# CITIBANK, N. A. COLOMBO, SRI LANKA

Rated 'AAA (lka)' by Fitch Ratings Lanka Ltd.

## INCOME STATEMENT

Rupees Thousands

| Interest income Interest expenses   | 01/01/18 to 31/12/18<br>(Audited) | 01/01/17 to 31/12/17        |
|---|-----------------------------------|-----------------------------|
|   |                                   | (Audited)                   |
| Interest expenses   | 3,225,313                         | 2,939,519                   |
| Net interest income   | 878,574<br><b>2,346,739</b>       | 748,179<br><b>2,191,340</b> |
| Fee and commission income   | 858,198                           | 896,548                     |
| Fee and commission expenses Net fee and commission income   | 157,843<br><b>700,355</b>         | 177,727<br><b>718,821</b>   |
| Net gains/(losses) from trading   | 920,279                           | 322,341                     |
| Net fair value gains/(losses) on:<br>financial assets at fair value through profit or loss                          |                                   |                             |
| financial liabilities at fair value through profit or loss Net gains/(losses) on derecognition of financial assets: |                                   | •                           |
| at fair value through profit or loss<br>at amortised cost   | :                                 |                             |
| at fair value through other comprehensive income  Net other operating income  | 622,783                           | 867,243                     |
| Total operating income  | 4,590,156                         | 4,099,745                   |
| Impairment charges Net operating income   | (8,491)<br><b>4,581,665</b>       | 26,139<br><b>4,125,884</b>  |
| Personnel expenses  | 658,723                           | 689,267                     |
| Depreciation and amortization expenses Other expenses   | 102,699<br>571,342                | 99,569<br>665,651           |
| Operating profit before VAT, NBT and DRL  | 3,248,901                         | 2,671,399                   |
| Value Added Tax (VAT) on financial services   | 604,951                           | 463,373                     |
| Operating profit/(loss) after VAT & NBT on financial services   | 2,643,950                         | 2,208,026                   |
| Share of profits of associates and joint ventures   | •                                 | -                           |
| Profit/(loss) before tax  | 2,643,950                         | 2,208,026                   |
| Income tax expenses   | 897,619                           | 748,658                     |
| Profit/(loss) for the period  | 1,746,331                         | 1,459,368                   |
| Profit attributable to: Equity holders of the parent  | 1,746,331                         | 1,459,368                   |
| Non-controlling interests   | 1,740,551                         | 1,439,300                   |
|   | 1,746,331                         | 1,459,368                   |
| Earnings per share on profit  |                                   | •                           |
| Basic earnings per ordinary share   |                                   |                             |
| Diluted earnings per ordinary share   |                                   |                             |

Rupees Thousands

## STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF FINANCIAL POSITION

|  | CURRENT PERIOD                           | PREVIOUS PERIOD  |
|--|--|--|
|  | 01/01/18 to 31/12/18<br>(Audited)        | 01/01/17 to 31/12/17<br>(Audited)  |
| Profit/(loss) for the period   | 1,746,331                                | 1,459,368  |
| Items that will be reclassified to income statement Exchange differences on translation of foreign operations Net gains/(losses) on cash flow hedges Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income Share of profits of associates and joint ventures Debt instruments at fair value through other comprehensive income Others (specify) Less: Tax expense relating to items that will be reclassified to income statement  | 542,257<br>-<br>-<br>-<br>-<br>-         | 60,821<br>-<br>-<br>-<br>-<br>-  |
| Items that will not be reclassified to income statement Change in fair value on investments in equity instruments designated at fair value through other comprehensive income Change in fair value attributable to change in the Bank's own credit risk on financial liabilities designated at fair value through profit or loss Re-measurement of post-employment benefit obligations Changes in revaluation surplus Share of profits of associates and joint ventures Others (specify) Less: Tax expense relating to items that will not be reclassified to income statement Other Comprehensive Income (OCI) for the period, net of taxes Total comprehensive income for the period | (50,457)<br>43,663<br>1,902<br>2,283,696 | (2,522)<br>(27,057)<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| Attributable to:<br>Equity holders of the parent<br>Non-controlling interests  | 2,283,696                                | 1,498,891  |

Rupees Thousands

PREVIOUS PERIOD

77,550,722

| ı |  | (Audited)              | (Audited)            |
|---|--|------------------------|----------------------|
|   | Assets   |                        |                      |
|   | Cash and cash equivalents<br>Balances with central banks                           | 5,772,510<br>1,223,727 | 4,083,299<br>882,714 |
|   | Placements with banks  | 1,223,727<br>6,559,072 | 11,038,804           |
|   | Derivative financial instruments   | 2,444,682              | 709,248              |
|   | Financial assets recognized through profit or loss - measured at fair value        | 4,890,750              | 1,704,504            |
|   | - designated at fair value<br>Financial assets at amortised cost                   | •                      |                      |
|   | - loans and advances   | 18,770,128             | 15,221,983           |
|   | - debt and other instruments   | 9,092,021              | 5,195,349            |
|   | Financial assets measured at fair value through other comprehensive income         | 9,092,021              | 5,195,549            |
|   | Investment in subsidiaries   |                        | -                    |
|   | Investments in associates and joint ventures Property, plant and equipment         | 247,847                | 311,915              |
|   | Investment properties Goodwill and intangible assets                               | 217,017                | 311,713              |
|   | Goodwill and intangible assets<br>Deferred tax assets                              | 20.671                 | 14,514               |
|   | Other assets   | 381,372                | 356,477              |
|   | Total assets   | 49,402,780             | 39,518,807           |
|   | Liabilities  |                        |                      |
|   | Due to banks<br>Derivative financial instruments                                   | 8,726,754<br>1,755,480 | 4,868,953<br>583,918 |
|   | Financial liabilities recognized through profit or loss                            | 1,/33,460              | 383,918              |
|   | - measured at fair value<br>- designated at fair value                             | •                      | -                    |
|   | Financial liabilities at amortised cost  | •                      | -                    |
|   | - due to depositors  | 23,513,531             | 19,474,257           |
|   | <ul> <li>due to debt securities holders</li> <li>due to other borrowers</li> </ul> | 70,875                 | 220,961              |
|   | Debt securities issued   |                        | ,                    |
|   | Retirement benefit obligations<br>Current tax liabilities                          | 224,665<br>912,680     | 236,479<br>642,865   |
|   | Deferred tax liabilities   | ,12,000                | -                    |
|   | Other provisions<br>Other liabilities  | 761,117                | 891,797              |
|   | Due to subsidiaries  |                        |                      |
|   | Total liabilities<br>Equity  | 35,965,102             | 26,919,230           |
|   | Stated capital/Assigned capital<br>Statutory reserve fund                          | 1,524,250              | 1,524,250            |
|   | Statutory reserve fund<br>OCI reserve  | 768,111<br>1,393,403   | 680,794<br>887,475   |
|   | Retained earnings  | 9,746,744              | 9,501,888            |
|   | Other reserves   | 5,170                  | 5,170                |
|   | Total shareholders' equity<br>Non-controlling interests                            | 13,437,678             | 12,599,577           |
|   | Total equity   | 13,437,678             | 12,599,577           |
|   | Total equity and liabilities   | 49,402,780             | 39,518,807           |
|   |  |                        |                      |

