

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

For the Six Months Ended 30 June 2015

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
Peter B. Henry
Eugene M. McQuade
Gary M. Reiner
Joan E. Spero
Diana L. Taylor
James S. Turley

On 28 April 2015 Robert L. Ryan resigned from Citibank, N.A.'s board of directors. Peter B. Henry was appointed to Citibank, N.A.'s board of directors on 28 April 2015 and was effective as of 1 July 2015. There have been no other changes to Citibank, N.A.'s board of directors since the last full year disclosure statement dated 31 December 2014.

Guarantee Arrangements

Citibank, N.A. New Zealand Branch does not have any guarantees over any material obligations as at 27 August 2015.

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 ratings which are applicable to the New Zealand Branch's long-term senior unsecured obligations which are payable in New Zealand in New Zealand dollars as at the date of this signed disclosure statement:

Moody's	A1 (stable)
Standard & Poor's	A (positive)
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No material qualifications attach to the obligations and the ratings have not been withdrawn.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 have been no changes to Citibank, N.A.'s Conditions of Registration since the last disclosure statement dated 31 March 2015.

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 2015), and the Citigroup Inc. Quarterly Report on Form 10-Q for the quarter ended 30 June 2015, 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 2015, 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..

Financial Information of Citibank, N.A.	(Thousands of US Dollars, except ratios)	
(The following information has not been audited)	30-Jun-15	30-Jun-14
Profitability		
Net Profit/(Loss) after tax for the six months ended	7,159,000	6,161,000
Net Profit/(Loss) after tax over the previous twelve months as a percentage of average total assets	0.84%	0.95%
Size		
Total Assets	1,336,201,000	1,375,505,000
Percentage Change in total assets over the previous twelve months	-2.86%	3.86%
Asset Quality		
Total Impaired Assets	13,189,000	18,006,000
Total Impaired Assets as a percentage of Total Assets	0.99%	1.31%
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 2015 is US\$11,297 million (30 June 2014: US\$13,791 million).

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2015	NOTE	Banking Group	
		30-Jun-15 \$(000's) unaudited	30-Jun-14 \$(000's) unaudited
Interest Income		40,387	38,202
Interest Expense		22,518	19,776
NET INTEREST INCOME		<u>17,869</u>	<u>18,426</u>
Operating Revenue	3	5,664	3,091
TOTAL NET REVENUE		<u>23,533</u>	<u>21,517</u>
Operating Expenses		9,450	7,186
PROFIT BEFORE INCOME TAX		<u>14,083</u>	<u>14,331</u>
Income Tax Expense		4,176	3,876
PROFIT FOR THE PERIOD		<u>9,907</u>	<u>10,455</u>
Other Comprehensive Income			
Available For Sale Reserve			
Fair value gain taken directly to equity		151	46
Tax on movements and transfers		(42)	(12)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT		<u>109</u>	<u>34</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>10,016</u>	<u>10,489</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 2015**

	Banking Group	
	30-Jun-15	30-Jun-14
	\$(000's)	\$(000's)
	unaudited	unaudited
Capital		
Citicorp Services Limited		
Authorized, Issued and Paid-Up Capital		
25,000,000 (2014: 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	33,518	33,273
Contribution from Head Office	300	(67)
At the end of the period	<u>33,818</u>	<u>33,206</u>
Available For Sale Reserve		
At the beginning of the year	(109)	(350)
Other comprehensive income	109	34
At the end of the period	<u>-</u>	<u>(316)</u>
Retained earnings		
At the beginning of the year	133,527	126,101
Profit after income tax	9,907	10,455
Profit remittance to Head Office	(20,663)	-
At the end of the period	<u>122,771</u>	<u>136,556</u>
Equity at the end of the period	<u>185,184</u>	<u>198,041</u>
Represented by:		
Equity at the beginning of the year	195,531	187,619
Transactions with owners, recorded directly in equity		
Contribution from Head Office	300	(67)
Remittance to Head Office	(20,663)	-
Total transactions with owners	<u>(20,363)</u>	<u>(67)</u>
Total Comprehensive Income for the period		
Profit for the period	9,907	10,455
Other comprehensive income		
Net change in fair value of available for sale assets to profit or loss on disposal	151	46
Income tax on other comprehensive income	(42)	(12)
Total other comprehensive income	<u>109</u>	<u>34</u>
Total Comprehensive Income for the period	<u>10,016</u>	<u>10,489</u>
Equity at the end of the period	<u>185,184</u>	<u>198,041</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

