

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

For the Six Months Ended 30 June 2014

GENERAL DISCLOSURES

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

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

Stephen Roberts
Citi Country Officer
Citi Australia

Directors of Citibank, N.A.

Anthony M. Santomero
Barbara J. Desoer
Duncan P. Hennes
Eugene M. McQuade
Gary M. Reiner
Robert L. Ryan
Joan E. Spero
Diana L. Taylor
James S. Turley

On 22 April 2014 Franz B. Humer resigned, Robert L. Joss retired and Barbara J. Desoer was appointed to Citibank, N.A.'s board of directors. There have been no other changes since the last full year disclosure statement dated 31 December 2013.

Guarantee Arrangements

Citibank, N.A. New Zealand Branch does not have any guarantees over any material obligations as at 25 August 2014.

Insurance Business and Non-consolidated Activities

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

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

KPMG
10 Shelley Street
Sydney, NSW 2000
Australia

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:

Moody's	A2 (stable)
Standard & Poor's	A (stable)
Fitch	A (stable)

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

No material qualifications attach to the obligations and the ratings have not been withdrawn.

Conditions of Registration

There has been a change to Citibank, N.A.'s Conditions of Registration since the last disclosure statement dated 31 March 2014, which applies from 1 July 2014.

The change refers to a revised version of "Framework for Restrictions on High LVR Residential Mortgage Lending" (BS19), to amend certain defined terms and to add additional clauses on anti-avoidance.

Financial Statements

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 six months ended 30 June 2014), and the Citigroup Inc. Quarterly Report on Form 10-Q for the quarter ended 30 June 2014, immediately by requesting a copy from Citibank, N.A.'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 Citibank, N.A. 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 six months ended 30 June 2014, 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 (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 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 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.

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

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

Financial Information of Citibank, N.A.

(Thousands of US Dollars, except ratios)

(The following information has not been audited)

	30-Jun-14	30-Jun-13
Profitability		
Net Profit/(Loss) after tax for the six months ended	6,160,000	7,544,000
Net Profit/(Loss) after tax over the previous twelve months as a percentage of average total assets	0.96%	1.01%
Size		
Total Assets	1,367,845,000	1,319,359,000
Percentage Change in total assets over the previous twelve months	3.67%	-2.11%
Asset Quality		
Total Impaired Assets	18,055,000	22,235,000
Total Impaired Assets as a percentage of Total Assets	1.32%	1.69%
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 June 2014 is US\$13,791 million (30 June 2013: US\$17,839 million).

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

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

	NOTE	Banking Group	
		30-Jun-14 \$(000's) unaudited	30-Jun-13 \$(000's) unaudited
Interest Income		38,202	33,710
Interest Expense		19,776	16,752
NET INTEREST INCOME		<u>18,426</u>	<u>16,958</u>
Operating Revenue	3	3,091	4,679
		<u>21,517</u>	<u>21,637</u>
Operating Expenses		7,186	13,021
PROFIT BEFORE INCOME TAX		<u>14,331</u>	<u>8,616</u>
Income Tax Expense		3,876	2,583
PROFIT AFTER INCOME TAX		<u>10,455</u>	<u>6,033</u>
Other Comprehensive Income			
Available For Sale Reserve			
Fair value gain taken directly to equity		46	(310)
Tax on movements and transfers		(12)	87
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT		<u>34</u>	<u>(223)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>10,489</u>	<u>5,810</u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2014**

