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**Citibank, N.A. - Hong Kong Branch**

**Financial Information Disclosure Statement**

**December 31, 2019**

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

We enclose herewith the Financial Information Disclosure Statement for the year ended December 31, 2019, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

Angel Ng  
Chief Executive, Hong Kong  
April 29, 2020

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

**Income Statement**

Figures in US\$ millions	For the year ended December 31, 2019	For the year ended December 31, 2018
Interest income	1,267	1,026
Interest expense	<u>(431)</u>	<u>(320)</u>
<b>Net interest income</b>	<b>836</b>	<b>706</b>
Profits arising from dealing in foreign currencies	232	244
Profits on disposal of available-for-sale securities	6	(3)
Profits on securities dealing	9	7
Profits from other dealing activities	14	15
fee and commission income	<u>507</u>	<u>484</u>
fee and commission expenses	<u>(486)</u>	<u>(490)</u>
Net fees and commission income / (expenses)	21	(6)
Other operating profits	<u>(3)</u>	<u>1</u>
<b>Operating income</b>	<b>1,115</b>	<b>964</b>
Staff costs	(203)	(212)
Premises and equipment expenses	(19)	(14)
Intercompany service fees expenses	<u>(126)</u>	<u>(79)</u>
Custodian charges & clearance fees	<u>(21)</u>	<u>(16)</u>
Others	<u>(56)</u>	<u>(65)</u>
Other operating expenses	<u>(203)</u>	<u>(160)</u>
<b>Operating profit before impairment</b>	<b>690</b>	<b>578</b>
Net (charge) / recovery of impairment losses	<u>(14)</u>	<u>1</u>
<b>Profit before taxation</b>	<b>676</b>	<b>579</b>
Taxation	<u>(100)</u>	<u>(95)</u>
<b>Profit after taxation</b>	<b><u>576</u></b>	<b><u>484</u></b>

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

**Balance Sheet**

Figures in US\$ millions	At December 31 2019	At June 30 2019
<b>Assets</b>		
Cash and balances with banks and other financial institutions	4,153	3,642
Placements with banks and other financial institutions (Note 1)	799	687
Amounts due from overseas offices	23,847	20,967
Trade bills	491	357
Securities held for trading	2,098	4,562
Loans and receivables (Note 2)	24,549	23,884
Available-for-sale securities	5,401	4,242
Other investments	7	-
Fixed assets	16	10
<b>Total Assets</b>	<b>61,361</b>	<b>58,351</b>
<b>Liabilities</b>		
Deposits and balances of banks and other financial institutions	4,017	4,250
Deposits from customers (Note 9)	45,826	42,911
Amounts due to overseas offices	3,949	2,464
Other liabilities	7,569	8,726
<b>Total Liabilities</b>	<b>61,361</b>	<b>58,351</b>

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION

Figures in US\$ millions	At December 31 2019	At June 30 2019
<b>1. Placements with banks and other financial institutions</b>		
	<u>Amount</u>	<u>Amount</u>
Maturing between one month and one year	799	687
<b>2. Loans and receivables</b>		
Advances to customers	19,461	18,687
Advances to banks	48	18
Accrued interest and other accounts	5,069	5,206
Less: impairment allowances - collectively assessed	(29)	(27)
Less: impairment allowances - individually assessed	-	-
	<u>24,549</u>	<u>23,884</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, 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 December 31, 2019		At June 30, 2019	
<b>3. Advances to customers analyzed by industry sector</b>				
	<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	607	17%	330	31%
Property investment	1,312	18%	1,357	21%
Financial concerns	6,153	90%	5,610	91%
Stockbrokers	6	0%	3	0%
Wholesale and retail trade	1,114	24%	742	31%
Manufacturing	1,175	10%	1,574	10%
Transport and transport equipment	436	0%	503	15%
Recreational activities	3	0%	3	0%
Information technology	114	0%	116	0%
Others	2,493	62%	2,544	57%
	<u>13,413</u>		<u>12,782</u>	
Individuals				
Advances for the purchase of other residential properties	16	100%	17	100%
Others	2,167	100%	2,262	100%
	<u>2,183</u>		<u>2,279</u>	
Gross advances to customers for use in Hong Kong	15,595	64%	15,062	64%
Trade finance	1,006	31%	1,333	23%
Gross advances to customers for use outside Hong Kong	2,860	2%	2,292	0%
Gross advances to customers	<u>19,461</u>	53%	<u>18,687</u>	54%

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

## ADDITIONAL INFORMATION

Figures in US\$ millions

At December 31, 2019

At June 30, 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	<u>2,793</u>	<u>12.84%</u>	<u>2,356</u>	<u>12.61%</u>

**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	-	-	-	-	-	1
1 year or less but over 6 months	-	-	1	-	-	2
Over 1 year	-	-	-	-	-	-
	<u>-</u>	<u>0.00%</u>	<u>1</u>	<u>-</u>	<u>0.00%</u>	<u>3</u>
Covered portion of overdue advances to customers	-			-		
Uncovered portion of overdue advances to customers	<u>-</u>			<u>-</u>		

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 December 31, 2019 and June 30, 2019.