		Banking Group		
	NOTE	30-Jun-15	30-Jun-14	31-Dec-14
		\$(000's)	\$(000's)	\$(000's)
		unaudited	unaudited	audited
ASSETS				
Cash and Demand Deposits with Central Banks	6	580,291	749,909	449,885
Advances to Financial Institutions at Call	6	10,289	75,629	232
Due from Related Parties	8	39,258	73,823	136,739
Financial Assets at Fair Value through Profit or Loss		985,799	1,027,021	751,495
Derivative Financial Instruments	8	9,066	8,545	8,792
Current Tax Assets		2,941	1,675	1,029
Available For Sale Assets		-	51,566	50,990
Loans and Advances		384,037	591,188	572,493
Other Assets		5,063	4,733	6,298
Deferred Tax Assets		563	942	1,038
Property Plant and Equipment		1,087	1,221	1,120
TOTAL ASSETS		2,018,394	2,586,252	1,980,111
LIABILITIES				
Deposits from Other Banks	4	14,560	24,508	14,835
Due to Related Parties	8	747,261	1,220,799	821,456
Other Deposits	4	1,053,605	1,116,425	922,995
Derivative Financial Instruments	8	8,111	18,283	15,877
Provisions		176	176	176
Other Liabilities		9,497	8,020	9,241
TOTAL LIABILITIES		1,833,210	2,388,211	1,784,580
EQUITY				
Issued and Paid-Up Capital		28,595	28,595	28,595
Head Office Account		33,818	33,206	33,518
Available For Sale Reserve		-	(316)	(109)
Retained Earnings		122,771	136,556	133,527
TOTAL EQUITY		185,184	198,041	195,531
TOTAL LIABILITIES AND EQUITY		2,018,394	2,586,252	1,980,111
Total Interest Earning and Discount Bearing Assets		1,998,843	2,569,136	1,961,796
Total Interest and Discount Bearing Liabilities		1,813,666	2,361,732	1,757,438

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

**STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	NOTE	Banking Group	
		30-Jun-15 \$(000's) unaudited	30-Jun-14 \$(000's) unaudited
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Interest Income		42,679	40,151
Trading Gain		-	7,709
Other Income		7,272	6,082
Decrease in due from related companies		116,178	120,824
Decrease in available for sale financial assets		50,650	20,862
Decrease in loans and advances		188,456	72,110
Increase in due to related parties		-	240,574
Increase in customer deposits		130,335	135,741
		<u>535,570</u>	<u>644,053</u>
Cash was applied to:			
Interest Expense		22,724	18,866
Trading Loss		9,492	-
Tax Paid		5,643	3,740
Other Expenses		9,318	7,464
Increase in financial assets at fair value through profit or loss		234,572	434,074
Decrease in due to related parties		77,027	-
		<u>358,776</u>	<u>464,144</u>
Net cash from operating activities		<u>176,794</u>	<u>179,909</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was applied to from:			
Purchase of property, plant and equipment		(91)	(196)
Net cash used in investing activities		<u>(91)</u>	<u>(196)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was (applied to)/provided from:			
Increase/(Decrease) in Head Office account		288	(93)
Profit remittance to Head Office		(20,663)	-
Net cash used in financing activities		<u>(20,375)</u>	<u>(93)</u>
Net increase in cash		156,328	179,620
Opening cash and cash equivalents		454,991	675,626
Closing cash and cash equivalents		<u>611,319</u>	<u>855,246</u>

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

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

The financial statements are those of the aggregated financial statements for 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 (as amended), with New Zealand Generally Accepted Accounting Practice ("NZGAAP") and the New Zealand equivalent to International Financial Reporting Standard NZ IAS 34 Interim Financial Reporting, as appropriate for profit-oriented entities. They comply with International Accounting Standard 34 Interim Financial Reporting.

These financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2014.

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 27th day of August 2015.

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 2014.

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 2014.

3. OPERATING REVENUE/(LOSS)

	Banking Group	
	for the six months ended	
	30-Jun-15	30-Jun-14
	\$(000's)	\$(000's)
	unaudited	unaudited
Net Trading Losses	(1,103)	(3,657)
Other Operating Revenue	6,767	6,748
	<u>5,664</u>	<u>3,091</u>

4. TOTAL LIABILITIES TO THIRD PARTIES

	Branch		
	30-Jun-15	30-Jun-14	31-Dec-14
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Deposits from Other Banks	14,560	24,508	14,835
Other Deposits	1,053,605	1,116,425	922,995
Current Tax Liabilities, Provisions and Other Liabilities	8,986	6,406	8,369
	<u>1,077,151</u>	<u>1,147,339</u>	<u>946,199</u>

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

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-15	30-Jun-14
	\$(000's)	\$(000's)
	unaudited	unaudited
CASH AND CASH EQUIVALENTS COMPRISE		
Cash Balances with Third Parties	590,580	825,538
Cash Balances with Related Parties	20,739	29,708
Cash and cash equivalents in the statement of cash flows	<u>611,319</u>	<u>855,246</u>

7. STATEMENT OF CASH FLOWS RECONCILIATION TO PROFIT

	Banking Group	
	30-Jun-15	30-Jun-14
	\$(000's)	\$(000's)
	unaudited	unaudited
RECONCILIATION OF NET PROFIT AFTER TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit after Tax	9,907	10,455
Add back		
Depreciation	124	149
Movements in operating assets and liabilities	174,020	156,037
Decrease in accrual of interest income	2,292	1,949
(Decrease)/Increase in accrual of interest expense	(206)	910
(Increase) in accrual of fees and commissions	(324)	(246)
Increase/(Decrease) in accrual of other expenses/income	837	(847)
Revaluations of operating assets and liabilities	(8,389)	11,366
Movement in tax provision	(1,467)	136
Net Cash from Operating Activities	176,794	179,909

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. These statements should be read in conjunction with the financial statements of Citigroup Inc.

b) BALANCES

	Banking Group		
	30-Jun-15	30-Jun-14	31-Dec-14
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Assets			
Due from Related Parties - Head Office*	39,108	73,127	136,440
Due from Related Parties - Other Related Parties	150	696	299
	39,258	73,823	136,739
Derivative Financial Instruments - Head Office*	9,066	8,545	8,792
Other Assets - Head Office*	1,335	1,288	2,295
Other Assets - Other Related Parties	114	109	121
	49,773	83,765	147,947
Liabilites			
Due to Related Parties - Head Office*	583,078	1,002,192	751,898
Due to Related Parties - Other Related Parties	164,183	218,607	69,558
	747,261	1,220,799	821,456
Derivative Financial Instruments - Head Office*	8,111	18,283	15,877
Other Liabilities - Head Office*	223	1,550	791
Other Liabilities - Other Related Parties	464	240	257
	756,059	1,240,872	838,381
Derivative Notional Amounts			
Interest Rate Swap - Head Office*	190,000	518,000	380,000
Foreign Exchange Forwards - Head Office*	-	520,070	519,676

*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-15	30-Jun-14	31-Dec-14
	\$(000's)	\$(000's)	\$(000's)
Industry Sectors	unaudited	unaudited	audited
Finance	1,527,717	1,940,383	1,295,890
Communication	87,645	101,588	94,537
Food Manufacturing	74,709	75,189	75,164
Government	14,994	75,185	116,920
Insurance	100,406	2	2
Other Manufacturing	23,542	12,584	18,331
Property and Business Services	198,636	190,204	199,099
Retail Trade	7,421	192,607	160,052
Transport	81,972	155,197	86,668
Other	32,575	26,428	73,793
	2,149,617	2,769,367	2,120,456
Other Assets	6,733	5,798	5,381
	2,156,350	2,775,165	2,125,837