	Banking Group	
	30-Jun-14	30-Jun-13
	\$(000's)	\$(000's)
	unaudited	unaudited
Capital		
Citicorp Services Limited		
Authorized, Issued and Paid-Up Capital		
25,000,000 (2013: 25,000,000) Ordinary Shares, fully paid	28,595	28,595
	<u>28,595</u>	<u>28,595</u>
Head Office Account		
Citibank, N.A. New Zealand Branch		
At the beginning of the year	33,273	33,271
Contribution from Head Office	(67)	62
At the end of the period	<u>33,206</u>	<u>33,333</u>
Available For Sale Reserve		
At the beginning of the year	(350)	(30)
Other comprehensive income	34	(223)
At the end of the period	<u>(316)</u>	<u>(253)</u>
Retained earnings		
At the beginning of the year	126,101	115,983
Profit after income tax	10,455	6,033
At the end of the period	<u>136,556</u>	<u>122,016</u>
Equity at the end of the period	<u>198,041</u>	<u>183,691</u>
Represented by:		
Equity at the beginning of the year	187,619	177,819
Transactions with owners, recorded directly in equity		
Contribution from Head Office	(67)	62
Total transactions with owners	<u>(67)</u>	<u>62</u>
Total Comprehensive Income for the period		
Profit for the period	10,455	6,033
Other comprehensive income		
Net change in fair value of available for sale assets to profit or loss on disposal	46	(310)
Income tax on other comprehensive income	(12)	87
Total other comprehensive income	<u>34</u>	<u>(223)</u>
Total Comprehensive Income for the period	<u>10,489</u>	<u>5,810</u>
Equity at the end of the period	<u>198,041</u>	<u>183,691</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014	NOTE	Banking Group		
		30-Jun-14 \$(000's) unaudited	30-Jun-13 \$(000's) unaudited	31-Dec-13 \$(000's) audited
ASSETS				
Cash and Demand Deposits with Central Banks	6	749,909	680,296	631,791
Advances to Financial Institutions at Call	6	75,629	350	973
Due from Related Parties	8	73,823	142,110	207,226
Financial Assets at Fair Value through Profit or Loss		1,027,021	807,904	593,908
Derivative Financial Instruments	8	8,545	23,189	11,847
Current Tax Assets		1,675	9,676	1,938
Available For Sale Assets		51,566	53,358	72,349
Loans and Advances		591,188	705,448	663,298
Other Assets		4,733	6,391	5,357
Deferred Tax Assets		942	983	801
Property Plant and Equipment		1,221	379	1,174
TOTAL ASSETS		2,586,252	2,430,084	2,190,662
LIABILITIES				
Deposits from Other Banks	4	24,508	23,584	35,501
Due to Related Parties	8	1,220,799	1,047,626	979,650
Other Deposits	4	1,116,425	1,151,238	969,691
Derivative Financial Instruments	8	18,283	16,011	10,294
Provisions		176	176	176
Other Liabilities		8,020	7,758	7,731
TOTAL LIABILITIES		2,388,211	2,246,393	2,003,043
EQUITY				
Issued and Paid-Up Capital		28,595	28,595	28,595
Head Office Account		33,206	33,333	33,273
Available For Sale Reserve		(316)	(253)	(350)
Retained Earnings		136,556	122,016	126,101
TOTAL EQUITY		198,041	183,691	187,619
TOTAL LIABILITIES AND EQUITY		2,586,252	2,430,084	2,190,662
Total Interest Earning and Discount Bearing Assets		2,569,136	2,389,466	2,169,545
Total Interest and Discount Bearing Liabilities		2,361,732	2,222,448	1,984,842

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

STATEMENT OF CASH FLOWS**FOR THE SIX MONTHS ENDED 30 JUNE 2014**

	NOTE	Banking Group	
		30-Jun-14 \$(000's) unaudited	30-Jun-13 \$(000's) unaudited
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Interest Income		40,151	33,325
Trading Gain		7,709	1,182
Other Income		6,082	4,469
Decrease in placements due from related companies		120,824	52,069
Decrease in available for sale financial assets		20,862	-
Decrease in placements/loans		72,110	26,659
Increase in deposits due to related parties		240,574	22,679
Increase in customer deposits		135,741	231,594
		644,053	371,977
Cash was applied to:			
Interest Expense		18,866	17,193
Tax Paid		3,740	7,666
Other Expenses		7,464	13,750
Increase in financial assets at fair value		434,074	138,841
Increase in available for sale financial assets		-	2,785
		464,144	180,235
		179,909	191,742
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was (applied to)/provided from:			
Purchase of property, plant and equipment		(196)	(142)
Disposal of property, plant and equipment		-	15
Net cash used in investing activities		(196)	(127)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
(Decrease)/Increase in Head Office account		(93)	85
Net cash used in financing activities		(93)	85
Net (decrease)/increase in cash		179,620	191,700
Opening cash and cash equivalents		675,626	532,842
Closing cash and cash equivalents		855,246	724,542

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

NOTES TO AND FORMING PART OF THE INTERIM FINANCIAL STATEMENTS

The financial statements are those of the aggregated financial statements for Citibank, N.A. 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 2014, 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 2013.

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 subsidiary on this 25th day of August 2014.

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 2013.

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 2013.

