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**CITIBANK, N.A.**

New Zealand Branch  
and Associated Banking Group

**DISCLOSURE STATEMENT**

30 September 2012

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## GENERAL DISCLOSURE STATEMENT

### CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP

#### GENERAL DISCLOSURES

The financial statements are those of the aggregated financial statements for the New Zealand Branch and the Associated Banking Group (the "Banking Group").

The ultimate holding company of the Banking Group is Citigroup Inc. which is a global diversified financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers.

#### Registered Bank: Directorate and Responsible Persons

##### Responsible Person of Citibank, N.A. in New Zealand

Derek Syme  
Citi Country Officer  
Citibank, N.A. New Zealand Branch

##### Responsible Person of Citibank, N.A. signing as agent for all Citibank, N.A. directors

Stephen Roberts  
Citi Country Officer  
Citi Australia

##### Directors of Citibank, N.A.

Eugene M. McQuade  
Robert L. Joss  
Lawrence R. Ricciardi  
Robert L. Ryan  
Anthony M. Santomero  
Joan E. Spero  
Franz B. Humer

On 17 April 2012 Timothy C. Collins, Michael E. O'Neill and Ernesto Zedillo resigned and Joan E. Spero was elected to Citibank, N.A.'s board of directors. On 29 June 2012 Franz B. Humer was elected to Citibank, N.A.'s board of directors. There have been no other changes since the last full year disclosure statement dated 31 December 2011.

#### Guarantee Arrangements

##### Citibank, N.A. New Zealand Branch

Citibank, N.A. New Zealand Branch does not have a guarantee under the New Zealand deposit guarantee scheme as at 29 November 2012.

#### Non-consolidated Activities

Citibank, N.A. does not conduct any insurance business or non-financial business in New Zealand.

#### Credit Ratings

Citibank, N.A. has the following long-term debt ratings which are applicable to the New Zealand Branch's long-term senior unsecured obligations which are payable in New Zealand in New Zealand dollars.

##### Citibank, N.A.

	Current Rating
Moody's	A3 (negative)
Standard & Poor's	A (negative)
Fitch	A (stable)

##### Citibank, N.A. New Zealand Branch

Standard & Poor's, Moody's and Fitch have an implied rating equal to Citibank, N.A. as Citibank, N.A. New Zealand Branch is part of the same legal vehicle.

No material qualifications attach to the obligations and the ratings have not been withdrawn.

#### Other Material Matters

There are no matters relating to the business affairs of Citibank, N.A. New Zealand branch and Associated Banking Group which are not contained elsewhere in the General Disclosure Statement which if disclosed would materially adversely affect the decision of a person to subscribe for Debt Securities of which Citibank, N.A. New Zealand Branch is an issuer.

## Conditions of Registration

There have been no changes to Citibank, N.A.'s Conditions of Registration since the last disclosure statement dated 30 June 2012.

## Financial Statements of the Overseas Banking Group and Overseas Bank

Any person, upon request and without charge, may obtain a copy of Citibank, N.A. New Zealand Branch and Associated Banking Group's most recent Disclosure Statement, which contains a copy of the most recent publicly available consolidated financial statements of Citibank, N.A. (the Citibank Call Report for the nine months ended September 30, 2012), and the Citigroup Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, immediately by requesting a copy from Citibank, N.A.'s New Zealand office in Auckland. It is available on the Bank's website 'www.citi.co.nz'.

The information relating to Citibank, N.A. contained in the General Disclosure Statement is derived from, and is qualified in its entirety by reference to, the detailed information and consolidated financial statements included in the Citibank Call Report for the nine months ended September 30, 2012, which is included as part of the Disclosure Statement. Citibank, N.A. prepares its Call Reports in accordance with regulatory instructions issued by the Federal Financial Institutions Examination Council. In 1997, the FFIEC adopted U.S. GAAP as the reporting basis for the balance sheet, income statement and related schedules included in the Call Report. However, the presentation of financial statements in the Call Reports differs significantly from the presentation of financial statements included in Citigroup Inc.'s Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission and Citibank, N.A.'s audited financials filed with the Federal Deposit Insurance Corporation. In addition, the Call Reports generally contain less disclosure than audited financial statements prepared in accordance with U.S. GAAP.

