Citibank Singapore Limited
Registration Number: 200309485K

Annual Pillar 3 Disclosure
As at 31 December 2020

Table of Contents

1. Introduction **3**
2. Corporate Governance **3**
3. Capital Structure and Capital Adequacy **5**
3.1 Capital Management 6
3.2 Overview of RWA 7
3.3 Key Metrics 8
4. Linkages between Financial Statements and Regulatory Exposures **9**
4.1 Differences between Accounting and Regulatory Scopes of Consolidation 9
4.2 Main Sources of Differences between Regulatory Exposure Amounts and Carrying Amounts in Financial Statements 10
5. Credit Risk **11**
5.1 Credit Risk Management Policy 11
5.2 Impairment Allowances Policy 11
5.3 Credit Risk Assessment and allowance 11
5.4 Credit Ratings of External Credit Assessment Institution (ECAI) 15
5.5 Credit Risk Exposure Disclosure 16
5.6 Credit Quality of Assets 18
5.7 Changes in Stock of Defaulted Loans and Debt Securities 18
5.8 SA(CR) and SA(EQ) - Credit Risk Exposure and CRM Effects 18
5.9 SA(CR) and SA(EQ) – Exposures by Asset Classes and Risk Weights 19
5.10 Overview of CRM Techniques 19
6. Counterparty Credit Risk **20**
6.1 Analysis of CCR Exposure by Approach 20
6.2 CVA Risk Capital Requirements 20
6.3 Standardised Approach - CCR *Exposures* by Portfolio and Risk Weights 21
7. Market Risk **22**
7.1 Interest Rate Risk Management 22
7.2 Interest Rate Risk in the Banking Book 23
7.3 Liquidity Risk 23
7.4 Market Risk under Standardised Approach 24
8. Operational Risk **24**
9. Other Material Risks **25**
10. Remuneration **25**
10.1 Remuneration of Employees 25
10.2 Financial Stability Board Principles of Sound Compensation Practices 25
10.3 Effective Governance of Compensation 26
10.4 Effective Alignment of Compensation with Prudent Risk Taking 28
10.5 Effective Supervisory Oversight and Engagement by Stakeholders 29
10.6 Share Schemes 29
10.7 Quantitative Disclosures 29
11. Composition of Capital **32**
11.1 Financial Statements and Regulatory Scope of Consolidation 32
11.2 Reconciliation of Regulatory Capital to the Balance Sheet 33
12. Main Features of Capital Instruments **36**
13. Leverage Ratio **37**
13.1 Leverage Ratio Summary Comparison Table 37
13.2 Leverage Ratio Common Disclosure Template 38
14. Macroprudential Supervisory Measures **39**
15. Liquidity Coverage Ratio Disclosure **40**
16. Net Stable Funding Ratio Disclosure **45**
17. Attestation **48**

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.

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 2020.

2. Corporate Governance

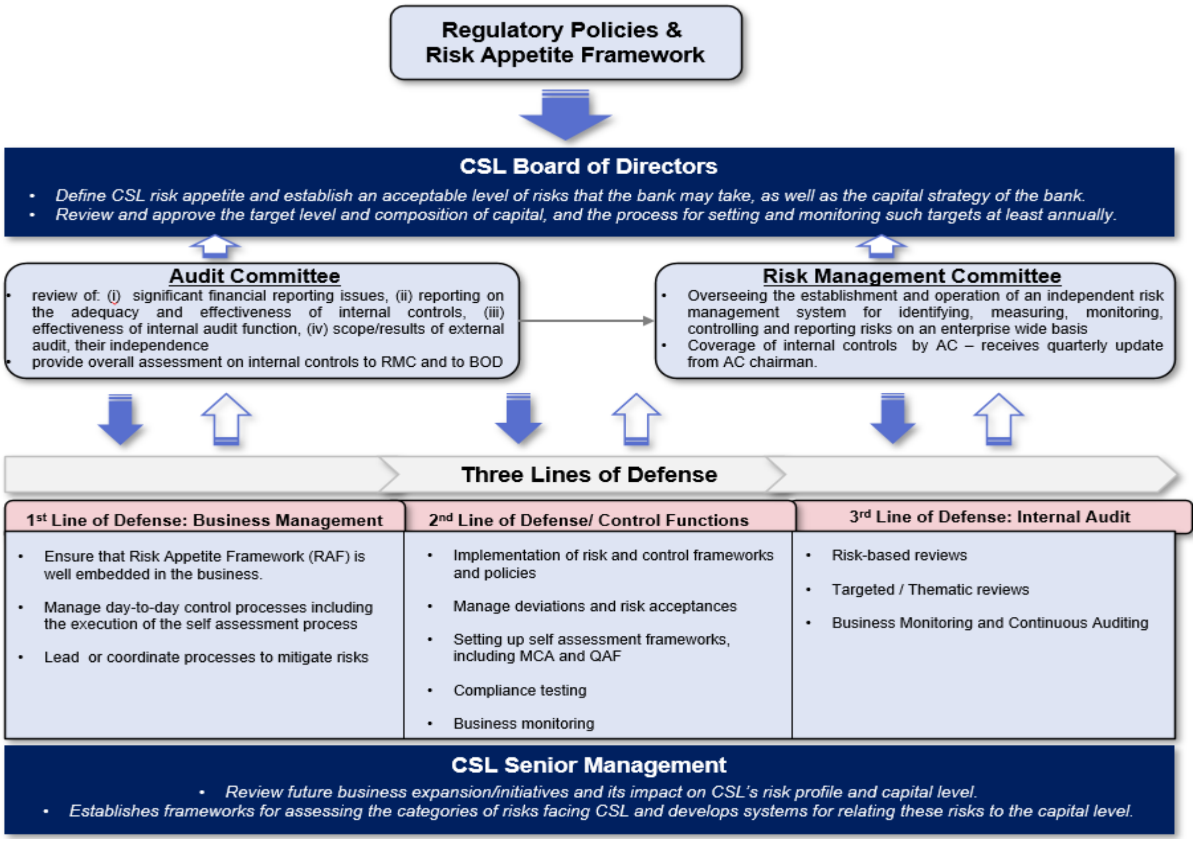
A sound risk management process, strong internal controls and well documented policies and procedures are the foundation for ensuring the safety and soundness of the Bank. The Bank's board of directors ("Board") and senior management team ("Senior Management") ensure that capital levels are adequate 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.