3. OPERATING REVENUE/(LOSS)

	Banking Group	
	30-Jun-14	30-Jun-13
	\$(000's)	\$(000's)
	unaudited	unaudited
Net Trading Losses	(3,657)	(2,252)
Other Operating Revenue	6,748	6,931
	<u>3,091</u>	<u>4,679</u>

4. TOTAL LIABILITIES TO THIRD PARTIES

	Branch		
	30-Jun-14	30-Jun-13	31-Dec-13
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Deposits from Other Banks	24,508	23,584	35,501
Other Deposits	1,116,425	1,151,238	969,691
Current Tax Liabilities, Provisions and Other Liabilities	6,406	7,020	6,752
	<u>1,147,339</u>	<u>1,181,842</u>	<u>1,011,944</u>

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

5. IMPAIRED ASSETS

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

Citibank, N.A. 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-Jun-14	30-Jun-13
	\$(000's)	\$(000's)
	unaudited	unaudited
CASH AND CASH EQUIVALENTS COMPRISE		
Cash Balances with Third Parties	825,538	680,646
Cash Balances with Related Parties	29,708	43,896
	<u>855,246</u>	<u>724,542</u>

7. STATEMENT OF CASH FLOWS RECONCILIATION TO PROFIT

	Banking Group	
	30-Jun-14	30-Jun-13
	\$(000's)	\$(000's)
	unaudited	unaudited
RECONCILIATION OF NET PROFIT AFTER TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit after Tax	10,455	6,033
Add back		
Depreciation	149	124
Increase in accrual of interest expense	910	-
Decrease in accrual of interest income	1,949	-
Decrease in accrual of fees and commissions	-	203
Decrease in operating assets and liabilities	156,037	191,375
Decrease in accrual of tax	136	-
Decrease in revaluations	11,366	3,434
Deduct		
Decrease in accrual of other expenses/income	847	3,493
Decrease in accrual of interest expense	-	441
Decrease in accrual of provisions	-	25
Increase in accrual of interest income	-	385
Increase in accrual of fees and commissions	246	-
Increase in accrual of tax	-	5,083
Net Cash Flows from Operating Activities	<u>179,909</u>	<u>191,742</u>

8. RELATED PARTIES TRANSACTIONS

a) ULTIMATE HOLDING COMPANY

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

b) BALANCES

	Banking Group		
	30-Jun-14	30-Jun-13	31-Dec-13
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Assets			
Due from Related Parties - Head Office*	73,127	68,825	177,410
Due from Related Parties - Other Related Parties	696	73,285	29,816
	<u>73,823</u>	<u>142,110</u>	<u>207,226</u>
Derivative Financial Instruments - Head Office*	8,545	23,189	11,847
Other Assets - Head Office*	1,288	1,392	1,262
Other Assets - Other Related Parties	109	102	157
	<u>83,765</u>	<u>166,793</u>	<u>220,492</u>
Liabilities			
Due to Related Parties - Head Office*	1,002,192	996,206	933,323
Due to Related Parties - Other Related Parties	218,607	51,420	46,327
	<u>1,220,799</u>	<u>1,047,626</u>	<u>979,650</u>
Derivative Financial Instruments - Head Office*	18,283	16,011	10,294
Other Liabilities - Head Office*	1,550	826	1,049
Other Liabilities - Other Related Parties	240	88	106
	<u>1,240,872</u>	<u>1,064,551</u>	<u>991,099</u>
Derivative Notional Amounts			
Interest Rate Swap - Head Office*	518,000	458,000	568,000
Foreign Exchange Forwards - Head Office*	520,070	522,652	299,539

*Head Office includes other branches of Citibank, N.A.

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

9. CONCENTRATIONS OF CREDIT EXPOSURE

	Banking Group		
	30-Jun-14	30-Jun-13	31-Dec-13
	\$(000's)	\$(000's)	\$(000's)
(a) Industry Sectors	unaudited	unaudited	audited
Finance	1,940,383	1,706,154	1,442,636
Food Manufacturing	75,189	24,805	102
Communication	101,588	96,813	87,743
Government	75,185	76,052	125,213
Other Manufacturing	12,584	72,566	37,714
Property and Business Services	190,204	157,037	165,009
Retail Trade	192,607	225,031	241,102
Transport	155,197	120,574	142,806
Other	26,430	108,126	27,315
	<u>2,769,367</u>	<u>2,587,158</u>	<u>2,269,640</u>
Other Assets	5,798	13,072	5,397
	<u>2,775,165</u>	<u>2,600,230</u>	<u>2,275,037</u>

The concentrations of credit exposure includes both on and off balance sheet items.
ANZSIC codes have been used as the basis for disclosing industry sectors.