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-15	30-Jun-14	31-Dec-14
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
(a) Industry Sectors			
Finance	1,085,414	1,631,939	978,246
Communication	54,799	72,037	56,762
Food Manufacturing	25,848	42,023	38,576
Insurance	70,275	9,105	25,612
Other Manufacturing	245,944	203,225	266,503
Property and Business Services	175,953	137,233	163,952
Transport	41,616	31,192	37,951
Wholesale Trade	75,364	188,738	159,233
Other	51,621	68,658	52,155
	1,826,834	2,384,150	1,778,990
Income Tax Liabilities, Provisions and Other Liabilities	6,376	4,061	5,590
	1,833,210	2,388,211	1,784,580

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

(b) Geographical Areas				
Exposures within New Zealand		780,990	709,610	642,121
Exposures to other countries	Australia	87,129	222,039	95,615
	Brunei	59,603	58,525	59,499
	Great Britain	108,107	88,453	44,245
	Hong Kong	31,896	-	22,541
	Luxembourg	42,982	116,010	976
	Singapore	472,196	424,213	193,395
	United States	63,583	560,759	549,587
	Other	180,348	204,541	171,011
		1,826,834	2,384,150	1,778,990
Income Tax Liabilities, Provisions and Other Liabilities		6,376	4,061	5,590
		1,833,210	2,388,211	1,784,580

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)	Level 3 \$(000's)	
30-Jun-15				
ASSETS				
Financial Assets at Fair Value through Profit or Loss	-	985,799	-	985,799
Derivative Financial Instruments	-	9,066	-	9,066
	-	994,865	-	994,865
LIABILITIES				
Derivative Financial Instruments	-	8,111	-	8,111
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
	-	1,087,132	-	1,087,132
LIABILITIES				
Derivative Financial Instruments	-	18,283	-	18,283
31-Dec-14				
ASSETS				
Financial Assets at Fair Value through Profit or Loss	-	751,495	-	751,495
Derivative Financial Instruments	-	8,792	-	8,792
Available For Sale Assets	-	50,990	-	50,990
	-	811,277	-	811,277
LIABILITIES				
Derivative Financial Instruments	-	15,877	-	15,877

13. INTEREST RATE REPRICING SCHEDULE

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

	0-3 mths	3-6 mths	6-12 mths	1-2 years	2 years +	Not Interest Bearing	Total
	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
Banking Group - as at 30 June 2015							
Cash and Demand Deposits with Central Banks	580,291	-	-	-	-	-	580,291
Advances to Financial Institutions at call	10,289	-	-	-	-	-	10,289
Due from Related Parties	39,258	-	-	-	-	-	39,258
Financial Assets at Fair Value through Profit or Loss	798,259	187,540	-	-	-	-	985,799
Loans and Advances	220,206	163,000	-	-	-	831	384,037
	<u>1,648,303</u>	<u>350,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>831</u>	<u>1,999,674</u>
Deposits from Other Banks	14,560	-	-	-	-	-	14,560
Due to Related Parties	735,162	10,000	2,000	-	-	99	747,261
Other Deposits	1,051,944	-	-	-	-	1,661	1,053,605
	<u>1,801,666</u>	<u>10,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>1,760</u>	<u>1,815,426</u>
Interest Rate Swaps - receive	100,000	-	-	50,000	40,000	-	190,000
Interest Rate Swaps - (pay)	(100,000)	-	-	(40,000)	(50,000)	-	(190,000)
OFF BALANCE SHEET	-	-	-	10,000	(10,000)	-	-
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	73,823	-	-	-	-	-	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	418,180	163,008	-	10,000	-	-	591,188
	<u>2,344,562</u>	<u>163,008</u>	<u>51,566</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>2,569,136</u>
Deposits from Other Banks	24,508	-	-	-	-	-	24,508
Due to Related Parties	1,210,799	-	10,000	-	-	-	1,220,799
Other Deposits	1,116,425	-	-	-	-	-	1,116,425
	<u>2,351,732</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,361,732</u>
Foreign Exchange Contracts - receive	520,070	-	-	-	-	-	520,070
Foreign Exchange Contracts -(pay)	(520,070)	-	-	-	-	-	(520,070)
Interest Rate Swaps - receive	339,000	69,000	20,000	-	90,000	-	518,000
Interest Rate Swaps - (pay)	(179,000)	(69,000)	(170,000)	(10,000)	(90,000)	-	(518,000)
OFF BALANCE SHEET	160,000	-	(150,000)	(10,000)	-	-	-
Banking Group - as at 31 December 2014							
Cash and Demand Deposits with Central Banks	449,885	-	-	-	-	-	449,885
Advances to Financial Institutions at call	232	-	-	-	-	-	232
Due from Related Parties	136,739	-	-	-	-	-	136,739
Financial Assets at Fair Value through Profit or Loss	700,505	50,990	-	-	-	-	751,495
Available for Sale Assets	-	50,990	-	-	-	-	50,990
Loans and Advances	399,455	163,000	10,000	-	-	38	572,493
	<u>1,686,816</u>	<u>264,980</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>38</u>	<u>1,961,834</u>
Deposits from Other Banks	14,835	-	-	-	-	-	14,835
Due to Related Parties	801,388	20,000	-	-	-	68	821,456
Other Deposits	921,215	-	-	-	-	1,780	922,995
	<u>1,737,438</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,848</u>	<u>1,759,286</u>
Foreign Exchange Contracts - receive	519,676	-	-	-	-	-	519,676
Foreign Exchange Contracts -(pay)	(519,676)	-	-	-	-	-	(519,676)
Interest Rate Swaps - receive	270,000	20,000	-	-	90,000	-	380,000
Interest Rate Swaps - (pay)	(260,000)	(20,000)	(10,000)	-	(90,000)	-	(380,000)
OFF BALANCE SHEET	10,000	-	(10,000)	-	-	-	-