The Bank has 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.

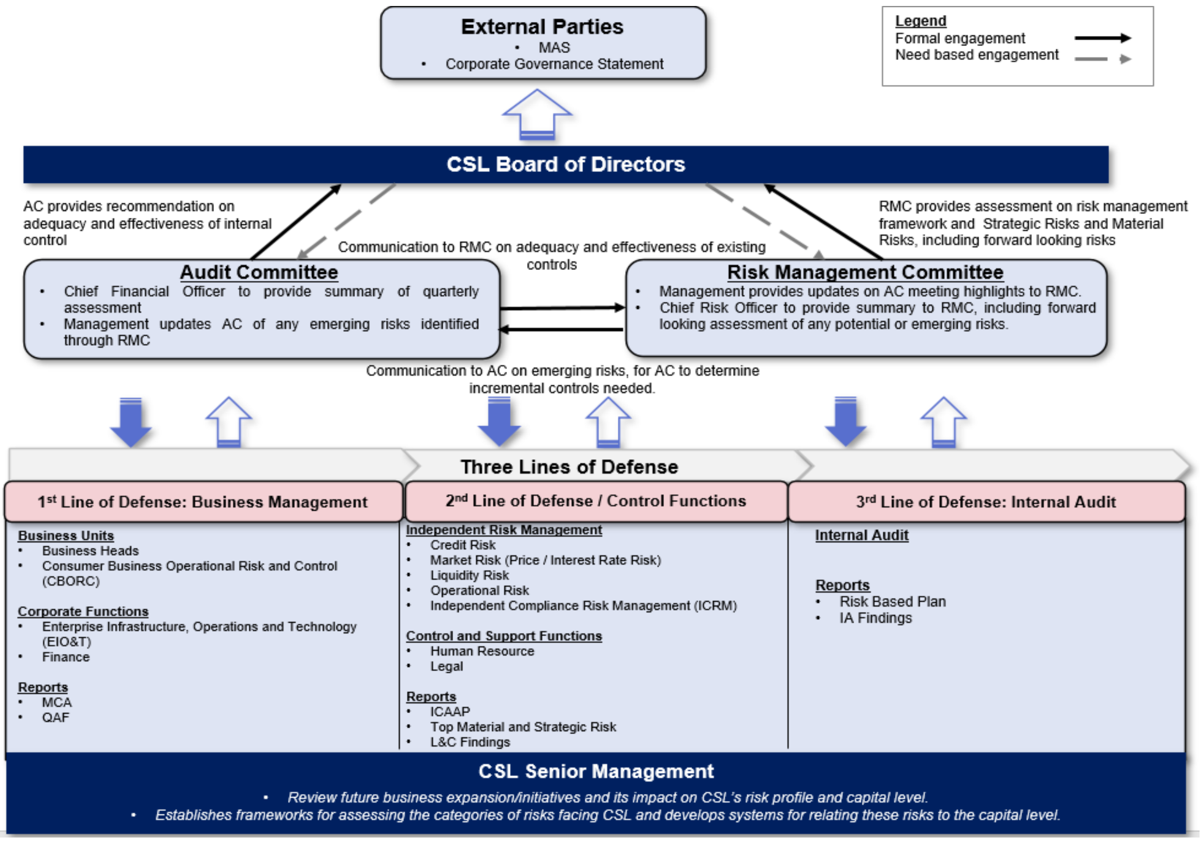
The Framework comprises of the risk management terms of reference ("TORs") framework (i.e. the TORs of the Risk Management Committee ("RMC") and the Charter of the Audit Committee ("AC")) and the risk management engagement framework (i.e. how both committees will engage with each other, Senior Management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

Under its TORs, the RMC 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 AC, 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 AC and RMC are described in the Framework to set the roles and responsibilities of each committee. The quarterly AC meetings are typically scheduled just before the quarterly RMC meetings. At the quarterly AC meetings, the Chief Financial Officer provides a summary of quarterly assessment on internal controls. In 2019, this quarterly summary was based on the “heat map” methodology described above. From 2020 onwards, the assessment of the Bank’s internal control environment is based on Citigroup’s Governance Risk and Compliance ("GRC") framework. At the quarterly RMC meetings, the Chief Risk Officer presents a summary of quarterly assessment of risk to the RMC, which also receives updates at its quarterly meeting 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 the AC to determine any incremental controls needed. 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 frameworks between the two Board committees are the (i) front line units, (ii) second line of defense units and (iii) the control and support functions, and finally (iv) the third line of defense. The front line units being business management (i.e. the Business Heads, Consumer Business Operational Risk and Control (CBORC), EI O&T and Finance), the second line of defense units comprising Independent Risk Management with the Control and Support Functions (i.e. Legal and Human Resources), the third line of defense being internal audit.

At each quarterly AC and RMC meeting in 2019, a quarterly Summary of Internal Control Assessment and a Summary of Risk Assessment are provided respectively to the AC and RMC. These summaries draw on the work done, issues raised and findings made under the three lines of defense during the preceding quarter. From 2020 onwards, the quarterly presentation to the AC on the Bank’s internal control environment was based on Citigroup’s GRC framework.

Annually, the internal control functions will present the internal control adequacy scorecard for the preceding financial year to the AC for discussion. Likewise, the risk management functions will present the risk management adequacy 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.

With the implementation of the protocols and processes, the AC and RMC have a common platform and scorecard to review the Bank’s internal controls and risk management systems.

