



Citibank N.A, UAE
Quarterly Pillar III Disclosures

30 September 2022

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1. Introduction to Citibank NA UAE

Citibank NA United Arab Emirates branch operates in the United Arab Emirates (“UAE”) through its four branches (2021: four) located in the Emirates of Abu Dhabi, Dubai and Sharjah under a license issued by the Central Bank of UAE (“CBUAE”).

The principal activities of the Bank include accepting deposits, granting loans and advances and providing consumer and corporate banking, including treasury activities.

The registered office and the address of the Bank is P.O. Box 749, Dubai, UAE.

The Bank is a branch of Citibank N.A. USA. The ultimate holding company of the Bank is Citigroup Inc.

This disclosure reflects the activities of the Branches in the United Arab Emirates only and exclude all transactions, assets and liabilities of the head office and its other branches elsewhere. Since the capital of the Bank is not publicly traded, no segment analysis has been prepared.

2. Basis of Preparation

The purpose of this public disclosure is to provide detailed information on Citibank NA UAE Branch (“Citi UAE”) capital structure, capital adequacy, risk exposure and risk-weighted assets (“RWA”), leverage ratio and liquidity ratios as of 30 September 2022.

The following public disclosure presents the annual Pillar 3 disclosure of Citi UAE which has been prepared in accordance with the Central Bank of UAE Notice No CBUAE/BSD/N/2022/1887 dated 9 May 2022 on “Update Pillar 3 Templates and Explanatory Notes”.

The Pillar 3 Disclosure document has been prepared and presented using local currency – UAE Dirhams (AED’000).

3. Management’s Responsibility Statement

Citi UAE management is responsible for the preparation and fair presentation of the disclosure requirements as of 30 September 2022.

The Pillar 3 Disclosure document has been verified internally by senior management in accordance with Citi’s policies on financial reporting and disclosures.

4. Overview of Risk Management and RWA

4.1 Template KM1: Key Metrics (Quarterly)

The below key prudential metrics relate to regulatory capital, leverage ratio and liquidity standards related to Citi UAE. Citi UAE capital and leverage position is managed within the risk appetite framework. No transitional arrangement with regards to implementation of IFRS9 for the impact of expected credit loss accounting on regulatory capital have been applied for Q2-2021 until Q3-2022.

Citi UAE is subject to regulatory capital standards issued by Central Bank of UAE. Citi UAE manages its balance sheet proactively, with a particular focus on the efficient management of RWA.

Citi UAE is not highly leveraged, with a leverage ratio of 5.13% as of Q3-2022, above the minimum leverage ratio requirement of 3%.

		a	b	c	d	e
		T	T-1	T-2	T-3	T-4
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	2 518 224	2 571 536	2 655 252	2 347 348	2 367 080
1a	Fully loaded ECL accounting model	2 518 224	2 571 536	2 655 252	2 347 348	2 367 080
2	Tier 1	2 518 224	2 571 536	2 655 252	2 347 348	2 367 080
2a	Fully loaded ECL accounting model Tier 1	2 518 224	2 571 536	2 655 252	2 347 348	2 367 080
3	Total capital	2 681 171	2 738 190	2 825 354	2 530 992	2 545 059
3a	Fully loaded ECL accounting model total capital	2 681 171	2 738 190	2 825 354	2 530 992	2 545 059
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	16 376 231	16 311 824	17 107 325	18 521 550	17 857 560
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	15.38%	15.21%	15.52%	12.61%	13.26%
5a	Fully loaded ECL accounting model CET1 (%)	15.38%	15.21%	15.52%	12.61%	13.26%
6	Tier 1 ratio (%)	15.38%	15.21%	15.52%	12.61%	13.26%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	15.38%	15.21%	15.52%	12.61%	13.26%
7	Total capital ratio (%)	16.37%	16.19%	16.52%	13.67%	14.25%
7a	Fully loaded ECL accounting model total capital ratio (%)	16.37%	16.19%	16.52%	13.67%	14.25%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0	0	0	0	0
10	Bank D-SIB additional requirements (%)	0	0	0	0	0
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	5.87%	5.63%	6.02%	3.17%	3.75%
Leverage Ratio						
13	Total leverage ratio measure	43 103 173	43 454 210	46629310.2	46316054	NA
14	Leverage ratio (%) (row 2/row 13)	5.13%	5.20%	5.63%	5.07%	NA
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	5.13%	5.20%	5.63%	5.07%	NA
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	NA	NA	NA	NA	NA
Liquidity Coverage Ratio						
15	Total HQLA	NA	NA	NA	NA	NA
16	Total net cash outflow	NA	NA	NA	NA	NA
17	LCR ratio (%)	NA	NA	NA	NA	NA
Net Stable Funding Ratio						
18	Total available stable funding	NA	NA	NA	NA	NA
19	Total required stable funding	NA	NA	NA	NA	NA
20	NSFR ratio (%)	NA	NA	NA	NA	NA
ELAR						
21	Total HQLA	21 626 180	21 431 248	18 877 304	15 568 936	13 954 945
22	Total liabilities	40 346 083	41 104 520	38 205 269	35 726 630	35 246 109
23	Eligible Liquid Assets Ratio (ELAR) (%)	53.60%	52.28%	49.41%	43.58%	39.53%
ASRR						
24	Total available stable funding	33 519 320	33 621 323	30 461 732	28 553 530	27 950 903
25	Total Advances	10 370 854	10 329 746	10 476 735	10 680 241	12 190 079
26	Advances to Stable Resources Ratio (%)	32.73%	30.72%	34.33%	37.40%	43.61%

