

**<Translation>**

**[Disclosure Booklet]**

Explanatory Documents  
on the Status of Business and Property  
for the fiscal year ended December 31, 2020

This disclosure booklet is prepared by the Company to publish with  
utilization of internet under Article 21 of the Banking Law.

Citibank, N.A., Tokyo Branch



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1 Overview of Citibank, N.A., Tokyo Branch

(1) Name of Representative in Japan

Representative in Japan, Branch Manager & CEO  
Lee Robert Waite

(2) Shareholder of Citibank, N.A.

Name	Number of common shares (thousand shares)	Shareholding percentage (%)
Citicorp LLC	37,534	100

(3) Name and Location of Business Office

Citibank, N.A., Tokyo Branch	Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo
Osaka Branch	Midosuji Diamond Building, 2-1-2 Nishi-Shinsaibashi, Chuo-ku, Osaka-shi, Osaka
Yamabuki Branch	Shinjuku Eastside Square, 6-27-30 Shinjuku, Shinjuku-ku, Tokyo
Higashi-Shinjuku Sub-Branch	Shinjuku Eastside Square, 6-27-30 Shinjuku, Shinjuku-ku, Tokyo
Okinawa Sub-Branch	Tomari Port Terminal Building, 3-25-1 Maejima, Naha-shi, Okinawa

(4) Matters of Bank Agency Services on Citibank, N.A., Tokyo Branch

Not applicable

## 2 Business Results

Results of Operations for the fiscal year ended December 31, 2020.

- Ordinary income totaled 42.2 billion yen, mainly consist with followings.
  - Interest income totaled 15.9 billion yen.
  - Fees and commissions totaled 16.5 billion yen.
  - Other ordinary income totaled 9.3billion yen.
  - Other income totaled 0.4 billion yen.
  
- Ordinary expenses totaled 29.3billion yen, mainly consist with followings.
  - Interest expenses totaled 6.7 billion yen.
  - Fees and commissions paid totaled 3.4 billion yen.
  - Other ordinary expenses totaled 0.7 billion yen.
  - General and administrative expenses totaled 15.2 billion yen.
  - Other expenses totaled 3.0 billion yen.
  
- Ordinary profit was 12.8 billion yen.
- Income before income taxes (including extraordinary gain and loss) was 12.8 billion yen.
- Net income was 8.8 billion yen.

Assets, liabilities and net assets were as follows;

- As of December 31, 2020, total assets were 3,396.4 billion yen, mainly consist with followings.
  - Cash and deposits to other banks (due from banks) were 1,819.3 billion yen.
  - Receivables under resale agreements were 289.2 billion yen.
  - Loans and bills discounted were 364.3 billion yen.
  - Other assets were 280.8 billion yen, mainly consist with Derivatives other than for trading-assets.
  - Head office and branch accounts (assets) totaled 384.2 billion yen.
  
- As of December 31, 2020, total liabilities were 3,385.5 billion yen, mainly consist with followings.
  - Deposits were 1,856.3 billion yen.
  - Foreign exchanges were 35.6 billion yen.
  - Other liabilities were 278.9 billion yen, mainly consist with Derivatives other than for trading-liabilities.
  - Head office and branch accounts (liabilities) were 1,030.1 billion yen.
  
- As of December 31, 2020, total net assets were 10.8 billion yen. 6.5 billion yen of undistributed profits was remitted to the head office in March 2020.

Note : As defined under Article 49-2 paragraph (3) of the Banking Law, Citibank, N.A., Tokyo Branch changed the fiscal year-end from March 31 to December 31. As a transitional period, the accounting period of the prior fiscal year is the 9 months from April 1, 2019 to December 31, 2019.

