

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-23

INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2023

In Rupees Thousands

	Bank	
	Current Period From 01/01/2023 to 31/12/2023 (Unaudited)	Previous Period From 01/01/2022 to 31/12/2022 (Audited)
Interest income	9,548,087	7,679,685
Interest expenses	(629,159)	(238,435)
Net interest income	8,918,928	7,441,250
Fee and commission income	1,754,610	1,585,590
Fee and commission expenses	(221,607)	(251,070)
Net fee and commission income	1,533,003	1,334,520
Net gains/(losses) from trading	153,751	222,873
Net gains from derecognition of financial assets	2,010,117	764,873
Net other operating income	4,625,366	3,134,756
Total operating income	17,241,165	12,898,272
Impairment (charges)/reversal	2,010,815	(3,110,790)
Net operating income	19,251,980	9,787,482
Personnel expenses	(1,389,333)	(1,017,194)
Depreciation and amortization expenses	(62,481)	(66,085)
Other expenses	(1,241,620)	(1,003,555)
Operating profit/(loss) before VAT on financial services	16,558,546	7,700,648
Value Added Tax (VAT) on financial services	(2,657,069)	(1,199,746)
Social Security Contribution Levy (SSCL)	(386,943)	(76,864)
Profit/(loss) before tax	13,514,534	6,424,038
Income tax expenses	(4,015,846)	(2,914,827)
Profit/(loss) for the year	9,498,687	3,509,211

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2023

In Rupees Thousands

	Bank	
	Current Period From 01/01/2023 to 31/12/2023 (Unaudited)	Previous Period From 01/01/2022 to 31/12/2022 (Audited)
Profit/(loss) for the year	9,498,687	3,509,211
Items that will be reclassified to income statement		
Exchange differences on translation of foreign operations	(1,227,907)	3,387,457
Net gains/(losses) on cash flow hedges	2,741	11,197
Less: Tax expense relating to items that will be reclassified to income statement	-	(3,359)
Items that will not be reclassified to income statement		
Re-measurement of post-employment benefit obligations	55,188	(49,683)
Less: Tax expense relating to items that will not be reclassified to income statement	(16,556)	14,905
Other Comprehensive Income (OCI) for the year, net of taxes	(1,186,534)	3,360,517
Total comprehensive income for the year	8,312,153	6,869,728

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023

In Rupees Thousands

	Bank	
	Current Period As at 31/12/2023 (Unaudited)	Previous Period As at 31/12/2022 (Audited)
Assets		
Cash and cash equivalents	21,405,033	3,896,850
Balances with central banks	11,153,406	27,477,422
Placements with banks	27,072,570	20,818,582
Derivative financial instruments	435,192	160,210
Financial assets recognized through profit or loss		
- measured at fair value	17,238,165	5,825,506
Financial assets at amortised cost		
- loans and advances	11,823,923	16,706,570
Financial assets measured at fair value through other comprehensive income	8,195,256	7,065,633
Property, plant and equipment	408,194	362,325
Deferred tax assets	117,974	117,974
Other assets	91,661	68,934
Total assets	97,941,373	82,500,006
Liabilities		
Due to banks	11,972	598,314
Derivative financial instruments	80,445	2,382
Financial liabilities at amortised cost		
- due to depositors	65,527,629	54,319,360
Retirement benefit obligations	403,527	283,896
Current tax liabilities	2,598,597	2,750,347
Other provisions	206,187	711,406
Other liabilities	1,765,970	1,360,380
Total liabilities	70,594,326	60,026,085
Equity		
Assigned capital	1,524,250	1,524,250
Statutory reserve fund	920,324	920,324
Retained earnings	20,973,207	14,827,656
Other reserves	3,929,266	5,201,691
Total shareholders' equity	27,347,046	22,473,921
Non-controlling interests	-	-
Total equity	27,347,046	22,473,921
Total equity and liabilities	97,941,373	82,500,006
Contingent liabilities and commitments	130,228,545	105,684,199
Memorandum Information		
Number of Employees	90	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