**6. Rescheduled advances to customers**

	Amount	% of Gross Advances to Customers	Amount	% of Gross Advances to Customers
Rescheduled advances to customers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 December 31, 2019 and June 30, 2019.

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION

Figures in US\$ millions

At December 31, 2019

At June 30, 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
Repossessed assets	<u>5</u>	<u>1</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	32,720	31,552
Saving deposits	4,774	2,878
Time, call and notice deposits	8,332	8,481
	<u>45,826</u>	<u>42,911</u>

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION

Figures in US\$ millions	At December 31 2019			At June 30 2019		
<b>10. Non-bank Mainland exposure</b>						
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)	333	243	576	441	423	864
2 Local governments, local government-owned entities and their subsidiaries and JVs	41	-	41	42	1	43
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,507	1,014	2,521	1,860	859	2,719
4 Other entities of central governments not reported in item 1 above	88	536	624	152	538	690
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	288	126	414	235	190	425
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1,669	154	1,823	1,689	97	1,786
Total	<u>3,926</u>	<u>2,073</u>	<u>5,999</u>	<u>4,419</u>	<u>2,108</u>	<u>6,527</u>
Total assets after provision	61,233			58,274		
On-balance sheet exposures as percentage of total assets	6.41%			7.58%		

**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 December 31 2019	At June 30 2019
<b>a) Hong Kong Dollars</b>		
Spot assets	17,337	20,030
Spot liabilities	(17,501)	(17,537)
Forward purchases	51,566	57,744
Forward sales	(51,899)	(60,558)
Net short position	<u>(497)</u>	<u>(321)</u>
<b>b) Chinese Renminbi</b>		
Spot assets	2,657	3,492
Spot liabilities	(4,721)	(5,119)
Forward purchases	59,018	79,532
Forward sales	(56,735)	(77,644)
Net long position	<u>219</u>	<u>261</u>

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

## ADDITIONAL INFORMATION

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 Figures in US\$ millions
 

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**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
<b><u>As at December 31, 2019</u></b>						
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
<b><u>As at June 30, 2019</u></b>						
a) Developed countries	21,855	1,534	1,557	1,343	-	26,289
Of which: United States	21,078	550	1,033	416	-	23,077
b) Offshore centres	397	14	1,808	4,585	-	6,804
Of which: Hong Kong SAR	383	14	1,593	4,315	-	6,305
c) Developing Asia and Pacific	2,661	724	1,278	1,756	-	6,419
Of which: China	1,665	710	974	1,431	-	4,780

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION

Figures in US\$ millions	At December 31 2019	At June 30 2019
<b>13. Off-balance sheet information</b>		
<b>a) Contingent liabilities and commitments</b>		
Contractual or notional amounts		
Direct credit substitutes	915	750
Transaction-related contingencies	299	273
Trade-related contingencies	311	344
Other commitments	15,702	14,755
Others	-	-
	17,227	16,122

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	310,264	389,730
Interest rate contracts	267,342	294,660
Others	4,333	13,175
	581,939	697,565
Fair value assets		
Exchange rate contracts	1,762	1,904
Interest rate contracts	891	1,202
Others	169	125
	2,822	3,231
Fair value liabilities		
Exchange rate contracts	1,730	2,008
Interest rate contracts	876	1,178
Others	169	125
	2,775	3,311

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.

## ADDITIONAL INFORMATION

	Quarter ended December 31, 2019	Quarter ended September 30, 2019
<b>14. Liquidity ratio</b>		
The average Liquidity Maintenance Ratio for the period	34.28%	35.07%
The average Core Funding Ratio for the period	237.21%	244.20%

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/cbna.hk>.

**Liquidity Risk Management**

The Branch's liquidity risk management process is integrated into the overall Citi liquidity and funding process and liquidity monitoring framework. Liquidity is managed at the Citi-level, the Citibank NA-level, the Country level and the level of Material Legal Entity ("MLE").

