

CITIBANK, N. A. SRI LANKA BRANCH

A Company incorporated in the USA with limited liabilities

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

Quarterly Financial Statements

30-Sep-21

INCOME STATEMENT

FOR THE PERIOD ENDED 30/09/2021

In Rupees Thousands

	Bank	
	Current Period From 01/01/2021 To 30/09/2021 (Unaudited)	Previous Period 01/01/2020 To 30/09/2020 (Unaudited)
Interest income	1,433,214	2,255,583
Interest expenses	(142,450)	(576,149)
Net interest income	1,290,764	1,679,434
Fee and commission income	613,413	507,923
Fee and commission expenses	(14,236)	(15,951)
Net fee and commission income	599,177	491,972
Net gains/(losses) from trading	(348,281)	144,775
Net fair value gains/(losses) on:	-	-
financial assets at fair value through profit or loss	22,911	438,655
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	2,786	74,006
Net other operating income	1,559,596	498,474
Total operating income	3,126,953	3,327,316
Impairment charges	(112,595)	(57,662)
Net operating income	3,014,358	3,269,654
Personnel expenses	(564,502)	(534,300)
Depreciation and amortization expenses	(66,702)	(92,877)
Other expenses	(589,704)	(551,316)
Operating profit/(loss) before VAT on financial services	1,793,450	2,091,161
Value Added Tax (VAT) on financial services	(296,639)	(311,513)
Operating profit/(loss) after VAT on financial services	1,496,811	1,789,592
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	1,496,811	1,789,592
Income tax expenses	(581,406)	(491,727)
Profit/(loss) for the period	915,405	1,297,865

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30/09/2021

In Rupees Thousands

	Bank	
	Current Period From 01/01/2021 To 30/09/2021 (Unaudited)	Previous Period From 01/01/2020 To 30/09/2020 (Unaudited)
Profit/(loss) for the period	915,405	1,297,865
Items that will be reclassified to income statement		
Exchange differences on translation of foreign operations	338,115	38,932
Net gains/(losses) on cash flow hedges	(19,760)	511
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	-	-
Less: Tax expense relating to items that will be reclassified to income statement	-	-
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	(2,007)	2,134
Changes in revaluation surplus	-	-
Share of profits of associates and joint ventures	-	-
Others	-	-
Less: Tax expense relating to items that will not be reclassified to income statement	-	-
Other Comprehensive Income (OCI) for the period, net of taxes	316,347	41,577
Total comprehensive income for the period	1,231,753	1,339,442

STATEMENT OF FINANCIAL POSITION
AS AT 30/09/2021

In Rupees Thousands

	Bank	
	Current Period As at 30/09/2021 (Unaudited)	Previous Period As at 31/12/2020 (Audited)
Assets		
Cash and cash equivalents	3,779,406	4,795,376
Balances with central banks	532,912	9,557,875
Placements with banks	16,067,413	-
Derivative financial instruments	498,987	564,987
Financial assets recognized through profit or loss		
- measured at fair value	4,763,018	12,839,478
- designated at fair value	-	-
Financial assets at amortised cost		
- loans and advances	20,059,031	15,665,115
- debt and other instruments	-	-
Financial assets measured at fair value through other comprehensive income	5,114,821	9,893,392
Investment in subsidiaries	-	-
Investments in associates and joint ventures	-	-
Property, plant and equipment	304,532	351,054
Investment properties	-	-
Goodwill and intangible assets	-	-
Deferred tax assets	70,308	70,308
Other assets	118,785	30,462
Total assets	51,309,213	53,768,047
Liabilities		
Due to banks	507,277	5,592,204
Derivative financial instruments	582,586	308,182
Financial liabilities recognized through profit or loss		
- measured at fair value	-	-
- designated at fair value	-	-
Financial liabilities at amortised cost		
- due to depositors	32,642,377	31,285,804
- due to debt securities holders	-	-
- due to other borrowers	-	107,399
Debt securities issued	-	-
Retirement benefit obligations	301,875	274,775
Current tax liabilities	552,160	398,697
Deferred tax liabilities	-	-
Other provisions	138,232	18,220
Other liabilities	672,413	1,102,226
Due to subsidiaries	-	-
Total liabilities	35,396,920	39,087,507
Equity		
Stated capital/Assigned capital	1,524,250	1,524,250
Statutory reserve fund	824,321	824,321
OCI reserve	(16,736)	3,024
Retained earnings	11,751,247	10,837,849
Other reserves	1,829,210	1,491,095
Total shareholders' equity	15,912,293	14,680,540
Non-controlling interests	-	-
Total equity	15,912,293	14,680,540
Total equity and liabilities	51,309,213	53,768,047
Contingent liabilities and commitments	89,191,365	182,128,486
Memorandum Information		
Number of Employees	86	85
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.

