



CITIBANK, N.A.

NEW ZEALAND BRANCH

AND ASSOCIATED BANKING GROUP

DISCLOSURE STATEMENT

30th JUNE, 2020

Registered office

**Citigroup Centre
23 Customs Street East
Auckland 1010
New Zealand**

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 (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. (CBNA) 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)

Ellen M. Costello
Barbara J. Desoer
Michael L. Corbat
Duncan P. Hennes
Susan Leslie Ireland
James S. Turley
Deborah C. Wright

Eugene M. McQuade and Mary A. McNiff retired as Directors of Citibank, N.A. effective on 21st April, 2020 and 8th June, 2020 respectively. Michael L. Corbat was appointed as a Director of Citibank, N.A., effective on 8th June, 2020. There have been no other changes to the composition of Citibank, N.A.'s Board of Directors since the last disclosure statement dated 31st December, 2019.

Guarantee arrangements

CBNA New Zealand Branch does not have any guarantees over any material obligations as at 13th August, 2020.

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.

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

KPMG
Level 38, Tower Three
International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000 Australia

Conditions of registration for Citibank, N.A. in New Zealand

There has been no applicable change to CBNA's Conditions of Registration since the last Disclosure Statement dated 31st December, 2019.

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	Aa3 (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.

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

GENERAL DISCLOSURES

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 six months ended 30th June, 2020 ("Citibank Call Report") and the Citigroup Inc. Quarterly Report on Form 10-Q for the quarter ended 30th June, 2020, 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 Inc. The information relating to CBNA contained in the Bank's 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 30th June, 2020.

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 Statement of Financial Position, Statement of Comprehensive Income 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.

(The following information has not been audited)

	(Thousands of US Dollars)	
	30-Jun-20	30-Jun-19
Profitability		
Net profit/(loss) after tax for the six months ended	2,248,000	8,560,000
Net profit/(loss) after tax over the previous twelve months as a percentage of average total assets	0.73%	1.16%
Size		
Total assets	1,633,678,000	1,459,623,000
Percentage Change in total assets over the previous twelve months	11.92%	4.42%
Asset quality		
Total impaired assets	7,982,000	6,477,000
Total impaired assets as a percentage of total assets	0.49%	0.44%
Total individual credit impairment allowance	1,994,000	1,377,000
Total collective credit impairment allowance	21,648,000	9,373,000

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 30th June, 2020 is US\$23,642 million (30th June, 2019: US\$10,750 million).

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Note	BANKING GROUP	
		30-Jun-20 \$(000's) unaudited	30-Jun-19 \$(000's) unaudited
Interest income		9,328	20,147
Interest expense		2,352	13,525
Net interest income		6,976	6,622
Other income	3	13,599	13,410
Total revenue		20,575	20,032
Operating expenses		8,945	9,479
Loan impairment expense	5	2,080	78
Profit before income tax		9,550	10,475
Income tax expense		2,807	2,979
Profit for the period		6,743	7,496
Other comprehensive income			
Fair value through other comprehensive income reserve			
Fair value gain taken directly to equity		1,334	235
Tax on movements and transfers		(408)	(66)
Other comprehensive income / (loss) for the period, net of tax, that may be reclassified subsequently to profit		926	169
Total comprehensive income for the period		7,669	7,665

The Statement of Comprehensive Income should be read in conjunction with the notes to the financial statements on the accompanying pages.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Note	BANKING GROUP	
		30-Jun-20 \$(000's) unaudited	30-Jun-19 \$(000's) unaudited
Head office account			
CBNA New Zealand Branch			
At the beginning of the year		33,665	33,695
Movement in share based payment reserve		62	3
At the end of the period		<u>33,727</u>	<u>33,698</u>
Fair value through other comprehensive income reserve			
At the beginning of the year		(449)	28
Other comprehensive income		926	169
At the end of the period		<u>477</u>	<u>197</u>
Retained earnings			
At the beginning of the year		153,299	152,433
Profit after tax		6,743	7,496
Other movement		-	18
At the end of the period		<u>160,042</u>	<u>159,947</u>
Equity at the end of the period		<u>194,246</u>	<u>193,842</u>
Represented by:			
Equity at the beginning of the year		186,515	186,156
Transactions with owners, recorded directly in equity			
Movement in share based payment reserve		62	3
Other movement		-	18
Total transactions with owners		<u>62</u>	<u>21</u>
Total comprehensive income for the period			
Profit for the period		6,743	7,496
Other comprehensive income			
Net change in fair value through other comprehensive income to profit or loss on disposal		1,334	235
Income tax on other comprehensive income		(408)	(66)
Total other comprehensive income / (loss)		<u>926</u>	<u>169</u>
Total comprehensive income for the period		<u>7,669</u>	<u>7,665</u>
Equity at the end of the period		<u>194,246</u>	<u>193,842</u>