9th February 2024

Feroze Kamaldeen

(Sgd.) Country Finance Officer

9th February 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2023

In Rupees Thousands

	Stated Assigned capital	Statutory Reserve fund	Reserves OCI reserve	Retained earnings	Other Reserves	Total
Balance as at 01/01/2023 (Opening balance) (Audited)	1,524,250	920,324	5,652	14,827,656	5,196,039	22,473,921
Total comprehensive income for the year						-
Profit/(loss) for the year (net of tax)	-	-	-	9,498,687	-	9,498,687
Other comprehensive income (net of tax)	-	-	2,741	38,631	(1,227,907)	(1,186,534)
Total comprehensive income for the year	-	-	2,741	9,537,319	(1,227,907)	8,312,154
Transactions with equity holders, recognised directly in equity						
Profit transferred to head office	-	-	-	(3,439,027)	-	(3,439,027)
Others (transfer to ECL Stage 01 Reserve)	-	-	-	47,260	(47,260)	-
Total transactions with equity holders	-	-	-	(3,391,767)	(47,260)	(3,439,027)
Balance as at 31/12/2023 (Closing balance) [Unaudited]	1,524,250	920,324	8,393	20,973,207	3,920,872	27,347,047

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2023

In Rupees Thousands

	Bank	
	Current Period From 01/01/2023 to 31/12/2023 (Unaudited)	Previous Period From 01/01/2022 to 31/12/2022 (Audited)
Cash flows from operating activities		
Interest receipts	9,493,626	7,609,512
Interest payments	(496,226)	(206,029)
Net commission receipts	1,538,165	1,306,296
Trading income	6,786,414	4,120,606
Payments to employees	(1,144,054)	(831,873)
VAT on financial services	(3,044,013)	(1,276,610)
Receipts from other operating activities	1,015	1,896
Payments on other operating activities	(1,138,713)	(955,265)
Operating profit before change in operating assets & liabilities	11,996,214	9,768,533
(Increase) / decrease in operating assets		
Balances with Central Bank of Sri Lanka	16,324,016	(13,809,995)
Financial assets at amortised cost – loans & advances	6,074,700	(1,966,593)
Financial assets recognized through profit or loss	(11,518,735)	(676,834)
Other assets	57,925	131,726
Increase / (decrease) in operating liabilities		
Financial liabilities at amortised cost – due to depositors	11,075,337	22,063,302
Financial liabilities at amortised cost – due to debt securities holders	(508,280)	(205,940)
Other liabilities	(47,759)	576,696
Net cash generated from operating activities before income tax	33,453,418	15,880,895
ROU adjustment	91,544	78,670
Surcharge tax paid	-	(691,314)
Income tax paid	(4,132,280)	(536,957)
Net cash (used in) / from operating activities	29,412,682	14,731,296
Cash flows from investing activities		
Purchase of property, plant and equipment	(138,385)	(107,947)
Purchase of financial investments (net)	(7,182,381)	(16,111,113)
Net cash (used in) / from investing activities	(7,320,766)	(16,219,060)
Cash flows from financing activities		
Profit remittance to Head office	(3,439,027)	-
Net cash (used in) / from financing activities	(3,439,027)	-
Net increase / (decrease) in cash & cash equivalents	18,652,889	(1,487,764)
Cash and cash equivalents at the beginning of the year	3,980,051	2,080,358
Exchange difference in respect of cash & cash equivalent	(1,227,907)	3,387,457
Cash and cash equivalents at the end of the year	21,405,033	3,980,051