Ravin Basnayake (Sgd.) Citi Country Officer

Contingent liabilities and commitments

**Memorandum Information** Number of Employees Number of Branches

Date: 30 /05/19

(Sgd.) Chief Finance Officer Date: 30/05/19

97,981,763

CURRENT PERIOD

## STATEMENT OF CASH FLOWS

|   | CURRENT PERIOD           | PREVIOUS PERIOD       |
|---|--------------------------|-----------------------|
|   | 31/12/18<br>(Audited)    | 31/12/17<br>(Audited) |
| Cash flows from operating activities  |                          |                       |
| Interest and commission receipts  | 3,976,961                | 3,606,050             |
| Interest and commission payments  | (963,816)                | (803,614)             |
| Receipts from other operating activities  | 1,543,062                | 838,316               |
| Payments to employees   | (617,973)                | (696,948)             |
| Other overhead expenses and other taxes paid  | (1,176,293)              | (1,094,573)           |
| Operating Profit before changes in Operating Assets & Liabilities                           | 2,761,941                | 1,849,231             |
| (Increase)/Decrease in Operating Assets   |                          |                       |
| Financial assets at amortised cost - loans and advances                                     | (3,562,567)              | (2,581,718)           |
| Net proceeds from Sale, Maturity, and Purchases of Financial Investments                    | (6,992,926)              | 4,606,781             |
| Deposits held for regulatory purposes Placements with Bank                                  | (341,013)                | (573,397)             |
| Other Assets  | 4,473,862<br>(1,746,652) | (1,040,944)<br>73,977 |
| Office Assets   | (8,169,296)              | 484,699               |
|   | (8,109,290)              | 404,099               |
| Increase / (decrease) in operating liabilities  |                          |                       |
| Financial liabilities at amortised cost – due to depositors                                 | 7,824,396                | 182,682               |
| Financial liabilities at amortised cost – due to debt securities holders                    | (150,010)                | (178,504)             |
| Other liabilities (please specify)  | 1,032,529                | 181,646               |
| Net cash generated from operating activities before income tax                              | 3,299,560                | 2,519,754             |
| Income tax paid   | (645,734)                | (607,546)             |
| Gratuity Paid   | (8,901)                  | (18,157)              |
| Net unrealized gains arising from translating the financial statements of foreign operation | 542,257                  | 60,821                |
| Net cash (used in) / from operating activities  | 3,187,182                | 1,954,872             |
| Cash flows from investing activities  |                          |                       |
| Purchase of Property, Plant & Equipment   | (38,631)                 | (51,825)              |
| Dividend income received from financial investments   |                          | 1,048                 |
| Proceeds from Sale of Property, Plant & Equipment   |                          | 333                   |
| Net cash (used in) / from investing activities  | (38,631)                 | (50,445)              |
| Cash flows from financing activities  |                          |                       |
| Profit remittance to Head office  | (1,459,115)              | •                     |
| Net cash (used in) / from financing activities  | (1,459,115)              | -                     |
| Net increase / (decrease) in cash & cash equivalents  | 1,689,436                | 1,904,427             |
| Cash and cash equivalents at the beginning of the period                                    | 4,083,299                | 2,178,872             |
| Exchange difference in respect of cash & cash equivalents                                   |                          | -                     |
| Cash and cash equivalents at the end of the period  | 5,772,735                | 4,083,299             |
| Reconciliation of Cash & Cash Equivalents   |                          |                       |
| Cash in hand  | 868,702                  | 925,896               |
| Balances with banks   | 4,904,033                | 2,987,698             |
| Money at call and short notice  |                          | 169,705               |
| Gross Cash & Cash Equivalents   | 5,772,735                | 4,083,299             |
| Less: Accumulated impairment - Stage 1 for Balances with banks.                             | (225)                    | -                     |
| Net Cash & Cash Equivalents   | 5,772,510                | 4,083,299             |

