

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-Mar-23

INCOME STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2023

In Rupees Thousands

	Bank	
	Current Period From 01/01/2023 To 31/03/2023 (Unaudited)	Previous Period From 01/01/2022 To 31/03/2022 (Unaudited)
Interest income	2,660,229	724,010
Interest expenses	(57,203)	(36,818)
Net interest income	2,603,026	687,192
Fee and commission income	463,362	285,924
Fee and commission expenses	(86,864)	(6,103)
Net fee and commission income	376,498	279,821
Net gains/(losses) from trading	806,501	867,215
financial assets at fair value through profit or loss	-	5,768
at fair value through other comprehensive income	330,852	1,351
Net other operating income	792,730	(118,247)
Total operating income	4,909,607	1,723,100
Impairment charges	1,254,950	(138,511)
Net operating income	6,164,557	1,584,589
Personnel expenses	(336,530)	(221,507)
Depreciation and amortization expenses	(12,474)	(7,716)
Other expenses	(161,714)	(224,288)
Operating profit/(loss) before VAT on financial services	5,653,839	1,131,078
Value Added Tax (VAT) on financial services	(678,883)	(91,135)
Social Security Contribution Levy (SSCL)	(62,566)	-
Operating profit/(loss) after VAT on financial services and SSCL	4,912,390	1,039,943
Share of profits of associates and joint ventures	-	-
Profit/(loss) before tax	4,912,390	1,039,943
Income tax expenses	(1,008,219)	(309,992)
Profit/(loss) for the period	3,904,171	729,951

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST MARCH 2023

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)
Profit/(loss) for the period	3,904,171	729,951
Items that will be reclassified to income statement		
Exchange differences on translation of foreign operations	(906,853)	2,624,722
Net gains/(losses) on cash flow hedges	32,872	(3,946)
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	(878)	(3,983)
Less: Tax expense relating to items that will not be reclassified to income statement	263	-
Other Comprehensive Income (OCI) for the period, net of taxes	(874,596)	2,616,793
Total comprehensive income for the period	3,029,575	3,346,744

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2023

In Rupees Thousands

	Bank	
	Current Period As at 31/03/2023 (Unaudited)	Previous Period As at 31/12/2022 Audited
Assets		
Cash and cash equivalents	7,678,312	3,896,850
Balances with central banks	751,296	27,477,422
Placements with banks	24,313,706	20,818,582
Derivative financial instruments	847,616	160,210
Financial assets recognized through profit or loss		
- measured at fair value	13,468,329	5,825,506
Financial assets at amortised cost		
- loans and advances	15,608,820	16,706,570
Financial assets measured at fair value through other comprehensive income	8,506,521	7,065,633
Property, plant and equipment	342,717	362,325
Deferred tax assets	117,974	117,974
Other assets	66,644	68,934
Total assets	71,701,935	82,500,006
Liabilities		
Due to banks	31,264	598,314
Derivative financial instruments	34,007	2,382
Financial liabilities at amortised cost		
- due to depositors	40,748,542	54,319,360
Retirement benefit obligations	304,989	283,896
Current tax liabilities	3,206,996	2,750,347
Other provisions	378,132	711,406
Other liabilities	1,494,508	1,360,380
Total liabilities	46,198,439	60,026,085
Equity		
Stated capital/Assigned capital	1,524,250	1,524,250
Statutory reserve fund	920,324	920,324
OCI reserve	38,524	5,652
Retained earnings	18,612,957	14,827,656
Other reserves	4,407,441	5,196,039
Total shareholders' equity	25,503,496	22,473,921
Non-controlling interests	-	-
Total equity	25,503,496	22,473,921
Total equity and liabilities	71,701,935	82,500,006
Contingent liabilities and commitments	131,108,203	105,684,199
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
30th May 2023

Feroze Kamaldeen

(Sgd.) Country Finance Officer
30th May 2023

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2023

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) (Audited)	1,524,250	920,324	5,652	5,196,039	14,827,656	-	22,473,921
Total comprehensive income for the period							-
Profit/(loss) for the year (net of tax)	-	-	-	-	3,904,171	-	3,904,171
Other comprehensive income (net of tax)	-	-	32,872	(906,853)	(615)	-	(874,596)
Total comprehensive income for the period	-	-	32,872	(906,853)	3,903,556	-	3,029,575
Transactions with equity holders, recognised directly in equity							
Others (transfer to ECL Stage 01 Reserve)	-	-	-	-	(118,255)	118,255	-
Total transactions with equity holders	-	-	-	-	(118,255)	118,255	-
Balance as at 30/06/2022 (Closing balance)(Unaudited)	1,524,250	920,324	38,524	4,289,186	18,612,957	118,255	25,503,496

