

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

31-Dec-21

INCOME STATEMENT

FOR THE PERIOD ENDED 31/12/2021

In Rupees Thousands

	Bank	
	Current Period From 01/01/2021 To 31/12/2021 (Unaudited)	Previous Period 01/01/2020 To 31/12/2020 (Unaudited)
Interest income	2,061,336	2,822,487
Interest expenses	(190,504)	(681,698)
Net interest income	1,870,832	2,140,789
Fee and commission income	856,833	682,214
Fee and commission expenses	(18,894)	(23,200)
Net fee and commission income	837,939	659,014
Net gains/(losses) from trading	(288,882)	286,100
Net fair value gains/(losses) on:	-	-
financial assets at fair value through profit or loss	28,156	436,517
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	2,787	76,042
Net other operating income	1,626,323	628,008
Total operating income	4,077,155	4,226,470
Impairment charges	(99,958)	(32,408)
Net operating income	3,977,197	4,194,062
Personnel expenses	(783,080)	(716,105)
Depreciation and amortization expenses	(87,405)	(122,496)
Other expenses	(857,901)	(752,105)
Operating profit/(loss) before VAT on financial services	2,248,811	2,603,356
Value Added Tax (VAT) on financial services	(373,347)	(381,975)
Operating profit/(loss) after VAT on financial services	1,875,464	2,234,629
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	1,875,464	2,234,629
Income tax expenses	(653,090)	(646,149)
Profit/(loss) for the period	1,222,374	1,588,480

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31/12/2021

In Rupees Thousands

	Bank	
	Current Period From 01/01/2021 To 31/12/2021 (Unaudited)	Previous Period From 01/01/2020 To 31/12/2020 (Unaudited)
Profit/(loss) for the period	1,222,374	1,588,480
Items that will be reclassified to income statement		
Exchange differences on translation of foreign operations	241,874	79,781
Net gains/(losses) on cash flow hedges	(10,019)	(13,176)
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	79,578	(37,891)
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	311,433	28,714
Total comprehensive income for the period	1,533,807	1,617,194

**STATEMENT OF FINANCIAL POSITION
AS AT 31/12/2021**

In Rupees Thousands

	Bank	
	Current Period As at 31/12/2021 (Unaudited)	Previous Period As at 31/12/2020 (Audited)
Assets		
Cash and cash equivalents	2,080,359	4,795,376
Balances with central banks	739,657	9,557,875
Placements with banks	20,568,444	-
Derivative financial instruments	254,353	564,987
Financial assets recognized through profit or loss		
- measured at fair value	5,148,672	12,839,478
- designated at fair value	-	-
Financial assets at amortised cost		
- loans and advances	17,240,404	15,665,115
- debt and other instruments	-	-
Financial assets measured at fair value through other comprehensive income	4,708,095	9,893,392
Investment in subsidiaries	-	-
Investments in associates and joint ventures	-	-
Property, plant and equipment	278,326	351,054
Investment properties	-	-
Goodwill and intangible assets	-	-
Deferred tax assets	70,308	70,308
Other assets	29,205	30,462
Total assets	51,117,823	53,768,047
Liabilities		
Due to banks	527,133	5,592,204
Derivative financial instruments	279,499	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	32,564,678	31,285,804
- due to debt securities holders	-	-
- due to other borrowers	-	107,399
Debt securities issued	-	-
Retirement benefit obligations	228,197	274,775
Current tax liabilities	431,157	398,697
Deferred tax liabilities	-	-
Other provisions	103,990	18,220
Other liabilities	768,822	1,102,226
Due to subsidiaries	-	-
Total liabilities	34,903,476	39,087,507
Equity		
Stated capital/Assigned capital	1,524,250	1,524,250
Statutory reserve fund	824,321	824,321
OCI reserve	(6,995)	3,024
Retained earnings	12,139,802	10,837,849
Other reserves	1,732,969	1,491,095
Total shareholders' equity	16,214,347	14,680,540
Non-controlling interests	-	-
Total equity	16,214,347	14,680,540
Total equity and liabilities	51,117,823	53,768,047
Contingent liabilities and commitments	86,614,172	182,128,486
Memorandum Information		
Number of Employees	88	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

03/02/2022

Feroze Kamaldeen

(Sgd.) Country Finance Officer

03/02/2022

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31/12/2021**

In Rupees Thousands

	Stated capital/Assigned capital			Statutory Reserve fund	OCI reserve	Reserves Revaluation reserve	Retained earnings	Other reserves	Total
	Ordinary equity voting shares	Ordinary nonvoting shares	Assigned capital						
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)	-	-	-	-	-	-	1,222,374	-	1,222,374
Other comprehensive income (net of tax)	-	-	-	-	(10,019)	241,874	79,578	-	311,433
Total comprehensive income for the period	-	-	1,524,250	824,321	(6,995)	1,732,969	12,139,802	-	16,214,347
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 31/12/2021 (Closing balance)(Unaudited)			1,524,250	824,321	(6,995)	1,732,969	12,139,802	-	16,214,347

