

**Citibank Singapore Limited**  
**Registration Number: 200309485K**

**Annual Pillar 3 Disclosure**  
**As at 31 December 2019**

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## 1. Introduction

Citibank Singapore Limited (“CSL” or the “Bank”) is incorporated in the Republic of Singapore and has its registered office at 5 Changi Business Park Crescent, Level 5, Singapore 486027. The Bank operates in Singapore under a full bank licence with an Asian Currency Unit and Qualifying Full Bank privileges granted by the Monetary Authority of Singapore (“MAS”). The immediate holding company of the Bank is Citigroup Holding (Singapore) Private Limited, which is incorporated in Singapore. The Bank’s ultimate holding company is Citigroup Inc. (“Citigroup”), which is incorporated in the United States of America.

As at end of 2019, the Bank is accessible to its customers at over 1,500 touch points island-wide.

The following disclosure has been prepared in accordance with MAS Notice No. 637. This disclosure is known as Pillar 3 and is designed to complement the other two pillars of the Basel III, namely the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2). This Pillar 3 disclosure should be read in conjunction with Citibank Singapore Limited’s Financial Statements for the financial year ended 2019.

## 2. Corporate Governance

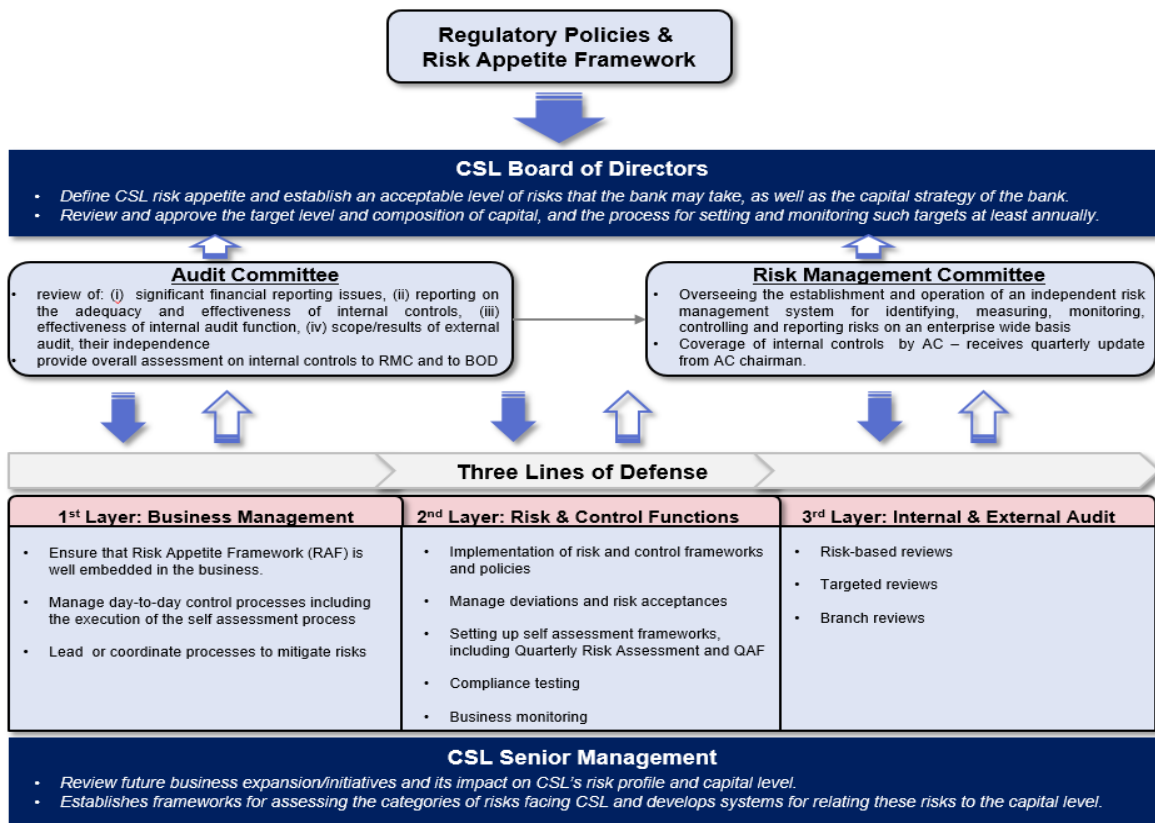
A sound risk management process, strong internal controls and well documented policies and procedures are the foundation for ensuring the safety and soundness of the Bank. The Bank’s board of directors (“Board”) and senior management team (“Senior Management”) ensure that capital levels are adequate for the Bank’s risk profile. They also ensure that the risk management and control processes are appropriate in light of the Bank’s risk profile and business plans.

In 2014, the Bank developed a Risk Management Engagement Framework (“Framework”) to set out the scope and responsibilities of the Audit Committee and the Risk Management Committee in overseeing internal controls and risk and to describe the terms of engagement between both committees.

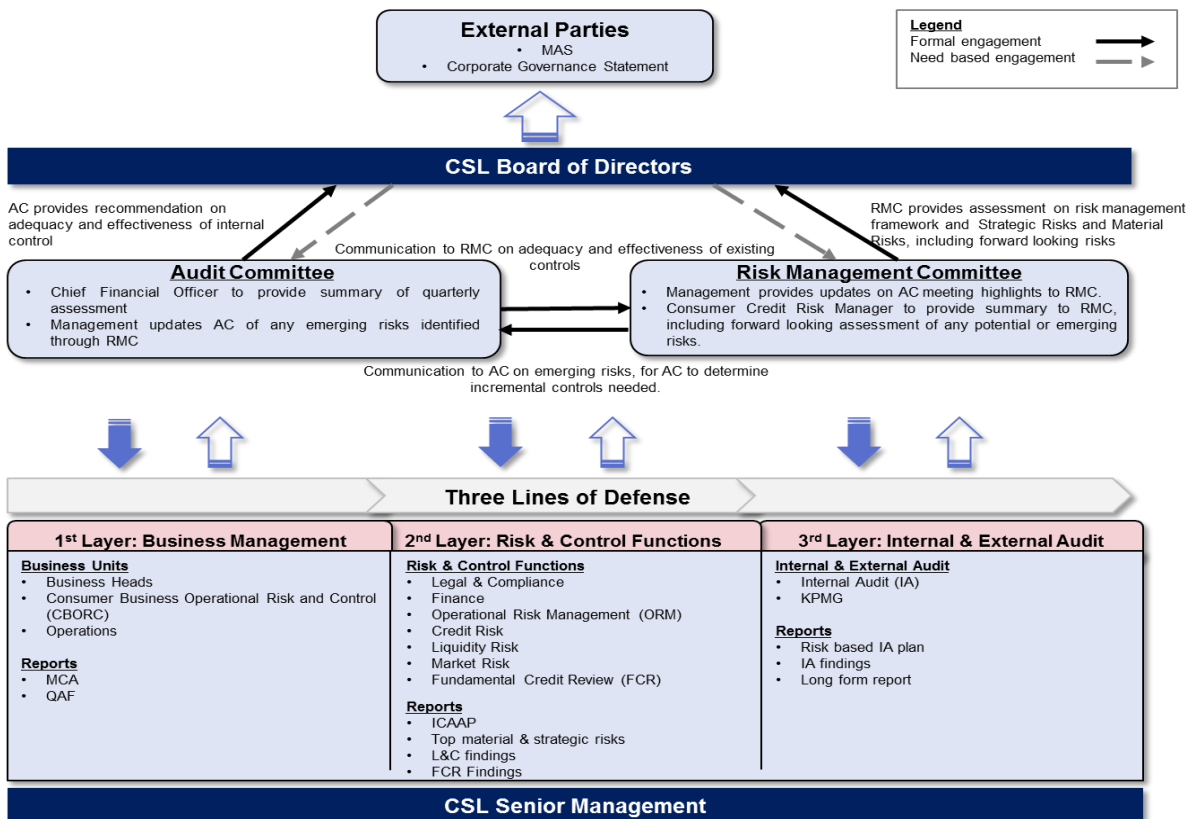
The Framework comprises of the risk management terms of reference (“TORs”) framework (i.e. the TORs of the Risk Management Committee and the Audit Committee Charter of the Audit Committee) and the risk management engagement framework (i.e. how both committees will engage with each other, Senior Management and the Board in the oversight of enterprise risk).

Under the TORs of the Risk Management Committee, the Risk Management Committee has oversight of the establishment and operation of an independent risk management system for managing risks on an enterprise-wide basis. Coverage of internal controls has been specifically delegated by the Board to the Audit Committee, which, under its Charter, also has oversight of significant financial reporting issues; the internal audit function; and the scope/results of the external audit. Under its TORs, the Board approved the overall regulatory policies and risk appetite framework for CSL.

## Risk Management Terms of Reference (“TORs”) Framework



## Risk Management Engagement Framework



The terms of engagement between the Audit Committee (“AC”) and the Risk Management Committee (“RMC”) are described in the Framework to set out the roles and responsibilities of each committee. The quarterly AC meetings are typically scheduled prior to the quarterly RMC. At the quarterly AC meetings, the Chief Financial Officer provides a summary of quarterly assessment on internal controls. At the quarterly RMC meetings, a summary of quarterly assessment of risk is presented by Country Risk Management, which also receives an update on matters discussed during the immediately preceding AC meeting. The RMC is also provided with a forward-looking assessment of any potential or emerging risks, particularly in terms of the top strategic and material risks monitored by the RMC on an ongoing basis. These emerging risks are in turn communicated back to the AC for them to determine if any incremental controls are required. The AC and RMC Chairpersons will then brief the Board at the quarterly Board meetings on the highlights of their respective committee discussions.

Underpinning the TORs and engagement between the two committees are three lines of defense, the first layer being business management (i.e. the Business Heads, Consumer Business Operational Risk and Control (CBORC) and Operations), the second layer being the risk and control functions (Legal & Compliance, Finance, Operational Risk Management, Credit Risk, Liquidity Risk, Market Risk and Fundamental Credit Review) and the third layer being Internal and External Audit.

At each quarterly AC meeting and RMC meeting, a quarterly Summary of Internal Control Assessment and a Summary of Risk Assessment are provided respectively to the AC and the RMC. These summaries draw on the work done, issues raised and findings made under the three lines of defense during the preceding quarter.

Annually, the internal control functions will present the internal control scorecard for the preceding financial year to the AC for discussion. Likewise, the risk management functions will present the risk management scorecard for the preceding financial year to the RMC for discussion. The results of these discussions are reported by the AC Chair and the RMC Chair to the Board at the next Board meeting. This is to allow the Board to comment, as required under the MAS corporate governance guidelines, on the adequacy and effectiveness of the Bank’s internal controls and risk management systems in the corporate governance report.

The AC and RMC therefore have a common platform and scorecard to review the Bank’s internal controls and risk management systems.

The Framework assists the Board in having a holistic view of enterprise risk management across the Bank.

### **3. Capital Structure and Capital Adequacy**

The Bank’s capital management is designed to ensure that it maintains sufficient capital consistent with the Bank’s risk profile and all applicable regulatory standards and guidelines. The Bank adopts a balanced approach in risk taking, balancing Senior Management and Board’s oversight with well-defined independent risk management functions. The Board engages Senior Management regularly in key activities that may impact capital assessment and adequacy.

In accordance with Part X of the MAS Notice 637, CSL has an annual internal capital adequacy assessment process (ICAAP) in place, which is a rigorous process for determining the adequacy of its capital to support all risks to which it is exposed.

Other than paid-up capital of the Bank, CSL’s capital is historically generated via retained earnings from the business.

### 3.1 Capital Management

Pursuant to section 9 of the Banking Act (Cap 19) of Singapore, the Bank is required to maintain a paid-up capital and capital funds of not less than \$1,500,000,000. The Bank's capital fund is the aggregate of its paid-up capital and published reserves, which includes foreign currency translation reserve, statutory reserve and accumulated profits.

In 2007, MAS approved the Bank's application to adopt the Basel II Standardised Approach with effect from 1 January 2008 for computing its regulatory capital requirements. The Bank's capital adequacy ratio ("CAR") is computed in accordance with MAS Notice to Banks No. 637. The Basel III capital adequacy requirements apply with effect from 1 January 2013.