### 3 Financial Results

#### Balance Sheet

(Millions of Yen)					
Account Name	As of		Account Name	As of	
	Dec. 31, 2020	Dec. 31, 2019		Dec. 31, 2020	Dec. 31, 2019
Cash and due from banks	1,819,355	1,854,358	Deposits	1,856,313	1,690,710
Cash	669	1,370	Current deposits	1,126,079	938,131
Due from banks	1,818,686	1,852,987	Ordinary deposits	682,436	658,518
Receivables under resale agreements	289,286	305,695	Time deposits	42,500	86,153
Monetary claims bought	9,740	9,826	Other deposits	5,298	7,907
Trading assets	24,396	14,300	Call money	-	10,917
Securities related to trading transactions	4,131	2,171	Payables under repurchase agreements	1,062	1,100
Derivatives of securities related to trading transactions	2	41	Trading liabilities	20,265	12,086
Trading-related financial derivatives	20,263	12,086	Trading-related financial derivatives	20,265	12,086
Securities	32,978	2,792	Borrowed money	-	7
Government bonds	32,978	-	Foreign exchanges	35,600	64,568
Corporate bonds	-	2,792	Due to foreign banks (their accounts)	32,667	62,238
Loans and bills discounted	364,357	367,975	Due to foreign banks (our accounts)	2,932	2,329
Bills discounted	823	972	Other liabilities	278,928	221,245
Loans on bills	2,251	2,300	Income taxes payable	3,294	3,252
Loans on deeds	214,200	247,510	Accrued expenses	2,356	2,688
Overdrafts	147,081	117,191	Unearned revenue	1,107	1,484
Foreign exchanges	29,100	31,739	Variation margins of futures markets	2	29
Due from foreign banks (our accounts)	18,685	1,405	Derivatives other than for trading-liabilities	259,201	198,505
Due from foreign banks (their accounts)	2,815	10,456	Asset retirement obligations	11	11
Foreign bills bought	7,598	19,877	Other	12,955	15,273
Other assets	280,891	203,834	Provision for bonuses	769	790
Prepaid expenses	172	116	Acceptances and guarantees	162,456	171,603
Accrued income	1,730	1,936	Head office and branch accounts	1,030,186	895,484
Initial margins of futures markets	14	85	Head office	7,313	8,177
Derivatives other than for trading-assets	260,882	199,420	Overseas branch	1,022,872	887,307
Other	18,092	2,274	Total liabilities	3,385,582	3,068,516
Tangible fixed assets	6	9	Brought-in capital	2,000	2,000
Buildings	6	8	Retained earnings brought forward	8,895	6,672
Other tangible fixed assets	0	0	Valuation difference on available-for-sale securities	(78)	225
Intangible fixed assets	79	114	Total net assets	10,817	8,897
Software	79	114			
Deferred tax assets	1,608	855			
Customer's liabilities for acceptances and guarantees	162,456	171,603			
Allowance for loan losses	(2,115)	(736)			
Head office and branch accounts	384,256	115,045			
Head office	18,964	5,721			
Overseas branch	365,292	109,323			
<b>Total assets</b>	<b>3,396,400</b>	<b>3,077,414</b>	<b>Total liabilities and net assets</b>	<b>3,396,400</b>	<b>3,077,414</b>

## Statement of Income

(Millions of Yen)

Account Name	From January 1, 2020 to December 31, 2020	From April 1, 2019 to December 31, 2019
Ordinary income	42,243	33,819
Interest income	15,916	16,384
Interest on loans and discounts	2,000	2,142
Interest and dividends on securities	-	59
Interest on receivables under resale agreements	6,906	7,272
Interest on deposits with banks	1,712	1,285
Interest on foreign exchanges	3,064	3,184
Interest on accounts with head office and branches	2,139	2,367
Other interest income	93	73
Fees and commissions	16,515	11,115
Fees and commissions on foreign exchanges	3,151	2,437
Fees and commissions on domestic exchanges	2,695	1,638
Other fees and commissions	10,668	7,039
Trading income	-	116
Gains on securities and derivatives related to trading transactions	-	99
Gains on trading-related derivatives transactions	-	17
Other ordinary income	9,315	5,686
Gains on foreign exchange transactions	8,050	5,376
Gains on sales of bonds	166	15
Other	1,099	294
Other income	495	516
Other	495	516
Ordinary expenses	29,351	24,598
Interest expenses	6,725	9,930
Interest on deposits	1,943	5,357
Interest on call money	36	106
Interest on payables under repurchase agreements	10	44
Interest on borrowings and rediscounts	43	-
Interest on foreign exchanges	6	12
Interest on accounts with head office and branches	4,667	4,410
Other interest expenses	17	-
Fees and commissions paid	3,406	1,953
Fees and commissions on foreign exchanges	135	358
Fees and commissions on domestic exchanges	769	88
Other fees and commissions	2,501	1,507
Trading Losses	115	-
Losses on securities and derivatives related to trading transactions	96	-
Losses on trading-related financial derivatives transactions	18	-
Other ordinary expenses	792	215
Other	792	215
General and administrative expenses	15,288	11,455
Other expenses	3,023	1,042
Provision of allowance for loan losses	1,380	223
Other	1,643	819
Ordinary profit	12,891	9,221
Extraordinary loss	12	-
Loss on disposal of fixed assets	12	-
Income before income taxes	12,878	9,221
Income taxes-current	4,835	3,599
Income taxes-deferred	(759)	(957)
Total income taxes	4,075	2,641
Net income	8,802	6,580
Retained earnings brought forward at the beginning of the year	6,672	7,292
Remittance to head office	6,580	7,200
Retained earnings brought forward	8,895	6,672