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements on the accompanying pages.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	BANKING GROUP		
		30-Jun-20 \$(000's) unaudited	30-Jun-19 \$(000's) unaudited	31-Dec-19 \$(000's) audited
Assets				
Cash and cash equivalents	6	869,169	777,698	809,015
Due from related parties	7	8,613	15,642	11,319
Derivative financial assets	7	-	2,376	-
Current tax assets		-	2,086	850
Financial assets at fair value through other comprehensive income		545,568	413,693	426,987
Loans and advances		579,221	599,789	461,893
Other assets		4,865	9,854	7,787
Deferred tax assets		1,303	646	829
Property plant and equipment		59	574	118
Right-of-use assets		1,504	-	259
Total assets		2,010,302	1,822,358	1,719,057
Liabilities				
Deposits from other banks	4	4,478	15,381	16,339
Due to related parties	7	664,883	719,837	449,861
Other deposits	4	1,138,981	881,865	1,057,502
Derivative financial liabilities	7	-	3,543	-
Lease liabilities		1,509	-	266
Current tax liabilities		403	-	-
Provisions		195	191	193
Other liabilities		5,607	7,699	8,381
Total liabilities		1,816,056	1,628,516	1,532,542
Equity				
Head office account		33,727	33,698	33,665
Fair value through other comprehensive income reserve		477	197	(449)
Retained earnings		160,042	159,947	153,299
Total equity		194,246	193,842	186,515
Total liabilities and equity		2,010,302	1,822,358	1,719,057
Total interest earning and discount bearing assets		2,002,536	1,806,787	1,709,205
Total interest and discount bearing liabilities		1,807,564	1,616,305	1,522,554

The Statement of Financial Position should be read in conjunction with the notes to the financial statements on the accompanying pages.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Note	BANKING GROUP	
		30-Jun-20 \$(000's)	30-Jun-19 \$(000's)
Cash flows from operating activities			
Interest received		9,703	21,140
Interest paid		(2,773)	(14,084)
Net trading income / (loss)		3,938	5,029
Other income		10,118	3,936
Net decrease in placements due from related companies		2,706	94,448
Net (increase) / decrease in financial assets at fair value through other comprehensive income		(117,248)	195,539
Net (increase) / decrease in loans and advances.		(119,408)	3,491
Net increase / (decrease) in due to related parties		214,655	(141,372)
Net increase / (decrease) in customer deposits		69,618	(191,720)
Income tax paid		(2,468)	(5,638)
Other operating expenses paid		(10,390)	(10,310)
Net cash from operating activities	6	<u>58,451</u>	<u>(39,540)</u>
Cash flows used in investing activities			
Payments to acquire property, plant and equipment		(2)	(5)
Net cash used in investing activities		<u>(2)</u>	<u>(5)</u>
Cash flows used in financing activities			
Receipt of dividends		94	4
Payment of lease liabilities		1,243	-
Net cash used in financing activities		<u>1,337</u>	<u>4</u>
Net increase / (decrease) in cash and cash equivalents		59,786	(39,541)
Cash and cash equivalents at the beginning of the year		809,015	816,927
Cash and cash equivalents at the end of the period	6	<u>868,801</u>	<u>777,386</u>

The Statement of Cash Flows should be read in conjunction with the notes to the financial statements on the accompanying pages.

CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2020

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 (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 whose businesses provide a broad range of financial services to consumer and corporate customers.

1. 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 ("NZ GAAP"). 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 NZ IAS 34 Interim Financial Reporting ("NZ IAS 34") and 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 31st December, 2019.

These interim financial statements were authorised for issue by Citibank, N.A ("CBNA") under power of attorney on this 13th day of August, 2020.

(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 and financial assets at fair value through other comprehensive income.

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 31st December, 2019.

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 31st December, 2019.

3. OTHER INCOME

Net trading income

Other operating income

BANKING GROUP	
30-Jun-20	30-Jun-19
\$(000's)	\$(000's)
unaudited	unaudited
3,535	3,495
10,064	9,915
<u>13,599</u>	<u>13,410</u>

CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2020

	BANKING GROUP		
	30-Jun-20 \$(000's) unaudited	30-Jun-19 \$(000's) unaudited	31-Dec-19 \$(000's) audited
4. TOTAL LIABILITIES TO THIRD PARTIES - BRANCH			
Deposits from other banks	4,478	15,381	16,339
Other deposits	1,138,981	881,865	1,057,502
Current tax liabilities	-	-	-
Other liabilities	5,589	7,105	7,599
	<u>1,149,048</u>	<u>904,351</u>	<u>1,081,440</u>

The Branch has no retail deposits as at reporting date.

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

5. ASSET QUALITY

Past due and impaired assets

The Banking Group has no past due assets, impaired assets, restructured assets, assets (including real estate) acquired through the enforcement of security or other assets under administration.

The Banking Group has no assets that are past due and not impaired.