At the end of 2019, CSL's Common Equity Tier 1 capital adequacy ratio and Tier 1 capital adequacy ratio is 18.75% (2018: 20.80%) and total capital adequacy ratio is 19.12% (2018: 21.26%). The above ratios are well above the regulatory requirements for Common Equity Tier 1, Tier 1 and total capital adequacy of 6.5%, 8% and 10% respectively.

To assess adequacy of the Bank's capital to support its current and future activities, the Bank has identified material risks applicable to CSL's lines of business.

The material risks identified are Credit Risk, Operational Risk, Market Risk, Interest Rate Risk in the Banking Book ("IRRBB"), Liquidity Risk, Business & Strategic Risk, Reputation Risk and Model Risk.

(in S\$million)	Basel III 2019	Basel III 2018
<b>1 Tier 1 Capital</b>		
Paid-up ordinary share capital	1,528	1,528
Disclosed reserves <sup>1</sup>	1,800	1,829
Total regulatory adjustments to Common Equity Tier 1	-	(1)
<b>Common Equity Tier 1 capital</b>	<b>3,328</b>	<b>3,356</b>
<b>2 Tier 2 Capital</b>		
General provisions	65	76
<b>Net Tier 2 capital</b>	<b>65</b>	<b>76</b>
<b>3 Total eligible capital</b>	<b>3,393</b>	<b>3,432</b>
<b>Risk Weighted Assets</b>	<b>17,748</b>	<b>16,139</b>
<b>Common Equity Tier 1 capital adequacy ratio</b>	<b>18.75%</b>	<b>20.80%</b>
<b>Tier 1 capital adequacy ratio</b>	<b>18.75%</b>	<b>20.80%</b>
<b>Total capital adequacy ratio</b>	<b>19.12%</b>	<b>21.26%</b>

Note

<sup>1</sup> Disclosed reserves comprises translation reserves and accumulated profits

### 3.2 Overview of RWA

For the purpose of calculating the risk-weighted assets (“RWA”), CSL applies the Standardized Approach (“SA”) for Credit Risk and Market Risk; Basic Indicator Approach (“BIA”) for Operational Risk.

As at 31 December 2019, the total RWA was \$17.75 billion as compared to \$18.16 billion in the prior quarter. The decrease was mainly driven by lower Credit RWA from Bank Asset class. The following table provides further breakdown of the RWA.

reported in \$Million		(a)	(b)	(c)
		RWA		Minimum capital requirements
		31-Dec-19	30-Sep-19	31-Dec-19
1	Credit risk (excluding CCR)	14,779	15,180	1,478
2	<i>of which: Standardised Approach</i>	14,779	15,180	1,478
3	<i>of which: F-IRBA</i>	-	-	-
4	<i>of which: supervisory slotting approach</i>			
5	<i>of which: A-IRBA</i>			
6	CCR	43	41	4
7	<i>of which: SA-CCR/CEM</i>	43	41	4
8	<i>of which: CCR Internal Models Method</i>	-	-	-
9	<i>of which: other CCR</i>	-	-	-
9a	<i>of which: CCP</i>			
10	CVA	3	4	0
11	Equity exposures under the simple risk weight method			
11a	Equity exposures under the IMM			
12	Equity investments in funds – look through approach	-	-	-
13	Equity investments in funds – mandate-based approach	-	-	-
14	Equity investments in funds – fall back approach	-	-	-
14a	Equity investments in funds – partial use of an approach	-	-	-
15	Unsettled transactions	-	-	-
16	Securitisation exposures in the banking book	-	-	-
17	<i>of which: SEC-IRBA</i>	-	-	-
18	<i>of which: SEC-ERBA, including IAA</i>	-	-	-
19	<i>of which: SEC-SA</i>	-	-	-
20	Market risk	33	58	3
21	<i>of which: SA(MR)</i>	33	58	3
22	<i>of which: IMA</i>	-	-	-
23	Operational risk	2,891	2,878	289
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	-	-	-
26	<b>Total</b>	<b>17,748</b>	<b>18,159</b>	<b>1,775</b>

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

### 3.3 Key Metrics

The following disclosures are prepared in accordance with Table 11-1A of MAS Notice 637.

<i>reported in S\$million</i>		(a)	(b)	(c)	(d)	(e)
		31-Dec-19	30-Sep-19 #	30-Jun-19 #	31-Mar-19 #	31-Dec-18
	<b>Available capital (amounts)</b>					
1	CET1 capital	3,328	3,357	3,357	3,356	3,356
2	Tier 1 capital	3,328	3,357	3,357	3,356	3,356
3	Total capital	3,393	3,428	3,430	3,431	3,432
	<b>Risk weighted assets (amounts)</b>					
4	Total RWA	17,748	18,159	17,524	16,266	16,139
	<b>Risk-based capital ratios as a percentage of RWA</b>					
5	CET1 ratio (%)	18.75%	18.49%	19.16%	20.63%	20.80%
6	Tier 1 ratio (%)	18.75%	18.49%	19.16%	20.63%	20.80%
7	Total capital ratio (%)	19.12%	18.88%	19.57%	21.10%	21.26%
	<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.500%	2.500%	2.500%	2.500%	1.875%
9	Countercyclical buffer requirement (%)	0.033%	0.041%	0.044%	0.041%	0.027%
10	Bank G-SIB and/or D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.533%	2.541%	2.544%	2.541%	1.902%
12	CET1 available after meeting the Reporting Bank's minimum capital requirements (%)	9.12%	8.88%	9.57%	11.10%	11.26%
	<b>Leverage Ratio</b>					
13	Total Leverage Ratio exposure measure	42,396	44,683	43,665	40,260	39,322
14	Leverage Ratio (%) (row 2 / row 13)	7.85%	7.51%	7.69%	8.34%	8.54%
	<b>Liquidity Coverage Ratio</b>					
15	Total High Quality Liquid Assets	8,073	4,903	7,082	8,201	7,476
16	Total net cash outflow	949	912	856	873	883
17	Liquidity Coverage Ratio (%)	849.97%	537.40%	827.05%	938.86%	846.30%
	<b>Net Stable Funding Ratio</b>					
18	Total available stable funding	37,852	37,572	36,194	34,318	32,225
19	Total required stable funding	23,704	23,352	22,762	21,283	20,874
20	Net Stable Funding Ratio (%)	159.68%	160.89%	159.01%	161.25%	154.40%

#Unaudited figures



## 4. Linkages between Financial Statements and Regulatory Exposures

### 4.1 Differences between Accounting and Regulatory Scopes of Consolidation

The following disclosures are prepared in accordance with table 11-4 of MAS Notice 637.

The difference in “Derivative assets” is due to the notional amount which is subjected to credit risk requirement but reported off-balance sheet in the financial statements. Secondly, the accrued interests from “Loans & advances to customers” are reported separately under “Other assets” in the financial statements but are combined with the outstanding loans to form the exposure amount for credit risk requirement. The final difference is on “Property, plant and equipment” whereby the financial statement is showing the net book value but the historical carrying cost is subjected to credit risk requirement.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Carrying amounts as reported in balance sheet of published financial statements	Carrying amounts under regulatory scope of consolidation	Carrying amounts of items -				
subject to credit risk requirements			subject to CCR requirements	subject to securitisation framework	subject to market risk requirements		
<i>reported in S\$million</i>							
<b>Assets</b>							
Cash and balances at central banks	657	657	657	-	-	-	(0)
Singapore government treasury bills and securities	4,114	4,115	4,015	-	-	100	(1)
Derivative assets	41	83	-	83	-	-	(42)
Amounts due from intermediate holding company	11,914	11,914	11,914	-	-	-	(0)
Amounts due from related corporations	-	-	-	-	-	-	-
Balances and placements with bankers and agents	2,301	2,301	2,301	-	-	-	0
Loans and advances to customers	17,800	17,897	17,897	-	-	-	(97)
Other securities	3,694	3,694	3,170	-	-	524	0
Deferred Tax Assets	-	-	-	-	-	-	-
Other assets	584	517	517	-	-	-	67
Property, plant and equipment	14	85	85	-	-	-	(71)
<b>Total assets</b>	<b>41,118</b>	<b>41,263</b>	<b>40,556</b>	<b>83</b>	<b>-</b>	<b>623</b>	<b>(145)</b>
<b>Liabilities</b>							
Derivative liabilities	23	-	-	-	-	-	23
Amounts due to intermediate holding company	3,327	-	-	-	-	-	3,327
Amounts due to related corporations	66	-	-	-	-	-	66
Deposits of non-bank customers	33,073	-	-	-	-	-	33,073
Bills and drafts payable	33	-	-	-	-	-	33
Current Tax payable	105	-	-	-	-	-	105
Deferred Tax Liabilities	1	-	-	-	-	-	1
Other liabilities	1,161	-	-	-	-	-	1,161
<b>Total liabilities</b>	<b>37,789</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,789</b>

## 4.2 Main Sources of Differences between Regulatory Exposure Amounts and Carrying Amounts in Financial Statements

The following disclosures are prepared in accordance with Table 11-5 of MAS Notice 637:

		(a)	(b)	(c)	(d)	(e)
		Total	Items subject to:			
<i>reported in S\$million</i>			credit risk requirements	CCR requirements	securitisation framework	market risk requirements
1	Asset carrying amount under regulatory scope of consolidation (as per Table 11-4)	41,263	40,556	83	-	623
2	Liabilities carrying amount under regulatory scope of consolidation (as per Table 11-4)	-	-	-	-	-
3	Total net amount under regulatory scope of consolidation	41,263	40,556	83	-	623
4	Off-balance sheet amounts	24,573	12,130	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions					
8	Differences due to prudential filters	-	-	-	-	-
9	Exposure amounts considered for regulatory purposes	65,836	52,687	83	-	623

## 5. Credit Risk

### 5.1 Credit Risk Management Policy

CSL is primarily engaged in consumer banking services. Credit Risk occurs largely from the following product categories:

- **Retail portfolio:** Primary consumer lending products include Mortgage Loan, Credit Card, Ready Credit and Investment lending. Policies and Rules are contained in “Global Consumer Credit and Fraud Risk Policies” (“GCCFRP”).
- **Wholesale portfolio:** This is lending to Small and Medium-sized Enterprises (“SME”). Policies and Rules are contained in “Global Commercial Credit Policies” (“GCCP”).
- **Treasury portfolio:** Mainly comprised of placements with financial institutions (including Citibank, N.A. and other Citigroup Affiliates), treasury bills and securities, and derivatives. Policy and Rules are contained in “ICG Risk Management Manual & Citi Treasury Policy”

In addition to compliance with the global credit risk policies, CSL also complies with MAS Notice No. 612 on credit grading of facilities where loans are graded into Pass, Special Mention, Substandard, Doubtful and Loss.

### 5.2 Impairment Allowances Policy

The Bank has adopted FRS 109 Financial Instruments from 1 January 2019. Details of impairment allowances policy, balances and non-performing credit facilities as well as reconciliation of changes in the allowance for loan impairment are disclosed in Notes 3.5, 16 and 17 of the Bank’s financial statements.

### 5.3 Credit Risk Assessment and allowance

Credit risk assessment is performed as follows:

#### A) **Retail Portfolio**

The target markets for retail lending are individual borrowers. Key retail lending products are mortgage loan, credit card facility, revolving credit facility and margin lending facility.

There is an established set of measures, procedures, and policies for monitoring the performance of the retail asset portfolios. This is done through a monthly Portfolio Quality Review (“PQR”) covering the following key areas:

- Leading indicators (including macroeconomic indicators), new booking characteristics, test programmes, significant credit changes, portfolios classified as “Mature & Stable”, “Performance Exception” etc. and portfolio performance indicators (delinquencies, net flows, credit losses). Where applicable, results are compared against historical performance and/or plan/benchmarks.
- Monitoring of limits stipulated in approved programmes
- Concentration limits/caps for high risk segments
- Test programmes & Significant Credit Change tracking
- Deviation rates and related performance of exceptions approved
- Reporting Key Risk Indicators (“KRI”) if benchmarks are triggered and actions are taken, where applicable. KRIs include tripwires identified during the annual stress tests
- Keeping an inventory of credit changes made. For significant credit changes, performance against benchmarks is tracked for 12 months

Depending on the product, either Number of Payments Missed or Day Past Due (“DPD”) is used by CSL to assess the level of individual impairment allowance required.

