CITIBANK, N. A. SRI LANKA BRANCH

Pillar III Disclosures – Market Discipline

31-Mar-22

Basel III Computation of Capital Ratios

Item	Current Period As at 31/03/2023 (Unaudited)	Previous Period As at 31/12/2022 (audited)
Common Equity Tier I (CETI) Capital after Adjustments	**13,100,883**	**24,060,208**
Total Common Equity Tier I (CET1) Capital	**16,323,765**	**22,473,921**
Equity capital or stated capital/assigned capital	1,524,250	1,524,250
Reserve fund	824,321	920,324
Published retained earnings/(Accumulated retained losses)	11,265,691	14,862,434
Accumulated other comprehensive income (OCI)	1,596,397	4,956,913
General and other disclosed reserves	5,170	210,000
Unpublished current year's profit/(losses) and gains reflected in OCI	1,107,936	-
Total Adjustments to CET1 Capital	**3,222,882**	**(1,586,288)**
Goodwill (net)		
Deferred tax assets (net)	117,973	117,973
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	(463,072)	(1,704,261)
Amount due from head office & branches outside Sri Lanka in Foreign Currency (net)	3,567,981	-
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	**396,919**	**442,828**
Total Tier 2 Capital	**396,919**	**442,828**
General provisions	396,919	442,828
Total Adjustments to Tier 2 Capital	**-**	**-**
Total Tier 1 Capital	**13,100,883**	**24,060,208**
Total Capital	**13,497,801**	**24,503,037**
Total Risk Weighted Assets (RWA)	**61,277,986**	**62,874,299**
RWAs for Credit Risk	31,753,502	35,426,269
RWAs for Market Risk	19,990,366	19,386,160
RWAs for Operational Risk	9,534,118	8,061,870
CET1 Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	21.38	38.267
of which: Capital Conservation Buffer (%)		
of which: Countercyclical Buffer (%)		
of which: Capital Surcharge on D-SIBs (%)	-	-
Total Tier 1 Capital Ratio (%)	21.379	38.267
Total Capital Ratio (including Capital Conservation Buffer, Countercyclical Capital Buffer & Surcharge on D-SIBs) (%)	22.027	38.971
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 31/03/23	As at 31/12/22
Tier 1 Capital	**13,100,883**	**24,060,208**
Total Exposures	**108,517,428**	**92,076,073**
On-Balance Sheet Items (Excluding Derivatives and Securities Financing Transactions, but including Collateral)	67,218,381	82,221,825
Derivative Exposures	32,757,045	3,195,952
Securities Financing Transaction Exposures	-	
Other Off-Balance Sheet Exposures	8,542,002	6,658,296
Basel III Leverage Ratio (%) (Tier 1 / Exposure)	**12.07%**	**26.13%**

Basel III Computation of Liquidity Coverage Ratio

Item	Amount (LKR'000)			
	Current Period As at 31/03/23		Previous Period As at 31/12/22	
	Total Un-weighted Value	Total Weighted Value	Total Un-weighted Value	Total Weighted Value
Total Stock of High-Quality Liquid Assets (HQLA)	**30,994,512**	**30,994,512**	**42,041,635**	**42,041,635**
Total Adjusted Level 1A Assets	30,994,512	30,994,512	42,041,635	42,041,635
Level 1 Assets	30,994,512	30,994,512	42,041,635	42,041,635
Total Adjusted Level 2A Assets	-	-	-	-
Level 2A Assets	-	-	-	-
Total Adjusted Level 2B Assets	-	-	-	-
Level 2B Assets				
Total Cash Outflows	**144,807,880**	**21,933,651**	**146,734,682**	**26,938,837**
Deposits	-	-	-	-
Unsecured Wholesale Funding	41,139,065	17,612,634	55,240,240	23,037,000
Secured Funding Transactions	-	-	-	-
Undrawn Portion of Committed (Irrevocable)	100,129,341	781,542	88,451,244	858,639
Facilities and Other Contingent Funding				
Obligations				
Additional Requirements	3,539,475	3,539,475	3,043,199	3,043,199
Total Cash Inflows	**49,237,266**	**27,484,820**	**39,163,162**	**29,259,675**
Maturing Secured Lending Transactions				
Backed by Collateral				
Committed Facilities	9,843,900	-		-
Other Inflows by Counterparty which are Maturing within 30 Days	35,256,118	27,324,952	37,699,693	29,259,603
Operational Deposits	3,977,379	-	1,463,396	-
Other Cash Inflows	159,869	159,869	72	72
Liquidity Coverage Ratio (%) (Stock of				
High Quality Liquid Assets/Total Net Cash		**568.81%**		**624.25%**
Outflows over the Next 30 Calendar Days) * 100				

