

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

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For the Nine Months Ended 30 September 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 (effective 01 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 25 November 2015.

### Insurance Business and 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:

Moody's	A1 (stable)
Standard & Poor's	A (watch 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No material qualifications attach to the obligations and the ratings have not been withdrawn.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 has been a change to Citibank, N.A.'s Conditions of Registration since the last disclosure statement dated 30 June 2015, which applies from 1 November 2015. The change relates to the restrictions on high LVR residential mortgage lending of which Citibank, N.A. New Zealand Branch has none.

#### **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 nine months ended 30 September 2015), and the Citigroup Inc. Quarterly Report on Form 10-Q for the quarter ended 30 September 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](http://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 three months ended 30 September 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.

<b>Financial Information of Citibank, N.A.</b> (The following information has not been audited)	(Thousands of US Dollars, except ratios)	
	<b>30-Sep-15</b>	30-Sep-14
<b>Profitability</b>		
Net Profit/(Loss) after tax for the nine months ended	<b>10,401,000</b>	9,207,000
Net Profit/(Loss) after tax over the previous twelve months as a percentage of average total assets	<b>0.86%</b>	0.91%
<b>Size</b>		
Total Assets	<b>1,337,821,000</b>	1,377,279,000
Percentage Change in total assets over the previous twelve months	<b>-2.86%</b>	1.84%
<b>Asset Quality</b>		
Total Impaired Assets	<b>12,411,000</b>	17,846,000
Total Impaired Assets as a percentage of Total Assets	<b>0.93%</b>	1.30%
Total Individual Credit Impaired Allowance	-	-
Total Individual Credit Impaired Allowance as a percentage of Total Impaired Assets	<b>0.00%</b>	0.00%
Total Collective Credit Impairment Allowance	-	-
Total Collective Credit Impairment Allowance as a percentage of Total Impaired Assets	<b>0.00%</b>	0.00%

Impaired assets for 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 2015 is US\$11,030 million (30 September 2014: US\$12,904 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 NINE MONTHS ENDED 30 SEPTEMBER 2015	NOTE	Banking Group	
		30-Sep-15 \$(000's) unaudited	30-Sep-14 \$(000's) unaudited
Interest Income		57,857	61,285
Interest Expense		33,026	32,395
NET INTEREST INCOME		24,831	28,890
Operating Revenue	3	10,756	4,366
TOTAL NET REVENUE		35,587	33,256
Operating Expenses		13,751	11,075
PROFIT BEFORE INCOME TAX		21,836	22,181
Income Tax Expense		6,311	5,944
PROFIT FOR THE PERIOD		15,525	16,237
Other Comprehensive Income			
Available For Sale Reserve			
Fair value gain taken directly to equity		173	197
Tax on movements and transfers		(49)	(54)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT		124	143
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		15,649	16,380

