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**CITIBANK, N.A.**

New Zealand Branch  
and Associated Banking Group

**DISCLOSURE STATEMENT**

30 September 2011

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

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

James F. McCue  
Deputy Controller  
Head of Corporate and Regulatory Reporting  
Citigroup Inc.

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

Eugene M. McQuade  
Timothy C. Collins  
Robert L. Joss  
Michael E. O'Neill  
Lawrence R. Ricciardi  
Robert L. Ryan  
Anthony M. Santomero  
Ernesto Zedillo

Jerry A. Grundhofer resigned from Citibank, N.A.'s board of directors on 23 June 2011. There have been no other changes to Citibank, N.A.'s board of directors since the last full year disclosure statement dated 31 December 2010.

#### 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 2011.

#### 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	A1 (negative)
Standard & Poor's	A+ (negative)
Fitch	A+ (watch negative)

##### 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

The wording of condition 2 relating to the banking group's insurance business has changed and is effective from 30 September 2011. It now reads -

That the banking group's insurance business is not greater than 1% of its total consolidated assets.

For the purposes of this condition of registration, the banking group's insurance business is the sum of the following amounts for entities in the banking group:

- (a) if the business of an entity predominantly consists of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total consolidated assets of the group headed by the entity; and
- (b) if the entity conducts insurance business and its business does not predominantly consist of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total liabilities relating to the entity's insurance business plus the equity retained by the entity to meet the solvency or financial soundness needs of its insurance business.

In determining the total amount of the banking group's insurance business -

- (a) all amounts must relate to on balance sheet items only, and must comply with generally accepted accounting practice as provided for in section 3 of the Financial Reporting Act 1993; and
- (b) if products or assets of which an insurance business is comprised also contain a non-insurance component, the whole of such products or assets must be considered part of the insurance business.

For the purposes of this condition of registration, -

“insurance business” means the undertaking or assumption of liability as an insurer under a contract of insurance:

“insurer” and “contract of insurance” have the same meaning as provided in sections 6 and 7 of the Insurance (Prudential Supervision) Act 2010.

## 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, 2011), and the Citigroup Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, 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, 2011, 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-10
	30-Sep-11	
<b>Profitability</b>		
Net Profit/(Loss) after tax	8,512,000	6,419,000
Net Profit/(Loss) after tax over the previous twelve months as a percentage of average total assets	0.83%	0.50%
<b>Size (refer Note 1)</b>		
Total Assets	1,300,674,000	1,209,221,000
Percentage Change in total assets over the previous twelve months	7.56%	1.89%
<b>Asset Quality (refer Note 1 and 2)</b>		
Total Impaired Assets	27,600,000	27,999,000
Total Impaired Assets as a percentage of Total Assets	2.12%	2.32%
Total Individual Credit Impaired Allowance	-	-
Total Individual Credit Impaired Allowance as a percentage of Total Impaired Assets	0.00%	0.00%
Total Collective Credit Impairment Allowance	-	-
Total Collective Credit Impairment Allowance as a percentage of Total Impaired Assets	0.00%	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 2011 is US\$25,963 million (30 September 2010: US\$19,951 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 2011**

	NOTE	Banking Group		
		30-Sep-11 \$(000's) unaudited	30-Sep-10 \$(000's) unaudited	31-Dec-10 \$(000's) audited
Interest Income		53,790	55,576	74,375
Interest Expense		23,586	26,497	34,755
NET INTEREST INCOME		<b>30,204</b>	29,079	39,620
Operating Revenue	3	1,851	3,647	2,154
		<b>32,055</b>	32,726	41,774
Operating Expenses		12,089	13,633	18,714
OPERATING PROFIT BEFORE INCOME TAX		<b>19,966</b>	19,093	23,060
PROFIT BEFORE INCOME TAX		<b>19,966</b>	19,093	23,060
Income Tax Expense		5,671	6,043	7,384
PROFIT AFTER INCOME TAX		<b>14,295</b>	13,050	15,676
Other Comprehensive Income				
Available For Sale Reserve				
Fair value gain taken directly to equity		-	177	177
Tax on movements and transfers		-	(53)	(53)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	124	124
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<b>14,295</b>	13,174	15,800