### NOTES TO THE FINANCIAL STATEMENT

| Available of Louis & Advances, Commitments, Contingencies and Impairment   Available   | Analysis of Loans & Advances, Commitments, Contingencies and Impairment | CURRENT PERIOD                          | DREVIOUS DEDICE |  |  |
|--|---|---|-----------------|--|--|
| Product-rise Gross Ioan & advances   Product-rise Gross Ioan & 2,719,008   7,418,109   1,626,100    |   |   |                 |  |  |
| Page      |   |   |                 |  |  |
| Octobal  |   |   |                 |  |  |
| Term loans   |   | 6 922 129                               | 2 710 608       |  |  |
| Lease centals receivable   |   |   |                 |  |  |
| Parsing  |   | -,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | -,,             |  |  |
| Other leans (specify)  |   | •                                       |                 |  |  |
| Sub total  |   | -<br>4 4=6                              | 2 820           |  |  |
| Contentina   |   |   | , .             |  |  |
| Term loans   | By product - Foreign currency   |   |                 |  |  |
| Columnates   |   |   |                 |  |  |
| Bonds  |   | 3,643,268                               | 4,024,561       |  |  |
| Sub total  |   |   |                 |  |  |
| Sub total   5,922,419   5,968,286   15,250,635   18,783,146   15,250,635   18,783,146   15,250,635   18,783,146   15,250,635   18,783,146   15,250,635   18,783,146   15,250,635   18,783,146   15,250,635   18,783,146   18,784,146   18,784   |   |   |                 |  |  |
| Product-vise commitments and contingencies   Sproduct - Domestic currency   Cuarantees   2,362,132   4,055,046   Bonds   55,464   245,211   245,   |   | 5,922,419                               | 5,086,286       |  |  |
| Spy product - Domestic currency  | Total   | 18,783,146                              | 15,250,633      |  |  |
| Caucarnices   2,562,132   4,055,046   Bonds   55,884   245,211   Undrawn credit lines   55,884   245,211   Undrawn credit lines   1,803,568   1,387,472   Undrawn credit lines   1,803,568   1,387,472   Undrawn credit lines   4,200,984   5,687,29   Sub total   4,200,984   5,687,29   Sub total   7,89,396   611,442   Undrawn credit lines   7,89,396   611,442   Undrawn credit lines   83,285,707   59,674,932   Undrawn credit lines   83,285,707   59,674,932   Undrawn credit lines   83,285,707   59,674,932   Undrawn credit lines   7,513,265   Undrawn credit lines   1,522,299   Undrawn credit lines   1,523,299   Undrawn credit lines   1,523,599   Undrawn credit lines   1,534,656    |   |   |                 |  |  |
| Bonds  |   | 2.262.422                               | 4.055.046       |  |  |
| Undrawn credit lines   1,887,472   1,803,568   1,387,472   1,807   |   |   |                 |  |  |
| Net contingencies (specify)   Sub total   \$1,00,984   \$5,687,729   |   | 55,101                                  | 219,211         |  |  |
| Sub total   4,200,984   5,687,729  |   | 1,803,368                               | 1,387,472       |  |  |
| Superiodical Foreign currency  |   |   |                 |  |  |
| Guarantees   9,705,476   4,663,356   1,1442      | Sub total   | 4,200,984                               | 5,687,729       |  |  |
| Surfame  | By product - Foreign currency   |   |                 |  |  |
| Under was credit lines   |   | 9,705,476                               | 4,063,356       |  |  |
| Other commitments (specify)         - 7,513,263           Other contingencies (specify)         - 7,513,263           Other contingencies (specify)         93,780,779         71,862,993           Total         97,981,763         77,550,722           Stage-wise impairment on loans & advances, commitments and contingencies           Less: Accumulated impairment under stage 2         (21,371)         (28,650)           Accumulated impairment under stage 3         1         (21,371)         (28,650)           Movement of impairment during the period         116,745,538         92,772,705           Inder Stage 1         2         26,139         26,139           Under Stage 1         2         26,22         26,139           Under Stage 3         2 <t< td=""><td></td><td></td><td></td></t<>   |   |   |                 |  |  |
| Other contingencies (specify)   93,780,779   71,862,995   Total   93,780,779   71,862,995   Total   97,981,763   77,550,722  |   | 83,285,707                              |                 |  |  |
| Sub total         93,780,779         71,862,993           Total         97,981,765         77,550,722           Stage-wise impairment on loans & advances, commitments and contingencies         (21,371)         (28,650)           Less: Accumulated impairment under stage 1         (21,371)         (28,650)           Accumulated impairment under stage 2         (21,371)         (28,650)           Accumulated impairment under stage 3         116,743,538         92,772,705           Movement of impairment during the period         Under Stage 1         26,139           Write-off during the period         8,491         26,139           Under Stage 2         2         26,139           Under Stage 1         23,622         26,139           Under Stage 2         2         26,139           Charge/(Write back) to income statement         Write-off during the year         3           Other movements         Closing balance at         1           Under Stage 3         2         26,139           Charge/(Write back) to income statement         Write-off during the year         3           Other movements         Closing balance at         1           Closing balance at         3         5,717,297         5,627,409           ANALYSIS OF DEPOSITS   |   |   | 7,515,205       |  |  |
| Stage-wise impairment on loans & advances, commitments and contingencies   |   | 93,780,779                              | 71,862,993      |  |  |
| Gross loans and advances, commitments and contingencies     Less: Accumulated impairment under stage 1   (21,371)   (28,650)     Accumulated impairment under stage 2   (21,371)   (28,650)     Accumulated impairment under stage 3   (21,371)   (28,650)     Net value of loans and advances, commitments and contingencies   116,743,538   92,772,705     Movement of impairment during the period   Under Stage 1   (21,371)   (28,632)     Under Stage 1   (21,371)   (28,632)   (26,139)     Write-off during the year other movements   (26,139)   (26,139)     Under Stage 2   (26,139)   (26,139)     Under Stage 3   (26,139)   (26,139)     Under Stage 4   (26,139)   (26,139)     Under Stage 5   (26,139)   (26,139)     Under Stage 6   (26,139)   (26,139)     Under Stage 7   (26,139)   (26,139)     Under Stage 7   (26,139)   (26,139)     Under Stage 7   (26,139)   (26,139)     Under Stage 8   (26,139)   (26,139)     Under Stage 9   (26,139)   (26,139)     Under Stage 9   (26,139)   (26,139)   (26,139)     Under Stage 9   (26,139)   (26,139)   (26,139)   (26,139)     Under Stage 9   (26,139)   (26,1   | Total   | 97,981,763                              | 77,550,722      |  |  |
| Gross loans and advances, commitments and contingencies   Less: Accumulated impairment under stage 2   Accumulated impairment under stage 3   Accumulated impairment under stage 4   Accumulated impairment under stage 5   Accumulated impairment under stage 6   Accumulated impairment under stage 6   Accumulated impairment under stage 7   Accumulated impairment under stage 7   Accumulated impairment under stage 8   Accumulated impairment under stage 8   Accumulated impairment under stage 8   Accumulated impairment under stage 9   Accumulated 1   Accum   | Stage-wise impairment on loans & advances commitments and contingencies |   |                 |  |  |
| Less: Accumulated impairment under stage 1   |   |   |                 |  |  |
| Accumulated impairment under stage 3 Net value of loans and advances, commitments and contingencies  Movement of impairment during the period Under Stage 1 Charge (Write back) to income statement Write-off during the year Other movements Closing balance at 31.12.2018 Under Stage 2 Charge (Write back) to income statement Write-off during the year Other movements Closing balance at Under Stage 3 Charge (Write back) to income statement Write-off during the year Other movements Closing balance at Under Stage 3 Charge (Write back) to income statement Write-off during the year Other movements Closing balance at Under Stage 3 Charge (Write back) to income statement Write-off during the year Other movements Closing balance at  Total impairment 23,622 26,139  ANALYSIS OF DEPOSITS By product – Domestic currency Demand deposits (current accounts) Savings deposits 1,334,626 1,040,688 Fixed deposits (current accounts) 1,294,126 1,294,126 1,194,595 Sub total 1,568,2970 11,061,003  By product – Forcign currency Demand deposits (current accounts) 3,379,076 2,993,059 Savings deposits 430,417 714,611 Others (Specify) 8,8657 6,1024 Sub total 1,880,567 6,1024 Sub total  |   | (21,371)                                | (28,650)        |  |  |
| Net value of loans and advances, commitments and contingencies   116,743,538   92,772,705  |   |   |                 |  |  |
| Movement of impairment during the period   Under Stage 1   |   | 116 7/2 529                             | 02 772 705      |  |  |
| Under Stage 1  | Net value of loans and advances, communicates and contingencies         | 110,743,338                             | 92,772,703      |  |  |
| Charge/(Write back) to income statement   8,491   26,139   Write-off during the year Other movements   23,622   26,139   Under Stage 2   Charge/(Write back) to income statement   Write-off during the year Other movements   Closing balance at  | Movement of impairment during the period                                |   |                 |  |  |
| Write-off during the year Other movements  Closing balance at 31.12.2018 Under Stage 2 Charge/(Write back) to income statement Write-off during the year Other movements  Closing balance at   |   | 0 /01                                   | 25.420          |  |  |
| Other movements   25,622   26,139  |   | 8,491                                   | 26,139          |  |  |
| Under Stage 2 Charge/(Write back) to income statement Write-off during the year Other movements  Closing balance at  Under Stage 3 Charge/(Write back) to income statement Write-off during the year Other movements  Closing balance at  Total impairment  23,622 26,139  ANALYSIS OF DEPOSITS By product – Domestic currency Demand deposits (current accounts) 5,717,297 5,627,409 5avings deposits 1,334,626 1,040,688 Fixed deposits 7,336,921 4,198,567 Others (Specify) 1,294,126 194,939 Sub total  15,682,970 11,061,603  By product – Foreign currency Demand deposits (current accounts) 3,979,076 2,993,059 Savings deposits 430,417 714,611 Others (Specify) 88,637 61,024 Sub total  7,830,564 8,412,654   | Other movements   |   |                 |  |  |
| Charge/(Write back) to income statement Write-off during the year Other movements  Closing balance at Under Stage 3 Charge/(Write back) to income statement Write-off during the year Other movements  Closing balance at  Total impairment  Total impairment  ANALYSIS OF DEPOSITS By product – Domestic currency Demand deposits (current accounts) Savings deposits Fixed deposits Others (Specify)  Sub total  Total indeposits (current accounts) Savings deposits Spycoduct – Foreign currency Demand deposits (current accounts) Savings deposits Savings deposits Savings deposits Sub total  Total indeposits (current accounts) Spycoduct – Foreign currency Demand deposits (current accounts) Savings deposits Savings dep           |   | 23,622                                  | 26,139          |  |  |
| Write-off during the year Other movements  Closing balance at  |   |   |                 |  |  |
| Other movements  Closing balance at  |   |   |                 |  |  |
| Under Stage 3 Charge/(Write back) to income statement Write-off during the year Other movements  Closing balance at  | Other movements   |   |                 |  |  |
| Charge/(Write back) to income statement Write-off during the year Other movements   Closing balance at   |   |   |                 |  |  |
| Write-off during the year Other movements         Closing balance at   |   |   |                 |  |  |
| Other movements  Closing balance at  |   |   |                 |  |  |
| Total impairment 23,622 26,139  ANALYSIS OF DEPOSITS By product – Domestic currency Demand deposits (current accounts) Savings deposits 1,334,626 1,040,688 Fixed deposits 7,336,921 4,198,567 Others (Specify) 1,294,126 194,939 Sub total 15,682,970 11,061,603  By product – Foreign currency Demand deposits (current accounts) Savings deposits 3,332,434 4,643,959 Fixed deposits 3,332,434 4,643,959 Fixed deposits 430,417 714,611 Others (Specify) 88,637 61,024 Sub total 7,830,564 8,412,654  |   |   |                 |  |  |
| ANALYSIS OF DEPOSITS By product – Domestic currency Demand deposits (current accounts) Sive deposits Sixed deposits Sixed deposits Sixed deposits Sub total  By product – Foreign currency Demand deposits (current accounts) Savings deposits Savin | Closing balance at  |   |                 |  |  |
| By product – Domestic currency Demand deposits (current accounts) Savings deposits Fixed deposits Fixed deposits Fixed deposits T,334,626 1,040,688 Fixed deposits T,336,921 4,198,567 Others (Specify) 1,294,126 194,939 Sub total  Sub total  Superior Foreign currency Demand deposits (current accounts) Savings deposits T,332,434 4,643,959 Fixed deposits T,332,434 5,643,959 Fixed deposits T,340,417 T,4611 Others (Specify) Sub total T,830,564 S,412,654  | Total impairment  | 23,622                                  | 26,139          |  |  |
| By product – Domestic currency Demand deposits (current accounts) Savings deposits Fixed deposit | ANALYSIS OF DEPOSITS  |   |                 |  |  |
| Savings deposits     1,334,626     1,040,688       Fixed deposits     7,336,921     4,198,567       Others (Specify)     1,294,126     194,939       Sub total     15,682,970     11,061,603       By product – Foreign currency       Demand deposits (current accounts)     3,979,076     2,993,059       Savings deposits     3,332,434     4,643,959       Fixed deposits     430,417     714,611       Others (Specify)     88,637     61,024       Sub total     7,830,564     8,412,654   |   |   |                 |  |  |
| Fixed deposits       7,336,921       4,198,567         Others (Specify)       1,294,126       194,939         Sub total       15,682,970       11,061,603         By product - Foreign currency         Demand deposits (current accounts)       3,979,076       2,993,059         Savings deposits       3,332,434       4,643,959         Fixed deposits       430,417       714,611         Others (Specify)       88,637       61,024         Sub total       7,830,564       8,412,654  |   |   |                 |  |  |
| Others (Specify)       1,294,126       194,939         Sub total       15,682,970       11,061,603         By product – Foreign currency         Demand deposits (current accounts)       3,979,076       2,993,059         Savings deposits       3,332,434       4,643,959         Fixed deposits       450,417       714,611         Others (Specify)       88,637       61,024         Sub total       7,830,564       8,412,654   |   |   |                 |  |  |
| Sub total     15,682,970     11,061,603       By product - Foreign currency     3,979,076     2,993,059       Demand deposits (current accounts)     3,332,434     4,643,959       Fixed deposits     430,417     714,611       Others (Specify)     88,637     61,024       Sub total     7,830,564     8,412,654   |   |   |                 |  |  |
| Demand deposits (current accounts)       3,979,076       2,993,059         Savings deposits       3,332,434       4,643,959         Fixed deposits       430,417       714,611         Others (Specify)       88,637       61,024         Sub total       7,830,564       8,412,654  |   |   |                 |  |  |
| Demand deposits (current accounts)       3,979,076       2,993,059         Savings deposits       3,332,434       4,643,959         Fixed deposits       430,417       714,611         Others (Specify)       88,637       61,024         Sub total       7,830,564       8,412,654  | By product – Foreign currency   |   |                 |  |  |
| Fixed deposits       430,417       714,611         Others (Specify)       88,637       61,024         Sub total       7,830,564       8,412,654  | Demand deposits (current accounts)                                      | 3,979,076                               |                 |  |  |
| Others (Specify)       88,637       61,024         Sub total       7,830,564       8,412,654   |   |   |                 |  |  |
| Sub total 7,830,564 8,412,654  |   |   |                 |  |  |
|  |   |   |                 |  |  |
| Total 23,513,534 19,474,257  | V 100 100 100 100 100 100 100 100 100 10                                | 7,000,001                               | 0,112,074       |  |  |
|  | Total   | 23,513,534                              | 19,474,257      |  |  |

