

CITIBANK, N. A. COLOMBO, SRI LANKA

Rated ‘AAA (lka)’ by Fitch Ratings Lanka Ltd.



INCOME STATEMENT			Rupees Thousands
	CURRENT PERIOD	PREVIOUS PERIOD	
	01/01/19 to 31/12/19 (Unaudited)	01/01/18 to 31/12/18 (Audited)	
Interest income	3,313,398	3,225,313	
Interest expenses	(789,695)	(878,574)	
Net interest income	2,523,703	2,346,739	
Fee and commission income	764,681	858,198	
Fee and commission expenses	(26,048)	(157,843)	
Net fee and commission income	738,633	700,355	
Net gains/(losses) from trading	(738,779)	546,158	
Net fair value gains on financial assets at fair value through profit or loss	452,464	374,121	
Net gains on derecognition of financial assets at fair value through other comprehensive income	24,821	-	
Net other operating income	1,338,126	622,783	
Total operating income	4,338,968	4,590,156	
Impairment charge	(6,692)	(8,491)	
Net operating income	4,332,276	4,581,665	
Personnel expenses	(660,641)	(658,723)	
Depreciation expenses	(108,093)	(102,699)	
Other expenses	(948,834)	(571,342)	
Operating profit before VAT and NBT on financial services and DRL	2,614,708	3,248,901	
Value Added Tax (VAT) on financial services	(404,685)	(471,963)	
Nation Building Tax (NBT) on financial services	(55,999)	(69,290)	
Debt Repayment Levy (DRL)	(214,788)	(63,698)	
Profit before tax	1,939,236	2,643,950	
Income tax expenses	(723,819)	(897,619)	
Profit for the period	1,215,417	1,746,331	

STATEMENT OF COMPREHENSIVE INCOME			Rupees Thousands
	CURRENT PERIOD	PREVIOUS PERIOD	
	From 01/01/19 to 31/12/19 (Unaudited)	From 01/01/18 to 31/12/18 (Audited)	
Profit/(loss) for the period	1,215,417	1,746,331	
Items that will be reclassified to Income Statement			
Exchange differences on translation of foreign operations	(40,240)	542,257	
Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income (net of tax)	31,487	(36,329)	
Items that will not be reclassified to Income Statement			
Re-measurement of post-employment benefit obligations (net of tax)	28,627	31,437	
Other Comprehensive Income (OCI) for the period, net of taxes	19,874	537,365	
Total comprehensive income for the period	1,235,291	2,283,696	

STATEMENT OF FINANCIAL POSITION			Rupees Thousands
	CURRENT PERIOD	PREVIOUS PERIOD	
	As at 31/12/19 (Unaudited)	As at 31/12/18 (Audited)	
Assets			
Cash and cash equivalents	8,383,763	5,772,510	
Balances with central banks	669,009	1,223,727	
Placements with banks	10,180,780	6,559,072	
Derivative financial instruments – Assets	331,367	2,444,682	
Financial assets recognized through profit or loss measured at fair value	7,891,091	4,890,750	
Financial assets at amortized cost			
loans and advances	16,018,969	18,770,128	
Financial assets measured at fair value through other comprehensive income	8,864,748	9,092,021	
Property, plant and equipment	175,334	247,847	
Deferred tax assets	20,671	20,671	
Other assets	472,005	381,372	
Total assets	53,007,737	49,402,780	
Liabilities			
Due to banks	7,180,032	8,726,754	
Derivative financial instruments – Liabilities	378,077	1,755,480	
Financial liabilities at amortized cost			
due to depositors	30,607,323	23,513,531	
due to other borrowers	6,222	70,875	
Retirement benefit obligations	205,993	224,665	
Current tax liabilities	798,752	912,680	
Other provisions	8,686	8,353	
Other liabilities	808,697	752,764	
Total liabilities	39,993,782	35,965,102	
Equity			
Assigned capital	1,524,250	1,524,250	
Statutory reserve fund	768,111	768,111	
FVOCI reserve	21,855	(9,632)	
Retained earnings	9,331,774	9,746,744	
Exchange equalization reserve	1,367,965	1,408,205	
Total equity	13,013,955	13,437,678	
Total equity and liabilities	53,007,737	49,402,780	
Contingent liabilities and commitments	93,985,759	97,981,763	
Memorandum Information			
Number of Employees	85	84	
Number of Branches	1	1	

Note: Amounts stated are net of impairment and depreciation

CERTIFICATION

We, the undersigned, being the Citi Country Officer and the Country Finance Officer of Citibank, N. A. Sri Lanka Branch jointly certify that;

- (a) the above statements have been prepared in compliance with the format and definitions prescribed by the Central Bank of Sri Lanka;
- (b) the information contained in these statements have been extracted from the unaudited financial statements of the bank unless indicated as audited.