Citibank, N.A. is an indirect wholly-owned subsidiary of Citigroup Inc.

## Financial Information of the Overseas Banking Group

(The following information has not been audited)

	(Thousands of US Dollars)	
	For the nine months ended	
	30-Sep-12	30-Sep-11
<b>Profitability</b>		
Net Profit/(Loss) after tax	<b>9,945,000</b>	8,512,000
Net Profit/(Loss) after tax over the previous twelve months as a percentage of average total assets	<b>0.90%</b>	0.83%
<b>Size (refer Note 1)</b>		
Total Assets	<b>1,365,026,000</b>	1,300,674,000
Percentage Change in total assets over the previous twelve months	<b>4.95%</b>	7.56%
<b>Asset Quality (refer Note 1 and 2)</b>		
Total Impaired Assets	<b>26,814,000</b>	27,670,000
Total Impaired Assets as a percentage of Total Assets	<b>1.96%</b>	2.13%
Total Individual Credit Impaired Allowance	-	-
Total Individual Credit Impaired Allowance as a percentage of Total Impaired Assets	<b>0.00%</b>	0.00%
Total Collective Credit Impairment Allowance	-	-
Total Collective Credit Impairment Allowance as a percentage of Total Impaired Assets	<b>0.00%</b>	0.00%

Impaired assets for Citibank, N.A. consist of nonaccrual loans, restructured loans, other nonaccrual assets and other real estate owned. Citibank, N.A. maintains an allowance that is available to absorb all probable credit losses inherent in its portfolio. The allowance for loan and lease losses at 30 September 2012 is US\$21,368 million (30 September 2011: US\$25,963 million;).

Total individually impaired assets for Citibank, N.A. are not included because such figures are not publicly available.

## Peak Credit Exposure Concentrations

Citibank, N.A. New Zealand Branch and Associated Banking Group has no aggregate credit exposure to an individual counterparty or group of closely related counterparties which equals or exceeds 10% of Citibank, N.A.'s equity.

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

	NOTE	Banking Group		
		30-Sep-12 \$(000's) unaudited	30-Sep-11 \$(000's) unaudited	31-Dec-11 \$(000's) audited
Interest Income		56,016	53,790	71,455
Interest Expense		29,273	23,586	32,474
NET INTEREST INCOME		<u>26,743</u>	<u>30,204</u>	<u>38,981</u>
Operating Revenue	3	8,426	1,851	8,815
		<u>35,169</u>	<u>32,055</u>	<u>47,796</u>
Operating Expenses		24,975	12,089	22,638
OPERATING PROFIT BEFORE INCOME TAX		<u>10,194</u>	<u>19,966</u>	<u>25,158</u>
PROFIT BEFORE INCOME TAX		<u>10,194</u>	<u>19,966</u>	<u>25,158</u>
Income Tax Expense		3,139	5,671	6,996
PROFIT AFTER INCOME TAX		<u>7,055</u>	<u>14,295</u>	<u>18,162</u>
Other Comprehensive Income				
Available For Sale Reserve				
Fair value (loss)/gain taken directly to equity		(77)	-	-
Tax on movements and transfers		21	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>(56)</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>6,999</u></u>	<u><u>14,295</u></u>	<u><u>18,162</u></u>

The accompanying notes form part of these financial statements and supplementary information.

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP  
STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

