

**Citibank, N.A. New Zealand Branch  
and Associated Banking Group  
Disclosure Statement**

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**For the Nine Months Ended 30 September 2016**

## **GENERAL DISCLOSURES**

The financial statements are those of the aggregated financial statements for the "Banking Group" which consists of Citibank, N.A. New Zealand Branch (CBNA New Zealand Branch) and the Associated Banking Group (Citicorp Services Limited and Citibank Nominees New Zealand Limited).

The ultimate holding company of the Banking Group is Citigroup Inc. (Citigroup) which is a global diversified financial services holding company domiciled in the United States of America 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**

Timothy Sedgwick  
Citi Financial Officer  
Citi Australia

#### **Directors of Citibank, N.A.(CBNA)**

Anthony M. Santomero  
Ellen M. Costello  
Barbara J. Desoer  
Duncan P. Hennes  
Eugene M. McQuade  
Joan E. Spero  
James S. Turley

On 26 April 2016 Peter B. Henry, Gary M. Reiner and Diana L. Taylor resigned from CBNA's board of directors. Ellen M. Costello's appointment to CBNA's board of directors was effective as of January 15<sup>th</sup>, 2016. There have been no other changes to CBNA's board of directors since the last half year disclosure statement dated 30 June 2016.

### **Guarantee Arrangements**

CBNA New Zealand Branch does not have any guarantees over any material obligations as at 18th November 2016.

### **Insurance Business and Non-consolidated Activities**

CBNA does not conduct any insurance business or non-financial business in New Zealand.

### **Credit Ratings**

CBNA has the following long-term 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 as at the date of this signed disclosure statement:

Moody's	A1 (stable)
Standard & Poor's	A (watch positive)
Fitch	A+ (stable)

As CBNA New Zealand Branch is part of the same legal entity as CBNA it has an implied rating from Standard & Poor's, Moody's and Fitch equal to CBNA.

No material qualifications attach to the obligations and the ratings have not been withdrawn.

#### **Conditions of Registration**

There has been a change to CBNA's Conditions of Registration since the last disclosure statement dated 30 June 2016, which applies from 1 October 2016. The change relates to restrictions on high LVR (loan to value ratio) residential mortgage lending of which CBNA New Zealand Branch has none.

#### **Financial Statements**

Any person, upon request and without charge, may obtain a copy of the Banking Group's most recent disclosure statement, which contains a copy of the most recent publicly available Consolidated Reports of Condition and Income of CBNA (the Citibank Call Report for the nine months ended 30 September 2016), and the Citigroup Quarterly Report on Form 10-Q for the quarter ended 30 September 2016, immediately by requesting a copy from CBNA's New Zealand office in Auckland. The disclosure statement is also available on the Banking Group's website 'www.citi.co.nz'.

The information relating to CBNA contained in this 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 30 September 2016, which is included as part of the disclosure statement. CBNA prepares its Call Reports in accordance with regulatory instructions issued by the Federal Financial Institutions Examination Council (FFIEC). 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's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission and CBNA's audited financial statements 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.

CBNA is an indirect wholly-owned subsidiary of Citigroup.

<b>Financial Information of Citibank, N.A.</b>	(Thousands of US Dollars, except ratios)	
(The following information has not been audited)	<b>30-Sep-16</b>	30-Sep-15
<b>Profitability</b>		
Net Profit/(Loss) After Tax for the six months ended	<b>9,427,000</b>	10,401,000
Net Profit/(Loss) After Tax over the previous twelve months as a percentage of average Total Assets	<b>0.91%</b>	0.86%
<b>Size</b>		
Total Assets	<b>1,356,393,000</b>	1,337,821,000
Percentage change in Total Assets over the previous twelve months	<b>1.39%</b>	-2.86%
<b>Asset Quality</b>		
Total Impaired Assets	<b>11,306,000</b>	12,781,000
Total Impaired Assets as a percentage of Total Assets	<b>0.83%</b>	0.96%
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 CBNA consist of nonaccrual loans, restructured loans, other nonaccrual assets and other real estate owned. CBNA 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 2016 is US\$10,776 million (30 September 2015: US\$11,030 million).

Total collective credit impaired asset numbers for CBNA are not included because such figures are not publicly available.

STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016	NOTE	Banking Group	
		30-Sep-16 \$(000's) unaudited	30-Sep-15 \$(000's) unaudited
Interest Income		46,720	57,857
Interest Expense		21,205	33,026
NET INTEREST INCOME		<u>25,515</u>	24,831
Operating Revenue	3	10,623	10,756
TOTAL NET REVENUE		<u>36,138</u>	35,587
Operating Expenses		15,428	13,751
PROFIT BEFORE INCOME TAX		<u>20,710</u>	21,836
Income Tax Expense		5,894	6,311
PROFIT FOR THE PERIOD		<u>14,816</u>	15,525
Other Comprehensive Income			
Available For Sale Reserve			
Fair value gain/(loss) taken directly to equity		(18)	173
Tax effect on movements and transfers		5	(49)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT		<u>(13)</u>	124
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>14,803</u>	15,649

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

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016	Banking Group	
	30-Sep-16 \$(000's) unaudited	30-Sep-15 \$(000's) unaudited
<b>Capital</b>		
<b>Citicorp Services Limited</b>		
Authorized, Issued and Paid-Up Capital		
25,000,000 (2015: 25,000,000) Ordinary Shares, fully paid	28,595	28,595
	<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	33,665	33,518
Movement in Share based payment reserve	(86)	405
At the end of the period	<u>33,579</u>	<u>33,923</u>
<b>Available For Sale Reserve</b>		
At the beginning of the year	61	(109)
Other comprehensive income/(loss)	(13)	124
At the end of the period	<u>48</u>	<u>15</u>
<b>Retained earnings</b>		
At the beginning of the year	132,833	133,527
Profit after income tax	14,816	15,525
Profit remittance to Head Office	-	(20,663)
At the end of the period	<u>147,649</u>	<u>128,389</u>
<b>Equity at the end of the period</b>	<u>209,871</u>	<u>190,922</u>
<b>Represented by:</b>		
<b>Equity at the beginning of the year</b>	195,154	195,531
<b>Transactions with owners, recorded directly in equity</b>		
(Profit remittance to)/Contribution from Head Office	-	(20,663)
Movement in Share based payment reserve	(86)	405
Total transactions with owners	<u>(86)</u>	<u>(20,258)</u>
<b>Total Comprehensive Income for the period</b>		
Profit for the period	14,816	15,525
Other comprehensive income		
Net change in fair value of available for sale assets to profit or loss on disposal	(18)	173
Income tax on other comprehensive income	5	(49)
Total other comprehensive income/(loss)	<u>(13)</u>	<u>124</u>
<b>Total Comprehensive Income for the period</b>	<u>14,803</u>	<u>15,649</u>
<b>Equity at the end of the period</b>	<u>209,871</u>	<u>190,922</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016	NOTE	Banking Group		
		30-Sep-16 \$(000's) unaudited	30-Sep-15 \$(000's) unaudited	31-Dec-15 \$(000's) audited
<b>ASSETS</b>				
Cash and cash Equivalents	6	343,338	875,095	552,535
Due from Related Parties	8	258,382	22,089	80,967
Financial Assets at Fair Value through Profit or Loss		-	174,883	-
Derivative Financial Instruments	8	8,954	10,932	8,150
Current Tax Assets		4,196	4,444	2,806
Available For Sale Assets		802,491	408,133	567,479
Loans and Advances		806,241	587,683	754,879
Other Assets		9,016	8,701	5,822
Deferred Tax Assets		572	615	606
Property Plant and Equipment		821	1,032	974
<b>TOTAL ASSETS</b>		<b>2,234,011</b>	<b>2,093,607</b>	<b>1,974,218</b>
<b>LIABILITIES</b>				
Deposits from Other Banks	4,6	11,639	20,706	23,297
Due to Related Parties	8	970,820	1,045,451	664,799
Other Deposits	4	1,021,941	816,848	1,064,196
Derivative Financial Instruments	8	8,177	9,525	19,514
Provisions		176	176	176
Other Liabilities		11,387	9,979	7,082
<b>TOTAL LIABILITIES</b>		<b>2,024,140</b>	<b>1,902,685</b>	<b>1,779,064</b>
<b>EQUITY</b>				
Issued and Paid-Up Capital		28,595	28,595	28,595
Head Office Account		33,579	33,923	33,665
Available For Sale Reserve		48	15	61
Retained Earnings		147,649	128,389	132,833
<b>TOTAL EQUITY</b>		<b>209,871</b>	<b>190,922</b>	<b>195,154</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,234,011</b>	<b>2,093,607</b>	<b>1,974,218</b>
Total Interest Earning and Discount Bearing Assets		2,210,441	2,067,567	1,954,500
Total Interest and Discount Bearing Liabilities		2,003,887	1,878,676	1,747,168

