

# 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-22

## INCOME STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER 2022

*In Rupees Thousands*

	Bank	
	Current Period From 01/01/2022 To 31/12/2022 (Unaudited)	Previous Period From 01/01/2021 To 30/09/2021 (Unaudited)
Interest income	7,679,685	1,433,214
Interest expenses	(238,435)	(142,450)
<b>Net interest income</b>	<b>7,441,250</b>	<b>1,290,764</b>
Fee and commission income	1,585,590	613,413
Fee and commission expenses	(251,070)	(14,236)
<b>Net fee and commission income</b>	<b>1,334,520</b>	<b>599,177</b>
Net gains/(losses) from trading	222,873	(348,281)
financial assets at fair value through profit or loss	687,477	22,911
at fair value through other comprehensive income	77,396	2,786
Net other operating income	3,134,756	1,559,596
<b>Total operating income</b>	<b>12,898,272</b>	<b>3,126,953</b>
Impairment charges	(3,110,790)	(112,595)
<b>Net operating income</b>	<b>9,787,482</b>	<b>3,014,358</b>
Personnel expenses	(1,017,194)	(564,502)
Depreciation and amortization expenses	(66,085)	(66,702)
Other expenses	(1,003,555)	(589,704)
<b>Operating profit/(loss) before VAT on financial services</b>	<b>7,700,648</b>	<b>1,793,450</b>
Value Added Tax (VAT) on financial services	(1,235,018)	(296,639)
Social Security Contribution Levy (SSCL)	(104,659)	-
<b>Operating profit/(loss) after VAT on financial services</b>	<b>6,360,971</b>	<b>1,496,811</b>
Share of profits of associates and joint ventures	-	-
<b>Profit/(loss) before tax</b>	<b>6,360,971</b>	<b>1,496,811</b>
Income tax expenses	(2,809,882)	(581,406)
<b>Profit/(loss) for the period</b>	<b>3,551,088</b>	<b>915,405</b>

# STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST DECEMBER 2022

*In Rupees Thousands*

	Bank	
	Current Period From 01/01/2022 To 31/12/2022 (Unaudited)	Previous Period From 01/01/2021 To 30/09/2021 (Unaudited)
<b>Profit/(loss) for the period</b>	<b>3,551,088</b>	<b>915,405</b>
<b>Items that will be reclassified to income statement</b>		
Exchange differences on translation of foreign operations	3,292,897	338,115
Net gains/(losses) on cash flow hedges	11,197	(19,760)
Less: Tax expense relating to items that will be reclassified to income statement	(3,359)	-
<b>Items that will not be reclassified to income statement</b>		
Re-measurement of post-employment benefit obligations	(49,683)	(2,007)
Less: Tax expense relating to items that will not be reclassified to income statement	14,905	-
<b>Other Comprehensive Income (OCI) for the period, net of taxes</b>	<b>3,265,956</b>	<b>316,348</b>
<b>Total comprehensive income for the period</b>	<b>6,817,045</b>	<b>1,231,753</b>

# STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

In Rupees Thousands

	Bank	
	Current Period As at 31/12/2022 (Unaudited)	Previous Period As at 31/12/2021 Audited
<b>Assets</b>		
Cash and cash equivalents	3,980,051	2,080,358
Balances with central banks	27,477,422	13,667,428
Placements with banks	20,735,382	7,648,247
Derivative financial instruments	160,210	254,353
Financial assets recognized through profit or loss - measured at fair value	5,825,506	5,148,672
Financial assets at amortised cost - loans and advances	16,706,570	17,204,685
Financial assets measured at fair value through other comprehensive income	7,065,633	4,708,095
Property, plant and equipment	362,325	320,906
Deferred tax assets	117,973	73,677
Other assets	68,934	27,941
<b>Total assets</b>	<b>82,500,008</b>	<b>51,134,363</b>
<b>Liabilities</b>		
Due to banks	598,314	527,137
Derivative financial instruments	2,382	279,499
Financial liabilities at amortised cost - due to depositors	54,319,360	32,223,646
Retirement benefit obligations	283,896	229,699
Current tax liabilities	2,712,805	339,726
Other provisions	711,406	183,423
Other liabilities	1,450,608	1,055,726
<b>Total liabilities</b>	<b>60,078,771</b>	<b>34,838,856</b>
<b>Equity</b>		
Stated capital/Assigned capital	1,524,250	1,524,250
Statutory reserve fund	921,162	850,140
OCI reserve	5,652	(2,186)
Retained earnings	14,868,694	12,161,981
Other reserves	5,101,479	1,761,322
<b>Total shareholders' equity</b>	<b>22,421,237</b>	<b>16,295,506</b>
Non-controlling interests	-	-
<b>Total equity</b>	<b>22,421,237</b>	<b>16,295,506</b>
<b>Total equity and liabilities</b>	<b>82,500,008</b>	<b>51,134,363</b>
<b>Contingent liabilities and commitments</b>	<b>105,684,199</b>	<b>87,597,127</b>
<b>Memorandum Information</b>		
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

28th February 2023

**Feroze Kamaldeen**

(Sgd.) Country Finance Officer

28th February 2023

# STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST DECEMBER 2022

*In Rupees Thousands*

	Stated Assigned capital	Statutory Reserve fund	OCI reserve	Reserves Revaluation reserve	Retained earnings	ECL Stage 01 Reserve	Total
<b>Balance as at 01/01/2022 (Opening balance) (Unaudited)</b>	<b>1,524,250</b>	<b>850,140</b>	<b>(2,186)</b>	<b>1,761,322</b>	<b>11,470,668</b>	<b>-</b>	<b>15,604,193</b>
<b>Total comprehensive income for the period</b>							<b>-</b>
Profit/(loss) for the year (net of tax)	-	-	-	-	3,551,088	-	3,551,088
Other comprehensive income (net of tax)	-	-	7,838	3,292,897	(34,778)	-	3,265,956
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>7,838</b>	<b>3,292,897</b>	<b>3,516,311</b>	<b>-</b>	<b>6,817,045</b>
<b>Transactions with equity holders, recognised directly in equity</b>							
Others (transfer to ECL Stage 01 Reserve)	-	-	-	-	(47,260)	47,260	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(47,260)</b>	<b>47,260</b>	<b>-</b>
<b>Balance as at 30/06/2022 (Closing balance)(Unaudited)</b>	<b>1,524,250</b>	<b>850,140</b>	<b>5,651</b>	<b>5,054,219</b>	<b>14,939,718</b>	<b>47,260</b>	<b>22,421,238</b>

# STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST DECEMBER 2022

In Rupees Thousands

	Bank	
	Current Period As at 31/12/2022 (Unaudited)	Previous Period As at 31/12/2021 (Unaudited)
<b>Cash flows from operating activities</b>		
Interest receipts	7,609,512	2,224,699
Interest payments	(206,029)	(227,949)
Net commission receipts	1,306,296	680,129
Trading income	4,120,606	1,360,317
Payments to employees	(782,191)	(751,994)
VAT on financial services	(1,203,416)	(373,966)
Receipts from other operating activities	1,896	1,211
Payments on other operating activities	(955,267)	(665,874)
<b>Operating profit before change in operating assets &amp; liabilities</b>	<b>9,891,406</b>	<b>2,246,573</b>
<b>(Increase) / decrease in operating assets</b>		
Balances with Central Bank of Sri Lanka	(13,809,995)	(4,109,553)
Financial assets at amortised cost – loans & advances	(1,966,593)	(1,567,053)
Financial assets recognized through profit or loss	(676,834)	7,638,252
Other assets	101,690	(7,342,890)
<b>Increase / (decrease) in operating liabilities</b>		
Financial liabilities at amortised cost – due to depositors	22,063,302	974,690
Financial liabilities at amortised cost – due to debt securities holders	(205,940)	(5,065,067)
Financial liabilities at amortised cost – due to other borrowers	-	(107,038)
Other liabilities	535,618	(38,348)
<b>Net cash generated from operating activities before income tax</b>	<b>15,932,653</b>	<b>(7,370,433)</b>
ROU adjustment	48,634	-
Income tax paid	(464,118)	(620,695)
<b>Net cash (used in) / from operating activities</b>	<b>14,825,855</b>	<b>(7,991,128)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(107,946)	(60,627)
Proceeds from the sale of property, plant and equipment	-	-
Purchase of financial investments (net)	(16,111,111)	5,336,566
Proceeds from the sale and maturity of financial investments	-	-
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	-	-
<b>Net cash (used in) / from investing activities</b>	<b>(16,219,057)</b>	<b>5,275,939</b>
<b>Cash flows from financing activities</b>		
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	-	-
<b>Net cash (used in) / from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>(1,393,202)</b>	<b>(2,715,189)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2,080,358</b>	<b>4,795,547</b>
<b>Exchange difference</b>	<b>3,292,897</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period (Gross)</b>	<b>3,980,051</b>	<b>2,080,358</b>

## ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 31ST DECEMBER 2022

### a. Bank - Current period

*In Rupees Thousands*

	AMC	FVPL	FVOCI	Total
<b>ASSETS</b>				
Cash and cash equivalents	3,980,051	-	-	3,980,051
Balances with central banks	27,477,422	-	-	27,477,422
Placements with banks	20,735,382	-	-	20,735,382
Derivative financial instruments	-	160,210	-	160,210
Loans and advances	16,706,570	-	-	16,706,570
Debt instruments	-	5,825,506	7,065,633	12,891,139
Equity instruments	-	-	1,040	1,040
<b>Total financial assets</b>	<b>68,899,426</b>	<b>5,985,716</b>	<b>7,066,673</b>	<b>81,951,815</b>
<b>LIABILITIES</b>				
Due to banks	598,314	-	-	598,314
Derivative financial instruments	-	2,382	-	2,382
Financial liabilities				
- due to depositors	54,319,360	-	-	54,319,360
<b>Total financial liabilities</b>	<b>54,917,674</b>	<b>2,382</b>	<b>-</b>	<b>54,920,056</b>

### b. Bank – Previous period

*In Rupees Thousands*

	AMC	FVPL	FVOCI	Total
<b>ASSETS</b>				
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
<b>Total financial assets</b>	<b>40,600,718</b>	<b>5,403,025</b>	<b>4,709,135</b>	<b>50,712,878</b>
<b>LIABILITIES</b>				
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
<b>Total financial liabilities</b>	<b>32,750,783</b>	<b>279,499</b>	<b>-</b>	<b>33,030,282</b>

