



**CITIBANK, N.A.  
NEW ZEALAND BRANCH  
AND ASSOCIATED BANKING GROUP  
DISCLOSURE STATEMENT  
30 SEPTEMBER 2017**

**Registered office  
Citigroup Centre  
23 Customs Street East  
Auckland 1010**

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

**TABLE OF CONTENTS**

	<b>Page No.</b>
<b>General Disclosures</b>	3
<b>Consolidated statement of comprehensive income</b>	5
<b>Consolidated statement of changes in equity</b>	6
<b>Consolidated statement of financial position</b>	7
<b>Consolidated statement of cash flows</b>	8
<b>Notes to the disclosure statements</b>	
1 Statement of significant accounting policies	9
2 Financial risk management	9
3 Other income	9
4 Total liabilities to third parties - branch	9
5 Assets quality	9
6 Cash balances	10
7 Statement of cash flows reconciliation to profit	10
8 Related party transactions	10
9 Credit exposures to individual counterparties	11
10 Residential mortgages by loan to valuation ratio	
11 Contingent liabilities	11
12 Liquidity risk	11
13 Fair value hierarchy	12
14 Exposures to market risk	12
15 Capital adequacy	13
16 Subsequent events	13
<b>Directors' statement</b>	14

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP  
GENERAL DISCLOSURES**

The financial statements are 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  
Chief Financial Officer  
Citi Australia / New Zealand

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

Anthony M. Santomero  
Ellen M. Costello  
Barbara J. Desoer  
Duncan P. Hennes  
Eugene M. McQuade  
Susan Leslie Ireland  
James S. Turley

On 25 April, 2017, Joan E. Spero retired from the Board of Directors of Citibank, N.A. and Susan Leslie Ireland was appointed as a director of Citibank, N.A, effective from 2 October 2017. There have been no other changes to CBNA's board of directors since the last disclosure statement dated 31 December 2016.

**Guarantee Arrangements**

CBNA New Zealand Branch does not have any guarantees over any material obligations as at 17 November 2017.

**Conditions of Registration**

There has been no change to CBNA's Conditions of Registration since the last disclosure statement dated 31 December 2016.

**Credit Ratings**

CBNA 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.

Rating Agency	Current Rating
Moody's	A1 (stable)
Standard & Poor's	A+ (stable)
Fitch	A+ (stable)

Foreign branches of CBNA, including CBNA New Zealand Branch, that are without an explicit standalone rating have an implied rating equal to that of CBNA, but are subject to constraints based upon the sovereign rating of the country in which they operate.

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

## Insurance Business and Non-Financial Activities

CBNA New Zealand Branch and the Banking Group does not conduct any insurance business in New Zealand.

CBNA does not conduct any insurance business or non-financial activities in New Zealand that are outside its Banking Group.

## Financial Statements

Any person, upon request and without charge, may obtain a copy of CBNA New Zealand Branch and the Banking Group's most recent Disclosure Statement, which contains a copy of the most recent publicly available consolidated financial statements of CBNA (Citibank Call Report for the nine months ended 30 September 2017 ("Citibank Call Report") and the Citigroup Quarterly Report on Form 10-Q for the quarter ended 30 September 2017, immediately by requesting a copy from CBNA's New Zealand office in Auckland. The Disclosure Statement is also available on the Bank's website 'www.citi.co.nz'.

CBNA is an indirect wholly owned subsidiary of Citigroup. The information relating to CBNA contained in the Bank's 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 30 September 2017.

The Citibank Call Report is prepared in accordance with the 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 consolidated balance sheet, income statement and related schedules included in the Call Report. Despite the adoption of U.S. GAAP as the reporting basis for the Citibank Call Report, the presentation of financial statements in the Citibank Call Report differs significantly from the presentation of financial statements included in the Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission, including without limitation the Citibank Call Report generally contains less disclosure than audited financial statements prepared in accordance with U.S. GAAP.