10. CONCENTRATIONS OF FUNDING

	Banking Group		
	30-Jun-14	30-Jun-13	31-Dec-13
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
(a) Industry Sectors			
Finance	1,631,939	1,481,706	1,224,142
Communication	72,037	80,649	91,594
Food Manufacturing	42,023	45,473	35,636
Other Manufacturing	203,225	239,065	234,177
Property and Business Services	137,233	130,659	136,073
Transport	31,192	36,431	42,612
Wholesale Trade	188,738	163,518	160,613
Other	77,763	64,377	73,760
	<u>2,384,150</u>	<u>2,241,878</u>	<u>1,998,607</u>
Income Tax Liabilities, Provisions and Other Liabilities	4,061	4,515	4,436
	<u>2,388,211</u>	<u>2,246,393</u>	<u>2,003,043</u>

ANZSIC codes have been used as the basis for disclosing industry sectors.

(b) Geographical Areas

Exposures within New Zealand		709,610	724,902	602,867
Exposures to other countries	Australia	222,039	110,212	86,282
	Great Britain	88,453	191,985	305,105
	Luxembourg	116,010	189,143	121,657
	Singapore	424,213	260,084	332,913
	United States	560,759	563,727	354,643
	Other	263,066	201,825	195,140
		<u>2,384,150</u>	<u>2,241,878</u>	<u>1,998,607</u>
Income Tax Liabilities, Provisions and Other Liabilities		4,061	4,515	4,436
		<u>2,388,211</u>	<u>2,246,393</u>	<u>2,003,043</u>

11. 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.

12. 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)	
	30-Jun-14		
ASSETS			
Financial Assets at Fair Value through Profit or Loss	-	1,027,021	1,027,021
Derivative Financial Instruments	-	8,545	8,545
Available For Sale Assets	-	51,566	51,566
	<u>-</u>	<u>1,087,132</u>	<u>1,087,132</u>
LIABILITIES			
Derivative Financial Instruments	-	18,283	18,283
	30-Jun-13		
ASSETS			
Financial Assets at Fair Value through Profit or Loss	-	807,904	807,904
Derivative Financial Instruments	-	23,189	23,189
Available For Sale Assets	-	53,358	53,358
	<u>-</u>	<u>884,451</u>	<u>884,451</u>
LIABILITIES			
Derivative Financial Instruments	-	16,011	16,011
	31-Dec-13		
ASSETS			
Financial Assets at Fair Value through Profit or Loss	-	593,908	593,908
Derivative Financial Instruments	-	11,847	11,847
Available For Sale Assets	-	72,349	72,349
	<u>-</u>	<u>678,104</u>	<u>678,104</u>
LIABILITIES			
Derivative Financial Instruments	-	10,294	10,294

13. INTEREST RATE REPRICING SCHEDULE

The contractual repricing or maturity periods of financial instruments are as follows:

	Call	0-3 mths	3-6 mths	6-12 mths	1-2 years	More than 2 years	Total
	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
Banking Group - as at 30 June 2014							
Cash and Demand Deposits with Central Banks	749,909	-	-	-	-	-	749,909
Advances to Financial Institutions at call	75,629	-	-	-	-	-	75,629
Due from Related Parties	32,823	41,000	-	-	-	-	73,823
Financial Assets at Fair Value through Profit or Loss	-	1,027,021	-	-	-	-	1,027,021
Available for Sale Assets	-	-	-	51,566	-	-	51,566
Loans and Advances	15,518	402,662	163,008	-	10,000	-	591,188
	873,879	1,470,683	163,008	51,566	10,000	-	2,569,136
Deposits from Other Banks	24,508	-	-	-	-	-	24,508
Due to Related Parties	306,782	904,017	-	10,000	-	-	1,220,799
Other Deposits	1,087,620	28,805	-	-	-	-	1,116,425
	1,418,910	932,822	-	10,000	-	-	2,361,732
Foreign Exchange Contracts - receive/(pay)	520,070	(520,070)	-	-	-	-	-
Interest Rate Swaps - receive/(pay)	160,000	-	-	(150,000)	(10,000)	-	-
OFF BALANCE SHEET	680,070	(520,070)	-	(150,000)	(10,000)	-	-
Banking Group - as at 30 June 2013							
Cash and Demand Deposits with Central Banks	680,296	-	-	-	-	-	680,296
Advances to Financial Institutions at call	350	-	-	-	-	-	350
Due from Related Parties	142,110	-	-	-	-	-	142,110
Financial Assets at Fair Value through Profit or Loss	-	657,300	99,176	51,428	-	-	807,904
Available for Sale Assets	-	-	-	-	53,358	-	53,358
Loans and Advances	35,953	502,317	155,000	12,098	80	-	705,448
	858,709	1,159,617	254,176	63,526	53,438	-	2,389,466
Deposits from Other Banks	23,584	-	-	-	-	-	23,584
Due to Related Parties	299,311	658,315	90,000	-	-	-	1,047,626
Other Deposits	1,070,291	80,947	-	-	-	-	1,151,238
	1,393,186	739,262	90,000	-	-	-	2,222,448
Foreign Exchange Contracts - receive/(pay)	522,652	(522,652)	-	-	-	-	-
Interest Rate Swaps - receive/(pay)	100,000	-	-	(50,000)	(50,000)	-	-
OFF BALANCE SHEET	622,652	(522,652)	-	(50,000)	(50,000)	-	-
Banking Group - as at 31 December 2013							
Cash and Demand Deposits with Central Banks	631,791	-	-	-	-	-	631,791
Advances to Financial Institutions at call	973	-	-	-	-	-	973
Due from Related Parties	67,226	140,000	-	-	-	-	207,226
Financial Assets at Fair Value through Profit or Loss	-	593,908	-	-	-	-	593,908
Available for Sale Assets	-	19,962	-	-	52,387	-	72,349
Loans and Advances	12,669	470,607	170,000	22	10,000	-	663,298
	712,659	1,224,477	170,000	22	62,387	-	2,169,545
Deposits from Other Banks	35,501	-	-	-	-	-	35,501
Due to Related Parties	133,478	796,172	50,000	-	-	-	979,650
Other Deposits	920,781	48,910	-	-	-	-	969,691
	1,089,760	845,082	50,000	-	-	-	1,984,842
Foreign Exchange Contracts - receive/(pay)	299,539	(299,539)	-	-	-	-	-
Interest Rate Swaps - receive/(pay)	210,000	(50,000)	-	-	(160,000)	-	-
OFF BALANCE SHEET	509,539	(349,539)	-	-	(160,000)	-	-

