



Citicorp International Limited

Financial Information Disclosure Statement

2015 Interim

CITICORP INTERNATIONAL LIMITED

We enclose herewith the Financial Information Disclosure Statement for the half-year ended June 30, 2015, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

By Order of the Board

Mok Siu Hung Paulus
Director and Chief Executive
September 30, 2015

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, 2015

2015 First Half Results

For the period under review, operating income was HK\$1,827 million (higher than prior year by 57%). Operating expenses was HK\$818 million (lower than prior year by 3%).

Profit after taxation was HK\$837 million (higher than prior year by 214%).

STATEMENT OF COMPREHENSIVE INCOME

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

	<i>Note</i>	<i>Half-year ended Jun 30, 2015</i>	<i>Half-year ended Jun 30, 2014</i>
Interest income	1	12,941	14,847
Interest expense	2	<u>(1,841)</u>	<u>(1,851)</u>
Net interest income		11,100	12,996
Net fee and commission income	3	1,815,463	1,152,539
Net trading income	4	735	248
Operating income		1,827,298	1,165,783
- Staff costs		(550,478)	(547,467)
- Premises & equipment expenses		(61,832)	(55,762)
- Depreciation expenses		(325)	(360)
- Other operating expenses		(205,757)	(241,974)
Operating expenses		(818,392)	(845,563)
Profit before taxation		1,008,906	320,220
Taxation	5	<u>(172,135)</u>	<u>(53,606)</u>
Profit after tax		836,771	266,614
Other comprehensive income			
Changes in fair value of available-for-sale financial assets		(1,816)	5,367
Total comprehensive income		<u>834,955</u>	<u>271,981</u>

BALANCE SHEET

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

	<i>Note</i>	<i>At Jun 30, 2015</i>	<i>At Dec 31, 2014</i>
Assets			
Balances with banks	6	6,776,180	5,679,362
Available-for-sale financial assets		1,191,814	1,192,999
Fixed assets	7	640	965
Deferred tax assets		30,592	32,494
Current taxation		-	37,320
Other assets		444,845	354,592
		<u>8,444,071</u>	<u>7,297,732</u>
Liabilities			
Deposits and balances of banks		1,493,183	1,332,971
Current taxation		132,784	-
Other liabilities		641,787	623,402
		<u>2,267,754</u>	<u>1,956,373</u>
Equity			
Share capital		187,556	187,556
Reserves	8	5,988,761	5,153,803
		<u>6,176,317</u>	<u>5,341,359</u>
		<u>8,444,071</u>	<u>7,297,732</u>

Additional Information

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

1 Interest income

	<i>Half-year ended Jun 30, 2015</i>	<i>Half-year ended Jun 30, 2014</i>
Interest income on placements with banks	4,946	4,417
Interest income from available-for-sale financial assets	<u>7,995</u>	<u>10,430</u>
	<u><u>12,941</u></u>	<u><u>14,847</u></u>

2 Interest expense

	<i>Half-year ended Jun 30, 2015</i>	<i>Half-year ended Jun 30, 2014</i>
Interest expense on deposits and balances of banks	<u>1,841</u>	<u>1,851</u>

3 Net fee and commission income

	<i>Half-year ended Jun 30, 2015</i>	<i>Half-year ended Jun 30, 2014</i>
Agency and servicing fees	32,339	28,965
Banking support services fees	<u>1,783,124</u>	<u>1,123,574</u>
	<u><u>1,815,463</u></u>	<u><u>1,152,539</u></u>

4 Net trading income

	<i>Half-year ended Jun 30, 2015</i>	<i>Half-year ended Jun 30, 2014</i>
Net gain from dealing in foreign exchange	738	390
Net loss from trading securities	(3)	-
Net loss from sale of available-for-sale financial assets	<u>-</u>	<u>(142)</u>
	<u><u>735</u></u>	<u><u>248</u></u>

Additional Information

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

5 Taxation

	<i>Half-year ended Jun 30, 2015</i>	<i>Half-year ended Jun 30, 2014</i>
Current Tax - Hong Kong Profits Tax	171,783	56,242
Current Tax - Overseas	(25)	7
Deferred tax	<u>377</u>	<u>(2,643)</u>
	<u><u>172,135</u></u>	<u><u>53,606</u></u>

6 Balances with banks

	<i>At Jun 30, 2015</i>	<i>At Dec 31, 2014</i>
Balances with banks	1,472,951	1,037,963
Placement with bank maturing within one month	<u>5,303,229</u>	<u>4,641,399</u>
	<u><u>6,776,180</u></u>	<u><u>5,679,362</u></u>