Signed
Ravin Basnayake
Citi Country Officer/Managing Director
Date: 28/02/2020

Signed
Feroze Kamaldeen
Country Finance Officer
Date: 28/02/2020

STATEMENT OF CASH FLOWS			Rupees Thousands
	CURRENT PERIOD	PREVIOUS PERIOD	
	31/12/19 (Unaudited)	31/12/18 (Audited)	
Cash flows from operating activities			
Interest and commission receipts	4,157,204	3,946,823	
Interest and commission payments	(877,305)	(963,816)	
Receipts from other operating activities	1,134,770	1,541,935	
Payments to employees	(628,565)	(617,973)	
Other overhead expenses and other taxes paid	(1,624,306)	(1,176,293)	
Operating Profit before changes in Operating Assets & Liabilities	2,161,797	2,730,676	
(Increase)/Decrease in Operating Assets			
Financial assets at amortised cost – loans and advances	2,747,270	(3,562,567)	
Net proceeds from Sale, Maturity, and Purchases of Financial Investments	(2,855,370)	(6,992,926)	
Deposits held for regulatory purposes	554,718	(341,013)	
Placements with Bank	(3,621,226)	4,473,862	
Other Assets	2,111,652	(1,746,652)	
Increase/(decrease) in operating liabilities			
Financial liabilities at amortised cost – due to depositors	5,608,632	7,824,396	
Financial liabilities at amortised cost – due to debt securities holders	(64,653)	(150,010)	
Other liabilities (please specify)	(1,340,142)	1,032,529	
Net cash generated from operating activities before income tax	5,302,679	3,268,295	
Income tax paid	(926,717)	(615,596)	
Gratuity Paid	(32,076)	(8,901)	
Net unrealized gains arising from translating the financial statements of foreign operation	(40,240)	542,257	
Net cash (used in)/from operating activities	4,303,646	3,186,055	
Cash flows from investing activities			
Purchase of Property, Plant & Equipment	(35,580)	(38,631)	
Dividend income received from financial investments	1,389	1,127	
Proceeds from Sale of Property, Plant & Equipment	587	-	
Net cash (used in)/from investing activities	(33,604)	(37,504)	
Cash flows from financing activities			
Profit remittance to Head office	(1,659,014)	(1,459,115)	
Net cash used in financing activities	(1,659,014)	(1,459,115)	
Net increase/(decrease) in cash & cash equivalents	2,611,028	1,689,436	
Cash and cash equivalents at the beginning of the period	5,772,735	4,083,299	
Cash and cash equivalents at the end of the period	8,383,763	5,772,735	
Reconciliation of Cash & Cash Equivalents			
Cash in hand	714,673	868,702	
Balances with banks	7,669,090	4,904,033	
Gross Cash & Cash Equivalents	8,383,763	5,772,735	
Less: Accumulated impairment - Balance with banks	-	(225)	
Net Cash & Cash Equivalents	8,383,763	5,772,510	

CITIGROUP - FINANCIAL SUMMARY		
(In millions of dollars, except per share amounts, and as otherwise noted)	CURRENT PERIOD Twelve Months 2019 (Unaudited)	PREVIOUS PERIOD Twelve Months 2018 (Unaudited)
Total Revenues, Net of Interest Expense	\$ 74,286	\$ 72,854
Total Operating Expenses	\$ 42,002	\$ 41,841
Provisions for Credit Losses and for Benefits and Claims	\$ 8,383	\$ 7,568
Income from Continuing Operations before Income Taxes	\$ 23,901	\$ 23,445
Citigroup's Net Income	\$ 19,401	\$ 18,045
Diluted earnings per share		
Income from Continuing Operations	\$ 8.04	\$ 6.69
Citigroup's Net Income	\$ 8.04	\$ 6.68
Shares (in millions):		
Average Basic	2,249.2	2,493.3
Average Diluted	2,265.3	2,494.8
Regulatory Capital Ratios and Performance Metrics:		
Common Equity Tier 1 (CET1) Capital Ratio (1) (2)	11.7%	11.86%
Tier 1 Capital Ratio (1) (2)	13.3%	13.46%
Total Capital Ratio (1) (2)	15.7%	16.18%
Supplementary Leverage Ratio (2)	6.2%	6.41%
Return on Average Assets	0.99%	0.88%
Return on Average Common Equity	10.6%	9%
Efficiency Ratio (Total Operating Expenses/Total Revenues, net)	56.9%	57.8%
Balance Sheet Data (in billions of dollars, except per share amounts):		
Total Assets	\$ 1,951.2	\$ 1,917.4
Total Average Assets	1,996.6	1,936.8
Total Deposits	1,070.6	1,013.2
Citigroup's Stockholders' Equity	193.2	196.2
Book Value Per Share	82.9	75.05
Tangible Book Value Per Share (3)	70.39	63.79
(1) For all periods presented, Citi's reportable CET1 Capital and Tier 1 Capital ratios were derived under the U.S. Basel III Standardized Approach, whereas Citi's reportable Total Capital ratios were derived under the U.S. Basel III Advanced Approaches framework. The reportable ratios represent the lower of each of the three risk-based capital ratios (CET1 Capital, Tier 1 Capital and Total Capital) under both the Standardized Approach and the Advanced Approaches under the Collins Amendment.		
(2) December 31, 2019 is preliminary.		
(3) Tangible book value per share is a non-GAAP financial measure. For a reconciliation of this measure to reported results, see page 27 of Citigroup's 4Q19 Quarterly Financial Data Supplement available at www.citigroup.com/citi/investor/sec.htm.		