<b>Profitability and size of Citibank, N.A. (CBNA)</b> (The following information has not been audited)	<b>(Thousands of US Dollars)</b>	
	<b>30-Sep-17</b>	<b>30-Sep-16</b>
<b>Profitability</b>		
Net profit/(loss) after tax for the nine months ended	<b>9,851,000</b>	9,427,000
Net profit/(loss) after tax over the previous twelve months as a percentage of average total assets	<b>0.96%</b>	0.91%
<b>Size</b>		
Total Assets	<b>1,407,297,000</b>	1,356,393,000
Percentage Change in total assets over the previous twelve months	<b>3.75%</b>	1.39%
<b>Asset Quality</b>		
Total Impaired Assets	<b>9,057,000</b>	11,306,000
Total Impaired Assets as a percentage of Total Assets	<b>0.64%</b>	0.83%
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 non-accrual loans, restructured loans, other non-accrual 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 2017 is US\$ 10,649 million (30 September 2016: US\$10,776 million).

Total collective impaired assets for CBNA are not included because such figures are not publicly available.

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	Note Numbers	30-Sep-17 \$(000's) unaudited	30-Sep-16 \$(000's) unaudited
Interest Income		39,908	46,720
Interest Expense		18,397	21,205
NET INTEREST INCOME		<u>21,511</u>	<u>25,515</u>
Other Income	3	11,849	10,623
TOTAL REVENUE		<u>33,360</u>	<u>36,138</u>
Operating Expenses		15,463	15,428
PROFIT BEFORE INCOME TAX		<u>17,897</u>	<u>20,710</u>
Income Tax Expense		5,004	5,894
PROFIT FOR THE PERIOD		<u>12,893</u>	<u>14,816</u>
Other Comprehensive Income			
Available For Sale Reserve			
Fair value gain/(loss) taken directly to equity		(29)	(18)
Tax on movements and transfers		8	5
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX, THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT		<u>(21)</u>	<u>(13)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>12,872</u></u>	<u><u>14,803</u></u>

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

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	Note Numbers	30-Sep-17 \$(000's) unaudited	30-Sep-16 \$(000's) unaudited
<b>Capital</b>			
<b>Citicorp Services Limited</b>			
Authorized, Issued and Paid-Up Capital			
25,000,000 (2016: 25,000,000) Ordinary		<u>28,595</u>	28,595
		<u>28,595</u>	<u>28,595</u>
<b>Head Office Account</b>			
<b>CBNA New Zealand Branch</b>			
At the beginning of the year		33,484	33,665
Movement in share based payment reserve		<u>(56)</u>	<u>(86)</u>
At the end of the period		<u>33,428</u>	<u>33,579</u>
<b>Available For Sale Reserve</b>			
At the beginning of the year		68	61
Other comprehensive income		<u>(21)</u>	<u>(13)</u>
At the end of the period		<u>47</u>	<u>48</u>
<b>Retained earnings</b>			
At the beginning of the year		132,410	132,833
Profit after tax		<u>12,893</u>	<u>14,816</u>
At the end of the period		<u>145,303</u>	<u>147,649</u>
<b>Equity at the end of the period</b>			
		<u>207,373</u>	<u>209,871</u>
<b>Represented by:</b>			
<b>Equity at the beginning of the year</b>			
		194,557	195,154
<b>Transactions with owners, recorded directly in equity</b>			
Movement in share based payment reserve		<u>(56)</u>	<u>(86)</u>
Total transactions with owners		<u>(56)</u>	<u>(86)</u>
<b>Total Comprehensive Income for the period</b>			
Profit for the period		12,893	14,816
Other comprehensive income			
Net change in fair value of available for sale assets to profit or loss on disposal		(29)	(18)
Income tax on other comprehensive income		8	5
Total other comprehensive income		<u>(21)</u>	<u>(13)</u>
<b>Total Comprehensive Income for the period</b>		<u>12,872</u>	<u>14,803</u>
<b>Equity at the end of the period</b>			
		<u>207,373</u>	<u>209,871</u>