Ravin Basnayake

(Sgd.) Citi Country Officer / Managing Director

05/11/2021

Feroze Kamaldeen

(Sgd.) Country Finance Officer

05/11/2021

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30/09/2021**

In Rupees Thousands

	Stated capital/Assigned capital					Reserves			
	Ordinary equity voting shares	Ordinary nonvoting shares	Assigned capital	Statutory Reserve fund	OCI reserve	Revaluation reserve	Retained earnings	Other reserves	Total
Balance as at 01/01/2021 (Opening balance) (Audited)	-	-	1,524,250	824,321	3,024	1,491,095	10,837,849	-	14,680,540
Total comprehensive income for the period									-
Profit/(loss) for the year (net of tax)	-	-	-	-	-	-	915,405	-	915,405
Other comprehensive income (net of tax)	-	-	-	-	(19,760)	338,115	(2,007)	-	316,347
Total comprehensive income for the period	-	-	1,524,250	824,321	(16,736)	1,829,210	11,751,247	-	15,912,293
Transactions with equity holders, recognised directly in equity									
Share issue/increase of assigned capital	-	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-	-	-	-
Bonus issue	-	-	-	-	-	-	-	-	-
Rights issue	-	-	-	-	-	-	-	-	-
Transfers to reserves during the period	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-	-
Profit transferred to head office	-	-	-	-	-	-	-	-	-
Gain/(loss) on revaluation of Property, Plant and Equipment (if cost method is adopted)	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total transactions with equity holders			-	-	-	-	-	-	-
Balance as at 30/09/2021 (Closing balance)(Unaudited)			1,524,250	824,321	(16,736)	1,829,210	11,751,247	-	15,912,293

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30/09/2021

In Rupees Thousands

	Bank	
	Current Period From 01/01/2021 To 01/09/2021 (Unaudited)	Previous Period 01/01/2021 To 31/12/2020 (Audited)
Cash flows from operating activities		
Interest receipts	1,612,410	2,835,807
Interest payments	(181,036)	(712,691)
Net commission receipts	598,398	515,773
Trading income	1,235,785	1,412,341
Payments to employees	(531,207)	(690,027)
VAT on financial services	(299,019)	(374,363)
Receipts from other operating activities	319,565	1,122
Payments on other operating activities	(589,704)	(654,263)
Operating profit before change in operating assets & liabilities	2,165,192	2,333,701
(Increase) / decrease in operating assets		
Balances with Central Bank of Sri Lanka	9,024,963	(5,282,174)
Financial assets at amortised cost – loans & advances	(4,395,577)	321,551
Financial assets recognized through profit or loss	8,023,906	(4,931,425)
Other assets	(16,087,729)	6,321,023
Increase / (decrease) in operating liabilities		
Financial liabilities at amortised cost – due to depositors	1,394,875	726,753
Financial liabilities at amortised cost – due to debt securities holders	(5,084,927)	101,177
Financial liabilities at amortised cost – due to other borrowers	(107,115)	2,144,114
Other liabilities	(161,232)	(69,895)
Net cash generated from operating activities before income tax	(5,227,644)	1,664,823
ROU adjustment	-	15,441
Income tax paid	(427,943)	(577,333)
Net cash (used in) / from operating activities	(5,655,588)	1,102,931
Cash flows from investing activities		
Purchase of property, plant and equipment	(20,180)	(19,456)
Proceeds from the sale of property, plant and equipment	16	28
Purchase of financial investments	-	-
Proceeds from the sale and maturity of financial investments	4,659,613	-
Net purchase of intangible assets	-	-
Net cash flow from acquisition of investment in subsidiaries, joint ventures and associates	-	-
Net cash flow from disposal of subsidiaries, associates and joint ventures	-	-
Dividends received from investment in subsidiaries and associates	-	-
Others	-	-
Net cash (used in) / from investing activities	4,639,449	(960,281)
Cash flows from financing activities		
Net proceeds from the issue of ordinary share capital	-	-
Net proceeds from the issue of other equity instruments	-	-
Net proceeds from the issue of subordinated debt	-	-
Repayment of subordinated debt	-	-
Interest paid on subordinated debt	-	-
Dividend paid to non-controlling interest	-	-
Dividend paid to shareholders of the parent company	-	-
Dividend paid to holders of other equity instruments	-	-
Others	-	-
Net cash (used in) / from financing activities	-	-
Net increase / (decrease) in cash & cash equivalents	(1,016,139)	142,650
Cash and cash equivalents at the beginning of the period	4,795,546	4,652,896
Exchange difference in respect of cash & cash equivalents	-	-
Cash and cash equivalents at the end of the period (Gross)	3,779,407	4,795,546

**ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS
AS AT 30/09/2021**

a. Bank - Current period

In Rupees Thousands

	AMC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	3,779,406	-	-	3,779,406
Balances with central banks	532,912	-	-	532,912
Placements with banks	16,067,413	-	-	16,067,413
Derivative financial instruments	-	498,987	-	498,987
Loans and advances	20,059,031	-	-	20,059,031
Debt instruments	-	4,763,018	5,113,781	9,876,799
Equity instruments	-	-	1,040	1,040
Others	-	-	-	-
Total financial assets	40,438,762	5,262,005	5,114,821	50,815,588

	AMC	FVPL	FVOCI	Total
LIABILITIES				
Due to banks	507,277	-	-	507,277
Derivative financial instruments	-	582,586	-	582,586
Financial liabilities				
- due to depositors	32,642,377	-	-	32,642,377
- due to debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Others	-	-	-	-
Total financial liabilities	33,149,654	582,586	-	33,732,240

b. Bank – Previous period

In Rupees Thousands

	AMC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	4,795,376	-	-	4,795,376
Balances with central banks	9,557,875	-	-	9,557,875
Placements with banks	-	-	-	-
Derivative financial instruments	-	564,987	-	564,987
Loans and advances	15,665,115	-	-	15,665,115
Debt instruments	-	12,839,478	9,893,392	22,732,870
Equity instruments	-	-	1,040	1,040
Others	-	-	-	-
Total financial assets	30,018,366	13,404,465	9,894,432	53,317,263

	AMC	FVPL	FVOCI	Total
LIABILITIES				
Due to banks	5,592,204	-	-	5,592,204
Derivative financial instruments	-	308,182	-	308,182
Financial liabilities				
- due to depositors	31,285,804	-	-	31,285,804
- due to debt securities holders	-	-	-	-
- due to other borrowers	107,399	-	-	107,399
Others	-	-	-	-
Total financial liabilities	36,985,407	308,182	-	37,293,589

