



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

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

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

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

The financial statements are the aggregated financial statements for the "Banking Group" which consists of Citibank, N.A. New Zealand Branch (CBNA New Zealand Branch) and the Associated Banking Group (Citicorp Services Limited and Citibank Nominees (New Zealand) Limited).

The ultimate holding company of the Banking Group is Citigroup Inc. (Citigroup) which is a global diversified financial services holding company domiciled in the United States of America whose businesses provide a broad range of financial services to consumer and corporate customers.

Registered Bank: Directorate and Responsible Persons

Responsible Person of Citibank, N.A. in New Zealand

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

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

Timothy Sedgwick
Chief Financial Officer
Citi Australia / New Zealand

Directors of Citibank, N.A.(CBNA)

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

On 25th April, 2017, Joan E. Spero has retired from the Board of Directors of Citibank, N.A. There have been no other changes to CBNA's board of directors since the last disclosure statement dated 31 December 2016.

Guarantee Arrangements

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

Conditions of Registration

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

Credit Ratings

CBNA has the following long-term debt ratings which are applicable to the New Zealand Branch's long-term senior unsecured obligations which are payable in New Zealand in New Zealand dollars.

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

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

No material qualifications attach to the obligations and the ratings have not been withdrawn.

Insurance Business and Non-Financial Activities

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

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

Financial Statements

Any person, upon request and without charge, may obtain a copy of CBNA New Zealand Branch and the Banking Group's most recent Disclosure Statement, which contains a copy of the most recent publicly available consolidated financial statements of CBNA (Citibank Call Report for the three months ended 31 March 2017 ("Citibank Call Report") and the Citigroup Quarterly Report on Form 10-Q for the quarter ended 31 March 2017, immediately by requesting a copy from CBNA's New Zealand office in Auckland. The Disclosure Statement is also available on the Bank's website 'www.citi.co.nz'.

CBNA is an indirect wholly owned subsidiary of Citigroup. The information relating to CBNA contained in the Bank's General Disclosure Statement is derived from, and is qualified in its entirety by reference to, the detailed information and consolidated financial statements included in the Citibank Call Report for the three months ended 31 March 2017.

The Citibank Call Report is prepared in accordance with the regulatory instructions issued by the Federal Financial Institutions Examination Council ("FFIEC"). In 1997, the FFIEC adopted U.S. GAAP as the reporting basis for the consolidated balance sheet, income statement and related schedules included in the Call Report. Despite the adoption of U.S. GAAP as the reporting basis for the Citibank Call Report, the presentation of financial statements in the Citibank Call Report differs significantly from the presentation of financial statements included in the Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission, including without limitation the Citibank Call Report generally contains less disclosure than audited financial statements prepared in accordance with U.S. GAAP.

Profitability and size of Citibank, N.A. (CBNA)

(The following information has not been audited)

(Thousands of US Dollars)
31-Mar-17 31-Mar-16

Profitability

Net profit/(loss) after tax for the three months ended **3,310,000** 2,869,000

Net profit/(loss) after tax over the previous twelve months as a percentage of average total assets **0.98%** 0.94%

Size

Total Average Assets **1,371,730,000** 1,323,545,000

Percentage Change in total assets over the previous twelve months **3.64%** -2.45%

Asset Quality

Total Impaired Assets **10,188,000** 12,330,000

Total Impaired Assets as a percentage of Total Assets **0.74%** 0.93%

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 CBNA consist of non-accrual loans, restructured loans, other non-accrual assets and other real estate owned.

CBNA maintains an allowance that is available to absorb all probable credit losses inherent in its portfolio. The allowance for loan and lease losses at 31 March 2017 is US\$ 10,426 million (31 March 2016: US\$10,896 million).