	BANKING GROUP		
	30-Jun-20 \$(000's) unaudited	30-Jun-19 \$(000's) unaudited	31-Dec-19 \$(000's) audited
Stage 1 provisions			
Balance at start of year	646	520	520
Net movement in provision	1,637	78	126
Balance at end of period	<u>2,283</u>	<u>598</u>	<u>646</u>
Stage 2 provisions			
Balance at start of year	-	-	-
Net movement in provision	443	-	-
Balance at end of period	<u>443</u>	<u>-</u>	<u>-</u>
Stage 3 provisions			
Balance at start of year	-	-	-
Net movement in provision	-	-	-
Balance at end of period	<u>-</u>	<u>-</u>	<u>-</u>
Total loan impairment provisions	<u>2,726</u>	<u>598</u>	<u>646</u>

CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2020

6. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

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.

	BANKING GROUP		
	30-Jun-20	30-Jun-19	31-Dec-19
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Cash and demand deposits with central banks	818,186	757,803	777,674
Loans and advances to financial institutions at call	69	128	29
Due from related parties	50,914	19,767	31,312
Due to related parties*	(368)	(312)	-
Cash and cash equivalents in the Consolidated Statement of Cash Flows	<u>868,801</u>	<u>777,386</u>	<u>809,015</u>

* This represents bank overdrafts repayable on demand to related parties. It is presented in the Consolidated Statement of Financial Position within "Due to related parties".

(b) Reconciliation of net profit to net cash from operating activities

	BANKING GROUP		
	30-Jun-20	30-Jun-19	31-Dec-19
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Net profit	6,743	7,496	16,992
Adjustments for:			
Depreciation	61	106	479
Interest expense on lease liabilities	5	8	13
Movements in operating assets and liabilities	51,154	(39,936)	(4,579)
Decrease in accrual of interest expenses	(421)	(559)	(1,545)
Increase/ (decrease) in accrual of other expenses/income	349	(6,368)	(2,857)
Revaluations of financial assets and liabilities	-	1,525	358
Movement in tax provision	339	(2,659)	(1,353)
Movement in accrual provision	2	2	4
Decrease in accrual of interest income	375	993	830
(Increase) / decrease in accrual of fees and commissions	(155)	(148)	104
Net cash from operating activities	<u>58,451</u>	<u>(39,540)</u>	<u>8,446</u>

7. RELATED PARTIES

(a) Ultimate holding company

The ultimate parent of 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

Citibank Nominees (New Zealand) Limited

Locally incorporated wholly-owned subsidiary of Citibank Overseas Investment Corporation.

CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2020

7. RELATED PARTIES (continued)

	BANKING GROUP		
	30-Jun-20 \$(000's) unaudited	30-Jun-19 \$(000's) unaudited	31-Dec-19 \$(000's) audited
(b) Related party balances			
Assets			
Due from related parties - head office (including other branches)	6,564	15,023	5,280
Due from related parties - other related parties	2,049	619	6,039
Due from related parties	<u>8,613</u>	<u>15,642</u>	<u>11,319</u>
Derivative financial assets - on balance sheet	-	2,376	-
Other assets - head office (including other branches)	624	5,424	2,544
Other assets - other related parties	64	81	292
Other related parties assets	<u>688</u>	<u>7,881</u>	<u>2,836</u>
Liabilities			
Due to related parties - head office (including other branches)	516,366	648,366	361,858
Due to related parties - other related parties	148,517	71,471	88,002
Due to related parties	<u>664,883</u>	<u>719,837</u>	<u>449,861</u>
Derivative financial liabilities - on balance sheet	-	3,543	-
Other liabilities - head office (including other branches)	210	753	741
Other liabilities - other related parties	3	32	41
Other related parties liabilities	<u>213</u>	<u>4,328</u>	<u>782</u>
Derivative notional amounts			
Interest rate swaps			
Head office (including other branches)	-	80,000	-
Foreign exchange forwards			
Head office (including other branches)	-	291,318	-

All transactions with related parties are at commercial arms length terms and rates. These are conducted predominantly with CBNA and CBNA branches. Outstanding related party balances are not secured.

Management fees are paid to offshore related parties for computer system usage and processing charges for back office and middle office functions.

All Citigroup entities within New Zealand are grouped for tax reporting purposes. This group includes the Branch and the Associated Banking Group. There were no outstanding balances at balance date.

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

CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2020

8. CONCENTRATIONS OF CREDIT EXPOSURE

	BANKING GROUP		
	30-Jun-20	30-Jun-19	31-Dec-19
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Finance	986,851	925,664	966,029
Communication	85,712	26,104	73,987
Food manufacturing	121,831	123,257	123,246
Government	563,082	448,603	437,278
Insurance	100,003	99,725	94,197
Property and business services	220,853	269,535	126,261
Retail trade	415	426	432
Transport	549	660	633
Wholesale trade	28,332	32,081	21,922
Other	129,647	130,240	130,809
	<u>2,237,275</u>	<u>2,056,295</u>	<u>1,974,794</u>
Other assets	5,357	10,576	7,094
	<u>2,242,632</u>	<u>2,066,871</u>	<u>1,981,888</u>