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

a. Bank - Current period

In Rupees Thousands

	AMC	FVPL	FVOCI	Total
ASSETS				
Cash and cash equivalents	21,405,033	-	-	21,405,033
Balances with central banks	11,153,406	-	-	11,153,406
Placements with banks	27,072,570	-	-	27,072,570
Derivative financial instruments	-	435,192	-	435,192
Loans and advances	11,823,923	-	-	11,823,923
Debt instruments	-	17,238,165	8,194,216	25,432,382
Equity instruments	-	-	1,040	1,040
Total financial assets	71,454,931	17,673,357	8,195,256	97,323,544
LIABILITIES				
Due to banks	11,972	-	-	11,972
Derivative financial instruments	-	80,445	-	80,445
Financial liabilities				
- due to depositors	65,527,629	-	-	65,527,629
Total financial liabilities	65,539,601	80,445	-	65,620,045

b. Bank – Previous period

In Rupees Thousands

	AMC	FVPL	FVOCI	Total
ASSETS				
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
Total financial assets	68,899,426	5,985,716	7,065,633	81,950,775
LIABILITIES				
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
Total financial liabilities	54,917,674	2,382	-	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
DECEMBER 2023**

In Rupees Thousands

	Bank	
	Current Period As at 31/12/2023	Previous Period As at 31/12/2022
Product-wise Gross loans & advances		
By product – Domestic currency		
Overdrafts	8,534,035	8,275,562
Term loans	1,516,449	1,531,656
Sub total	10,050,483	9,807,217
By product – Foreign currency		
Overdrafts	1,829,694	3,649,990
Term loans	1,265,776	5,835,604
Sub total	3,095,470	9,485,594
Total	13,145,954	19,292,811
Product-wise commitments and contingencies		
By product – Domestic currency		
Guarantees	3,345,493	3,014,897
Bonds	-	-
Undrawn credit lines	44,100,824	47,819,170
Other commitments	1,960,554	15,129,000
Sub total	49,406,871	65,963,067
By product – Foreign currency		
Guarantees	4,208,707	6,371,984
Bonds	-	38,337
Undrawn credit lines	17,578,535	19,496,742
Other commitments	12,308,292	11,710,115
Foreign Exchange Contracts	46,726,140	2,103,955
Sub total	80,821,674	39,721,132
Total	130,228,545	105,684,199
Stage-wise impairment on loans & advances, commitments and contingencies		
Gross loans and advances, commitments and contingencies	143,374,499	124,977,010
Less: Accumulated impairment under stage 1	(21,934)	(61,804)
Less: Accumulated impairment under stage 2	(1,506,284)	(3,235,843)
Less: Accumulated impairment under stage 3	-	-
Net value of loans and advances, commitments and contingencies	141,846,281	121,679,363
Movement of impairment during the year		
Under Stage 1		
Balance as at 01/01/2023 (Opening balance)	61,804	4,142
Charge/(Write back) to income statement	(39,870)	57,662
Write-off during the year	-	-
Other movements	-	-
Balance as at 31/12/2023 (Closing balance)	21,934	61,804
Under Stage 2		
Balance as at 01/01/2023 (Opening balance)	3,235,843	92,918
Charge/(Write back) to income statement	(1,729,559)	3,142,925
Write-off during the year	-	-
Other movements	-	-
Balance as at 31/12/2023 (Closing balance)	1,506,284	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 31/12/2023 (Closing balance)	-	-

ANALYSIS OF DEPOSITS AS AT 31ST DECEMBER 2023

In Rupees Thousands

	Bank	
	Current Period As at 31/12/2023	Previous Period As at 31/12/2022
By product – Domestic currency		
Demand deposits (current accounts)	15,683,677	27,733,778
Savings deposits	11,910,237	2,742,926
Fixed deposits	9,469,414	2,881,145
Other deposits	171,607	233,275
Sub total	37,234,935	33,591,125
By product – Foreign currency		
Demand deposits (current accounts)	22,165,752	13,547,576
Savings deposits	5,405,359	6,499,678
Fixed deposits	583,409	-
Other deposits	138,173	680,981
Sub total	28,292,694	20,728,235
Total	65,527,629	54,319,360

SELECTED PERFORMANCE INDICATORS AS AT 31ST DECEMBER 2023

(Based on Regulatory Reporting)