7 Fixed assets

	<i>Furniture and equipment</i>
<i>Cost:</i>	
At January 1, 2015	5,631
Additions	-
Write-offs	<u>(286)</u>
At June 30, 2015	<u>5,345</u>
<i>Accumulated depreciation:</i>	
At January 1, 2015	4,666
Charge for the period	325
Write-offs	<u>(286)</u>
At June 30, 2015	<u>4,705</u>
<i>Net book value:</i>	
At June 30, 2015	<u><u>640</u></u>
At Dec 31, 2014	<u><u>965</u></u>

Additional Information

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

8 Reserves

	<i>At Jun 30, 2015</i>	<i>At Dec 31, 2014</i>
Available-for-sales revaluation reserve	4,178	5,994
Retained profits	5,871,635	5,034,864
Capital reserves	<u>112,948</u>	<u>112,945</u>
	<u>5,988,761</u>	<u>5,153,803</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 International claims

The country risk exposures in the tables below are prepared in according to the location and types of the counterparties as defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA's Return of International Banking Statistics. International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk.

International claims attributable to individual countries or areas not less than 10% of the bank's total international claims, after recognised risk transfer, are shown as follows:

	<i>At Jun 30, 2015</i>				
	<u><i>Non-bank private sector</i></u>				<i>Total</i>
	<i>Banks</i>	<i>Official Sector</i>	<i>Non-bank financial institutions</i>	<i>Non-financial private sector</i>	
Offshore centres	6,942,149	-	2,443	42,117	
of which Hong Kong SAR	6,942,149	-	2,443	38,606	6,983,198
Developing Asia and Pacific	13,456	-	-	1,195,463	1,208,919
of which South Korea	10,470	-	-	1,193,186	1,203,656

Additional Information

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

9 International claims (continued)

	<i>At Dec 31, 2014</i>				<i>Total</i>
	<i>Non-bank private sector</i>				
	<i>Banks</i>	<i>Non-bank</i>			
		<i>Official Sector</i>	<i>financial institutions</i>	<i>Non-financial private sector</i>	
Offshore centres	5,811,188	-	1,522	84,304	5,897,014
of which Hong Kong SAR	5,811,188	-	1,522	83,516	5,896,226
Developing Asia and Pacific	13,461	-	594	1,213,698	1,227,753
of which South Korea	10,474	-	-	1,194,330	1,204,804

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, 2015</i>	<i>At Dec 31, 2014</i>
<i>United States dollars</i>		
Spot assets	1,940,514	1,460,082
Spot liabilities	(1,508,989)	(1,573,993)
Forward sales	(581,250)	-
Net short position	(149,725)	(113,911)

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

11 Liquidity ratio

	<i>Half-year ended Jun 30, 2015</i>	<i>Half-year ended Jun 30, 2014</i>
Average liquidity maintenance ratio for the period	160%	N/A
Average liquidity ratio for the period	N/A	8,240%

The liquidity maintenance ratio is calculated in accordance with the Banking (Liquidity) Rules effective from January 1, 2015, and the average ratio for the half year ended June 30, 2015 is computed as the simple average of each calendar month's average ratio.

The average liquidity ratio for the half year ended June 30, 2014 was computed as the simple average of each calendar month's average ratio and in accordance with the Fourth Schedule of the Hong Kong Banking Ordinance.

Additional Information

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

11 Liquidity ratio (continued)

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.

12 Capital adequacy ratio

The capital adequacy ratios were calculated in accordance with the Banking (Capital) Rules (the "Capital Rules"). The ratios 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, 2015</i>	<i>At Dec 31, 2014</i>
Common Equity Tier 1 (CET1) capital ratio	<u>87.58%</u>	<u>77.48%</u>
Tier 1 capital ratio	<u>87.58%</u>	<u>77.48%</u>
Total capital ratio	<u>87.58%</u>	<u>77.48%</u>

Countercyclical Capital Buffer Ratio

There is no information disclosed relating to the Countercyclical capital buffer ("CCyB") ratio pursuant to section 24B of the Banking (Disclosure) Rules for this period because the applicable JCCyB ratio (a capital buffer level announced by the regulatory authorities for the purpose of implementing the provisions concerning the countercyclical capital buffer under Basel III) for Hong Kong and for jurisdiction outside Hong Kong are at 0% before 1 January 2016.

Capital Conservation Buffer Ratio

Under the Banking (Capital) Rules, the capital conservation buffer ratio for calculating the Company's buffer level is 0% for 2015.

Regulatory capital disclosure can be found in our website <http://www.citibank.com.hk/cil> 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.

Additional Information

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

13 Leverage ratio

	<i>At Jun 30, 2015</i>	<i>At Dec 31, 2014</i>
Leverage ratio	<u>73.05%</u>	<u>N/A</u>

The disclosure on leverage ratio is effective since March 31, 2015 and is computed on the same basis as specified in a notice from the HKMA in accordance with section 3C of the Capital Rules. The relevant disclosures pursuant to section 24A of the Banking (Disclosure) Rules can be found in our website <http://www.citibank.com.hk/cil>.