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 2020, CSL's Common Equity Tier 1 capital adequacy ratio and Tier 1 capital adequacy ratio is 19.64% (2019: 18.75%) and total capital adequacy ratio is 20.34% (2019: 19.12%). 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 2020	Basel III 2019
1	**Tier 1 Capital**		
	Paid-up ordinary share capital	1,528	1,528
	Disclosed reserves [1]	2,198	1,800
	Total regulatory adjustments to Common Equity Tier 1	-	-
	Common Equity Tier 1 capital	**3,725**	**3,328**
2	**Tier 2 Capital**		
	General provisions	132	65
	Net Tier 2 capital	**132**	**65**
3	**Total eligible capital**	**3,857**	**3,393**
	Risk Weighted Assets	18,969	17,748
	Common Equity Tier 1 capital adequacy ratio	19.64%	18.75%
	Tier 1 capital adequacy ratio	19.64%	18.75%
	Total capital adequacy ratio	20.34%	19.12%

Note

1 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 2020, the total RWA was $18.97 billion as compared to $18.55 billion in the prior quarter. The increase was mainly driven by higher Credit RWA from Bank Asset class. The following table provides further breakdown of the RWA.

reported in S$million		(a)	(b)	(c)
		RWA		**Minimum capital requirements**
		31-Dec-20	**30-Sep-20**	**31-Dec-20**
1	Credit risk (excluding CCR)	15,965	15,481	1,596
2	*of which: Standardised Approach*	15,965	15,481	1,596
3	*of which: F-IRBA*	-	-	-
4	*of which: supervisory slotting approach*			
5	*of which: A-IRBA*			
6	CCR	59	47	6
7	*of which: SA-CCR/CEM*	59	47	6
8	*of which: CCR Internal Models Method*	-	-	-
9	*of which: other CCR*	-	-	-
9a	*of which: CCP*			
10	CVA	11	6	1
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	*of which: SEC-IRBA*	-	-	-
18	*of which: SEC-ERBA, including IAA*	-	-	-
19	*of which: SEC-SA*	-	-	-
20	Market risk	94	115	9
21	*of which: SA(MR)*	94	115	9
22	*of which: IMA*	-	-	-
23	Operational risk	2,840	2,902	284
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	-	-	-
26	**Total**	**18,969**	**18,552**	**1,897**

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.

reported in S$million		(a)	(b)	(c)	(d)	(e)
		31-Dec-20	30-Sep-20 #	30-Jun-20 #	31-Mar-20 #	31-Dec-19
	Available capital (amounts)					
1	CET1 capital	3,725	3,385	3,427	3,328	3,328
2	Tier 1 capital	3,725	3,385	3,427	3,328	3,328
3	Total capital	3,857	3,522	3,525	3,395	3,393
	Risk weighted assets (amounts)					
4	Total RWA	18,969	18,552	18,272	19,307	17,748
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	19.64%	18.24%	18.76%	17.24%	18.75%
6	Tier 1 ratio (%)	19.64%	18.24%	18.76%	17.24%	18.75%
7	Total capital ratio (%)	20.34%	18.98%	19.29%	17.59%	19.12%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.500%	2.500%	2.500%	2.500%	2.500%
9	Countercyclical buffer requirement (%)	0.014%	0.015%	0.017%	0.017%	0.033%
10	Bank G-SIB and/or D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.514%	2.515%	2.517%	2.517%	2.533%
12	CET1 available after meeting the Reporting Bank's minimum capital requirements (%)	10.34%	8.98%	9.29%	7.59%	9.12%
	Leverage Ratio					
13	Total Leverage Ratio exposure measure	48,811	47,399	45,843	48,288	42,396
14	Leverage Ratio (%) (row 2 / row 13)	7.63%	7.14%	7.48%	6.89%	7.85%
	Liquidity Coverage Ratio					
15	Total High Quality Liquid Assets	11,471	10,680	9,531	9,331	8,073
16	Total net cash outflow	1,087	1,077	982	967	949
17	Liquidity Coverage Ratio (%)	1054.44%	991.39%	970.36%	964.96%	849.97%
	Net Stable Funding Ratio					
18	Total available stable funding	39,854	39,273	38,747	39,447	37,852
19	Total required stable funding	21,551	21,225	21,107	22,271	23,704
20	Net Stable Funding Ratio (%)	184.90%	185.03%	183.58%	177.10%	159.68%

#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 of items -				
reported in S$million	Carrying amounts as reported in balance sheet of published financial statements	Carrying amounts under regulatory scope of consolidation	subject to credit risk requirements	subject to CCR requirements	subject to securitisation framework	subject to market risk requirements	not subject to capital requirements or subject to deduction from regulatory capital
Assets							
Cash and balances at central banks	681	681	681	-	-	-	-
Singapore government treasury bills and securities	4,517	4,518	4,468	-	-	50	(1)
Derivative assets	89	121	-	121	-	-	(32)
Amounts due from intermediate holding company	13,299	13,306	13,306	-	-	-	(7)
Amounts due from related corporations	-	-	-	-	-	-	-
Balances and placements with bankers and agents	1,880	1,880	1,880	-	-	-	-
Loans and advances to customers	18,095	18,239	18,239	-	-	-	(144)
Other securities	7,390	7,390	6,606	-	-	784	-
Deferred Tax Assets	-	-	-	-	-	-	-
Other assets	568	516	516	-	-	-	52
Property, plant and equipment	42	96	96	-	-	-	(54)
Total assets	**46,561**	**46,748**	**45,793**	**121**	**-**	**834**	**(187)**
Liabilities							
Derivative liabilities	27	-	-	-	-	-	27
Amounts due to intermediate holding company	3,550	-	-	-	-	-	3,550
Amounts due to related corporations	93	-	-	-	-	-	93
Deposits of non-bank customers	37,680	-	-	-	-	-	37,680
Bills and drafts payable	67	-	-	-	-	-	67
Current Tax payable	104	-	-	-	-	-	104
Deferred Tax Liabilities	6	-	-	-	-	-	6
Other liabilities	1,308	-	-	-	-	-	1,308
Total liabilities	**42,835**	**-**	**-**	**-**	**-**	**-**	**42,835**

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)
			Items subject to:			
	reported in S$million	Total	credit risk requirements	CCR requiremetns	securitisation framework	market risk requirements
1	Asset carrying amount under regulatory scope of consolidation (as per Table 11-4)	46,748	45,793	121	-	834
2	Liabilities carrying amount under regulatory scope of consolidation (as per Table 11-4)	-	-	-	-	-
3	Total net amount under regulatory scope of consolidation	46,748	45,793	121	-	834
4	Off-balance sheet amounts	27,088	14,290	-	-	-
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	73,835	60,082	121	-	834

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[1] 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