Amounts less than one million yen have been omitted.

## **Accounting Policies**

### **1. Standard for valuation of trading assets and trading liabilities / booking of income and losses for trading purposes transaction**

Transactions for trading purposes, such as seeking gains arising from short-term changes in interest rates, foreign exchange rates, or securities prices and other market related indices or from variation among markets (hereinafter referred to as "Trading Purposes"), are included in "Trading assets" or "Trading liabilities" on the balance sheet on a trade date basis. Income and Expenses on trading-purpose transactions are recognized on a trading date basis, and recorded as "Trading income" and "Trading losses".

Securities and monetary claims purchased for trading purposes are stated at the fiscal year-end market value, and financial derivatives such as swaps, futures and options are stated at amounts that would be settled if the transactions were terminated at the fiscal year-end.

"Trading income" and "Trading losses" include interest received or paid during the fiscal year. The year-on-year valuation differences of securities and money claims are also recorded in the above-mentioned accounts. As for the derivatives, assuming that the settlement will be made in cash, the year-on-year valuation differences are also recorded in the above-mentioned accounts.

### **2. Standard and method for valuation of AFS securities**

AFS securities that have market prices are carried at their balance sheet date market prices (cost of securities sold is calculated using primarily the moving-average method). Net unrealized gains/losses on AFS securities, net of income taxes, are included in "Net assets".

### **3. Standard and method for valuation of derivative transaction**

Derivative transactions (excluding those for trading purposes) are carried at fair value.

### **4. Depreciation method for fixed assets**

#### **(1) Tangible fixed assets**

Tangible fixed assets are depreciated using the declining-balance method (with the exception of building facilities acquired on or after April 1, 2016, for which the straight-line had been applied).

The estimated useful lives are as follows:

Buildings: 10 to 15 years

Others: 3 to 15 years

#### **(2) Intangible fixed assets**

Intangible fixed assets are depreciated using the straight-line method. Capitalized software for internal use is depreciated over its estimated useful life (5 years).

### **5. Standard for the translation into Japanese yen**

Assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate prevailing at the balance sheet date.

### **6. Standard for Allowance**

#### **(1) Allowance for loan losses**

Allowance for loan losses is provided as detailed below in accordance with the internal standards for write-offs and provisioning.

For claims on borrowers that have entered into bankruptcy, special liquidation proceedings or similar legal proceedings ("bankrupt borrowers") or borrowers that are not legally or formally insolvent but are regarded as substantially in the same situation ("effectively bankrupt borrowers"), an allowance is provided based on the amount of claims, after the write-off stated in the additional paragraph below, net of the expected amount of recoveries from collateral and guarantees. For claims on borrowers that are not currently bankrupt but are perceived to have a high risk of falling into bankruptcy, an allowance is provided in the amount deemed necessary based on an overall solvency assessment of the claims, net of the expected amount of recoveries from collateral and guarantees. For other claims, an allowance is provided based on the expected loan-loss ratio assigned to each risk rating.