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

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015	Banking Group	
	30-Sep-15	30-Sep-14
	\$(000's) unaudited	\$(000's) unaudited
<b>Capital</b>		
<b>Citicorp Services Limited</b>		
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>
<b>Head Office Account</b>		
<b>Citibank, N.A. New Zealand Branch</b>		
At the beginning of the year	33,518	33,273
Contribution from/(Remittance to) Head Office	405	377
At the end of the period	<u>33,923</u>	<u>33,650</u>
<b>Available For Sale Reserve</b>		
At the beginning of the year	(109)	(350)
Other comprehensive income	124	143
At the end of the period	<u>15</u>	<u>(207)</u>
<b>Retained earnings</b>		
At the beginning of the year	133,527	126,101
Profit after income tax	15,525	16,237
Profit remittance to Head Office	(20,663)	(13,691)
At the end of the period	<u>128,389</u>	<u>128,647</u>
<b>Equity at the end of the period</b>	<u>190,922</u>	<u>190,685</u>
<b>Represented by:</b>		
<b>Equity at the beginning of the year</b>	195,531	187,619
<b>Transactions with owners, recorded directly in equity</b>		
Contribution from/(Remittance to) Head Office	405	377
Profit remittance to Head Office	(20,663)	(13,691)
Total transactions with owners	<u>(20,258)</u>	<u>(13,314)</u>
<b>Total Comprehensive Income for the period</b>		
Profit for the period	15,525	16,237
<b>Other comprehensive income</b>		
Net change in fair value of available for sale assets to profit or loss on disposal	173	197
Income tax on other comprehensive income	(49)	(54)
Total other comprehensive income	<u>124</u>	<u>143</u>
<b>Total Comprehensive Income for the period</b>	<u>15,649</u>	<u>16,380</u>
<b>Equity at the end of the period</b>	<u>190,922</u>	<u>190,685</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015	NOTE	Banking Group		
		30-Sep-15 \$(000's) unaudited	30-Sep-14 \$(000's) unaudited	31-Dec-14 \$(000's) audited
<b>ASSETS</b>				
Cash and Demand Deposits with Central Banks	6	845,230	693,527	449,885
Advances to Financial Institutions at Call	6	78	4,247	232
Due from Related Parties	8	51,876	109,768	136,739
Financial Assets at Fair Value through Profit or Loss		174,883	870,097	751,495
Derivative Financial Instruments	8	10,932	36,970	8,792
Current Tax Assets		4,444	3,031	1,029
Available For Sale Assets		408,133	52,038	50,990
Loans and Advances		587,683	660,413	572,493
Other Assets		8,701	9,555	6,298
Deferred Tax Assets		615	1,016	1,038
Property Plant and Equipment		1,032	1,183	1,120
<b>TOTAL ASSETS</b>		<b>2,093,607</b>	<b>2,441,845</b>	<b>1,980,111</b>
<b>LIABILITIES</b>				
Deposits from Other Banks	4	20,706	21,471	14,835
Due to Related Parties	8	1,045,451	1,174,102	821,456
Other Deposits	4	816,848	1,035,613	922,995
Derivative Financial Instruments	8	9,525	9,788	15,877
Current Tax Liabilities		-	-	-
Provisions		176	176	176
Other Liabilities		9,979	10,010	9,241
<b>TOTAL LIABILITIES</b>		<b>1,902,685</b>	<b>2,251,160</b>	<b>1,784,580</b>
<b>EQUITY</b>				
Issued and Paid-Up Capital		28,595	28,595	28,595
Head Office Account		33,923	33,650	33,518
Available For Sale Reserve		15	(207)	(109)
Retained Earnings		128,389	128,647	133,527
<b>TOTAL EQUITY</b>		<b>190,922</b>	<b>190,685</b>	<b>195,531</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,093,607</b>	<b>2,441,845</b>	<b>1,980,111</b>
Total Interest Earning and Discount Bearing Assets		2,067,567	2,390,090	1,961,796
Total Interest and Discount Bearing Liabilities		1,878,676	2,231,186	1,757,438

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

STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015	NOTE	Banking Group	
		30-Sep-15 \$(000's) unaudited	30-Sep-14 \$(000's) unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash was provided from:			
Interest Income		56,567	57,642
Trading Gain		-	-
Other Income		11,802	11,660
Decrease in due from related companies		108,853	55,929
Decrease in financial assets at fair value through profit or loss		576,154	-
Decrease in available for sale financial assets		-	21,447
Decrease in loans and advances		-	2,885
increase in deposits due to related parties		220,419	189,859
Increase in customer deposits		-	51,892
		<u>973,795</u>	<u>391,314</u>
Cash was applied to:			
Interest Expense		33,470	31,455
Trading Loss		8,007	32,040
Tax Paid		9,385	7,453
Other Expenses		14,102	11,078
Increase in financial assets at fair value through profit or loss		-	277,001
Increase in available for sale financial assets		357,439	-
Increase in loans and advances		15,190	-
Decrease in customer deposits		100,295	-
		<u>537,888</u>	<u>359,027</u>
Net cash (used in)/from operating activities		<u>435,907</u>	<u>32,287</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash was (applied to)/provided from:			
Purchase of property, plant and equipment		(96)	(232)
Net cash used in investing activities		<u>(96)</u>	<u>(232)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash was provided from:			
(Decrease)/Increase in Head Office account		(20,225)	(13,167)
Net cash used in financing activities		<u>(20,225)</u>	<u>(13,167)</u>
Net increase/(decrease) in cash		415,586	18,888
Cash and cash equivalents at the beginning of the year		454,991	675,626
Cash and cash equivalents at the end of the period		<u>870,577</u>	<u>694,514</u>