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

STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016	NOTE	Banking Group	
		30-Sep-16 \$(000's) unaudited	30-Sep-15 \$(000's) unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash was provided from:			
Interest Income		45,306	56,567
Other Income		14,535	11,802
Decrease in due from related companies		-	108,853
Decrease in financial assets at fair value through profit or loss		-	576,154
Increase in due to related parties		305,413	220,419
		<b>365,254</b>	<b>973,795</b>
Cash was applied to:			
Interest Expense		21,891	33,470
Trading Loss		13,165	8,007
Tax Paid		7,208	9,385
Other Expenses		14,929	14,102
Increase in due from related companies		177,415	-
Increase in available for sale financial assets		235,048	357,439
Increase in loans and advances		51,362	15,190
Decrease in customer deposits		53,873	100,295
		<b>574,891</b>	<b>537,888</b>
Net cash from operating activities	7	<b>(209,637)</b>	<b>435,907</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was applied to from:			
Purchase of property, plant and equipment		(5)	(96)
Net cash used in investing activities		<b>(5)</b>	<b>(96)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash was (applied to)/provided from:			
Increase/(Decrease) in Head Office account		(124)	-
Profit remittance to Head Office		-	(20,225)
Net cash used in financing activities		<b>(124)</b>	<b>(20,225)</b>
Net decrease in cash		<b>(209,765)</b>	<b>415,586</b>
Opening cash and cash equivalents		<b>552,465</b>	<b>454,991</b>
Closing cash and cash equivalents	6	<b>342,700</b>	<b>870,577</b>

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



**NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

The financial statements are those of the aggregated financial statements for the Banking Group.

The ultimate holding company of the Banking Group is Citigroup 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 2014 (as amended), with New Zealand Generally Accepted Accounting Practice ("NZGAAP") and the New Zealand equivalent to International Financial Reporting Standard NZ IAS 34 Interim Financial Reporting, as appropriate for profit-oriented entities. They comply with International Accounting Standard 34 Interim Financial Reporting.

These financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2015.

These interim financial statements were authorized for issue by CBNA under power of attorney on this 18th day of November 2016.

b) Basis of preparation

The financial report is presented in New Zealand dollars, which is the functional currency of the Banking Group.

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 profit or loss, and available for sale assets.

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

c) Changes in accounting policy

There have been no material changes in accounting policies since the last annual financial statements dated 31 December 2015.

**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 2015.

## 3. OPERATING REVENUE/(LOSS)

	Banking Group	
	30-Sep-16	30-Sep-15
	\$(000's)	\$(000's)
	unaudited	unaudited
Net Trading Gain/Loss	(1,042)	686
Other Operating Revenue	11,665	10,070
	<b>10,623</b>	<b>10,756</b>

## 4. TOTAL LIABILITIES TO THIRD PARTIES

	Branch		
	30-Sep-16	30-Sep-15	31-Dec-15
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Deposits from Other Banks	11,639	20,706	23,297
Other Deposits	1,021,941	816,848	1,064,196
Provisions and Other Liabilities	10,415	8,854	6,033
	<b>1,043,995</b>	<b>846,408</b>	<b>1,093,526</b>

Branch information is provided as per the Registered Bank Disclosure Statement (Overseas Incorporated Registered Banks) Order 2014 (as amended).

## 5. IMPAIRED ASSETS

CBNA 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.

CBNA New Zealand Branch and Associated Banking Group have no assets that are past due and not impaired.

## 6. CASH BALANCES

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.

	Banking Group	
	30-Sep-16	30-Sep-15
	\$(000's)	\$(000's)
	unaudited	unaudited
CASH AND CASH EQUIVALENTS COMPRISE		
Cash and Demand Deposits with Central Banks	311,436	845,230
Advances to Financial Institutions at Call	46	78
Cash Balances with Related Parties	31,856	29,787
Overdrawn nostro accounts	(638)	(4,519)
Cash and cash equivalents in the statement of cash flows	<b>342,700</b>	<b>870,577</b>