[1] 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 2020, the Bank's gross credit exposure (excluding CVA) is S$46.76 billion, of which S$3.01 billion is offset by CRM in the retail assets portfolios. After applying the required risk weights, the Bank's Credit RWA is S$16.02 billion. Given the immateriality of CRM, which is 6.44% 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 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:

Delinquency Managed - Number of Missed Payments	**Classification (MAS 612)**
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 Aa1 Aa2 Aa3	A1 A2 A3	Baa1 Baa2 Baa3	Ba1 Ba2 Ba3	B1 B2 B3	Caa1 Caa2 Caa3 Ca C	
Standard & Poor's		AAA AA+ AA AA-	A+ A A-	BBB+ BBB BBB-	BB+ BB BB-	B+ B B-	CCC+ CCC CCC- CC C D	
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	379	76
Moody's Investors Service Total		379	76
Standard & Poor's	Bank asset	15,875	6,801
	Corporate asset	1	1
	MDB	164	-
	PSE asset	159	-
	SOV	11,300	-
	Other exposure	20	20
Standard & Poor's Total		27,518	6,821
Grand Total		27,897	6,897

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 31.

  Credit-impaired and not credit-impaired impairment allowance by major industry is also disclosed in Note 31 of the Bank's financial statements.

  Further disclosures are as follows:

- **Classified Exposure - by Major Industry**

Industry	**Amount (S$million)**
Professional & Private Individuals	121
Housing	11
Total	**132**

- **Classified Exposure - by Geographical Location**

Country	**Amount (S$million)**
Singapore	126
China	5
Others	1
Total	**132**

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

Past Due Loans (>90 dpd)	**Amount (S$million)**
Professional & Private Individuals	22
Total	**22**

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

Past Due Loans (>90 dpd)	**Amount (S$million)**
Singapore	22
Total	**22**

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

Industry	**Amount (S$million)**
Singapore	14
Total	**14**

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

Industry	Amount (S$million)
Professional & Private Individuals	13
Others	1
Total	**14**

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	1	-	1
Bank Cards & Ready Credit	107	-	107
Total	**108**	**-**	**108**

- **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	121	-
		Public Sector Entities Exposure	159	-
		Central Government & Central Government Exposure	11,300	-
		Multilateral Development Bank Exposure	164	-
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	3,641	728
		- Off Balance Sheet	490	98
		- OTC	40	8
		Corporate Exposure - OTC	-	-
iii)	35%	Exposures secured by Residential Property - On Balance Sheet	8,068	2,824
		- Off Balance Sheet	222	78
iv)	50%	Banking Institutions Exposure - On Balance Sheet	11,896	5,948
		- Off Balance Sheet	126	63
		- OTC	60	30
		Corporate Exposure - OTC	-	-
v)	75%	Regulatory Retail Exposure - Individuals	5,243	3,932
		- Small Business	53	40
		- Off Balance Sheet	10	7
		Exposures secured by Residential Property - On Balance Sheet	34	26
		- Off Balance Sheet	33	25
vi)	100%	Corporate Exposure - Off Balance Sheet	1	1
		- OTC	-	-
		Banking Institutions Exposure - OTC	1	1
		Regulatory Retail Exposure - On Balance Sheet	-	-
		Exposures secured by Residential Property - On Balance Sheet	12	12
		- Off Balance Sheet	78	78
		Commercial Real Estate Exposure - On Balance Sheet	1	1
		Other Exposures Asset Class	2,091	2,091
vii)	150%	Regulatory Retail Exposure - On Balance Sheet	21	32
		Total	**43,865**	**16,021**

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	133	18,100	137	14	124	-	18,095
2	Placements with bank	-	15,186	7	-	7	-	15,179
3	Debt securities	-	11,908	1	-	1	-	11,907
4	Off-balance sheet exposures	-	1,306	-	-	-	-	1,306
5	**Total**	**133**	**46,500**	**146**	**14**	**132**	**-**	**46,487**

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	140
2	Loans and debt securities that have defaulted since the previous semiannual reporting period	38
3	Returned to non-defaulted status	4
4	Amounts written-off	29
5	Other changes	(13)
6	**Defaulted loans and debt securities at end of the semi annual reporting period (1+2-3-4±5)**	133

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	
	Asset classes and others	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Cash items	121	-	121	-	-	0%
2	Central government and central bank	11,300	0	11,300	0	-	0%
3	PSE	159	-	159	-	-	0%
4	MDB	164	-	164	-	-	0%
5	Bank	15,537	616	15,537	616	6,837	42%
6	Corporate	-	1	-	1	1	100%
7	Regulatory retail	6,881	11,337	5,317	10	4,011	75%
8	Residential mortgage	8,115	668	8,115	334	3,043	36%
9	CRE	1	-	1	-	1	100%
10	Equity - SA(EQ)	-	-	-	-	-	0%
11	Past due exposures	-	-	-	-	-	0%
12	Higher-risk categories	-	-	-	-	-	0%
13	Other exposures	3,516	1,668	2,070	1	2,072	100%
14	**Total**	**45,793**	**14,290**	**42,784**	**962**	**15,965**	36%

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)
	Risk Weight / Asset classes and others	**0%**	**10%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure amount (post-CCF and post-CRM)**
1	Cash items	121	-	-	-	-	-	-	-	-	121
2	Central government and central bank	11,300	-	-	-	-	-	-	-	-	11,300
3	PSE	159	-	-	-	-	-	-	-	-	159
4	MDB	164	-	-	-	-	-	-	-	-	164
5	Bank	-	-	4,131	-	12,022	-	-	-	-	16,153
6	Corporate	-	-	-	-	-	-	1	-	-	1
7	Regulatory retail	-	-	-	-	-	5,305	-	21	-	5,327
8	Residential mortgage	-	-	-	8,290	-	68	91	-	-	8,449
9	CRE	-	-	-	-	-	-	1	-	-	1
10	Equity - SA(EQ)	-	-	-	-	-	-	-	-	-	-
11	Past due exposures	-	-	-	-	-	-	-	-	-	-
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other exposures	-	-	-	-	-	-	2,072	-	-	2,072
14	**Total**	**11,744**	**-**	**4,131**	**8,290**	**12,022**	**5,373**	**2,164**	**21**	**-**	**43,746**

