kong dollar | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (ha) | (i) | (j) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Exposure Class / Risk Weight | 0% | 10% | 20% | 35% | 50% | 75% | 100% | 150% | 250% | Others | Total credit risk exposures amount (post CCF and post CRM) |
| 1 | Sovereign exposures | 994,830 | - | - | - | - | - | - | - | - | - | 994,830 |
| 2 | PSE exposures | - | - | - | - | - | - | - | - | - | - | - |
| 2a | Of which: domestic PSEs | - | - | - | - | - | - | - | - | - | - | - |
| 2b | Of which: foreign PSEs | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Multilateral development bank exposures | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Bank exposures | - | - | 2,068,906 | - | - | - | 133 | - | - | - | 2,069,039 |
| 5 | Securities firm exposures | - | - | - | - | 109 | - | - | - | - | - | 109 |
| 6 | Corporate exposures | - | - | 65 | - | 173 | - | 5,492 | 1,304 | - | - | 7,034 |
| 7 | CIS exposures | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Cash items | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Exposures in respect of failed delivery on transactions entered into on a basis other than a delivery-versus-payment basis | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Regulatory retail exposures | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Residential mortgage loans | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Other exposures which are not past due exposures | - | - | - | - | - | - | 1,226 | - | - | - | 1,226 |
| 13 | Past due exposures | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Significant exposures to commercial entities | - | - | - | - | - | - | - | - | - | - | - |
| **15** | **Total** | **994,830** | **-** | **2,068,971** | **-** | **282** | **-** | **6,851** | **1,304** | **-** | **-** | **3,072,238** |

## Table IRRBBA: Interest rate risk in banking book – risk management objectives and policies

Interest Rate Risk in the Banking Book ("IRRBB") pertains to the risk to the Company's financial condition resulting from adverse movements in interest rates that affect the Company's capital and earnings. The Company's principal measures of risk to economic value of equity ("EVE") and net interest income ("NII") are defined based on the standardized framework described in the Supervisory Policy Manual module IR-1 "Interest Rate Risk in the Banking Book" and in accordance with the method used in the Return on Interest Rate Risk in the Banking Book (MA(BS)12A).

IRRBB is managed by Treasury within the limits that are set and monitored by the Company's independent risk management team, Asset and Liability Committee (ALCO) and the Board. The Company has an established IRRBB limit framework for identified risk factors that clearly defines approved risk profiles and aligns with the Company's risk appetite. In order to manage IRRBB effectively, the Company may take hedging actions or restructure existing positions to reduce IRRBB. The Company regularly assesses viability of these actions and other strategies, including further strengthening its capital position, and implement such strategies when deemed prudent, ensuring the Company operates well within established limits.

IRRBB regulatory reporting and monitoring is done on a quarterly basis. IRRBB measures from this return, including any hedging strategies or actions to reduce IRRBB, are presented to the ALCO and the Board. In addition to and in accordance with global firm-specific standards, IRRBB based on internal methodologies and assumptions is monitored on a monthly basis. While the Company uses internally defined standard interest rate shocks and scenario assumptions for internal risk reports, rate models and other assumptions that relate to interest rate risk sensitivity are consistent between internal monitoring and regulatory reporting. These models and assumptions are reviewed and validated on an annual basis, at the minimum, and where applicable, are governed by an established Model Risk Management Policy.

The Company employs additional measurements of vulnerability to loss, including stress testing based on the six standardized interest rate shocks defined by the HKMA and internally selected scenarios that reflect plausible balance sheet and risk changes as observed in the past as well as based on hypothetical or forward-looking assumptions. Potential impact from these changes is considered when reviewing policy, setting limits as well as assessing capital adequacy.

In calculating $\Delta$NII, the Company assumes that businesses and/or the Treasury make no additional changes in balances or positioning in response to the unanticipated rate changes. A static balance sheet is maintained throughout the 12 month forecast horizon, remaining constant in terms of size and product mix regardless of the interest rate scenario with maturing instruments being replaced with ones of the same original tenor and repricing terms.

