



Citibank, N.A. - Hong Kong Branch

Financial Information Disclosure Statement

2020 Interim

CITIBANK, N.A. - HONG KONG BRANCH

We enclose herewith the Financial Information Disclosure Statement for the half-year ended June 30, 2020, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

Angel Ng
Chief Executive, Hong Kong
September 30, 2020

CITIBANK, N.A. - HONG KONG BRANCH

Income Statement

Figures in US\$ millions	Half-year ended June 30, 2020	Half-year ended June 30, 2019
Interest income	462	637
Interest expense	<u>(113)</u>	<u>(217)</u>
Net interest income	349	420
Profits arising from dealing in foreign currencies	83	110
Profits on disposal of available-for-sale securities	34	3
Profits on securities dealing	18	6
Profits from other dealing activities	42	5
fee and commission income	<u>252</u>	<u>345</u>
fee and commission expenses	<u>(251)</u>	<u>(345)</u>
Net fees and commission income	1	-
Others	<u>(10)</u>	<u>-</u>
Operating income	517	544
Staff costs	(110)	(101)
Premises and equipment expenses	(14)	(10)
Intercompany service fees expenses	<u>(55)</u>	<u>(68)</u>
Custodian charges & clearance fees	(13)	(9)
Others	<u>(24)</u>	<u>(27)</u>
Other operating expenses	<u>(92)</u>	<u>(104)</u>
Operating profit before impairment	301	329
Net charge of impairment losses	<u>(58)</u>	<u>(7)</u>
Profit before taxation	243	322
Taxation	<u>(36)</u>	<u>(50)</u>
Profit after taxation	<u>207</u>	<u>272</u>

CITIBANK, N.A. - HONG KONG BRANCH

Balance Sheet

Figures in US\$ millions	At June 30 2020	At December 31 2019
Assets		
Cash and balances with banks and other financial institutions	4,785	4,153
Placements with banks and other financial institutions (Note 1)	921	799
Amounts due from overseas offices	29,790	23,847
Trade bills	302	491
Securities held for trading	4,571	2,098
Loans and receivables (Note 2)	25,769	24,549
Available-for-sale securities	4,485	5,401
Other investments	20	7
Fixed assets	12	16
Total Assets	70,655	61,361
Liabilities		
Deposits and balances of banks and other financial institutions	4,060	4,017
Deposits from customers (Note 9)	51,509	45,826
Amounts due to overseas offices	4,038	3,949
Other liabilities	11,048	7,569
Total Liabilities	70,655	61,361

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION

Figures in US\$ millions	At June 30 2020	At December 31 2019
1. Placements with banks and other financial institutions		
	<u>Amount</u>	<u>Amount</u>
Maturing between one month and one year	921	799
2. Loans and receivables		
Advances to customers	18,516	19,461
Advances to banks	-	48
Accrued interest and other accounts	7,332	5,069
Less: impairment allowances - collectively assessed	(37)	(29)
Less: impairment allowances - individually assessed	(42)	-
	<u>25,769</u>	<u>24,549</u>

Individually assessed impairment allowance for specific remedial credits is maintained at Citibank, N.A. Hong Kong Branch ("the Branch") while, in general, collective impairment allowance of the Branch is still maintained at head office for absorbing all probable credit losses inherent in the bank's portfolio except for commercial banking portfolio.

The impairment allowance is calculated on an individual basis and considers the borrower's overall financial condition, risk rating, impact of macroeconomic environment, loan tenor, prospects for support from any financially responsible guarantors and the realizable value of any collateral. Specific impairment value may also be established for specific remedial credits when the discounted cash flows, collateral value (less disposal costs), or observable market price of the impaired loan is lower than its carrying value.

Figures in US\$ millions	At June 30, 2020		At December 31, 2019	
3. Advances to customers analyzed by industry sector				
	<u>Amount</u>	<u>% of advances covered by collateral or other securities</u>	<u>Amount</u>	<u>% of advances covered by collateral or other securities</u>
Gross advances to customers for use in Hong Kong				
Industrial, commercial and financial				
Property development	372	1%	607	17%
Property investment	1,295	17%	1,312	18%
Financial concerns	6,038	88%	6,153	90%
Stockbrokers	-	0%	6	0%
Wholesale and retail trade	943	26%	1,114	24%
Manufacturing	1,135	9%	1,175	10%
Transport and transport equipment	435	1%	436	0%
Recreational activities	1	0%	3	0%
Information technology	121	0%	114	0%
Others	2,267	62%	2,493	62%
	<u>12,607</u>		<u>13,413</u>	
Individuals				
Advances for the purchase of other residential properties	14	100%	16	100%
Others	1,624	100%	2,167	100%
	<u>1,638</u>		<u>2,183</u>	
Gross advances to customers for use in Hong Kong	14,246	63%	15,595	64%
Trade finance	1,063	29%	1,006	31%
Gross advances to customers for use outside Hong Kong	3,207	2%	2,860	2%
Gross advances to customers	<u>18,516</u>	50%	<u>19,461</u>	53%

The above analysis has been classified according to categories and definitions used by the Hong Kong Monetary Authority.