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

9. CONCENTRATIONS OF FUNDING

(a) Industry sectors	BANKING GROUP		
	30-Jun-20	30-Jun-19	31-Dec-19
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
Finance	997,372	867,267	670,647
Communication	81,682	19,269	56,192
Food manufacturing	39,092	21,465	30,651
Insurance	114,802	114,538	108,100
Other manufacturing	255,720	235,479	346,982
Property and business services	146,580	123,368	133,912
Transport	41,742	61,008	53,994
Wholesale trade	77,816	143,051	87,466
Other	55,127	38,081	37,926
	<u>1,809,933</u>	<u>1,623,526</u>	<u>1,525,870</u>
Provisions and other liabilities	6,123	4,990	6,672
	<u>1,816,056</u>	<u>1,628,516</u>	<u>1,532,542</u>

ANZSIC codes are used as the basis for disclosing industry sectors.

CITIBANK, N.A. NEW ZEALAND BRANCH AND ASSOCIATED BANKING GROUP
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2020

9. CONCENTRATIONS OF FUNDING (continued)

	BANKING GROUP		
	30-Jun-20	30-Jun-19	31-Dec-19
	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	audited
(b) Geographical areas			
Exposures within New Zealand	836,688	604,211	721,888
Exposures to other countries (in NZD) -			
Australia	81,373	84,411	61,364
Great Britain	239,033	211,068	147,472
Singapore	94,334	180,014	161,979
United States	111,774	372,009	166,305
Other	446,731	171,813	266,862
	<u>1,809,933</u>	<u>1,623,526</u>	<u>1,525,870</u>
Provisions and other liabilities	6,123	4,990	6,672
	<u>1,816,056</u>	<u>1,628,516</u>	<u>1,532,542</u>

10. RESIDENTIAL MORTGAGES BY LOAN-TO-VALUATION RATIO

As at reporting date, the Banking group did not provide any residential mortgage loans in New Zealand.

11. FAIR VALUE

Financial instruments carried at fair value are categorised into different levels in the table below. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuation techniques 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: Valuation techniques with significant inputs for the asset or liability that are not substantially based on observable market data (i.e. unobservable inputs).

Cash and cash equivalents, due from related parties, due to related parties and other deposits are considered level 2 assets/liabilities in the fair value hierarchy.

Loans and advances are considered level 3 assets in the fair value hierarchy.

Fair value hierarchy of financial instruments:

	Level 1	Level 2	Level 3	Total
As at 30 June, 2020	\$(000's)	\$(000's)	\$(000's)	\$(000's)
	unaudited	unaudited	unaudited	unaudited
<u>Assets</u>				
Derivative financial assets	-	-	-	-
Financial assets at FVOCI	545,568	-	-	545,568
	<u>545,568</u>	<u>-</u>	<u>-</u>	<u>545,568</u>
<u>Liabilities</u>				
Derivative financial liabilities	-	-	-	-

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11. FAIR VALUE (continued)

	Level 1 \$(000's) unaudited	Level 2 \$(000's) unaudited	Level 3 \$(000's) unaudited	Total \$(000's) unaudited
As at 30 June, 2019				
<u>Assets</u>				
Derivative financial assets	-	2,376	-	2,376
Financial assets at FVOCI	413,693	-	-	413,693
	<u>413,693</u>	<u>2,376</u>	<u>-</u>	<u>416,069</u>
<u>Liabilities</u>				
Derivative financial liabilities	-	3,543	-	3,543
As at 31 December, 2019				
<u>Assets</u>				
Derivative financial assets	-	-	-	-
Financial assets at FVOCI	402,055	24,932	-	426,987
	<u>402,055</u>	<u>24,932</u>	<u>-</u>	<u>426,987</u>
<u>Liabilities</u>				
Derivative financial liabilities	-	-	-	-

12 INTEREST RATE RISK REPRICING SCHEDULE

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

	Fixed interest rate maturing in:						Total \$(000's)
	0-3 mths \$(000's)	3-6 mths \$(000's)	6-12 mths \$(000's)	1-2 years \$(000's)	More than 2 years \$(000's)	Non- Interest Bearing \$(000's)	
As at 30 June, 2020							
<u>Financial assets</u>							
Cash and cash equivalents	869,167	-	-	-	-	2	869,169
Due from related parties	8,613	-	-	-	-	-	8,613
Financial assets at FVOCI	169,870	195,126	180,573	-	-	-	545,569
Loans and advances	575,620	2,914	665	-	-	22	579,221
	<u>1,623,270</u>	<u>198,040</u>	<u>181,238</u>	<u>-</u>	<u>-</u>	<u>24</u>	<u>2,002,572</u>
<u>Financial liabilities</u>							
Deposits from other banks	4,478	-	-	-	-	-	4,478
Due to related parties	659,880	5,000	-	-	-	3	664,883
Other deposits	1,138,429	-	-	-	-	552	1,138,981
	<u>1,802,787</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>555</u>	<u>1,808,342</u>
<u>Off balance sheet</u>							
Foreign exchange contracts - receive	-	-	-	-	-	-	-
Foreign exchange contracts - (pay)	-	-	-	-	-	-	-
Interest rate swaps - receive	-	-	-	-	-	-	-
Interest rate swaps - (pay)	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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12. INTEREST RATE RISK REPRICING SCHEDULE (continued)