Approach for Mortgage loans:

Number of Payments Missed	Classification (MAS 612)
0 – 1	Pass
2 – 3	Special Mention
4	Substandard
5 – 6	Doubtful
≥ 7	Loss
PDO <sup>1</sup> Account < 4	Substandard
PDO Account ≥ 4	As per number of payments missed
Rewrite < 4	Substandard
Rewrite ≥ 4	As per number of payments missed

For loans with underlying collaterals, there is a split classification and methodology for accounts falling under the substandard, doubtful and loss classification.

Approach for Ready Credit and Credit Cards:

Number of Payments Missed	Classification (MAS 612)
0 – 1	Pass
2 – 3	Special Mention
4	Sub Standard
5-6	Doubtful
≥ 7	Loss
Rewrite, RAS : (0 – 3)	Substandard
Rewrite, RAS : (4)	Doubtful
Rewrite, RAS : (≥ 5)	Loss
Settlement (0 – 3)	Substandard
Settlement (4 – 6)	Doubtful
Settlement (≥ 7)	Loss

Approach for Auto Loans:

Number of Payments Missed	Classification (MAS 612)
0 – 1	Pass
2	Special Mention
3	Substandard
4	Doubtful
≥ 5	Loss
PDO Account < 4	Substandard
PDO Account ≥ 4	As per number of payments missed

Approach for facilities secured by cash, mutual funds, fixed income securities, shares, insurance:

DPD (Citibank)	Classification (MAS 612)
0-29	Pass
30-59	Special Mention
60-89	Substandard
90-119	Doubtful
≥120	Loss

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<sup>1</sup> Past Due Obligation ("PDO")

### **Credit Risk Mitigation (CRM)**

For the purpose of calculating and assessing Net Credit RWA, the Bank takes into account eligible collateral pledged by customers that are primarily mortgage properties, cash deposits, mutual funds, fixed income securities, insurance policies and shares.

The Bank's Credit Operations Department is guided by its Credit Policy and Procedures for collateral valuation and management. It marks to market the CRM eligible financial collateral value on a daily, weekly and monthly (whichever is applicable) basis. Margin call and force sell actions will take place if the Quantum of Financing ("QOF") is higher than that prescribed in the Credit Policy. Trade will be rejected if the QOF reaches margin call or force sell status.

As the end of December 2019, the Bank's gross credit exposure (excluding CVA) is S\$40.62 billion, of which S\$3.17 billion is offset by CRM in the retail assets portfolios. After applying the required risk weights, the Bank's Credit RWA is S\$14.82 billion. Given the immateriality of CRM, which is 7.80% of total credit exposure, asset class breakdowns are not provided and for the same reason, there is no CRM risk concentration exposure to the Bank.

Twelve month forecasts of portfolio performance are carried out as part of the annual budget process. This process includes a review of volume growth, expected losses and reserves and related profitability, and is subject to the independent review and concurrence of the Regional and Global Risk Management Office, Business and Finance. Once the forecasts are approved, they are used as credit benchmarks to monitor performance of the portfolio in the following financial year.

Consumer portfolios are subject to annual business stress testing where the major asset product portfolios are put through a set of generated stress scenarios to determine their loss absorption capacity.

### **B) Commercial Portfolio**

Target markets for commercial lending are companies with turnover of US\$10 million and below. Credits with total approved limit of US\$1 million and below is delinquency managed (retail reporting).

The GCCP documents the core credit policies for identifying, measuring, approving and reporting credit risk for commercial lending under the delinquency and classifiably managed process.

Within the risk framework of the GCCP, CSL's Small Enterprises credit risk management is outlined in greater detail in the Business Credit Program ("CP"), which is developed locally to incorporate applicable local regulations, market practices and environment and processes for approving and managing the risks of the portfolio. There is an established monitoring and review process through portfolio limits, caps and triggers. Portfolio reviews are conducted monthly and reports are shared with Global Risk Management.

To assess the allowance of Commercial Lending Portfolio, the following classification is used in accordance with the Bank's internal Credit Policy and MAS Notice No. 612:

<b>Delinquency Managed - Number of Missed Payments</b>	<b>Classification (MAS 612)</b>
0-1	Pass
2	Special mention
3	Substandard
NA	Doubtful
4	Loss

### **C) Treasury Portfolio Credit Risk**

The Corporate Treasury and Integrated Foreign Exchange and Fixed Income ("CTFX") business through its activities manages the funds of the businesses that it supports. The credit risk evaluation for CTFX placements is as follows:

- **Third Party Placements**

All approval of limits for third party placements is carried out centrally by the Global Risk Management unit. Each counterparty limit is determined globally and allocated to each country. This process ensures that Citigroup's global exposure is centrally aggregated and controlled. Prior to making any third party placements, Corporate Treasury checks to ensure that there are limits available for the transactions. The Risk Management Unit monitors the placements with counterparties to ensure that they are within the limits allocated.

A daily monitoring process is also in place to check for compliance with exposure limits to single counterparty groups. A figure of 20% of capital funds is used as the internal trigger in addition to compliance with the regulatory limit of 25% of capital funds.

- **Inter-Company**

Pursuant to the banking licence granted by MAS, CSL is required to maintain its net inter-company exposure in accordance to the target ratio specified by MAS. The net inter-company exposure is monitored on a daily basis. Inter-company exposure is also monitored to ensure adequate capital is maintained at all times.

## 5.4 Credit Ratings of External Credit Assessment Institution (ECAI)

In terms of assessing counterparty credit risk, the rating services of Moody's Investors Service and Standard & Poor's are selected as CSL's approved ECAI for providing credit ratings. ECAI is used in the Bank's Wholesale and Treasury portfolios.

The Bank uses an internally developed system to calculate its risk weighted assets and this system receives its external ratings from a credit system that has a feed for external ratings from the approved ECAI.

The alignment of the alphanumerical scale of each recognized ECAI used by CSL with relevant risk weights are detailed in the table below:

### Credit Ratings and Credit Quality Grade

Rating Agencies		Credit Ratings						
Moody's Investor Services	Aaa						Caa1	
	Aa1	A1	Baa1	Ba1	B1		Caa2	
	Aa2	A2	Baa2	Ba2	B2		Caa3	
	Aa3	A3	Baa3	Ba3	B3		Ca	
Standard & Poor's	AAA						CCC+	
	AA+	A+	BBB+	BB+	B+		CCC	
	AA	A	BBB	BB	B		CCC-	
	AA-	A-	BBB-	BB-	B-		CC	
Basel Credit Ratings		AAA	A+	BBB+	BB+	B+	CCC+	
Credit Quality Grade		1	2	3	4	5	6	Unrated
Basel Asset Class - Bank	<= 3 months	20%	20%	20%	50%	50%	150%	20%
	>3 months	20%	50%	50%	100%	100%	150%	50%
Basel Asset Class - Corporate	<= 3 months	20%	50%	100%	100%	150%	150%	100%
	>3 months	20%	50%	100%	100%	150%	150%	100%
Original Maturity Date		Risk Weight Applied						

### RWA based on assessments by recognized ECAI:

In S\$million	Asset Classes	Exposure	RWA
Moody's Investors Service	Bank asset	198	40
	Corporate asset	-	-
Moody's Investors Service Total		198	40
Standard & Poor's	Bank asset	14,394	5,713
	Corporate asset	6	6
	SOV	7,705	-
	MDB	32	-
	Other exposure	30	30
Standard & Poor's Total		22,167	5,749
Grand Total		22,365	5,789

## 5.5 Credit Risk Exposure Disclosure

- **Gross Credit exposure**

The gross credit exposures of the Bank are represented by the maximum exposure to credit risk for balance sheet and off-balance sheet financial instruments, before taking into account any collateral held or other credit enhancement at the balance sheet date. Gross credit exposures and residual contractual maturity breakdown can be found in Note 30 of the Bank's financial statements.

Average gross credit exposure is used for analysis purposes only. The monthly average balance is the common method used for analysis. As average gross credit exposures are not used to determine the maximum credit exposure to the Bank, they are not disclosed.

- **Geographic and Industry Breakdown**

Geographic distribution of the Bank's major credit exposure is disclosed in Notes 14 to 16 of the Bank's financial statements while industry distribution is disclosed in the 'Industry Analysis' section of Note 30.

Credit-impaired and not credit-impaired impairment allowance by major industry is also disclosed in Note 30 of the Bank's financial statements.

Further disclosures are as follows:

- **Classified Exposure - by Major Industry**

Industry	Amount (S\$million)
Professional & Private Individuals	115
Housing	4
<b>Total</b>	<b>119</b>

- **Classified Exposure - by Geographical Location**

Country	Amount (S\$million)
Singapore	119
Indonesia	0
Others	0
<b>Total</b>	<b>119</b>

- **Past due loans under MAS612 – by Major Industry**

Past Due Loans (>90 dpd)	Amount (S\$million)
Professional & Private Individuals	16
Housing	0
<b>Total</b>	<b>16</b>

- **Past due loans under MAS 612 – by Geographical Location**

Past Due Loans (>90 dpd)	Amount (S\$million)
Singapore	16
Others	-
<b>Total</b>	<b>16</b>

- **Credit-impaired impairment allowance – by Geographical Location**

Industry	Amount (S\$million)
Singapore	10
Others	0
<b>Total</b>	<b>10</b>



- Charges for credit-impaired impairment allowance and charge-offs – by Major Industry

Industry	Amount (S\$million)
Professional & Private Individuals	10
Housing	-
<b>Total</b>	<b>10</b>

Note: Not credit-impaired impairment allowance is done on a total portfolio basis, thus breakdown by geography and industry is not available.

- Restructured Exposure

For Unsecured portfolios, Risk mitigation programs include Rewrites and settlement programs. Rewrite programs are offered to assist genuine customers who have intent to repay their debt obligation but have an impaired repayment ability. These programs are offered after discussions with customers and assessing their ability and willingness to pay. There is a monthly performance tracking of this program.

For Singapore Mortgage, Rewrites, Early Settlement and Extensions are offered as a part of the loss mitigation programs. These treatments aim to address customer's duration and severity of cash flow reduction. Any unpaid balance of existing non-written-off Mortgage loans can be considered under the Mortgage Loss Mitigation Program if it meets the Bank's Acceptance Criteria. All Rewrite proposals should be evaluated through discussions with the customer, or upon customer-initiated request to the Bank.

#### Breakdown by Impaired and Non-impaired Exposure (S\$million)

Products	Impaired	Non-impaired	Total
Mortgage	0.18	1.04	1.22
Bank Cards & Ready Credit	101.12	-	101.12
<b>Total</b>	<b>101.30</b>	<b>1.04</b>	<b>102.34</b>

- Asset Class Breakdown by Risk Weights after CRM, under SA(CR):

	Risk Weights	Asset Class	Net Exposure (S\$million)	Credit RWA (S\$million)
i)	0%	Cash Items	94	-
		Central Government & Central Government Exposure	7,705	-
		Multilateral Development Bank Exposure	32	-
ii)	20%	Cash Items - Cheques and other items in processing	-	-
		Central Government & Central Government Exposure	-	-
		Public Sector Entities Exposure	-	-
		Banking Institutions Exposure - On Balance Sheet	5,091	1,018
		- Off Balance Sheet	8	2
		- OTC	47	9
		Corporate Exposure - OTC	-	-
iii)	35%	Exposures secured by Residential Property - On Balance Sheet	7,113	2,490
		- Off Balance Sheet	51	18
iv)	50%	Banking Institutions Exposure - On Balance Sheet	9,441	4,720
		- Off Balance Sheet	-	-
		- OTC	6	3
		Corporate Exposure - OTC	-	-
v)	75%	Regulatory Retail Exposure - Individuals	5,523	4,142
		- Small Business	83	62
		- Off Balance Sheet	0	0
		Exposures secured by Residential Property - On Balance Sheet	9	7
		- Off Balance Sheet	1	0
vi)	100%	Corporate Exposure - Off Balance Sheet	6	6
		- OTC	-	-
		Regulatory Retail Exposure - On Balance Sheet	0	0
		Exposures secured by Residential Property - On Balance Sheet	13	13
		- Off Balance Sheet	4	4
		Commercial Real Estate Exposure - On Balance Sheet	3	3
		Other Exposures Asset Class	2,301	2,301
vii)	150%	Regulatory Retail Exposure - On Balance Sheet	16	23
		<b>Total</b>	<b>37,545</b>	<b>14,822</b>

## 5.6 Credit Quality of Assets

The following table provides the credit quality of the Bank's on- and off-balance sheet assets.

reported in S\$million		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amount of		Allowances and Impairments	of which: allowances for standardised approach exposures		of which: allowances for IRBA exposures	Net values (a + b - c)
		Defaulted exposures	Non-defaulted exposures		of which: specific allowances	of which: general allowances		
1	Loans	119	17,755	75	10	64	-	17,800
2	Debt securities	-	7,809	1	-	1	-	7,808
3	Off-balance sheet exposures	-	131	-	-	-	-	131
4	<b>Total</b>	<b>119</b>	<b>25,695</b>	<b>76</b>	<b>10</b>	<b>65</b>	<b>-</b>	<b>25,739</b>

Defaulted exposures are non-performing credit facilities which are classified in accordance with the loan grading requirement of the MAS Notice 612.