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION

Figures in US\$ millions At June 30, 2020 At December 31, 2019

4. Advances to customers analyzed by geographic area

Advances to customers by geographical area are classified according to the location of the counterparties. After taking into account the transfer of risk, exposures to a single country outside Hong Kong exceeding 10% of the aggregate gross amount of advances to customers are disclosed.

	Amount	% of Gross Advances to Customers	Amount	% of Gross Advances to Customers
China	2,648	14.30%	2,793	12.84%

5. Overdue advances to customers

	Overdue Advances to Customers	% of Gross Advances to Customers	Other Assets	Overdue Advances to Customers	% of Gross Advances to Customers	Other Assets
Advances to customers which have been overdue for periods of:						
6 months or less but over 3 months	-	-	7	-	-	-
1 year or less but over 6 months	-	-	2	-	-	1
Over 1 year	-	-	1	-	-	-
	-	-	10	-	-	1
Covered portion of overdue advances to customers	-			-		
Uncovered portion of overdue advances to customers	-			-		

The covered portion of overdue advances to customers represents the amount after credit risk mitigation, which consists of guarantee, standby letter of credit, fixed deposits and properties.

There were no overdue advances to banks as at June 30, 2020 and December 31, 2019.

6. Rescheduled advances to customers

	Amount	% of Gross Advances to Customers	Amount	% of Gross Advances to Customers
Rescheduled advances to customers	-	-	-	-

Rescheduled advances are those advances which have been restructured or renegotiated because of a deterioration in the financial position of the borrower, or because of the inability of the borrower to meet the original repayment schedule. Rescheduled advances to customers are stated net of any advances which have subsequently become overdue for over three months and which are included in overdue advances to customers in Note 5.

There were no rescheduled advances to banks as at June 30, 2020 and December 31, 2019.

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION

Figures in US\$ millions

At June 30, 2020

At December 31, 2019

7. Impaired advances to customers

a) Impaired advances to customers

	Amount	% of Gross Advances to Customers	Amount	% of Gross Advances to Customers
Overdue advances to customers	-	-	-	-
Rescheduled advances to customers	-	-	-	-
Less: impairment allowances - collectively assessed	-	-	-	-
Less: impairment allowances - individually assessed	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

b) Individually assessed impaired advances to customers

	Amount	Amount
Gross individually assessed impaired advances to customers	-	-
Less: impairment allowances - individually assessed	-	-
	<u>-</u>	<u>-</u>

Collateral held in respect of gross individually assessed impaired advances to customers:

Amount of collateral which has been taken into account in respect of gross individually assessed impaired advances to customers	<u>-</u>	<u>-</u>
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Where collateral values are greater than gross advances, only the amount of collateral up to the gross advance was included.

8. Repossessed assets

	Amount	Amount
Reposessed assets	<u>3</u>	<u>5</u>

Assets acquired in exchange for the release in full or in part of the obligations of the borrowers due to restructuring or the inability of borrowers to repay, are recorded as "Other assets" in the statement of financial position at the lower of net realization value and the carrying amount of the asset (net of any impairment allowance), until the assets are realized.

9. Deposits from customers

	Amount	Amount
Demand deposits and current accounts	37,987	32,720
Saving deposits	6,500	4,774
Time, call and notice deposits	7,022	8,332
	<u>51,509</u>	<u>45,826</u>

ADDITIONAL INFORMATION

Figures in US\$ millions

	At June 30 2020	At December 31 2019
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10. Non-bank Mainland exposure

The following analysis of non-bank Mainland exposures is based on the categories contained in the HKMA Return of Mainland Activities (MA(BS)20) as submitted to the HKMA by the Branch.