	0-3 mths	3-6 mths	6-12 mths	1-2 years	More than 2 years	Non- Interest Bearing	Total
As at 30 June, 2019	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
<u>Financial assets</u>							
Cash and cash equivalents	777,663	-	-	-	-	35	777,698
Due from related parties	15,642	-	-	-	-	-	15,642
Financial assets at FVOCI	187,592	50,797	175,304	-	-	-	413,693
Loans and advances	569,069	30,000	-	720	-	-	599,789
	<u>1,549,966</u>	<u>80,797</u>	<u>175,304</u>	<u>720</u>	<u>-</u>	<u>35</u>	<u>1,806,822</u>
<u>Financial liabilities</u>							
Deposits from other banks	15,381	-	-	-	-	-	15,381
Due to related parties	719,822	-	-	-	-	15	719,837
Other deposits	881,102	-	-	-	-	763	881,865
	<u>1,616,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>778</u>	<u>1,617,083</u>
<u>Off balance sheet</u>							
Foreign exchange contracts - receive	292,059	-	-	-	-	-	292,059
Foreign exchange contracts - (pay)	(291,318)	-	-	-	-	-	(291,318)
Interest rate swaps - receive	40,000	40,000	-	-	-	-	80,000
Interest rate swaps - (pay)	(40,000)	(40,000)	-	-	-	-	(80,000)
	<u>741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>741</u>
	0-3 mths	3-6 mths	6-12 mths	1-2 years	More than 2 years	Non- Interest Bearing	Total
As at 31 December, 2019	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
<u>Financial assets</u>							
Cash and cash equivalents	809,015	-	-	-	-	-	809,015
Due from related parties	11,319	-	-	-	-	-	11,319
Financial assets at FVOCI	126,722	250,578	49,687	-	-	-	426,987
Loans and advances	461,165	-	-	720	-	8	461,893
	<u>1,408,221</u>	<u>250,578</u>	<u>49,687</u>	<u>720</u>	<u>-</u>	<u>8</u>	<u>1,709,214</u>
<u>Financial liabilities</u>							
Deposits from other banks	16,331	-	-	-	-	8	16,339
Due to related parties	439,852	-	10,000	-	-	9	449,861
Other deposits	1,056,371	-	-	-	-	1,131	1,057,502
	<u>1,512,554</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>1,148</u>	<u>1,523,702</u>
<u>Off balance sheet</u>							
Foreign exchange contracts - receive	-	-	-	-	-	-	-
Foreign exchange contracts - (pay)	-	-	-	-	-	-	-
Interest rate swaps - receive	-	-	-	-	-	-	-
Interest rate swaps - (pay)	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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13. LIQUIDITY RISK - MATURITY PROFILE

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

	On Demand	0-12 mths	1-2 years	2-5 years	More than 5 years	Gross nominal inflow / (outflow)	Carrying Amount
As at 30 June, 2020	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
<u>Assets</u>							
Cash and cash equivalents	869,169	-	-	-	-	869,169	869,169
Due from related parties	8,613	-	-	-	-	8,613	8,613
Financial assets at FVOCI	-	530,694	-	14,874	-	545,568	545,568
Loans and advances	8,315	107,098	30,000	434,563	-	579,976	579,221
Derivative financial assets	-	-	-	-	-	-	-
Other financial assets	37	2,336	-	-	-	2,373	2,373
	<u>886,134</u>	<u>640,128</u>	<u>30,000</u>	<u>449,437</u>	<u>-</u>	<u>2,005,699</u>	<u>2,004,944</u>
<u>Liabilities</u>							
Deposits from other banks	4,478	-	-	-	-	4,478	4,478
Due to related parties	323,383	341,523	-	-	-	664,906	664,883
Other deposits	1,037,981	101,000	-	-	-	1,138,981	1,138,981
Derivative financial liabilities	-	-	-	-	-	-	-
Other financial liabilities	55	1,536	-	-	-	1,591	1,591
	<u>1,365,897</u>	<u>444,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,809,956</u>	<u>1,809,933</u>
	On Demand	0-12 mths	1-2 years	2-5 years	More than 5 years	Gross nominal inflow / (outflow)	Total
As at 30 June, 2019	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
<u>Assets</u>							
Cash and cash equivalents	777,698	-	-	-	-	777,698	777,698
Due from related parties	15,642	-	-	-	-	15,642	15,642
Financial assets at FVOCI	-	362,896	21,791	29,006	-	413,693	413,693
Loans and advances	21,359	116,043	67,399	396,491	-	601,292	599,789
Derivative financial assets	-	2,376	-	-	-	2,376	2,376
Other financial assets	95	2,490	-	-	-	2,585	2,585
	<u>814,794</u>	<u>483,805</u>	<u>89,190</u>	<u>425,497</u>	<u>-</u>	<u>1,813,286</u>	<u>1,811,783</u>
<u>Liabilities</u>							
Deposits from other banks	15,381	-	-	-	-	15,381	15,381
Due to related parties	166,360	554,798	-	-	-	721,158	719,837
Other deposits	775,165	106,701	-	-	-	881,866	881,865
Derivative financial liabilities	-	3,543	-	-	-	3,543	3,543
Other financial liabilities	655	2,247	-	-	-	2,902	2,902
	<u>957,561</u>	<u>667,289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,624,850</u>	<u>1,623,528</u>