## 5.7 Changes in Stock of Defaulted Loans and Debt Securities

The following table provides the changes in the Bank's defaulted loans and debt securities.

reported in S\$million		(a)
1	Defaulted loans and debt securities at end of the previous semi annual reporting period	127
2	Loans and debt securities that have defaulted since the previous semiannual reporting period	26
3	Returned to non-defaulted status	2
4	Amounts written-off	17
5	Other changes	(14)
6	<b>Defaulted loans and debt securities at end of the semi annual reporting period (1+2-3-4±5)</b>	<b>119</b>

## 5.8 SA(CR) and SA(EQ) - Credit Risk Exposure and CRM Effects

The following table illustrate the effects of CRM on the calculation of capital requirements for SA(CR) and SA(EQ). The RWA density provides a synthetic metric on the riskiness of each portfolio.

reported in S\$million		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Asset classes and others						
	Cash items	94	-	94	-	-	0%
2	Central government and central bank	7,704	1	7,704	1	-	0%
3	PSE	-	-	-	-	-	0%
4	MDB	32	-	32	-	-	0%
5	Bank	14,532	8	14,532	8	5,740	39%
6	Corporate	-	6	-	6	6	100%
7	Regulatory retail	7,181	10,324	5,621	0	4,228	75%
8	Residential mortgage	7,135	112	7,135	56	2,532	35%
9	CRE	3	-	3	-	3	100%
10	Equity - SA(EQ)	-	-	-	-	-	0%
11	Past due exposures	-	-	-	-	-	0%
12	Higher-risk categories	-	-	-	-	-	0%
13	Other exposures	3,876	1,680	2,268	2	2,271	100%
14	<b>Total</b>	<b>40,556</b>	<b>12,130</b>	<b>37,389</b>	<b>73</b>	<b>14,779</b>	<b>39%</b>

## 5.9 SA(CR) and SA(EQ) – Exposures by Asset Classes and Risk Weights

The following table breakdown of credit risk exposures under the SA(CR) and SA(EQ) by asset class and risk weight, corresponding to the level of risk attributed to the exposures.

reported in S\$million		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Asset classes and others	Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure amount (post-CCF and post-CRM)
	1	Cash items	94	-	-	-	-	-	-	-	-
2	Central government and central bank	7,705	-	-	-	-	-	-	-	-	7,705
3	PSE	-	-	-	-	-	-	-	-	-	-
4	MDB	32	-	-	-	-	-	-	-	-	32
5	Bank	-	-	5,099	-	9,441	-	-	-	-	14,540
6	Corporate	-	-	-	-	-	-	6	-	-	6
7	Regulatory retail	-	-	-	-	-	5,606	0	16	-	5,622
8	Residential mortgage	-	-	-	7,164	-	10	18	-	-	7,191
9	CRE	-	-	-	-	-	-	3	-	-	3
10	Equity - SA(EQ)	-	-	-	-	-	-	-	-	-	-
11	Past due exposures	-	-	-	-	-	-	-	-	-	-
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other exposures	-	-	-	-	-	-	2,271	-	-	2,271
14	<b>Total</b>	<b>7,831</b>	<b>-</b>	<b>5,099</b>	<b>7,164</b>	<b>9,441</b>	<b>5,616</b>	<b>2,297</b>	<b>16</b>	<b>-</b>	<b>37,462</b>

## 5.10 Overview of CRM Techniques

The following disclosures are prepared in accordance with Table 11-12 of MAS Notice 637.

reported in S\$million		(a)	(b)	(c)	(d)	(e)
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	3,577	14,223	14,223	-	-
2	Debt securities	7,808	-	-	-	-
3	<b>Total</b>	<b>11,385</b>	<b>14,223</b>	<b>14,223</b>	<b>-</b>	<b>-</b>
4	Of which: defaulted	<b>113</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>-</b>

## 6. Counterparty Credit Risk

Counterparty risk exposure is included in CSL's economic capital model by converting the current and future potential exposure to a counterparty into a one-year loan equivalent, aggregated with other direct and indirect exposure, and allocating economic capital based on the perceived credit quality of the obligor.

The gross credit exposure for OTC derivative transaction is calculated under the current exposure method. This comprises both replacement cost (on balance sheet mark-to-market) and potential future exposure after taking a Credit Conversion Factor ("CCF") on the derivative contract notional amount.

There are no collaterals, credit reserves or specific policy with respect to exposures that give rise to general or specific wrong-way risk.

The gross positive fair value of derivative transactions is disclosed in Note 6 of the Bank's financial statements.

### 6.1 Analysis of CCR Exposure by Approach

<i>reported in S\$million</i>		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost	Potential future exposure	Effective EPE	$\alpha$ used for computing regulatory EAD	EAD (post-CRM)	RWA
1	Current Exposure Method (for derivatives)	40	43			83	43
2	CCR internal models method (for derivatives and SFTs)						
3	FC(SA) (for SFTs)						
4	FC(CA) (for SFTs)						
5	VaR for SFTs						
6	<b>Total</b>						<b>43</b>

### 6.2 CVA Risk Capital Requirements

<i>reported in S\$million</i>		(a)	(b)
		EAD (post-CRM)	RWA
	Total portfolios subject to the Advanced CVA capital requirement	-	-
1	(i) VaR component (including the three-times multiplier)		-
2	(ii) Stressed VaR component (including the three-times multiplier)		-
3	All portfolios subject to the Standardised CVA capital requirement	83	3
4	Total portfolios subject to the CVA risk capital requirement	83	3

### 6.3 Standardised Approach - CCR *Exposures* by Portfolio and Risk Weights

<i>reported in S\$million</i>	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)
Asset classes and others	0%	10%	20%	50%	75%	100%	150%	Others	Total credit exposure
Central government and central bank	-	-	-	-	-	-	-	-	-
PSE	-	-	-	-	-	-	-	-	-
MDB	-	-	-	-	-	-	-	-	-
Bank	-	-	47	6	-	-	-	-	52
Corporate	-	-	-	-	-	-	-	-	-
Regulatory retail	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	30	-	-	30
<b>Total</b>	-	-	<b>47</b>	<b>6</b>	-	<b>30</b>	-	-	<b>83</b>

## 7. Market Risk

Market risk encompasses liquidity risk and price risk, both of which arise in the normal course of business of a global financial intermediary. Liquidity risk is the risk that an entity may be unable to meet a financial commitment to a customer, creditor, or investor when due. Price risk is the earnings risk from changes in interest rates, foreign exchange rates, and equity and commodity prices, and in their implied volatilities. Price risk arises in both trading and non-trading portfolios.

Market risk is measured in accordance with established standards to ensure consistency across businesses and the ability to aggregate risk. Each business is required to establish, with approval from independent market risk management, a market risk limit framework for identified risk factors that clearly defines approved risk profiles, which is within the parameters of Citigroup's overall risk appetite.

CSL is fully integrated into the overall Citigroup risk and control framework, balancing Senior Management oversight with well-defined independent risk management functions. It is the responsibility of Senior Management to implement Citigroup's risk policies and practices, and respond to the needs and issues in the Bank.

In terms of internal controls, Market Risk Management, an independent group, oversees market and liquidity risks and ensures that the approved risk profile is consistent with CSL's overall risk appetite. Price risk limits are approved by Market Risk Management and monitored on a daily basis. Limit excesses are highlighted to the Risk Management Committee of CSL.

In line with Basel III requirements, stress testing procedures are developed in response to business or market specific concerns and applied to all Trading/Accrual portfolios within a specific business, as appropriate. The stress tests are performed periodically on Trading and Accrual portfolios at a frequency required under the independent market risk limit framework, or at the discretion of Market Risk Management.

### 7.1 Interest Rate Risk Management

The Bank's interest rate positions arise from treasury and consumer banking activities. Interest rate risk arises in both trading portfolios and non-trading portfolios. Interest rate risk arises primarily due to the timing differences in the re-pricing of interest-bearing assets and liabilities. It is also a result of positions from non-interest bearing liabilities including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Treasury Department manages interest rate risk through monitoring of exposure against limits approved by the Market Risk Management. The Bank also uses foreign exchange swaps to manage interest rate risk.

At 31 December 2019, it is estimated that a general increase of 100 basis points (2018: 100 basis points) in interest rates, with all other variables held constant, would increase the Bank's profit before tax by approximately \$81,960,990 (2018: \$71,582,074), whereas a general decrease of 100 basis points in interest rates, with all other variables held constant, would have an approximately \$29,527,079 (2018: \$63,308,848) decreasing impact to profit before tax.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the exposure to interest rate risk for both trading and accrual financial instruments in existence at that date and that all other variables, in particular foreign exchange rates, remain constant. The above basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The impact is calculated in internal interest rate risk management system (Ruby). The analysis is performed on the same basis for 2018.

## 7.2 Interest Rate Risk in the Banking Book

Interest rate risk in the Banking Book arises from both interest bearing and non-interest bearing assets and liabilities. Interest rate risk is monitored on a daily basis within the approved limits framework set by the Market Risk Management. Assets and liabilities, which are contractual in nature, are monitored up to the re-pricing tenors. Non-interest bearing and perpetual products, e.g. current and saving accounts, credit cards and ready credit are monitored for interest rate risk on models in Ruby system based on cash flow interest rate risk measurement.

Potential interest rate risk in the Banking Book is monitored through interest rate exposure at 100 basis points parallel move in interest rates. Interest rate exposure at each major currency level for the Banking Book is as follows:

Currency	+100bps Up Move (S\$ million)
SGD	38.9
USD	20.6
GBP	1.5
HKD	1.6
AUD	3.6
EUR	6.4
JPY	4.7

## 7.3 Liquidity Risk

Liquidity in Singapore is managed at CLE (Country Legal Entity), as well as MLE (Material Legal Entity) level. CSL's liquidity management objective is to ensure that the Bank has adequate access to liquidity to meet all obligations as and when due, including under extreme but plausible conditions.

Consistent with Country Liquidity Management framework, liquidity risk management in CSL includes Funding and Liquidity Planning, Daily S2 reporting (Highly Stressed Market Disruption stress scenario), and the use of limits, triggers and stress testing. Liquidity is monitored and managed within a robust framework that includes review by the CSL Asset Liability Committee ("ALCO"), which consists of representation from all businesses with the CEO of CSL designated as the chairman of CSL ALCO. Key members of CSL ALCO also attend the Country ALCO.

In terms of internal control, under the Liquidity Risk Management Policy, there is a single set of standards for the measurement, reporting and management of liquidity risk in order to ensure consistency across businesses, stability in methodologies, and transparency of risk. Details of market risk, interest rate sensitivity, foreign currency risk and liquidity risk analysis can be found in Note 30 of the Bank's financial statements.

## 7.4 Market Risk under Standardised Approach

The following table provides the components of the capital requirement under the standardized approach for market risk.

