



Citicorp International Limited
Financial Information Disclosure Statements

2013 Interim

CITICORP INTERNATIONAL LIMITED

We enclose herewith the Financial Information Disclosure Statements for the half-year ended June 30, 2013, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

By Order of the Board

Kuldeep Singh
Director and Chief Executive
September 30, 2013

CITICORP INTERNATIONAL LIMITED

The directors are pleased to announce the unaudited interim results of Citicorp International Limited (the "Company") for the half-year ended June 30, 2013.

2013 First Half Results

For the period under review, operating income decreased by 24% to HK\$1,383 million. Operating expenses decreased by 3% to HK\$692 million.

Profit after taxation decreased by 37% to HK\$574 million.

STATEMENT OF COMPREHENSIVE INCOME

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

	<i>Note</i>	<i>Half-year ended Jun 30, 2013</i>	<i>Half-year ended Jun 30, 2012</i>
Interest income	1	8,786	4,288
Interest expense	2	(1,129)	(702)
Net interest income		7,657	3,586
Net fee and commission income	3	1,375,346	1,808,270
Net trading income	4	242	741
Operating income		1,383,245	1,812,597
- Staff costs		(513,119)	(507,214)
- Premises & equipment expenses		(51,715)	(50,501)
- Depreciation expenses		(299)	(329)
- Other operating expenses		(126,692)	(157,538)
Operating expenses		(691,825)	(715,582)
Profit before taxation		691,420	1,097,015
Taxation	5	(116,926)	(184,235)
Profit after tax		574,494	912,780
Other comprehensive income			
Changes in fair value of available-for-sale financial assets		(6,814)	91
Total comprehensive income		567,680	912,871

BALANCE SHEET

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

	<i>Note</i>	<i>At Jun 30, 2013</i>	<i>At Dec 31, 2012</i>
Assets			
Balances with banks		1,373,971	257,915
Placements with banks	6	4,372,971	4,307,242
Available-for-sale financial assets		669,996	386,769
Defined benefit assets		16,716	16,260
Fixed assets	7	1,125	1,400
Deferred tax assets		35,051	9,387
Other assets		204,620	1,028,625
		6,674,450	6,007,598
Liabilities			
Deposits and balances of banks		701,691	452,772
Current taxation		147,280	78,185
Other liabilities		560,727	779,568
		1,409,698	1,310,525
Equity			
Share capital		187,556	187,556
Reserves	8	5,077,196	4,509,517
		5,264,752	4,697,073
		6,674,450	6,007,598

ADDITIONAL INFORMATION

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

1 Interest income

	<i>Half-year ended Jun 30, 2013</i>	<i>Half-year ended Jun 30, 2012</i>
Interest income on placements with banks	5,126	4,288
Interest income from available-for-sale financial assets	3,660	-
	<u>8,786</u>	<u>4,288</u>

2 Interest expense

	<i>Half-year ended Jun 30, 2013</i>	<i>Half-year ended Jun 30, 2012</i>
Interest expense on deposits and balances of banks	1,129	702

3 Net fee and commission income

	<i>Half-year ended Jun 30, 2013</i>	<i>Half-year ended Jun 30, 2012</i>
Corporate finance fees	5,280	243
Agency and servicing fees	23,515	15,579
Banking support services fees	1,346,551	1,792,448
	<u>1,375,346</u>	<u>1,808,270</u>

4 Net trading income

	<i>Half-year ended Jun 30, 2013</i>	<i>Half-year ended Jun 30, 2012</i>
Net gain from dealing in foreign exchange	156	696
Net gain from securities trading	86	45
	<u>242</u>	<u>741</u>

ADDITIONAL INFORMATION

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

5 Taxation

	<i>Half-year ended Jun 30, 2013</i>	<i>Half-year ended Jun 30, 2012</i>
Current Tax - Hong Kong Profits Tax	140,825	181,867
Current Tax - Overseas	1,765	565
Deferred tax	(25,664)	1,803
	<u>116,926</u>	<u>184,235</u>

6 Placements with banks

	<i>At Jun 30, 2013</i>	<i>At Dec 31, 2012</i>
Maturing within one month	<u>4,372,971</u>	<u>4,307,242</u>

7 Fixed assets

	<i>Furniture and equipment</i>
<i>Cost:</i>	
At January 1, 2013	5,526
Additions	24
Write-offs	<u>(250)</u>
At June 30, 2013	<u>5,300</u>
<i>Accumulated depreciation:</i>	
At January 1, 2013	4,126
Charge for the period	299
Write-offs	<u>(250)</u>
At June 30, 2013	<u>4,175</u>
<i>Net book value:</i>	
At June 30, 2013	<u>1,125</u>
At Dec 31, 2012	<u>1,400</u>

ADDITIONAL INFORMATION

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

8 Reserves

	<i>At Jun 30, 2013</i>	<i>At Dec 31, 2012</i>
Available-for-sales revaluation reserve	(4,988)	1,827
Retained profits	4,928,324	4,353,830
Capital reserves	<u>153,860</u>	<u>153,860</u>
	<u>5,077,196</u>	<u>4,509,517</u>

Available-for-sale revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities until the financial assets are derecognized and is dealt with in accordance with the accounting policies for financial instruments and impairment of assets.

