

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-Jun-22

INCOME STATEMENT

FOR THE PERIOD ENDED 30/06/2022

In Rupees Thousands

	Bank	
	Current Period From 01/01/2022 To 30/06/2022 (Unaudited)	Previous Period 01/01/2021 to 30/06/2021 (Unaudited)
Interest income	2,285,041	945,026
Interest expenses	(95,885)	(99,374)
Net interest income	2,189,155	845,652
Fee and commission income	658,944	377,511
Fee and commission expenses	(15,798)	(9,731)
Net fee and commission income	643,146	367,780
Net gains/(losses) from trading	119,426	(138,201)
financial assets at fair value through profit or loss	91,199	27,101
at fair value through other comprehensive income	11,047	2,565
Net other operating income	1,602,104	1,221,393
Total operating income	4,656,077	2,326,290
Impairment charges	(743,512)	(1,170)
Net operating income	3,912,565	2,325,120
Personnel expenses	(449,276)	(361,507)
Depreciation and amortization expenses	(16,594)	(41,587)
Other expenses	(591,125)	(366,905)
Operating profit/(loss) before VAT on financial services	2,855,570	1,555,121
Value Added Tax (VAT) on financial services	(538,013)	(227,742)
Operating profit/(loss) after VAT on financial services	2,317,557	1,327,379
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	2,317,557	1,327,379
Income tax expenses	(900,452)	(460,202)
Profit/(loss) for the period	1,417,105	867,177

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30/06/2022

In Rupees Thousands

	Bank	
	Current Period from 01/01/2022 to 30/06/2022 (Unaudited)	Previous Period from 01/01/2022 to 30/06/2022 (Unaudited)
Profit/(loss) for the period	1,417,105	867,177
Items that will be reclassified to income statement		
Exchange differences on translation of foreign operations	2,908,181	306,014
Net gains/(losses) on cash flow hedges	-	-
Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	(16,773)	(11,129)
Re-measurement of post-employment benefit obligations	(6,463)	(1,338)
Other Comprehensive Income (OCI) for the period, net of taxes	2,884,945	293,546
Total comprehensive income for the period	4,302,050	1,160,724

STATEMENT OF FINANCIAL POSITION
AS AT 30/06/2022

In Rupees Thousands

	Bank	
	Current Period As at 30/06/2022 (Unaudited)	Previous Period As at 31/12/2021 (Audited)
Assets		
Cash and cash equivalents	3,147,156	2,080,358
Balances with central banks	940,961	13,667,428
Placements with banks	32,618,780	7,648,247
Derivative financial instruments	88,494	254,353
Financial assets recognized through profit or loss - measured at fair value	5,557,114	5,148,672
Financial assets at amortised cost - loans and advances	26,702,696	17,204,685
Financial assets measured at fair value through other comprehensive income	5,982,637	4,708,095
Property, plant and equipment	77,800	320,906
Deferred tax assets	73,677	73,677
Other assets	263,651	27,941
Total assets	75,452,967	51,134,362
Liabilities		
Due to banks	4,694,171	527,137
Derivative financial instruments	255	279,499
Financial liabilities at amortised cost - due to depositors	47,688,076	32,223,646
Retirement benefit obligations	221,587	229,699
Current tax liabilities	1,038,026	339,726
Other provisions	351,529	183,423
Other liabilities	861,767	1,055,726
Due to subsidiaries	-	-
Total liabilities	54,855,411	34,838,856
Equity		
Stated capital/Assigned capital	1,524,250	1,524,250
Statutory reserve fund	850,140	850,140
OCI reserve	(18,959)	(2,186)
Retained earnings	13,467,165	12,161,981
Other reserves	4,774,961	1,761,322
Total shareholders' equity	20,597,556	16,295,506
Non-controlling interests	-	-
Total equity	20,597,556	16,295,506
Total equity and liabilities	75,452,967	51,134,363
Contingent liabilities and commitments	84,153,187	87,597,127
Memorandum Information		
Number of Employees	88	88
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