14. LIQUIDITY RISK – MATURITY PROFILE

(a) The contractual maturity periods of financial instruments are as follows:

	Call	0-12 mths	1-2 years	2-5 years	More than 5 years	Gross nominal inflow/ (outflow)	Carrying Amount
	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
Banking Group - as at 30 June 2014							
Assets							
Cash and Demand Deposits with Central Banks	749,909	-	-	-	-	749,909	749,909
Advances to Financial Institutions at call	75,629	-	-	-	-	75,629	75,629
Due from Related Parties	32,823	41,004	-	-	-	73,827	73,823
Financial Assets at Fair Value through profit or loss	-	1,027,021	-	-	-	1,027,021	1,027,021
Available for Sale Assets	-	51,566	-	-	-	51,566	51,566
Loans and Advances	15,518	227,728	207,075	56,919	88,886	596,126	591,188
Other Financial Assets	244	2,529	-	-	-	2,773	2,773
	874,123	1,349,848	207,075	56,919	88,886	2,576,851	2,571,909
Liabilities							
Deposits from Other Banks	24,508	-	-	-	-	24,508	24,508
Due to Related Parties	306,782	818,871	102,187	-	-	1,227,840	1,220,799
Other Deposits	1,087,620	28,845	-	-	-	1,116,465	1,116,425
Other Financial Liabilities	1,603	2,532	-	-	-	4,135	4,135
	1,420,513	850,248	102,187	-	-	2,372,948	2,365,867
Banking Group - as at 30 June 2013							
Assets							
Cash and Demand Deposits with Central Banks	680,296	-	-	-	-	680,296	680,296
Advances to Financial Institutions at call	350	-	-	-	-	350	350
Due from Related Parties	142,110	-	-	-	-	142,110	142,110
Financial Assets at Fair Value through profit or loss	-	807,904	-	-	-	807,904	807,904
Available for Sale Assets	-	-	53,358	-	-	53,358	53,358
Loans and Advances	35,953	156,144	91,372	329,589	96,835	709,893	705,448
Other Financial Assets	307	4,050	-	-	-	4,357	4,357
	859,016	968,098	144,730	329,589	96,835	2,398,268	2,393,823
Liabilities							
Deposits from Other Banks	23,584	-	-	-	-	23,584	23,584
Due to Related Parties	299,311	652,322	101,760	-	-	1,053,393	1,047,626
Other Deposits	1,070,291	81,075	-	-	-	1,151,366	1,151,238
Other Financial Liabilities	1,072	2,347	-	-	-	3,419	3,419
	1,394,258	735,744	101,760	-	-	2,231,762	2,225,867
Banking Group - as at 31 December 2013							
Assets							
Cash and Demand Deposits with Central Banks	631,791	-	-	-	-	631,791	631,791
Advances to Financial Institutions at call	973	-	-	-	-	973	973
Due from Related Parties	67,226	140,033	-	-	-	207,259	207,226
Financial Assets at Fair Value through profit or loss	-	593,908	-	-	-	593,908	593,908
Available for Sale Assets	-	19,962	52,387	-	-	72,349	72,349
Loans and Advances	12,669	236,495	49,109	276,865	92,924	668,062	663,298
Other Financial Assets	205	3,664	-	-	-	3,869	3,869
	712,864	994,062	101,496	276,865	92,924	2,178,211	2,173,414
Liabilities							
Deposits from Other Banks	35,501	-	-	-	-	35,501	35,501
Due to Related Parties	133,478	749,969	100,312	-	-	983,759	979,650
Other Deposits	920,781	48,979	-	-	-	969,760	969,691
Other Financial Liabilities	1,197	2,274	-	-	-	3,471	3,471
	1,090,957	801,222	100,312	-	-	1,992,491	1,988,313