| STATEMENT OF CHANC  | GES IN EQU                   | J <b>ITY AND</b> I               | RESERVES            |                              |                      |                                     |                             |                |                             |                             | Rupee<br>Thousand         |  |
|---|------------------------------|----------------------------------|---------------------|------------------------------|----------------------|-------------------------------------|-----------------------------|----------------|-----------------------------|-----------------------------|---------------------------|--|
|   | Sta                          | nted capital/Assigned capi       | ital                |                              | Reserves             |                                     |                             |                |                             |                             |                           |  |
|   | Ordinary<br>Voting<br>Shares | Ordinary<br>Non-voting<br>Shares | Assigned<br>Capital | Statutory<br>Reserve<br>Fund | OCI reserve          | Exchange<br>Equalization<br>Reserve | Retained earnings           | Other reserves | Total                       | Non-Controlling<br>Interest | Total Equity              |  |
| Balance as at 01/01/18 (Opening balance) Adjustment on initial application on IFRS 09, net of tax Total comprehensive income for the period | -                            | -                                | 1,524,250           | 680,794                      | 26,697               | 860,778                             | 9, <b>501,888</b><br>13,520 | 5,170          | 12,599,577<br>13,520        | •                           | 12,599,577<br>13,520      |  |
| Profit/(loss) for the year (net of tax)   | -                            | -                                | -                   | -                            | -                    | -                                   | 1,746,331                   |                | 1,746,331                   |                             | 1,746,331                 |  |
| Other comprehensive income (net of tax)  Total comprehensive income for the period  |                              |                                  | -                   |                              | (36,329)<br>(36,329) | 542,257<br><b>542,257</b>           | 31,437<br><b>1,791,288</b>  |                | 537,365<br><b>2,297,216</b> | -                           | 537,365<br>2,297,216      |  |
| Transactions with equity holders, recognised directly inequ   | uity                         |                                  |                     |                              |                      |                                     |                             |                |                             |                             |                           |  |
| Share issue/increase of assigned capital<br>Share options exercised<br>Bonus issue<br>Rights issue  | -                            | -                                | -                   | -                            | -<br>-<br>-          | :                                   | -                           | -              | -                           | -                           |                           |  |
| Transfers to reserves during the period<br>Dividends to equity holders  |                              |                                  |                     | 87,317                       |                      |                                     | (87,317)                    |                | (1 (50 115)                 |                             | - (1 (50 115)             |  |
| Profit transferred to head office<br>Gain/(loss) on revaluation of Property, Plant and Equipment (if<br>Others (Please specify)             | cost method is adopted)      |                                  |                     |                              | -                    |                                     | (1,459,115)                 |                | (1,459,115)                 |                             | (1,459,115)               |  |
| Total transactions with equity holders<br>Balance as at 31/12/18 (Closing balance)  | :                            |                                  | 1,524,250           | 87,317<br>768,111            | (9,632)              | 1,403,035                           | (1,546,432)<br>9,746,744    | <b>5,17</b> 0  | (1,459,115)<br>13,437,678   | :                           | (1,459,115)<br>13,437,678 |  |

# CITIBANK, N. A. COLOMBO, SRI LANKA

Rated 'AAA (lka)' by Fitch Ratings Lanka Ltd.



### ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Rupees Thousands

| As at 31 December 2018   |           |   |   |  |
|--|-----------|---|---|--|
| To the 51 December 2010  | FVPL*     | Amortised Cost                            | FVOCI   | Tot  |
|  | Rs. '000  | Rs. '000                                  | Rs. '000  | Rs. '00  |
| Financial Assets   |           |   |   |  |
| Cash and cash equivalents  |           | 5,772,510                                 |   | 5,772,5  |
| Balances with central banks  |           | 1,223,727                                 |   | 1,223,7  |
| Placements with banks  |           | 6,559,072                                 |   | 6,559,0  |
| Derivative financial instruments   | 2,444,682 | -   |   | 2,444,6  |
| Financial assets recognised through profit or loss-measured at fair value  | 4,890,750 |   |   | 4,890,7  |
| Financial assets at amortised cost - loans and advances  |           | 18,791,616                                | -   | 18,791,6   |
| Financial assets measured at fair value through other comprehensive income   |           | _   | 9,092,021   | 9,092,0  |
| Other Assets   |           | 20,890                                    | 1,040   | 21,9   |
| Total financial assets   | 7,335,432 | 32,367,815                                | 9,093,061   | 48,796,3   |
|  |           |   |   |  |
|  |           | FVPL*                                     | Amortised Cost  | То   |
|  |           | Rs. '000                                  | Rs. '000  | Rs. '0   |
| Financial Liabilities  |           |   |   |  |
| Due to banks   |           |   | 8,726,754   | 8,726,   |
| Derivative financial instruments   |           | 1,755,480                                 |   | 1,755,4  |
| Financial liabilities at amortised cost - due to depositors  |           |   | 23,513,531  | 23,513,5   |
| Securities sold under repurchase agreements  |           | •   | 70,875  | 70,8   |
| Other liabilities  |           |   | 368,113   | 368,1  |
| Total financial liabilities  |           | 1,755,480                                 | 32,679,273  | 34,434,7   |
| As at 31 December 2017   |           |   |   |  |
|  | FVPL*     | Amortised Cost                            | FVOCI   | To   |
|  | Rs. '000  | Rs. '000                                  | Rs. '000  | Rs. '0   |
| Financial Assets   |           |   |   |  |
| Cash and cash equivalents  | -         | 4,083,299                                 | -   | 4,083,2  |
| Balances with central banks  | -         | 882,714                                   | -   | 882,7  |
| Placements with banks  | -         | 11,038,804                                | -   | 11,038,8   |
|  | 709,248   |   |   |  |
| Derivative financial instruments   |           |   | -   | 709,2  |
| Financial assets recognised through profit or loss-measured at fair value  | 1,704,504 | -   | -   | 1,704,5  |
| Financial assets recognised through profit or loss- measured at fair value<br>Financial assets at amortised cost - loans and advances  |           | 15,243,471                                |   | 1,704,5<br>15,243,4  |
| Financial assets recognised through profit or loss- measured at fair value<br>Financial assets at amortised cost - loans and advances<br>Financial assets measured at fair value through other comprehensive income  |           |   | 5,195,349   | 1,704,5<br>15,243,4<br>5,195,3   |
| Financial assets recognised through profit or loss- measured at fair value<br>Financial assets at amortised cost - loans and advances<br>Financial assets measured at fair value through other comprehensive income<br>Other Assets  | 1,704,504 | 21,579                                    | 1,040   | 1,704,5<br>15,243,4<br>5,195,3   |
| Financial assets recognised through profit or loss-measured at fair value<br>Financial assets at amortised cost - loans and advances<br>Financial assets measured at fair value through other comprehensive income<br>Other Assets   |           |   |   | 1,704,5<br>15,243,4<br>5,195,3<br>22,6   |
| Derivative financial instruments Financial assets recognised through profit or loss- measured at fair value Financial assets at amortised cost - loans and advances Financial assets measured at fair value through other comprehensive income Other Assets Total financial assets   | 1,704,504 | 21,579                                    | 1,040   | 709,2<br>1,704,5<br>15,243,4<br>5,195,3<br>22,6<br>38,880,0                        |
| Financial assets recognised through profit or loss- measured at fair value<br>Financial assets at amortised cost - loans and advances<br>Financial assets measured at fair value through other comprehensive income<br>Other Assets  | 1,704,504 | 21,579<br>31,269,867                      | 1,040<br>5,196,389  | 1,704,5<br>15,243,4<br>5,195,3<br>22,6<br>38,880,0                                 |
| Financial assets recognised through profit or loss- measured at fair value<br>Financial assets at amortised cost - loans and advances<br>Financial assets measured at fair value through other comprehensive income<br>Other Assets  | 1,704,504 | 21,579<br>31,269,867<br>FVPL*             | 1,040<br>5,196,389<br>Amortised Cost  | 1,704,5<br>15,243,4<br>5,195,3<br>22,6<br>38,880,0                                 |
| Financial assets recognised through profit or loss- measured at fair value Financial assets at amortised cost - loans and advances Financial assets measured at fair value through other comprehensive income Other Assets Total financial assets  | 1,704,504 | 21,579<br>31,269,867<br>FVPL*             | 1,040<br>5,196,389<br>Amortised Cost<br>Rs. '000                            | 1,704,5<br>15,243,4<br>5,195,3<br>22,6<br>38,880,0<br>To<br>Rs. '0                 |
| Financial assets recognised through profit or loss- measured at fair value Financial assets at amortised cost - loans and advances Financial assets measured at fair value through other comprehensive income Other Assets  Total financial assets  Financial Liabilities Due to banks   | 1,704,504 | 21,579<br>31,269,867<br>FVPL*             | 1,040<br>5,196,389<br>Amortised Cost  | 1,704,5<br>15,243,4<br>5,195,2<br>22,6<br>38,880,0                                 |
| Financial assets recognised through profit or loss- measured at fair value Financial assets at amortised cost - loans and advances Financial assets measured at fair value through other comprehensive income Other Assets Total financial assets  Financial Liabilities Due to banks Derivative financial instruments   | 1,704,504 | 21,579<br>31,269,867<br>FVPL*<br>Rs. '000 | 1,040<br>5,196,389<br>Amortised Cost<br>Rs. '000<br>4,868,953               | 1,704,5<br>15,243,4<br>5,195,2<br>22,6<br>38,880,0<br>To<br>Rs. '0<br>4,868,5      |
| Financial assets recognised through profit or loss-measured at fair value Financial assets at amortised cost - loans and advances Financial assets measured at fair value through other comprehensive income Other Assets  Total financial assets  Financial Liabilities  Due to banks  Derivative financial instruments Financial liabilities at amortised cost - due to depositors | 1,704,504 | 21,579<br>31,269,867<br>FVPL*<br>Rs. '000 | 1,040<br>5,196,389<br>Amortised Cost<br>Rs. '000<br>4,868,953<br>19,474,257 | 1,704,5<br>15,243,4<br>5,195,2<br>22,6<br>38,880,0<br>To<br>Rs. '0                 |
| Financial assets recognised through profit or loss- measured at fair value Financial assets at amortised cost - loans and advances Financial assets measured at fair value through other comprehensive income Other Assets  Total financial assets  Financial Liabilities Due to banks Derivative financial instruments  | 1,704,504 | 21,579<br>31,269,867<br>FVPL*<br>Rs. '000 | 1,040<br>5,196,389<br>Amortised Cost<br>Rs. '000<br>4,868,953               | 1,704;<br>15,243;<br>5,195;<br>22,4<br>38,880,6<br>Tc<br>Rs. '(<br>4,868,<br>583,5 |

\* Designated at fair value through profit or loss - Designated at fair value - FVPL

### SELECTED PERFORMANCE INDICATORS

Rupees

|   | CURRENT PERIOD              | PREVIOUS PERIOD             |
|---|-----------------------------|-----------------------------|
|   | As at 31/12/18<br>(Audited) | As at 31/12/17<br>(Audited) |
| Common Equity Tier 1  | 13,691,677                  | 13,082,604                  |
| Tier 1 Capital  | 13,691,677                  | 13,082,604                  |
| Total Capital   | 13,715,299                  | 13,082,604                  |
| Regulatory Capital Ratios (%)   |                             |                             |
| Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.375%)           | 39.38%                      | 43.80%                      |
| Tier 1 Capital Ratio (Minimum Requirement - 7.875%)                         | 39.38%                      | 43.80%                      |
| Total Capital Ratio (Minimum Requirement -11.875%)                          | 39.45%                      | 43.80%                      |
| Leverage Ratio (Minimum Requirement =3)                                     | 0.00%                       | 0.00%                       |
| Regulatory Liquidity  |                             |                             |
| Statutory Liquid Assets (LKR'000)   | 26,234,474                  | 21,765,189                  |
| Statutory Liquid Assets Ratio (Minimum Requirement = 20%)                   |                             |                             |
| Domestic Banking Unit (%)   | 60.57%                      | 71.26%                      |
| Off-Shore Banking Unit (%)  | 91.13%                      | 92.84%                      |
| Liquidity Coverage Ratio (%) – Rupee (Minimum                               | 758.70%                     | 423,01%                     |
| Requirement - 100%)   |                             |                             |
| Liquidity Coverage Ratio (%) – All Currency (Minimum                        | 260.47%                     | 185.38%                     |
| Requirement -100%)  |                             |                             |
| Net Stable Funding Ratio (%) (Minimum Requirement = 90%)                    | 123.72%                     | 0.00%                       |
| Assets Quality (Quality of Loan Portfolio)                                  |                             |                             |
| Gross Non-Performing Advances (%) (net of interest in Suspense)             |                             |                             |
| Net-Non Performing Advances (%) (net of interest in suspense and provision) | -                           |                             |
| Profitability   |                             |                             |
| Interest Margin (%)   | 5.01%                       | 5.56%                       |
| Return on Assets (Before Tax %)   | 6.49%                       | 5.60%                       |
| Return on Equity (%)  | 23.88%                      | 12.25%                      |
|   |                             |                             |