NOTE	Banking Group		
	30-Sep-12 \$(000's) unaudited	30-Sep-11 \$(000's) unaudited	31-Dec-11 \$(000's) audited
<b>Capital</b>			
<b>Citicorp Services Limited</b>			
Authorized, Issued and Paid-Up Capital			
- 25,000,000 (2011: 25,000,000) Ordinary Shares, fully paid	28,595	28,595	28,595
	<u>28,595</u>	<u>28,595</u>	<u>28,595</u>
<b>Head Office Account</b>			
<b>Citibank, N.A. New Zealand Branch</b>			
At the beginning of the year	33,071	32,808	32,808
Contribution from Head Office	181	64	263
At the end of the period	<u>33,252</u>	<u>32,872</u>	<u>33,071</u>
<b>Available For Sale Reserve</b>			
At the beginning of the year	-	-	-
Other comprehensive income	(56)	-	-
At the end of the period	<u>(56)</u>	<u>-</u>	<u>-</u>
<b>Retained earnings</b>			
At the beginning of the year	103,145	84,983	84,983
Profit after income tax	7,055	14,295	18,162
At the end of the period	<u>110,200</u>	<u>99,278</u>	<u>103,145</u>
<b>Equity at the end of the period</b>	<u>171,991</u>	<u>160,745</u>	<u>164,811</u>
<b>Represented by :</b>			
<b>Equity at the beginning of the year</b>	164,811	146,386	146,386
<b>Transactions with owners, recorded directly in equity</b>			
Contribution from Head Office	181	64	263
Total transactions with owners	<u>181</u>	<u>64</u>	<u>263</u>
<b>Total Comprehensive Income for the year</b>			
Profit after income tax for the period	7,055	14,295	18,162
Other comprehensive income			
Net change in fair value of available for sale securities	(77)	-	-
Income tax on other comprehensive income	21	-	-
Total other comprehensive income	<u>(56)</u>	<u>-</u>	<u>-</u>
<b>Total Comprehensive Income for the period</b>	<u>6,999</u>	<u>14,295</u>	<u>18,162</u>
<b>Equity at the end of the period</b>	<u>171,991</u>	<u>160,745</u>	<u>164,811</u>

The accompanying notes form part of these financial statements and supplementary information.

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP  
STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2012**

	NOTE	Banking Group		
		30-Sep-12	30-Sep-11	31-Dec-11
		\$(000's)	\$(000's)	\$(000's)
		unaudited	unaudited	audited
<b>ASSETS</b>				
Cash and Demand Deposits with Central Banks	11	444,737	723,382	448,162
Advances to Financial Institutions at Call		46,645	37	102
Due from Related Parties	7	299,229	354,789	155,270
Financial Assets at Fair Value through the Income	11	976,633	671,342	730,089
Derivative Financial Instruments	7	24,685	40,965	26,298
Current Tax Assets		6,316	-	-
Available For Sale Assets	11	52,559	-	-
Loans and Advances	5	746,782	564,878	782,627
Other Assets		10,327	6,420	4,554
Deferred Tax Assets		988	713	687
Property Plant and Equipment		118	165	159
<b>TOTAL ASSETS</b>		<b>2,609,019</b>	<b>2,362,691</b>	<b>2,147,948</b>
<b>LIABILITIES</b>				
Deposits from Other Banks	4	60,806	37,770	22,861
Due to Related Parties	7	1,220,233	764,787	872,719
Other Deposits	4	1,103,501	1,364,083	1,037,059
Derivative Financial Instruments	7	42,321	23,458	35,328
Current Tax Liabilities		-	869	2,247
Provisions		201	201	201
Other Liabilities		9,966	10,778	12,722
<b>TOTAL LIABILITIES</b>		<b>2,437,028</b>	<b>2,201,946</b>	<b>1,983,137</b>
<b>EQUITY</b>				
Issued and Paid-Up Capital		28,595	28,595	28,595
Head Office Account		33,252	32,872	33,071
Available For Sale Reserve		(56)	-	-
Retained Earnings		110,200	99,278	103,145
<b>TOTAL EQUITY</b>		<b>171,991</b>	<b>160,745</b>	<b>164,811</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,609,019</b>	<b>2,362,691</b>	<b>2,147,948</b>
Total Interest Earning and Discount Bearing Assets		2,566,585	2,314,428	2,116,250
Total Interest and Discount Bearing Liabilities		2,384,540	2,166,640	1,932,639

**The accompanying notes form part of these financial statements and supplementary information.**

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP  
STATEMENT OF CASH FLOWS  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