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 2011**

	Banking Group		
	30-Sep-11 \$(000's) unaudited	30-Sep-10 \$(000's) unaudited	31-Dec-10 \$(000's) audited
<b>NOTE</b>			
<b>Capital</b>			
<b>Citicorp Services Limited</b>			
Authorized, Issued and Paid-Up Capital			
- 25,000,000 (2010: 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	32,808	32,498	32,498
Contribution from Head Office	64	2	310
At the end of the period	<u>32,872</u>	<u>32,500</u>	<u>32,808</u>
<b>Available For Sale Reserve</b>			
At the beginning of the year	-	(124)	(124)
Other comprehensive income	-	124	124
At the end of the period	<u>-</u>	<u>-</u>	<u>-</u>
<b>Retained earnings</b>			
At the beginning of the year	84,983	69,307	69,307
Profit after income tax	14,295	13,050	15,676
At the end of the period	<u>99,278</u>	<u>82,357</u>	<u>84,983</u>
<b>Equity at the end of the period</b>			
	<u>160,745</u>	<u>143,452</u>	<u>146,386</u>
<b>Represented by :</b>			
<b>Equity at the beginning of the year</b>			
	146,386	130,276	130,276
<b>Transactions with owners, recorded directly in equity</b>			
Contribution from Head Office	64	2	310
Total transactions with owners	<u>64</u>	<u>2</u>	<u>310</u>
<b>Total Comprehensive Income for the year</b>			
Profit after income tax for the period	14,295	13,050	15,676
Other comprehensive income			
Net change in fair value of available for sale securities	-	177	177
Income tax on other comprehensive income	-	(53)	(53)
Total other comprehensive income	<u>-</u>	<u>124</u>	<u>124</u>
<b>Total Comprehensive Income for the period</b>	<u>14,295</u>	<u>13,174</u>	<u>15,800</u>
<b>Equity at the end of the period</b>			
	<u>160,745</u>	<u>143,452</u>	<u>146,386</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 2011**

	NOTE	Banking Group		
		30-Sep-11	30-Sep-10	31-Dec-10
		\$(000's)	\$(000's)	\$(000's)
		unaudited	unaudited	audited
<b>ASSETS</b>				
Cash and Demand Deposits with Central Banks	11	723,382	877,807	999,993
Advances to Financial Institutions at Call		37	4,764	200,882
Due from Related Parties	7	354,789	100,785	77,037
Financial Assets at Fair Value through the Income Statement	11	671,342	946,357	1,000,356
Derivative Financial Instruments		40,965	27,676	21,203
Current Tax Assets		-	1,481	285
Loans and Advances	5	564,878	502,054	377,190
Property Plant and Equipment		165	172	167
Deferred Tax Assets		713	1,534	1,320
Other Assets		6,420	4,679	3,261
<b>TOTAL ASSETS</b>		<b>2,362,691</b>	<b>2,467,309</b>	<b>2,681,694</b>
<b>LIABILITIES</b>				
Deposits from Other Banks		37,770	30,070	26,115
Due to Related Parties	7	764,787	1,124,680	1,172,699
Other Deposits		1,364,083	1,122,820	1,280,928
Derivative Financial Instruments		23,458	37,400	45,314
Current Tax Liabilities		869	-	-
Provisions		201	201	201
Other Liabilities		10,778	8,686	10,051
<b>TOTAL LIABILITIES</b>		<b>2,201,946</b>	<b>2,323,857</b>	<b>2,535,308</b>
<b>EQUITY</b>				
Issued and Paid-Up Capital		28,595	28,595	28,595
Head Office Account		32,872	32,500	32,808
Retained Earnings		99,278	82,357	84,983
<b>TOTAL EQUITY</b>		<b>160,745</b>	<b>143,452</b>	<b>146,386</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,362,691</b>	<b>2,467,309</b>	<b>2,681,694</b>
Total Interest Earning and Discount Bearing Assets		2,314,428	2,431,767	2,655,458
Total Interest and Discount Bearing Liabilities		2,166,640	2,277,570	2,479,742