<i>reported in S\$million</i>		(a)
		RWA
	<b>Products excluding options</b>	
1	Interest rate risk (general and specific)	5
2	Equity risk (general and specific)	-
3	Foreign exchange risk	16
4	Commodity risk	-
	<b>Options</b>	
5	Simplified approach	-
6	Delta-plus method	11
7	Scenario approach	-
8	<b>Securitisation</b>	-
9	<b>Total</b>	33

## 8. Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, systems, or human factors, or from external events. It includes reputation and franchise risks associated with business practices or market conduct in which Citi is involved. It also includes the risk of failing to comply with applicable laws and regulations, but excludes strategic risk

In 2019, CSL implemented GRC MCA. The GRC Standard and Procedure aim to achieve greater convergence in the management of Operational Risk, including Compliance Risk, Conduct Risk, Reputational Risk and Legal Risk.

GRC is built upon the following foundational elements:

- GRC Assessment Structure
- GRC Taxonomy
- GRC Governance Structure
- GRC Platform: Citi Risk & Controls

As such, GRC is a key element of Citi's Operational Risk Management Policy. GRC benefits can be summarised as follows:

- Standardized Assessment Unit (MCA Entity Unit) Structure: Globally consistent structure to enable comparison and aggregation at business, function, geography and legal entity.
- GRC Taxonomy aligned with Global Risk Appetite Framework: Common Library to categorize and organize Products, Activities, Risks, Control and Monitoring.
- Risk Assessment: Standard methodology for determining inherent risk, control assessments and residual risks.
- Governance & Reporting: Standardized risk and control outputs for management oversight, governance, reporting & analytics.
- New Platform: Universal tool with greater integration to other platforms (iCAPs, LCS etc)

Additionally, CSL also rolled out Scenario Analysis to identify plausible, high severity, low likelihood operational loss events using a forward looking view of operational risk.

## 9. Other Material Risks

CSL's material and strategic risks are monitored closely by the Senior Management and are assessed regularly through key performance metrics and internal self-assessment performed by process owners. Risk assessment is based on both actual performance results as well as on a forward looking basis. Results are reviewed and discussed with RMC.

Senior Management and the RMC/BOD identify and assess risks on an ongoing basis to ensure that new material risks that evolve are being evaluated and covered within the appropriate risk management framework. The review of CSL's material and strategic risks is performed on annual basis or more frequently if any new material risk emerges. Any changes in the material and strategic risks will require concurrence by the RMC & BOD.

Any risk category with potential loss in excess of 2% of total capital or \$50 million, whichever is lower, should be considered material and included as material risk on an on-going basis. The 2% materiality principle threshold is used in line with other areas of ICAAP and risk / stress management practices.



## **10. Remuneration**

### **10.1 Remuneration of Employees**

The Bank's remuneration policy is aimed at attracting and retaining talented individuals. The job scope and market factors are taken into account in determining the remuneration package for an employee. To ensure that the Bank remunerates its employees competitively and appropriately, the Bank regularly reviews its base salary ranges and benefits package using market data provided by recognized surveys of comparative groups in the financial sector in Singapore.

### **10.2 Financial Stability Board Principles of Sound Compensation Practices**

In April 2009, the Financial Stability Board ("FSB") issued the Principles of Sound Compensation Practices ("FSB Principles"). In September 2009, the FSB issued implementation guidelines for the FSB Principles. The nine principles, which are intended to reduce incentives which encourage excessive risk taking, focus on three areas:

1. Effective governance of compensation;
2. Effective alignment of compensation with prudent risk taking; and
3. Effective supervisory oversight and engagement by stakeholders.

The FSB Principles are incorporated into the Corporate Governance Guidelines for Banks, Financial Holding Companies and Direct Insurers incorporated in Singapore issued by the MAS. The management of the bank has performed a self-assessment against the FSB Principles and has concluded that its remuneration policy and compensations practices are aligned with the FSB Principles.

### **10.3 Effective Governance of Compensation**

#### **Board Remuneration Committee**

Citigroup has a global approach to remuneration of Covered Employees ("CEs") as defined in applicable bank regulatory guidance, consisting of Citi's Compensation Philosophy, Incentive Compensation Policy, and risk-balanced incentive compensation Framework, which is applied in a consistent manner by its various businesses across the globe, including those operating in CSL (hereinafter referred to as "Global Remuneration Policy").

As with other global policies, practices and procedures that are relevant to the businesses in CSL, the Board has been apprised by Senior Management of the Global Remuneration Policy and concurs with Senior Management's proposal to adopt the Global Remuneration Policy for CSL. On at least an annual basis, the Board will review with Senior Management, the Bank's remuneration policies, structure and procedures that follow the objectives of the Global Remuneration Policy. As part of such review, the Board has been provided information on matters including the objective of the Global Remuneration Policy, the role, responsibility and composition of global, regional and country committees established for the purpose of reviewing and approving remuneration structures and guidelines, and the review and approval processes involved in determining remuneration packages for the Bank's employees such as Covered Employees and Senior Managers (as defined below). The Board reviewed the compensation plans and programs in October 2016 discussing the linkage to performance management of the CE2 and talent management needs and programs for CSL. As mentioned above, the management of the bank has conducted a self-assessment of the Global Remuneration Policy adopted by the Bank against the FSB Principles and concluded that the Bank's remuneration structure/practices and processes are broadly aligned to the FSB Principles. The Board reviewed the said self-assessment in June 2019.

## Review and Evaluation of Incentive/Compensation Programs

At a global level, the Citigroup Board of Directors (“Citigroup Board”) plays a key role in the design and oversight of the Global Remuneration Policy through the Citigroup Personnel and Compensation Committee (“PCC”). References to the PCC herein include the PCC’s delegate where appropriate. The PCC approves the general remuneration structure for CEs.

In Singapore, the Country Senior Personnel Committee (“CSPC”) meets on a need-to basis to review and approve all human resource related policies, including CSL’s remuneration policy, based on guidelines provided by global and regional offices. CSPC is chaired by the Citi Country Officer, Mr Amol Gupte and comprises of the Chief Financial Officer (“CFO”), Country Human Resources Officer (“CHRO”), Senior Country Operations Officer (“SCOO”) and the Heads of Business for Global Consumer Banking, International Personal Banking, Markets and Citi Private Bank. The remuneration packages of the Bank’s management are reviewed and approved by the CEO of CSL and Regional Consumer Head for Asia Pacific. Where the Bank’s management staff is from a control function (e.g. Finance, Risk Management, Compliance), the relevant Asia Pacific control function head will also review and approve the remuneration package.

1. The PCC will regularly review the design and structure of compensation programs relevant to CEs in the context of risk management.
2. In 2010, in response to FRB Guidance and European Union Capital Requirements Directive (CRD 3), our CE program was implemented. This program covers senior executives as well as employees who, either individually or as part of a group, have the ability to expose Citigroup’s various businesses to material amounts of risk. Citigroup’s definitions of CEs are:

Group 1: Employees who are Section 16 officers under the US Securities Exchange Act.

Group 2: Senior employees who can take, or influence the taking of material risk for the company or for a material business unit of the company.

Group 3: employees who along with other employees in similar roles and with similar incentive could, as a group, create material risk for the company or a material business unit.

The Bank adopted Citigroup’s definition to identify CEs. As of 31 December 2019, the Bank has identified 2 staff in CE Group 2 and 85 staff in CE Group 3. Senior executives are defined as Senior Managers (“SM”) which include the direct reports of the Chief Executive Officer of the Bank. As of 31 December 2019, there are 14SMs.

3. Formal risk goals are part of the CE performance evaluation process, increasing the focus on risk, risk related performance and risk metrics. Management also established an independent review process with inputs from Risk Management, Legal, Human Resource, Internal Audit and Compliance, using both qualitative and quantitative data.
4. The PCC reviews the incentive compensation pools applicable to all employees globally at several points through-out the year-end process, including preliminary reviews in mid-December, detailed reviews with responsible global business heads in early January and final reviews in mid-January at the full PCC and Citigroup Board meeting.
5. In addition, the CE process, including all recommendations and supporting material is audited by Internal Audit globally at the conclusion of the year-end cycle.
6. CE Group 1 and CE Group 2 compensation deferral structure:
  - a) A minimum deferral level (40%) and even split between deferred stock and deferred cash for those receiving incentive compensation of at least USD100,000; a 10% deferral as deferred cash for those with incentive compensation from USD50,000 to USD99,999.
  - b) Deferred cash is subject to a discretionary performance-based vesting (PBV) condition based on the occurrence of a material adverse outcome as well as a discretionary clawback provision.
  - c) Deferred stock will be subject to a formulaic PBV condition based on performance of the CE’s “reference business”.
  - d) PBV or Performance Based Vesting provision: The deferred cash component will have a discretionary PBV feature, which will potentially apply if it is determined by PCC that a material adverse outcome has occurred.
    - a) CEs who have significant responsibility for the event may have unvested awards reduced or cancelled.
    - b) All terms of the deferral program to be interpreted based on facts and circumstances, at the discretion of key Asia Senior Management (with input as appropriate from PCC).

- e) All non-vested portions of deferred cash are subjected to forfeiture if the PCC determines that the CE:
  - i. Received the award based on materially inaccurate publicly reported financial statements; or
  - ii. Knowingly engaged in providing materially inaccurate information relating to publicly reported financial statements; or
  - iii. Engaged in behavior constituting misconduct or exercised materially imprudent judgment that caused harm to the Company's business operations, or that resulted or could result in regulatory sanctions (whether or not formalized); or
  - iv. Failed to supervise or monitor individuals engaging in, or failed to escalate behavior constituting misconduct (whether or not gross misconduct) or who exercised materially imprudent judgment that caused harm to the Company's business operations; or
  - v. Failed to supervise or monitor individuals engaging in, or failed to escalate behavior that resulted or could result in regulatory sanctions (whether or not formalized); or
  - vi. Materially violated any risk limits established or revised by senior management and/or risk management; or
  - vii. Engaged in gross misconduct.

All non-vested portions of deferred stock are subject to cancellation under clauses i, ii, vi and vii above.

- 7. CE Group 3 compensation deferral structure:
  - a) A minimum deferral level of 10% as deferred cash for those with incentive compensation from USD50,000 to USD99,999.
  - b) The deferral structure for incentive compensation at or above USD 100,000 ranges from 25% to 60% with equal split between deferred cash and deferred stock vesting over four years.

#### **Review for Control Functions staff**

- 1. The overall incentive pools for Control functions staff (including Risk Management and Compliance) are set at the global level, after taking into consideration a number of factors including, but not limited to Citigroup's financial performance, risk metrics, business strategy in terms of building/divesting certain businesses and/or growth/contraction in certain geographical regions, and positioning against the external markets.
- 2. For Control function staff, compensation is weighted in favor of fixed compensation relative to variable compensation.
- 3. The key performance standards for Control functions are set by the independent manager in the region and cascaded down to the country to be included in the Balanced Scorecard.
- 4. CSL's Head of the Risk Management has a direct reporting line to the CEO and a matrix reporting line to APAC Group Credit Director for Consumer Risk.

#### **10.4 Effective Alignment of Compensation with Prudent Risk Taking**

- 1. The determination and approval of bonus pools and the respective allocation to the regional products and functions are conducted at the global level. In addition to financial performance, the pool calculations are based on a business scorecard approach which takes account of risk with increasing degrees of sophistication. Bonus pool amounts are reviewed and approved internally by Citigroup's CEO and presented to the PCC for final approval.
- 2. For CSL, the business will submit a bonus pool request, together with a detailed analysis based on business performance and balanced scorecard approach. Financial numbers are confirmed independently by Financial Control. The bonus pool will then be reviewed at the regional level before being submitted to global for approval.
- 3. Employees who receive annual variable remuneration that equals or exceeds the local currency equivalent of USD100,000 will receive a greater percentage of their total annual compensation as variable remuneration and are subject to the Capital Accumulation Program rules. Currently, a percentage, ranging from 25% to 60%, will be awarded as deferred variable remuneration and (a) granted in the form of equity, (b) vests in four equal annual installments and (c) subject to claw-back provisions.