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13. LIQUIDITY RISK - MATURITY PROFILE (continued)

	On Demand	0-12 mths	1-2 years	2-5 years	More than 5 years	Gross nominal inflow / (outflow)	Total
As at 31 December, 2019	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
<u>Assets</u>							
Cash and cash equivalents	809,015	-	-	-	-	809,015	809,015
Due from related parties	11,319	-	-	-	-	11,319	11,319
Financial assets at FVOCI	-	251,060	175,927	-	-	426,987	426,987
Loans and advances	3,951	107,648	37,687	313,549	-	462,835	461,893
Derivative financial assets	-	-	-	-	-	-	-
Other financial assets	59	2,689	-	-	-	2,748	2,748
	<u>824,344</u>	<u>361,397</u>	<u>213,614</u>	<u>313,549</u>	<u>-</u>	<u>1,712,904</u>	<u>1,711,962</u>
<u>Liabilities</u>							
Deposits from other banks	16,339	-	-	-	-	16,339	16,339
Due to related parties	275,261	174,688	-	-	-	449,949	449,861
Other deposits	956,502	101,008	-	-	-	1,057,510	1,057,502
Derivative financial liabilities	-	-	-	-	-	-	-
Other financial liabilities	-	2,168	-	-	-	2,168	2,168
	<u>1,248,102</u>	<u>277,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,525,966</u>	<u>1,525,870</u>

(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 Consolidated Statement of Financial Position 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 into two main categories:

- (i) Long-term debt which is managed on a contractual maturity basis; and
- (ii) Corporate and other deposits. Non-volatile balances are reported in the >2 years bucket and volatile balances in the up to three months 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 Consolidated Statement of Financial Position.

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13. LIQUIDITY RISK - MATURITY PROFILE (continued)

The expected maturity periods of financial instruments are based on the carrying value in the Consolidated Statement of Financial Position, and are as follows:

	On Demand	0-12 mths	1-2 years	More than 2 years	Total
As at 30 June, 2020	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
<u>Assets</u>					
Cash and cash equivalents	869,100	-	-	69	869,169
Due from related parties	8,613	-	-	-	8,613
Financial assets at FVOCI	-	-	-	545,568	545,568
Loans and advances	-	-	-	579,220	579,220
Derivative financial assets	-	-	-	-	-
Other financial assets	13	-	-	2,360	2,373
	<u>877,726</u>	<u>-</u>	<u>-</u>	<u>1,127,217</u>	<u>2,004,943</u>
<u>Liabilities</u>					
Deposits from other banks	120	1,374	-	2,984	4,478
Due to related parties	323,383	341,500	-	-	664,883
Other deposits	30,447	349,515	-	759,019	1,138,981
Derivative financial liabilities	-	-	-	-	-
Other financial liabilities	55	581	-	955	1,591
	<u>354,005</u>	<u>692,970</u>	<u>-</u>	<u>762,958</u>	<u>1,809,933</u>
	On Demand	0-12 mths	1-2 years	More than 2 years	Total
As at 30 June, 2019	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
<u>Assets</u>					
Cash and cash equivalents	777,570	-	-	128	777,698
Due from related parties	15,642	-	-	-	15,642
Financial assets at FVOCI	-	-	-	413,693	413,693
Loans and advances	-	-	-	599,789	599,789
Derivative financial assets	-	2,376	-	-	2,376
Other financial assets	33	-	-	2,552	2,585
	<u>793,245</u>	<u>2,376</u>	<u>-</u>	<u>1,016,162</u>	<u>1,811,783</u>
<u>Liabilities</u>					
Deposits from other banks	358	4,116	-	10,907	15,381
Due to related parties	166,360	553,477	-	-	719,837
Other deposits	20,508	235,992	-	625,365	881,865
Derivative financial liabilities	-	3,543	-	-	3,543
Other financial liabilities	189	1,421	-	1,292	2,902
	<u>187,415</u>	<u>798,549</u>	<u>-</u>	<u>637,564</u>	<u>1,623,528</u>

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13. LIQUIDITY RISK - MATURITY PROFILE (continued)