29/07/2022

Feroze Kamaldeen

(Sgd.) Country Finance Officer

29/07/2022

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30/06/2022**

In Rupees Thousands

	Assigned capital	Statutory Reserve fund	OCI reserve	Reserves Revaluation reserve	Retained earnings	ECL Stage 01 Reserve	Total
Balance as at 01/01/2022 (Opening balance) (Unaudited)	1,524,250	850,140	(2,186)	1,761,322	12,161,981	-	16,295,506
Total comprehensive income for the period							-
Profit/(loss) for the year (net of tax)	-	-	-	-	1,417,105	-	1,417,105
Other comprehensive income (net of tax)	-	-	(16,773)	2,908,181	(6,463)	-	2,884,945
Total comprehensive income for the period	-	-	(16,773)	2,908,181	1,410,642	-	4,302,050
Transactions with equity holders, recognised directly in equity							
Others (transfer to ECL Stage 01 Reserve)	-	-	-	-	(105,458)	105,458	-
Total transactions with equity holders	-	-	-	-	(105,458)	105,458	-
Balance as at 30/06/2022 (Closing balance)(Unaudited)	1,524,250	850,140	(18,959)	4,669,503	13,467,165	105,458	20,597,556

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30/06/2022

In Rupees Thousands

	Bank	
	Current Period From 01/01/2022 To 30/06/2022 (Unaudited)	Previous Period 01/01/2021 to 31/12/2021 (Audited)
Cash flows from operating activities		
Interest receipts	2,227,614	2,224,699
Interest payments	(104,387)	(227,949)
Net commission receipts	633,549	680,129
Trading income	1,822,912	1,360,317
Payments to employees	(335,468)	(751,994)
VAT on financial services	(455,849)	(373,966)
Receipts from other operating activities	2,892,273	1,211
Payments on other operating activities	(591,125)	(665,874)
Operating profit before change in operating assets & liabilities	6,089,518	2,246,573
(Increase) / decrease in operating assets		
Balances with Central Bank of Sri Lanka	12,726,467	(4,109,553)
Financial assets at amortised cost – loans & advances	(10,046,304)	(1,567,053)
Financial assets recognized through profit or loss	(391,643)	7,638,252
Other assets	(25,017,271)	(7,342,890)
Increase / (decrease) in operating liabilities		
Financial liabilities at amortised cost – due to depositors	15,473,020	974,690
Financial liabilities at amortised cost – due to debt securities holders	4,167,034	(5,065,067)
Financial liabilities at amortised cost – due to other borrowers	(88)	(107,038)
Other liabilities	(682,250)	(38,348)
Net cash generated from operating activities before income tax	2,318,482	(7,370,433)
ROU adjustment	-	-
Income tax paid	(203,654)	(620,695)
Net cash (used in) / from operating activities	2,114,829	(7,991,128)
Cash flows from investing activities		
Purchase of property, plant and equipment	226,512	(60,627)
Purchase of financial investments	-	5,336,566
Proceeds from the sale and maturity of financial investments	(1,274,542)	-
Net cash (used in) / from investing activities	(1,048,030)	5,275,939
Cash flows from financing activities		
Others	-	-
Net cash (used in) / from financing activities	-	-
Net increase / (decrease) in cash & cash equivalents	1,066,798	(2,715,189)
Cash and cash equivalents at the beginning of the period	2,080,358	4,795,547
Exchange difference in respect of cash & cash equivalents	-	-
Cash and cash equivalents at the end of the period (Gross)	3,147,156	2,080,358

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS
AS AT 30/06/2022

a. Bank - Current period

In Rupees Thousands

	AMC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	3,147,156	-	-	3,147,156
Balances with central banks	940,961	-	-	940,961
Placements with banks	32,618,780	-	-	32,618,780
Derivative financial instruments	-	88,494	-	88,494
Loans and advances	26,702,696	-	-	26,702,696
Debt instruments	-	5,557,114	5,981,597	11,538,711
Equity instruments	-	-	1,040	1,040
Total financial assets	63,409,593	5,645,608	5,982,637	75,037,838