Responsible divisions for Self-Assessment and Front office mutually conduct assessment of all claims in accordance with the internal rules for self-assessment of assets. The allowance is provided based on the results of these assessments.

(2) Provision for bonuses

Provision for bonuses is reported in preparation for the payment of bonuses to the employees at the amount estimated for the payment of bonuses to the employees during the fiscal year.

**7. Method for hedge accounting**

The exceptional method is applied to certain interest rate swaps that meet the criteria for the exceptional treatments. No assessment is performed for hedge effectiveness of qualifying interest rate swaps accounted for by the exceptional treatments, as it is ascertained that the criteria for the exceptional treatments are continuously met.

**8. Accounting for consumption taxes**

National and Local Consumption Taxes are excluded from transaction amounts.



## Notes to Balance Sheet

1. For securities held as collateral under “receivables under resale agreements” and “derivative transactions” which can be sold or pledged without restrictions, 323,924 million yen were pledged and there was no held by Citibank, N.A., Tokyo Branch at the fiscal year-end.
2. There was no Bankrupt loans. Past due loans/non-accrual loans were 388 million yen.  
“Bankrupt loans” are loans on which accrued interest income is not recognized as there is substantial doubt about the ultimate collectability of either principal or interest because they are past due for a considerable period of time or for other reasons (excluding write-offs, hereinafter “non-accrual loans”), and as defined in Article 96-1-3 and 96-1-4 of the Enforcement Ordinance of the Japanese Corporate Tax Law.  
“Past due loans/non-accrual loans” are loans on which accrued interest income is not recognized, excluding “Bankrupt loans” and loans on which interest payments are deferred in order to support the borrowers’ recovery from financial difficulties.
3. There was no Past due loans (3 months or more).  
“Past due loans (3 months or more)” are loans on which the principal or interest is past due for three months or more, excluding “Bankrupt loans” and “Past due loans/non-accrual loans”.
4. There was no Restructured loans.  
“Restructured loans” are loans on which terms and conditions have been amended in favor of the borrowers (e.g. reduction of the original interest rate, deferral of interest payments, extension of principal repayments or debt forgiveness) in order to support the borrowers’ recovery from financial difficulties, excluding “Bankrupt loans,” “Past due loans/non-accrual loans” and “Past due loans (3 months or more)”.
5. The total amount of “Bankrupt loans”, “Past due loans/non-accrual loans”, “Past due loans (3 months or more)” and “Restructured loans” were 388 million yen.  
Claims shown from 2 to 5 are the amounts before the appropriate allowance.
6. Bills discounted are treated as financial transactions in accordance with JICPA Industry Audit Committee Report No.24. Citibank, N.A., Tokyo Branch has rights to sell or pledge bank acceptance bought, commercial bills discounted, documentary bills and foreign bills bought etc. without restrictions. The total face value was 12,096 million yen.
7. AFS securities of 32,978 million yen were pledged as collateral for settlements of FX transactions. In addition, other assets include other guarantee deposits of 17,132 million yen.
8. Overdraft facilities and commitment line contracts on loans are agreements to lend to customers up to a prescribed amount, as long as there is no violation of any condition established in the contracts.  
The amount of unused commitments was 269,205 million yen and the amount of those with remaining period within one year was 269,205 million yen.  
Since many of these commitments are expected to expire without being drawn upon, the total amount of unused commitments does not necessarily represent actual future cash flow requirements. Many of these commitments include clauses under which we can reject an application from customers or reduce the contract amounts in the event that economic conditions change, we need to secure claims, or other events occur. In addition, we may request the customers to pledge collateral such as premises and securities at the time of the contracts, and take necessary measures such as monitoring customers’ financial positions, revising contracts when need arises and securing claims after contracts are made on a periodic basis.
9. Accumulated depreciation on tangible fixed assets: 42 million yen.