	On-balance sheet exposure	Off-balance sheet exposure	Total	On-balance sheet exposure	Off-balance sheet exposure	Total
1 Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	618	254	872	333	243	576
2 Local governments, local government-owned entities and their subsidiaries and JVs	48	1	49	41	-	41
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,586	1,087	2,673	1,507	1,014	2,521
4 Other entities of central governments not reported in item 1 above	99	378	477	88	536	624
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	294	111	405	288	126	414
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1,825	233	2,058	1,669	154	1,823
Total	4,470	2,064	6,534	3,926	2,073	5,999
Total assets after provision	70,557			61,233		
On-balance sheet exposures as percentage of total assets	6.34%			6.41%		

11. Foreign currency exposure

The net non-structural foreign currency position (regardless of sign) for each foreign currency which constitutes 10% or more of the total net non-structural positions in all foreign currencies are disclosed.

	At June 30 2020	At December 31 2019
a) Hong Kong Dollars		
Spot assets	18,883	17,337
Spot liabilities	(20,264)	(17,501)
Forward purchases	50,134	51,566
Forward sales	(49,403)	(51,899)
Net short position	<u>(650)</u>	<u>(497)</u>
b) Chinese Renminbi		
Spot assets	2,862	2,657
Spot liabilities	(5,515)	(4,721)
Forward purchases	68,116	59,018
Forward sales	(65,181)	(56,735)
Net long position	<u>282</u>	<u>219</u>

There were no foreign currency structural positions nor net option positions as at the above reporting dates.

ADDITIONAL INFORMATION

 Figures in US\$ millions

12. International Claims

The country-risk exposures in the table below are prepared in accordance with the HKMA Return of the 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. Countries or geographical areas constituting 10% or more of the total cross-border claims are disclosed.

	Banks	Official Sector	Non-bank financial institutions	Non-financial private sector	Others	Total
<u>As at June 30, 2020</u>						
a) Developed countries	30,345	1,206	1,740	1,802	-	35,093
Of which: United States	29,903	649	1,078	678	-	32,308
b) Offshore centres	1,276	1	2,578	4,494	-	8,349
Of which: Hong Kong SAR	1,249	1	2,267	4,221	-	7,738
c) Developing Asia and Pacific	3,232	279	1,402	2,108	-	7,021
Of which: China	939	273	1,044	1,636	-	3,892
<u>As at December 31, 2019</u>						
a) Developed countries	24,317	2,314	1,709	1,606	-	29,946
Of which: United States	23,925	1,439	1,103	621	-	27,088
b) Offshore centres	1,210	1	2,627	4,791	-	8,629
Of which: Hong Kong SAR	1,209	1	2,344	4,513	-	8,067
c) Developing Asia and Pacific	2,794	70	1,378	1,885	-	6,127
Of which: China	1,185	70	1,097	1,421	-	3,773

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION

Figures in US\$ millions	At June 30 2020	At December 31 2019
13. Off-balance sheet information		
a) Contingent liabilities and commitments		
Contractual or notional amounts		
Direct credit substitutes	759	915
Transaction-related contingencies	289	299
Trade-related contingencies	257	311
Other commitments	15,174	15,702
Others	100	-
	<u>16,579</u>	<u>17,227</u>

Contingent liabilities and commitments are credit-related instruments, the risk involved is similar to the credit risk involved in extending loan facilities to customers. These transactions are, therefore, subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans. The contract amounts represent the amounts at risk should the contract be fully drawn upon and the client default.

Since a significant portion of commitments is expected to expire without being drawn upon, the total of the contract amounts is not representative of future liquidity requirements.

b) Derivatives

Notional amounts		
Exchange rate contracts	326,200	310,264
Interest rate contracts	296,687	267,342
Others	13,812	4,333
	<u>636,699</u>	<u>581,939</u>
Fair value assets		
Exchange rate contracts	1,520	1,762
Interest rate contracts	2,716	891
Others	384	169
	<u>4,620</u>	<u>2,822</u>
Fair value liabilities		
Exchange rate contracts	1,497	1,730
Interest rate contracts	2,604	876
Others	381	169
	<u>4,482</u>	<u>2,775</u>

The above derivatives transactions are undertaken by the Branch in the foreign exchange, interest rate, equity and commodity markets. The notional amounts of these instruments indicate the volume of transactions outstanding and do not represent amounts at risk.

Derivatives are carried at fair value in the balance sheet. Asset values represent the cost to the Branch of replacing all transactions with a fair value in the Branch's favor assuming that all the Branch's relevant counterparties default at the same time, and that transactions can be replaced at the market. Liability values represent the cost to the Branch's counterparties of replacing all their transactions with the Branch with a fair value in their favor if the Branch were to default.

The fair values of the above derivative exposures do not take into account the effects of bilateral netting arrangements.