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

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2017**

	Note Numbers	31-Mar-17 \$(000's) unaudited	31-Mar-16 \$(000's) unaudited
Interest Income		12,811	16,415
Interest Expense		5,462	7,293
NET INTEREST INCOME		<u>7,349</u>	9,122
Other Income	3	4,281	3,448
TOTAL REVENUE		<u>11,630</u>	12,570
Operating Expenses		4,828	5,214
PROFIT BEFORE INCOME TAX		<u>6,802</u>	7,356
Income Tax Expense		1,909	2,069
PROFIT FOR THE PERIOD		<u>4,893</u>	5,287
Other Comprehensive Income			
Available For Sale Reserve			
Fair value gain/(loss) taken directly to equity		(33)	107
Tax on movements and transfers		9	(30)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX, THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT		<u>(24)</u>	77
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>4,869</u></u>	<u><u>5,364</u></u>

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

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2017**

	Note Numbers	31-Mar-17 \$(000's) unaudited	31-Mar-16 \$(000's) unaudited
Capital			
Citicorp Services Limited			
Authorized, Issued and Paid-Up Capital			
25,000,000 (2016: 25,000,000) Ordinary		<u>28,595</u>	28,595
		<u>28,595</u>	<u>28,595</u>
Head Office Account			
CBNA New Zealand Branch			
At the beginning of the year		33,484	33,665
Movement in share based payment reserve		(16)	(10)
At the end of the period		<u>33,468</u>	<u>33,655</u>
Available For Sale Reserve			
At the beginning of the year		68	61
Other comprehensive income		(24)	77
At the end of the period		<u>44</u>	<u>138</u>
Retained earnings			
At the beginning of the year		132,410	132,833
Profit after tax		4,893	5,287
At the end of the period		<u>137,303</u>	<u>138,120</u>
Equity at the end of the period		<u>199,410</u>	<u>200,508</u>
Represented by:			
Equity at the beginning of the year		194,557	195,154
Transactions with owners, recorded directly in equity			
Movement in share based payment reserve		(16)	(10)
Total transactions with owners		<u>(16)</u>	<u>(10)</u>
Total Comprehensive Income for the period			
Profit for the period		4,893	5,287
Other comprehensive income			
Net change in fair value of available for sale assets to profit or loss on disposal		(33)	107
Income tax on other comprehensive income		9	(30)
Total other comprehensive income		<u>(24)</u>	<u>77</u>
Total Comprehensive Income for the period		<u>4,869</u>	<u>5,364</u>
Equity at the end of the period		<u>199,410</u>	<u>200,508</u>

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

CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note Numbers	31-Mar-17 \$(000's) unaudited	Banking Group 31-Mar-16 \$(000's) unaudited	31-Dec-16 \$(000's) audited
ASSETS				
Cash and Cash Equivalents	6	523,433	416,520	549,153
Due from Related Parties	8	199,642	64,519	171,824
Derivative Financial Assets	8	20,917	10,358	20,310
Current Tax Assets		3,596	2,295	2,559
Available For Sale Assets		567,593	767,560	504,453
Loans and Advances		817,380	758,621	810,805
Other Assets		10,269	9,977	5,054
Deferred Tax Assets		324	411	474
Property Plant and Equipment		685	917	744
TOTAL ASSETS		2,143,839	2,031,178	2,065,376
LIABILITIES				
Deposits from Other Banks	4	4,874	25,183	4,340
Due to Related Parties	8	1,094,752	726,424	1,014,815
Other Deposits	4	831,840	1,049,229	839,617
Derivative Financial Liabilities	8	5,313	21,974	5,624
Provisions		176	176	176
Other Liabilities		7,474	7,684	6,247
TOTAL LIABILITIES		1,944,429	1,830,670	1,870,819
EQUITY				
Issued and Paid-Up Capital		28,595	28,595	28,595
Head Office Account		33,468	33,655	33,484
Available For Sale Reserve		44	138	68
Retained Earnings		137,303	138,120	132,410
TOTAL EQUITY		199,410	200,508	194,557
TOTAL LIABILITIES AND EQUITY		2,143,839	2,031,178	2,065,376
Total Interest Earning and Discount Bearing Assets		2,108,048	2,016,677	2,036,235
Total Interest and Discount Bearing Liabilities		1,927,094	1,815,919	1,853,337