## Notes to Statement of Income

### Head office cost sharing

(1) Direct expense (Expatriate salary etc.)	170 million yen
(2) Indirect charge	101 million yen

## Notes related to Financial Instruments

### 1. Disclosure on Financial Instruments

#### (1) Policy on Financial Instruments

Citibank, N.A., Tokyo Branch (“CBNA”) is engaged in banking operations such as deposit taking business, credit extension business including loans, fund transfer and clearing business both in Yen and foreign currencies and investment business including marketable securities. The ALM, Asset and Liability Management, in CBNA across these businesses is conducted through the integrated management of the Banking Portfolio with the aim of managing interest rate and FX risk associated with market movements and liquidity risk from mismatch of future cash flows, minimizing funding costs and achieving appropriate investment returns. As part of this effort, CBNA enters into certain derivative transactions. As the banking portfolio in CBNA, liabilities are primarily sourced from institutional client deposits, and assets are mainly JPY deposits with BOJ, client loans, reverse repo, etc.

#### (2) Types of and Risks associated with Financial Instruments

A majority of financial assets that CBNA holds are loans to corporate customers in Japan and overseas, the securities and placements to the bank subsidiaries of Citigroup Inc. to which CBNA belongs. Loans to corporate customers in Japan and overseas, for which CBNA is exposed to credit risks potentially arising from the obligors' default and also there are risks on material adverse changes in economics, politics, and social environments. Securities are mainly low credit risk Japanese government bonds. These are exposed to interest rate risk and market price risks.

A majority of financing source of CBNA is a stable source of deposits from corporate customers, and group companies. They are exposed to liquidity risk where we may not be able to be repaid timely on maturities. Interest rate exposure is managed by establishing risk limits, etc.

As to funding, CBNA's funding sources are stable, consisting of deposits from institutional customers, and group companies. These funding activities associate liquidity risk in which CBNA may not be able to repay timely on maturities and interest rate risk.

Derivative contracts include interest rate swaps, currency swaps, and forward FX for ALM purpose. In addition, we have bonds as well as trading positions that include interest rate related derivatives and currency related derivatives. These financial products are exposed to interest rate risk, foreign exchange rate risk, price risk and credit risk, etc.

#### (3) Risk Management System relating to Financial Instruments

##### ① Credit Risk Management

CBNA establishes consistent risk management framework and controls credit risks related to loans, trade finance and other financial products by undertaking credit analysis, controlling credit limits, assigning internal obligor risk ratings, obtaining parent support, guarantee or collateral and managing classified or delinquent accounts in accordance with Institutional Client Group (ICG) Risk Management Policy and related rules and procedures.

The key highlights of Credit Risk management aforementioned conducted by Risk Management Division are reported to Credit Risk Management Committee (“CRMC”, as a sub-committee of the Management Committee) and Management Committee, which takes place regularly. Moreover, the credit risk control process is assessed by internal auditor periodically.

Credit exposure risk of issuers and counterparty risk of derivatives are monitored and reported by Credit Risk Management Services Unit and Credit Risk Management Unit in Risk Management Division by obtaining related credit information and marked-to-market positions periodically.

##### ② Market Risk Management

###### (A) Risk Management of Banking Book

CBNA manages interest-rate risks on banking book through ALM based on the defined risk management methods and procedures for ALM. CBNA monitors and reviews its activity implementation status, also discusses action plans in the monthly Asset Liability Committee (“ALCO”) meeting as per the ALCO Charter which has been approved by the Management Committee.

On a day to day basis, Market Risk Management Unit captures consolidated profiles of interest rates and durations of the financial assets and liabilities, performs risk monitoring process using the gap analysis, cash flow analysis as well as interest rate factor sensitivity analysis, and reports the results to the ALCO meeting on a monthly basis. For the purpose of hedging interest rate risks, CBNA transacts some derivative trades such as interest rate swaps.

(B) Risk Management of Trading Book

CBNA mainly manages interest-rate risks and foreign exchange price risks on trading book following the ALCO Charter approved by Management Committee. CBNA's market risk amount is measured by Value-at-Risk ("VaR") method and its regulated compliance status is monitored and reported to ALCO meeting on a monthly basis.