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 (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 25<sup>th</sup> day of November 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)

## OPERATING REVENUE

	Banking Group	
	30-Sep-15	30-Sep-14
	\$(000's)	\$(000's)
	unaudited	unaudited
Net Trading Losses	686	(6,157)
Other Operating Revenue	10,070	10,523
	<u>10,756</u>	<u>4,366</u>

## 4. TOTAL LIABILITIES TO THIRD PARTIES

	Branch		
	30-Sep-15	30-Sep-14	31-Dec-14
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Deposits from Other Banks	20,706	21,471	14,835
Other Deposits	816,848	1,035,613	922,995
Current Tax Liabilities, Provisions and Other Liabilities	8,854	7,955	8,369
	<u>846,408</u>	<u>1,065,039</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-Sep-15	30-Sep-14
	\$(000's)	\$(000's)
	unaudited	unaudited
CASH AND CASH EQUIVALENTS COMPRISE		
Cash Balances with Third Parties	845,289	697,774
Cash Balances with Related Parties	25,288	(3,260)
Cash and cash equivalents in the statement of cash flows	<u>870,577</u>	<u>694,514</u>

## 7. STATEMENT OF CASH FLOWS RECONCILIATION TO PROFIT

	Banking Group	
	30-Sep-15	30-Sep-14
	\$(000's)	\$(000's)
	unaudited	unaudited
RECONCILIATION OF NET PROFIT AFTER TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit after Tax	15,525	16,237
Add back		
Depreciation	184	223
Movements in operating assets less liabilities	432,502	45,011
(Decrease)/Increase in accrual of interest expense	(444)	940
Decrease in accrual of other expenses/income	1,629	1,155
Revaluations of operating assets and liabilities	(8,693)	(25,883)
Movement in tax provision	(3,074)	(1,509)
Increase in accrual of interest income	(1,290)	(3,643)
Increase in accrual of fees and commissions	(432)	(244)
Net Cash Flows from Operating Activities	<u>435,907</u>	<u>32,287</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 financial statements.

## b) BALANCES

	<b>Banking Group</b>		
	<b>30-Sep-15</b>	30-Sep-14	31-Dec-14
	<b>\$(000's)</b>	\$(000's)	\$(000's)
	<b>unaudited</b>	unaudited	audited
<b>Assets</b>			
Due from Related Parties - Head Office*	51,483	108,764	136,440
Due from Related Parties - Other Related Parties	393	1,004	299
	<b>51,876</b>	109,768	136,739
Derivative Financial Assets on balance sheet- Head Office*	10,932	36,970	8,792
Other Assets - Head Office*	1,423	1,876	2,295
Other Assets - Other Related Parties	102	17	121
	<b>64,333</b>	148,631	147,947
<b>Liabilities</b>			
Due to Related Parties - Head Office*	869,502	1,043,863	751,898
Due to Related Parties - Other Related Parties	175,949	130,239	69,558
	<b>1,045,451</b>	1,174,102	821,456
Derivative Financial Liabilities on balance sheet- Head Office'	9,525	9,788	15,877
Other Liabilities - Head Office*	997	1,994	791
Other Liabilities - Other Related Parties	304	237	257
	<b>1,056,277</b>	1,186,121	838,381
<b>Derivative Notional Amounts</b>			
Interest Rate Swaps - Head Office*	180,000	518,000	380,000
Foreign Exchange Forwards - Head Office*	-	550,168	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. CREDIT EXPOSURES TO INDIVIDUAL COUNTERPARTIES

Based on actual credit exposures no credit exposure to any individual counterparty of Citibank, N.A., New Zealand Branch and Associated Banking Group equaled or exceeded 10% of Citibank, N.A.'s equity during this accounting period.