	On Demand	0-12 mths	1-2 years	More than 2 years	Total
As at 31 December, 2019	\$(000's)	\$(000's)	\$(000's)	\$(000's)	\$(000's)
<u>Assets</u>					
Cash and cash equivalents	808,986	-	-	29	809,015
Due from related parties	11,319	-	-	-	11,319
Financial assets at FVOCI	-	-	-	426,987	426,987
Loans and advances	-	-	-	461,893	461,893
Derivative financial assets	-	-	-	-	-
Other financial assets	38	-	-	2,710	2,748
	820,343	-	-	891,619	1,711,962
<u>Liabilities</u>					
Deposits from other banks	359	4,131	-	11,849	16,339
Due to related parties	275,261	174,600	-	-	449,861
Other deposits	23,245	267,346	-	766,911	1,057,502
Derivative financial liabilities	-	-	-	-	-
Other financial liabilities	43	717	-	1,408	2,168
	298,908	446,794	-	780,168	1,525,870

14. EXPOSURES TO MARKET RISK

	Implied risk weighted exposure \$(000's)	Notional capital charge \$(000's)
	unaudited	unaudited
Interest rate risk as at 30 June, 2020	5,900	472
Peak end-of-day interest rate risk (01 January, 2020 to 30 June, 2020)	7,550	604
Foreign currency risk as at 30 June, 2020	2,713	217
Peak end-of-day foreign currency risk (01 January, 2020 to 30 June, 2020)	3,538	283
Equity risk as at 30 June, 2020	-	-
Peak end-of-day equity risk (01 January, 2020 to 30 June, 2020)	-	-
Interest rate risk as at 30 June, 2019	8,300	664
Peak end-of-day interest rate risk (01 January, 2019 to 30 June, 2019)	8,513	681
Foreign currency risk as at 30 June, 2019	575	46
Peak end-of-day foreign currency risk (01 January, 2019 to 30 June, 2019)	5,850	468
Equity risk as at 30 June, 2019	-	-
Peak end-of-day equity risk (01 January, 2019 to 30 June, 2019)	-	-
Interest rate risk as at 31 December, 2019	6,325	506
Peak end-of-day interest rate risk (01 July, 2019 to 31 December, 2019)	17,350	1,388
Foreign currency risk as at 31 December, 2019	2,038	163
Peak end-of-day foreign currency risk (01 July, 2019 to 31 December, 2019)	16,263	1,301
Equity risk as at 31 December, 2019	-	-
Peak end-of-day equity risk (01 July, 2019 to 31 December, 2019)	-	-

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14. EXPOSURES TO MARKET RISK (continued)

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 Banking Group 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.

15. 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.

Capital ratios of Citibank, N.A.

	Effective Minimum Requirement ⁽¹⁾		30-Jun-20		30-Jun-19	
	2020	2019	Advanced Approaches	Standardised Approach	Advanced Approaches	Standardised Approach
Common Equity Tier 1 Capital ratio ^{(2) (3)}	7.0%	7.0%	13.97%	13.77%	13.99%	12.56%
Tier 1 Capital ratio ^{(2) (3)}	8.5%	8.5%	14.19%	13.98%	14.22%	12.76%
Total Capital ratio ^{(2) (3)}	10.5%	10.5%	15.84%	16.38%	15.57%	15.01%

	Effective Minimum Requirement	30-Jun-20	30-Jun-19
Tier 1 Leverage ratio ⁽³⁾	5.00%	8.49%	9.31%
Supplementary Leverage ratio ⁽³⁾	6.00%	6.63%	6.88%

⁽¹⁾ Citibank's effective minimum risk-based capital requirements include the 2.5% Capital Conservation Buffer (all of which must be composed of Common Equity Tier 1 Capital).

⁽²⁾ Citibank's reportable Total Capital ratio was derived under the Basel III Advanced Approaches framework as of June 30, 2020, and the Basel III Standardized Approach as of December 31, 2019, whereas Citibank's reportable Common Equity Tier 1 Capital and Tier 1 Capital ratios were the lower derived under the Basel III Standardized Approach framework for all periods presented.

⁽³⁾ Citibank must maintain minimum Common Equity Tier 1 Capital, Tier 1 Capital, Total Capital and Tier 1 Leverage ratios of 6.5%, 8.0%, 10.0% and 5.0%, respectively, to be considered "well capitalized" under the revised Prompt Corrective Action (PCA) regulations applicable to insured depository institutions as established by the U.S. Basel III rules. Citibank must also maintain a minimum Supplementary Leverage ratio of 6.0% to be considered "well capitalized."

As indicated in the table above, Citibank's capital ratios at June 30, 2020 were in excess of the stated and effective minimum requirements under the U.S. Basel III rules. In addition, Citibank was also "well capitalized" as of June 30, 2020 under the revised PCA regulations.

For information on the Basel III capital adequacy framework in relation to Citigroup see "Capital Resources" in Citigroup's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020. It is available on the Bank's website 'www.citi.co.nz' as part of the Disclosure Statement dated June 30, 2020.

16. SUBSEQUENT EVENTS


There has not arisen, in the interval between 30th June, 2020 and the date of this report any 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 Banking Group, the results of those operations, or the state of affairs of the Banking Group, in future financial periods.