**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 2011**

	NOTE	Banking Group		
		30-Sep-11	30-Sep-10	31-Dec-10
		\$(000's)	\$(000's)	\$(000's)
		unaudited	unaudited	audited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash was provided from:				
Interest Income		51,819	54,296	75,169
Trading Gain		-	2,825	13,672
Other Income		9,346	7,108	9,098
Decrease in available for sale financial assets		-	25,185	25,185
Decrease in financial assets at fair value		331,603	161,871	107,406
Decrease in placements due from related companies		-	1,590,425	1,613,106
Increase in customer deposits		94,815	15,039	169,187
		<b>487,583</b>	1,856,749	2,012,823
Cash was applied to:				
Interest Expense		23,890	31,274	39,848
Trading Loss		50,383	-	-
Tax Paid		3,916	7,491	7,601
Other Expenses		13,531	13,401	16,923
Increase in placements due from related companies		10,587	-	-
Increase in placements/loans		187,688	209,386	84,522
Decrease in deposits due to related parties		407,900	1,067,575	1,019,568
		<b>697,895</b>	1,329,127	1,168,462
Net cashflow from operating activities		<b>(210,312)</b>	527,622	844,361
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash was provided from:				
Sale of fixed assets		-	19	19
Cash was applied to:				
Purchase of fixed assets		32	4	10
Net cashflow from investing activities		<b>(32)</b>	15	9
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash was provided from:				
Increase in Head Office account		70	5	492
Net cashflow from financing activities		<b>70</b>	5	492
Net increase/(decrease) in cash		<b>(210,274)</b>	527,642	844,862
Opening cash and cash equivalents		<b>1,244,131</b>	399,269	399,269
Closing cash and cash equivalents		<b>1,033,857</b>	926,911	1,244,131

**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 2011**

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 (No 3) 2011 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 2010.

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 2011.

**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.

**c) Changes in accounting policy**

There have been no material changes in accounting policies since the last annual financial statements dated 31 December 2010.

**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 2010.

**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 2011**

	<b>Banking Group</b>		
	<b>30-Sep-11</b>	30-Sep-10	31-Dec-10
	\$(000's)	\$(000's)	\$(000's)
<b>3. OPERATING REVENUE</b>			
Net Trading Gains/(Losses)	<b>unaudited</b> <b>(6,176)</b>	unaudited (4,122)	audited (8,165)
Other Operating Revenue	<b>8,027</b>	7,769	10,319
	<b>1,851</b>	3,647	2,154
<b>4. TOTAL LIABILITIES TO THIRD PARTIES</b>			
Deposits from Other Banks	<b>37,770</b>	30,070	26,115
Other Deposits	<b>1,364,083</b>	1,122,820	1,280,928
Current Tax Liabilities, Provisions and Other Liabilities	<b>11,404</b>	8,372	9,024
	<b>1,413,257</b>	1,161,262	1,316,067

**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, 90 day past due assets or other assets under administration.

**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	<b>723,419</b>	882,571	1,200,870
Cash Balances with Related Parties	<b>310,438</b>	44,340	43,261
	<b>1,033,857</b>	926,911	1,244,131

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

Net Profit after Tax	<b>14,295</b>	13,050	15,676
Add back			
Depreciation	<b>34</b>	33	44
Decrease in accrual of interest income	-	-	794
Increase in accrual of other expenses/income	<b>30</b>	5	643
Decrease in operating assets and liabilities	-	515,559	810,794
Decrease in accrual of revaluations	-	6,984	21,837
Decrease in accrual of tax	<b>1,755</b>	-	-
Deduct			
Increase in operating assets and liabilities	<b>179,757</b>	-	-
Decrease in accrual of interest expense	<b>304</b>	4,777	5,093
Increase in accrual of interest income	<b>1,971</b>	1,280	-
Increase in accrual of fees and commissions	<b>187</b>	504	117
Increase in accrual of revaluations	<b>44,207</b>	-	-
Increase in accrual of tax	-	1,448	217
Net Cash Flow from Operating Activities	<b>(210,312)</b>	527,622	844,361

**7. RELATED PARTIES TRANSACTIONS**

**(a) ULTIMATE HOLDING COMPANY**

The ultimate parent of Citibank, N.A. New Zealand Branch, Citicorp Services Limited, TwoStarz 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.

**(b) TRANSACTIONS**

Interest Received - Head Office (including other branches)	<b>823</b>	5,660	6,833
Interest Received - Other Related Parties	<b>551</b>	1,758	1,958
Interest Paid - Head Office (including other branches)	<b>6,086</b>	6,157	7,377
Interest Paid - Other Related Parties	<b>1,145</b>	2,804	3,788
Net Trading Gains/(Losses) - Head Office (including other branches)	<b>(27,213)</b>	(12,604)	(3,316)
Net Trading Gains/(Losses) - Other Related Parties	<b>(585)</b>	861	1,010
Management Fees Recd/(Paid) - Head Office (including other branches)	<b>(2,137)</b>	(3,766)	(5,744)