4.2 Template OV1: Overview of RWA (Quarterly)

		a	b	c
		RWA		Minimum capital requirements
		T	T-1	T
1	Credit risk (excluding counterparty credit risk)	12 539 607	12 951 210	1 316 659
2	Of which: standardised approach (SA)	12 539 607	12 951 210	1 316 659
3				
4				
5				
6	Counterparty credit risk (CCR)	496 190	567 850	52 100
7	Of which: standardised approach for counterparty credit risk	496 190	567 850	52 100
8				
9				
10				
11				
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the banking book	-	-	-
17				
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	217 742	270 071	22 863
21	Of which: standardised approach (SA)	217 742	270 071	22 863
22				
23	Operational risk	3 122 692	3 122 692	327 883
24				
25				
26	Total (1+6+10+11+12+13+14+15+16+20+23)	16 376 231	16 911 824	1 719 504

The credit risk items have 3 main contributors: banks (1.8 bn AED), corporates (5.3 bn AED) retail (individual and SMEs, 4.5 bn AED) and other assets (mainly prepaid expenses, 1.4 bn AED). The rest of the credit risk balance is due to other smaller items (e.g. PSEs).

The market risk items are mainly consists of FOREX deals and also some interest rate trading.

Operational risk is calculated by the Standardized Approach (STA) so the reported figures are tying back to the Income Statement.

5. Leverage Ratio

The Basel III leverage ratio is a non-risk sensitive ratio used to restrict the build-up of leverage in the banking sector to avoid destabilizing deleveraging processes that can damage the broader financial system and the economy. It compares the Tier 1 capital to the total exposure (including off balance sheet items) on a non-risk weighted basis.

Citi UAE Basel III leverage ratio calculated in accordance with the Central Bank of UAE regulations, was 5.13% on 30 September 2022, above the regulatory minimum requirement of 3%.

Citi UAE leverage position is managed within the Citigroup Global Risk Appetite framework. The leverage ratio is also calculated and presented to the ALCO every month.

The following tables present Citi UAE summary comparison of accounting assets versus leverage ratio exposure amount and leverage ratio common disclosure as of quarter ended 30 September 2022.

9.1 Template LR1: Summary comparison of accounting assets vs leverage ratio exposure measure (January 2014 standard) (Quarterly)

	a
1 Total consolidated assets as per published financial statements	43 762 966
2 Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3 Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4 Adjustments for temporary exemption of central bank reserves (if applicable)	-
5 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6 Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7 Adjustments for eligible cash pooling transactions	-
8 Adjustments for derivative financial instruments	1 242 313
9 Adjustment for securities financing transactions (ie repos and similar secured lending)	-
10 Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	4 168 084
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12 Other adjustments	(64 190)
13 Leverage ratio exposure measure	49 109 173

The Other adjustments are covering the difference between the on-balance sheet items considered in Basel III (which is excluding derivatives and SFTs, but including collaterals) and the BRF 1 report.