(b) Liquidity Risk Management

Liquidity risk is managed on the basis of expected maturity dates for certain products (see below) and is based on a business-as-usual view of the Banking Group's funding requirements.

All related party assets and liabilities are managed on a contractual maturity basis.

It is assumed that third party assets will roll over as management is not expecting any reduction in the balance sheet and are therefore shown in the > 2 years category. The only exception is cash with central banks which is treated on a contractual maturity basis.

Third party liabilities are split in to two main categories –

- a) Long-term debt which is managed on a contractual maturity basis
- b) Corporate and other deposits. Non-volatile balances are reported in the >2 years bucket and volatile balances in the overnight bucket. The methodology for calculating the volatile and non-volatile balances is based on an analysis of 2.36 standard deviations of the previous twelve months' balances and the resulting percentages are applied to the balance sheet.

The expected maturity periods of financial instruments are based on the carrying value in the statement of financial position.

The expected maturity periods of financial instruments are as follows:

LIQUIDITY RISK - EXPECTED MATURITY PROFILE

	Call \$(000's)	0-12 mths \$(000's)	1-2 years \$(000's)	2-5 years \$(000's)	Total \$(000's)
Banking Group - as at 30 June 2014					
Assets					
Cash and Demand Deposits with Central Banks	749,909	-	-	-	749,909
Advances to Financial Institutions at call	-	-	-	75,629	75,629
Due from Related Parties	32,823	41,000	-	-	73,823
Financial Assets at Fair Value through profit or loss	-	-	-	1,027,021	1,027,021
Available for Sale Assets	-	-	-	51,566	51,566
Loans and Advances	-	-	-	591,188	591,188
Other Financial Assets	190	4	-	2,579	2,773
	782,922	41,004	-	1,747,983	2,571,909
Liabilities					
Deposits from Other Banks	3,676	-	-	20,832	24,508
Due to Related Parties	306,782	914,017	-	-	1,220,799
Other Deposits	167,464	-	-	948,961	1,116,425
Other Financial Liabilities	1,603	2,532	-	-	4,135
	479,525	916,549	-	969,793	2,365,867
Net Assets and Liabilities	303,397	(875,545)	-	778,190	206,042

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

	Call \$(000's)	0-12 mths \$(000's)	1-2 years \$(000's)	2-5 years \$(000's)	Total \$(000's)
Banking Group - as at 30 June 2013					
Assets					
Cash and Demand Deposits with Central Banks	680,296	-	-	-	680,296
Advances to Financial Institutions at call	-	-	-	350	350
Due from Related Parties	142,110	-	-	-	142,110
Financial Assets at Fair Value through profit or loss	-	-	-	807,904	807,904
Available for Sale Assets	-	-	-	53,358	53,358
Loans and Advances	-	-	-	705,448	705,448
Other Financial Assets	250	-	-	4,107	4,357
	<u>822,656</u>	<u>-</u>	<u>-</u>	<u>1,571,167</u>	<u>2,393,823</u>
Liabilities					
Deposits from Other Banks	3,538	-	-	20,046	23,584
Due to Related Parties	299,311	648,315	100,000	-	1,047,626
Other Deposits	172,686	-	-	978,552	1,151,238
Other Financial Liabilities	295	616	-	2,508	3,419
	<u>475,830</u>	<u>648,931</u>	<u>100,000</u>	<u>1,001,106</u>	<u>2,225,867</u>
Net Assets and Liabilities	<u>346,826</u>	<u>(648,931)</u>	<u>(100,000)</u>	<u>570,061</u>	<u>167,956</u>
Banking Group - as at 31 December 2013					
Assets					
Cash and Demand Deposits with Central Banks	631,791	-	-	-	631,791
Advances to Financial Institutions at call	-	-	-	973	973
Due from Related Parties	67,226	140,000	-	-	207,226
Financial Assets at Fair Value through profit or loss	-	-	-	593,908	593,908
Available for Sale Assets	-	-	-	72,349	72,349
Loans and Advances	-	-	-	663,298	663,298
Other Financial Assets	430	12	-	3,427	3,869
	<u>699,447</u>	<u>140,012</u>	<u>-</u>	<u>1,333,955</u>	<u>2,173,414</u>
Liabilities					
Deposits from Other Banks	5,325	-	-	30,176	35,501
Due to Related Parties	133,478	846,172	-	-	979,650
Other Deposits	145,454	-	-	824,237	969,691
Other Financial Liabilities	657	917	-	1,897	3,471
	<u>284,914</u>	<u>847,089</u>	<u>-</u>	<u>856,310</u>	<u>1,988,313</u>
Net Assets and Liabilities	<u>414,533</u>	<u>(707,077)</u>	<u>-</u>	<u>477,645</u>	<u>185,101</u>