## 7. STATEMENT OF CASH FLOWS RECONCILIATION TO PROFIT

	Banking Group	
	30-Sep-16 \$(000's) unaudited	30-Sep-15 \$(000's) unaudited
RECONCILIATION OF NET PROFIT AFTER TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit after Tax	14,816	15,525
Add back		
Depreciation	158	184
Movements in operating assets and liabilities	(212,285)	432,502
(Decrease) in accrual of interest income	(1,414)	(444)
(Decrease)/Increase in accrual of interest expense	(686)	1,629
(Decrease) in accrual of fees and commissions	(210)	(8,693)
Increase/(Decrease) in accrual of other expenses/income	3,421	(3,074)
Revaluations of operating assets and liabilities	(12,123)	(1,290)
Movement in tax provision	(1,314)	(432)
Net Cash from Operating Activities	<u>(209,637)</u>	<u>435,907</u>

## 8. RELATED PARTIES TRANSACTIONS

## a) ULTIMATE HOLDING COMPANY

The ultimate parent of the Banking Group is Citigroup. These financial statements reflect only the operations of the New Zealand branch of CBNA and Associated Banking Group. These statements should be read in conjunction with the financial statements of Citigroup.

## b) BALANCES

	Banking Group		
	30-Sep-16	30-Sep-15	31-Dec-15
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
<b>Assets</b>			
Due from Related Parties - Head Office*	238,454	21,794	68,855
Due from Related Parties - Other Related Parties	19,928	295	12,112
	<b>258,382</b>	22,089	80,967
Derivative Financial Instruments - Head Office*	8,954	10,932	8,150
Other Assets - Head Office*	2,348	1,423	1,326
Other Assets - Other Related Parties	704	102	104
	<b>270,388</b>	34,546	90,547
<b>Liabilities</b>			
Due to Related Parties - Head Office*	776,147	869,502	599,497
Due to Related Parties - Other Related Parties	194,673	175,949	65,302
	<b>970,820</b>	1,045,451	664,799
Derivative Financial Instruments - Head Office*	8,177	9,525	19,514
Other Liabilities - Head Office*	586	997	727
Other Liabilities - Other Related Parties	520	304	498
	<b>980,103</b>	1,056,277	685,538
<b>Derivative Notional Amounts</b>			
Interest Rate Swap - Head Office*	180,000	180,000	180,000
Foreign Exchange Forwards - Head Office*	600,766	-	420,388

\*Head Office includes other branches of CBNA

All transactions with related parties are at commercial arm's length terms and rates. These are conducted predominantly with other CBNA branches and in the case of the CBNA New Zealand Branch, with the Associated Banking Group as well.

## 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.

## 10. FAIR VALUE HIERARCHY

Level 1: Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair values measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair values measured using inputs for the asset or liability that are not substantially based on observable market data (i.e. unobservable inputs).

	Banking Group			Total \$(000's)
	Level 1 \$(000's)	Level 2 \$(000's)	Level 3 \$(000's)	
<b>30-Sep-16</b>				
<b>ASSETS</b>				
Financial Assets at Fair Value through Profit or Los:	-	-	-	-
Derivative Financial Instruments	-	8,954	-	8,954
Available For Sale Assets	-	802,491	-	802,491
	-	811,445	-	811,445
<b>LIABILITIES</b>				
Derivative Financial Instruments	-	8,177	-	8,177
<b>30-Sep-15</b>				
<b>ASSETS</b>				
Financial Assets at Fair Value through Profit or Los:	-	174,883	-	174,883
Derivative Financial Instruments	-	10,932	-	10,932
Available For Sale Assets	-	408,133	-	408,133
	-	593,948	-	593,948
<b>LIABILITIES</b>				
Derivative Financial Instruments	-	9,525	-	9,525
<b>31-Dec-15</b>				
<b>ASSETS</b>				
Financial Assets at Fair Value through Profit or Los:	-	-	-	-
Derivative Financial Instruments	-	8,150	-	8,150
Available For Sale Assets	-	567,479	-	567,479
	-	575,629	-	575,629
<b>LIABILITIES</b>				
Derivative Financial Instruments	-	19,514	-	19,514

## 11. EXPOSURES TO MARKET RISK

	Implied Risk Weighted Exposure \$(000's)	Notional Capital Charge \$(000's) Banking Group 30-Sep-2016 unaudited
Interest Rate Risk	1,225	98
Foreign Currency Risk	2,538	203
Equity Risk	-	-
		30-Sep-2015 unaudited
Interest Rate Risk	425	34
Foreign Currency Risk	3,173	254
Equity Risk	-	-

Market risk notional capital charges are derived in accordance with the Capital Adequacy Framework (Standardized Approach) (BS2A) per the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended).

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.