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 31ST  
DECEMBER 2022**

*In Rupees Thousands*

	Bank	
	Current Period	Previous Period
	As at 31/12/2022	As at 31/12/2021
<b>Product-wise Gross loans &amp; advances</b>		
<b>By product – Domestic currency</b>		
Overdrafts	8,275,562	5,273,214
Term loans	1,531,656	5,130,988
Lease rentals receivable	-	-
Credit cards	-	-
Pawning	-	-
Other loans (specify)	-	818
<b>Sub total</b>	<b>9,807,217</b>	<b>10,405,020</b>
<b>By product – Foreign currency</b>		
Overdrafts	3,649,990	3,517,569
Term loans	5,835,604	3,360,937
Guarantees	-	-
Bonds	-	-
Other loans (specify)	-	-
<b>Sub total</b>	<b>9,485,594</b>	<b>6,878,506</b>
<b>Total</b>	<b>19,292,811</b>	<b>17,283,526</b>
<b>Product-wise commitments and contingencies</b>		
<b>By product – Domestic currency</b>		
Guarantees	3,017,397	1,723,883
Bonds	(2,500)	3,700
Undrawn credit lines	47,819,170	43,699,716
Other commitments (specify)	15,129,000	982,955
Other contingencies (specify)	-	-
<b>Sub total</b>	<b>65,963,067</b>	<b>46,410,254</b>
<b>By product – Foreign currency</b>		
Guarantees	6,371,984	3,149,860
Bonds	38,337	135,751
Undrawn credit lines	19,496,742	12,813,636
Other commitments	11,710,115	9,448,876
Foreign Exchange Contracts	2,103,955	15,638,750
<b>Sub total</b>	<b>39,721,132</b>	<b>41,186,873</b>
<b>Total</b>	<b>105,684,199</b>	<b>87,597,127</b>
<b>Stage-wise impairment on loans &amp; advances, commitments and contingencies</b>		
Gross loans and advances, commitments and contingencies	124,977,010	104,880,653
Less: Accumulated impairment under stage 1	(61,804)	(4,142)
Less: Accumulated impairment under stage 2	(3,235,843)	(92,918)
Less: Accumulated impairment under stage 3	-	-
<b>Net value of loans and advances, commitments and contingencies</b>	<b>121,679,363</b>	<b>104,783,593</b>
<b>Movement of impairment during the period</b>		
<b>Under Stage 1</b>		
Balance as at 01/01/2022 (Opening balance)	4,142	10,909
Charge/(Write back) to income statement	57,662	(6,767)
Write-off during the year	-	-
Other movements	-	-
<b>Balance as at 31/12/2022 (Closing balance)</b>	<b>61,804</b>	<b>4,142</b>
<b>Under Stage 2</b>		
Balance as at 01/01/2022 (Opening balance)	92,918	50,965
Charge/(Write back) to income statement	3,142,925	41,953
Write-off during the year	-	-
Other movements	-	-
<b>Balance as at 31/12/2022 (Closing balance)</b>	<b>3,235,843</b>	<b>92,918</b>
<b>Under Stage 3</b>		
Balance as at 01/01/2022 (Opening balance)	-	-
Charge/(Write back) to income statement	-	-
Write-off during the year	-	-
Other movements	-	-
<b>Balance as at 31/12/2022 (Closing balance)</b>	<b>-</b>	<b>-</b>



## ANALYSIS OF DEPOSITS AS AT 31ST DECEMBER 2022

*In Rupees Thousands*

	<b>Bank</b>	
	<b>Current Period</b>	<b>Previous Period</b>
	<b>As at 31/12/2022</b>	<b>As at 31/12/2021</b>
<b>By product – Domestic currency</b>		
Demand deposits (current accounts)	27,733,778	16,406,628
Savings deposits	2,742,926	3,248,030
Fixed deposits	2,881,145	2,165,472
Others (Specify)	233,275	198,002
<b>Sub total</b>	<b>33,591,125</b>	<b>22,018,132</b>
<b>By product – Domestic currency</b>		
Demand deposits (current accounts)	13,547,576	7,171,721
Savings deposits	6,499,678	2,738,141
Fixed deposits	-	45,485
Others (Specify)	680,981	250,168
<b>Sub total</b>	<b>20,728,235</b>	<b>10,205,515</b>
<b>Total</b>	<b>54,319,360</b>	<b>32,223,647</b>

## SELECTED PERFORMANCE INDICATORS AS AT 31ST DECEMBER 2022

(Based on Regulatory Reporting)