## INCOME STATEMENT

|   | CURRENT PERIOD       | PREVIOUS PERIOD      |
|---|----------------------|----------------------|
|   | 01/01/18 to 31/12/18 | 01/01/17 to 31/12/17 |
|   | (Audited)            | (Audited)            |
|   |                      |                      |
| Interest income   | 3,225,313            | 2,939,519            |
| Interest expenses   | 878,574              | 748,179              |
| Net interest income   | 2,346,739            | 2,191,340            |
| Fee and commission income                                     | 858,198              | 896,548              |
| Fee and commission expenses                                   | 157,843              | 177,727              |
| Net fee and commission income                                 | 700,355              | 718,821              |
| Tet lee und commontal meeting                                 | , 00,333             | 710,021              |
| Net gains/(losses) from trading                               | 920,279              | 322,341              |
| Net fair value gains/(losses) on:                             |                      | ·                    |
| financial assets at fair value through profit or loss         | -                    | -                    |
| financial liabilities at fair value through profit or loss    | -                    | -                    |
| Net gains/(losses) on derecognition of financial assets:      |                      |                      |
| at fair value through profit or loss                          | -                    |                      |
| at amortised cost   | •                    | -                    |
| at fair value through other comprehensive income              | ćaa ===              |                      |
| Net other operating income                                    | 622,783              | 867,243              |
| Total operating income  | 4,590,156            | 4,099,745            |
| Impairment charges  | (8,491)              | 26,139               |
| Net operating income  | 4,581,665            | 4,125,884            |
| Personnel expenses  | 658,723              | 689,267              |
| Depreciation and amortization expenses                        | 102,699              | 99,569               |
| Other expenses  | 571,342              | 665,651              |
| Operating profit before VAT, NBT and DRL                      | 3,248,901            | 2,671,399            |
| Value Added Tax (VAT) on financial services                   | 604,951              | 463,373              |
| Operating profit/(loss) after VAT & NBT on financial services | 2,643,950            | 2,208,026            |
| Share of profits of associates and joint ventures             | · · · · ·            |                      |
| Profit/(loss) before tax                                      | 2,643,950            | 2,208,026            |
| Income tax expenses   | 897,619              | 748,658              |
| Profit/(loss) for the period                                  | 1,746,331            | 1,459,368            |
| Profit attributable to:                                       |                      |                      |
| Equity holders of the parent                                  | 1,746,331            | 1,459,368            |
| Non-controlling interests                                     |                      | . (20.050            |
|   | 1,746,331            | 1,459,368            |
| Earnings per share on profit                                  | •                    | -                    |
| Basic earnings per ordinary share                             |                      |                      |
| Diluted earnings per ordinary share                           |                      |                      |
|   |                      |                      |

## STATEMENT OF COMPREHENSIVE INCOME

Rupees Thousands

|  | CURRENT PERIOD                    | PREVIOUS PERIOD                   |
|--|-----------------------------------|-----------------------------------|
|  | 01/01/18 to 31/12/18<br>(Audited) | 01/01/17 to 31/12/17<br>(Audited) |
| Profit/(loss) for the period   | 1,746,331                         | 1,459,368                         |
| Items that will be reclassified to income statement Exchange differences on translation of foreign operations Net gains/(losses) on cash flow hedges Net gains/(losses) on investments in debt instruments | 542,257<br>-                      | 60,821                            |
| Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income Share of profits of associates and joint ventures  | :                                 |                                   |
| Debt instruments at fair value through other comprehensive income Others (specify)   |                                   | i :                               |
| Less: Tax expense relating to items that will be reclassified to income statement  | •                                 |                                   |
| Items that will not be reclassified to income statement<br>Change in fair value on investments in equity instruments   |                                   |                                   |
| designated at fair value through other comprehensive income<br>Change in fair value attributable to change in the Bank's own credit risk on  | (50,457)                          | (2,522)                           |
| financial liabilities designated at fair value through profit or loss<br>Re-measurement of post-employment benefit obligations Changes in revaluation surplus  | 43,663                            | (27,057)                          |
| Share of profits of associates and joint ventures<br>Others (specify)  |                                   |                                   |
| Less: Tax expense relating to items that will not be reclassified to income statement  Other Comprehensive Income (OCI) for the period, net of taxes   | 1,902                             | 8,282                             |
| Total comprehensive income for the period, net of taxes  | 2,283,696                         | 1,498,891                         |
| Attributable to: Equity holders of the parent  | 2,283,696                         | 1,498,891                         |
| Non-controlling interests  | -                                 |                                   |

## STATEMENT OF FINANCIAL POSITION

|   | CURRENT PERIOD   | PREVIOUS PERIOD  |
|---|--|--|
|   | As at 31/12/18<br>(Audited)  | As at 31/12/17<br>(Audited)  |
| Assets Cash and cash equivalents Balances with central banks Placements with banks Placements with banks Derivative financial instruments Financial assets recognized through profit or loss - measured at fair value - designated at fair value Financial assets at amortised cost - loans and advances - debt and other instruments Financial assets measured at fair value through other comprehensive income              | 5,772,510<br>1,223,727<br>6,559,072<br>2,444,682<br>4,890,750<br>-<br>18,770,128<br>9,092,021  | 4,083,299<br>882,714<br>11,038,804<br>709,248<br>1,704,504<br>-<br>15,221,983<br>5,195,349   |
| Investment in subsidiaries Investments in associates and joint ventures Property, plant and equipment Investment properties Goodwill and intangible assets Deferred tax assets Other assets Total assets  | 247,847<br>20,671<br>381,372<br>49,402,780   | 311,915<br>  |
| Liabilities Due to banks Derivative financial instruments Financial liabilities recognized through profit or loss - measured at fair value - designated at fair value - designated at fair value Financial liabilities at amortised cost - due to depositors - due to debt securities holders - due to other borrowers Debt securities issued Retirement benefit obligations Current tax liabilities Deferred tax liabilities | 8,726,754<br>1,755,480<br>-<br>23,513,531<br>- 70,875<br>- 224,665<br>- 912,680                | 4,868,953<br>583,918<br>19,474,257<br>220,961<br>236,479<br>642,865                          |
| Other provisions Other liabilities Due to subsidiaries Total liabilities Equity Stated capital/Assigned capital Statutory reserve fund OCI reserve Retained carnings Other reserves Total shareholders' equity  | 761,117<br>35,965,102<br>1,524,250<br>768,111<br>1,393,403<br>9,746,744<br>5,170<br>13,437,678 | 891,797<br>26,919,230<br>1,524,250<br>680,794<br>887,475<br>9,501,888<br>5,170<br>12,599,577 |
| Non-controlling interests<br>Total equity<br>Total equity and liabilities   | 13,437,678<br>49,402,780   | 12,599,577<br>39,518,807   |
| Contingent liabilities and commitments  Memorandum Information  Number of Employees  Number of Branches   | 97,981,763<br>84<br>1  | 77,550,722<br>84<br>1  |
| Signed  Ravin Basnayake (Sgd.) Citi Country Officer  Date: 30 /05/19  | Signed Feroze Kamaldeen (Sgd.) Chief Finance Officer Date: 30/05/19                            |  |

## STATEMENT OF CHANGES IN EQUITY AND RESERVES Stated capital/Assigned capital

Share issue/increase of assigned capital Share options exercised Bonus issue Rights issue

Transfers to reserves during the period

Total transactions with equity holders

Balance as at 31/12/18 (Closing balance)

Gain/(loss) on revaluation of Property, Plant and Equipment (if cost method is adopted)

Dividends to equity holders Profit transferred to head office

Others (Please specify)

0.41....