	AMC	FVPL	FVOCI	Total
LIABILITIES				
Due to banks	4,694,171	-	-	4,694,171
Derivative financial instruments	-	255	-	255
Financial liabilities				
- due to depositors	47,688,076	-	-	47,688,076
Total financial liabilities	52,382,247	255	-	52,382,502

b. Bank – Previous period

In Rupees Thousands

	AMC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	2,080,358	-	-	2,080,358
Balances with central banks	13,667,428	-	-	13,667,428
Placements with banks	7,648,247	-	-	7,648,247
Derivative financial instruments	-	254,353	-	254,353
Loans and advances	17,204,685	-	-	17,204,685
Debt instruments	-	5,148,672	4,708,095	9,856,767
Equity instruments	-	-	1,040	1,040
Total financial assets	40,600,718	5,403,025	4,709,135	50,712,878

	AMC	FVPL	FVOCI	Total
LIABILITIES				
Due to banks	527,137	-	0.08	527,137
Derivative financial instruments	-	279,499	-	279,499
Financial liabilities				
- due to depositors	32,223,646	-	-	32,223,646
Total financial liabilities	32,750,783	279,499	0	33,030,282

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 30/06/2022**

In Rupees Thousands

	Bank	
	Current Period As at 30/06/2022	Previous Period As at 31/12/2021
Product-wise Gross loans & advances		
By product – Domestic currency		
Overdrafts	9,007,076	5,273,214
Term loans	5,070,796	5,130,988
Other loans	-	818
Sub total	14,077,872	10,405,020
By product – Foreign currency		
Overdrafts	4,660,665	3,517,569
Term loans	8,624,808	3,360,937
Sub total	13,285,473	6,878,506
Total	27,363,345	17,283,526
Product-wise commitments and contingencies		
By product – Domestic currency		
Guarantees	1,281,281	1,723,883
Bonds	3,680	3,700
Undrawn credit lines	42,915,969	43,699,716
Other commitments	385,000	982,955
Sub total	44,585,931	46,410,254
By product – Foreign currency		
Guarantees	5,438,642	3,149,860
Bonds	157,063	135,751
Undrawn credit lines	11,947,045	12,813,636
Other commitments	18,949,529	9,448,876
Foreign Exchange Contracts	3,074,979	15,638,750
Sub total	39,567,257	41,186,873
Total	84,153,187	87,597,127
Stage-wise impairment on loans & advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	111,516,532	104,880,653
Less: Accumulated impairment under stage 1	(9,811)	(1,405)
Less: Accumulated impairment under stage 2	(1,004,776)	(144,889)
Less: Accumulated impairment under stage 3	-	-
Net value of loans and advances, commitments and contingencies	110,501,945	104,734,359
Movement of impairment during the period		
Under Stage 1		
Balance as at 01/01/2022 (Opening balance)	4,142	10,909
Charge/(Write back) to income statement	5,669	(6,767)
Write-off during the year	-	-
Other movements	-	-
Balance as at 30/06/2022 (Closing balance)	9,811	4,142
Under Stage 2		
Balance as at 01/01/2022 (Opening balance)	92,918	50,965
Charge/(Write back) to income statement	911,858	41,953
Write-off during the year	-	-
Other movements	-	-
Balance as at 30/06/2022 (Closing balance)	1,004,776	92,918
Under Stage 3		
Balance as at 01/01/2022 (Opening balance)	-	-
Charge/(Write back) to income statement	-	-
Write-off during the year	-	-
Other movements	-	-
Balance as at 30/06/2022 (Closing balance)	-	-

ANALYSIS OF DEPOSITS
AS AT 30/06/2022

In Rupees Thousands

	Bank	
	Current Period As at 30/06/2022	Previous Period As at 31/12/2021
By product – Domestic currency		
Demand deposits (current accounts)	23,786,067	16,406,628
Savings deposits	5,464,382	3,248,030
Fixed deposits	2,029,102	2,165,472
Others	892,521	198,002
Sub total	32,172,072	22,018,132
By product – Domestic currency		
Demand deposits (current accounts)	9,971,038	7,171,721
Savings deposits	4,854,944	2,738,141
Fixed deposits	81,308	45,485
Others	608,714	250,168
Sub total	15,516,004	10,205,515
Total	47,688,076	32,223,647

SELECTED PERFORMANCE INDICATORS
AS AT 30/06/2022
(Based on Regulatory Reporting)