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

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2017**

	Note Numbers	30-Sep-17 \$(000's) unaudited	Banking Group 30-Sep-16 \$(000's) unaudited	31-Dec-16 \$(000's) audited
<b>ASSETS</b>				
Cash and Cash Equivalents	6	689,321	343,338	549,153
Due from Related Parties	8	139,024	258,382	171,824
Derivative Financial Assets	8	10,915	8,954	20,310
Current Tax Assets		1,671	4,196	2,559
Available For Sale Assets		605,015	802,491	504,453
Loans and Advances		863,569	806,241	810,805
Other Assets		10,385	9,016	5,054
Deferred Tax Assets		449	572	474
Property Plant and Equipment		566	821	744
<b>TOTAL ASSETS</b>		<b>2,320,915</b>	<b>2,234,011</b>	<b>2,065,376</b>
<b>LIABILITIES</b>				
Deposits from Other Banks	4	1,073	11,639	4,340
Due to Related Parties	8	1,124,387	970,820	1,014,815
Other Deposits	4	972,579	1,021,941	839,617
Derivative Financial Liabilities	8	4,226	8,177	5,624
Provisions		183	176	176
Other Liabilities		11,094	11,387	6,247
<b>TOTAL LIABILITIES</b>		<b>2,113,542</b>	<b>2,024,140</b>	<b>1,870,819</b>
<b>EQUITY</b>				
Issued and Paid-Up Capital		28,595	28,595	28,595
Head Office Account		33,428	33,579	33,484
Available For Sale Reserve		47	48	68
Retained Earnings		145,303	147,649	132,410
<b>TOTAL EQUITY</b>		<b>207,373</b>	<b>209,871</b>	<b>194,557</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,320,915</b>	<b>2,234,011</b>	<b>2,065,376</b>
Total Interest Earning and Discount Bearing Assets		2,296,929	2,210,441	2,036,235
Total Interest and Discount Bearing Liabilities		2,092,121	2,003,887	1,853,337

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

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	Note Numbers	30-Sep-17 \$(000's) unaudited	30-Sep-16 \$(000's) unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		<b>34,403</b>	45,306
Interest paid		<b>(17,415)</b>	(21,891)
Net trading (loss)/ income		<b>9,161</b>	(13,165)
Other income		<b>14,718</b>	14,535
Net (increase)/ decrease in placements due from related companies		<b>32,800</b>	(177,415)
Net (increase)/ decrease available for sale assets		<b>(100,620)</b>	(235,048)
Net (increase)/ decrease in loans and advances		<b>(52,764)</b>	(51,362)
Net increase/ (decrease) in due to related parties		<b>110,509</b>	305,413
Net increase/ (decrease) in customer deposits		<b>129,695</b>	(53,873)
Income tax paid		<b>(4,068)</b>	(7,208)
Other operating expenses paid		<b>(15,243)</b>	(14,929)
Net cash used in operating activities	7	<u><b>141,176</b></u>	<u>(209,637)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments to acquire property, plant and equipment		-	(5)
Net cash used in investing activities		<u>-</u>	<u>(5)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(Decrease) in Head Office account		<u>(71)</u>	<u>(124)</u>
Net cash used in financing activities		<u>(71)</u>	<u>(124)</u>
Net (decrease) / increase in cash and cash equivalents		<b>141,105</b>	(209,765)
Cash and cash equivalents at the beginning of the year		<b>546,929</b>	552,465
Cash and cash equivalents at the end of the period	6	<u><b>688,034</b></u>	<u>342,700</u>

**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 QUARTER ENDED 30 SEPTEMBER 2017**

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 Banking Group'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), the Financial Markets Conduct Act 2013 ("FMCA 2013"), the Companies Act 1993, the Financial Reporting Act 2013 and with New Zealand Generally Accepted Accounting Practice ("NZGAAP"). They comply with the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for Tier 1 for-profit entities. They comply with International Accounting Standard 34 Interim Financial Reporting.

These interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2016.

These interim financial statements were authorised for issue by CBNA under power of attorney and by the boards of directors of Citicorp Services Limited and its subsidiaries on this 17th day of November 2017.

*b) Basis of preparation*

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

The financial statements are 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 statements have been rounded 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 2016.