Citi policy requires all MLE (which is the level at which the Branch is operating at) to maintain a strong liquidity position and ensure sufficient cash flows to meet all financial commitment and to capitalize on opportunities for business expansion. This includes the Branch'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 make new loans and investments as opportunities arise. The Branch maintains a pool of customer deposits, which made up of current and savings accounts and time deposits. The customer deposits are widely diversified by type and maturity and represent a stable source of funding.

*Policies and Procedures*

The Branch has established an Asset and Liability Management Committee ("ALCO"). The ALCO Charter includes the monitoring and control of liquidity and funding. ALCO monitors trends in balance sheet and ensures that any concerns that might impact the stability of the customer deposits are addressed effectively.

It is the responsibility of the Branch's management to ensure compliance with local regulatory requirements and limits set by ALCO. The Branch's liquidity resources are managed by the treasurer. Liquidity is managed on a daily basis by treasury function. ALCO is ultimately responsible for overseeing liquidity risk that the Branch is able to take and ensure that there is a robust liquidity management process in place.

The Branch's liquidity risk management framework requires limits to be set for prudent liquidity management, the limits and internal targets mainly include:

- Net intragroup balance
- Liquidity ratios
- Deposit to loan ratio
- Daily stress test (S2)
- Resolution Liquidity Adequacy & Positioning (RLAP) Ratio

All limits and internal targets are reviewed at least annually and more frequently if required, to ensure that they remain relevant to current market conditions and business strategy. These limits and targets are monitored and reviewed by ALCO on a regular basis. Any limit excess will be escalated under a delegated authority structure and reviewed by ALCO and the Head Office. A Contingency Funding Plan (CFP) playbook is in place for Hong Kong, on a total country basis, which lays out the trigger points and actions in the event of liquidity crisis to ensure that there is an effective response by senior management in case of such an event.

The Branch's securities holdings are mainly in government securities that can be liquidated, repurchased or used as collateral in the event of liquidity stress.

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

**ADDITIONAL INFORMATION**

Figures in US\$ millions	At December 31 2019		At June 30 2019	
<b>Capital and Capital Adequacy</b>	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	130,720	130,720	130,742	130,742
Tier 1 Capital	132,847	132,847	132,875	132,875
Total Capital	145,918	157,253	145,554	156,304
CET1 Ratio	14.03%	12.82%	13.99%	12.56%
Tier 1 Capital Ratio	14.26%	13.03%	14.22%	12.76%
Total Capital Ratio	15.66%	15.43%	15.57%	15.01%
Stockholder's Equity	150,122	150,122	150,289	150,289
Total Risk Weighted Assets	931,743	1,019,266	934,661	1,041,349

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. For both periods presented, Citibank's reportable CET1 Capital, Tier 1 Capital and Total Capital ratios were the lower derived under the U.S. Basel III Standardized Approach framework.

Figures in US\$ millions	At December 31 2019	At June 30 2019
<b>Other Financial Information</b>		
Total Assets	1,453,998	1,459,623
Total Liabilities	1,303,262	1,308,735
Total Advances (Net of Allowances for Loan Losses)	648,667	638,322
Total Deposits (including those from banks)	1,079,840	1,069,481

Figures in US\$ millions	Year ended December 31, 2019	Year ended December 31, 2018
<b>Pre-tax Profit</b>	22,367	21,721

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

**ADDITIONAL INFORMATION**

Figures in US\$ millions	At December 31 2019		At June 30 2019	
<b>Capital and Capital Adequacy</b>	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	137,798	137,798	141,125	141,125
Tier 1 Capital	155,805	155,805	159,106	159,106
Total Capital	181,337	193,682	185,157	197,338
CET1 Ratio	12.13%	11.81%	12.45%	11.89%
Tier 1 Capital Ratio	13.72%	13.36%	14.04%	13.40%
Total Capital Ratio	15.97%	16.60%	16.33%	16.62%
Stockholder's Equity	193,242	193,242	197,359	197,359
Total Risk Weighted Assets	1,135,553	1,166,523	1,133,593	1,187,328

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. For both periods presented, Citigroup's reportable CET1 Capital and Tier 1 Capital ratios were the lower derived under the U.S. Basel III Standardized Approach, whereas Citigroup's Total Capital ratios were the lower derived under the U.S. Basel III Advanced Approaches framework.

Figures in US\$ millions	At December 31 2019	At June 30 2019
<b>Other Financial Information</b>		
Total Assets	1,951,158	1,988,226
Total Liabilities	1,757,212	1,790,116
Total Advances (Net of Allowances for Loan Losses)	686,700	676,204
Total Deposits (including those from banks)	1,070,590	1,045,607

Figures in US\$ millions	Year ended December 31, 2019	Year ended December 31, 2018
<b>Pre-tax Profit</b>	23,901	23,445