

# **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-23

## INCOME STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

*In Rupees Thousands*

	Bank	
	Current Period From 01/01/2023 to 30/09/2023 (Unaudited)	Previous Period From 01/01/2022 to 30/09/2022 (Unaudited)
Interest income	7,502,375	4,814,384
Interest expenses	(414,657)	(168,666)
<b>Net interest income</b>	<b>7,087,718</b>	<b>4,645,718</b>
Fee and commission income	1,320,348	1,072,397
Fee and commission expenses	(185,674)	(23,594)
<b>Net fee and commission income</b>	<b>1,134,674</b>	<b>1,048,803</b>
Net gains/(losses) from trading	(262,597)	27,216
Net gains from derecognition of financial assets	1,820,362	511,052
Net other operating income	4,048,888	2,287,682
<b>Total operating income</b>	<b>13,829,045</b>	<b>8,520,471</b>
Impairment (charges)/reversal	2,366,447	(2,100,462)
<b>Net operating income</b>	<b>16,195,492</b>	<b>6,420,009</b>
Personnel expenses	(970,706)	(687,705)
Depreciation and amortization expenses	(42,591)	(24,110)
Other expenses	(908,996)	(965,133)
<b>Operating profit/(loss) before VAT on financial services</b>	<b>14,273,198</b>	<b>4,743,061</b>
Value Added Tax (VAT) on financial services	(2,215,319)	(737,147)
Social Security Contribution Levy (SSCL)	(319,818)	-
<b>Profit/(loss) before tax</b>	<b>11,738,061</b>	<b>4,005,914</b>
Income tax expenses	(3,180,461)	(1,662,536)
<b>Profit/(loss) for the period</b>	<b>8,557,600</b>	<b>2,343,378</b>

# STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

*In Rupees Thousands*

	Bank	
	Current Period From 01/01/2023 to 30/09/2023 (Unaudited)	Previous Period From 01/01/2022 to 30/09/2022 (Unaudited)
<b>Profit/(loss) for the period</b>	<b>8,557,600</b>	<b>2,343,378</b>
<b>Items that will be reclassified to income statement</b>		
Exchange differences on translation of foreign operations	(1,180,781)	3,294,323
Net gains/(losses) on cash flow hedges	1,378	(4,790)
Less: Tax expense relating to items that will be reclassified to income statement	-	-
<b>Items that will not be reclassified to income statement</b>		
Re-measurement of post-employment benefit obligations	(3,603)	(8,944)
Less: Tax expense relating to items that will not be reclassified to income statement	1,081	-
<b>Other Comprehensive Income (OCI) for the period, net of taxes</b>	<b>(1,181,926)</b>	<b>3,280,589</b>
<b>Total comprehensive income for the period</b>	<b>7,375,675</b>	<b>5,623,967</b>

# STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2023

In Rupees Thousands

	Bank	
	Current Period As at 30/09/2023 (Unaudited)	Previous Period As at 31/12/2022 (Audited)
<b>Assets</b>		
Cash and cash equivalents	10,021,851	3,896,850
Balances with central banks	8,276,081	27,477,422
Placements with banks	27,499,025	20,818,582
Derivative financial instruments	63,512	160,210
Financial assets recognized through profit or loss		
- measured at fair value	17,036,701	5,825,506
Financial assets at amortised cost		
- loans and advances	15,660,361	16,706,570
Financial assets measured at fair value through other comprehensive income	8,333,584	7,065,633
Property, plant and equipment	384,647	362,325
Deferred tax assets	117,974	117,974
Other assets	75,339	68,934
<b>Total assets</b>	<b>87,469,076</b>	<b>82,500,006</b>
<b>Liabilities</b>		
Due to banks	60,027	598,314
Derivative financial instruments	75,753	2,382
Financial liabilities at amortised cost		
- due to depositors	56,163,418	54,319,360
Retirement benefit obligations	347,886	283,896
Current tax liabilities	2,536,255	2,750,347
Other provisions	157,591	711,406
Other liabilities	1,717,577	1,360,380
<b>Total liabilities</b>	<b>61,058,509</b>	<b>60,026,085</b>
<b>Equity</b>		
Assigned capital	1,524,250	1,524,250
Statutory reserve fund	920,324	920,324
Retained earnings	19,928,523	14,827,656
Other reserves	4,037,470	5,201,691
<b>Total shareholders' equity</b>	<b>26,410,567</b>	<b>22,473,921</b>
Non-controlling interests	-	-
<b>Total equity</b>	<b>26,410,567</b>	<b>22,473,921</b>
<b>Total equity and liabilities</b>	<b>87,469,076</b>	<b>82,500,006</b>
<b>Contingent liabilities and commitments</b>	<b>120,376,315</b>	<b>105,684,199</b>
<b>Memorandum Information</b>		
Number of Employees	89	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