AMC Amortised Cost

FVPL Fair Value through Profit or Loss

FVOCI Fair Value through Other Comprehensive Income

**ANALYSIS OF LOANS & ADVANCES, COMMITMENTS, CONTINGENCIES AND IMPAIRMENT
AS AT 30/09/2021**

In Rupees Thousands

	Bank	
	Current Period As at 30/09/2021	Previous Period As at 31/12/2020
Product-wise Gross loans & advances		
By product – Domestic currency		
Overdrafts	5,952,037	4,259,959
Term loans	1,508,154	3,962,642
Lease rentals receivable	-	-
Credit cards	-	-
Pawning	-	-
Other loans	-	3,186
Sub total	7,460,191	8,225,787
By product – Foreign currency		
Overdrafts	4,391,871	1,412,360
Term loans	8,243,912	6,070,623
Guarantees	-	-
Bonds	-	-
Other loans	-	-
Sub total	12,635,783	7,482,983
Total	20,095,974	15,708,770
Product-wise commitments and contingencies		
By product – Domestic currency		
Guarantees	1,659,560	1,737,404
Bonds	6,957	32,105
Undrawn credit lines	41,912,405	72,724,551
Other commitments	-	1,567,460
Other contingencies	-	-
Sub total	43,578,923	76,061,520
By product – Foreign currency		
Guarantees	3,168,324	4,469,451
Bonds	338,229	199,226
Undrawn credit lines	10,435,747	16,046,831
Other commitments	11,986,519	4,131,027
Foreign Exchange Contracts	19,683,623	81,220,432
Sub total	45,612,443	106,066,967
Total	89,191,365	182,128,486
Stage-wise impairment on loans & advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	109,287,339	197,837,256
Less: Accumulated impairment under stage 1	(8,638)	(10,909)
Less: Accumulated impairment under stage 2	(166,538)	(50,965)
Less: Accumulated impairment under stage 3	-	-
Net value of loans and advances, commitments and contingencies	109,112,164	197,775,382
Movement of impairment during the period		
Under Stage 1		
Balance as at 01/01/2021 (Opening balance)	10,909	28,951
Charge/(Write back) to income statement	(2,271)	(18,042)
Write-off during the year	-	-
Other movements	-	-
Closing balance at 30/09/2021	8,638	10,909
Under Stage 2		
Balance as at 01/01/2021 (Opening balance)	50,965	1,363
Charge/(Write back) to income statement	115,572	49,602
Write-off during the year	-	-
Other movements	-	-
Closing balance at 30/09/2021	166,538	50,965
Under Stage 3		
Balance as at 01/01/2021 (Opening balance)	-	-
Charge/(Write back) to income statement	-	-
Write-off during the year	-	-
Other movements	-	-
Closing balance at 30/09/2021	-	-

ANALYSIS OF DEPOSITS
AS AT 30/09/2021

In Rupees Thousands

	Bank	
	Current Period As at 30/09/2021	Previous Period As at 31/12/2020
By product – Domestic currency		
Demand deposits (current accounts)	7,816,828	6,277,424
Savings deposits	3,598,905	3,036,563
Fixed deposits	4,430,064	8,788,055
Others	456,087	168,639
Sub total	16,301,884	18,270,681
By product – Domestic currency		
Demand deposits (current accounts)	11,944,857	10,215,367
Savings deposits	4,137,584	2,293,423
Fixed deposits	95,988	440,140
Others	162,065	66,194
Sub total	16,340,494	13,015,124
Total	32,642,377	31,285,805

SELECTED PERFORMANCE INDICATORS
AS AT 30/09/2021
(Based on Regulatory Reporting)

	Current Reporting Period	Previous Reporting Period
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	12,196	14,388
Core (Tier 1) Capital	12,196	14,388
Total Capital Base	12,288	14,425
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement 7%)	25.10%	41.15%
Tier 1 Capital Ratio (%) (Minimum Requirement 8.5%)	25.10%	41.15%
Total Capital Ratio (%) (Minimum Requirement 12.5%)	25.29%	41.25%
Leverage Ratio (%) (Minimum Requirement - 3%)	14.95%	7.70%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)	32,679	39,213
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	94.71%	115.00%
Off-Shore Banking Unit (%)	59.67%	60.63%
Total Stock of High-Quality Liquid Assets (LKR in Millions)	11,555	23,952
Liquidity Coverage Ratio (%) (Minimum Requirement 100%)		
Rupee (%)	408.64%	325.84%
All Currency (%)	289.34%	553.20%
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	197.47%	192.25%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	0.0%	0.0%
Net-Non Performing Advances (%) (net of interest in suspense and provision)	0.0%	0.0%
Impaired Loans (Stage 3) Ratio (%)	0.0%	0.0%
Impairment (Stage 3) to Stage 3 Loans Ratio (%)	0.0%	0.0%
Profitability		
Interest Margin (%)	2.6%	2.3%
Return on Assets (before Tax) (%)	4.6%	5.0%
Return on Equity (%)	8.0%	11.3%