4. From 2010, all deferred stock awarded under the Capital Accumulation Program are subject to claw back. Non-vested amounts may be forfeited if the PCC determines that the staff:
  - a) Received the award based on materially inaccurate publicly reported financial statements; or
  - b) Knowingly engaged in providing materially inaccurate information relating to publicly reported financial statements; or
  - c) Materially violated any risk limits established or revised by senior management and/or risk management; or
  - d) Engage in gross misconduct.

## 10.5 Effective Supervisory Oversight and Engagement by Stakeholders

CSL is an indirect wholly owned subsidiary of Citigroup, Inc. As mentioned above, the remuneration policies/practices/structures adopted by CSL are guided and approved by Citigroup, Inc. The CSL Board reviews and concurs on the Global Remuneration Policy, including any changes to the structure and processes from previous year, annually.

In the interest of transparency to stakeholders such as its depositors, CSL has made disclosures (as it considers appropriate and aligned with the FSB Principles) of its remuneration practices and policies, bearing in the mind the sensitivity of such information from a competitive perspective.

## 10.6 Share Schemes

The Bank's employees are entitled to participate in various share schemes implemented by the parent company, Citigroup. Information on the share schemes is disclosed in Note 11 of the Bank's financial statements.

## 10.7 Quantitative Disclosures

**Table 1: Special Payments (i.e. Guaranteed Bonuses, Sign-on Awards, Severance Payments)**

		Guaranteed Bonuses		Sign-on awards		Severance Payments	
		Number of Employees	Total Amount	Number of Employees	Total Amount	Number of Employees	Total Amount
1	Senior Management	0	-	0	-	0	-
2	Other Material Risk-Takers	0	-	0	-	0	-

There were no special payments made to senior management and other material risk-takers.

**Table 2: Remuneration Awarded During the 2019 Financial Year**

			Senior Management	Other Material Risk-Takers
1	Fixed Remuneration	Number of employees	14	87
2		<b>Total fixed remuneration (3 + 5 + 7)</b>	<b>63%</b>	<b>44%</b>
3		Of which: cash-based	62%	41%
4		Of which: deferred	0%	0%
5		Of which: shares or other share-linked instruments	0%	0%
6		Of which: deferred	0%	0%
7		Of which: other forms <sup>1</sup>	1%	2%
8		Of which: deferred	0%	0%
9	Variable Remuneration	Number of employees	14	87
10		<b>Total variable remuneration (11 + 13 + 15)</b>	<b>37%</b>	<b>56%</b>
11		Of which: cash-based	32%	55%
12		Of which: deferred	2%	1%
13		Of which: shares or other share-linked instruments	5%	1%
14		Of which: deferred	5%	1%
15		Of which: other forms	0%	0%
16		Of which: deferred	0%	0%
17	<b>Total Remuneration (87 + 14)</b>		<b>100%</b>	<b>100%</b>

<sup>1</sup> Other forms refer to employer CPF contributions

#### Explanation Notes

1. Except for the unionized staff, all other staff are not guaranteed bonuses. Any bonuses and/or incentives paid to the non-unionized staff will be considered as variable compensation. As of 31 December 2019, 1,876 of the Bank's employees received variable compensation. This included the 2 CE2, 85 CE3 and 14 SM.
2. Under the FSB Principles for Sound Compensation Practices, the mix of cash, equity and other forms of compensation must be consistent with risk alignment. It is recommended that a substantial proportion, such as 40% to 60% of the variable compensation should be awarded in shares or share-linked instruments (or where appropriate, other non-cash instruments), as long as these instruments create incentives aligned with long-term value creation and the time horizons of risk. Awards in shares or share-linked instruments should be subject to an appropriate share retention policy. For the Bank, the percentage of compensation of the SM and CE that was variable and the forms in which this compensation was awarded was dependent on the amount of variable compensation that such employees received. SM and CE who received their annual variable compensation that equaled or exceeded USD100,000 (or local currency equivalent) would receive a greater percentage of their total annual compensation as variable remuneration and are subject to the Capital Accumulation Program ("CAP") rules. Currently, the percentage ranged from 25% to 60% awarded as deferred variable remuneration in equity, vested in four equal annual installments and subject to claw back provision.

**Table 3: Deferred Remuneration**

	Deferred and retained remuneration	Total outstanding deferred remuneration	Of which: Total outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustments	Total amendment during the year due to ex post explicit adjustments <sup>1</sup>	Total amendment during the year due to ex post implicit adjustments <sup>2</sup>	Total deferred remuneration paid out in the financial year
1	<b>Senior Management</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>44%</b>
2	Cash	51%	51%	0%	0%	11%
3	Shares	49%	49%	0%	0%	33%
4	Share-linked instruments	0%	0%	0%	0%	0%
5	Other	0%	0%	0%	0%	0%
6	<b>Other Material Risk-Takers</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>45%</b>
7	Cash	61%	61%	0%	0%	19%
8	Shares	39%	39%	0%	0%	21%
9	Share-linked instruments	0%	0%	0%	0%	4%
10	Other	0%	0%	0%	0%	0%

Notes

<sup>1</sup> Examples of explicit ex-post adjustments include malus, clawbacks or similar reversals or downward revaluations of awards.

<sup>2</sup> Examples of implicit ex-post adjustments include fluctuations in the value of shares or performance units.

## 11. Composition of Capital

The following disclosure shows the reconciliation between the Bank's published balance sheet and the regulatory capital components. The balance sheet is expanded to identify and map to the regulatory capital components as set out in Section 11.2 - Reconciliation of Regulatory Capital to the Balance Sheet (in the column "Cross Reference to Section 11.2").

### 11.1 Financial Statements and Regulatory Scope of Consolidation

<i>reported in S\$million</i>	(a) Balance sheet as per published financial statements 31-Dec-19	(b) Under regulatory scope of consolidation 31-Dec-19	(c) Cross Reference to Section 11.2
<b>Equity</b>			
Share Capital	1,528	1,528	a
Accumulated Profits and Reserves	1,801		
<i>of which: Retained Earnings under CET1</i>		2,096	b
<i>of which: Accumulated other comprehensive income and other disclosed reserves under CET1</i>		(296)	c
<b>Total equity attributable to owner of the Bank</b>	3,328		
<b>Liabilities</b>			
Derivative liabilities	23		
Amounts due to intermediate holding company	3,327		
Amounts due to related corporations	66		
Deposits of non-bank customers	33,073		
Bills and drafts payable	33		
Current Tax payable	105		
Deferred Tax Liabilities	1		
Other liabilities	1,161		
<b>Total liabilities</b>	37,789		
<b>Total equity and liabilities</b>	41,118		
<b>Assets</b>			
Cash and balances with central bank	657		
Singapore government treasury bills and securities	4,114		
<i>of which: Impairment allowances admitted as eligible Tier 2 Capital</i>		(1)	d
Derivative assets	41		
Amounts due from intermediate holding company	11,914		
Amounts due from related corporations	-		
Balances and placements with bankers and agents	2,301		
Other securities	3,694		
<i>of which: Impairment allowances admitted as eligible Tier 2 Capital</i>		-	e
Loans and advances to customers	17,800		
<i>of which: Impairment allowances admitted as eligible Tier 2 Capital</i>		(64)	f
Property, plant and equipment	14		
Deferred Tax Assets	-	-	g
Other assets	584		
<b>Total assets</b>	41,118		

## 11.2 Reconciliation of Regulatory Capital to the Balance Sheet

The following disclosure is made in accordance to the template prescribed in MAS Notice 637 Annex 11E. The column “Amount” shows the amounts used in the computation of the regulatory capital and capital adequacy ratios. The column “Amount subject to Pre-Basel III Treatment” shows the amount of each regulatory adjustment that is subject to the treatment provided for in the cancelled MAS Notice 637 dated 14 December 2007 during the Basel III transition period. Each of these amounts is reported as regulatory adjustments under rows 41C and 56C.

The alphabetic cross-references in the column “Cross Reference to Section 11.1” relate to those in the reconciliation of the balance sheet in Section 11.1 - Financial Statements and Regulatory Scope of Consolidation.

MAS Notice 637 specifies which tier of capital each regulatory adjustment is to be taken against. When regulatory adjustments are required against Additional Tier 1 or Tier 2 capital, there are circumstances when the amount of eligible Additional Tier 1 or Tier 2 capital respectively falls short of the amount of regulatory adjustment. Under such circumstances, the shortfall is taken against the preceding tier of capital.

MAS Notice 637 specifies the computation of the amount of provisions that may be recognized in Tier 2 capital. Under the standardized approach for credit risk, general allowances are eligible, subject to a cap of 1.25% of risk-weighted assets.



		Amount S\$million	Cross Reference to Section 11.1
<b>Common Equity Tier 1 capital: instruments and reserves</b>			
1	Paid-up ordinary shares and share premium (if applicable)	1,528	a
2	Retained earnings	2,096	b
3 <sup>#</sup>	Accumulated other comprehensive income and other disclosed reserves	(296)	c
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5	Minority interest that meets criteria for inclusion	-	
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	3,328	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>			
7	Valuation adjustment pursuant to Part VIII of MAS Notice 637	-	
8	Goodwill, net of associated deferred tax liability	-	
9 <sup>#</sup>	Intangible assets, net of associated deferred tax liability	-	
10 <sup>#</sup>	Deferred tax assets that rely on future profitability	0	g
11	Cash flow hedge reserve	-	
12	Shortfall of TEP relative to EL under IRBA	-	
13	Increase in equity capital resulting from securitisation transactions	-	
14	Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk	-	
15	Defined benefit pension fund assets, net of associated deferred tax liability	-	
16	Investments in own shares	-	
17	Reciprocal cross-holdings in ordinary shares of financial institutions	-	
18	Investments in ordinary shares of unconsolidation financial institutions in which Reporting Bank does not hold a major stake	-	
19	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries) (amount above 10% threshold)	-	
20 <sup>#</sup>	Mortgage servicing rights (amount above 10% threshold)	-	
21 <sup>#</sup>	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	of which: investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
24 <sup>#</sup>	of which: mortgage servicing rights	-	
25 <sup>#</sup>	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments	-	
26A	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	-	
26B	Capital deficits in subsidiaries and associates that are regulated financial institutions	-	
26C	Any other items which the Authority may specify	-	
27	Regulatory adjustments applied in calculation of CET1 Capital due to insufficient AT1 Capital to satisfy required deductions	-	
28	<b>Total regulatory adjustments to CET1 Capital</b>	0	
29	<b>Common Equity Tier 1 capital (CET1)</b>	3,328	
<b>Additional Tier 1 capital: instruments</b>			
30	AT1 capital instruments and share premium (if applicable)	-	
31	of which: classified as equity under the Accounting Standards	-	
32	of which: classified as liabilities under the Accounting Standards	-	
33	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-	
34	AT1 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	-	
<b>Additional Tier 1 capital: regulatory adjustments</b>			
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments of financial institutions	-	
39	Investments in AT1 capital instruments of unconsolidated financial institutions in which Reporting Bank does not hold a major stake	-	
40	Investments in AT1 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)	-	
41	National specific regulatory adjustments which the Authority may specify	-	
42	Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required deductions	-	
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	-	
44	<b>Additional Tier 1 capital (AT1)</b>	-	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	3,328	

		Amount S\$million	Cross Reference to Section 11.1
<b>Tier 2 capital: instruments and provisions</b>			
46	Tier 2 capital instruments and share premium (if applicable)	-	
47	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-	
48	Tier 2 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	65	d + e + f
51	<b>Tier 2 capital before regulatory adjustments</b>	65	
<b>Tier 2 capital: regulatory adjustments</b>			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments of financial institutions	-	
54	Investments in Tier 2 capital instruments of unconsolidated financial institutions in which Reporting Bank does not hold a major stake	-	
54A	Investments in other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake: amount previously designated for the 5% threshold but that no longer meets the conditions	-	
55	Investments in Tier 2 capital instruments and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
56	National specific regulatory adjustments which the Authority may specify	-	
57	<b>Total regulatory adjustments to Tier 2 capital</b>	-	
58	<b>Tier 2 capital (T2)</b>	65	
59	<b>Total capital (TC = T1 + T2)</b>	3,393	
60	<b>Floor-adjusted total risk weighted assets</b>	17,748.28	
<b>Capital ratios (as a percentage of risk weighted assets)</b>			
61	<b>Common Equity Tier 1 CAR</b>	18.75%	
62	<b>Tier 1 CAR</b>	18.75%	
63	<b>Total CAR</b>	19.12%	
64	Bank-specific buffer requirement	9.03%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical buffer requirement <sup>1</sup>	0.03%	
67	of which: G-SIB and/or D-SIB buffer requirement (if applicable)	0.00%	
68	Common Equity Tier 1 available after meeting the Reporting Bank's minimum capital requirements	9.12%	
<b>National minima</b>			
69	<b>Minimum CET1 CAR</b>	6.50%	
70	<b>Minimum Tier 1 CAR</b>	8.00%	
71	<b>Minimum Total CAR</b>	10.00%	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Investments in ordinary shares, AT1 capital, Tier 2 capital and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
73	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	65	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	185	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)</b>			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Items marked with a hash [#] are elements where a more conservative definition has been applied relative to those set out under the Basel III capital standards.