13 November 2023

**Feroze Kamaldeen**

(Sgd.) Country Finance Officer

13 November 2023

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

*In Rupees Thousands*

	Stated Assigned capital	Statutory Reserve fund	Reserves OCI reserve	Retained earnings	Other Reserves	Total
<b>Balance as at 01/01/2023 (Opening balance) (Audited)</b>	<b>1,524,250</b>	<b>920,324</b>	<b>5,652</b>	<b>14,827,656</b>	<b>5,196,039</b>	<b>22,473,921</b>
<b>Total comprehensive income for the period</b>						-
Profit/(loss) for the year (net of tax)	-	-	-	8,557,600	-	8,557,600
Other comprehensive income (net of tax)	-	-	1,378	(2,522)	(1,180,781)	(1,181,926)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,378</b>	<b>8,555,078</b>	<b>(1,180,781)</b>	<b>7,375,675</b>
<b>Transactions with equity holders, recognised directly in equity</b>						
Profit transferred to head office	-	-	-	(3,439,027)	-	(3,439,027)
Others (transfer to ECL Stage 01 Reserve)	-	-	-	(15,182)	15,182	-
<b>Total transactions with equity holders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,454,209)</b>	<b>15,182</b>	<b>(3,439,027)</b>
<b>Balance as at 30/09/2023 (Closing balance) [Unaudited]</b>	<b>1,524,250</b>	<b>920,324</b>	<b>7,030</b>	<b>19,928,524</b>	<b>4,030,440</b>	<b>26,410,567</b>

# STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

In Rupees Thousands

	Bank	
	Current Period From 01/01/2023 to 30/09/2023 (Unaudited)	Previous Period From 01/01/2022 to 31/12/2022 (Audited)
<b>Cash flows from operating activities</b>		
Interest receipts	7,558,393	7,609,512
Interest payments	(331,601)	(206,029)
Net commission receipts	1,125,608	1,306,296
Trading income	5,605,637	4,120,606
Payments to employees	(887,689)	(831,873)
VAT on financial services	(2,535,136)	(1,276,610)
Receipts from other operating activities	1,015	1,896
Payments on other operating activities	(777,157)	(955,265)
<b>Operating profit before change in operating assets &amp; liabilities</b>	<b>9,759,069</b>	<b>9,768,533</b>
<b>(Increase) / decrease in operating assets</b>		
Balances with Central Bank of Sri Lanka	19,201,341	(13,809,995)
Financial assets at amortised cost – loans & advances	2,557,011	(1,966,593)
Financial assets recognized through profit or loss	(11,226,791)	(676,834)
Other assets	19,865	131,726
<b>Increase / (decrease) in operating liabilities</b>		
Financial liabilities at amortised cost – due to depositors	1,761,003	22,063,302
Financial liabilities at amortised cost – due to debt securities holders	(464,916)	(205,940)
Other liabilities	72,482	576,696
<b>Net cash generated from operating activities before income tax</b>	<b>21,679,063</b>	<b>15,880,895</b>
ROU adjustment	68,658	78,670
Surcharge tax paid	-	(691,314)
Income tax paid	(3,362,878)	(536,957)
<b>Net cash (used in) / from operating activities</b>	<b>18,384,843</b>	<b>14,731,294</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(35,157)	(107,947)
Purchase of financial investments (net)	(7,688,078)	(16,111,113)
<b>Net cash (used in) / from investing activities</b>	<b>(7,723,235)</b>	<b>(16,219,060)</b>
<b>Cash flows from financing activities</b>		
Profit remittance to Head office	(3,439,027)	-
<b>Net cash (used in) / from financing activities</b>	<b>(3,439,027)</b>	<b>-</b>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	<b>7,222,581</b>	<b>(1,487,764)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3,980,051</b>	<b>2,080,358</b>
<b>Exchange difference in respect of cash &amp; cash equivalent</b>	<b>(1,180,781)</b>	<b>3,387,457</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>10,021,851</b>	<b>3,980,051</b>