0-41----

|   | Voting<br>Shares | Non-voting<br>Shares | Assigned<br>Capital | Reserve<br>Fund | OCI reserve | Exchange<br>Equalization<br>Reserve | earnings                    | Other reserves | Total                | Non-Controlling<br>Interest |
|---|------------------|----------------------|---------------------|-----------------|-------------|-------------------------------------|-----------------------------|----------------|----------------------|-----------------------------|
| Balance as at 01/01/18 (Opening balance) Adjustment on initial application on IFRS 09, net of tax | -                | •                    | 1,524,250           | 680,794         | 26,697      | 860,778                             | 9, <b>501,888</b><br>13,520 | 5,170          | 12,599,577<br>13,520 | -                           |
| Total comprehensive income for the period<br>Profit/(loss) for the year (net of tax)              | -                | -                    | -                   | -               | -           | -                                   | 1,746,331                   |                | 1,746,331            |                             |

C+-+--+-

87.317

87,317

768,111

13,520 1,746,331 Other comprehensive income (net of tax) (36,329)542,257 31,437 537,365 537,365 Total comprehensive income for the period 542,257 1,791,288 2,297,216 2,297,216

OCT ----

(9,632)

Reserves

Y-----

1,403,035

D-4-1----

(87,317)

(1,459,115)

(1,546,432)

9,746,744

O41---

5,170

75-4-1

(1,459,115)

(1,459,115)

13,437,678

N-- C--4--111--

Rupees Thousands

**Total Equity** 

12,599,577

(1,459,115)

(1,459,115)

13,437,678

(36,329)Transactions with equity holders, recognised directly inequity

1,524,250

A --- 1

## STATEMENT OF CASH FLOWS

Less: Accumulated impairment - Stage 1 for Balances with banks.

Net Cash & Cash Equivalents

|   | CURRENT PERIOD                          | PREVIOUS PERIOD  |
|---|---|------------------|
|   | COMMENT LEMOD                           | T REVIOUS TERIOD |
|   | 31/12/18                                | 31/12/17         |
|   | (Audited)                               | (Audited)        |
| Cash flows from operating activities  |   |                  |
| Interest and commission receipts  | 3,976,961                               | 3,606,050        |
| Interest and commission payments  | (963,816)                               | (803,614)        |
| Receipts from other operating activities  | 1,543,062                               | 838,316          |
| Payments to employees   | (617,973)                               | (696,948)        |
| Other overhead expenses and other taxes paid  | (1,176,293)                             | (1,094,573)      |
| Operating Profit before changes in Operating Assets & Liabilities                           | 2,761,941                               | 1,849,231        |
| (Increase)/Decrease in Operating Assets   |   |                  |
| Financial assets at amortised cost - loans and advances                                     | (3,562,567)                             | (2,581,718)      |
| Net proceeds from Sale, Maturity, and Purchases of Financial Investments                    | (6,992,926)                             | 4,606,781        |
| Deposits held for regulatory purposes   | (341,013)                               | (573,397)        |
| Placements with Bank  | 4,473,862                               | (1,040,944)      |
| Other Assets  | (1,746,652)                             | 73,977           |
|   | (8,169,296)                             | 484,699          |
| Increase / (decrease) in operating liabilities  |   |                  |
| Financial liabilities at amortised cost – due to depositors                                 | 7,824,396                               | 182,682          |
| Financial liabilities at amortised cost – due to debt securities holders                    | (150,010)                               | (178,504)        |
| Other liabilities (please specify)  | 1,032,529                               | 181,646          |
| Net cash generated from operating activities before income tax                              | 3,299,560                               | 2,519,754        |
| Net cash generated from operating activities before income tax                              | 3,477,300                               | 4,317,734        |
| Income tax paid   | (645,734)                               | (607,546)        |
| Gratuity Paid   | (8,901)                                 | (18,157)         |
| Net unrealized gains arising from translating the financial statements of foreign operation | 542,257                                 | 60,821           |
| Net cash (used in) / from operating activities  | 3,187,182                               | 1,954,872        |
| Cash flows from investing activities  |   |                  |
| Purchase of Property, Plant & Equipment   | (38,631)                                | (51,825)         |
| Dividend income received from financial investments   | -                                       | 1,048            |
| Proceeds from Sale of Property, Plant & Equipment   | -                                       | 333              |
| Net cash (used in) / from investing activities  | (38,631)                                | (50,445)         |
| Cash flows from financing activities  |   |                  |
| Profit remittance to Head office  | (1,459,115)                             | -                |
| Net cash (used in) / from financing activities  | (1,459,115)                             | -                |
| Net increase / (decrease) in cash & cash equivalents  | 1,689,436                               | 1,904,427        |
| Cash and cash equivalents at the beginning of the period                                    | 4,083,299                               | 2,178,872        |
| Exchange difference in respect of cash & cash equivalents                                   | -                                       | -                |
| Cash and cash equivalents at the end of the period  | 5,772,735                               | 4,083,299        |
| Reconciliation of Cash & Cash Equivalents   |   |                  |
| Cash in hand  | 868,702                                 | 925,896          |
| Balances with banks   | 4,904,033                               | 2,987,698        |
| Money at call and short notice  | -,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 169,705          |
| Gross Cash & Cash Equivalents   | 5,772,735                               | 4,083,299        |
| Loss Assumulated impairments Store I for Polances with heale                                | 3,772,733                               | 1,003,277        |

(225)

4,083,299

5,772,510

19,474,257

23,513,534

#### JOTES TO THE FINANCIAL STATEMENT

Total

| NOTES TO THE FINANCIAL STATEMENT  |                             |   |  |  |  |
|---|-----------------------------|---|--|--|--|
| Analysis of Loans & Advances, Commitments, Contingencies and Impairment   | CURRENT PERIOD              | PREVIOUS PERIOD  As at 31/12/17 (Audited) |  |  |  |
|   | As at 31/12/18<br>(Audited) |   |  |  |  |
| Product-wise Gross loans & advances                                       |                             |   |  |  |  |
| By product - Domestic currency<br>Overdrafts                              | 6,923,138                   | 2,719,698                                 |  |  |  |
| Term loans  | 5,933,134                   | 7,441,819                                 |  |  |  |
| Lease rentals receivable  | · · · · · · · ·             |   |  |  |  |
| Credit cards Pawning  | Ī                           |   |  |  |  |
| Other loans (specify)   | 4,456                       | 2,830                                     |  |  |  |
| Sub total   | 12,860,728                  | 10,164,347                                |  |  |  |
| By product – Foreign currency   |                             |   |  |  |  |
| Overdrafts  | 2,279,150                   | 1,061,725                                 |  |  |  |
| Term loans<br>Guarantees  | 3,643,268                   | 4,024,561                                 |  |  |  |
| Bonds   | -<br>-                      |   |  |  |  |
| Other loans (specify)   | -                           |   |  |  |  |
| Sub total   | 5,922,419                   | 5,086,286                                 |  |  |  |
| Total   | 18,783,146                  | 15,250,633                                |  |  |  |
| Product-wise commitments and contingencies                                |                             |   |  |  |  |
| By product - Domestic currency<br>Guarantees                              | 2,362,132                   | 4,055,046                                 |  |  |  |
| Bonds   | 2,362,132<br>35,484         | 4,055,046<br>245,211                      |  |  |  |
| Undrawn credit lines  |                             |   |  |  |  |
| Other commitments (specify)   | 1,803,368                   | 1,387,472                                 |  |  |  |
| Other contingencies (specify) Sub total                                   | 4,200,984                   | 5,687,729                                 |  |  |  |
|   |                             |   |  |  |  |
| By product - Foreign currency<br>Guarantees                               | 9,705,476                   | 4,063,356                                 |  |  |  |
| Bonds   | 789,596                     | 611,442                                   |  |  |  |
| Undrawn credit lines  | 83,285,707                  | 59,674,932                                |  |  |  |
| Other commitments (specify) Other contingencies (specify)                 | Ī                           | 7,513,263                                 |  |  |  |
| Sub total   | 93,780,779                  | 71,862,993                                |  |  |  |
| Total   | 97,981,763                  | 77,550,722                                |  |  |  |
| Stage-wise impairment on loans & advances, commitments and contingencies  |                             |   |  |  |  |
| Gross loans and advances, commitments and contingencies                   |                             |   |  |  |  |
| Less: Accumulated impairment under stage 1                                | (21,371)                    | (28,650)                                  |  |  |  |
| Accumulated impairment under stage 2 Accumulated impairment under stage 3 |                             |   |  |  |  |
| Net value of loans and advances, commitments and contingencies            | 116,743,538                 | 92,772,705                                |  |  |  |
| Movement of impairment during the period                                  |                             |   |  |  |  |
| Under Stage 1 Charge/(Write back) to income statement                     | 8,491                       | 26,139                                    |  |  |  |
| Write-off during the year   | 0,491                       | 20,139                                    |  |  |  |
| Other movements   |                             |   |  |  |  |
| Closing balance at 31.12.2018<br>Under Stage 2                            | 23,622                      | 26,139                                    |  |  |  |
| Charge/(Write back) to income statement                                   |                             |   |  |  |  |
| Write-off during the year   |                             |   |  |  |  |
| Other movements Closing balance at  |                             |   |  |  |  |
| Under Stage 3   |                             |   |  |  |  |
| Charge/(Write back) to income statement                                   |                             |   |  |  |  |
| Write-off during the year<br>Other movements                              |                             |   |  |  |  |
| Closing balance at  |                             |   |  |  |  |
| Total impairment  | 22 622                      | 26,139                                    |  |  |  |
| Total impairment  | 23,622                      | 20,139                                    |  |  |  |
| ANALYSIS OF DEPOSITS  |                             |   |  |  |  |
| By product – Domestic currency Demand deposits (current accounts)         | 5,717,297                   | 5,627,409                                 |  |  |  |
| Savings deposits  | 1,334,626                   | 1,040,688                                 |  |  |  |
| Fixed deposits  | 7,336,921                   | 4,198,567                                 |  |  |  |
| Others (Specify) Sub total  | 1,294,126<br>15,682,970     | 194,939<br>11,061,603                     |  |  |  |
| VIII IVIII  | 19,002,770                  | 11,001,003                                |  |  |  |
| By product – Foreign currency   |                             |   |  |  |  |
| Demand deposits (current accounts) Savings deposits                       | 3,979,076<br>3,332,434      | 2,993,059<br>4,643,959                    |  |  |  |
| Fixed deposits  | 430,417                     | 714,611                                   |  |  |  |
| Others (Specify)  | 88,637                      | 61,024                                    |  |  |  |
| Sub total   | 7,830,564                   | 8,412,654                                 |  |  |  |