15. EXPOSURES TO MARKET RISK

	Implied Risk Weighted Exposure	Notional Capital Charge	Notional Capital Charge - % of Citibank, N.A.'s Equity
	\$(000's)	\$(000's)	%
		Banking Group	
		30-Jun-14	
		unaudited	
Interest Rate Risk as at 30/06/14	650	52	-
Peak End-of-Date Interest Rate Risk 01/01/14-30/06/14	5,263	421	-
Foreign Currency Risk as at 30/06/14	688	55	-
Peak End-of-Date Foreign Currency Risk 01/01/14-30/06/14	4,673	374	-
		30-Jun-13	
		unaudited	
Interest Rate Risk as at 30/06/13	1,850	148	-
Peak End-of-Date Interest Rate Risk 01/01/13-30/06/13	1,850	148	-
Foreign Currency Risk as at 30/06/13	1,675	134	-
Peak End-of-Date Foreign Currency Risk 01/01/13-30/06/13	3,025	242	-
		31-Dec-13	
		audited	
Interest Rate Risk as at 31/12/13	988	79	-
Peak End-of-Date Interest Rate Risk 01/07/13-31/12/13	1,663	133	-
Foreign Currency Risk as at 31/12/13	925	74	-
Peak End-of-Date Foreign Currency Risk 01/07/13-31/12/13	4,175	334	-

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

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.

16. 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.

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 which, commencing with 2014, constitute the substantial adoption of the Final Basel III Rules, such as those governing the composition of regulatory capital (including the application of regulatory capital adjustments and deductions).

The following table sets forth the capital ratios under current regulatory standards for Citibank, N.A. as of 30 June 2014 and 31 December 2013.

	30-Jun-14		31- Dec-13 ⁽¹⁾	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach
Tier 1 Common ratio ⁽²⁾	13.97 %	13.84 %	14.36 %	14.09 %
Tier 1 Capital ratio ⁽²⁾	13.97	13.84	14.36	14.09
Total Capital ratio ⁽²⁾	14.89	15.79	15.37	16.06
Tier 1 Leverage ratio	9.74	9.74	9.71	9.71

(1) Pro forma presentation based on application of the Final Basel III Rules consistent with current period presentation.

(2) Based on the "Collins Amendment" of the Dodd-Frank Act, Advanced Approaches banking organizations, upon exiting parallel reporting are required to publicly report the lower of the capital ratios calculated under Advanced Approaches RWA and Standardized Approach RWA starting on 1 January 2015, (or, for 2014, the Basel I credit risk and Basel II.5 market risk capital rules prior to the effective date). As of 30 June 2014 and 31 December 2013, Citibank, N.A.'s reportable Tier 1 Common and Tier 1 Capital ratios were the lower derived under the Basel III 2014 Standardized Approach (Basel I credit risk and Basel II.5 market risk capital rules), whereas the reportable Total Capital ratio was the lower derived under the Advanced Approaches framework.

During 2014, Citibank N.A. is required to maintain stated minimum Tier 1 Common, Tier 1 Capital, Total Capital and Tier 1 Leverage ratios of 4%, 5.5%, 8% and 4% respectively. Furthermore, to be "well capitalized" under current federal bank regulatory agency definitions, a bank must have a Tier 1 Capital ratio of at least 6%, a Total Capital ratio of at least 10%, and a Tier 1 Leverage ratio of at least 5%.

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 quarter ended 30 June 2014. It is available on the Bank's website 'www.citi.co.nz' as part of the Disclosure Statement dated 30 June 2014.