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31/12/2021

In Rupees Thousands

	Bank	
	Current Period From 01/01/2021 To 31/12/2021 (Unaudited)	Previous Period 01/01/2021 To 31/12/2020 (Audited)
Cash flows from operating activities		
Interest receipts	2,224,455	2,835,807
Interest payments	(227,713)	(712,691)
Net commission receipts	838,285	515,773
Trading income	1,367,158	1,412,341
Payments to employees	(703,653)	(690,027)
VAT on financial services	(372,587)	(374,363)
Receipts from other operating activities	233,065	1,122
Payments on other operating activities	(857,901)	(654,263)
Operating profit before change in operating assets & liabilities	2,501,110	2,333,701
(Increase) / decrease in operating assets		
Balances with Central Bank of Sri Lanka	8,818,218	(5,282,174)
Financial assets at amortised cost – loans & advances	(1,566,235)	321,551
Financial assets recognized through profit or loss	7,638,252	(4,931,425)
Other assets	(20,271,919)	6,321,023
Increase / (decrease) in operating liabilities		
Financial liabilities at amortised cost – due to depositors	1,315,722	726,753
Financial liabilities at amortised cost – due to debt securities holders	(5,065,071)	101,177
Financial liabilities at amortised cost – due to other borrowers	(107,038)	2,144,114
Other liabilities	(409,274)	(69,895)
Net cash generated from operating activities before income tax	(7,146,236)	1,664,823
ROU adjustment	-	15,441
Income tax paid	(620,630)	(577,333)
Net cash (used in) / from operating activities	(7,766,866)	1,102,931
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,677)	(19,456)
Proceeds from the sale of property, plant and equipment	16	28
Purchase of financial investments	-	(940,853)
Proceeds from the sale and maturity of financial investments	5,066,339	-
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	5,051,678	(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	(2,715,188)	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)	2,080,359	4,795,546

**ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS
AS AT 31/12/2021**

a. Bank - Current period

In Rupees Thousands

	AMC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	2,080,359	-	-	2,080,359
Balances with central banks	739,657	-	-	739,657
Placements with banks	20,568,444	-	-	20,568,444
Derivative financial instruments	-	254,353	-	254,353
Loans and advances	17,240,404	-	-	17,240,404
Debt instruments	-	5,148,672	4,707,055	9,855,727
Equity instruments	-	-	1,040	1,040
Others	-	-	-	-
Total financial assets	40,628,864	5,403,025	4,708,095	50,739,984

	AMC	FVPL	FVOCI	Total
LIABILITIES				
Due to banks	527,133	-	-	527,133
Derivative financial instruments	-	279,499	-	279,499
Financial liabilities				
- due to depositors	32,564,678	-	-	32,564,678
- due to debt securities holders	-	-	-	-
- due to other borrowers	-	-	-	-
Others	-	-	-	-
Total financial liabilities	33,091,811	279,499	-	33,371,310

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 31/12/2021**

In Rupees Thousands

	Bank	
	Current Period As at 31/12/2021	Previous Period As at 31/12/2020
Product-wise Gross loans & advances		
By product – Domestic currency		
Overdrafts	5,273,214	4,259,959
Term loans	5,130,988	3,962,642
Lease rentals receivable	-	-
Credit cards	-	-
Pawning	-	-
Other loans	-	3,186
Sub total	10,404,202	8,225,787
By product – Foreign currency		
Overdrafts	3,517,569	1,412,360
Term loans	3,360,937	6,070,623
Guarantees	-	-
Bonds	-	-
Other loans	-	-
Sub total	6,878,506	7,482,983
Total	17,282,708	15,708,770
Product-wise commitments and contingencies		
By product – Domestic currency		
Guarantees	1,723,883	1,737,404
Bonds	3,700	32,105
Undrawn credit lines	43,699,716	72,724,551
Other commitments	-	1,567,460
Other contingencies	-	-
Sub total	45,427,299	76,061,520
By product – Foreign currency		
Guarantees	3,149,860	4,469,451
Bonds	135,751	199,226
Undrawn credit lines	12,813,636	16,046,831
Other commitments	9,448,876	4,131,027
Foreign Exchange Contracts	15,638,750	81,220,432
Sub total	41,186,873	106,066,967
Total	86,614,172	182,128,486
Stage-wise impairment on loans & advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	103,896,880	197,837,256
Less: Accumulated impairment under stage 1	(1,405)	(10,909)
Less: Accumulated impairment under stage 2	(144,889)	(50,965)
Less: Accumulated impairment under stage 3	-	-
Net value of loans and advances, commitments and contingencies	103,750,586	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	(9,504)	(18,042)
Write-off during the year	-	-
Other movements	-	-
Closing balance at 31/12/2021	1,405	10,909
Under Stage 2		
Balance as at 01/01/2021 (Opening balance)	50,965	1,363
Charge/(Write back) to income statement	93,923	49,602
Write-off during the year	-	-
Other movements	-	-
Closing balance at 31/12/2021	144,889	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 31/12/2021	-	-

