

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-22

INCOME STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER 2022

In Rupees Thousands

	Bank	
	Current Period From 01/01/2022 To 30/09/2022 (Unaudited)	Previous Period From 01/01/2021 To 30/09/2021 (Unaudited)
Interest income	4,814,384	1,433,214
Interest expenses	(168,666)	(142,450)
Net interest income	4,645,718	1,290,764
Fee and commission income	1,072,397	613,413
Fee and commission expenses	(23,594)	(14,236)
Net fee and commission income	1,048,803	599,177
Net gains/(losses) from trading	27,216	(348,281)
financial assets at fair value through profit or loss	490,112	22,911
at fair value through other comprehensive income	20,940	2,786
Net other operating income	2,287,682	1,559,596
Total operating income	8,520,471	3,126,953
Impairment charges	(2,100,462)	(112,595)
Net operating income	6,420,009	3,014,358
Personnel expenses	(687,705)	(564,502)
Depreciation and amortization expenses	(24,110)	(66,702)
Other expenses	(965,133)	(589,704)
Operating profit/(loss) before VAT on financial services	4,743,061	1,793,450
Value Added Tax (VAT) on financial services	(737,147)	(296,639)
Operating profit/(loss) after VAT on financial services	4,005,914	1,496,811
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	4,005,914	1,496,811
Income tax expenses	(1,662,536)	(581,406)
Profit/(loss) for the period	2,343,378	915,405

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH SEPTEMBER 2022

In Rupees Thousands

	Bank	
	Current Period From 01/01/2022 To 30/09/2022 (Unaudited)	Previous Period From 01/01/2021 To 30/09/2021 (Unaudited)
Profit/(loss) for the period	2,343,378	915,405
Items that will be reclassified to income statement		
Exchange differences on translation of foreign operations	3,294,323	338,115
Net gains/(losses) on cash flow hedges	(4,790)	(19,760)
Less: Tax expense relating to items that will be reclassified to income statement	-	-
Items that will not be reclassified to income statement		
Re-measurement of post-employment benefit obligations	(8,944)	(2,007)
Changes in revaluation surplus	-	-
Other Comprehensive Income (OCI) for the period, net of taxes	3,280,589	316,348
Total comprehensive income for the period	5,623,967	1,231,753

STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2022

In Rupees Thousands

	Bank	
	Current Period As at 30/09/2022 (Unaudited)	Previous Period As at 31/12/2021 Audited
Assets		
Cash and cash equivalents	4,823,017	2,080,358
Balances with central banks	1,008,920	13,667,428
Placements with banks	40,352,016	7,648,247
Derivative financial instruments	10,795	254,353
Financial assets recognized through profit or loss - measured at fair value	6,324,197	5,148,672
Financial assets at amortised cost - loans and advances	17,300,230	17,204,685
Financial assets measured at fair value through other comprehensive income	8,481,945	4,708,095
Property, plant and equipment	78,323	320,906
Deferred tax assets	73,677	73,677
Other assets	303,830	27,941
Total assets	78,756,952	51,134,363
Liabilities		
Due to banks	113,675	527,137
Derivative financial instruments	12,121	279,499
Financial liabilities at amortised cost - due to depositors	53,912,142	32,223,646
Retirement benefit obligations	224,515	229,699
Current tax liabilities	1,693,841	339,726
Other provisions	699,842	183,423
Other liabilities	872,657	1,055,726
Total liabilities	57,528,792	34,838,856
Equity		
Stated capital/Assigned capital	1,524,250	1,524,250
Statutory reserve fund	850,140	850,140
OCI reserve	(6,976)	(2,186)
Retained earnings	13,663,906	12,161,981
Other reserves	5,196,840	1,761,322
Total shareholders' equity	21,228,160	16,295,506
Non-controlling interests	-	-
Total equity	21,228,160	16,295,506
Total equity and liabilities	78,756,952	51,134,363
Contingent liabilities and commitments	101,325,392	87,597,127
Memorandum Information		
Number of Employees	87	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
30th Oct 2022

Feroze Kamaldeen

(Sgd.) Country Finance Officer
30th Oct 2022

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH SEPTEMBER 2022

In Rupees Thousands

	Stated 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	11,470,668	-	15,604,193
Total comprehensive income for the period							-
Profit/(loss) for the year (net of tax)	-	-	-	-	2,343,378	-	2,343,378
Other comprehensive income (net of tax)	-	-	(4,790)	3,294,323	(8,944)	-	3,280,589
Total comprehensive income for the period	-	-	(4,790)	3,294,323	2,334,434	-	5,623,967
Transactions with equity holders, recognised directly in equity							
Others (transfer to ECL Stage 01 Reserve)	-	-	-	-	(141,195)	141,195	-
Total transactions with equity holders	-	-	-	-	(141,195)	141,195	-
Balance as at 30/06/2022 (Closing balance)(Unaudited)	1,524,250	850,140	(6,976)	5,055,645	13,663,906	141,195	21,228,160

