



Citibank, N.A. - Hong Kong Branch

Financial Information Disclosure Statement

December 31, 2023

CITIBANK, N.A. - HONG KONG BRANCH

We enclose herewith the Financial Information Disclosure Statement for the year ended December 31, 2023, which are prepared under the Banking (Disclosure) Rules made pursuant to Section 60A of the Banking Ordinance.

Aveline San
Chief Executive, Hong Kong
April 30, 2024

CITIBANK, N.A. - HONG KONG BRANCH

Income Statement (unaudited)

Figures in US\$ millions	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest income	3,079	1,192
Interest expense	<u>(1,328)</u>	<u>(266)</u>
Net interest income	1,751	926
Profits arising from dealing in foreign currencies	253	450
Profits on disposal of available-for-sale securities	5	-
Profits/(loss) on securities dealing	11	(30)
Loss from other dealing activities	(11)	(108)
Fee and commission income	756	549
Fee and commission expenses	(586)	(543)
Net fees and commission income	170	6
Others	<u>-</u>	<u>(17)</u>
Operating income	2,179	1,227
Staff costs	(253)	(257)
Premises and equipment expenses	(24)	(29)
Intercompany service fees expenses	(421)	(211)
Custodian charges & clearance fees	(34)	(36)
Others	(55)	(44)
Other operating expenses	<u>(510)</u>	<u>(291)</u>
Operating profit before impairment	1,392	650
Net (charge) / recovery of impairment losses	<u>(1)</u>	<u>1</u>
Profit before taxation	1,391	651
Taxation	<u>(224)</u>	<u>(134)</u>
Profit after taxation	<u>1,167</u>	<u>517</u>

CITIBANK, N.A. - HONG KONG BRANCH

Balance Sheet (unaudited)

Figures in US\$ millions	At December 31 2023	At June 30 2023
Assets		
Cash and balances with banks and other financial institutions	3,504	2,910
Placements with banks and other financial institutions (Note 1)	1,675	1,209
Amounts due from overseas offices	33,529	36,487
Trade bills	184	180
Securities held for trading	7,618	5,585
Loans and receivables (Note 2)	23,902	24,469
Available-for-sale securities	2,833	4,989
Other investments	45	52
Fixed assets	11	13
Total Assets	73,301	75,894
Liabilities		
Deposits and balances of banks and other financial institutions	2,361	4,631
Deposits from customers (Note 9)	51,997	48,853
Amounts due to overseas offices	7,899	7,273
Other liabilities	11,044	15,137
Total Liabilities	73,301	75,894

CITIBANK, N.A. - HONG KONG BRANCH

ADDITIONAL INFORMATION (UNAUDITED)

Figures in US\$ millions	At December 31 2023	At June 30 2023
1. Placements with banks and other financial institutions		
	<u>Amount</u>	<u>Amount</u>
Maturing between one month and one year	1,676	1,209
2. Loans and receivables		
Advances to customers	12,607	12,672
Advances to banks	296	305
Accrued interest and other accounts	11,030	11,521
Less: impairment allowances - collectively assessed	(26)	(26)
Less: impairment allowances - individually assessed	(5)	(3)
	<u>23,902</u>	<u>24,469</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 December 31, 2023		At June 30, 2023	
3. Advances to customers analyzed by industry sector				
	<u>Amount</u>	% of advances covered by collateral or other securities	<u>Amount</u>	% of advances covered by collateral or other securities
Gross advances to customers for use in Hong Kong				
Industrial, commercial and financial				
Property development	80	0%	104	0%
Property investment	845	21%	866	18%
Financial concerns	3,371	84%	3,859	86%
Stockbrokers	39	0%	1	0%
Wholesale and retail trade	513	22%	452	27%
Manufacturing	1,036	4%	995	5%
Transport and transport equipment	183	7%	305	2%
Recreational activities	7	0%	5	0%
Information technology	121	0%	146	0%
Others	588	0%	715	15%
	<u>6,783</u>		<u>7,448</u>	
Individuals				
Advances for the purchase of other residential properties	34	100%	35	100%
Others	1,244	100%	1,338	100%
	<u>1,278</u>		<u>1,373</u>	
Gross advances to customers for use in Hong Kong	8,061	57%	8,820	58%
Trade finance	750	27%	848	27%
Gross advances to customers for use outside Hong Kong	3,796	17%	3,004	3%
Gross advances to customers	<u>12,607</u>	43%	<u>12,672</u>	43%