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	3,082	15,013	15,013	-	-
2	Placements with bank	15,179	-	-	-	-
3	Debt securities	11,907	-	-	-	-
4	**Total**	30,168	15,013	15,013	-	-
5	Of which: defaulted	**120**	**13**	**13**	-	-

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

reported in S$million		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost	**Potential future exposure**	**Effective EPE**	**α used for computing regulatory EAD**	**EAD (post-CRM)**	**RWA**
1	Current Exposure Method (for derivatives)	82	39			121	59
2	CCR internal models method (for derivatives and SFTs)						
3	FC(SA) (for SFTs)						
4	FC(CA) (for SFTs)						
5	VaR for SFTs						
6	**Total**						**59**

6.2 CVA Risk Capital Requirements

reported in S$million		(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	121	11
4	Total portfolios subject to the CVA risk capital requirement	121	11

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

reported in S$million	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)
Asset classes and others / Risk Weight	**0%**	**10%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure**
Central government and central bank	-	-	-	-	-	-	-	-	-
PSE	-	-	-	-	-	-	-	-	-
MDB	-	-	-	-	-	-	-	-	-
Bank	-	-	40	60	-	1	-	-	101
Corporate	-	-	-	-	-	-	-	-	-
Regulatory retail	-	-	-	-	-	-	-	-	-
Other exposures	-	-	-	-	-	20	-	-	20
Total	**-**	**-**	**40**	**60**	**-**	**21**	**-**	**-**	**121**

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 2020, it is estimated that a general increase of 100 basis points (2019: 100 basis points) in interest rates, with all other variables held constant, would increase the Bank's profit before tax by approximately $93,014,682 (2019: $81,960,990), whereas a general decrease of 100 basis points in interest rates, with all other variables held constant, would have an approximately $16,402,328 (2019: $29,527,079) 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 2019.

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	62.0
USD	14.4
GBP	5.3
HKD	3.6
AUD	3.1
EUR	4.6
JPY	4.6

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, CSL liquidity risk management is required to have annual Funding and Liquidity Planning, daily monitoring of liquidity risk stress metrics, covering both short term RLAP ((Resolution Liquidity Adequacy and Positioning) as well as S2 reporting (Highly Stressed Market Disruption stress scenario) against approved limits and triggers. CSL uses liquidity stress tests, liquidity ratios, and liquidity market triggers to identify, monitor and manage liquidity risks 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. Country as well CSL specific Asset Liability Committee ("ALCO") provides governance for Liquidity risk management. CSL ALCO 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 31 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.

reported in S$million		(a)
		RWA
	Products excluding options	
1	Interest rate risk (general and specific)	71
2	Equity risk (general and specific)	-
3	Foreign exchange risk	15
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	8
7	Scenario approach	-
8	**Securitisation**	-
9	**Total**	94

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

The Bank has in place an operational risk governance structure to manage operational risk. Material risk issues are escalated to relevant stake holders and where necessary, will be reported to, or tabled for discussion at, the Country Business Risk Compliance & Control Committee, a committee that meets quarterly.

The Bank has in place procedures to identify, evaluate and control key operational risks. Operational risks are categorized and their impact on the business evaluated. Business and support units are also required to conduct quarterly self-assessments. Key risk items are identified, with monthly reporting of key risk indicator breaches. The Bank has instituted an escalation process for significant lapses and specific individuals have been identified with clearly defined roles and responsibilities for managing operational risk.

In 2019, CSL implemented GRC Manager Control Assessment (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 – Corrective action plan (iCAPs), Loss Capture System (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

In line with the Citigroup Risk Taxonomy, CSL has adopted the 7 principal risks - Credit, Market, Liquidity, Operational, Compliance, Strategic and Reputational risks as the key material Risks.

Risks Identification Process
The Senior Management of CSL considers the risks in both the day-to-day running and strategic planning of the business. The identification and management of material risks is a key component of an effective control environment. All the principal Risks (Credit, Market, Liquidity, Operational, Compliance, Reputational, and Strategic) are considered key material risks.

Monitoring of Material and Strategic Risks
CSL's material and strategic risks are monitored closely by the Senior Management and are assessed regularly. All the principal Risks (Credit, Market, Liquidity, Operational, Compliance, Reputational, and Strategic) are considered key material risks. 16 Level 1 risks are monitored in a bottoms-up manner through the GRC system. The 16 risks fall under the Compliance (Money Laundering, Bribery, Sanctions, Customer/Client Protection, and Market Practices) and Operational (Processing, Reporting, Fraud, Technology, Model, Human Capital, Third Party, Data Management, Physical Damage, Governance & Prudential, and Risk Oversight Errors) principal risks. On a quarterly basis, Inherent Risk, Residual Risk and Forward Looking assessment is presented to the RMC for all the principal risks and Level 1 GRC risks.

Review of Material and Strategic Risks
Senior Management and the RMC/BOD identify and assess risks on an ongoing basis to ensure that new material risks that evolve are evaluated and covered within the appropriate risk management framework. The review of CSL's material and strategic risks should be 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.

Material Risk Threshold
Any risk category with potential loss in excess of 2% of total capital or $50 million, whichever is lower, should be considered material and should be 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 2020.

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 2020, the Bank has identified 2 staff in CE Group 2 and 86 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 2020, 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.
      i. CEs who have significant responsibility for the event may have unvested awards reduced or cancelled.
      ii. 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	-	1	400,000
2	Other Material Risk-Takers	0	-	0	-	0	-

Table 2: Remuneration Awarded During the 2020 Financial Year

			Senior Management	Other Material Risk-Takers
1	Fixed Remuneration	Number of employees	15	88
2		**Total fixed remuneration (3 + 5 + 7)**	**70%**	**83%**
3		Of which: cash-based	68%	78%
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[1]	2%	5%
8		Of which: deferred	0%	0%
9	Variable Remuneration	Number of employees	15	88
10		**Total variable remuneration (11 + 13 + 15)**	**30%**	**17%**
11		Of which: cash-based	25%	14%
12		Of which: deferred	1%	3%
13		Of which: shares or other share-linked instruments	5%	3%
14		Of which: deferred	5%	3%
15		Of which: other forms	0%	0%
16		Of which: deferred	0%	0%
17	**Total Remuneration**		**100%**	**100%**