STATEMENT OF CHANGES IN EQUITY						Rupees Thousands
	Assigned Capital	Reserves			Total Equity	
		Statutory Reserve Fund	FVOCI Reserve	Retained Earnings	Exchange Equalization Reserve	
Balance as at 01/01/2019 (Opening balance) [Audited]	1,524,250	768,111	(9,632)	9,746,744	1,408,205	13,437,678
Total comprehensive income for the period						
Profit for the year (net of tax)	-	-	-	1,215,417	-	1,215,417
Other comprehensive income (net of tax)	-	-	31,487	28,627	(40,240)	19,874
Total comprehensive income for the period	-	-	31,487	1,244,044	(40,240)	1,235,291
Transactions with equity holders, recognized directly in equity						
Transfers to Statutory reserve fund during the period	-	-	-	-	-	-
Profit transferred to head office	-	-	-	(1,659,014)	-	(1,659,014)
Total transactions with equity holders	-	-	-	(1,659,014)	-	(1,659,014)
Balance as at 31/12/2019 (Closing balance) [Unaudited]	1,524,250	768,111	21,855	9,331,774	1,367,965	13,013,955

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ANALYSIS OF FINANCIAL INSTRUMENTS BY MEASUREMENT BASIS

Rupees
Thousands

As at 31 December 2019				
a. Bank - Current period	AMC	FVPL	FVOCI	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets				
Cash and cash equivalents	8,383,763	-	-	8,383,763
Balances with central banks	669,009	-	-	669,009
Placements with banks	10,180,780	-	-	10,180,780
Derivative financial instruments - Assets	-	331,367	-	331,367
Loans and advances	16,018,969	-	-	16,018,969
Debt instruments	-	7,891,091	8,863,708	16,754,799
Equity instruments	-	-	1,040	1,040
Total financial assets	35,252,520	8,222,458	8,864,748	52,339,726
LIABILITIES				
Due to banks	7,180,032	-	-	7,180,032
Derivative financial instruments - Liabilities	-	378,077	-	378,077
Financial liabilities				
- due to depositors	30,607,323	-	-	30,607,323
- due to other borrowers	6,222	-	-	6,222
Total financial liabilities	37,793,577	378,077	-	38,171,654
As at 31 December 2018				
b. Bank - Previous period	AMC	FVPL	FVOCI	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Assets				
Cash and cash equivalents	5,772,510	-	-	5,772,510
Balances with central banks	1,223,727	-	-	1,223,727
Placements with banks	6,559,072	-	-	6,559,072
Derivative financial instruments	-	2,444,682	-	2,444,682
Loans and advances	18,770,128	-	-	18,770,128
Debt instruments	-	4,890,750	9,092,021	13,982,771
Equity instruments	-	-	1,040	1,040
Total financial assets	32,325,437	7,335,432	9,093,061	48,753,930
LIABILITIES				
Due to banks	8,726,754	-	-	8,726,754
Derivative financial instruments	-	1,755,480	-	1,755,480
Financial liabilities	-	-	-	-
- due to depositors	23,513,531	-	-	23,513,531
- due to other borrowers	70,875	-	-	70,875
Total financial liabilities	32,311,160	1,755,480	-	34,066,640
AMC - Financial assets/liabilities measured at amortised cost				
FVPL - Financial assets/liabilities measured at fair value through profit or loss				
FVOCI - Financial assets measured at fair value through other comprehensive income				