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

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2017**

	Note Numbers	31-Mar-17 \$(000's) unaudited	31-Mar-16 \$(000's) unaudited
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		7,544	13,125
Interest paid		(4,655)	(7,837)
Net trading (loss)/ income		(1,114)	(384)
Other income		5,350	5,029
Net (increase)/ decrease in placements due from related companies		(27,818)	16,448
Net (increase)/ decrease available for sale assets		(63,207)	(199,866)
Net (increase)/ decrease in loans and advances		(6,575)	(3,742)
Net increase/ (decrease) in due to related parties		80,924	61,418
Net increase/ (decrease) in customer deposits		(7,243)	(13,011)
Income tax paid		(2,791)	(1,389)
Other operating expenses paid		(5,136)	(5,927)
Net cash used in operating activities	7	<u>(24,721)</u>	<u>(136,136)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		-	(2)
Net cash used in investing activities		<u>-</u>	<u>(2)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(Decrease) in Head Office account		(12)	(14)
Net cash used in financing activities		<u>(12)</u>	<u>(14)</u>
Net (decrease) / increase in cash and cash equivalents		(24,733)	(136,152)
Cash and cash equivalents at the beginning of the year		546,929	552,465
Cash and cash equivalents at the end of the year	6	<u>522,196</u>	<u>416,313</u>

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

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE QUARTER ENDED 31 MARCH 2017**

The financial statements are those of the aggregated financial statements for the Banking Group.

The ultimate holding company of the Banking Group is Citigroup which is a global diversified financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The Banking Group's interim financial statements have been prepared in accordance with the requirements of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended), the Financial Markets Conduct Act 2013 ("FMCA 2013"), the Companies Act 1993, the Financial Reporting Act 2013 and with New Zealand Generally Accepted Accounting Practice ("NZGAAP"). They comply with the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for Tier 1 for-profit entities. They comply with International Accounting Standard 34 Interim Financial Reporting.

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

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

b) Basis of preparation

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

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments at fair value through profit or loss, and available for sale assets.

The amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated.

c) Changes in accounting policy

There have been no material changes in accounting policies since the last annual financial statements dated 31 December 2016.

2. FINANCIAL RISK MANAGEMENT

There have been no material changes in the Banking Group's policies for managing risk, or material exposure to any new types of risk since the last annual financial statements dated 31 December 2016.

3. OTHER INCOME

	31-Mar-17	31-Mar-16
	\$(000's)	\$(000's)
	unaudited	unaudited
Net Trading gain/(loss)	(229)	(529)
Other Operating Revenue	<u>4,510</u>	<u>3,977</u>
	4,281	3,448

4. TOTAL LIABILITIES TO THIRD PARTIES - BRANCH

	31-Mar-17	31-Mar-16	31-Dec-16
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Deposits from Other Banks	4,874	25,183	4,340
Other Deposits	831,840	1,049,229	839,617
Other Liabilities	5,928	7,275	4,283
Total liabilities of the Branch, net of amounts due to related parties	<u>842,642</u>	<u>1,081,687</u>	<u>848,240</u>

The Branch has no retail deposits as at reporting date.

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

5. PAST DUE AND IMPAIRED ASSETS

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

CBNA New Zealand Branch and 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 Banking Group in the management of its short term commitments.

	31-Mar-17	31-Mar-16
	\$(000's)	\$(000's)
	unaudited	unaudited
Cash and Demand Deposits with Central Banks	498,157	378,470
Loans and Advances to Financial Institutions at call	370	1,421
Due from Related Parties	24,906	36,629
Deposits from Other Banks*	(1,237)	(207)
Cash and cash equivalents in the statement of cash flows	<u>522,196</u>	<u>416,313</u>

* This represents bank overdrafts repayable on demand to other banks. It is presented on the statement of financial position within "Deposits from Other Banks".