## ANALYSIS OF FINANCIAL INSTRUMENTS ON MEASUREMENT BASIS AS AT 30TH SEPTEMBER 2023

### a. Bank - Current period

*In Rupees Thousands*

	AMC	FVPL	FVOCI	Total
<b>ASSETS</b>				
Cash and cash equivalents	10,021,851	-	-	10,021,851
Balances with central banks	8,276,081	-	-	8,276,081
Placements with banks	27,499,025	-	-	27,499,025
Derivative financial instruments	-	63,512	-	63,512
Loans and advances	15,660,361	-	-	15,660,361
Debt instruments	-	17,036,701	8,332,544	25,369,245
Equity instruments	-	-	1,040	1,040
<b>Total financial assets</b>	<b>61,457,318</b>	<b>17,100,213</b>	<b>8,333,584</b>	<b>86,891,116</b>

	AMC	FVPL	FVOCI	Total
<b>LIABILITIES</b>				
Due to banks	60,027	-	-	60,027
Derivative financial instruments	-	75,753	-	75,753
Financial liabilities				
- due to depositors	56,163,418	-	-	56,163,418
<b>Total financial liabilities</b>	<b>56,223,446</b>	<b>75,753</b>	<b>-</b>	<b>56,299,199</b>

### b. Bank – Previous 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	7,064,593	12,890,099
Equity instruments	-	-	1,040	1,040
<b>Total financial assets</b>	<b>68,899,426</b>	<b>5,985,716</b>	<b>7,065,633</b>	<b>81,950,775</b>