Note : Amounts stated are net of impairment and depreciation

CITIGROUP -- FINANCIAL SUMMARY		
(In millions of dollars, except per share amounts and as otherwise noted)		
Item	Current Period Nine Months 2021 (Unaudited)	Previous Period Nine Months 2020 (1) (Unaudited)
Total revenues, net of interest expense(2)	\$ 53,955	\$ 57,799
Total operating expenses	33,749	32,067
Provisions for credit losses and for benefits and claims	(3,313)	17,541
Income from continuing operations before income taxes	23,519	8,191
Citigroup's net income	\$ 18,779	\$ 6,738
Diluted earnings per share(3):		
Income from continuing operations	\$ 8.64	\$ 2.81
Citigroup's net income	\$ 8.65	\$ 2.80
Shares (in millions)(3):		
Average basic	2,049.3	2,087.1
Average diluted	2,065.3	2,100.1
	Current Period 3Q 2021 (Unaudited)	Previous Period 3Q 2 020 (Unaudited)
Regulatory capital ratios and performance metrics(4):		
Common Equity Tier 1 (CET1) Capital ratio(5)(6)	11.70%	11.66%
Tier 1 Capital ratio(5)(6)	13.20%	13.15%
Total Capital ratio(5)(6)	15.30%	15.54%
Supplementary Leverage ratio (SLR)(6)(7)	5.80%	6.82%
Return on average assets	0.79%	0.55%
Return on average common equity	9.5%	6.5%
Efficiency ratio (total operating expenses/total revenues, net)	66.9%	63.4%
Balance sheet data (in billions of dollars, except per share amounts)(4):		
Total assets	\$ 2,361.9	\$ 2,234.5
Total average assets	2,346.0	2,259.5
Total deposits	1,347.5	1,262.6
Citigroup's stockholders' equity	200.9	193.9
Book value per share	92.16	84.48

(1) In 4Q20, Citi revised the 2Q20 accounting conclusion from a "change in accounting estimate effected by a change in accounting principle" to a "change in accounting principle", which requires an adjustment to January 1, 2020 opening retained earnings, rather than net income. As a result, Citi's full year and quarterly results for 2020 have been revised to reflect this change as if it were effective as of January 1, 2020. Citi recorded an increase to its beginning retained earnings on January 1, 2020 of \$330 million and a decrease of \$443 million in its allowance for credit losses on loans, as well as a \$113 million decrease in Other assets related to income taxes, and recorded a decrease of \$18 million (\$7 million in GCB NA Citi-branded cards, (\$16) million in GCB NA Citi retail services, \$9 million in GCB Latin America, and (\$18) million in GCB Asia) to its provisions for credit losses on loans in 1Q20 and increase of \$339 million (\$182 million in GCB NA Citi-branded cards, \$158 million in GCB NA Citi retail services, \$7 million in GCB Latin America, and (\$8) million in GCB Asia), and \$122 million (\$3 million in GCB NA Citi-branded cards, \$50 million in GCB Latin America, and \$69 million in GCB Asia) to its provisions for credit losses on loans in 2Q20 and 3Q20, respectively. In addition, Citi's operating expenses increased by \$49 million (\$14 million in GCB NA Citi-branded cards, \$22 million in GCB NA Citi retail services, \$6 million in GCB Latin America, and \$7 million in GCB Asia), and \$45 million, (\$15 million in GCB NA Citi-branded cards, \$21 million in GCB NA Citi retail services, \$4 million in GCB Latin America, and \$5 million in GCB Asia) with a corresponding decrease in net credit losses, in 1Q20 and 2Q20, respectively.

(2) 3Q21 includes an approximate \$680 million loss on sale (approximately \$580 million after-tax), with both amounts subject to closing adjustments, related to the announced sale of Citi's consumer banking operations in Australia.

(3) Certain securities are excluded from the second quarter of 2020 diluted EPS calculation because they were anti-dilutive. Year-to-date EPS will not equal the sum of the individual quarters because the year-to-date EPS calculation is a separate calculation.

(4) 3Q21 is preliminary.

(5) Citi's reportable CET1 Capital and Tier 1 Capital ratios were derived under the U.S. Basel III Standardized Approach framework as of September 30, 2021 and June 30, 2021, and the U.S. Basel III Advanced Approaches framework for all prior periods presented, whereas Citi's reportable Total Capital ratios were derived under the U.S. Basel III Advanced Approaches framework for all periods presented. The reportable ratios represent the more binding 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. For the composition of Citi's CET1 Capital and ratio, see page 27 of Citigroup's 3Q21 Quarterly Financial Data Supplement.

(6) Citi has elected to apply the modified transition provision related to the impact of the CECL accounting standard on regulatory capital, as provided by the U.S. banking agencies' September 2020 final rule. For additional information, see "Capital Resources" in Citi's 2020 Form 10-K.

(7) For the composition of Citi's SLR, see page 27 of Citigroup's 3Q21 Quarterly Financial Data Supplement.