	NOTE	Banking Group		
		30-Sep-12 \$(000's) unaudited	30-Sep-11 \$(000's) unaudited	31-Dec-11 \$(000's) audited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash was provided from:				
Interest Income		52,267	51,819	68,193
Trading Gain		4,488	-	-
Other Income		10,843	9,346	21,154
Decrease in available for sale financial assets		-	-	-
Decrease in financial assets at fair value		-	331,603	272,569
Decrease in placements/loans		35,845	-	-
Increase in deposits due to related parties		347,370	-	-
Increase in customer deposits		104,387	94,815	-
		<b>555,200</b>	<b>487,583</b>	<b>361,916</b>
Cash was applied to:				
Interest Expense		29,127	23,890	31,302
Trading Loss		-	50,383	24,432
Tax Paid		12,052	3,916	3,917
Other Expenses		28,529	13,531	24,420
Increase in placements due from related companies		120,786	10,587	83,164
Decrease in financial assets at fair value		247,684	-	-
Increase in placements/loans		-	187,688	405,437
Increase in available for sale financial assets		51,135	-	-
Decrease in customer deposits		-	-	247,118
Decrease in deposits due to related parties		-	407,900	299,968
		<b>489,313</b>	<b>697,895</b>	<b>1,119,758</b>
Net cashflow from operating activities		<b>65,887</b>	<b>(210,312)</b>	<b>(757,842)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash was (applied to)/provided from:				
Purchase of property, plant and equipment		(16)	(32)	(32)
Disposal of property, plant and equipment		25	-	-
Net cashflow from investing activities		<b>9</b>	<b>(32)</b>	<b>(32)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash was provided from:				
Increase in Head Office account		251	70	349
Net cashflow from financing activities		<b>251</b>	<b>70</b>	<b>349</b>
Net increase/(decrease) in cash		<b>66,147</b>	<b>(210,274)</b>	<b>(757,525)</b>
Opening cash and cash equivalents		<b>486,606</b>	1,244,131	1,244,131
Closing cash and cash equivalents		<b>552,753</b>	1,033,857	486,606

The accompanying notes form part of these financial statements and supplementary information.

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

The financial statements are those of the aggregated financial statements for the New Zealand Branch and the Associated Banking Group (the "Banking Group").

The ultimate holding company of the Banking Group is Citigroup Inc. which is a global diversified financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers.

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Statement of compliance**

The entity's interim financial statements have been prepared in accordance with the requirements of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2012 and NZ IAS 34 *Interim Financial Reporting*. These financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2011.

These interim financial statements were authorised for issue by Citibank, N.A. under power of attorney and by the boards of directors of Citicorp Services Limited and its subsidiaries on this 29th day of November 2012.

**b) Basis of preparation**

The financial report is presented in New Zealand dollars.

The financial report is prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments at fair value through the income statement, and available for sale securities.

The amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Certain comparative information has been reclassified in order to provide a more appropriate basis for comparison.

**c) Changes in accounting policy**

There have been no material changes in accounting policies since the last annual financial statements dated 31 December 2011.

**2. FINANCIAL RISK MANAGEMENT**

There have been no material changes in the Banking Group's policies for managing risk, or material exposure to any new types of risk since the last annual financial statements dated 31 December 2011.



**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

	<b>Banking Group</b>		
	<b>30-Sep-12</b>	30-Sep-11	31-Dec-11
	\$(000's)	\$(000's)	\$(000's)
<b>3. OPERATING REVENUE</b>			
	<b>unaudited</b>	unaudited	audited
Net Trading Losses	(4,661)	(6,176)	(7,918)
Other Operating Revenue	13,087	8,027	16,733
	<b>8,426</b>	1,851	8,815

**4. TOTAL LIABILITIES TO THIRD PARTIES**

	<b>Branch</b>		
	<b>30-Sep-12</b>	30-Sep-11	31-Dec-11
	\$(000's)	\$(000's)	\$(000's)
Deposits from Other Banks	60,806	37,770	22,861
Other Deposits	1,103,501	1,364,083	1,037,059
Current Tax Liabilities, Provisions and Other Liabilities	7,722	11,404	13,013
	<b>1,172,029</b>	1,413,257	1,072,933

**5. IMPAIRED ASSETS**

Citibank, N.A. New Zealand Branch and Associated Banking Group have no impaired assets, restructured assets, assets (including real estate) acquired through the enforcement of security or other assets under administration.