[1] 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 2020, 2,053 of the Bank's employees received variable compensation. This included the 2 CE2, 86 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[1]	Total amendment during the year due to ex post implicit adjustments[2]	Total deferred remuneration paid out in the financial year
1	**Senior Management**	**100%**	**100%**	**0%**	**0%**	**8%**
2	Cash	29%	29%	0%	0%	8%
3	Shares	71%	71%	0%	0%	0%
4	Share-linked instruments	0%	0%	0%	0%	0%
5	Other	0%	0%	0%	0%	0%
6	**Other Material Risk-Takers**	**100%**	**100%**	**0%**	**0%**	**17%**
7	Cash	55%	55%	0%	0%	17%
8	Shares	45%	45%	0%	0%	54%
9	Share-linked instruments	0%	0%	0%	0%	0%
10	Other	0%	0%	0%	0%	0%

Notes

[1] Examples of explicit ex-post adjustments include malus, clawbacks or similar reversals or downward revaluations of awards.

[2] 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

reported in S$million	(a) Balance sheet as per published financial statements 31-Dec-20	(b) Under regulatory scope of consolidation 31-Dec-20	(c) Cross Reference to Section 11.2
Equity			
Share Capital	1,528	1,528	a
Accumulated Profits and Reserves	2,198		
of which: Retained Earnings under CET1		*2,499*	b
of which: Accumulated other comprehensive income and other disclosed reserves under CET1		*(301)*	c
Total equity attributable to owner of the Bank	3,726		
Liabilities			
Derivative liabilities	27		
Amounts due to intermediate holding company	3,550		
Amounts due to related corporations	93		
Deposits of non-bank customers	37,680		
Bills and drafts payable	67		
Current Tax payable	104		
Deferred Tax Liabilities	6		
Other liabilities	1,308		
Total liabilities	42,835		
Total equity and liabilities	46,561		
Assets			
Cash and balances with central bank	681		
Singapore government treasury bills and securities	4,517		
of which: Impairment allowances admitted as eligible Tier 2 Capital		*(1)*	d
Derivative assets	89		
Amounts due from intermediate holding company	13,298		
of which: Impairment allowances admitted as eligible Tier 2 Capital		*(7)*	e
Amounts due from related corporations	-		
Balances and placements with bankers and agents	1,880		
Other securities	7,390		
of which: Impairment allowances admitted as eligible Tier 2 Capital	-	*(1)*	f
Loans and advances to customers	18,095		
of which: Impairment allowances admitted as eligible Tier 2 Capital		*(124)*	g
Property, plant and equipment	42		
Deferred Tax Assets	-	-	h
Other assets	568		
Total assets	46,561		

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
Common Equity Tier 1 capital: instruments and reserves			
1	Paid-up ordinary shares and share premium (if applicable)	1,528	a
2	Retained earnings	2,499	b
3#	Accumulated other comprehensive income and other disclosed reserves	(301)	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	**Common Equity Tier 1 capital before regulatory adjustments**	3,725	
Common Equity Tier 1 capital: regulatory adjustments			
7	Valuation adjustment pursuant to Part VIII of MAS Notice 637	-	
8	Goodwill, net of associated deferred tax liability	-	
9#	Intangible assets, net of associated deferred tax liability	-	
10#	Deferred tax assets that rely on future profitability	-	h
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#	Mortgage servicing rights (amount above 10% threshold)	-	
21#	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#	of which: mortgage servicing rights	-	
25#	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	**Total regulatory adjustments to CET1 Capital**	-	
29	**Common Equity Tier 1 capital (CET1)**	3,725	
Additional Tier 1 capital: instruments			
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	**Additional Tier 1 capital before regulatory adjustments**	-	
Additional Tier 1 capital: regulatory adjustments			
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	**Total regulatory adjustments to Additional Tier 1 capital**	-	
44	**Additional Tier 1 capital (AT1)**	-	
45	**Tier 1 capital (T1 = CET1 + AT1)**	3,725	

Tier 2 capital: instruments and provisions			
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	132	d + e + f + g
51	**Tier 2 capital before regulatory adjustments**	132	
Tier 2 capital: regulatory adjustments			
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	**Total regulatory adjustments to Tier 2 capital**	-	
58	**Tier 2 capital (T2)**	132	
59	**Total capital (TC = T1 + T2)**	3,857	
60	**Floor-adjusted total risk weighted assets**	18,969	
Capital ratios (as a percentage of risk weighted assets)			
61	**Common Equity Tier 1 CAR**	19.64%	
62	**Tier 1 CAR**	19.64%	
63	**Total CAR**	20.34%	
64	Bank-specific buffer requirement	9.01%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical buffer requirement[1]	0.01%	
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	10.34%	
National minima			
69	**Minimum CET1 CAR**	6.50%	
70	**Minimum Tier 1 CAR**	8.00%	
71	**Minimum Total CAR**	10.00%	
Amounts below the thresholds for deduction (before risk weighting)			
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)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	132	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	201	
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	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
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
	Regulatory treatment	
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 2020
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
	Coupons / dividends	
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.

	Item	**S$million**
		31-Dec-20
1	Total consolidated assets as per financial statements	46,561
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	39
5	Adjustment for SFTs	-
6	Adjustment for off-balance sheet items	2,261
7	Other adjustments	(50)
8	**Exposure measure**	**48,811**

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-20	**30-Sep-20**
	Exposure measures of on-balance sheet items		
1	On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs)	46,429	45,292
2	Asset amounts deducted in determining Tier 1 capital	-	-
3	**Total exposure measures of on-balance sheet items** (excluding derivative transactions and SFTs)	**46,429**	**45,292**
	Derivative exposure measures		
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	82	47
5	Potential future exposure associated with all derivative transactions	39	47
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	**Total derivative exposure measures**	**121**	**95**
	SFT exposure measures		
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	**Total SFT exposure measures**	**-**	**-**
	Exposure measures of off-balance sheet items		
17	Off-balance sheet items at notional amount	14,290	13,998
18	Adjustments for calculation of exposure measures of offbalance sheet items	(12,029)	(11,986)
19	**Total exposure measures of off-balance sheet items**	**2,261**	**2,012**
	Capital and Total exposures		
20	**Tier 1 capital**	**3,725**	**3,385**
21	**Total exposures**	**48,811**	**47,399**
	Leverage ratio		
22	**Leverage ratio**	**7.63%**	**7.14%**

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.