ANALYSIS OF DEPOSITS
AS AT 31/12/2021

In Rupees Thousands

	Bank	
	Current Period As at 31/12/2021	Previous Period As at 31/12/2020
By product – Domestic currency		
Demand deposits (current accounts)	16,406,628	6,277,424
Savings deposits	3,248,030	3,036,563
Fixed deposits	2,165,472	8,788,055
Others	539,034	168,639
Sub total	22,359,164	18,270,681
By product – Domestic currency		
Demand deposits (current accounts)	7,171,721	10,215,367
Savings deposits	2,738,141	2,293,423
Fixed deposits	45,485	440,140
Others	250,168	66,194
Sub total	10,205,515	13,015,124
Total	32,564,678	31,285,805

SELECTED PERFORMANCE INDICATORS
AS AT 31/12/2021
(Based on Regulatory Reporting)

	Current Reporting Period	Previous Reporting Period
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	14,211	14,388
Core (Tier 1) Capital	14,211	14,388
Total Capital Base	14,293	14,425
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement 7%)	32.73%	41.15%
Tier 1 Capital Ratio (%) (Minimum Requirement 8.5%)	32.73%	41.15%
Total Capital Ratio (%) (Minimum Requirement 12.5%)	32.92%	41.25%
Leverage Ratio (%) (Minimum Requirement - 3%)	18.33%	7.70%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)	37,027	39,213
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	105.28%	115.00%
Off-Shore Banking Unit (%)	67.37%	60.63%
Total Stock of High-Quality Liquid Assets (LKR in Millions)	11,564	23,952
Liquidity Coverage Ratio (%) (Minimum Requirement 100%)		
Rupee (%)	335.97%	325.84%
All Currency (%)	297.77%	553.20%
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	203.64%	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 (%)	2.1%	2.3%
Return on Assets (before Tax) (%)	4.3%	5.0%
Return on Equity (%)	7.9%	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 Twelve Months 2021 (Unaudited)	Previous Period Twelve Months 2020 (1) (Unaudited)
Total revenues, net of interest expense(1)(2)	\$ 71,884	\$ 75,501
Total operating expenses(1)(3)	48,193	44,374
Provisions for credit losses and for benefits and claims	(3,778)	17,495
Income from continuing operations before income taxes	27,469	13,632
Citigroup's net income	\$ 21,952	\$ 11,047
<u>Diluted earnings per share(4):</u>		
Income from continuing operations	\$ 10.14	\$ 4.73
Citigroup's net income	\$ 10.14	\$ 4.72
<u>Shares (in millions)(4):</u>		
Average basic	2,033.0	2,085.8
Average diluted	2,049.4	2,099.0
	Current Period 4Q 2021 (Unaudited)	Previous Period 4Q 2020 (Unaudited)
<u>Regulatory capital ratios and performance metrics(5):</u>		
Common Equity Tier 1 (CET1) Capital ratio(6)(7)	12.20%	11.73%
Tier 1 Capital ratio(6)(7)	13.90%	13.31%
Total Capital ratio(6)(7)	16.10%	15.61%
Supplementary Leverage ratio (SLR)(7)(8)	5.70%	7.00%
Return on average assets	0.53%	0.75%
Return on average common equity	6.4%	9.1%
Efficiency ratio (total operating expenses/total revenues, net)	79.5%	67.9%
<u>Balance sheet data (in billions of dollars, except per share amounts)(5):</u>		
Total assets	\$ 2,291.4	\$ 2,260.1
Total average assets	2,386.0	2,299.3
Total deposits	1,317.2	1,280.7
Citigroup's stockholders' equity	202.0	199.4
Book value per share	92.21	86.43

(1) During 4Q21, Citi reclassified deposit insurance expenses from Interest expense to Other operating expenses for all periods presented. Amounts reclassified for each quarter were \$333 million for 4Q20, \$340 million for 1Q21, \$279 million for 2Q21, \$293 million for 3Q21, and \$295 million for 4Q21.

(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) 4Q21 includes an approximate \$1.052 billion charge (approximately \$792 million after-tax), with both amounts subject to closing adjustments, related to Voluntary Early Retirement Plan (VERP) related to the announced wind-down of Citi's consumer banking operations in Korea.

(4) 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.

(5) 4Q21 is preliminary.

(6) Citi's reportable CET1 Capital and Tier 1 Capital ratios were derived under the U.S. Basel III Standardized Approach framework beginning in June 30, 2021, and the U.S. Basel III Advanced Approaches framework for December 31, 2020 and March 31, 2021, 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 4Q21 Quarterly Financial Data Supplement.

(7) 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.

(8) For the composition of Citi's SLR, see page 27 of Citigroup's 4Q21 Quarterly Financial Data Supplement.

Supplementary Citigroup information has been extracted from Citigroup's 4Q21 Quarterly Financial Data Supplement available at

www.citigroup.com/citi/investor/ger.htm