	<b>Banking Group</b>		
	<b>30-Sep-12</b>	30-Sep-11	31-Dec-11
	\$(000's)	\$(000's)	\$(000's)
Past Due Assets - at least 90 days past due	30	-	25

**6. CASHFLOW STATEMENT**

The cashflow statement that forms part of the Financial Statements has been prepared on the net cash flows of this entity. The reason for this presentation is that the business of banking produces cash receipts and payments for items in which their turnover is quick, the amounts are large and the maturities are short. The reporting of gross turnover of these items would not assist in the understanding of these Financial Statements.

Cash and cash equivalents include cash on hand, deposits held overnight or on call with financial institutions, nostro accounts and other short term highly liquid assets which are subject to insignificant risk of change in their fair value and are used by the entity in the management of its short term commitments.

**CASH AND CASH EQUIVALENTS COMPRISE**

Cash Balances with Third Parties	491,382	723,419	448,264
Cash Balances with Related Parties	61,371	310,438	38,342
	<b>552,753</b>	1,033,857	486,606

**RECONCILIATION OF NET PROFIT AFTER TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES**

Net Profit after Tax	7,055	14,295	18,162
Add back			
Depreciation	32	34	40
Increase in accrual of interest expense	146	-	1,172
Increase in accrual of other expenses/income	-	30	1,871
Decrease in operating assets and liabilities	67,920	-	-
Decrease in accrual of fees and commissions	-	-	728
Decrease in accrual of revaluations	9,226	-	-
Decrease in accrual of tax	-	1,755	3,079
Deduct			
Increase in operating assets and liabilities	-	179,757	763,118
Decrease in accrual of other expenses/income	5,307	-	-
Decrease in accrual of interest expense	-	304	-
Increase in accrual of interest income	3,749	1,971	3,262
Increase in accrual of fees and commissions	523	187	-
Increase in accrual of revaluations	-	44,207	16,514
Increase in accrual of tax	8,913	-	-
Net Cash Flow from Operating Activities	<b>65,887</b>	(210,312)	(757,842)

**7. RELATED PARTIES TRANSACTIONS**

**(a) ULTIMATE HOLDING COMPANY**

The ultimate parent of Citibank, N.A. New Zealand Branch, Citicorp Services Limited and Citibank Nominees (New Zealand) Limited (Associated Banking Group) is Citigroup Inc. These financial statements reflect only the operations of the New Zealand branch of Citibank, N.A. and Associated Banking Group. The financial statements of Citigroup Inc. should be read in conjunction with these statements.

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

	<b>Banking Group</b>		
	<b>30-Sep-12</b>	30-Sep-11	31-Dec-11
	\$(000's)	\$(000's)	\$(000's)
	<b>unaudited</b>	unaudited	audited
<b>(b) TRANSACTIONS</b>			
Interest Received - Head Office (including other branches)	2,567	823	4,822
Interest Received - Other Related Parties	446	551	732
Interest Paid - Head Office (including other branches)	14,269	6,086	9,225
Interest Paid - Other Related Parties	2,969	1,145	1,739
Net Trading Losses - Head Office (including other branches)	(44,940)	(27,213)	(39,573)
Net Trading Losses - Other Related Parties	-	(585)	(584)
Management Fees Paid - Head Office (including other branches)	15,750	2,137	9,188
<b>(c) BALANCES</b>			
Due from Related Parties - Head Office (including other branches)	295,130	330,368	88,916
Due from Related Parties - Other Related Parties	4,099	24,241	66,354
Derivative Financial Instruments - Head Office (including other branches)	24,685	40,965	26,298
Other Assets - Head Office (including other branches)	3,648	3,162	932
Other Assets - Other Related Parties	-	129	66
	<b>327,562</b>	<b>398,865</b>	<b>182,566</b>
Due to Related Parties - Head Office (including other branches)	970,075	717,347	798,654
Due to Related Parties - Other Related Parties	250,158	47,440	74,065
Derivative Financial Instruments - Head Office (including other branches)	42,321	23,458	35,328
Other Liabilities - Head Office (including other branches)	1,675	364	1,757
Other Liabilities - Other Related Parties	770	80	400
	<b>1,264,999</b>	<b>788,689</b>	<b>910,204</b>
Interest Rate - Swap (Notional Value) - Head Office (including other branches)	408,000	408,000	408,000
Foreign Exchange Forwards (Notional Value) - Head Office (including other branches)	518,978	471,829	473,330

All transactions with related parties are at commercial arms length terms and rates. These are conducted predominately with other Citibank, N.A. branches and in the case of the Branch, the Associated Banking Group as well.