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 2015							
Assets							
Cash and Demand Deposits with Central Banks	580,291	-	-	-	-	580,291	580,291
Advances to Financial Institutions at call	10,289	-	-	-	-	10,289	10,289
Due from Related Parties	39,258	-	-	-	-	39,258	39,258
Financial Assets at Fair Value through profit or loss	-	985,799	-	-	-	985,799	985,799
Loans and Advances	25,790	20,331	59,064	202,351	80,480	388,016	384,037
Other Financial Assets	167	2,754	-	-	-	2,921	2,921
	655,795	1,008,884	59,064	202,351	80,480	2,006,574	2,002,595
Liabilities							
Deposits from Other Banks	14,560	-	-	-	-	14,560	14,560
Due to Related Parties	239,261	509,315	-	-	-	748,576	747,261
Other Deposits	996,905	56,842	-	-	-	1,053,747	1,053,605
Other Financial Liabilities	1,677	1,620	-	-	-	3,297	3,297
	1,252,403	567,777	-	-	-	1,820,180	1,818,723
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 31 December 2014							
Assets							
Cash and Demand Deposits with Central Banks	449,885	-	-	-	-	449,885	449,885
Advances to Financial Institutions at call	232	-	-	-	-	232	232
Due from Related Parties	15,159	122,143	-	-	-	137,302	136,739
Financial Assets at Fair Value through profit or loss	-	751,495	-	-	-	751,495	751,495
Available for Sale Assets	-	50,990	-	-	-	50,990	50,990
Loans and Advances	21,010	53,960	43,148	374,226	84,749	577,093	572,493
Other Financial Assets	336	3,768	-	-	-	4,104	4,104
	486,622	982,356	43,148	374,226	84,749	1,971,101	1,965,938
Liabilities							
Deposits from Other Banks	14,835	-	-	-	-	14,835	14,835
Due to Related Parties	137,975	587,747	100,416	-	-	826,138	821,456
Other Deposits	811,992	111,150	-	-	-	923,142	922,995
Other Financial Liabilities	1,698	2,129	-	-	-	3,827	3,827
	966,500	701,026	100,416	-	-	1,767,942	1,763,113

(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:

	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 2015					
Assets					
Cash and Demand Deposits with Central Banks	580,291	-	-	-	580,291
Advances to Financial Institutions at call	-	-	-	10,289	10,289
Due from Related Parties	39,258	-	-	-	39,258
Financial Assets at Fair Value through profit or loss	-	-	-	985,799	985,799
Loans and Advances	-	-	-	384,037	384,037
Other Financial Assets	496	-	-	2,425	2,921
	620,045	-	-	1,382,550	2,002,595
Liabilities					
Deposits from Other Banks	2,184	-	-	12,376	14,560
Due to Related Parties	239,261	508,000	-	-	747,261
Other Deposits	158,041	-	-	895,564	1,053,605
Other Financial Liabilities	964	33	-	2,300	3,297
	400,450	508,033	-	910,240	1,818,723
Net Financial Assets and Liabilities	219,595	(508,033)	-	472,310	183,872

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 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
	<u>782,922</u>	<u>41,004</u>	<u>-</u>	<u>1,747,983</u>	<u>2,571,909</u>
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
	<u>479,525</u>	<u>916,549</u>	<u>-</u>	<u>969,793</u>	<u>2,365,867</u>
Net Financial Assets and Liabilities	<u>303,397</u>	<u>(875,545)</u>	<u>-</u>	<u>778,190</u>	<u>206,042</u>
Banking Group - as at 31 December 2014					
Assets					
Cash and Demand Deposits with Central Banks	449,885	-	-	-	449,885
Advances to Financial Institutions at call	-	-	-	232	232
Due from Related Parties	15,159	121,580	-	-	136,739
Financial Assets at Fair Value through profit or loss	-	-	-	751,495	751,495
Available for Sale Assets	-	-	-	50,990	50,990
Loans and Advances	-	-	-	572,493	572,493
Other Financial Assets	237	642	-	3,225	4,104
	<u>465,281</u>	<u>122,222</u>	<u>-</u>	<u>1,378,435</u>	<u>1,965,938</u>
Liabilities					
Deposits from Other Banks	2,225	-	-	12,610	14,835
Due to Related Parties	137,975	683,481	-	-	821,456
Other Deposits	138,449	-	-	784,546	922,995
Other Financial Liabilities	778	687	-	2,362	3,827
	<u>279,427</u>	<u>684,168</u>	<u>-</u>	<u>799,518</u>	<u>1,763,113</u>
Net Financial Assets and Liabilities	<u>185,854</u>	<u>(561,946)</u>	<u>-</u>	<u>578,917</u>	<u>202,825</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-15	
		unaudited	
Interest Rate Risk as at 30/06/15	813	65	-
Peak End-of-Date Interest Rate Risk 01/01/15-30/06/15	1,188	95	-
Foreign Currency Risk as at 30/06/15	3,275	262	-
Peak End-of-Date Foreign Currency Risk 01/01/15-30/06/15	14,500	1,160	-
		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	-
		31-Dec-14	
		audited	
Interest Rate Risk as at 31/12/14	575	46	-
Peak End-of-Date Interest Rate Risk 01/07/14-31/12/14	963	77	-
Foreign Currency Risk as at 31/12/14	938	75	-
Peak End-of-Date Foreign Currency Risk 01/07/14-31/12/14	6,163	493	-

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 (as amended).

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

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..

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

	30-Jun-15		31- Dec-14	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach ⁽¹⁾
Common Equity Tier 1 Capital ratio ⁽²⁾	14.12 %	12.70 %	13.57 %	12.28 %
Tier 1 Capital ratio ⁽²⁾	14.12	12.70	13.57	12.28
Total Capital ratio ⁽²⁾	15.36	14.92	14.73	14.46

	30-Jun-15	31- Dec-14
Tier 1 Leverage ratio	9.81 %	9.38 %
Supplementary Leverage ratio	6.92	6.56

(1) Pro forma presentation to reflect the application of the Basel III 2015 Standardised Approach, consistent with current period presentation.

(2) As of June 30, 2015 and December 31, 2014, Citibank, N.A.'s reportable Common Equity Tier 1 Capital, Tier 1 Capital, and Total Capital ratios were the lower derived under the Basel III Standardised Approach.

During 2015, Citibank N.A. is required to maintain stated minimum Common Equity Tier 1 Capital ratio, Tier 1 Capital and Total Capital ratios of 4.5%, 6% and 8% respectively.