**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 2016.

**3. OTHER INCOME**

	<b>30-Sep-17</b> <b>\$(000's)</b> <b>unaudited</b>	<b>30-Sep-16</b> <b>\$(000's)</b> unaudited
Net Trading gain/(loss)	<b>1,135</b>	(1,042)
Other Operating Revenue	<b>10,714</b>	11,665
	<b>11,849</b>	10,623

**4. TOTAL LIABILITIES TO THIRD PARTIES - BRANCH**

	<b>30-Sep-17</b> <b>\$(000's)</b> <b>unaudited</b>	<b>30-Sep-16</b> <b>\$(000's)</b> unaudited	<b>31-Dec-16</b> <b>\$(000's)</b> audited
Deposits from Other Banks	<b>1,073</b>	11,639	4,340
Other Deposits	<b>972,579</b>	1,021,941	839,617
Other Liabilities	<b>9,453</b>	10,415	4,283
Total liabilities of the Branch, net of amounts due to related parties	<b>983,105</b>	1,043,995	848,240

The Branch has no retail deposits as at reporting date.

The above branch information is provided as per the Registered Bank Disclosure Statement (Overseas Incorporated Registered Banks) Order 2014 (as amended) (schedule 4, part 2(a) and 2(b)).

**5. ASSET QUALITY**

*a) Past due and impaired assets*

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

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

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

**5. ASSET QUALITY (continued)**

*b) Movement in provision for loan impairments.*

CBNA New Zealand Branch and the Banking Group have no past due assets or impaired assets. As such, no provision for loan impairments have been made.

**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 Banking Group in the management of its short term commitments.

	<b>30-Sep-17</b>	<b>30-Sep-16</b>
	<b>\$(000's)</b>	<b>\$(000's)</b>
	<b>unaudited</b>	unaudited
Cash and Demand Deposits with Central Banks	<b>663,207</b>	311,436
Loans and Advances to Financial Institutions at call	<b>6,530</b>	46
Due from Related Parties	<b>19,584</b>	31,856
Due to Related Parties*	<b>(1,287)</b>	(638)
Cash and cash equivalents in the statement of cash flows	<b><u>688,034</u></b>	<u>342,700</u>

\* This represents overdrafts repayable on demand to other banks, presented on the Statement of Financial Position within "Due to Related Parties".

**7. STATEMENT OF CASH FLOWS RECONCILIATION TO PROFIT**

	<b>30-Sep-17</b>	<b>30-Sep-16</b>
	<b>\$(000's)</b>	<b>\$(000's)</b>
	<b>unaudited</b>	unaudited
<b>Reconciliation of net profit after tax to net cash flows</b>		
Net Profit after Tax	<b>12,893</b>	14,816
Adjustments for:		
Increase/(Decrease) in depreciation	<b>178</b>	158
Movements in operating assets less liabilities	<b>119,620</b>	(212,285)
Increase/(Decrease) in accrual of interest expenses	<b>982</b>	(686)
Movements in accrual of other operating income and expenses	<b>4,023</b>	3,421
Revaluations of financial assets and liabilities	<b>8,026</b>	(12,123)
Increase/(Decrease) in tax provision	<b>936</b>	(1,314)
Increase/(Decrease) in other provision	<b>7</b>	-
(Increase)/Decrease in accrual of interest income	<b>(5,505)</b>	(1,414)
Increase/(Decrease) in accrual of fees and commissions	<b>16</b>	(210)
Net Cash Flows from Operating Activities	<b><u>141,176</u></b>	<u>(209,637)</u>

**8. RELATED PARTY TRANSACTIONS**

**(a) ULTIMATE HOLDING COMPANY**

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

**Members of Citibank, N.A. New Zealand Branch and Associated Banking Group**

CBNA New Zealand Branch	Branch of CBNA
Citicorp Services Limited	Locally incorporated wholly-owned subsidiary of Citibank Overseas Investment Corporation
Citibank Nominees (New Zealand) Limited	Locally incorporated wholly-owned subsidiary of Citicorp Services Limited