Major currency positions reported are determined based on the criteria defined by HKMA. Currencies identified as significant for the current annual reporting date at 31st December 2024 are HKD and USD. IRR Economic Value Sensitivities do not include any netting across currencies. All favorable exposures (gains) are excluded and adverse exposures (losses) are reported.

## Template IRRBB1: Quantitative information on interest rate risk in banking book

This table provides information on the change in economic value of equity ("EVE") and change in net interest income ("NII") over next 12 months under each of the prescribed interest rate shock scenario in respect of the Company's interest rate exposures arising from banking book positions. The Company's variations in earnings based on the standardized framework described in the Supervisory Policy Manual module IR-1 "Interest Rate Risk in the Banking Book" and the Return on Interest Rate Risk in the Banking Book (MA(BS)12A) for the current annual reporting date at 31st December 2024 and comparative figures versus prior year are as follows:

| **In million of Hong Kong dollar** | | **ΔEVE** | | **ΔNII** | |
|---|---|---|---|---|---|
| | **Period** | **31st December 2024** | **31st December 2023** | **31st December 2024** | **31st December 2023** |
| 1 | Parallel up | 3 | 9 | -49 | -40 |
| 2 | Parallel down | 1 | 0 | 49 | 40 |
| 3 | Steepener | 1 | 0 | | |
| 4 | Flattener | 3 | 8 | | |
| 5 | Short rate up | 3 | 11 | | |
| 6 | Short rate down | 1 | 0 | | |
| 7 | **Maximum** | 3 | 11 | 49 | 40 |
| | **Period** | **31st December 2024** | | **31st December 2023** | |
| 8 | **Tier 1 capital** | 1,921 | | 1,897 | |

## Table REMA: Remuneration policy

Information hereby provided are in accordance with the Section 3 of the Guideline on Sound Remuneration System (CG-5), under the Supervisory Policy Manual (SPM) issued by the Hong Kong Monetary Authority (HKMA).

*Governance Structure of the Remuneration System*

Citicorp International Limited (CIL) is part of the Citigroup incorporated in the United States. The majority of its compensation framework and practices is driven by the global policy originated from the New York corporate office. As part of a global organization, CIL follows the global policies, programs, directions and guidelines where it is applicable to the local context. In formulating the Hong Kong Remuneration Principles, references are made from the respective global policies, standards and procedures with local regulatory governance / practices considered.

The Compensation, Performance Management and Culture Committee (CPC) has been delegated Board authority to oversee compensation matters for Citi and its subsidiaries and affiliates. The CPC is responsible for determining the compensation of the CEO and approving the compensation of other executive officers and members of Citi's Operating Committee. The CPC is also responsible for approving the incentive compensation structure for members of senior management and certain highly compensated employees.

The CPC annually reviews and discusses the compensation commentary and analysis required in the Citi's Proxy Statement with management, and if appropriate, recommends to the Board. Additionally, the CPC reviews and approves the overall goals of Citi's material incentive compensation programs, including the Citi's Compensation Philosophy. The CPC also provides oversight for Citi's incentive compensation programs so that they both (i) appropriately balance risk and financial results in a manner that does not encourage employees to expose Citi to imprudent risks, and (ii) are consistent with the bank's safety and soundness.

The CPC meets periodically with Citi's senior risk officers to discuss the risk attributes of Citi's incentive compensation programs. The CPC has the power to hire and fire independent compensation consultants, legal counsel, financial or other advisors as it may deem necessary to assist it in the performance of its duties and responsibilities.

Locally, the Board of CIL is responsible for overseeing senior management's implementation of the remuneration system applying to CIL to ensure compliance with the applicable regulatory requirements and assessing whether the CIL's overall remuneration policy is in line with its risk appetite, risk culture and long-term interests.