Capital reserves

The capital reserves comprise the subsequent change in fair value of the share awards granted to employees of the Company recognized in accordance with the accounting policy for share-based payments.

9 Cross border claims

The cross-border exposures in the table below are prepared in accordance with the HKMA Return of the External Positions Part II: Cross-Border Claims (MA(BS)9A) guidelines. Cross-border 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.

	<i>At Jun 30, 2013</i>	<i>At Dec 31, 2012</i>
<i>United States of America</i>		
- Banks and other financial institutions	<u>5,940,524</u>	<u>5,313,751</u>
<i>South Korea</i>		
- Corporates	<u>671,073</u>	<u>387,640</u>

There were no advances to public sector entities as at the above respective reporting dates.

ADDITIONAL INFORMATION

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

10 Currency risk

The Company's foreign currency positions arise from foreign exchange dealing. All foreign currency positions are managed by the Treasury Department within limits approved by the Market Risk Management.

The Company seeks to manage closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

The net positions in foreign currencies are disclosed when each currency constitutes 10% or more of the respective total net position in all foreign currencies.

	<i>At Jun 30, 2013</i>	<i>At Dec 31, 2012</i>
<i>United States dollars</i>		
Spot assets	816,998	459,676
Spot liabilities	(905,133)	(525,005)
Net short position	(88,135)	(65,329)

There were no foreign currency structural positions as at the above reporting dates.

11 Liquidity ratio

	<i>Half-year ended Jun 30, 2013</i>	<i>Half-year ended Jun 30, 2012</i>
Average liquidity ratio for the period	5,768.87%	3,669.82%

The average liquidity ratio is computed as the simple average of each calendar month's average ratio and in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

ADDITIONAL INFORMATION

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

12 Capital adequacy ratio

(a) Capital adequacy ratio at June 30, 2013

The capital adequacy ratios were calculated in accordance with the Banking (Capital) Rules (the “Capital Rules”). The ratios as of June 30, 2013 are compiled in accordance with the amended Capital Rules effective from January 1, 2013 for the implementation of the Basel III capital accord. In accordance with the Capital Rules, 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’s regulatory capital position was as follows:

	<i>At Jun 30, 2013</i>
Common Equity Tier 1 (CET1) capital ratio	63.56%
Tier 1 capital ratio	63.56%
Total capital ratio	63.56%

Regulatory capital disclosure can be found in our website

<http://citigroup.com/citi/about/countrypresence/hong-kong.html>

covering a description of the main features, the full terms and conditions of the Company’s capital instruments, a detailed breakdown of the Company’s CET1 capital, AT1 capital, Tier 2 capital, regulatory deductions and a full reconciliation between the Company’s accounting and regulatory balance sheets.

(b) Capital adequacy ratio at December 31, 2012

The ratios as of December 31, 2012 were compiled in accordance with the pre-amended Capital Rules as in force immediately before January 1, 2013. Accordingly, the capital ratios of the two reporting dates are not directly comparable.

The Company’s regulatory capital position was as follows:

	<i>At Dec 31, 2012</i>
Core capital adequacy ratio	63.23%
Capital adequacy ratio	63.23%

ADDITIONAL INFORMATION

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

12 Capital adequacy ratio (continued)

(b) Capital adequacy ratio at December 31, 2012 (continued)

Components of capital base

	<i>At Dec 31, 2012</i>
<i>Core capital:</i>	
Paid-up ordinary share capital	187,556
Published reserves	2,909,205
Profit and loss account	<u>1,598,485</u>
Total core capital before deduction	4,695,246
Less: Deductions from core capital	<u>(9,387)</u>
Total core capital after deduction	4,685,859
<i>Supplementary capital:</i>	
Reserves relating to available for sale debt securities	<u>1,299</u>
Total capital base after deduction	<u><u>4,687,158</u></u>
Total deductions from core capital and supplementary capital	<u><u>(9,387)</u></u>