	31-Mar-17	31-Mar-16
	\$(000's)	\$(000's)
	unaudited	unaudited
7. STATEMENT OF CASH FLOWS RECONCILIATION TO PROFIT		
Reconciliation of net profit after tax to net cash flows		
Net Profit after Tax	4,893	5,287
Adjustments for:		
Depreciation	58	59
Movements in operating assets less liabilities	(23,919)	(138,753)
(Decrease)/Increase in accrual of interest expenses	807	(544)
Increase in accrual of other expenses/income	495	387
Revaluations of financial assets and liabilities	(885)	144
Movement in tax provision	(882)	680
Increase in accrual of interest income	(5,267)	(3,290)
Decrease in accrual of fees and commissions	(21)	(106)
Net Cash Flows from Operating Activities	<u>(24,721)</u>	<u>(136,136)</u>

8. RELATED PARTY TRANSACTIONS

(a) ULTIMATE HOLDING COMPANY

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

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

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

CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE QUARTER ENDED 31 MARCH 2017

8. RELATED PARTY TRANSACTIONS (continued)

(b) BALANCES

	31-Mar-17	31-Mar-16	31-Dec-16
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Assets			
Due from Related Parties - Head Office (including other branches)	191,829	56,751	165,955
Due from Related Parties - Other Related Parties	7,813	7,768	5,869
Total Due from Related Parties	<u>199,642</u>	<u>64,519</u>	<u>171,824</u>
Derivative Financial Assets - On Balance Sheet	20,917	10,358	20,310
Other Assets - Head Office (including other branches)	2,145	1,195	2,013
Other Assets - Other Related parties	369	264	332
Total other Related Parties Assets	<u>23,431</u>	<u>11,817</u>	<u>22,655</u>
Liabilities			
Due to Related Parties - Head Office (including other branches)	999,600	561,283	949,208
Due to Related Parties - Other Related Parties	95,152	165,141	65,607
Total Due to Related Parties	<u>1,094,752</u>	<u>726,424</u>	<u>1,014,815</u>
Derivative Financial Liabilities - On Balance Sheet	5,313	21,974	5,624
Other Liabilities - Head Office (including other branches)	1,579	257	885
Other Liabilities - Other Related parties	143	328	1,079
Other Related Parties Liabilities	<u>7,035</u>	<u>22,559</u>	<u>7,588</u>
Derivative Notional Amounts			
Interest Rate Swaps			
- Head Office (including other branches)	180,000	180,000	180,000
Foreign Exchange Forwards			
- Head Office (including other branches)	719,875	521,096	718,147

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

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

9. CREDIT EXPOSURES TO INDIVIDUAL COUNTERPARTIES

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

10. CONTINGENT LIABILITIES

Specific contingent liabilities existing at period end are:

	31-Mar-17	31-Mar-16	31-Dec-16
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Guarantees, Letters of Credit and undrawn loans	477,655	417,089	477,725
Foreign Exchange Forwards (Notional Amounts)	719,875	521,096	718,147
Interest Rate Swaps (Notional Amounts)	180,000	180,000	180,000

11. LIQUIDITY RISK

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

	31-Mar-17	31-Mar-16	31-Dec-16
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Cash and Demand Deposits with Central Banks	498,157	378,470	531,004
Government bonds/Treasury bills	138,895	-	140,216
Bank bills	428,698	767,560	364,237
	<u>1,065,750</u>	<u>1,146,030</u>	<u>1,035,457</u>

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTS
FOR THE QUARTER ENDED 31 MARCH 2017**

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).

Fair Value Hierarchy of Financial Instruments:

As at 31 March 2017	Level 1 \$(000's) unaudited	Level 2 \$(000's) unaudited	Level 3 \$(000's) unaudited	Total \$(000's) unaudited
ASSETS				
Derivative Financial Assets	-	20,917	-	20,917
Available For Sale Assets	138,895	428,698	-	567,593
	<u>138,895</u>	<u>449,615</u>	<u>-</u>	<u>588,510</u>
LIABILITIES				
Derivative Financial Liabilities		5,313		5,313