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

Figures in US\$ millions

At December 31, 2023

At June 30, 2023

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	1,684	13.36%	1,957	15.44%

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	3	0.02%	-	4	0.03%	-
1 year or less but over 6 months	21	0.17%	-	8	0.06%	-
Over 1 year	7	0.06%	-	1	0.01%	-
	<u>31</u>	<u>0.25%</u>	<u>-</u>	<u>13</u>	<u>0.10%</u>	<u>-</u>

Current market value of collateral held against the covered portion of overdue advances to customers

<u>9</u>	<u>12</u>
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Covered portion of overdue advances to customers
Uncovered portion of overdue advances to customers

31	13
<u>-</u>	<u>-</u>
<u>31</u>	<u>13</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.

After taking into account the transfer of risk, there were no exposures to a single country outside Hong Kong exceeding 10% of the aggregate overdue advances to customers as at the above respective reporting dates.

There were no overdue advances to banks as at December 31, 2023 and June 30, 2023.

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, 2023 and June 30, 2023.

Figures in US\$ millions

At December 31, 2023

At June 30, 2023

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	31	0.25%	13	0.10%
Rescheduled advances to customers	-	-	-	-
Less: impairment allowances - collectively assessed	-	-	-	-
Less: impairment allowances - individually assessed	-	-	-	-
	<u>31</u>	<u>0.25%</u>	<u>13</u>	<u>0.10%</u>

After taking into account the transfer of risk, there were no exposures to a single country outside Hong Kong exceeding 10% of the aggregate gross impaired advances to customers as at the above respective reporting dates.

b) Individually assessed impaired advances to customers

	Amount	Amount
Gross individually assessed impaired advances to customers	32	-
Less: impairment allowances - individually assessed	<u>(5)</u>	<u>-</u>
	<u>27</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>5</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>-</u>	<u>-</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	37,121	32,804
Saving deposits	2,991	3,473
Time, call and notice deposits	11,885	12,576
	<u>51,997</u>	<u>48,853</u>

CITIBANK, N.A. - HONG KONG BRANCH

Figures in US\$ millions

At December 31
2023

At June 30
2023

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)	3,601	167	3,768	295	156	451
2 Local governments, local government-owned entities and their subsidiaries and JVs	8	-	8	12	-	12
3 PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	1,082	941	2,023	1,258	959	2,217
4 Other entities of central governments not reported in item 1 above	-	-	0	-	-	-
5 Other entities of local governments not reported in item 2 above	-	-	0	-	55	55
6 PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	162	158	320	80	237	317
7 Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	1,257	146	1,403	1,195	149	1,344
Total	6,110	1,412	7,522	2,840	1,556	4,396
Total assets after provision	73,217			75,820		
On-balance sheet exposures as percentage of total assets	8.35%			3.75%		

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 2023	At June 30 2023
a) Hong Kong Dollars		
Spot assets	17,173	22,858
Spot liabilities	(17,012)	(22,617)
Forward purchases	72,837	63,140
Forward sales	(73,528)	(63,904)
Net short position	(530)	(523)
b) Chinese Renminbi		
Spot assets	6,500	3,974
Spot liabilities	(6,695)	(7,648)
Forward purchases	125,402	116,642
Forward sales	(124,874)	(112,887)
Net long position	333	81

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

 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 December 31, 2023</u>						
a) Developed countries	34,431	3,077	1,269	835	-	39,612
Of which: United States	33,843	640	538	301	-	35,322
b) Offshore centres	3,242	-	965	2,644	-	6,851
Of which: Hong Kong SAR	3,197	-	877	1,898	-	5,972
c) Developing Asia and Pacific	2,457	3,619	432	1,948	-	8,456
Of which: China	1,631	3,539	402	1,293	-	6,865
<u>As at June 30, 2023</u>						
a) Developed countries	36,788	2,267	841	872	-	40,768
Of which: United States	36,635	1,204	526	464	-	38,829
b) Offshore centres	1,511	1	1,200	2,175	-	4,887
Of which: Hong Kong SAR	1,476	1	772	1,942	-	4,191
c) Developing Asia and Pacific	1,920	1,760	513	2,361	-	6,554
Of which: China	1,342	1,684	481	1,498	-	5,005