*Hong Kong Remuneration Principles*

The Hong Kong Remuneration Principles (Principles) are based on Citi's compensation philosophy and have been established as the general guiding principles on remuneration, including the identification of specific categories of employees and their definitions. The Principles also cover specific restrictions and limitations on the use of different compensation tools and sets out the regular monitoring approaches to ensure full compliance to the Principles, including an annual self-assessment performed by KPMG, an external independent party, a semi-annual internal monitoring process, and Citi's internal audit review which is

The definitions for the following categories of employees which are in accordance with the Guideline on a Sound Remuneration System (CG-5) issued by the HKMA are set out in the Principles:

*Senior Management*
Individual employees who are responsible for oversight of CIL firm-wide strategy or activities, or who oversee a major material business line. The Chief Executive (CE), Alternate Chief Executive, Executive Directors and Heads of Control Function (Finance, Independent Compliance Risk Management, Internal Audit and Risk Management), will be classified as Senior Management.

*Key Personnel*
Individual employees whose duties or activities in the course of their employment involve the assumption of material risk or the taking of material exposures on behalf of CIL that could materially impact on CIL capital sufficiency level.

The Principles were reviewed and approved by the CEO and Banking Head of Hong Kong and Macau, and the Board of CIL on its remuneration matters. The current version of the Principles was last updated in July 2024 and was duly approved by the above parties. The next annual review has been scheduled for Q2 2025.

*Compensation Objectives and Philosophy*

Our compensation objectives, as outlined below, have been developed and approved by the CPC, in consultation with management, the CPC's independent consultants and Citi's senior risk officers. They have been specifically created to encourage prudent risk-taking and management of controls while attracting the world-class talent necessary to our success. Our Compensation Philosophy is summarized in the following five objectives:

- Reinforce a business culture based on the highest ethical standards
- Manage our risks by encouraging prudent decision-making
- Reflect regulatory guidance in compensation programs
- Attract and retain the best talent to lead us to success
- Align compensation programs, structures, and decisions with stockholder and other stakeholder interests

Our full Compensation Philosophy statement is available on our public website.

*Key Design Characteristics of the Remuneration System*

Citi's compensation structure consists of a fixed remuneration component and a variable remuneration component. The fixed remuneration refers to the individual annual salary, and any other cash allowances where applicable. They are determined at a level that is necessary to allow Citi to compete for talent from the market and to retain them. The variable remuneration refers to the year-end discretionary incentive bonus and any variable incentive compensation plan awards. The variable remuneration is structured to encourage behaviors that support Citi's long-term objectives and business strategies. It is designed in a way not to encourage excessive risk-taking that would jeopardize Citi's risk tolerance and long-term financial soundness, while balancing the needs to attract and retain talent with the relevant skills, knowledge and expertise to discharge their specific functions. The mix between fixed and variable remuneration depends on the importance of the employee's role within the organization. In general, highly compensated employees will receive a greater percentage of their total annual compensation as variable remuneration. When implementing remuneration programs, Citi considers the risks associated with such programs, which in general would be the risk of encouraging excessive risk-taking behavior that would ultimately impact on Citi's performance and reputation.

### Table REMA: Remuneration policy (Continued)

*Performance Measurement, Risk Adjustment, and the Linkage between Pay and Performance*

When measuring the company performance, apart from general financial goals, costs and capitals, Citi also puts emphasis on client, culture, risk and control and compliance. Control measurements include internal audit assessment, public ratings obtained, including the CAMEL rating and the HKMA supervisory rating. Compliance measurements include the assessment on the implementation of compliance related policies in ensuring the business or function are capable to identify, assess, monitor, control and report the related compliance issue. It also includes the assessment on the success of setting an appropriate culture of compliance via the communication of the importance of all compliance related controls throughout the organization.

In evaluating an individual performance, both financial and non-financial factors are considered as part of the performance assessment process. The award of variable remuneration will depend on the fulfillment of their individual performance goals as agreed with their next level management, both financial and non-financial. Overall performance of an individual is assessed as an integral part of their performance measurement and will be appropriately reflected in the variable remuneration awarded to them.

