

CITIBANK, N. A. SRI LANKA BRANCH

Pillar III Disclosures – Market Discipline

Annual Audited Statements

31-Dec-22

Basel III Computation of Capital Ratios

Item	Current Period	Previous Period
	As at 31/12/2022	As at 31/12/2021
	(audited)	(audited)
Common Equity Tier I (CETI) Capital after Adjustments	24,060,208	14,893,949
Total Common Equity Tier I (CET1) Capital	22,473,921	14,422,190
Equity capital or stated capital/assigned capital	1,524,250	1,524,250
Reserve fund	920,324	850,140
Published retained earnings/(Accumulated retained losses)	14,862,434	11,265,692
Accumulated other comprehensive income (OCI)	4,956,913	776,938
General and other disclosed reserves	210,000	5,170
Unpublished current year's profit/(losses) and gains reflected in OCI	-	-
Total Adjustments to CET1 Capital	(1,586,288)	(475,129)
Goodwill (net)		
Deferred tax assets (net)	117,973	70,308
Shortfall of capital in financial subsidiaries		
Amount due from head office & branches outside Sri Lanka in Sri Lanka Rupees	-	-
Amount due to head office & branches outside Sri Lanka in Sri Lanka Rupees	(1,704,261)	(545,437)
Amount due from head office & branches outside Sri Lanka in Foreign Currency (net)	-	-
Additional Tier 1 (AT1) Capital after Adjustments	-	-
Total Additional Tier 1 (ATI) Capital	-	-
Qualifying Additional Tier 1 Capital Instruments		
Total Adjustments to AT1 Capital	-	-
Tier 2 Capital after Adjustments	442,828	137,120
Total Tier 2 Capital	442,828	137,120
General provisions	442,828	137,120
Total Adjustments to Tier 2 Capital	-	-
Total Tier 1 Capital	24,060,208	14,893,949
Total Capital	24,503,037	15,031,070
Total Risk Weighted Assets (RWA)	62,874,299	43,418,764
RWAs for Credit Risk	35,426,269	25,079,003
RWAs for Market Risk	19,386,160	13,676,647
RWAs for Operational Risk	8,061,870	4,663,114
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	38.267	34.30
of which: Capital Conservation Buffer (%)		
of which: Countercyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	38.267	34.30
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	38.971	34.62
of which: Capital Conservation Buffer (%)	-	-
of which: Countercyclical Buffer (%)	-	-
of which: Capital Surcharge on D-SIBs (%)	-	-

Computation of Leverage Ratio

Item	Amount (LKR '000)	
	Reporting Period	Previous Reporting Period
	As at 31/12/22	As at 31/12/21
Tier 1 Capital	24,060,208	14,210,571
Total Exposures	92,076,073	77,534,599
On-Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	82,221,825	50,793,162
Derivative Exposures	3,195,952	22,077,987
Securities Financing Transaction Exposures		-
Other Off-Balance Sheet Exposures	6,658,296	4,663,449
Basel III Leverage Ratio (%) (Tier 1 / Exposure)	26.13%	18.33%

Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	Current Period As at 31/12/22		Previous Period As at 31/12/21	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	42,041,635	42,041,635	11,563,681	11,563,681
Total Adjusted Level 1A Assets	42,041,635	42,041,635	11,563,681	11,563,681
Level 1 Assets	42,041,635	42,041,635	11,563,681	11,563,681
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets	-	-	-	-
Total Cash Outflows	146,734,682	26,938,837	104,589,548	15,533,593
Deposits	-	-	-	-
Unsecured Wholesale Funding	55,240,240	23,037,000	33,097,663	14,408,601
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable)	88,451,244	858,639	70,975,421	608,529
Facilities and Other Contingent Funding Obligations	-	-	-	-
Additional Requirements	3,043,199	3,043,199	516,463	516,463
Total Cash Inflows	39,163,162	29,259,675	39,776,436	27,122,366
Maturing Secured Lending Transactions	-	-	-	-
Backed by Collateral	-	-	-	-
Committed Facilities	-	-	6,045,000	-
Other Inflows by Counterparty which are Maturing within 30 Days	37,699,693	29,259,603	33,186,522	27,031,791
Operational Deposits	1,463,396	-	454,339	-
Other Cash Inflows	72	72	90,575	90,575
Liquidity Coverage Ratio (%) (Stock of High Quality Liquid Assets/Total Net Cash Outflows over the Next 30 Calendar Days) * 100		624.25%		297.77%