## 12. Main Features of Capital Instruments

The following disclosures are prepared in accordance with Annex 11D of MAS Notice 637.

Citibank Singapore Limited Ordinary Shares	
1 Issuer	Citibank Singapore Limited
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3 Governing law(s) of the instrument	Singapore
<i>Regulatory treatment</i>	
4 Transitional Basel III rules	Common Equity Tier 1
5 Post-transitional Basel III rules	Common Equity Tier 1
6 Eligible at solo/group/group&solo	Solo and Group
7 Instrument type	Ordinary shares
8 Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	S\$ 1,528 million as at 31 December 2019
9 Par value of instrument	NA
10 Accounting classification	Shareholders' equity
11 Original date of issuance	NA
12 Perpetual or dated	Perpetual
13 Original maturity date	No maturity
14 Issuer call subject to prior supervisory	No
15 Optional call date, contingent call dates and redemption amount	NA
16 Subsequent call dates, if applicable	NA
<i>Coupons / dividends</i>	
17 Fixed or floating dividend/coupon	Floating
18 Coupon rate and any related index	The ordinary shares are entitled to receive dividends as declared by the Board of Directors from time to time.
19 Existence of a dividend stopper	No
20 Fully discretionary, partially discretionary or mandatory	Fully discretionary
21 Existence of step up or other incentive to redeem	No
22 Noncumulative or cumulative	Noncumulative
23 Convertible or non-convertible	Nonconvertible
24 If convertible, conversion trigger(s)	NA
25 If convertible, fully or partially	NA
26 If convertible, conversion rate	NA
27 If convertible, mandatory or optional conversion	NA
28 If convertible, specify instrument type convertible into	NA
29 If convertible, specify issuer of instrument it converts into	NA
30 Write-down feature	No
31 If write-down, write-down trigger(s)	NA
32 If write-down, full or partial	NA
33 If write-down, permanent or temporary	NA
34 If temporary write-down, description of write-up mechanism	NA
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All shares rank equally with regards to the Bank's residual assets.
36 Non-compliant transitioned features	No
37 If yes, specify non-compliant features	NA

## 13. Leverage Ratio

### 13.1 Leverage Ratio Summary Comparison Table

The following disclosures are prepared in accordance with Annex 11F of MAS Notice 637.

<b>Item</b>	<b>S\$million</b>
	<b>31-Dec-19</b>
1 Total consolidated assets as per financial statements	41,118
2 Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	-
3 Adjustment for fiduciary assets recognised on the balance sheet in accordance with the Accounting Standards but excluded from the calculation of the exposure measure	-
4 Adjustment for derivative transactions	43
5 Adjustment for SFTs	-
6 Adjustment for off-balance sheet items	1,274
7 Other adjustments	(38)
<b>8 Exposure measure</b>	<b>42,396</b>

## 13.2 Leverage Ratio Common Disclosure Template

The following disclosures are prepared in accordance with Annex 11G of MAS Notice 637.

Item	S\$million	
	31-Dec-19	30-Sep-19
<b>Exposure measures of on-balance sheet items</b>		
1 On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs)	41,039	42,073
2 Asset amounts deducted in determining Tier 1 capital	-	-
3 <b>Total exposure measures of on-balance sheet items</b> (excluding derivative transactions and SFTs)	<b>41,039</b>	<b>42,073</b>
<b>Derivative exposure measures</b>		
4 Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	40	24
5 Potential future exposure associated with all derivative transactions	43	40
6 Gross-up for derivative collaterals provided where deducted from the balance sheet assets in accordance with the Accounting Standards	-	-
7 Deductions of receivables for the cash portion of variation margins provided in derivative transactions	-	-
8 CCP leg of trade exposures excluded	-	-
9 Adjusted effective notional amount of written credit derivatives	-	-
10 Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
11 <b>Total derivative exposure measures</b>	<b>83</b>	<b>64</b>
<b>SFT exposure measures</b>		
12 Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	-	-
13 Eligible netting of cash payables and cash receivables	-	-
14 SFT counterparty exposures	-	-
15 SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16 <b>Total SFT exposure measures</b>	<b>-</b>	<b>-</b>
<b>Exposure measures of off-balance sheet items</b>		
17 Off-balance sheet items at notional amount	12,130	13,380
18 Adjustments for calculation of exposure measures of offbalance sheet items	(10,856)	(10,835)
19 <b>Total exposure measures of off-balance sheet items</b>	<b>1,274</b>	<b>2,546</b>
<b>Capital and Total exposures</b>		
20 <b>Tier 1 capital</b>	<b>3,328</b>	<b>3,357</b>
21 <b>Total exposures</b>	<b>42,396</b>	<b>44,683</b>
<b>Leverage ratio</b>		
22 <b>Leverage ratio</b>	<b>7.85%</b>	<b>7.51%</b>

## 14. Macroprudential Supervisory Measures

To provide an overview of the geographical distribution of private sector credit exposures relevant for the calculation of the countercyclical buffer.

<b>Geographical breakdown</b>	<b>Country-specific countercyclical buffer requirement</b>	<b>RWA for private sector credit exposures used in the computation of the countercyclical buffer (in S\$million)</b>	<b>Bank-specific countercyclical buffer requirement</b>	<b>Countercyclical buffer amount  (in S\$million)</b>
Hong Kong	2.000%	146	0.032%	
Sweden	2.500%	0	0.000%	
Norway	2.500%	0	0.000%	
United Kingdom	1.000%	12	0.001%	
France	0.250%	1	0.000%	
All others		8,910	0.000%	
<b>Total</b>		<b>9,070</b>	<b>0.033%</b>	<b>3</b>

## 15. Liquidity Coverage Ratio Disclosure

The Monetary Authority of Singapore (“MAS”) had designated Citibank Singapore (“Citi”) as a Domestic Systemically Important Bank (“D-SIB”) in Singapore, and is thus subjected to the MAS Notice 649 Liquidity Coverage Ratio (“LCR”) framework with effect from 01 January 2016. The MAS has also granted Citi the approval to comply with this Notice on a country-level group basis (consisting of Citibank N.A. Singapore branch, Citibank Singapore Limited, and Citicorp Investment Bank (Singapore) Limited).

The LCR framework is designed such that adequate levels of unencumbered High Quality Liquid Assets (“HQLA”) are maintained to meet its liquidity needs under an acute 30 calendar day stress scenario. The LCR is calculated by dividing HQLA by estimated net outflows assuming a stressed 30-day period, with the net outflows determined by applying prescribed factors to various categories of liabilities, such as deposits, unsecured and secured wholesale borrowings, unused lending commitments and other derivatives-related exposures. The outflows are partially offset by assumed inflows from assets maturing within 30 days. Similar to outflows, the inflows are calculated based on prescribed factors applied to various assets categories, such as loans, unsecured and secured wholesale lending. As a measurement, Citi is required to maintain daily LCR on ALL-Currency (“All-Ccy”) and SGD-Currency (“SGD-Ccy”) level to be above 50% and 100% respectively. For cautionary measure, Citi has, based on observed movements, set internal LCR triggers as forewarning of breaching the regulatory ratios in addition to the LCR being actively managed, as well as closely monitored, to ensure that it is within the ratio requirement.

The following disclosure is made pursuant to the MAS Notice 651 – LCR Disclosure, and in compliance with the requirements set out in the MAS Notice 649 at country-level group basis.

The disclosure templates in the following two pages set forth Citi’s average HQLA, cash outflows, cash inflows, and the resulting LCR for the period indicated. The “Total Unweighted Value” column represents quarterly average balances for each category of the LCR calculation that has not been adjusted by the respective LCR factors. The “Total Weighted Value” column represents the unweighted average amounts multiplied by the respective LCR factor for each category of the LCR calculation, as prescribed by the regulatory requirements.

Country Average All-Currency LCR for Quarter 4, 2019  
 (Number of data points used for the calculation : 92 )

<b>Group – ALL Currency (in S\$ millions)</b>		<b>TOTAL UNWEIGHTED VALUE (average)</b>	<b>TOTAL WEIGHTED VALUE (average)</b>
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)		20,172
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	41,075	3,310
3	Stable deposits	10,577	273
4	Less stable deposits	30,498	3,037
5	Unsecured wholesale funding, of which:	36,080	19,264
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	14,408	3,582
7	Non-operational deposits (all counterparties)	21,673	15,682
8	Unsecured debt	0	0
9	Secured wholesale funding		0
10	Additional requirements, of which:	3,838	1,310
11	Outflows related to derivative exposures and other collateral requirements	792	792
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	3,046	517
14	Other contractual funding obligations	521	521
15	Other contingent funding obligations	1,817	55
16	<b>TOTAL CASH OUTFLOWS</b>		24,460
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	337	0
18	Inflows from fully performing exposures	17,562	12,953
19	Other cash inflows	906	683
20	<b>TOTAL CASH INFLOWS</b>	18,805	13,636
			<b>TOTAL ADJUSTED VALUE</b>
21	<b>TOTAL HQLA</b>		20,172
22	<b>TOTAL NET CASH OUTFLOWS</b>		10,824
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		189%



Country Average SGD-Currency LCR for Quarter 4, 2019  
 (Number of data points used for the calculation : 92 )

Group – SGD Currency (in S\$ millions)		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)		14,282
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	15,741	1,152
3	Stable deposits	6,828	273
4	Less stable deposits	8,914	879
5	Unsecured wholesale funding, of which:	9,611	5,379
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	3,506	856
7	Non-operational deposits (all counterparties)	6,105	4,523
8	Unsecured debt	0	0
9	Secured wholesale funding		0
10	Additional requirements, of which:	10,562	9,894
11	Outflows related to derivative exposures and other collateral requirements	9,800	9,800
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	762	94
14	Other contractual funding obligations	6	6
15	Other contingent funding obligations	375	11
16	<b>TOTAL CASH OUTFLOWS</b>		16,441
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	337	0
18	Inflows from fully performing exposures	2,120	1,426
19	Other cash inflows	7,529	7,519
20	<b>TOTAL CASH INFLOWS</b>	9,986	8,946
			<b>TOTAL ADJUSTED VALUE</b>
21	<b>TOTAL HQLA</b>		14,282
22	<b>TOTAL NET CASH OUTFLOWS</b>		7,496
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		197%

## **Main Drivers and Changes in LCR**

Citi average All-Ccy LCR and SGD-Ccy LCR for 2019 fourth quarter were 189% and 197% respectively as compared to 171% and 189% in the previous quarter. Increase in All-Ccy LCR mainly attributed to increase in HQLA holdings, coupled with a rise in Financial Institutions Deposits as intercompany placements were higher in the 30-days quarter-on-quarter. SGD-Ccy LCR increase in the fourth quarter largely driven by increase in 30-days SGD Derivatives inflow exposures though quarter-on-quarter movement in total outstanding exposures had been relatively minimal.

Citi continues to maintain a higher ratio than the regulatory requirement by focusing on maintaining a stable balance sheet structure.

## **Composition of HQLA**

As of December 2019, Citi's average weighted All-Ccy HQLA was approximately \$20.1 billion, of which almost three-quarter (around \$14.2 billion) of the average weighted HQLA was in SGD-Ccy. These assets primarily consisted of Level 1 assets which would comprise cash, balances with Central Banks and highly-rated Sovereign debts.