Figures in US\$ millions	At December 31 2023	At June 30 2023
13. Off-balance sheet information		
a) Contingent liabilities and commitments		
Contractual or notional amounts		
Direct credit substitutes	929	827
Transaction-related contingencies	128	171
Trade-related contingencies	183	294
Other commitments	13,844	13,519
Others	-	260
	15,084	15,071

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	492,708	463,493
Interest rate contracts	417,217	384,314
Others	1,710	2,256
	911,635	850,063
Fair value assets		
Exchange rate contracts	4,646	6,785
Interest rate contracts	2,487	2,646
Others	57	58
	7,190	9,489
Fair value liabilities		
Exchange rate contracts	4,667	6,712
Interest rate contracts	2,691	2,743
Others	58	58
	7,416	9,513

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.

	Quarter ended December 31, 2023	Quarter ended September 30, 2023
14. Liquidity ratio		
The average Liquidity Maintenance Ratio for the period	45.45%	43.12%
The average Core Funding Ratio for the period	237.32%	238.84%

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 average 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>.

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:

- Liquidity ratios
- Deposit to loan ratio
- Daily Term Liquidity Stress Test (TLST)
- Resolution Liquidity Adequacy & Positioning (RLAP)

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 2023		At June 30 2023	
Capital and Capital Adequacy				
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	147,109	147,109	150,482	150,482
Tier 1 Capital	149,238	149,238	152,612	152,612
Total Capital	160,706	168,571	165,840	173,517
CET1 Ratio	13.92%	14.95%	14.45%	15.25%
Tier 1 Capital Ratio	14.12%	15.17%	14.66%	15.47%
Total Capital Ratio	15.20%	17.13%	15.93%	17.58%
Stockholder's Equity	162,945	162,945	166,361	166,361
Total Risk Weighted Assets	1,057,194	983,960	1,041,217	986,744

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 the U.S. Basel III Standardized Approach RWA and the Advanced Approaches RWA. Citibank's binding CET1 Capital, Tier 1 Capital and Total Capital ratios were derived under the Basel III Advanced Approaches framework for all periods presented.

Figures in US\$ millions	At December 31 2023	At June 30 2023
Other Financial Information		
Total Assets	1,684,710	1,709,727
Total Liabilities	1,520,999	1,542,709
Total Advances (Net of Allowances for Loan Losses)	633,732	607,391
Total Deposits (including those from banks)	1,327,597	1,337,870

Figures in US\$ millions	Year ended December 31, 2023	Year ended December 31, 2022
Pre-tax Profit	15,439	21,058

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

ADDITIONAL INFORMATION

Figures in US\$ millions	At December 31 2023		At June 30 2023	
Capital and Capital Adequacy				
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Common Equity Tier (CET1) Capital	153,595	153,595	154,243	154,243
Tier 1 Capital	172,504	172,504	175,743	175,743
Total Capital	191,919	201,768	198,036	206,852
CET1 Ratio	12.11%	13.37%	12.50%	13.37%
Tier 1 Capital Ratio	13.60%	15.02%	14.24%	15.24%
Total Capital Ratio	15.13%	17.57%	16.04%	17.93%
Stockholder's Equity	205,453	205,453	208,719	208,719
Total Risk Weighted Assets	1,268,723	1,148,608	1,234,271	1,153,450

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. Citi's binding CET1 Capital and Tier 1 Capital ratios were derived under the Basel III Standardized Approach, whereas Citi's binding Total Capital ratio was derived under the Basel III Advanced Approaches framework for all periods presented

Figures in US\$ millions	At December 31 2023	At June 30 2023
Other Financial Information		
Total Assets	2,411,834	2,423,675
Total Liabilities	2,205,583	2,214,253
Total Advances (Net of Allowances for Loan Losses)	671,217	643,116
Total Deposits (including those from banks)	1,308,681	1,319,867

Figures in US\$ millions	Year ended December 31, 2023	Year ended December 31, 2022
Pre-tax Profit	12,910	18,807