All Citigroup Inc. entities within New Zealand are grouped for tax reporting purposes. This group includes the Branch, the Associated Banking Group and Citigroup Global Markets entities. There were no outstanding tax balances at 30 September 2012 between these entities.

## 8. CAPITAL MANAGEMENT

Citibank, N.A. New Zealand Branch, as a full branch of Citibank, N.A., has a banking license but is not subject to any minimum capital requirements in New Zealand due to its branch status other than the requirement to comply with Thin Capitalisation Rules. The compliance with the minimum capital adequacy requirements is administered at the US parent entity level.

The major business is conducted in Citibank, N.A. with no significant activity carried out in the banking group. The capital management plan is therefore prepared on a consolidated level covering both branch and banking group.

The objectives of this Capital Management Plan are:

- To ensure that the entity maintains an appropriate level of capital commensurate to its risks and to support new business initiatives and growth;
- To ensure that capital is maintained at a level that meets Thin Capitalisation Rules and to support the case for any capital surplus repatriation back to New York;
- To ensure sufficient liquidity, limits and ratios are in place to support any asset growth.

Financial instruments, both on and off-balance sheet, are entered into by the bank in the normal course of business to provide financial services to customers, to manage its exposure to risk and for trading purposes.

Financial instrument transactions are subject to credit standards, financial controls, and risk-limiting and monitoring procedures. Collateral requirements are determined by evaluating each customer and product, and will include cash and mortgages.

The contract or notional values of these instruments reflect the volume of the bank's activities in these products and do not represent the much smaller amounts potentially subject to risk.

All liabilities are unsecured and were transacted at the prevailing market rates.

## 9. CREDIT EXPOSURES TO INDIVIDUAL COUNTERPARTIES

Based on actual credit exposures, no credit exposure to any individual counterparty of Citibank, N.A. New Zealand Branch and Associated Banking Group equaled or exceeded 10% of Citibank, N.A.'s equity during this accounting period.

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012**

**10. EXPOSURES TO MARKET RISK**

	<b>Implied Risk Weighted Exposure</b>	<b>Notional Capital Charge</b>	<b>Notional Capital Charge - % of Citibank, N.A.'s Equity</b>
	<b>\$(000's)</b>	<b>\$(000's)</b>	<b>\$(000's)</b>
		<b>Banking Group</b>	
		<b>30-Sep-12</b>	
		<b>unaudited</b>	
<b>Interest Rate Risk</b>	<b>863</b>	<b>69</b>	-
<b>Foreign Currency Risk</b>	<b>1,200</b>	<b>96</b>	-
		<b>30-Sep-11</b>	
		<b>unaudited</b>	
Interest Rate Risk	663	53	-
Foreign Currency Risk	1,800	144	-
		<b>31-Dec-11</b>	
		<b>audited</b>	
Interest Rate Risk	1,400	112	-
Foreign Currency Risk	1,388	111	-

Market risk notional capital charges are derived in accordance with the Capital Adequacy Framework (Standardised Approach) (BS2A) per the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order (No 4) 2011.

The branch segregates its exposure to market risk between trading and non-trading portfolios. Trading portfolios cover risks arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis. Non-trading portfolios cover risks resulting from mainstream banking activities.

**11. LIQUIDITY RISK**

The Banking Group holds a portfolio of central bank funds and liquid bank bill and government securities to support liquidity risk management. These are investment grade securities that can be sold in 2 days or less on the open market.