	Current Reporting Period	Previous Reporting Period
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	16,981	14,894
Core (Tier 1) Capital	16,981	14,894
Total Capital Base	17,493	15,031
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement 7%)	24.48%	34.30%
Tier 1 Capital Ratio (%) (Minimum Requirement 8.5%)	24.48%	34.30%
Total Capital Ratio (%) (Minimum Requirement 12.5%)	25.22%	34.62%
Leverage Ratio (%) (Minimum Requirement - 3%)	19.55%	18.33%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)	39,729	37,027
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	104.79%	105.28%
Off-Shore Banking Unit (%)	92.79%	67.37%
Total Stock of High-Quality Liquid Assets (LKR in Millions)	30,755	11,564
Liquidity Coverage Ratio (%) (Minimum Requirement 100%)		
Rupee (%)	373.35%	335.97%
All Currency (%)	473.00%	297.77%
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	160.71%	203.64%
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%
Stage 3 Loans (net of stage 3 impairment) to Total Loans (net of stage 3 impairment) ratio (%)	0.0%	0.0%
SLFRS 9 based Stage 3 provision coverage ratio (%)	0.0%	0.0%
Profitability		
Interest Margin (%)	5.2%	2.1%
Return on Assets (before Tax) (%)	9.0%	4.3%
Return on Equity (%)	15.4%	7.9%

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 First Six Months 2022 (Unaudited)	Previous Period First Six Months 2021 (Unaudited)
Total revenues, net of interest expense(1)	\$ 38,824	\$ 37,420
Total operating expenses(1)	25,558	22,884
Provisions for credit losses and for benefits and claims	2,029	(3,121)
Income from continuing operations before income taxes	11,237	17,657
Citigroup's net income	\$ 8,853	\$ 14,135
<u>Diluted earnings per share:</u>		
Income from continuing operations	\$ 4.32	\$ 6.47
Citigroup's net income	\$ 4.20	\$ 6.47
<u>Shares (in millions):</u>		
Average basic	1,956.6	2,069.3
Average diluted	1,973.2	2,084.8
	Current Period 2Q 2022 (Unaudited)	Previous Period 2Q 2021 (Unaudited)
<u>Regulatory capital ratios and performance metrics:</u>		
Common Equity Tier 1 (CET1) Capital ratio(2)(3)(4)	11.90%	11.77%
Tier 1 Capital ratio(2)(3)(4)	13.50%	13.28%
Total Capital ratio(2)(3)(4)	15.10%	15.58%
Supplementary Leverage ratio (SLR)(2)(4)(5)	5.60%	5.84%
Return on average assets	0.77%	1.06%
Return on average common equity	9.7%	13.0%
Efficiency ratio (total operating expenses/total revenues, net)	63.1%	64.6%
<u>Balance sheet data (in billions of dollars, except per share amounts):</u>		
Total assets	\$ 2,380.9	\$ 2,327.9
Total average assets	2,380.1	2,341.8
Total loans	657.3	676.8
Total deposits	1,321.8	1,310.3
Citigroup's stockholders' equity	199.0	202.2
Book value per share	92.95	90.86

(1) During the fourth quarter of 2021, Citi reclassified deposit insurance expenses from Interest expense to Other operating expenses for all periods presented. For additional information, see Note 1 to the Consolidated Financial Statements in Citi's 2021 Annual Report on Form 10-K.

(2) 1Q22 is preliminary.

(3) Citi's reportable CET1 Capital and Tier 1 Capital ratios were derived under the Basel III Advanced Approaches framework as of March 31, 2021, and the Basel III Standardized Approach framework for the subsequent periods presented. Citi's reportable Total Capital ratios were derived under the Basel III Advanced Approaches framework for all periods presented. These reportable ratios reflect the more binding ratios 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 18 of Citigroup's 1Q22 Quarterly Financial Data Supplement.

(4) Citi's regulatory capital ratios reflect certain deferrals based on the modified regulatory capital transition provision related to the Current Expected Credit Losses (CECL) standard. For additional information, see "Capital Resources" in Citi's 2021 Annual Report on Form 10-K.

(5) For the composition of Citi's SLR, see page 18 of Citigroup's 1Q22 Quarterly Financial Data Supplement.

Supplementary Citigroup information has been extracted from Citigroup's 1Q22 Quarterly Financial Data Supplement available at

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