(C) Quantitative information on Market Risk

a) Trading purpose financial instruments

CBNA adopted the Monte Carlo Method that simulates variance and covariance estimated from the historical times series data for VaR calculation (holding period of one day, with the confidence level of 99%) for trading securities and derivative products.

CBNA market risk amount for trading activities (probable loss amount) as of December 31, 2020 was 19 million yen.

CBNA also conducts VaR back testing which is a comparative analysis of the VaR result calculated by the validated model against the actual profit and loss (P&L). As per the VaR back testing result for the period of January 1, 2020 through December 31, 2020, no exception was observed. However, VaR still may not pick up all probability of event under unpredictable market conditions so long as it is based on the certain probability calculated by statistical method using historical market movement.

b) Non-trading purpose financial instruments

In CBNA, the main financial instruments which to be influenced by interest rates as one of the key risk variables are, "Placements", "Repurchase agreements", "Loans and bills discounted", "AFS securities", "Deposits", "Negotiable certificate of deposits" and "Borrowings". On the financial Assets and Liabilities, CBNA calculates the effect amounts on profits and losses in the next one year when simulating reasonably expected moving range in the quantitative analysis for the purpose of managing interest rate risks. With respect to the revenue effect amount calculation, CBNA splits respective financial asset and liability balances into groups of fixed or floating rate groups by tenor buckets responding to holding maturities and applies the interest rate moves by tenors. CBNA has exercised results that the net income before taxes would increase by 4,897 million yen on the scenario that interest rate to increase by 100 basis points (1%) for total portfolio, by 4,455 million yen on the scenario that benchmark JPY interest rate to increase by 100 basis points (1%), by 707 million yen on the scenario that benchmark USD interest rate to increase by 100 basis points (1%) as of December 31, 2020. These results are based on the stable risk variables excluding interest rates, and no correlation between interest rates and other risk variables are considered in the calculation. In case of any unexpected moves over the 100 basis points (1%) moving range, there can be larger effect than the reported effect amounts on P&L.

③ Management of Liquidity Risk associated with Funding Activities

Liquidity risk management has been regulated by related policies and procedures. ALCO, which is subject to supervision of the Management Committee, has been constituted to ensure that CBNA maintains adequate liquidity to meet regulatory requirements and business needs and has appropriate funding for business growth. ALCO's monitoring and reviewing of liquidity, balance sheet and the banking account management is an integral part of the overall risk management framework of CBNA.

(4) Supplement Explanation for Fair Value of Financial Instruments

Fair value of financial instruments includes market prices as well as reasonably calculated prices in cases where there are no market prices available. Since the calculations of such prices are implemented under certain conditions and assumptions, the result of calculations may vary if different assumptions are used.

## Fair Value of Financial Instruments

Fair value and balance sheet amount of financial instruments as of December 31, 2020 are shown below.

(Millions of Yen)			
	Balance sheet amount	Fair value	Difference
(1) Cash and due from banks	1,819,355	1,819,355	-
(2) Receivables under resale agreements	289,286	297,658	8,371
(3) Monetary claims bought (*1)	9,703	9,703	-
(4) Trading assets			
Trading securities	4,131	4,131	-
(5) Securities			
Other securities	32,978	32,978	-
(6) Loans and bills discounted	364,357		
Allowance for loan losses (*1)	(1,742)		
	362,614	362,070	(543)
(7) Foreign exchange (*1)	29,073	29,073	-
(8) Head office and branch accounts	384,256	384,597	341
<b>Total Assets</b>	<b>2,931,401</b>	<b>2,939,569</b>	<b>8,168</b>
(1) Deposits	1,856,313	1,856,313	-
(2) Payables under repurchase agreements	1,062	1,062	-
(3) Foreign exchange	35,600	35,600	-
(4) Head office and branch accounts	1,030,186	1,037,907	7,721
<b>Total Liabilities</b>	<b>2,923,162</b>	<b>2,930,884</b>	<b>7,721</b>
Derivative transactions (*2)			
Trading	1,693	1,693	-
<b>Total derivative transactions</b>	<b>1,693</b>	<b>1,693</b>	<b>-</b>
<b>Others</b>	<b>Contract amount</b>	<b>Fair value</b>	
Overdraft facilities and commitment line(*3)	269,205	-	

(\*1) General allowance for loan losses and specific allowance for loan losses provided to "Loans and bills discounted" are separately shown in the above table. Allowance for loan losses provided to "Monetary claims bought" and "Foreign exchange" are directly deducted from the book value due to immateriality.