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

**8. RELATED PARTY TRANSACTIONS (continued)**

	<b>30-Sep-17</b>	<b>30-Sep-16</b>	<b>31-Dec-16</b>
	<b>\$(000's)</b>	<b>\$(000's)</b>	<b>\$(000's)</b>
<b>(b) BALANCES</b>	<b>unaudited</b>	<b>unaudited</b>	<b>audited</b>
<b>Assets</b>			
Due from Related Parties - Head Office (including other branches)	122,387	238,454	165,955
Due from Related Parties - Other Related Parties	16,637	19,928	5,869
Total Due from Related Parties	<u>139,024</u>	<u>258,382</u>	<u>171,824</u>
Derivative Financial Assets - On Balance Sheet	10,915	8,954	20,310
Other Assets - Head Office (including other branches)	2,062	2,348	2,013
Other Assets - Other Related parties	113	704	332
Total other Related Parties Assets	<u>13,090</u>	<u>12,006</u>	<u>22,655</u>
<b>Liabilities</b>			
Due to Related Parties - Head Office (including other branches)	1,004,318	776,147	949,208
Due to Related Parties - Other Related Parties	120,069	194,673	65,607
Total Due to Related Parties	<u>1,124,387</u>	<u>970,820</u>	<u>1,014,815</u>
Derivative Financial Liabilities - On Balance Sheet	4,226	8,177	5,624
Other Liabilities - Head Office (including other branches)	1,695	586	885
Other Liabilities - Other Related parties	129	520	1,079
Other Related Parties Liabilities	<u>6,050</u>	<u>9,283</u>	<u>7,588</u>
<b>Derivative Notional Amounts</b>			
Interest Rate Swaps			
- Head Office (including other branches)	180,000	180,000	180,000
Foreign Exchange Forwards			
- Head Office (including other branches)	719,875	600,766	718,147

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

Cash balances due to/from related parties are disclosed in Note 6.

**9. CREDIT EXPOSURES TO INDIVIDUAL COUNTERPARTIES**

Based on actual credit exposures, no credit exposure to any individual counterparty of CBNA New Zealand Branch and the Banking Group equaled or exceeded 10% of CBNA's equity during this accounting period. This did not include exposures to counterparties if they were booked outside of New Zealand.

**10. RESIDENTIAL MORTGAGES BY LOAN-TO-VALUATION RATIO**

As at reporting date, CBNA New Zealand Branch and the Banking group do not provide any residential mortgage loans in New Zealand.

**11. CONTINGENT LIABILITIES**

	<b>30-Sep-17</b>	<b>30-Sep-16</b>	<b>31-Dec-16</b>
	<b>\$(000's)</b>	<b>\$(000's)</b>	<b>\$(000's)</b>
	<b>unaudited</b>	<b>unaudited</b>	<b>audited</b>
Specific contingent liabilities existing at period end are:			
Guarantees, Letters of Credit and undrawn loans	596,949	372,597	477,725
Foreign Exchange Forwards (Notional Amounts)	719,875	600,766	718,147
Interest Rate Swaps (Notional Amounts)	180,000	180,000	180,000

**12. LIQUIDITY RISK**

The Banking Group holds a portfolio of central bank funds and liquid bank bills 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.

	<b>30-Sep-17</b>	<b>30-Sep-16</b>	<b>31-Dec-16</b>
	<b>\$(000's)</b>	<b>\$(000's)</b>	<b>\$(000's)</b>
	<b>unaudited</b>	<b>unaudited</b>	<b>audited</b>
Cash and Demand Deposits with Central Banks	663,207	311,436	531,004
Government bonds/Treasury bills	136,151	-	140,216
Bank bills	468,864	802,491	364,237
	<u>1,268,222</u>	<u>1,113,927</u>	<u>1,035,457</u>

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

**13. 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).

**Fair Value Hierarchy of Financial Instruments:**

<b>As at 30 September 2017</b>	<b>Level 1 \$(000's) unaudited</b>	<b>Level 2 \$(000's) unaudited</b>	<b>Level 3 \$(000's) unaudited</b>	<b>Total \$(000's) unaudited</b>
<b>ASSETS</b>				
Derivative Financial Assets	-	10,915	-	10,915
Available For Sale Assets	136,151	468,864	-	605,015
	<u>136,151</u>	<u>479,779</u>	<u>-</u>	<u>615,930</u>
<b>LIABILITIES</b>				
Derivative Financial Liabilities		4,226		4,226