	AMC	FVPL	FVOCI	Total
<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>

**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 2023**

*In Rupees Thousands*

	Bank	
	Current Period As at 30/09/2023	Previous Period As at 31/12/2022
<b>Product-wise Gross loans &amp; advances</b>		
<b>By product – Domestic currency</b>		
Overdrafts	7,667,976	8,275,562
Term loans	2,232,324	1,531,656
<b>Sub total</b>	<b>9,900,300</b>	<b>9,807,217</b>
<b>By product – Foreign currency</b>		
Overdrafts	3,444,943	3,649,990
Term loans	3,332,258	5,835,604
<b>Sub total</b>	<b>6,777,202</b>	<b>9,485,594</b>
<b>Total</b>	<b>16,677,502</b>	<b>19,292,811</b>
<b>Product-wise commitments and contingencies</b>		
<b>By product – Domestic currency</b>		
Guarantees	3,226,279	3,017,397
Bonds	-	(2,500)
Undrawn credit lines	39,393,943	47,819,170
Other commitments	7,750,835	15,129,000
<b>Sub total</b>	<b>50,371,057</b>	<b>65,963,067</b>
<b>By product – Foreign currency</b>		
Guarantees	3,746,482	6,371,984
Bonds	-	38,337
Undrawn credit lines	16,283,564	19,496,742
Other commitments	13,231,316	11,710,115
Foreign Exchange Contracts	36,743,897	2,103,955
<b>Sub total</b>	<b>70,005,258</b>	<b>39,721,132</b>
<b>Total</b>	<b>120,376,315</b>	<b>105,684,199</b>
<b>Stage-wise impairment on loans &amp; advances, commitments and contingencies</b>		
<b>Gross loans and advances, commitments and contingencies</b>	137,053,817	124,977,010
Less: Accumulated impairment under stage 1	(7,752)	(61,804)
Less: Accumulated impairment under stage 2	(1,166,980)	(3,235,843)
Less: Accumulated impairment under stage 3	-	-
<b>Net value of loans and advances, commitments and contingencies</b>	<b>135,879,085</b>	<b>121,679,363</b>
<b>Movement of impairment during the period</b>		
<b>Under Stage 1</b>		
<b>Balance as at 01/01/2023 (Opening balance)</b>	<b>61,804</b>	<b>4,142</b>
Charge/(Write back) to income statement	(54,051)	57,662
Write-off during the year	-	-
Other movements	-	-
<b>Balance as at 30/09/2023 (Closing balance)</b>	<b>7,752</b>	<b>61,804</b>
<b>Under Stage 2</b>		
<b>Balance as at 01/01/2023 (Opening balance)</b>	<b>3,235,843</b>	<b>92,918</b>
Charge/(Write back) to income statement	(2,068,864)	3,142,925
Write-off during the year	-	-
Other movements	-	-
<b>Balance as at 30/09/2023 (Closing balance)</b>	<b>1,166,980</b>	<b>3,235,843</b>
<b>Under Stage 3</b>		
<b>Balance as at 01/01/2023 (Opening balance)</b>	-	-
Charge/(Write back) to income statement	-	-
Write-off during the year	-	-
Other movements	-	-
<b>Balance as at 30/09/2023 (Closing balance)</b>	-	-



## ANALYSIS OF DEPOSITS AS AT 30TH SEPTEMBER 2023

*In Rupees Thousands*

	Bank	
	Current Period	Previous Period
	As at 30/09/2023	As at 31/12/2022
<b>By product – Domestic currency</b>		
Demand deposits (current accounts)	12,300,927	27,733,778
Savings deposits	11,477,055	2,742,926
Fixed deposits	6,159,478	2,881,145
Other deposits	164,698	233,275
<b>Sub total</b>	<b>30,102,158</b>	<b>33,591,125</b>
<b>By product – Foreign currency</b>		
Demand deposits (current accounts)	21,017,437	13,547,576
Savings deposits	4,321,138	6,499,678
Fixed deposits	583,978	-
Other deposits	138,707	680,981
<b>Sub total</b>	<b>26,061,260</b>	<b>20,728,235</b>
<b>Total</b>	<b>56,163,418</b>	<b>54,319,360</b>

## SELECTED PERFORMANCE INDICATORS AS AT 30TH SEPTEMBER 2023

(Based on Regulatory Reporting)

	Current Reporting Period	Previous Reporting Period
<b>Regulatory Capital Adequacy (LKR in Millions)</b>		
Common Equity Tier 1	13,332	24,060
Core (Tier 1) Capital	13,332	24,060
Total Capital Base	13,752	24,503
<b>Regulatory Capital Ratios (%)</b>		
Common Equity Tier 1 Capital (%) (Minimum Requirement 7%)	20.67%	38.27%
Tier 1 Capital Ratio (%) (Minimum Requirement 8.5%)	20.67%	38.27%
Total Capital Ratio (%) (Minimum Requirement 12.5%)	21.32%	38.97%
Leverage Ratio (%) (Minimum Requirement - 3%)	9.37%	26.13%
<b>Regulatory Liquidity</b>		
Statutory Liquid Assets (LKR in Millions)	47,992	48,197
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	116.43%	111.41%
Off-Shore Banking Unit (%)	88.23%	120.19%
Total Stock of High-Quality Liquid Assets (LKR in Millions)	35,209	42,042
Liquidity Coverage Ratio (%) (Minimum Requirement 100%)		
Rupee (%)	349.06%	338.28%
All Currency (%)	518.51%	624.25%
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	148.55%	179.98%
<b>Assets Quality (Quality of Loan Portfolio)</b>		
Stage 3 Loans ( net of Stage 3 Impairment) to Total Loans (%)	0.0%	0.0%
Stage Impairment 3 to Stage 3 Loans Ratio (%)	0.0%	0.0%
<b>Profitability</b>		
Net Interest Margin (%)	10.8%	9.0%
Return on Assets (before Tax) (%)	18.4%	9.6%
Return on Equity (%)	46.7%	18.1%