## 10. FAIR VALUE HIERARCHY

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

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

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

	Banking Group			Total \$(000's)
	Level 1 \$(000's)	Level 2 \$(000's)	Level 3 \$(000's)	
<b>30-Sep-15</b>				
<b>ASSETS</b>				
Financial Assets at Fair Value through Profit or Loss	-	174,883	-	174,883
Derivative Financial Instruments	-	10,932	-	10,932
Available For Sale Assets	-	408,133	-	408,133
	-	593,948	-	593,948
<b>LIABILITIES</b>				
Derivative Financial Instruments	-	9,525	-	9,525
<b>30-Sep-14</b>				
<b>ASSETS</b>				
Financial Assets at Fair Value through Profit or Loss	-	870,097	-	870,097
Derivative Financial Instruments	-	36,970	-	36,970
Available For Sale Assets	-	52,038	-	52,038
	-	959,105	-	959,105
<b>LIABILITIES</b>				
Derivative Financial Instruments	-	9,788	-	9,788
<b>31-Dec-14</b>				
<b>ASSETS</b>				
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
<b>LIABILITIES</b>				
Derivative Financial Instruments	-	15,877	-	15,877

## 11. 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-Sep-15 unaudited	
Interest Rate Risk as at 30/09/15	425	34	-
Foreign Currency Risk as at 30/09/15	3,173	254	-
		30-Sep-14 unaudited	
Interest Rate Risk as at 30/09/14	400	32	-
Foreign Currency Risk as at 30/09/14	488	39	-

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.

## 12. LIQUIDITY RISK

The Banking Group holds a portfolio of central bank funds and liquid bank bill and government securities to support liquidity risk management. These are investment grade securities that can be sold in 2 days or less on the open market in normal conditions.

	Banking Group		
	30-Sep-15	30-Sep-14	31-Dec-14
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Cash and Demand Deposits with Central Banks	845,230	693,527	449,885
Government bonds/Treasury bills	-	52,038	700,506
Bank bills	583,016	870,097	101,980
	<b>1,428,246</b>	<b>1,615,662</b>	<b>1,252,371</b>

## 13. 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-Sep-15		31- Dec-14	
	Advanced Approaches	Standardized Approach	Advanced Approaches	Standardized Approach <sup>(1)</sup>
Common Equity Tier 1 Capital ratio <sup>(2)</sup>	14.20 %	12.67 %	13.57 %	12.28 %
Tier 1 Capital ratio <sup>(2)</sup>	14.20	12.67	13.57	12.28
Total Capital ratio <sup>(2)</sup>	15.38	14.89	14.73	14.46

	30-Sep-15	31- Dec-14
Tier 1 Leverage ratio	9.77 %	9.38 %
Supplementary Leverage ratio	6.89	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 September 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 September 2015. It is available on the Bank's website 'www.citi.co.nz' as part of the Disclosure Statement dated 30 September 2015.

## 14. SUBSEQUENT EVENTS

There has not arisen in the interval between 30 September 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 calendar quarter ended 30 September 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.

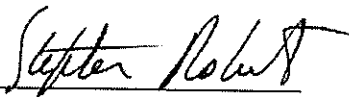
During the calendar quarter ended 30 September 2015, Citibank, N.A., New Zealand Branch had systems in place to monitor and control adequately the material risks of its Banking Group, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, 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 September 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.

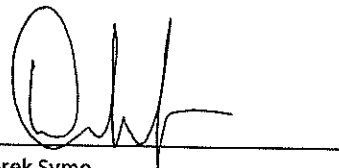
The Quarterly Disclosure Statements which are filed with the Reserve Bank of New Zealand for the Citibank New Zealand Branch (the "Quarterly Disclosure Statements") are signed by both the New Zealand Chief Executive Officer and Mr Stephen Roberts, as attorney for the directors of Citibank NA ("Citibank").

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 November 2015  
in Sydney  
Australia



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

Dated this 25th day of November 2015  
in Auckland  
New Zealand