Credit Risk under Standardised Approach
Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

Asset Class	Amount (LKR'000) as at 31.12.2022					
	Exposures before Credit		Exposures post CCF and		RWA and RWA Density (%)	
	On- Balance Sheet Amount	Off- Balance Sheet Amount	On- Balance Sheet Amount	Off- Balance Sheet Amount	RWA	RWA Density
Claims on Central Government and CBSL	40,367,522	-	40,367,522	-	-	-
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	-	-	-	-	-	-
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	17,321,655	1,381,688	17,321,655	3,957,247	6,266,907	0.29
Claims on Financial Institutions	4,382,367	7,448	4,382,367	7,448	4,389,815	1.00
Claims on Corporates	19,292,811	21,850,150	19,292,811	6,597,830	24,176,950	0.93
Retail Claims	-	-	-	-	-	-
Claims Secured by Residential Property	-	-	-	-	-	-
Claims Secured by Commercial Real Estate	-	-	-	-	-	-
Non-Performing Assets (NPAs)(i)	-	-	-	-	-	-
Higher-risk Categories	-	-	-	-	-	-
Cash Items and Other Assets	3,027,762	82,166,507	3,027,762	-	592,597	0.20
Total	84,392,116	105,405,794	84,392,116	10,562,526	35,426,269	0.37

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Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR'000) as at 31.12.2022
(a) RWA for Interest Rate Risk	27,123
General Interest Rate Risk	27,123
(i) Net Long or Short Position	27,123
(ii) Horizontal Disallowance	
(iii) Vertical Disallowance	
(iv) Options	
Specific Interest Rate Risk	
(b) RWA for Equity	-
(i) General Equity Risk	-
(ii) Specific Equity Risk	
Foreign Exchange & Gold = (e)	2,396,147
(c) RWA for Foreign Exchange & Gold	2,423,270
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	19,386,160

Operational Risk under Basic Indicator Approach / The Standardized Approach / The Alternative
Standardized Approach

Business Lines	Capital Charge Factor	Fixed Factor	Gross Income (LKR'000) as at 31.12.2022		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		12,384,469	4,074,568	3,695,638
The Standardised Approach					
Corporate Finance	18%				
Trading and Sales	18%				
Payment and Settlement	18%				
Agency Services	15%				
Asset Management	12%				
Retail Brokerage	12%				
Retail Banking	12%				
Commercial Banking	15%				
The Alternative Standardised Approach					
Corporate Finance	18%				
Trading and Sales	18%				
Payment and Settlement	18%				
Agency Services	15%				
Asset Management	12%				
Retail Brokerage	12%				
Retail Banking	12%	0.035			
Commercial Banking	15%	0.035			
Capital Charges for Operational Risk (LKR'000)					
The Basic Indicator Approach	1,007,734				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	8,061,870				
The Standardised Approach					
The Alternative Standardised Approach					

Key Regulatory Ratios - Capital and Liquidity

	Current Reporting Period	Previous Reporting Period
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	24,060	14,894
Core (Tier 1) Capital	24,060	14,894
Total Capital Base	24,503	15,031
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement 7%)	38.27%	34.30%
Tier 1 Capital Ratio (%) (Minimum Requirement 8.5%)	38.27%	34.30%
Total Capital Ratio (%) (Minimum Requirement 12.5%)	38.97%	34.62%
Leverage Ratio (%) (Minimum Requirement - 3%)	26.13%	18.33%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)	48,197	37,027
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	111.41%	105.28%
Off-Shore Banking Unit (%)	120.19%	67.37%
Total Stock of High-Quality Liquid Assets (LKR in Millions)	42,042	11,564
Liquidity Coverage Ratio (%) (Minimum Requirement 90%)		
Rupee (%)	338.28%	335.97%
All Currency (%)	624.25%	297.77%
Net Stable Funding Ratio (%) - (Minimum Requirement - 90%)	179.98%	203.64%