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH SEPTEMBER 2022

In Rupees Thousands

	Bank	
	Current Period As at 30/09/2022 (Unaudited)	Previous Period As at 31/12/2021 (Unaudited)
Cash flows from operating activities		
Interest receipts	4,783,694	2,224,699
Interest payments	(162,410)	(227,949)
Net commission receipts	1,051,086	680,129
Trading income	2,824,316	1,360,317
Payments to employees	(697,981)	(751,994)
VAT on financial services	(671,241)	(373,966)
Receipts from other operating activities	1,635	1,211
Payments on other operating activities	(950,710)	(665,874)
Operating profit before change in operating assets & liabilities	6,178,388	2,246,573
(Increase) / decrease in operating assets		
Balances with Central Bank of Sri Lanka	12,658,508	(4,109,553)
Financial assets at amortised cost – loans & advances	(79,362)	(1,567,053)
Financial assets recognized through profit or loss	(1,175,525)	7,638,252
Other assets	(407,289)	(7,342,890)
Increase / (decrease) in operating liabilities		
Financial liabilities at amortised cost – due to depositors	21,682,236	974,690
Financial liabilities at amortised cost – due to debt securities holders	(680,841)	(5,065,067)
Financial liabilities at amortised cost – due to other borrowers	-	(107,038)
Other liabilities	30,142	(38,348)
Net cash generated from operating activities before income tax	38,206,258	(7,370,433)
ROU adjustment	167,614	-
Income tax paid	(308,421)	(620,695)
Net cash (used in) / from operating activities	37,374,137	(7,991,128)
Cash flows from investing activities		
Purchase of property, plant and equipment	(30,426)	(60,627)
Proceeds from the sale of property, plant and equipment	-	-
Purchase of financial investments (net)	(37,895,374)	5,336,566
Net cash (used in) / from investing activities	(37,925,800)	5,275,939
Cash flows from financing activities		
Others	-	-
Net cash (used in) / from financing activities	-	-
Net increase / (decrease) in cash & cash equivalents	(551,663)	(2,715,189)
Cash and cash equivalents at the beginning of the period	2,080,358	4,795,547
Exchange difference	3,294,323	-
Cash and cash equivalents at the end of the period (Gross)	4,823,018	2,080,358

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 30TH SEPTEMBER 2022

a. Bank - Current period

In Rupees Thousands

	AMC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	4,823,017	-	-	4,823,017
Balances with central banks	1,008,920	-	-	1,008,920
Placements with banks	40,352,016	-	-	40,352,016
Derivative financial instruments	-	10,795	-	10,795
Loans and advances	17,300,230	-	-	17,300,230
Debt instruments	-	6,324,197	8,481,945	14,806,142
Equity instruments	-	-	1,040	1,040
Total financial assets	63,484,183	6,334,992	8,482,985	78,302,160
LIABILITIES				
Due to banks	113,675	-	-	113,675
Derivative financial instruments	-	12,121	-	12,121
Financial liabilities				
- due to depositors	53,912,142	-	-	53,912,142
Total financial liabilities	54,025,817	12,121	-	54,037,938

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
LIABILITIES				
Due to banks	527,137	-	-	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	-	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 30TH SEPTEMBER 2022

In Rupees Thousands

	Bank	
	Current Period As at 30/09/2022	Previous Period As at 31/12/2021
Product-wise Gross loans & advances		
By product – Domestic currency		
Overdrafts	8,378,041	5,273,214
Term loans	1,946,836	5,130,988
Other loans	-	818
Sub total	10,324,878	10,405,020
By product – Foreign currency		
Overdrafts	3,026,873	3,517,569
Term loans	5,597,514	3,360,937
Sub total	8,624,387	6,878,506
Total	18,949,265	17,283,526
Product-wise commitments and contingencies		
By product – Domestic currency		
Guarantees	2,142,726	1,723,883
Bonds	3,500	3,700
Undrawn credit lines	57,581,708	43,699,716
Other commitments	750,544	982,955
Sub total	60,478,478	46,410,254
By product – Foreign currency		
Guarantees	5,661,837	3,149,860
Bonds	237,041	135,751
Undrawn credit lines	16,245,040	12,813,636
Other commitments	14,677,876	9,448,876
Foreign Exchange Contracts	4,025,120	15,638,750
Sub total	40,846,914	41,186,873
Total	101,325,392	87,597,127
Stage-wise impairment on loans & advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	120,274,657	104,880,653
Less: Accumulated impairment under stage 1	(27,382)	(4,142)
Less: Accumulated impairment under stage 2	(2,321,495)	(92,918)
Less: Accumulated impairment under stage 3	-	-
Net value of loans and advances, commitments and contingencies	117,925,780	104,783,593
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	23,240	(6,767)
Write-off during the year	-	-
Other movements	-	-
Balance as at 30/09/2022 (Closing balance)	27,382	4,142
Under Stage 2		
Balance as at 01/01/2022 (Opening balance)	92,918	50,965
Charge/(Write back) to income statement	2,228,577	41,953
Write-off during the year	-	-
Other movements	-	-
Balance as at 30/09/2022 (Closing balance)	2,321,495	92,918
Under Stage 3		
Balance as at 01/01/2022 (Opening balance)	-	-
Balance as at 30/09/2022 (Closing balance)	-	-