Geographical breakdown	Country-specific countercyclical buffer requirement	RWA for private sector credit exposures used in the computation of the countercyclical buffer (in S$million)	Bank-specific countercyclical buffer requirement	Countercyclical buffer amount (in S$million)
Hong Kong	1.000%	124	0.014%	
Norway	1.000%	0	0.000%	
Luxembourg	0.500%	1	0.000%	
All others		9,022	0.000%	
Total		9,147	0.014%	1

15. Liquidity Coverage Ratio and the Disclosure Template

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, 2020

(Number of data points used for the calculation : 92)

	Group – ALL Currency (in S$ millions)	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		31,911
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	44,492	3,861
3	Stable deposits	8,365	260
4	Less stable deposits	36,127	3,602
5	Unsecured wholesale funding, of which:	40,926	20,718
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	16,820	4,186
7	Non-operational deposits (all counterparties)	24,106	16,533
8	Unsecured debt	0	0
9	Secured wholesale funding		0
10	Additional requirements, of which:	6,185	1,928
11	Outflows related to derivative exposures and other collateral requirements	1,234	1,234
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	4,952	694
14	Other contractual funding obligations	657	657
15	Other contingent funding obligations	2,135	64
16	**TOTAL CASH OUTFLOWS**		27,228
CASH INFLOWS			
17	Secured lending (eg reverse repos)	596	0
18	Inflows from fully performing exposures	20,959	16,604
19	Other cash inflows	1,430	1,070
20	**TOTAL CASH INFLOWS**	22,985	17,674
			TOTAL ADJUSTED VALUE
21	**TOTAL HQLA**		31,911
22	**TOTAL NET CASH OUTFLOWS**		9,554
23	**LIQUIDITY COVERAGE RATIO (%)**		345%

Country Average SGD-Currency LCR for Quarter 4, 2020
(Number of data points used for the calculation : 92)

Group – SGD Currency (in S$ millions)		TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		18,585
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	15,820	1,233
3	Stable deposits	5,973	260
4	Less stable deposits	9,847	974
5	Unsecured wholesale funding, of which:	10,733	5,889
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	3,990	978
7	Non-operational deposits (all counterparties)	6,742	4,911
8	Unsecured debt	0	0
9	Secured wholesale funding		0
10	Additional requirements, of which:	13,452	11,999
11	Outflows related to derivative exposures and other collateral requirements	11,836	11,836
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	1,616	163
14	Other contractual funding obligations	1	1
15	Other contingent funding obligations	356	11
16	**TOTAL CASH OUTFLOWS**		19,133
CASH INFLOWS			
17	Secured lending (eg reverse repos)	596	0
18	Inflows from fully performing exposures	1,538	1,020
19	Other cash inflows	10,940	10,929
20	**TOTAL CASH INFLOWS**	13,074	11,949
			TOTAL ADJUSTED VALUE
21	**TOTAL HQLA**		18,585
22	**TOTAL NET CASH OUTFLOWS**		7,184
23	**LIQUIDITY COVERAGE RATIO (%)**		266%

Main Drivers and Changes in LCR

Citi average All-Ccy LCR and SGD-Ccy LCR for 2020 fourth quarter were 345% and 266% respectively as compared to 377% and 259% in the previous quarter. Decrease in All-Ccy LCR was mainly due to reduction in Intercompany balances and increase in HQLA holdings to ensure more liquidity for year end. SGD-Ccy LCR rose to 266% largely driven by decrease in both short-term SGD Derivatives outflow and inflow exposures though quarter-on-quarter movement in total outstanding All-Ccy 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 2020, Citi's average weighted All-Ccy HQLA was approximately $31.9 billion, of slightly more than half of the average weighted HQLA ($18.5 billion) 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 2020

Citi has a single set of standards for measuring, reporting, limiting, and managing liquidity risk to ensure consistency across businesses, stability in methodologies, transparency of risk, and the establishment of appropriate risk appetite.

Citi Treasury manages via a centralized treasury model whereby it 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 the Entity Risk Manager and Regional Risk Manager, as well as the Regional Treasurer and Global Liquidity Management ("GLM"). Singapore Country Asset and Liability Committee ("ALCO") is the primary governance committee to review Singapore balance sheet and accountable for liquidity management for the legal entities within Singapore.

Annually, Citi Singapore prepares centralized documentation of liquidity requirements as part of the Horizontal Liquidity Review Process ("LRP"). This includes both Country Legal Entity (CLE) and Material Legal Entity (MLE) level forecasted balance sheet and liquidity metrics, as well as other components of liquidity management such as current limits and triggers for liquidity stress metrics. These submissions require review/approvals by Country ALCO, local Risk and/or Regional Risk Managers as well as other focused forums for funding and liquidity risk matters. The purpose of the LRP is to review and interpret the funding and liquidity risk profile of these entities, address strategic liquidity risks and establish assumptions for liquidity stress test metrics.

In addition to LCR and Net Stable Funding Ratio ("NSFR") monitoring, Citi has its own internal stress tests (S2 and RLAP) where the goal is to maintain actual and forecast levels above the established limits and triggers for these liquidity stress metrics. Utilization against these metrics is measured and monitored in order to assess risk-taking against the Board-approved risk appetite framework and reported to the Risk Management Committees of the Boards. The following liquidity metrics (and their results) are reviewed in the monthly Country ALCO to assess compliance with the established limits and triggers.