## 12. 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 in normal conditions.

	Banking Group		
	30-Sep-16 \$(000's) unaudited	30-Sep-15 \$(000's) unaudited	31-Dec-15 \$(000's) audited
Cash and Demand Deposits with Central Banks	311,436	845,230	523,490
Government bonds/Treasury bills	-	-	-
Bank bills	802,491	583,016	567,479
	<b>1,113,927</b>	<b>1,428,246</b>	<b>1,090,969</b>

## 13. CAPITAL ADEQUACY

CBNA New Zealand Branch is a branch of, and each member of the Associated Banking Group is a wholly-owned subsidiary of CBNA, which is an indirect wholly-owned subsidiary of Citigroup.

Below are the capital ratios of CBNA.

	30-Sep-16		31- Dec-15	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach <sup>(1)</sup>
Common Equity Tier 1 Capital ratio <sup>(1)</sup>	13.06 %	12.95 %	14.17 %	12.74 %
Tier 1 Capital ratio <sup>(1)</sup>	13.06	12.96	14.17	12.74
Total Capital ratio <sup>(1)</sup>	14.17	15.21	15.44	14.99

	30-Sep-16		31- Dec-15	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach <sup>(1)</sup>
Tier 1 Leverage ratio		9.62 %		9.80 %
Supplementary Leverage ratio		6.87		6.92

(1) As of Sep 30, 2016 and December 31, 2015, CBNA's reportable Common Equity Tier 1 Capital, Tier 1 Capital were the lower derived under the Basel III Standardised Approach framework. As of Sep 30, 2016 and December 31, 2015, CBNA's reportable Total Capital ratio was the lower derived under the Basel III Advanced Approaches framework and the Basel III Standardized Approach framework, respectively.

During 2016, CBNA is required to maintain stated minimum Common Equity Tier 1 Capital ratio, Tier 1 Capital and Total Capital ratios of 4.5%, 6% and 8% respectively.

**Prompt Corrective Action Framework**

The U.S. Basel III rules revised the PCA regulations applicable to insured depository institutions in certain respects. In general, the PCA regulations direct the U.S. banking agencies to enforce increasingly strict limitations on the activities of insured depository institutions that fail to meet certain regulatory capital thresholds. The PCA framework contains five categories of capital adequacy as measured by risk-based capital and leverage ratios: (i) "well capitalized;" (ii) "adequately capitalized;" (iii) "undercapitalized;" (iv) "significantly undercapitalized;" and (v) "critically undercapitalized."

Accordingly, beginning January 1, 2015, an insured depository institution, such as CBNA, would need minimum Common Equity Tier 1 Capital, Tier 1 Capital, Total Capital, and Tier 1 Leverage ratios of 6.5%, 8%, 10% and 5%, respectively, to be considered "well capitalized." Additionally, Advanced Approaches insured depository institutions, such as CBNA, would need a minimum Supplementary Leverage ratio of 6%, effective January 1, 2018, to be considered "well capitalized."

For information on the Current Regulatory Capital Standards and Final Basel III Rules including the transitional progression to full implementation in relation to Citigroup see "Capital Resources and Liquidity - Capital Resources" in Citigroup's Quarterly Report on Form 10-Q for the nine months ended 30 Sep 2016. It is available on the Bank's website 'www.citi.co.nz' as part of the Disclosure Statement dated 30 Sep 2016.

## 14. SUBSEQUENT EVENTS

There has not arisen in the interval between 30 September 2016 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 Banking Group, 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 Timothy Sedgwick, 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 2014 (as amended).

As at the date hereof, the disclosure statement is not false or misleading.

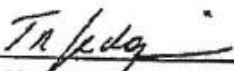
During the nine months ended 30 September 2016, Citibank, N.A., New Zealand Branch complied with the conditions of registration imposed on it by the Reserve Bank of New Zealand pursuant to section 74 of the Reserve Bank of New Zealand Act 1989.

During the nine months ended 30 September 2016, 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.

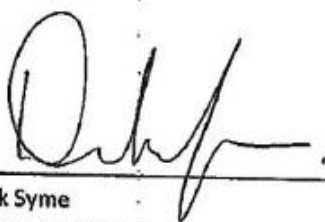
However, no system of internal control can facilitate the perfect management of banking risks.

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 2016, 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 Timothy Sedgwick as agent are still in force and have not been revoked.

  
Signed by Timothy Sedgwick  
as agent for all the directors

Dated this 18th day of November 2016  
in Sydney  
Australia

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

Dated this 18th day of November 2016  
in Auckland  
New Zealand