The Leadership Principles represent the qualities, behaviors and expectations we all must exhibit to deliver on our mission of enabling economic growth and progress and to create a culture that drives client excellence, controls excellence and operational excellence. The Leadership Principles are comprised of three core principles and 12 behavioral statements. The core principles are as follows:

• We Take Ownership. We challenge one another to a higher standard in everything we do.
o Greets change with optimism, curiosity and resilience.
o Speaks up with candor and welcomes challenge from others.
o Learns from experiences, adapts and improves.
o Prioritizes the greater good when contributing to and honoring group decisions.

• We Deliver with Pride. We strive for client excellence, controls excellence and operational excellence.
o Simplifies, standardizes and clarifies work.
o Holds self and others accountable for managing risk with appropriate controls.
o Creates long-term value by fixing root causes.
o Takes pride in always doing the right thing.

• We Succeed Together. We value and learn from different perspectives to surpass stakeholder expectations.
o Breaks down barriers to deliver the best of Citi.
o Measures performance through the lens of our stakeholders.
o Invests in colleagues from all backgrounds.
o Shows empathy for colleagues, clients and communities.

These principles have been designed to be accessible to all colleagues using human and tangible language. They have been simplified in line with the vision for the firm and are readily actionable.

For employees working within Control Function roles, variable remuneration is not directly linked to the financial performance of Citi's businesses and is entirely based on the employee's pre-defined performance goals. The amount of variable remuneration awarded to any control function employee is in line with the employee's role in his or her control function and his or her satisfaction of pre-defined performance goals. Moreover, the variable remuneration pool allocations are directly allocated from Citi's corporate Control Function group without any influence by the local management. The remuneration decisions on individual Control Function employees are also conducted directly within the Control Function group chain of command without any influence by the local business management.

In the scenario when the company performance is weak, the variable remuneration pool as allocated from Citi's corporate office will be reduced in line with the weak performance. Individual's variable remuneration would have to be reviewed and decided within this reduced pool.. In that event, employees with higher performance rating may receive a less reduced variable remuneration whereas employees with lower performance rating may be receiving a larger reduction in their variable remuneration. For employees who are classified as covered employees according to the criteria as set out by Citi's corporate office, may have the vesting of deferred variable remuneration reduced according to a pre-defined vesting condition that takes into consideration Citi's overall performance.

*Deferral policy and vesting criteria, and the parameters used for allocating cash versus other forms of remuneration*

The variable remuneration awarded to highly compensated employees will be deferred under the Citi Discretionary Incentive and Retention Award Plan (DIRA). Generally, deferred variable remuneration awarded under the DIRA is granted in the form of an equity award that vests in four equal annual installments. The payment or distribution of deferred variable remuneration requires that the employees satisfy pre-defined vesting conditions. The pre-defined vesting conditions generally require that an employee remains actively employed by Citi over the vesting period applicable to the award. In addition, if deferred variable remuneration is awarded in the form of equity, the amount realized will depend upon the per-share price of Citi's common stock over an applicable vesting period, thereby linking the Citi's overall performance as reflected in its share price.

In some cases where an individual is identified as a covered employee, the deferral will be subject to a Material Adverse Outcomes (MAO) Settlement Condition which could result in a reduction of the deferred variable remuneration.

Generally, any unvested deferred variable remuneration is subject to clawback / forfeiture in the case of an employee's voluntary resignation; or upon involuntary termination on account of gross misconduct; or if it is found that the award is based on materially inaccurate publicly reported financial statements; or employees knowingly engaged in providing materially inaccurate information relating to publicly reported financial statements; or employees materially violated any risk limits established or revised by senior management and/or risk management.

**Template REM1: Remuneration awarded during financial year/ Template REM2: Special payments/ Template REM3: Deferred remuneration**