Credit Risk under Standardised Approach

Credit Risk Exposures and Credit Risk Mitigation (CRM) Effects

Asset Class	Amount (LKR'000) as at 31.03.2023					
	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	28,159,412	-	28,159,412	-	-	-
Claims on Foreign Sovereigns and their Central Banks	-	-	-	-	-	-
Claims on Public Sector Entities	979,265	-	979,265	-	489,632	0.50
Claims on Official Entities and Multilateral Development Banks	-	-	-	-	-	-
Claims on Banks Exposures	15,357,917	6,153,694	15,357,917	1,057,446	5,088,826	0.31
Claims on Financial Institutions	4,426,757	6,596,383	4,426,757	1,432,883	4,714,440	0.80
Claims on Corporates	16,042,394	20,475,052	16,042,394	6,547,933	20,008,890	0.89
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	4,818,172	80,103,382	4,818,172	142,810	1,451,714	0.29
Total	**69,783,916**	**113,328,511**	**69,783,916**	**9,181,072**	**31,753,502**	**0.40**

Market Risk under Standardised Measurement Method

Item	RWA Amount (LKR'000) as at 31.03.2023
(a) RWA for Interest Rate Risk	**102,926**
General Interest Rate Risk	102,926
(i) Net Long or Short Position	102,926
(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)	**2,395,869**
(c) RWA for Foreign Exchange & Gold	**2,498,796**
Capital Charge for Market Risk [(a) + (b) + (c)] * CAR	**19,990,366**

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 31.12.2023		
			1st Year	2nd Year	3rd Year
The Basic Indicator Approach	15%		15,332,481	4,752,102	3,750,712
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	1,191,765				
The Standardised Approach					
The Alternative Standardised Approach					
Risk Weighted Amount for Operational Risk (LKR'000)					
The Basic Indicator Approach	**9,534,120**				
The Standardised Approach					
The Alternative Standardised Approach					

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	824,321	920,324
Retained Earnings Comprise of un-remitted profits (after tax) of the branch, after making statutory appropriations to the Statutory Reserve.	Equity	11,265,691	14,862,434
Accumulated Other Comprehensive Income (OCI) Comprise of gains/(losses) arising from fair valuation of assets faired 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	4,956,913
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	210,000

Key Regulatory Ratios - Capital and Liquidity

	Current Reporting Period	Previous Reporting Period
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	13,101	24,060
Core (Tier 1) Capital	13,101	24,060
Total Capital Base	13,498	24,503
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement 7%)	21.38%	38.27%
Tier 1 Capital Ratio (%) (Minimum Requirement 8.5%)	21.38%	38.27%
Total Capital Ratio (%) (Minimum Requirement 12.5%)	22.03%	38.97%
Leverage Ratio (%) (Minimum Requirement - 3%)	12.07%	26.13%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)	40,132	48,197
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	93.26%	111.41%
Off-Shore Banking Unit (%)	83.56%	120.19%
Total Stock of High-Quality Liquid Assets (LKR in Millions)	31,190	42,042
Liquidity Coverage Ratio (%) (Minimum Requirement 100%)		
Rupee (%)	251.00%	338.28%
All Currency (%)	568.81%	624.25%
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	149.00%	179.98%

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

Item	a	b	c	d e	
	Amount (LKR '000) as at 31/03/2023				
	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	**71,701,935**	**71,752,392**			
Cash and cash equivalents	7,678,312	7,678,312	3,507,591	195,439	3,975,283
Balances with central banks	751,296	6,185,603	6,185,603	-	-
Placements with banks	24,313,706	18,879,399	18,879,399	20,819,513	-
Derivative financial instruments	847,616	847,616	-	847,616	-
Financial assets recognized through profit or loss					
- measured at fair value	13,468,329	13,468,329	13,468,329	13,468,329	-
- designated at fair value	-	-	-	-	-
Financial assets at amortized cost					
- loans and advances	15,608,820	15,606,723	15,606,723	15,606,723	-
Financial assets measured at fair value through other comprehensive Income	8,506,521	8,506,521	8,506,521	8,506,521	-
Property, plant and equipment	342,717	116,480	116,480	-	-
Deferred tax assets	117,973	117,973	-	-	117,973
Other assets	66,644	345,437	345,437	88,769	-

Item	a	b	c	d	e
	Amount (LKR '000) as at 31/03/2023				
	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	**71,701,935**	**71,752,392**			
Due to banks	31,264	31,264	-	440	-
Derivative financial instruments	34,007	34,007	-	-	-
Financial liabilities at amortized cost					
- due to depositors	40,748,542	41,105,868	-	15,291,948	-
Retirement benefit obligations	304,989	304,989	-	-	-
Current tax liabilities	3,206,996	3,208,222	-	299,621	-
Other provisions	378,132	378,132	-	-	-
Other liabilities	1,494,509	1,086,264	-	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	22,360,673	5,906,340	16,454,333
Shareholders' Equity					
Assigned Capital	1,524,250	1,524,250	1,524,250	-	1,524,250
of which Amount Eligible for CET1	*1,524,250*	*1,524,250*	1,524,250	-	1,524,250
Retained Earnings	18,612,957	18,650,362	18,650,362	-	18,650,362
Accumulated OCI	38,524	94,866	94,866	-	94,866
Other Reserves	5,327,764	5,334,168	5,334,168	-	5,334,168

Notes -

Publication has been done for the adjusted audit Entries to the Right to Use Asset, Deffered Tax Asset , FVOCI Reserve and Statutory Reserve.The audited statements have been finalised on 05th May 2023, therefore the Audited entries have not been passed for March 23.