(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 – internal liquidity stress test metric that measures liquidity under a long-term (12 months) Highly Stressed Market Disruption scenario
     - Both Country- and Entity-Level are required to maintain self-sufficiency or above predetermined ratio in each tenor bucket within the 12- month horizon, and monitoring must be performed on a daily basis

  ii. S2 (Highly Stressed Market Disruption Scenario) with Stressed Intercompany Ratio
     - Both Country- and Entity-Level are required to maintain above predetermined S2 with Stressed Intercompany ratio. Monitoring must be performed at least on a monthly basis

  iii. Resolution Liquidity Adequacy & Positioning ("RLAP") Ratio – short-term 30-calendar day survival horizon measurement which leverages the LCR regulatory framework but utilizes internal assumptions
     - Both Country- and Entity-Level are required to maintain self-sufficiency or above predetermined ratio in each day within the 30-day horizon, and monitoring must be performed daily

(b) Liquidity Ratios and Other Concentration Exposure – monitor on a monthly basis and meant for management discussion of the underlying balance sheet, business, and market trends

  i. Deposits as a Percentage of Loans
  ii. Total Short-Term Contractual Funding ("TSCF") Ratio
  iii. Top Five Large Fund Providers as a Percentage of Total Third-party Liabilities

16. Net Stable Funding Ratio and the Disclosure Template

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 2020, Citi NSFR All-Ccy ratio was at 138.4% and 135.0% respectively. Quarter-on-Quarter decrease in the ratio was mainly attributed to fall in 3rd party Non-Bank Financial Institution Deposits, coupled with some reductions in Intercompany balances.

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 2020 (in S$ millions)		Unweighted Value by Residual Maturity				Weighted Value
		No Maturity	< 6 Months	6 Months to < 1 Yr	≥ 1Yr	
ASF Item						
1	Capital:	4,351	0	0	0	4,351
2	*Regulatory capital*	4,351	0	0	0	4,351
3	*Other capital instruments*	0	0	0	0	0
4	Retail deposits and deposits from small business customers:	31,131	10,525	0	0	37,759
5	*Stable deposits*	5,177	207	0	0	5,115
6	*Less stable deposits*	25,954	10,317	0	0	32,644
7	Wholesale funding:	36,386	29,917	2,817	15,560	31,326
8	*Operational deposits*	16,465	0	0	0	8,233
9	*Other wholesale funding*	19,921	29,917	2,817	15,560	23,093
10	Liabilities with matching interdependent assets					0
11	Other liabilities:	0	4,885	94	24,599	513
12	*NSFR derivative liabilities*		0	0	24,134	
13	*All other liabilities and equity not included in the above categories*	0	4,885	94	465	513
14	Total ASF					73,949
RSF Item						
15	Total NSFR high-quality liquid assets (HQLA)					1,443
16	Deposits held at other financial institutions for operational purposes	0	0	0	0	0
17	Performing loans and securities:	6,428	55,794	4,122	34,954	48,357
18	*Performing loans to financial institutions secured by Level 1 HQLA*	0	17	0	0	2
19	*Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions*	0	43,665	3,146	21,673	29,796
20	*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:*	6,428	11,633	575	2,593	10,842
21	*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*	1	0	0	0	1
22	*Performing residential mortgages, of which:*	0	144	46	8,856	5,816
23	*With a risk weight of less than or equal to 35% under paragraph 7.3.29 of MAS Notice 637*	0	144	46	8,856	5,816
24	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	0	334	356	1,832	1,902
25	Assets with matching interdependent liabilities	0	0	0	0	0
26	Other assets:	73	101	64	51,572	4,943
27	*Physical traded commodities, including gold*	73				62
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		0	0	0	0
29	*NSFR derivative assets*		0	0	23,783	1,214
30	*NSFR derivative liabilities before deduction of variation margin posted*		0	0	24,288	0
31	*All other assets not included in the above categories*	0	101	64	3,502	3,666
32	Off-balance sheet items		0	0	13,637	35
33	**Total RSF**					54,778
34	**Net Stable Funding Ratio (%)**					135.0%

NSFR Disclosure Template

	Country NSFR for Third Quarter, September 2020 (in S$ millions)	Unweighted Value by Residual Maturity				Weighted Value
		No Maturity	< 6 Months	6 Months to < 1 Yr	≥ 1Yr	
ASF Item						
1	Capital:	4,915	0	0	0	4,915
2	*Regulatory capital*	4,915	0	0	0	4,915
3	*Other capital instruments*	0	0	0	0	0
4	Retail deposits and deposits from small business customers:	29,379	11,539	0	0	37,103
5	*Stable deposits*	5,297	230	0	0	5,251
6	*Less stable deposits*	24,082	11,308	0	0	31,851
7	Wholesale funding:	37,795	16,979	4,042	16,408	33,804
8	*Operational deposits*	17,675	0	0	0	8,838
9	*Other wholesale funding*	20,120	16,979	4,042	16,408	24,967
10	Liabilities with matching interdependent assets					0
11	Other liabilities:	0	5,684	93	25,732	612
12	*NSFR derivative liabilities*		0	0	25,167	
13	*All other liabilities and equity not included in the above categories*	0	5,684	93	566	612
14	Total ASF					76,434
RSF Item						
15	Total NSFR high-quality liquid assets (HQLA)					1,239
16	Deposits held at other financial institutions for operational purposes	0	0	0	0	0
17	Performing loans and securities:	6,419	48,749	5,426	35,061	48,176
18	*Performing loans to financial institutions secured by Level 1 HQLA*	0	40	0	0	4
19	*Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions*	0	37,455	4,086	22,503	30,164
20	*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:*	6,419	10,689	958	2,910	11,059
21	*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*	1	0	0	0	0
22	*Performing residential mortgages, of which:*	0	83	2	8,525	5,563
23	*With a risk weight of less than or equal to 35% under paragraph 7.3.29 of MAS Notice 637*	0	83	2	8,525	5,563
24	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	0	482	380	1,124	1,386
25	Assets with matching interdependent liabilities	0	0	0	0	0
26	Other assets:	0	107	66	54,981	5,743
27	*Physical traded commodities, including gold*	0				0
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		0	0	0	0
29	*NSFR derivative assets*		0	0	25,549	1,658
30	*NSFR derivative liabilities before deduction of variation margin posted*		0	0	25,521	0
31	*All other assets not included in the above categories*	0	107	66	3,912	4,085
32	Off-balance sheet items		0	0	13,786	50
33	**Total RSF**					55,208
34	**Net Stable Funding Ratio (%)**					138.4%

17. Attestation

The Pillar 3 disclosures as at 31 December 2020 have been prepared in accordance with the internal control processes approved by the Bank's Board of Directors.

Brendan Carney
Director