<b>As at 30 September 2016</b>	<b>Level 1 \$(000's) unaudited</b>	<b>Level 2 \$(000's) unaudited</b>	<b>Level 3 \$(000's) unaudited</b>	<b>Total \$(000's) unaudited</b>
<b>ASSETS</b>				
Derivative Financial Assets	-	8,954	-	8,954
Available For Sale Assets	-	802,491	-	802,491
	<u>-</u>	<u>811,445</u>	<u>-</u>	<u>811,445</u>
<b>LIABILITIES</b>				
Derivative Financial Liabilities	-	8,177	-	8,177

<b>As at 31 December 2016</b>	<b>Level 1 \$(000's) audited</b>	<b>Level 2 \$(000's) audited</b>	<b>Level 3 \$(000's) audited</b>	<b>Total \$(000's) audited</b>
<b>ASSETS</b>				
Derivative Financial Assets	-	20,310	-	20,310
Available For Sale Assets	140,216	364,237	-	504,453
	<u>140,216</u>	<u>384,547</u>	<u>-</u>	<u>524,763</u>
<b>LIABILITIES</b>				
Derivative Financial Liabilities		5,624		5,624

**14. EXPOSURES TO MARKET RISK**

	<b>Implied Risk Weighted Exposure \$(000's) unaudited</b>	<b>Notional Capital Charge \$(000's) unaudited</b>
<b>As at 30 September 2017</b>		
Interest Rate Risk	600	48
Foreign Currency Risk	2,050	164
Equity Risk	-	-
<b>As at 30 September 2016</b>		
Interest Rate Risk	1,225	98
Foreign Currency Risk	2,538	203
Equity Risk	-	-

Market risk notional capital charges are derived in accordance with the Capital Adequacy Framework (Standardised 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, non-trading and accrual 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.

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

**15. CAPITAL ADEQUACY**

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

Below are the capital ratios of Citibank, N.A.

	30-Sep-17		31-Dec-16	
	Advanced Approaches	Standardised Approach	Advanced Approaches	Standardised Approach
Common Equity Tier 1 Capital ratio <sup>(1)</sup>	13.41%	12.36%	12.96%	12.61%
Tier 1 Capital ratio <sup>(1)</sup>	13.56%	12.50%	12.99%	12.63%
Total Capital ratio <sup>(1)</sup>	14.91%	14.78%	14.25%	15.01%
	30-Sep-17		31-Dec-16	
Tier 1 Leverage ratio	9.35%		9.49%	
Supplementary Leverage ratio	6.77%		6.80%	

<sup>(1)</sup> As of September 30, 2017, CBNA's reportable Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios were the lower derived under the Basel III Standardized Approach. As of December 31, 2016, CBNA's reportable Common Equity Tier 1 Capital and Tier 1 Capital ratios were the lower derived under the Basel III Standardized Approach, whereas the reportable Total Capital ratio was the lower derived under the Basel III Advanced Approaches framework.

During 2017, CBNA is subject to effective minimum Common Equity Tier 1 Capital, Tier 1 Capital and Total Capital ratios, inclusive of the 50% phase-in of the 2.5% Capital Conservation Buffer, of 5.75%, 7.25% and 9.25%, respectively.

**Prompt Corrective Action (PCA) 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 Basel III capital adequacy framework in relation to Citigroup see "Capital Resources and Liquidity - Capital Resources" in Citigroup's Quarterly Report on Form 10-Q for the quarter ended 30 September 2017. It is available on the Bank's website 'www.citi.co.nz' as part of the Disclosure Statement dated 30 September 2017.

**16. SUBSEQUENT EVENTS**

There has not arisen in the interval between 30 September 2017 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.

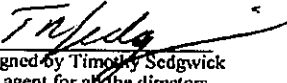
During the nine months ended 30 September 2017, Citibank, N.A., New Zealand Branch complied with the conditions of registration imposed on it by the Reserve Bank of New Zealand pursuant to section 74 of the Reserve Bank of New Zealand Act 1989.

During the nine months ended 30 September 2017, 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.

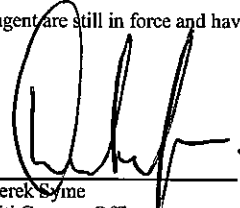
However, no system of internal control can facilitate the perfect management of banking risks.

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 2017, 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 17th day of November 2017  
in Sydney  
Australia

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

Dated this 17th day of November 2017  
in Auckland  
New Zealand