Since early 2020, the highly infectious COVID-19 coronavirus, and the SARS-CoV-2 disease it causes, which has been found to have complex morbidity and high mortality, has rapidly spread throughout the world. The World Health Organisation declared a global pandemic on 11 March 2020. This pandemic has continued to cause unprecedentedly large and increasingly complex disruption to populations, communities, and business activity, throughout all parts of the world. One significant economic and business effect has been increased risk of loan defaults, which is reflected in the current period results. At this stage, future effects are unknown and difficult to predict, however, it is anticipated that significant worldwide disruption will continue for a prolonged period.

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

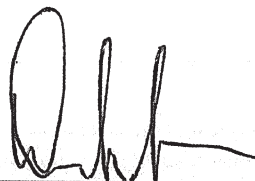
The undersigned officers of Citibank, N.A., being the Citigroup Country Officer of Citibank, N.A. New Zealand Branch (the "CCO"), signing this statement on his own behalf in such capacity, and Timothy Sedgwick, the duly authorised agent in writing of each and every Director of Citibank, N.A., signing 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 six months ended 30th June, 2020, 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 six months ended 30th June, 2020, 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 30th June, 2020, 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 13th day of August, 2020
in Sydney
Australia



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

Dated this 13th day of August, 2020
in Auckland
New Zealand

Derek Syme
Citi Country Officer
GEID: 0000624061
Citibank, N.A.-N.Z.



Independent Review Report

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

Report on the half year disclosure statement

Conclusion

Based on our review of the interim financial statements and supplementary information of the Citibank, N.A. New Zealand Branch and Associated Banking Group (the "Banking Group") on pages 3 to 21, nothing has come to our attention that causes us to believe that:

- i. the interim financial statements do not present fairly in all material respects the Banking Group's financial position as at 30 June 2020 and its financial performance and cash flows for the 6 month period ended on that date;
- ii. the interim financial statements (excluding the supplementary information disclosed in accordance with Schedules 3, 5, 7, 9, 12 and 14 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the "Order")), have not been prepared, in all material respects, with NZ IAS 34 *Interim Financial Reporting* ("NZ IAS 34");
- iii. the supplementary information, does not fairly state, in all material respects, the matters to which it relates in accordance with Schedules 3, 5, 7, 9, 12 and 14 of the Order; and
- iv. the supplementary information relating to capital adequacy, has not been prepared, in all material respects, in accordance with the Registered Banks conditions of registration, Capital Adequacy Framework (Standardised Approach) (BS2A) and disclosed it in accordance with Schedule 9 of the Order.

We have completed a review of the accompanying half year disclosure statement which comprises:

- the interim financial statements formed of:
 - the statement of financial position as at 30 June 2020;
 - the statements of comprehensive income, changes in equity and cash flows for the 6 month period then ended; and
 - notes, including a summary of significant accounting policies and other explanatory information.
- the supplementary information prescribed in Schedules 3, 5, 7, 9, 12 and 14 of the Order.



Basis for conclusion

A review of the half year disclosure statement in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410") is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

As the auditor of Citibank, N.A. New Zealand Branch and Associated Banking Group, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.



Use of this independent review report

This independent review report is made solely to the shareholder as a body. Our review work has been undertaken so that we might state to the shareholder those matters we are required to state to them in the independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholder as a body for our review work, this independent review report, or any of the opinions we have formed.



Responsibilities of the Directors for the half year disclosure statement

The Directors, on behalf of the Banking Group, are responsible for:

- the preparation and fair presentation of the half year disclosure statement in accordance with NZ IAS 34 and Schedules 3, 5, 7, 9, 12 and 14 of the Order;
- the preparation and fair presentation of the supplementary information in regards to capital adequacy in accordance with the Registered Banks conditions of registration, Capital Adequacy Framework (Standardised Approach) (BS2A) and Schedule 9 of the Order;
- implementing necessary internal control to enable the preparation of a half year disclosure statement that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the review of the half year disclosure statement

Our responsibility is to express a conclusion on the half year disclosure statement based on our review. We conducted our review in accordance with NZ SRE 2410. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that:

- the interim financial statements do not present fairly in all material respects the Banking Group's financial position as at 30 June 2020 and its financial performance and cash flows for the 6 month period ended on that date;
- the interim financial statements do not, in all material respects, comply with NZ IAS 34;
- the supplementary information does not, fairly state, in all material respects, the matters to which it relates in accordance with Schedules 3, 5, 7, 9, 12 and 14 of the Order; and



— the supplementary information relating to capital adequacy is not, prepared in all material respects, in accordance with the Registered Banks Conditions of Registration, Capital Adequacy Framework (Standardised Approach) (BS2A) and disclosed in accordance with Schedule 9 of the Order.

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 the half year disclosure statement.

This description forms part of our independent review report.

A handwritten signature of 'KPMG' in black ink, with a horizontal line underneath the letters.

KPMG
Sydney

13 August 2020