SELECTED PERFORMANCE INDICATORS

	CURRENT PERIOD	PREVIOUS PERIOD
	As at 31/12/19 (Unaudited)	As at 31/12/18 (Audited)
(Based on regulatory reporting)		
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	10,841	13,692
Core (Tier 1) Capital	10,841	13,692
Total Capital Base	10,869	13,715
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement - 2019 - 7%; 2018 - 6.375%)	27.6%	39.4%
Tier 1 Capital Ratio (%) (Minimum Requirement - 2019 - 8.5%; 2018 - 7.875%)	27.6%	39.4%
Total Capital Ratio (%) (Minimum Requirement - 2019 - 12.5%; 2018 - 11.875%)	27.6%	39.5%
Leverage Ratio (%) (Minimum Requirement - 2019 - 3%; 2018 - n.a.)	7.1%	n.a.
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)	33,833	26,234
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	87.0%	60.6%
Off-Shore Banking Unit (%)	158.3%	91.1%
Total Stock of High-Quality Liquid Assets (LKR in Millions)	16,707	14,238
Liquidity Coverage Ratio (%) (Minimum Requirement - 2019 - 100%; 2018 - 90%)		
Rupee (%)	731%	759%
All Currency (%)	303%	260%
Net Stable Funding Ratio (%) - (Minimum Requirement - 2019 - 100%; 2018 - n.a.)	148%	n.a.
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	0%	0%
Net Non-Performing Advances (%) (net of interest in suspense and provision)	0%	0%
Profitability		
Interest Margin (%)	5.5%	5.0%
Return on Assets (before Tax) (%)	5.1%	6.5%
Return on Equity (%)	9.2%	9.2%

ANALYSIS OF LOANS & ADVANCES COMMITMENTS, CONTINGENCIES AND IMPAIRMENT

Rupees
Thousands

	CURRENT PERIOD	PREVIOUS PERIOD
	As at 31/12/19 (Unaudited)	As at 31/12/18 (Audited)
Product-wise Gross loans & advances		
By product – Domestic currency		
Overdrafts	8,092,553	6,923,138
Term loans	4,495,669	5,933,134
Other loans	-	4,456
Subtotal	12,588,222	12,860,728
By product – Foreign currency		
Overdrafts	1,273,531	2,279,150
Term loans	2,174,444	3,643,268
Other loans	-	-
Subtotal	3,447,975	5,922,419
Total	16,036,197	18,783,146
Product-wise commitments and contingencies		
By product – Domestic currency		
Guarantees	1,878,126	1,862,132
Bonds	36,968	35,484
Undrawn credit lines	68,765,344	71,921,512
Other commitments	1,517,881	1,530,033
Subtotal	72,198,319	75,349,161
By product – Foreign currency		
Guarantees	4,411,338	5,081,000
Bonds	682,205	789,596
Undrawn credit lines	9,767,059	11,364,196
Foreign Exchange Contracts	103,629	730,025
Other commitments	6,823,209	4,667,786
Subtotal	21,787,440	22,632,602
Total	93,985,759	97,981,763
Stage-wise impairment on loans & advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	176,860,430	116,764,909
Less: Expected Credit Losses under Stage 1	(22,525)	(21,371)
Less: Expected Credit Losses under Stage 2	(3,390)	-
Less: Expected Credit Losses under Stage 3	-	-
Net value of loans and advances, commitments and contingencies	176,834,515	116,743,538
Movement of impairment during the period		
Under Stage 1		
Balance as at DD/MM/YY (Opening balance)	23,621	28,650
Charge/(Write back) to Income Statement	2,260	8,491
Write-off during the year	-	-
Other movements	-	(13,520)
Balance as at DD/MM/YY (Closing balance)	25,881	23,621
Under Stage 2		
Balance as at DD/MM/YY (Opening balance)	-	-
Charge/(Write back) to Income Statement	4,433	-
Write-off during the year	-	-
Other movements	-	-
Balance as at DD/MM/YY (Closing balance)	4,433	-
Under Stage 3		
Balance as at DD/MM/YY (Opening balance)	-	-
Charge/(Write back) to Income Statement	-	-
Write-off during the year	-	-
Other movements	-	-
Balance as at DD/MM/YY (Closing balance)	-	-

ANALYSIS OF DEPOSITS

Rupees
Thousands

	CURRENT PERIOD	PREVIOUS PERIOD
	As at 31/12/19 (Unaudited)	As at 31/12/18 (Audited)
By product – Domestic currency		
Demand deposits (current accounts)	7,729,243	5,717,297
Savings deposits	833,261	1,334,626
Fixed deposits	13,454,548	7,336,921
Other deposits	192,847	1,294,126
Subtotal	22,209,899	15,682,970
By product – Foreign currency		
Demand deposits (current accounts)	5,731,533	3,979,076
Savings deposits	2,582,387	3,332,434
Fixed deposits	27,250	430,417
Other deposits	56,254	88,634
Subtotal	8,397,424	7,830,561
Total	30,607,323	23,513,531