ANALYSIS OF DEPOSITS AS AT 30TH SEPTEMBER 2022

In Rupees Thousands

	Bank	
	Current Period	Previous Period
	As at 30/09/2022	As at 31/12/2021
By product – Domestic currency		
Demand deposits (current accounts)	25,366,404	16,406,628
Savings deposits	3,316,823	3,248,030
Fixed deposits	2,934,204	2,165,472
Others	531,520	198,002
Sub total	32,148,952	22,018,132
By product – Domestic currency		
Demand deposits (current accounts)	13,665,084	7,171,721
Savings deposits	7,261,878	2,738,141
Fixed deposits	81,977	45,485
Others	754,252	250,168
Sub total	21,763,190	10,205,515
Total	53,912,142	32,223,647

SELECTED PERFORMANCE INDICATORS AS AT 30TH SEPTEMBER 2022

(Based on Regulatory Reporting)

	Current Reporting Period	Previous Reporting Period
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	14,781	14,894
Core (Tier 1) Capital	14,781	14,894
Total Capital Base	15,215	15,031
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement 7%)	23.12%	34.30%
Tier 1 Capital Ratio (%) (Minimum Requirement 8.5%)	23.12%	34.30%
Total Capital Ratio (%) (Minimum Requirement 12.5%)	23.79%	34.62%
Leverage Ratio (%) (Minimum Requirement - 3%)	16.54%	18.33%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)	64,451	37,027
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	103.58%	105.28%
Off-Shore Banking Unit (%)	78.30%	67.37%
Total Stock of High-Quality Liquid Assets (LKR in Millions)	37,761	11,564
Liquidity Coverage Ratio (%) (Minimum Requirement 100%)		
Rupee (%)	383.24%	335.97%
All Currency (%)	599.30%	297.77%
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	184.06%	203.64%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	0.0%	0.0%
Profitability		
Net Interest Margin (%)	7.9%	3.7%
Return on Assets (before Tax) (%)	8.2%	4.3%
Return on Equity (%)	16.7%	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 Nine Months 2022 (Unaudited)	Previous Period First Nine Months 2021 (Unaudited)
Total revenues, net of interest expense(1)	\$ 57,332	\$ 54,867
Total operating expenses(1)	38,307	34,661
Provisions for credit losses and for benefits and claims	3,394	(3,313)
Income from continuing operations before income taxes	15,631	23,519
Citigroup's net income	\$ 12,332	\$ 18,779
<u>Diluted earnings per share:</u>		
Income from continuing operations	\$ 5.95	\$ 8.64
Citigroup's net income	\$ 5.84	\$ 8.65
<u>Shares (in millions):</u>		
Average basic	1,950.0	2,049.3
Average diluted	1,967.1	2,065.3
	Current Period 3Q 2022 (Unaudited)	Previous Period 3Q 2021 (Unaudited)
<u>Regulatory capital ratios and performance metrics:</u>		
Common Equity Tier 1 (CET1) Capital ratio(2) (3) (4)	12.3%	11.65%
Tier 1 Capital ratio(2) (3) (4)	14.0%	13.15%
Total Capital ratio(2) (3) (4)	16.5%	15.91%
Supplementary Leverage ratio (SLR) (2) (4) (5)	5.7%	5.80%
Return on average assets	0.58%	0.79%
Return on average common equity	7.1%	9.5%
Efficiency ratio (total operating expenses/total revenues, net)	68.9%	67.5%
<u>Balance sheet data (in billions of dollars, except per share amounts):</u>		
Total assets	\$ 2,381.1	\$ 2,361.9
Total average assets	2,399.4	2,346.0
Total loans	646.0	664.8
Total deposits	1,306.5	1,347.5
Citigroup's stockholders' equity	198.6	200.9
Book value per share	92.71	92.16

(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) 3Q22 is preliminary.

(3) For all periods presented, Citi's reportable CET1 Capital and Tier 1 Capital ratios were derived under the Basel III Standardized Approach framework, whereas Citi's reportable Total Capital ratios were derived under the Basel III Advanced Approaches framework. 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 3Q22 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 3Q22 Quarterly Financial Data Supplement.

Supplementary Citigroup information has been extracted from Citigroup's 3Q22 Quarterly Financial Data Supplement available at <https://www.citigroup.com/citi/investor/qer.htm>