Main Features of Regulatory Capital Instruments

Description of the Capital Instrument	Accounting Classification	Current Reporting Period	Previous Reporting Period
Assigned Capital			
Relates to capital assigned to the branch by the Head Office at the time setting up the branch in Sri Lanka.	Equity	1,524,250	1,524,250
Reserve Fund			
Comprise of mandatory appropriations made out of profit after tax, per the Banking Act requirements.	Equity	920,324	850,140
Retained Earnings			
Comprise of un-remitted profits (after tax) of the branch, after making statutory appropriations to the Statutory Reserve.	Equity	14,862,434	11,265,692
Accumulated Other Comprehensive Income (OCI)			
Comprise of gains/(losses) arising from fair valuation of assets valued through OCI, actuarial valuation of defined benefit schemes and exchange gains/(losses) arising from the translation of OBU net assets. The amounts are net of deferred tax where relevant.	Equity	4,956,913	776,938
General and other Disclosed Reserves			
Exchange gains/(losses) arising from foreign currency translation and Un-published Current Year's Profit/Loss and Gains reflected in OCI	Equity	210,000	5,170

Differences between Accounting and Regulatory Scopes and Mapping of Financial Statement Categories with Regulatory Risk Categories

Item	Amount (LKR '000) as at 30/09/2022				
	a	b	c	d e	
	Carrying Values as Reported in Published Financial Statements	Carrying Values under Scope of Regulatory Reporting	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital
Assets	82,500,006	82,500,006			
Cash and cash equivalents	3,896,850	3,896,850	2,435,251	84,558	1,377,041
Balances with central banks	27,477,422	27,477,422	27,477,422	-	-
Placements with banks	20,818,582	20,818,582	20,818,582	20,819,513	-
Derivative financial instruments	160,210	160,210	-	160,210	-
Financial assets recognized through profit or loss					
- measured at fair value	5,825,506	5,825,506	5,825,506	5,825,506	-
- designated at fair value	-	-	-	-	-
Financial assets at amortized cost					
- loans and advances	16,706,570	16,706,570	16,706,570	16,706,570	-
Financial assets measured at fair value through other comprehensive Income	7,065,633	7,065,633	7,065,633	7,065,633	-
Property, plant and equipment	362,325	362,325	362,325	-	-
Deferred tax assets	117,973	117,973	-	-	117,973
Other assets	68,934	68,934	68,934	88,769	-
Item	Amount (LKR '000) as at 30/09/2022				
	a	b	c	d	e
	Carrying Values as Reported in Published Financial Statements	Carrying Values under Scope of Regulatory Reporting	Subject to Credit Risk Framework	Subject to Market Risk Framework	Not subject to Capital Requirements or Subject to Deduction from Capital
Liabilities and equity	82,500,005	60,026,085			
Due to banks	598,314	598,314	-	583,571	-
Derivative financial instruments	2,382	2,382	-	-	-
Financial liabilities at amortized cost					
- due to depositors	54,319,360	54,319,360	-	15,291,948	-
Retirement benefit obligations	283,896	283,896	-	-	-
Current tax liabilities	2,750,347	2,750,347	-	299,621	-
Other provisions	711,406	711,406	-	-	-
Other liabilities	1,360,380	1,360,380	-	133,279	-
Off-Balance Sheet Liabilities					
Guarantees	9,389,380	9,389,380	9,389,380	9,389,380	-
Performance Bonds	35,837	35,837	35,837	35,837	-
Letters of Credit	0	-	0	0	-
Other Contingent Items			-	-	-
Undrawn Loan Commitments	67,315,912	67,315,912	67,315,912	67,315,912	-
Other Commitments	26,839,115	26,839,115	26,839,115	26,839,115	-
Foreign Exchange Contracts	2,103,955	2,103,955	2,103,955	1,825,550	278,405
Shareholders' Equity					
Assigned Capital	1,524,250	1,524,250	1,524,250	-	1,524,250
<i>of which Amount Eligible for CET1</i>	<i>1,524,250</i>	<i>1,524,250</i>	<i>1,524,250</i>	<i>-</i>	<i>1,524,250</i>
Retained Earnings	14,827,656	14,827,656	14,827,656	-	14,827,656

Accumulated OCI	5,652	5,652	5,652	-	5,652
Other Reserves	6,116,362	6,116,363	6,116,363	-	6,116,363

Notes -

Publication has been done for the with the adjusted audit Entries to the Right to Use Asset, Deffered Tax Asset , FVOCI Reserve and Statutory Reserve