**Aggregated Quantitative Information on Remuneration for the Senior Management and Key Personnel** *(note 1)*

Amount in thousands of Hong Kong dollar

a) Amounts of remuneration awarded for the financial year, split into fixed and variable remuneration (further split into cash & shares), and number of beneficiaries:

| Citicorp International Limited *(note 2)* | Total Fixed Remuneration including benefit cost *(note 3)* | Variable Remuneration (awarded as immediate cash) | Deferred Variable Remuneration *(awarded in the form of shares to be vested in next 4 years)* | Deferred Variable Remuneration *(awarded in the form of deferred cash to be vested in next 4 years subject to financial performance of the designated reference business)* | Number of Beneficiaries *(note 4)* *(number of person)* |
|---|---|---|---|---|---|
| 2023 | 5,052 | 5,042 | 3,257 | NIL | 7 |
| 2024 | 3,730 | 3,618 | 2,249 | NIL | 6 |

b) Special payments (Guaranteed bonus, Sign-on awards and Severance payments) awarded/made in the financial year *(note 2)*:

| Citicorp International Limited | Guaranteed bonus | Number of Beneficiaries *(note 4)* *(number of person)* | Sign-on awards | Number of Beneficiaries *(note 4)* *(number of person)* | Severance payments | Number of Beneficiaries *(note 4)* *(number of person)* |
|---|---|---|---|---|---|---|
| 2023 | NIL | NIL | NIL | NIL | NIL | NIL |
| 2024 | NIL | NIL | NIL | NIL | NIL | NIL |

c) Unvested deferred remuneration as at end of 31 December of the respective year *(note 2)*:

| Citicorp International Limited | Unvested Equity - Value as of 31 December | Unvested Defer Cash - Value as of 31 December |
|---|---|---|
| 2023 | 8,731 | 2,152 |
| 2024 | 13,796 | 502 |

d) Deferred remuneration vested and payout during the respective year *(note 2)*:

| Citicorp International Limited | Vested Equity - Value as of the Vesting Dates | Vested Defer Cash - Value as of the Vesting Dates |
|---|---|---|
| 2023 | 1,691 | 2,115 |
| 2024 | 2,679 | 1,602 |

e) Total amount of unvested deferred remuneration subject to ex post explicit and / or implicit adjustments:

All unvested deferred remuneration as reported in item (c) above are all subject to ex post explicit and / or implicit adjustments. Deferred remuneration granted in form of Equity is subject to ex post implicit adjustment due to the fluctuation of the Citi stock as traded in the NYSE. For covered employees, the number of stock units is also exposed to a pre-defined vesting condition that could result in a reduction. For all employees, any gross misconduct will also lead to a forfeiture of the unvested deferred remuneration.

f) Deferred variable remuneration reduced due to ex post explicit adjustment:

2023: Nil
2024: Nil

g) Deferred variable remuneration reduced due to ex post implicit adjustment *(note 5)*:

| Citicorp International Limited | ex post implicit adjustment |
|---|---|
| 2023 | 1,057 |
| 2024 | 3,643 |

h) Number of meetings held by the CPC in New York *(note 6)*:

2023: 19 times
2024: 22 times

*Notes:*

*1. Data of Executive Directors, Non-Executive Directors, Senior Management and Key Personnel are reported in aggregate to preserve confidentiality of individual compensation information due to the small number of individuals identified as Key Personnel.*
*2. The above classifications are based on the AIs that run the business of which the Directors, Non-Executive Directors, Senior Management and Key Personnel are responsible.*
*3. The above disclosure included benefits cost or valuation of the cost, if applicable, that the company paid, including but not limited to the medical and life insurance benefits, retirement benefits, mortgage subsidies, housing assistance and long service award if any.*
*4. Number of Beneficiaries represents individuals who received remuneration during their employment assignment in a capacity of Executive Director, Non-Executive Director, Senior Management or Key Personnel, and the period could be a full year or a partial year due to people movement and turnover. For example, if an individual worked the first half year and then replaced by another individual who worked in the same capacity for the remaining half year, the number of beneficiaries will be counted as two while the remuneration disclosed will be the sum of each for their respective period.*
*5. Deferred variable remuneration reduced during the year due to ex post implicit adjustment was calculated as: total units of unvested equity reported X (equity price at end of the year – equity price at end of previous year). A negative value will be reported as the amount of reduction due to ex post implicit adjustments during the year, whereas a positive value reflects an increase in the value during the year.*
*6. Number of meetings held by the Compensation, Performance Management and Culture Committee in New York included some conducted in the format of conference calls and email approvals.*