**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 2011**

	<b>Banking Group</b>		
	<b>30-Sep-11</b>	30-Sep-10	31-Dec-10
	\$(000's)	\$(000's)	\$(000's)
	<b>unaudited</b>	unaudited	audited
<b>(c) BALANCES</b>			
Due from Related Parties - Head Office (including other branches)	<b>330,368</b>	98,557	75,742
Due from Related Parties - Other Related Parties	<b>24,421</b>	2,228	1,295
	<b>354,789</b>	100,785	77,037
Derivative Financial Instruments - Head Office (including other branches)	<b>40,965</b>	27,676	21,203
Other Assets - Head Office (including other branches)	<b>3,162</b>	561	1,451
Other Assets - Other Related Parties	<b>129</b>	10	18
Due to Related Parties - Head Office (including other branches)	<b>717,347</b>	1,009,076	1,085,894
Due to Related Parties - Other Related Parties	<b>47,440</b>	115,604	86,805
	<b>764,787</b>	1,124,680	1,172,699
Derivative Financial Instruments - Head Office (including other branches)	<b>23,458</b>	37,400	45,314
Other Liabilities - Head Office (including other branches)	<b>364</b>	226	1,068
Other Liabilities - Other Related Parties	<b>80</b>	289	160
Interest Rate - Swap (Notional Value) - Head Office (including other branches)	<b>408,000</b>	919,100	878,100
Foreign Exchange Forwards (Notional Value) - Head Office (including other branches)	<b>471,829</b>	671,293	668,525

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 2011 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.

The credit equivalent amounts for off balance sheet exposures are determined in accordance with the current exposure method under the Reserve Bank of New Zealand's risk weighted capital adequacy guidelines.

**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 2011**

**RISK WEIGHTED EXPOSURES**

	Banking Group		
	Principal Amount \$(000's)	Risk Weight	Risk-Wgtd Exposure \$(000's)
(1) Balance Sheet Exposure - 30 September 2011 (unaudited)			
Cash and Short Term Claims on Government	774,725	0%	-
Long Term Claims on Government	-	10%	-
Claims on Banks	974,825	20%	194,965
Other	572,176	100%	572,176
<b>Total Assets excluding Derivative Financial Instruments</b>	<b>2,321,726</b>		<b>767,141</b>

	Principal Amount \$(000's)	Credit Conver. Factor	Credit Equiv. Amount \$(000's)	Counter- party Risk Weight	Risk-Wgtd Exposure \$(000's)
(2) Off-Balance Sheet Exposure - 30 September (unaudited)					
Other commitments to provide financial services with original maturity of 1 year or more	910,776	50%	455,388	99.5%	453,178
Other commitments with an original maturity of less than 1 year or which can be unconditionally cancelled at any time	487,092	0%	-	0.0%	-
Market related contracts					
Foreign exchange	471,829	n/a	23,429	20.0%	4,686
Interest rate	408,000	n/a	24,295	20.0%	4,859
<b>Total Risk-Weighted Exposures</b>			<b>2,824,838</b>		<b>1,229,864</b>

	Banking Group		
	Principal Amount \$(000's)	Risk Weight	Risk-Wgtd Exposure \$(000's)
(1) Balance Sheet Exposure - 30 September 2010 (unaudited)			
Cash and Short Term Claims on Government	877,807	0%	-
Long Term Claims on Government	50,617	10%	5,062
Claims on Banks	1,234,876	20%	246,975
Other	276,333	100%	276,333
<b>Total Assets excluding Derivative Financial Instruments</b>	<b>2,439,633</b>		<b>528,370</b>

	Principal Amount \$(000's)	Credit Conver. Factor	Credit Equiv. Amount \$(000's)	Counter- party Risk Weight	Risk-Wgtd Exposure \$(000's)
(2) Off-Balance Sheet Exposure - 30 September 2010 (unaudited)					
Other commitments to provide financial services with original maturity of 1 year or more	142,768	50%	71,384	100.0%	71,384
Other commitments with an original maturity of less than 1 year or which can be unconditionally cancelled at any time	397,370	0%	-	0.0%	-
Market related contracts					
Foreign Exchange	671,293	n/a	5,014	20.0%	1,003
Interest rate	919,100	n/a	29,690	20.0%	5,938
<b>Total Risk-Weighted Exposures</b>			<b>2,545,721</b>		<b>606,695</b>