17. SUBSEQUENT EVENTS

There has not arisen in the interval between 30 June 2014 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 Stephen H. Roberts, the duly authorised agent in writing of each and every director of Citibank, N.A., signing this statement on behalf of each such director, who, after due enquiry by the CCO and such directors, believe that -

As at the date hereof, the Disclosure Statement contains all the information required by the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014.

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


During the calendar quarter ended 30 June 2014, 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 June 2014, 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.

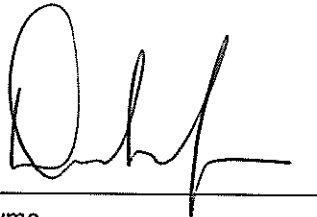
However, changes in the financial condition of Citibank, N.A., Citibank, N.A. New Zealand Branch and Associated Banking Group, and/or Citigroup Inc. may have occurred after 30 June 2014, the most recent date of any of the financial statements included in this Disclosure Statement, although such changes, if any, and except as set forth in the Disclosure Statement, are not believed to be material in the context of such affected entity's overall financial condition.

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



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

Dated this 25th day of August 2014
in Sydney
Australia



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

Dated this 25th day of August 2014
in Auckland
New Zealand



Auditor's review report

To the Shareholder of Citibank, N.A New Zealand Branch and the Associated Banking Group

We have reviewed pages 4 to 20 of the condensed interim financial statements of Citibank, N.A. New Zealand Branch and the Associated Banking Group ("the Banking Group") prepared and disclosed in accordance with the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the "Order") and supplementary information prescribed in Schedules 5, 7, 9, 10, 12 and 14 of the Order. The condensed interim financial statements and supplementary information provide information about the past financial performance and cash flows of the Banking Group and its financial position as at 30 June 2014.

Directors' responsibilities for the disclosure statement

The directors of Citibank, N.A. New Zealand Branch are responsible for the preparation and presentation of the Banking Group's disclosure statement, including condensed interim financial statements prepared in accordance with Clause 26 of the Order and NZ IAS 34 *Interim Financial Reporting*. The directors are also responsible for such internal controls as they determine are necessary to enable the preparation of the disclosure statements that are free from material misstatement whether due to fraud or error.

They are also responsible for the preparation of supplementary information in the disclosure statement which fairly states the matters to which it relates in accordance with Schedules 3, 5, 7, 9, 10, 12 and 14 of the Order.

Reviewers' responsibilities

We are responsible for reviewing the condensed interim financial statements prepared in accordance with Clause 26 of the Order and the supplementary information disclosed in accordance with Schedules 5, 7, 9, 10, 12 and 14 of the Order presented to us by the directors.

We are responsible for reviewing the condensed interim financial statements (excluding the supplementary information) in order to report to you whether, in our opinion on the basis of the procedures described below, anything has come to our attention that would cause us to believe that the condensed interim financial statements is not prepared in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting*.

We are responsible for reviewing the supplementary information disclosed under Schedules 5, 7, 10, 12, and 14 of the Order, in order to report to you whether, in our opinion on the basis of the procedures described below, anything has come to our attention that would cause us to believe that the supplementary information does not fairly state that matter to which it relates, in all material respects, in accordance with Schedules 5, 7, 10, 12 and 14 of the Order.

We are responsible for reviewing the supplementary information relating to credit and market risk exposures and capital adequacy in order to state whether, on the basis of the procedures described below, anything has come to our attention what would cause us to believe that the information disclosed under Schedule 9 is not, in all material respects, prepared in accordance with the Capital Adequacy Framework (Standardised Approach) (BS2A) and disclosed in accordance with Schedule 9 of the Order.



Review Opinion

We have examined the condensed interim financial statements including the supplementary information and based on our review, nothing has come to our attention that causes us to believe that:

- the condensed interim financial statements on page 4 to 20 (excluding supplementary information) have not been prepared, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting*;
- the supplementary information that is required to be disclosed under Schedules 5, 7, 10, 12 and 14 of the Order does not fairly state the matters to which it relates, in all material respects, in accordance with those Schedules; and
- the supplementary information relating to credit and market risk exposures and capital adequacy that is required to be disclosed under Schedule 9 of the Order is not, in all material respects, prepared in accordance with Capital Adequacy Framework (Standardised Approach) (BS2A) and disclosed in accordance with Schedule 9 of the Order.

Our review was completed on 25 August 2014 and our opinion is expressed as at that date.

KPMG

KPMG

Brendan Twining

Partner

25 August 2014

Sydney