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH 2023

In Rupees Thousands

	Bank	
	Current Period As at 31/03/2023 (Unaudited)	Previous Period As at 31/12/2021 (Unaudited)
Cash flows from operating activities		
Interest receipts	2,739,591	7,609,512
Interest payments	(34,878)	(206,029)
Net commission receipts	459,267	1,306,296
Trading income	1,929,733	4,120,606
Payments to employees	(468,923)	(831,873)
VAT on financial services and SSCL	(597,257)	(1,276,610)
Receipts from other operating activities	351	1,896
Payments on other operating activities	(301,409)	(955,265)
Operating profit before change in operating assets & liabilities	3,726,475	9,768,533
Increase / (decrease) in operating assets		
Balances with Central Bank of Sri Lanka	26,726,126	(13,809,995)
Financial assets at amortised cost – loans & advances	1,040,567	(1,966,593)
Financial assets recognized through profit or loss	(7,642,823)	(676,834)
Other assets	(14,548)	131,726
Increase / (decrease) in operating liabilities		
Financial liabilities at amortised cost – due to depositors	(13,593,143)	22,063,302
Financial liabilities at amortised cost – due to debt securities holders	(535,425)	(205,940)
Financial liabilities at amortised cost – due to other borrowers	-	-
Other liabilities	(72,989)	576,698
Net cash generated from operating activities before income tax	9,634,240	15,880,897
ROU adjustment	22,886	78,670
Sercharge tax paid	-	(691,314)
Income tax paid	(137,421)	(536,957)
Net cash (used in) / from operating activities	9,519,705	14,731,296
Cash flows from investing activities		
Purchase of property, plant and equipment	(758)	(107,947)
Proceeds from the sale of property, plant and equipment	-	-
Purchase of financial investments (net)	(4,913,832)	(16,111,113)
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	-	-
Net cash (used in) / from investing activities	(4,914,591)	(16,219,060)
Cash flows from financing activities		
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	-	-
Net cash (used in) / from financing activities	-	-
Net increase / (decrease) in cash & cash equivalents	4,605,114	(1,487,764)
Cash and cash equivalents at the beginning of the period	3,980,051	2,080,358
Exchange difference	(906,853)	3,387,457
Cash and cash equivalents at the end of the period (Gross)	7,678,312	3,980,051

ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 31ST MARCH 2023

a. Bank - Current period

In Rupees Thousands

	AMC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	7,678,312	-	-	7,678,312
Balances with central banks	751,296	-	-	751,296
Placements with banks	24,313,706	-	-	24,313,706
Derivative financial instruments	-	847,616	-	847,616
Loans and advances	15,608,820	-	-	15,608,820
Debt instruments	-	13,468,329	8,506,521	21,974,850
Equity instruments	-	-	1,040	1,040
Total financial assets	48,352,134	14,315,945	8,507,561	71,175,640
LIABILITIES				
Due to banks	31,264	-	-	31,264
Derivative financial instruments	-	34,007	-	34,007
Financial liabilities				
- due to depositors	40,748,542	-	-	40,748,542
Total financial liabilities	40,779,806	34,007	-	40,813,813

b. Bank – Previous period

In Rupees Thousands

	AMC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	3,896,850	-	-	3,896,850
Balances with central banks	27,477,422	-	-	27,477,422
Placements with banks	20,818,582	-	-	20,818,582
Derivative financial instruments	-	160,210	-	160,210
Loans and advances	16,706,570	-	-	16,706,570
Debt instruments	-	5,825,506	7,064,593	12,890,099
Equity instruments	-	-	1,040	1,040
Total financial assets	68,899,424	5,985,716	7,065,633	81,950,773
LIABILITIES				
Due to banks	598,314	-	0	598,314
Derivative financial instruments	-	2,382	-	2,382
Financial liabilities				
- due to depositors	54,319,360	-	-	54,319,360
Total financial liabilities	54,917,674	2,382	0	54,920,056