As at 31 March 2016	Level 1 \$(000's) unaudited	Level 2 \$(000's) unaudited	Level 3 \$(000's) unaudited	Total \$(000's) unaudited
ASSETS				
Derivative Financial Assets	-	10,358	-	10,358
Available For Sale Assets	-	767,560	-	767,560
	<u>-</u>	<u>777,918</u>	<u>-</u>	<u>777,918</u>
LIABILITIES				
Derivative Financial Liabilities	-	21,974	-	21,974

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

13. EXPOSURES TO MARKET RISK

As at 31 March 2017	Implied Risk Weighted Exposure \$(000's) unaudited	Notional Capital Charge \$(000's) unaudited
Interest Rate Risk	2,038	163
Foreign Currency Risk	2,350	188
Equity Risk	-	-

As at 31 March 2016		
Interest Rate Risk	837	67
Foreign Currency Risk	3,763	301
Equity Risk	-	-

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

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

**CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE QUARTER ENDED 31 MARCH 2017**

14. CAPITAL ADEQUACY

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

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

	31-Mar-17		31-Dec-16	
	Advanced Approaches	Standardised Approach	Advanced Approaches	Standardised Approach
Common Equity Tier 1 Capital ratio ⁽¹⁾	12.85%	12.45%	12.96%	12.61%
Tier 1 Capital ratio ⁽¹⁾	12.99%	12.58%	12.99%	12.63%
Total Capital ratio ⁽¹⁾	14.26%	14.92%	14.25%	15.01%
	31-Mar-17		31-Dec-16	
Tier 1 Leverage ratio		9.46%		9.49%
Supplementary Leverage ratio		6.78%		6.80%

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

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

Prompt Corrective Action (PCA) Framework

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

Accordingly, beginning January 1, 2015, an insured depository institution, such as CBNA, would need minimum Common Equity Tier 1 Capital, Tier 1 Capital, Total Capital, and Tier 1 Leverage ratios of 6.5%, 8%, 10% and 5%, respectively, to be considered "well capitalized." Additionally, Advanced Approaches insured depository institutions, such as CBNA, would need a minimum Supplementary Leverage ratio of 6%, effective January 1, 2018, to be considered "well capitalized."

For information on the Basel III capital adequacy framework in relation to Citigroup see "Capital Resources and Liquidity - Capital Resources" in Citigroup's Quarterly Report on Form 10-Q for the quarter ended 31 March 2017. It is available on the Bank's website 'www.citi.co.nz' as part of the Disclosure Statement dated 31 March 2017.

15. SUBSEQUENT EVENTS

There has not arisen in the interval between 31 March 2017 and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Banking Group, to affect significantly the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

The Directors' and the New Zealand Chief Executive Officer's Statement

The undersigned officers of Citibank, N.A., being the Citigroup Country Officer of Citibank, N.A. New Zealand Branch (the "CCO"), signing this statement on his own behalf in such capacity, and Timothy Sedgwick, the duly authorised agent in writing of each and every director of Citibank, N.A., signing this statement on behalf of each such director, who, after due enquiry by the CCO and such directors, believe that -

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

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


During the three months ended 31 March 2017, Citibank, N.A., New Zealand Branch complied with the conditions of registration imposed on it by the Reserve Bank of New Zealand pursuant to section 74 of the Reserve Bank of New Zealand Act 1989.

During the three months ended 31 March 2017, Citibank, N.A., New Zealand Branch had systems in place to monitor and control adequately the material risks of its Banking Group, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, and other business risks, and those systems were being properly applied.

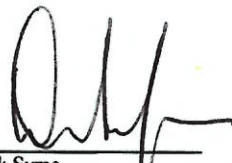
However, no system of internal control can facilitate the perfect management of banking risks.

However, changes in the financial condition of Citibank, N.A., Citibank, N.A. New Zealand Branch and Associated Banking Group, and/or Citigroup Inc. may have occurred after 31 March 2017, the most recent date of any of the financial statements included in this disclosure statement, although such changes, if any, and except as set forth in the disclosure statement, are not believed to be material in the context of such affected entity's overall financial condition.

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


Signed by Timothy Sedgwick
as agent for all the directors

Dated this 17th day of May 2017
in Sydney
Australia


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

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