|   |           |                |                | <u> </u>   |
|---|-----------|----------------|----------------|------------|
| s at 31 December 2018   |           |                |                |            |
| s at 51 December 2018   | FVPL*     | Amortised Cost | FVOCI          | Total      |
|   | Rs. '000  | Rs. '000       | Rs. '000       | Rs. '000   |
| inancial Assets   | кз. 000   | из. 000        | K3. 000        | из. 000    |
| ash and cash equivalents  |           | 5,772,510      |                | 5,772,510  |
| alances with central banks  | _         | 1,223,727      |                | 1,223,727  |
| lacements with banks  | _         | 6,559,072      |                | 6,559,072  |
| derivative financial instruments  | 2,444,682 | ********       | _              | 2,444,682  |
| inancial assets recognised through profit or loss- measured at fair value | 4,890,750 |                | _              | 4,890,750  |
| inancial assets at amortised cost - loans and advances                    | -,-,-,,   | 18,791,616     |                | 18,791,616 |
| inancial assets measured at fair value through other comprehensive income |           | -,,            | 9,092,021      | 9,092,021  |
| Other Assets  |           | 20,890         | 1,040          | 21,930     |
| 'otal financial assets  | 7,335,432 | 32,367,815     | 9,093,061      | 48,796,308 |
|   |           |                |                |            |
|   |           | FVPL*          | Amortised Cost | Total      |
|   |           | Rs. '000       | Rs. '000       | Rs. '000   |
| inancial Liabilities  |           |                |                |            |
| ue to banks   |           |                | 8,726,754      | 8,726,754  |
| erivative financial instruments   |           | 1,755,480      |                | 1,755,480  |
| nancial liabilities at amortised cost - due to depositors                 |           |                | 23,513,531     | 23,513,531 |
| ecurities sold under repurchase agreements                                |           |                | 70,875         | 70,875     |
| ther liabilities  |           |                | 368,113        | 368,113    |
| otal financial liabilities  |           | 1,755,480      | 32,679,273     | 34,434,753 |
| s at 31 December 2017   |           |                |                |            |
| s at 51 December 2017   | FVPL*     | Amortised Cost | FVOCI          | Total      |
|   | Rs. '000  | Rs. '000       | Rs. '000       | Rs. '000   |
| nancial Assets  |           |                |                |            |
| ash and cash equivalents  |           | 4,083,299      |                | 4,083,299  |
| alances with central banks  |           | 882,714        | -              | 882,714    |
| acements with banks   |           | 11,038,804     |                | 11,038,804 |
| erivative financial instruments   | 709,248   | ,,,            |                | 709,248    |
| nancial assets recognised through profit or loss- measured at fair value  | 1,704,504 |                |                | 1,704,504  |
| nancial assets at amortised cost - loans and advances                     | -,,       | 15,243,471     |                | 15,243,471 |
| nancial assets measured at fair value through other comprehensive income  |           |                | 5,195,349      | 5,195,349  |
| ther Assets   |           | 21,579         | 1,040          | 22,619     |
| otal financial assets   | 2,413,752 | 31,269,867     | 5,196,389      | 38,880,008 |
|   | =,2, / 2= | 31,207,007     | 3,270,307      | 30,000,000 |
|   |           | FVPL*          | Amortised Cost | Total      |
|   |           |                |                |            |

Rs. '000

583,918

583,918

Rs. '000

4,868,953

19,474,257

25,088,095

220,961

523,924

Rs. '000

4,868,953

19,474,257

25,672,013

583,918

220,961

523,924

Financial Liabilities Due to banks

Other liabilities

Derivative financial instruments

Total financial liabilities

Financial liabilities at amortised cost - due to depositors

\*Financial assets measured at fair value through other comprehensive incom - FVOCI \* Designated at fair value through profit or loss - Designated at fair value - FVPL

Securities sold under repurchase agreements

### SELECTED PERFORMANCE INDICATORS

Assets Quality (Quality of Loan Portfolio)

Return on Assets (Before Tax %)

Return on Equity (%)

Profitability Interest Margin (%)

Gross Non-Performing Advances (%) (net of interest in Suspense) Net-Non Performing Advances (%) (net of interest in suspense and provision)

| Rupees    |
|-----------|
|           |
| Thousands |
|           |

5.01%

6.49%

23.88%

5.56%

5.60% 12.25%

| SELECTED PERFORMANCE INDICATORS                                   |                             | Thousands                   |  |
|---|-----------------------------|-----------------------------|--|
|   |                             |                             |  |
|   | CURRENT PERIOD              | PREVIOUS PERIOD             |  |
|   | As at 31/12/18<br>(Audited) | As at 31/12/17<br>(Audited) |  |
| Common Equity Tier 1  | 13,691,677                  | 13,082,604                  |  |
| Tier 1 Capital  | 13,691,677                  | 13,082,604                  |  |
| Total Capital   | 13,715,299                  | 13,082,604                  |  |
| Regulatory Capital Ratios (%)                                     |                             |                             |  |
| Common Equity Tier 1 Capital Ratio (Minimum Requirement - 6.375%) | 39.38%                      | 43.80%                      |  |
| Tier 1 Capital Ratio (Minimum Requirement - 7.875%)               | 39.38%                      | 43.80%                      |  |
| Total Capital Ratio (Minimum Requirement -11.875%)                | 39.45%                      | 43.80%                      |  |
| Leverage Ratio (Minimum Requirement = 3)                          | 0.00%                       | 0.00%                       |  |
| Regulatory Liquidity  |                             |                             |  |
| Statutory Liquid Assets (LKR'000)                                 | 26,234,474                  | 21,765,189                  |  |
| Statutory Liquid Assets Ratio (Minimum Requirement = 20%)         |                             |                             |  |
| Domestic Banking Unit (%)   | 60.57%                      | 71.26%                      |  |
| Off-Shore Banking Unit (%)  | 91.13%                      | 92.84%                      |  |
| Liquidity Coverage Ratio (%) – Rupee (Minimum                     | 758.70%                     | 423,01%                     |  |
| Requirement - 100%)   |                             |                             |  |
| Liquidity Coverage Ratio (%) – All Currency (Minimum              | 260.47%                     | 185.38%                     |  |
| Requirement -100%)  |                             |                             |  |
| Net Stable Funding Ratio (%) (Minimum Requirement = 90%)          | 123.72%                     | 0.00%                       |  |