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 MARCH 2023

In Rupees Thousands

	Bank	
	Current Period As at 31/03/2023	Previous Period As at 31/12/2022
Product-wise Gross loans & advances		
By product – Domestic currency		
Overdrafts	10,740,065	8,275,562
Term loans	0	1,531,656
Lease rentals receivable	-	-
Credit cards	-	-
Pawning	-	-
Other loans (specify)	-	-
Sub total	10,740,065	9,807,217
By product – Foreign currency		
Overdrafts	3,674,762	3,649,990
Term loans	3,097,597	5,835,604
Guarantees	-	-
Bonds	-	-
Other loans (specify)	-	-
Sub total	6,772,358	9,485,594
Total	17,512,424	19,292,811
Product-wise commitments and contingencies		
By product – Domestic currency		
Guarantees	3,265,431	3,017,397
Bonds	-	(2,500)
Undrawn credit lines	57,440,177	47,819,170
Other commitments (specify)	9,625,964	15,129,000
Sub total	70,331,572	65,963,067
By product – Foreign currency		
Guarantees	5,522,047	6,371,984
Bonds	231,744	38,337
Undrawn credit lines	21,949,155	19,496,742
Other commitments	22,360,673	11,710,115
Foreign Exchange Contracts	10,713,012	2,103,955
Sub total	60,776,631	39,721,133
Total	131,108,203	105,684,200
Stage-wise impairment on loans & advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	148,620,627	124,977,010
Less: Accumulated impairment under stage 1	(23,809)	(61,804)
Less: Accumulated impairment under stage 2	(2,506,515)	(3,235,843)
Less: Accumulated impairment under stage 3	-	-
Net value of loans and advances, commitments and contingencies	146,090,302	121,679,363
Movement of impairment during the period		
Under Stage 1		
Balance as at 01/01/2023 (Opening balance)	61,804	4,142
Charge/(Write back) to income statement	(37,995)	57,662
Write-off during the year	-	-
Other movements	-	-
Balance as at 31/03/2023 (Closing balance)	23,809	61,804
Under Stage 2		
Balance as at 01/01/2023 (Opening balance)	3,235,843	92,918
Charge/(Write back) to income statement	(729,328)	3,142,925
Write-off during the year	-	-
Other movements	-	-
Balance as at 31/03/2023 (Closing balance)	2,506,515	3,235,843
Under Stage 3		
Balance as at 01/01/2023 (Opening balance)	-	-
Charge/(Write back) to income statement	-	-
Write-off during the year	-	-
Other movements	-	-
Balance as at 31/03/2023 (Closing balance)	-	-

ANALYSIS OF DEPOSITS AS AT 31ST MARCH 2023

In Rupees Thousands

	Bank	
	Current Period As at 31/03/2023	Previous Period As at 31/12/2022
By product – Domestic currency		
Demand deposits (current accounts)	14,835,953	27,733,778
Savings deposits	1,848,612	2,742,926
Fixed deposits	3,889,211	2,881,145
Others (Specify)	488,295	233,275
Sub total	21,062,071	33,591,125
By product – Domestic currency		
Demand deposits (current accounts)	13,308,543	13,547,576
Savings deposits	5,842,010	6,499,678
Fixed deposits	98,479	-
Others (Specify)	437,439	680,981
Sub total	19,686,470	20,728,235
Total	40,748,542	54,319,360

SELECTED PERFORMANCE INDICATORS AS AT 31ST MARCH 2023

(Based on Regulatory Reporting)

	Current Reporting Period 31/03/23	Previous Reporting Period 31/12/22
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%)	12.08%	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%
Assets Quality (Quality of Loan Portfolio)		
Gross Non-Performing Advances Ratio (%) (net of interest in suspense)	0.0%	0.0%
Profitability		
Net Interest Margin (%)	13.5%	9.0%
Return on Assets (before Tax) (%)	25.5%	9.6%
Return on Equity (%)	65.1%	18.1%

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 Three Months 2023 (Unaudited)	Previous Period Three Months 2022 (Unaudited)
Total revenues, net of interest expense	\$ 21,447	\$ 19,186
Total operating expenses	13,289	13,165
Provisions for credit losses and for benefits and claims	1,975	755
Income from continuing operations before income taxes	6,183	5,266
Citigroup's net income	\$ 4,606	\$ 4,306
<u>Diluted earnings per share:</u>		
Income from continuing operations	\$ 2.19	\$ 2.02
Citigroup's net income	\$ 2.19	\$ 2.02
<u>Shares (in millions):</u>		
Average basic	1,943.5	1,971.7
Average diluted	1,964.1	1,988.2
	Current Period 1Q 2023 (Unaudited)	Previous Period 1Q 2022 (Unaudited)
<u>Regulatory capital ratios and performance metrics:</u>		
Common Equity Tier 1 (CET1) Capital ratio(1) (2)	13.44%	11.43%
Tier 1 Capital ratio(1) (2)	15.31%	13.05%
Total Capital ratio(1)	15.57%	14.84%
Supplementary Leverage ratio (SLR) (1)	5.96%	5.58%
Return on average assets	0.76%	0.74%
Return on average common equity	9.50%	9.00%
Efficiency ratio (total operating expenses/total revenues, net)	62.00%	68.60%
<u>Balance sheet data (in billions of dollars, except per share amounts):</u>		
Total assets	\$ 2,455.1	\$ 2,394.1
Total average assets	2,462.2	2,374.0
Total loans	652.0	659.7
Total deposits	1,330.5	1,333.7
Citigroup's stockholders' equity	208.3	197.7
Book value per share	96.59	92.03

(1)Citi's binding CET1 Capital and Tier 1 Capital ratios were derived under the Basel III Standardized Approach, whereas Citi's binding Total Capital ratio was derived under the Basel III Advanced Approaches framework for both periods presented.

(2) Certain of the above prior-period amounts have been revised to conform with enhancements made in the current period.

Supplementary Citigroup information has been extracted from Citigroup's 1Q23 Quarterly Financial Data Supplement available at <https://www.citigroup.com/global/investors/quarterly-earnings>