CITIBANK, N.A. - HONG KONG BRANCH**ADDITIONAL INFORMATION**

	Quarter ended June 30, 2020	Quarter ended March 31, 2020
14. Liquidity ratio		
The average Liquidity Maintenance Ratio for the period	35.90%	36.22%
The average Core Funding Ratio for the period	240.61%	236.65%

The Banking (Liquidity) Rules ("BLR") signified the implementation of Liquidity Maintenance Ratio ("LMR") and Core Funding Ratio ("CFR") for category 2A institution under Basel III liquidity standards in Hong Kong. Quarterly value of LMR and CFR reported are calculated based on the arithmetic mean of the average values of its LMR and CFR reported in its liquidity position return, for each month during the quarter. The relevant disclosures pursuant to section 103 of the Banking (Disclosure) Rules can be found in our website <http://www.citibank.com.hk/cbnahk>.

CITIBANK, N.A. (WORLDWIDE CONSOLIDATION OF CITIBANK, N.A. AND ITS SUBSIDIARIES)

ADDITIONAL INFORMATION

Figures in US\$ millions	At June 30 2020		At December 31 2019	
Capital and Capital Adequacy				
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	137,476	137,476	130,720	130,720
Tier 1 Capital	139,560	139,560	132,847	132,847
Total Capital	155,799	163,574	145,918	157,253
CET1 Ratio	13.97%	13.77%	14.03%	12.82%
Tier 1 Capital Ratio	14.19%	13.98%	14.26%	13.03%
Total Capital Ratio	15.84%	16.38%	15.66%	15.43%
Stockholder's Equity	153,311	153,311	150,122	150,122
Total Risk Weighted Assets	983,824	998,456	931,743	1,019,266

Based on the "Collins Amendment" of the Dodd-Frank Act, Citibank N.A., as an Advanced Approaches banking organization, is required to publicly report the lower of the capital ratios calculated under Advanced Approaches RWA and Standardized Approach RWA. Citibank's reportable CET1 Capital and Tier 1 Capital ratios were the lower derived under the U.S. Basel III Standardized Approach framework for both periods presented, whereas Citibank's Total Capital ratios were the lower derived under the U.S. Basel III Advanced Approaches as of June 30, 2020 and the U.S. Basel III Standardized Approach as of December 31, 2019.

Figures in US\$ millions	At June 30 2020	At December 31 2019
Other Financial Information		
Total Assets	1,633,678	1,453,998
Total Liabilities	1,479,751	1,303,262
Total Advances (Net of Allowances for Loan Losses)	626,351	648,667
Total Deposits (including those from banks)	1,244,403	1,079,840

Figures in US\$ millions	Half-year ended June 30, 2020	Half-year ended June 30, 2019
Pre-tax Profit	2,739	10,985

CITIGROUP INC. (THE ULTIMATE HOLDING COMPANY OF CITIBANK, N.A.)

ADDITIONAL INFORMATION

Figures in US\$ millions	At June 30 2020		At December 31 2019	
Capital and Capital Adequacy				
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	139,643	139,643	137,798	137,798
Tier 1 Capital	157,631	157,631	155,805	155,805
Total Capital	187,553	196,452	181,337	193,682
CET1 Ratio	11.59%	11.76%	12.13%	11.81%
Tier 1 Capital Ratio	13.08%	13.28%	13.72%	13.36%
Total Capital Ratio	15.56%	16.55%	15.97%	16.60%
Stockholder's Equity	191,622	191,622	193,242	193,242
Total Risk Weighted Assets	1,205,123	1,187,331	1,135,553	1,166,523

Based on the "Collins Amendment" of the Dodd-Frank Act, Citi, as an Advanced Approaches banking organization, is required to publicly report the lower of the capital ratios calculated under Advanced Approaches RWA and Standardized Approach RWA. Citigroup's reportable CET1 Capital and Tier 1 Capital ratios were the lower derived under the U.S. Basel III Advanced Approaches as of June 30, 2020 and the U.S. Basel III Standardized Approach as of December 31, 2019, whereas Citigroup's Total Capital ratios were the lower derived under the U.S. Basel III Advanced Approaches framework for both periods presented.

Figures in US\$ millions	At June 30 2020	At December 31 2019
Other Financial Information		
Total Assets	2,232,715	1,951,158
Total Liabilities	2,040,413	1,757,212
Total Advances (Net of Allowances for Loan Losses)	658,872	686,700
Total Deposits (including those from banks)	1,233,660	1,070,590

Figures in US\$ millions	Half-year ended June 30, 2020	Half-year ended June 30, 2019
Pre-tax Profit	4,558	12,177