9.2 Template LR2: Leverage ratio common disclosure template (January 2014 standard) (Quarterly)

		a	b
		T	T-1
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	43 698 776	44 096 666
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	-	-
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	43 698 776	44 096 666
Derivative exposures			
8	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	69 121	48 141
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	818 246	521 096
10	(Exempted CCP leg of client-cleared trade exposures)	0	-
11	Adjusted effective notional amount of written credit derivatives	0	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0	-
13	Total derivative exposures (sum of rows 8 to 12)	1 242 313	796 932
Securities financing transactions			
14	Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions	0	0
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0	0
16	CCR exposure for SFT assets	0	0
17	Agent transaction exposures	0	0
18	Total securities financing transaction exposures (sum of rows 14 to 17)	0	0
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	13 170 012	13 785 835
20	(Adjustments for conversion to credit equivalent amounts)	9 001 928	9 225 224
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	0	-
22	Off-balance sheet items (sum of rows 19 to 21)	4 168 084	4 560 611
Capital and total exposures			
23	Tier 1 capital	2 518 224	2 571 598
24	Total exposures (sum of rows 7, 13, 18 and 22)	49 109 173	49 454 210
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	5,13%	5,20%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	NA	NA
26	CBUAE minimum leverage ratio requirement	3,00%	3,00%
27	Applicable leverage buffers	2,13%	2,20%

On balance sheet exposures mainly consists of: Cash and balances with CB (17 bn AED), Balances due from banks (2 bn AED), Debt securities (11.6 bn AED), Loans and advances (8.8 bn AED), Other assets (1 bn AED).

The derivatives Citi UAE is dealing with are mainly: FX options and Forward contracts.

Off balance sheet exposures mainly consists of: Guarantees (3.4 bn AED) and Commitments (mainly unused credit card limits and other commitments, 9.3 bn AED).

6. Liquidity

10.1 Template LIQ1: Liquidity Coverage Ratio (Quarterly)

Not applicable for CBNA UAE, since this is applicable for local banks only.

10.2 Template ELAR: Eligible Liquid Assets Ratio (Quarterly)

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	17 349 285	
1.2	UAE Federal Government Bonds and Sukuks	0	
	Sub Total (1.1 to 1.2)	17 349 285	17 349 285
1.3	UAE local governments publicly traded debt securities	273 214	
1.4	UAE Public sector publicly traded debt securities	0	
	Sub total (1.3 to 1.4)	273 214	273 214
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	13 748 622	4 003 681
1.6	Total	31 371 121	21 626 180
2	Total liabilities		40 346 083
3	Eligible Liquid Assets Ratio (ELAR)		53.60%

10.3 Template ASRR: Advances to Stable Resources Ratio (Quarterly)

		Items	Amount
1		Computation of Advances	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	8 840 960
	1.2	Lending to non-banking financial institutions	-
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	821 128
	1.4	Interbank Placements	1 308 766
	1.5	Total Advances	10 970 854
2		Calculation of Net Stable Resources	
	2.1	Total capital + general provisions	3 122 108
		Deduct:	
	2.1.1	Goodwill and other intangible assets	-
	2.1.2	Fixed Assets	98 782
	2.1.3	Funds allocated to branches abroad	-
	2.1.5	Unquoted Investments	-
	2.1.6	Investment in subsidiaries, associates and affiliates	-
	2.1.7	Total deduction	98 782
	2.2	Net Free Capital Funds	3 023 326
	2.3	Other stable resources:	
	2.3.1	Funds from the head office	-
	2.3.2	Interbank deposits with remaining life of more than 6 months	-
	2.3.3	Refinancing of Housing Loans	-
	2.3.4	Borrowing from non-Banking Financial Institutions	6 644
	2.3.5	Customer Deposits	30 489 350
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-
	2.3.7	Total other stable resources	30 495 994
	2.4	Total Stable Resources (2.2+2.3.7)	33 519 320
3		Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)	32.73