Prompt Corrective Action Framework

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

Accordingly, beginning January 1, 2015, an insured depository institution, such as Citibank, N.A., 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 Citibank, N.A., would need a minimum Supplementary Leverage ratio of 6%, effective January 1, 2018, to be considered "well capitalized."

For information on the Current Regulatory Capital Standards and Final Basel III Rules including the transitional progression to full implementation in relation to Citigroup see "Capital Resources and Liquidity - Capital Resources" in Citigroup's Quarterly Report on Form 10-Q for the quarter ended 30 June 2015. It is available on the Banking Group's website 'www.citi.co.nz' as part of the disclosure statement dated 30 June 2015.

17. SUBSEQUENT EVENTS

There has not arisen in the interval between 30 June 2015 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 amended).

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

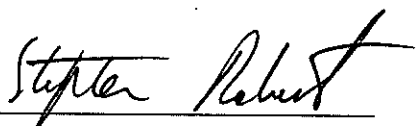
During the half year ended 30 June 2015, Citibank, N.A., New Zealand Branch complied with the conditions of registration imposed on it by the Reserve Bank of New Zealand pursuant to section 74 of the Reserve Bank of New Zealand Act 1989.

During the half year ended 30 June 2015, 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.

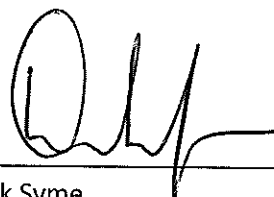
However, changes in the financial condition of Citibank, N.A., Citibank, N.A. New Zealand Branch and Associated Banking Group, and/or Citigroup Inc. may have occurred after 30 June 2015, the most recent date of any of the financial statements included in this disclosure statement, although such changes, 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 27th day of August 2015
in Sydney
Australia



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

Dated this 27th day of August 2015
in Auckland
New Zealand



Independent review report

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

We have completed a review of the interim financial statements of Citibank, N.A. New Zealand Branch and the Associated Banking Group (“the Banking Group”) on pages 4 to 20 which comprise the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months ended on that date, and a summary of significant accounting policies and other explanatory information.

Directors’ responsibilities

The directors of the Banking Group are responsible for the preparation and fair presentation of interim financial statements in accordance with Clause 26 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the “Order”) and NZ IAS 34 *Interim Financial Reporting*, and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

They are also responsible for the preparation of supplementary information prescribed 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.

Our responsibilities

Our responsibility is to express a conclusion on the interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity*. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 Interim Financial Reporting. As the auditor of the Banking Group, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of the interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on those financial statements.



We are also responsible for reviewing the supplementary information disclosed under Schedules 3, 5, 7, 10, 12 and 14 of the Order, in order to report to you whether, in our opinion, 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 those Schedules.

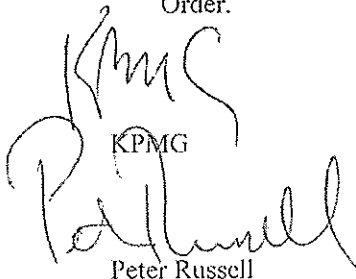
We are also responsible for reviewing the supplementary information relating to credit and market risk exposures and capital adequacy in order to state whether, in our opinion, anything has come to our attention that would cause us to believe that the information disclosed under Schedule 9 is not, in all material respects, prepared in accordance with the Capital Adequacy Framework (Standardised Approach) (BS2) and disclosed in accordance with Schedule 9 of the Order.

Other than in our capacity as auditors we have no relationship with or interests in the Banking Group.

Conclusion

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

- The interim financial statements do not present fairly, in all material respects, the financial position of the Banking Group as at 30 June 2015, and of its financial performance and its cash flows for the six months ended on that date, in accordance with NZ IAS 34 *Interim Financial Reporting*;
- The supplementary information that is required to be disclosed under Schedules 3, 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 the Capital Adequacy Framework (Standardised Approach) (BS2A) and disclosed in accordance with Schedule 9 of the Order.



KPMG
KPMG
Peter Russell

Partner

27 August 2015

Sydney