	<b>Banking Group</b>		
	<b>30-Sep-12</b>	<b>30-Sep-11</b>	<b>31-Dec-11</b>
	<b>\$(000's)</b>	<b>\$(000's)</b>	<b>\$(000's)</b>
	<b>unaudited</b>	<b>unaudited</b>	<b>audited</b>
Balances with central banks	<b>444,737</b>	723,382	448,162
Government bonds/Treasury bills	<b>52,559</b>	51,342	-
Bank bills	<b>976,633</b>	620,000	730,089
	<b>1,473,929</b>	<b>1,394,724</b>	<b>1,178,251</b>

**12. CAPITAL ADEQUACY**

Citibank, N.A. New Zealand Branch is a branch of, and each member of the Associated Banking Group is a wholly-owned subsidiary of, Citibank, N.A., which is an indirect wholly-owned subsidiary of Citigroup Inc. The following sets forth the capital ratios of Citibank, N.A.

<b>CITIBANK, N.A.</b>	<b>As at 30-Sep-12</b>	As at 30-Sep-11	As at 31-Dec-11
Tier 1 Capital as a percentage of risk weighted exposures	<b>15.38%</b>	14.97%	14.70%
Total Capital (Tier 1 and 2) as a percentage of risk weighted exposures	<b>16.65%</b>	16.52%	16.20%

Citibank, N.A. is subject to risk-based capital and leverage guidelines issued by the U.S. regulator for national banks, the Office of the Comptroller of the Currency. The Office of the Comptroller of the Currency is required by law to take specific prompt actions with respect to institutions that do not meet minimum capital standards.

Citibank, N.A. complies with the following minimum capital adequacy requirements at least equal to that specified under the Basel I approach, as administered by the Office of the Comptroller of the Currency:

Tier 1 Capital of Citibank, N.A. is not less than 4 percent of risk weighted exposures

Total Capital (Tier 1 and 2) of Citibank, N.A. is not less than 8 percent of risk weighted exposures

**13. SUBSEQUENT EVENTS**

There has not arisen in the interval between 30 September 2012 and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Branch, to affect significantly the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

## The Directors' and the New Zealand Chief Executive Officer's Statement

The undersigned officers of Citibank, N.A., being the Citigroup Country Officer of Citibank, N.A. New Zealand Branch (the "CCO"), signing this statement on his own behalf in such capacity, and Stephen H. Roberts, the duly authorised agent in writing of each and every director of Citibank, N.A., signing this statement on behalf of each such director, who, after due enquiry by the CCO and such directors, believe that -

As at the date hereof, the Disclosure Statement contains all the information required by the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2012.

As at the date hereof, the Disclosure Statement is not false or misleading.

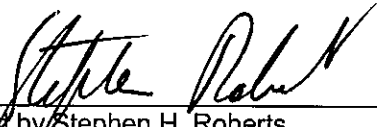
During the calendar quarter ended 30 September 2012, Citibank, N.A., New Zealand Branch complied with the conditions of registration imposed on it by the Reserve Bank of New Zealand pursuant to section 74 of the Reserve Bank of New Zealand Act 1989.


During the calendar quarter ended 30 September 2012, Citibank, N.A., New Zealand Branch had systems in place to monitor and control adequately the material risks of its Banking Group, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, and other business risks, and those systems were being properly applied.

However, no system of internal control can facilitate the perfect management of banking risks.

However, changes in the financial condition of Citibank, N.A., Citibank, N.A. New Zealand Branch and Associated Banking Group, and/or Citigroup Inc. may have occurred after 30 September 2012, the most recent date of any of the financial statements included in this Disclosure Statement, although such changes, if any, and except as set forth in the Disclosure Statement, are not believed to be material in the context of such affected entity's overall financial condition.

It is confirmed that the said powers of attorney appointing Stephen H. Roberts as agent are still in force and have not been revoked.

  
Signed by Stephen H. Roberts  
as agent for all the directors

  
Derek Syme  
Citigroup Country Officer  
Citibank, N.A. New Zealand Branch

Dated this 29<sup>th</sup> day of November 2012  
in Sydney  
Australia

Dated this 29<sup>th</sup> day of November 2012  
in Auckland  
New Zealand