## CITIGROUP FINANCIAL SUMMARY

(In millions of dollars, except per share amounts and as otherwise noted)

Item	Current Period Nine Months 2023	Previous Period Nine Months 2022
	(Unaudited)	(Unaudited)
<b>Total revenues, net of interest expense</b> <sup>(1)(2)(3)</sup>	<b>\$ 61,022</b>	<b>\$ 57,332</b>
Total operating expenses	40,370	38,307
Net credit losses (NCLs)	4,443	2,609
Income from continuing operations before income taxes	15,013	15,631
<b>Citigroup's net income</b>	<b>\$ 11,067</b>	<b>\$ 12,332</b>
<b><u>Diluted earnings per share:</u></b>		
Income from continuing operations	\$ 5.14	\$ 5.95
Citigroup's net income	\$ 5.14	\$ 5.84
<b><u>Shares (in millions):</u></b>		
Average basic	1,936.9	1,950.0
Average diluted	1,961.5	1,967.1
	<b>Current Period 3Q</b>	<b>Previous Period 3Q</b>
	<b>2 023</b>	<b>2 022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b><u>Regulatory capital ratios and performance metrics:</u></b>		
Common Equity Tier 1 (CET1) Capital ratio <sup>(4) (5)</sup>	13.59%	12.26%
Tier 1 Capital ratio <sup>(4) (5)</sup>	15.40%	13.97%
Total Capital ratio <sup>(4) (5)</sup>	15.78%	14.99%
Supplementary Leverage ratio (SLR) <sup>(5) (6)</sup>	6.04%	5.71%
Return on average assets	0.58%	0.58%
Return on average common equity	6.7%	7.1%
Efficiency ratio (total operating expenses/total revenues, net)	67.1%	68.9%
<b><u>Balance sheet data (in billions of dollars, except per share amounts):</u></b>		
Total assets	\$ 2,368.5	\$ 2,381.1
Total average assets	2,413.8	2,399.4
Total loans	666.3	646.0
Total deposits	1,273.5	1,306.5
Citigroup's stockholders' equity	209.5	198.6
Book value per share	99.28	92.71

(1) 3Q23 includes an approximate \$403 million gain on sale recorded in Other revenue (approximately \$284 million after various taxes) related to Citi's sale of the Taiwan consumer banking business.

(2) 1Q23 includes an approximate \$1.059 billion gain on sale recorded in Other revenue (approximately \$727 million after various taxes) related to Citi's sale of the India consumer banking business.

(3) 3Q22 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) 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, see page 18 of Citigroup's 3Q23 Quarterly Financial Data Supplement.

(5) Citi's regulatory capital ratios and components 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 Current Expected Credit Losses Methodology" in Citigroup's 2022 Annual Report on Form 10-K.

(6) For the composition of Citi's SLR, see page 18 of Citigroup's 3Q23 Quarterly Financial Data Supplement.

Supplementary Citigroup information has been extracted from Citigroup's 3Q23 Quarterly Financial Data Supplement available at <https://www.citigroup.com/global/investors/quarterly-earnings>