	Current Reporting Period	Previous Reporting Period
<b>Regulatory Capital Adequacy (LKR in Millions)</b>		
Common Equity Tier 1	16,787	14,894
Core (Tier 1) Capital	16,787	14,894
Total Capital Base	17,222	15,031
<b>Regulatory Capital Ratios (%)</b>		
Common Equity Tier 1 Capital (%) (Minimum Requirement 7%)	26.98%	34.30%
Tier 1 Capital Ratio (%) (Minimum Requirement 8.5%)	26.98%	34.30%
Total Capital Ratio (%) (Minimum Requirement 12.5%)	27.68%	34.62%
Leverage Ratio (%) (Minimum Requirement - 3%)	18.25%	18.33%
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets (LKR in Millions)	68,232	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 100%)		
Rupee (%)	338.28%	335.97%
All Currency (%)	624.25%	297.77%
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	179.98%	203.64%
<b>Assets Quality (Quality of Loan Portfolio)</b>		
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	0.0%	0.0%
<b>Profitability</b>		
Net Interest Margin (%)	9.0%	3.7%
Return on Assets (before Tax) (%)	9.5%	4.3%
Return on Equity (%)	18.3%	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 Twelve Months 2022 (Unaudited)	Previous Period Twelve Months 2021 (Unaudited)
<b>Total revenues, net of interest expense(1)</b>	\$ 75,338	\$ 71,884
Total operating expenses(1)	51,292	48,193
Provisions for credit losses and for benefits and claims	5,239	(3,778)
Income from continuing operations before income taxes	18,807	27,469
<b>Citigroup's net income</b>	<b>\$ 14,845</b>	<b>\$ 21,952</b>
<b><u>Diluted earnings per share:</u></b>		
Income from continuing operations	\$ 7.11	\$ 10.14
Citigroup's net income	\$ 7.00	\$ 10.14
<b><u>Shares (in millions):</u></b>		
Average basic	1,946.7	2,033.0
Average diluted	1,964.3	2,049.4
	<b>Current Period 4Q 2022 (Unaudited)</b>	<b>Previous Period 4Q 2021 (Unaudited)</b>
<b><u>Regulatory capital ratios and performance metrics:</u></b>		
Common Equity Tier 1 (CET1) Capital ratio(2) (3) (4)	13.0%	12.25%
Tier 1 Capital ratio(2) (3) (4)	14.8%	13.91%
Total Capital ratio(2) (3) (4)	15.4%	16.04%
Supplementary Leverage ratio (SLR) (2) (4) (5)	5.8%	5.73%
Return on average assets	0.41%	0.53%
Return on average common equity	5.0%	6.4%
Efficiency ratio (total operating expenses/total revenues, net)	72.1%	79.5%
<b><u>Balance sheet data (in billions of dollars, except per share amounts):</u></b>		
Total assets	\$ 2,416.7	\$ 2,291.4
Total average assets	2,430.6	2,386.2
Total loans	657.2	667.8
Total deposits	1,366.0	1,317.2
Citigroup's stockholders' equity	201.2	202.0
Book value per share	94.06	92.21

(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) Full year 2021 includes an approximate \$680 million loss on sale (an approximate \$580 million after-tax), related to Citi's agreement to sell its Australia consumer banking business.

(3) Full year 2022 includes an approximate \$616 million gain on sale recorded in Other revenue (approximately \$290 million after various taxes) related to Citi's sale of the Philippines consumer banking business.

(4) 4Q22 is preliminary.

(5) Citi's binding CET1 Capital and Tier 1 Capital ratios were derived under the Basel III Standardized Approach, whereas Citi's binding Total Capital ratios were derived under the Basel III Advanced Approaches framework for all periods presented. For the composition of Citi's CET1 Capital and ratio, see page 18 of Citigroup's 4Q22 Quarterly Financial Data Supplement.

(6) 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-Regulatory Capital Treatment-Modified Transition of the CECL Methodology" in Citigroup's Annual Report on Form 10-K for the year ended December 31, 2021, and Citigroup's Current Report on Form 8-K dated May 10, 2022 (as amended by a Current Report on Form 8-K/A dated May 10, 2022).

(7) For the composition of Citi's SLR, see page 18 of Citigroup's 4Q22 Quarterly Financial Data Supplement.

Supplementary Citigroup information has been extracted from Citigroup's 4Q22 Quarterly Financial Data Supplement available at <https://www.citigroup.com/global/investors/quarterly-earnings>