## **Liquidity Risk Management Function**

Citi manages liquidity risk through a global standardized risk governance framework that includes Citigroup global liquidity risk management policy. The policy establishes standards for defining, measuring, limiting and reporting liquidity risk to ensure the transparency and comparability of liquidity risk-taking activities. The policy also requires establishment of an appropriate risk appetite. The Citigroup Treasurer and the Treasury Chief Risk Officer ("CRO") oversee the policy. Citigroup's independent Risk function is responsible for governance of liquidity risk management and provides analytical challenge to the firm's liquidity risk management framework. Citi Singapore ALCO convene on a monthly basis and serves as the primary governance committee on the management of Citi's balance sheet and liquidity.

## **Additional LCR Qualitative/Quantitative Disclosures for the year ended 2019**

Citi has a single set of Liquidity Risk Management Policy that establishes frameworks for defining, measuring, limiting, and reporting liquidity risk to ensure transparency and comparability of liquidity risk-taking activities. The same policy also provides for the establishment of an appropriate risk appetite and liquidity risk management strategies.

Citi manages via a centralized treasury model where the overall balance sheet is overseen by Treasury through Global Franchise Treasurers and Regional Treasurers. Treasury has authority over the Citigroup balance sheet and has the right to monetize or otherwise liquidate any eligible, unencumbered assets for the purpose of managing the firm's liquidity during stress and non-stress periods. In Singapore, both Singapore Country Treasurer and Citibank Singapore Limited ("CSL") Treasurer have authority and responsibility for the respective legal entity liquidity risk management and balance sheet management activities while oversight is provided by Global Liquidity Management ("GLM") and Citi Treasury Chief Risk Officer ("Treasury CRO"). Singapore Country Asset and Liability Committee ("ALCO") will be the primary governance committee for the balance sheet to ensure appropriate oversight supported by the ALCO Framework for Citigroup which outlines the standards for the function and composition of the ALCO.

Annually, Citi Singapore prepares both Country- and Entity-Level Balance Sheet Funding and Liquidity Plan ("FLP") which considers forecast of future business activities for the following year. This would also include the current limits and triggers for liquidity metrics, as well as where applicable any updates for the coming year, to which Country ALCO, GLM, Citi/CBNA Treasurer and Treasury CRO has to review and approve prior to implementation. The purpose of the FLP is to address strategic liquidity risks and establish the parameters for identifying, measuring, monitoring, and limiting liquidity risk including intraday liquidity needs and set forth key assumptions for liquidity risk management.

In addition to LCR and Net Stable Funding Ratio ("NSFR") monitoring, Citi uses liquidity stress tests, liquidity ratios, and liquidity market triggers to identify, monitor and manage liquidity risks at Country, as well as Entity, level either on a daily or monthly basis to validate the ability to meet both expected and unexpected current and future cash flow and collateral needs. The following liquidity metrics (and its result) are reviewed in the monthly Country ALCO meeting to assess compliance with the limits established through the framework.

- (a) Liquidity Stress Tests – perform either on a daily and/or monthly basis with the intention to quantify the likely impact of an adverse event on the balance sheet and liquidity position, and to identify viable alternatives in such an event
  - i. S2 (Highly Stressed Market Disruption Scenario) Report
    - Perform at both Country- and Entity-Level to assess cashflow in each tenor bucket within the 12 month horizon
  - ii. S2 (Highly Stressed Market Disruption Scenario) with Stressed Intercompany Ratio
    - To validate both Country- and Entity-Level are above the stipulated ratio requirement
  - iii. Resolution Liquidity Adequacy & Positioning ("RLAP") Ratio
    - Severe market disruption stress scenario to ascertain that both Country- and Entity-Level are maintaining positive cashflow in each day within the 30 day horizon
- (b) Liquidity Ratios and Concentration Exposure – monitor on a monthly basis and meant for management discussion of the underlying balance sheet, business, and market trends
  - i. Deposits to Loans ratio
  - ii. Short-Term Contractual Funding ratio to measure, monitor and limit concentration risks on short-term contractual funding
  - iii. Percentage of Large Fund Providers to establish the level of large concentrations of funding sources

## 16. Net Stable Funding Ratio Disclosure

The Monetary Authority of Singapore (“MAS”) had designated Citibank (“Citi”) as a Domestic Systemically Important Bank (“D-SIB”) in Singapore, and is thus subjected to the MAS Notice 652 Net Stable Funding Ratio (“NSFR”) framework with effect from 01 January 2018. The NSFR framework is meant to promote funding stability, limits overreliance on short-term wholesale funding and encourages better assessment of funding risk across all balance sheet items. The intention is to minimize the possibility of any disruptions to the Bank’s regular sources of funding which may erode its liquidity position and potentially heading towards insolvency.

Citi had obtained the MAS’ approval pursuant to paragraph 4 of the MAS Notice 649 to comply with this Notice on a country-level group basis (consisting of Citibank N.A. Singapore branch, Citibank Singapore Limited, and Citicorp Investment Bank (Singapore) Limited) and is required to maintain an ALL-Currency (“All-Ccy”) NSFR ratio of at least 50%. For cautionary measure, Citi has, based on observed movements, set internal NSFR trigger as forewarning of breaching the regulatory ratio in addition to actively managing, as well as closely monitoring its balance sheet activities to maintain a stable funding profile.

The following disclosure is made pursuant to the MAS Notice 653 – NSFR Disclosure, and in compliance with the requirements set out in the MAS Notice 652 at a country-level group basis.

In the third and fourth quarter of 2019, Citi NSFR All-Ccy ratio was at 109.9% and 111.7% respectively. The third to fourth quarter increase in the ratio was mainly due to increase in Level 1 High Quality Liquid Assets (HQLA) against some reductions in both Non-HQLA and Intercompany placements.

Citi continues to maintain a higher ratio than the regulatory requirement by focusing on maintaining a stable balance sheet structure.

## NSFR Disclosure Template

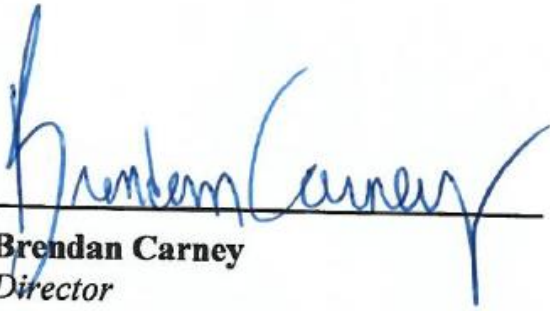
Country NSFR for Fourth Quarter, December 2019 (in S\$ millions)		Unweighted Value by Residual Maturity				Weighted Value
		No Maturity	< 6 Months	6 Months to < 1 Yr	> 1Yr	
<b>ASF Item</b>						
1	Capital:	3,878	0	0	0	3,878
2	<i>Regulatory capital</i>	3,878	0	0	0	3,878
3	<i>Other capital instruments</i>	0	0	0	0	0
4	Retail deposits and deposits from small business customers:	23,311	13,099	0	0	33,051
5	<i>Stable deposits</i>	5,396	250	0	0	5,364
6	<i>Less stable deposits</i>	17,915	12,849	0	0	27,687
7	Wholesale funding:	29,139	32,752	3,739	67,598	81,665
8	<i>Operational deposits</i>	14,797	0	0	0	7,399
9	<i>Other wholesale funding</i>	14,342	32,752	3,739	67,598	74,266
10	Liabilities with matching interdependent assets					0
11	Other liabilities:	0	5,218	128	19,533	578
12	<i>NSFR derivative liabilities</i>		0	0	19,019	
13	<i>All other liabilities and equity not included in the above categories</i>	0	5,218	128	514	578
14	<b>Total ASF</b>					119,173
<b>RSF Item</b>						
15	Total NSFR high-quality liquid assets (HQLA)					1,056
16	Deposits held at other financial institutions for operational purposes	0	0	0	0	0
17	Performing loans and securities:	5,907	59,446	5,810	82,815	100,665
18	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	0	80	0	0	8
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	0	46,814	4,341	70,715	79,908
20	<i>Performing loans to non-financial corporates, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs), of which:</i>	5,907	11,798	1,292	3,358	14,407
21	<i>With a risk weight of less than or equal to 35% under paragraphs 7.3.13 to 7.3.20 and 7.3.24 to 7.3.26 of MAS Notice 637</i>	2	0	0	0	1
22	<i>Performing residential mortgages, of which:</i>	0	88	4	7,768	5,095
23	<i>With a risk weight of less than or equal to 35% under paragraph 7.3.29 of MAS Notice 637</i>	0	88	4	7,768	5,095
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	0	666	172	974	1,247
25	Assets with matching interdependent liabilities	0	0	0	0	0
26	Other assets:	0	145	97	42,465	4,920
27	<i>Physical traded commodities, including gold</i>	0				0
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		0	0	0	0
29	<i>NSFR derivative assets</i>		0	0	18,504	0
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		0	0	19,283	0
31	<i>All other assets not included in the above categories</i>	0	145	97	4,678	4,920
32	Off-balance sheet items		0	0	12,262	8
33	<b>Total RSF</b>					106,649
34	<b>Net Stable Funding Ratio (%)</b>					111.7%

## NSFR Disclosure Template

Country NSFR for Third Quarter, September 2019 (in S\$ millions)		Unweighted Value by Residual Maturity				Weighted Value
		No Maturity	< 6 Months	6 Months to < 1 Yr	> 1Yr	
<b>ASF Item</b>						
1	Capital:	4,746	0	0	0	4,746
2	<i>Regulatory capital</i>	4,746	0	0	0	4,746
3	<i>Other capital instruments</i>	0	0	0	0	0
4	Retail deposits and deposits from small business customers:	23,093	12,506	0	0	32,329
5	<i>Stable deposits</i>	5,543	257	0	0	5,510
6	<i>Less stable deposits</i>	17,551	12,248	0	0	26,819
7	Wholesale funding:	28,123	40,372	3,343	71,191	85,009
8	<i>Operational deposits</i>	14,534	0	0	0	7,267
9	<i>Other wholesale funding</i>	13,589	40,372	3,343	71,191	77,742
10	Liabilities with matching interdependent assets					0
11	Other liabilities:	0	4,567	99	24,378	587
12	<i>NSFR derivative liabilities</i>		0	0	23,841	
13	<i>All other liabilities and equity not included in the above categories</i>	0	4,567	99	537	587
14	<b>Total ASF</b>					122,671
<b>RSF Item</b>						
15	Total NSFR high-quality liquid assets (HQLA)					928
16	Deposits held at other financial institutions for operational purposes	0	0	19	0	9
17	Performing loans and securities:	6,245	65,453	6,490	86,825	105,979
18	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	0	46	0	0	5
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	0	53,457	4,696	74,427	84,793
20	<i>Performing loans to non-financial corporates, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs), of which:</i>	6,245	11,229	985	3,372	14,267
21	<i>With a risk weight of less than or equal to 35% under paragraphs 7.3.13 to 7.3.20 and 7.3.24 to 7.3.26 of MAS Notice 637</i>	4	0	0	0	3
22	<i>Performing residential mortgages, of which:</i>	0	88	5	7,620	4,999
23	<i>With a risk weight of less than or equal to 35% under paragraph 7.3.29 of MAS Notice 637</i>	0	88	5	7,620	4,999
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	0	634	804	1,406	1,915
25	Assets with matching interdependent liabilities	0	0	0	0	0
26	Other assets:	29	154	75	52,160	4,710
27	<i>Physical traded commodities, including gold</i>	29				24
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		0	0	0	0
29	<i>NSFR derivative assets</i>		0	0	23,556	0
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		0	0	24,146	0
31	<i>All other assets not included in the above categories</i>	0	154	75	4,458	4,686
32	Off-balance sheet items		0	0	11,881	8
33	<b>Total RSF</b>					111,635
34	<b>Net Stable Funding Ratio (%)</b>					109.9%

## 17. Attestation

The Pillar 3 disclosures as at 31 December 2019 have been prepared in accordance with the internal control processes approved by the Bank's Board of Directors.



**Brendan Carney**  
*Director*