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MINISTRY OF ECONOMIC DEVELOPMENT

NOTICE OF EXEMPTION

PURSUANT TO SECTION 35B OF THE
FINANCIAL REPORTING ACT 1993

Citibank N.A.**Notice exempting company from compliance with Financial Reporting Act 1993****Pursuant to section 35B of the Financial Reporting Act 1993 (“the Act”)**

- 1 This notice, which comes into force on its notification in the *New Zealand Gazette* and expires on the close of 30 June 2012, exempts the directors of Citibank N.A., subject to conditions, from certain preparation and filing requirements of the Act in respect of financial statements for Citibank N.A. and group financial statements for the Citibank N.A. group of companies.

2 Application

The exemption granted by this notice applies to the following accounting periods of Citibank N.A. and the Citibank N.A. group of companies:

- (a) accounting periods that commenced before the exemption is granted (including an accounting period that has ended before the exemption is granted) if,—
 - (i) in the case of copies of financial statements or group financial statements for that period that are required to be delivered for registration under section 19 of the Act, the exemption is granted before those documents are required to be delivered for registration under that section; and
 - (ii) in any other case, the exemption is granted before the financial statements or group financial statements for that period are required to be completed; and
- (b) subsequent accounting periods.

3 Exemption for directors of Citibank N.A.

- (a) As an overseas company Citibank N.A. is required to prepare financial statements and group financial statements by virtue of sections 10 and 13 of the Act. Section 19 of the Act requires the directors of Citibank N.A. to have these financial statements audited and to register them with the Registrar of Companies together with a copy of an auditor’s report on the financial statements and group financial statements.
- (b) The Registrar of Companies considers that it is appropriate to grant the exemptions because it would be unduly onerous and burdensome for the directors of Citibank N.A. to prepare financial statements for Citibank N.A. that comply with sections 8 and 11 of the Act, and group financial statements for the Citibank N.A. group of companies that comply with the sections 9 and 14 of the Act. Therefore the Registrar grants the following exemptions from the requirements of the Act to the directors of Citibank N.A.:
 - (i) In respect of Citibank N.A.:
 - A An exemption from the requirements in section 8 as to the meaning of the term “financial statements”;

- B An exemption from the requirement in section 11 that financial statements comply with generally accepted accounting practice as defined in section 3 of the Act;
- (ii) In respect of the Citibank N.A. group of companies:
 - A An exemption from the requirement in section 9 as to the meaning of the term “group financial statements”;
 - B An exemption from the requirement in section 14 that group financial statements must comply with generally accepted accounting practice as defined in section 3 of the Act; and
- (iii) An exemption in respect of Citibank N.A. and the Citibank N.A. group of companies from the requirement in section 19 of the Act that an auditor’s report on financial statements and group financial statements be delivered to the Registrar for registration.

4 Conditions

This exemption is subject to the conditions that—

- (a) the directors of Citibank N.A. shall—
 - (i) comply with all requirements of the Act in relation to financial statements for the Citibank N.A. New Zealand branch;
 - (ii) prepare and deliver to the Registrar for registration Federal Financial Institutions Examination Council (“FFIEC”) consolidated financial statements prepared for Citibank N.A. and for the Citibank N.A. group of companies as if those statements were financial statements and group financial statements that complied with sections 8, 9, 11 and 13 of the Act;
 - (iii) deliver to the Registrar annually, before the date on which financial statements and group financial statements would, but for this exemption, be required to be delivered for registration, a copy of the FFIEC consolidated financial statements for his approval; and
- (b) the Registrar gives his approval in writing to the FFIEC consolidated financial statements.

5 Reasons for exemption

- (a) Citibank N.A. currently prepares consolidated financial statements for both Citibank N.A. and the Citibank N.A. group of companies, in order to comply with U.S. requirements set by the FFIEC. Compliance with sections 8, 9, 11 and 14 of the Act would require Citibank N.A. to prepare and file with the Registrar separate New Zealand financial statements and group financial statements that comply with New Zealand generally accepted accounting practice (“NZ GAAP”). These statements would essentially replicate the FFIEC compliant financial statements for Citibank N.A. and consolidated group financial statements for the Citibank N.A. group of companies.

- (b) The Registrar is satisfied that the quality and content of the financial information included in the FFIEC financial statements is not substantially different to the financial information that would be included in financial statements and group financial statements prepared in accordance with NZ GAAP. The exemption will allow Citibank N.A. to file with the Registrar the FFIEC compliant consolidated financial statements for Citibank N.A. and the Citibank N.A. group of companies in place of financial statements and group financial statements in compliance with NZ GAAP. The Registrar is also satisfied that the FFIEC compliant consolidated financial statements do not need to be accompanied by an auditor's report when they are delivered for registration.
- (c) The Registrar is satisfied that the exemption is not broader than what is reasonably necessary to address the matters that gave rise to the exemption.

6 Consultation

In accordance with section 35C(1)(b) of the Act, in deciding whether or not to grant this exemption under section 35B, the Registrar of Companies has consulted the Reserve Bank of New Zealand.

Dated at Wellington this 21st day of June 2007.

Elisabeth Ruth Thomson
Deputy Registrar of Companies