(\*2) Derivatives included in "Trading assets", "Trading liabilities", "Other assets" and "Other liabilities" are shown together. Negative amount indicates in case of liabilities exceeding the assets.

(\*3) Contract amount of Overdraft facilities and commitment line are unused amount.

### (Notes) Valuation method of financial instruments

#### (Assets)

##### (1) Cash and due from banks

For due from banks without maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. For due from banks with maturity, fair value is determined as present value of total future cash flows, discounted by interest rate that would be applied to new acceptances. Total future cash flows are contractual payment of principal and interest. For due from banks with short remaining period (within 1 year), the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

- (2) Receivables under resale agreements  
 For Receivables under resale agreements with remaining period exceeding 1 year, fair value is determined as present future cash flows, discounted by interest rate that would be applied to new acceptance. Total future cash flows are contractual payment of principal and interest.  
 For Receivables under resale agreements with short remaining period (within 1 year), the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.
- (3) Monetary claims bought  
 For monetary claims bought, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because they have short remaining period (within 1 year).
- (4) Trading assets  
 For securities such as bonds that are held for trading, the fair value is calculated based on their market prices.
- (5) Securities  
 For securities such as bonds that are available for sale, the fair value is calculated based on their market prices.
- (6) Loans and bills discounted  
 For loans without maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because of their estimated maturity length and the interest rate conditions. For loans with short remaining period (within 1 year), the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.  
 For loan with remaining period exceeding 1 year, fair value is determined as present value of total future cash flows, discounted by interest rate that would be applied to newly accepted loans. Total future cash flows are contractual payment of principal and interest.  
 As for the loans to bankrupt, de facto bankrupt, and potentially bankrupt borrowers, credit loss is estimated based on factors such as the present value of expected future cash flow or the expected amount to be collected from collaterals and guarantees. Since the fair value of these items approximates the carrying amount net of the currently expected credit loss amount, such carrying amount is presented as the fair value.
- (7) Foreign exchange  
 Foreign exchanges consist of foreign currency deposits with other banks (due from other foreign banks), short-term loans involving foreign currencies (due from other foreign banks), export bills etc. (purchased foreign bills), and loans on notes using import bills (foreign bills receivables). For these items, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount because most of these items are deposits without maturity or have short contract term (within 1 year)
- (8) Head office and branch accounts  
 For Head office and branch accounts without maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. For Head office and branch accounts with maturity, fair value is determined as present value of total future cash flows, discounted by interest rate that would be applied to new transactions. For Head office and branch accounts with short remaining period (within 1 year), the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.
- (Liabilities)
- (1) Deposits  
 For demand deposits, the amount payable on demand as of balance sheet date is considered to be the fair value. Time deposits are grouped by certain maturity lengths. The fair value of such deposits is the present value discounted by expected future cash flow. The discount rate is the risk free rates adjusted with funding spread of Citibank, N.A., Tokyo Branch as of balance sheet date. For deposits with short remaining period (within 6 months), the carrying amount is presented as the fair value as the fair value approximates such carrying amount.
- (2) Payables under repurchase agreements  
 For Payables under repurchase agreements with remaining period exceeding 1 year, fair value is determined as present future cash flows, discounted by interest rate that would be applied to new acceptance. Total future cash flows are contractual payment of principal and interest.  
 For Payables under repurchase agreements with short remaining period (within 1 year), the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.
- (3) Foreign exchange  
 Among foreign exchange contracts, foreign currency deposits accepted from other banks and non-resident yen deposits are deposits without maturity. Furthermore, foreign currency short-term borrowing have no

maturity. Thus, for the foreign exchanges, the carrying amount is presented as the fair value as the fair value approximates such carrying amount.

