



Citicorp International Limited

Financial Information Disclosure Statement

2018 Interim

CITICORP INTERNATIONAL LIMITED

We enclose herewith the Financial Information Disclosure Statement for the half-year ended June 30, 2018, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

By Order of the Board

David Russell
Director and Chief Executive
September 28, 2018

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, 2018

2018 First Half Results

- Operating income up 24% to HK\$ 2,228 million (HK\$ 1,791 million for the first half of 2017)
- Profit before taxation up 41% to HK\$ 1,262 million (HK\$ 893 million for the first half of 2017)
- Profit after taxation up 41% to HK\$ 1,047 million (HK\$ 744 million for the first half of 2017)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	<i>Note</i>	<i>Half-year ended Jun 30, 2018</i>	<i>Half-year ended Jun 30, 2017</i>
Interest income	1	27,803	11,820
Interest expense	2	-	(123)
Net interest income		27,803	11,697
Net fee and commission income	3	2,200,728	1,778,678
Net trading income	4	(617)	527
Operating income		2,227,914	1,790,902
- Staff costs		(645,659)	(611,323)
- Premises & equipment expenses		(72,234)	(70,058)
- Depreciation expenses		(56)	(162)
- Other operating expenses		(247,769)	(216,241)
Operating expenses		(965,718)	(897,784)
Profit before taxation		1,262,196	893,118
Taxation	5	(215,169)	(149,279)
Profit after taxation		1,047,027	743,839
Other comprehensive income			
Remeasurement of net defined benefit liabilities		300	-
Total comprehensive income		1,047,327	743,839

STATEMENT OF FINANCIAL POSITION

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

	<i>Note</i>	<i>At Jun 30, 2018</i>	<i>At Dec 31, 2017</i>
Assets			
Balances with banks	6	6,657,564	9,473,896
Fixed assets	7	323	326
Deferred tax assets		22,867	18,680
Other assets		38,131	1,233,918
		<u>6,718,885</u>	<u>10,726,820</u>
Liabilities			
Deposits and balances of banks		-	54,778
Current taxation		349,085	133,641
Other liabilities		499,556	1,775,878
		<u>848,641</u>	<u>1,964,297</u>
Equity			
Share capital		187,556	187,556
Reserves	8	5,682,688	8,574,967
		<u>5,870,244</u>	<u>8,762,523</u>
		<u>6,718,885</u>	<u>10,726,820</u>

Additional Information

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

1 Interest income

	<i>Half-year ended Jun 30, 2018</i>	<i>Half-year ended Jun 30, 2017</i>
Interest income on placements with banks	<u>27,803</u>	<u>11,820</u>

2 Interest expense

	<i>Half-year ended Jun 30, 2018</i>	<i>Half-year ended Jun 30, 2017</i>
Interest expense on deposits and balances of banks	<u>-</u>	<u>123</u>

3 Net fee and commission income

	<i>Half-year ended Jun 30, 2018</i>	<i>Half-year ended Jun 30, 2017</i>
Agency and servicing fees	49,583	41,226
Banking support services fees	2,151,145	1,735,755
Others	<u>-</u>	<u>1,697</u>
	<u>2,200,728</u>	<u>1,778,678</u>

4 Net trading income

	<i>Half-year ended Jun 30, 2018</i>	<i>Half-year ended Jun 30, 2017</i>
Net (loss) / gain from dealing in foreign exchange	(617)	228
Net gain from trading securities	<u>-</u>	<u>299</u>
	<u>(617)</u>	<u>527</u>

Additional Information

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

5 Taxation

	<i>Half-year ended Jun 30, 2018</i>	<i>Half-year ended Jun 30, 2017</i>
Current Tax - Hong Kong Profits Tax	215,445	150,268
Current Tax - Overseas	714	149
Deferred tax	<u>(990)</u>	<u>(1,138)</u>
	<u>215,169</u>	<u>149,279</u>

6 Balances with banks

	<i>At Jun 30, 2018</i>	<i>At Dec 31, 2017</i>
Balances with banks	1,657,564	2,073,896
Placement with bank maturing within one month	<u>5,000,000</u>	<u>7,400,000</u>
	<u>6,657,564</u>	<u>9,473,896</u>

7 Fixed assets

	<i>Furniture and equipment</i>
<i>Cost:</i>	
At January 1, 2018	4,800
Additions	53
Write-offs	<u>-</u>
At June 30, 2018	<u>4,853</u>
<i>Accumulated depreciation:</i>	
At January 1, 2018	4,474
Charge for the period	56
Write-offs	<u>-</u>
At June 30, 2018	<u>4,530</u>
<i>Net book value:</i>	
At Jun 30, 2018	<u>323</u>
At Dec 31, 2017	<u>326</u>

Additional Information

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

8 Reserves

	<i>At Jun 30, 2018</i>	<i>At Dec 31, 2017</i>
Retained profits	5,622,611	8,498,284
Capital reserves	60,077	76,683
	5,682,688	8,574,967

(a) *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.

- (b) The Directors have declared an interim dividend of \$3,923,000 thousands (2017 interim dividend: Nil) in respect of the six months ended June 30, 2018.

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, 2018</i>					
<i>Non-bank private sector</i>					
<i>Non-bank</i>					
<i>financial</i>					
<i>institutions</i>					
<i>Non-financial</i>					
<i>private sector</i>					
	<i>Banks</i>	<i>Official Sector</i>			<i>Total</i>
Developed countries	134,594	-	2,936	1,941	139,471
of which United States	134,320	-	485	83	134,888
<i>At Dec 31, 2017</i>					
<i>Non-bank private sector</i>					
<i>Non-bank</i>					
<i>financial</i>					
<i>institutions</i>					
<i>Non-financial</i>					
<i>private sector</i>					
	<i>Banks</i>	<i>Official Sector</i>			<i>Total</i>
Developed countries	249,520	-	1,208,020	750	1,458,290
of which United States	249,225	-	1,206,980	104	1,456,309

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>USD</i>	<i>At Jun 30, 2018</i>	<i>At Dec 31, 2017</i>
Spot assets	153,175	260,491
Spot liabilities	<u>(285,176)</u>	<u>(296,070)</u>
Net short position	<u><u>(132,001)</u></u>	<u><u>(35,579)</u></u>

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

11 Regulatory disclosures

The regulatory disclosures which are prepared in accordance with the Banking (Disclosure) Rules and disclosure templates issued by the HKMA can be found in our website www.citibank.com.hk/cil.