	Banking Group		
	Principal Amount \$(000's)	Risk Weight	Risk-Wgtd Exposure \$(000's)
(1) Balance Sheet Exposure - 31 December 2010 (audited)			
Cash and Short Term Claims on Government	999,993	0%	-
Long Term Claims on Government	51,510	10%	5,151
Claims on Banks	1,226,765	20%	245,353
Other	382,223	100%	382,223
<b>Total Assets excluding Derivative Financial Instruments</b>	<b>2,660,491</b>		<b>632,727</b>

	Principal Amount \$(000's)	Credit Conver. Factor	Credit Equiv. Amount \$(000's)	Counter- party Risk Weight	Risk-Wgtd Exposure \$(000's)
(2) Off-Balance Sheet Exposure - 31 December 2010 (audited)					
Other commitments to provide financial services with original maturity of 1 year or more	142,954	50%	71,477	99.9%	71,436
Other commitments with an original maturity of less than 1 year or which can be unconditionally cancelled at any time	483,156	0%	-	0.0%	-
Market related contracts					
Foreign Exchange	668,525	n/a	4,983	20.0%	997
Interest rate	878,100	n/a	24,093	20.0%	4,819
<b>Total Risk-Weighted Exposures</b>			<b>2,761,044</b>		<b>709,979</b>

**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 2011**

**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-11</b>		
	<b>unaudited</b>		
<b>Interest Rate Risk</b>	<b>663</b>	<b>53</b>	-
<b>Peak Interest Rate Risk 01/07/11-30/09/11</b>	<b>4,038</b>	<b>323</b>	-
<b>Foreign Currency Risk</b>	<b>1,800</b>	<b>144</b>	-
<b>Peak Foreign Currency Risk 01/07/11-30/09/11</b>	<b>1,800</b>	<b>144</b>	-
	<b>30-Sep-10</b>		
	<b>unaudited</b>		
Interest Rate Risk	11,663	933	-
Peak Interest Rate Risk 01/07/10-30/09/10	11,663	933	-
Foreign Currency Risk	988	79	-
Peak Foreign Currency Risk 01/07/10-30/09/10	2,275	182	-
	<b>31-Dec-10</b>		
	<b>audited</b>		
Interest Rate Risk	650	52	-
Peak Interest Rate Risk 01/10/10-31/12/10	11,013	881	-
Foreign Currency Risk	1,425	114	-
Peak Foreign Currency Risk 01/10/10-31/12/10	3,000	240	-

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 3) 2011.

Peak Exposure has been derived using the Overseas Banking Group's equity as at the end of the quarter.

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

**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-11</b>	<b>30-Sep-10</b>	<b>31-Dec-10</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>723,382</b>	877,807	999,993
Government bonds	<b>51,342</b>	-	51,510
Bank bills	<b>620,000</b>	946,357	948,846
	<b>1,394,724</b>	1,824,164	2,000,349

**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-11</b>	<b>As at 30-Sep-10</b>	<b>As at 31-Dec-10</b>
Tier 1 Capital as a percentage of risk weighted exposures	<b>14.97%</b>	14.64%	15.17%
Total Capital (Tier 1 and 2) as a percentage of risk weighted exposures	<b>16.52%</b>	16.52%	17.06%

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



## 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 James F. McCue, 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 (No 3) 2011.

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

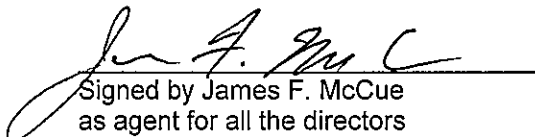
During the calendar quarter ended 30 September 2011, Citibank, N.A., New Zealand Branch complied with the conditions of registration imposed on it by the Reserve Bank of New Zealand pursuant to section 74 of the Reserve Bank of New Zealand Act 1989.

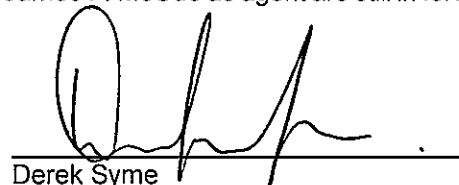
During the calendar quarter ended 30 September 2011, Citibank, N.A., New Zealand Branch had systems in place to monitor and control adequately the material risks of its Banking Group, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, 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 2011, 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 James F. McCue as agent are still in force and have not been revoked.

  
Signed by James F. McCue  
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 2011  
in the City of New York, New York  
United States of America

Dated this 29<sup>th</sup> day of November 2011  
in Auckland  
New Zealand