(4) Head office and branch accounts

For Head office and branch accounts without maturity, the carrying amount is presented as the fair value, as the fair value approximates such carrying amount. For Head office and branch accounts with maturity, fair value is determined as present value of total future cash flows, discounted by interest rate that would be applied to new transactions. For Head office and branch accounts with short remaining period (within 1 year), the carrying amount is presented as the fair value, as the fair value approximates such carrying amount.

(Derivative transactions)

Derivatives include interest rate related instruments (interest rate futures, interest rate options, interest rate swaps, etc.), currency related instruments (forward foreign exchange, currency options, currency swaps, etc.) and bond related instruments (bond futures, bonds future options, etc.). Fair values of these derivatives are based on market prices at exchanges, discounted present values, or amount calculated under the option pricing model. Derivative for hedge accounting is interest rate swap with exceptional treatment and the fair value of this hedging swap is included in the hedged loan.

(Others)

For overdraft facilities and commitment line, fair value is the present value discounted by the difference between the expected future cash flow calculated by contractual rate and fee rate that would be applied to newly acceptance at the balance sheet date for the contract with remaining period exceeding 1 year.

## Notes related to Securities

These include “Government bonds”, “Corporate bonds” and “Securities related to trading transactions” on Balance sheet.

### 1. Securities classified as trading purposes: (as of December 31, 2020)

(Unit: Millions of Yen)

	Valuations gains/(losses) included in the earnings for the fiscal year
Securities classified as trading purposes	(0)

### 2. AFS securities with market value are as follows: (as of December 31, 2020)

(Unit: Millions of Yen)

	Type	Balance sheet amount	Acquisition cost	Valuations gains/(losses)
Balance sheet amount exceeding acquisition cost	Bonds	-	-	-
	Japanese Government Bonds	-	-	-
	Corporate Bonds	-	-	-
	Sub Total	-	-	-
Balance sheet amount equal or less than acquisition cost	Bonds	32,978	33,092	(113)
	Japanese Government Bonds	32,978	33,092	(113)
	Sub total	32,978	33,092	(113)
Total		32,978	33,092	(113)

### 3. AFS securities sold during the fiscal year are as follows: (from January 1, 2020 to December 31, 2020)

(Unit: Millions of Yen)

	Sold amount	Gains on sales	Losses on sales
Bonds	2,542	166	-
Corporate Bonds	2,542	166	-
Total	2,542	166	-

## Notes related to Deferred tax accounting

The main causes for the deferred tax assets and deferred tax liabilities are as follows:

Deferred tax assets	(Millions of Yen)
Loan loss reserve	647
Accrued expense	385
Fixed assets	333
Unearned commission	309
Bonus reserve	235
Accrued enterprise tax etc.	214
Other securities	34
Other	182
Deferred tax assets total	<u>2,343</u>
Deferred tax liabilities	
Negative tax goodwill	<u>734</u>
Deferred tax liabilities total	<u>734</u>
Net deferred tax assets	<u><u>1,608</u></u>



Confirmation

May 26, 2021

Representative in Japan, Branch Manager & CEO  
Lee Robert Waite

I confirm, to the best of my knowledge, the following matters concerning the Citibank, N.A., Tokyo Branch financial statements for the period from January 1, 2020 to December 31, 2020:

1. Matters concerning the financial statements are in conformity with “The Regulations regarding Terminology, Format and Method of Preparation of Financial Statements, etc” and “Enforcement Regulation of the Banking Law” and others, and the financials present fairly in all material respects.
  
2. Citibank, N.A., Tokyo Branch establishes and maintains the appropriate internal control systems as below, and fairly presents financial statements based on it.
  - (1) Assignment of duties and the corresponding units in charge are clearly defined, and the system for accomplishment of operation is appropriately established.
  - (2) Internal Audit Division assesses the appropriateness and effectiveness of internal control systems for each responsible unit, and reports the material matters to the Management and Management Committee.
  - (3) All material information concerning Citibank, N.A., Tokyo Branch is adequately reported to the Management and Management Committee as necessary.

#### 4 The Status of Business and Property on Citigroup Inc.

Please refer to the annual securities report for the period January 1, 2020 to December 31, 2020 as separately attached.