	Current Reporting Period As at 31/12/2023	Previous Reporting Period As at 31/12/2022
Regulatory Capital Adequacy (LKR in Millions)		
Common Equity Tier 1	17,005	24,060
Core (Tier 1) Capital	17,005	24,060
Total Capital Base	17,427	24,503
Regulatory Capital Ratios (%)		
Common Equity Tier 1 Capital (%) (Minimum Requirement 7%)	26.27%	38.27%
Tier 1 Capital Ratio (%) (Minimum Requirement 8.5%)	26.27%	38.27%
Total Capital Ratio (%) (Minimum Requirement 12.5%)	26.92%	38.97%
Leverage Ratio (%) (Minimum Requirement - 3%)	16.32%	26.17%
Regulatory Liquidity		
Statutory Liquid Assets (LKR in Millions)-Bank level	82,015	68,232
Statutory Liquid Assets Ratio (%) (Minimum Requirement - 20%)		
Domestic Banking Unit (%)	114.59%	111.41%
Off-Shore Banking Unit (%)	131.80%	120.19%
Total Stock of High-Quality Liquid Assets (LKR in Millions)	40,098	42,042
Liquidity Coverage Ratio (%) (Minimum Requirement 100%)		
Rupee (%)	465.02%	338.28%
All Currency (%)	521.65%	624.25%
Net Stable Funding Ratio (%) - (Minimum Requirement - 100%)	224.91%	179.98%
Assets Quality (Quality of Loan Portfolio)		
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%
Profitability		
Net Interest Margin (%)	9.1%	9.0%
Return on Assets (before Tax) (%)	15.0%	9.6%
Return on Equity (%)	38.1%	18.1%

CITIGROUP FINANCIAL SUMMARY

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

Item	Current Period Twelve Months 2023	Previous Period Twelve Months 2022
	(Unaudited)	(Unaudited)
Total revenues, net of interest expense ⁽¹⁾⁽²⁾⁽³⁾	\$ 78,462	\$ 75,338
Total operating expenses	56,366	51,292
Net credit losses (NCLs)	6,437	3,789
Income from continuing operations before income taxes	12,910	18,807
Citigroup's net income	\$ 9,228	\$ 14,845
<u>Diluted earnings per share:</u>		
Income from continuing operations	\$ 4.04	\$ 7.11
Citigroup's net income	\$ 4.04	\$ 7.00
<u>Shares (in millions):</u>		
Average basic	1,930.1	1,946.7
Average diluted	1,955.8	1,964.3
	Current Period 4Q 2023 (Unaudited)	Previous Period 4Q 2022 (Unaudited)
<u>Regulatory capital ratios and performance metrics:</u>		
Common Equity Tier 1 (CET1) Capital ratio ^{(4) (5) (6)}	13.30%	13.03%
Tier 1 Capital ratio ^{(4) (5) (6)}	15.00%	14.80%
Total Capital ratio ^{(4) (5) (6)}	15.10%	15.46%
Supplementary Leverage ratio (SLR) ^{(4) (6) (7)}	5.80%	5.82%
Return on average assets	(0.30%)	0.41%
Return on average common equity	(4.50%)	5.0%
Efficiency ratio (total operating expenses/total revenues, net)	91.7%	72.1%
<u>Balance sheet data (in billions of dollars, except per share amounts):</u>		
Total assets	\$ 2,405.3	\$ 2,416.7
Total average assets	2,427.3	2,430.6
Total loans	689.4	657.2
Total deposits	1,308.7	1,366.0
Citigroup's stockholders' equity	205.5	201.2
Book value per share	98.71	94.06

(1) 3Q23 includes an approximate \$403 million gain on sale recorded in revenue (approximately \$284 million after various taxes) related to Citi's sale of the Taiwan consumer banking business. For additional information, see Citi's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023.

(2) 1Q23 includes an approximate \$1.059 billion gain on sale recorded in revenue (approximately \$727 million after various taxes) related to Citi's sale of the India consumer banking business. For additional information, see Citi's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023.

(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. For additional information, see Citi's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022.

(4) 4Q23 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.

(6) 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.

(7) For the composition of Citi's SLR, see page 22 of Citigroup's 4Q23 Quarterly Financial Data Supplement.

Supplementary Citigroup information has been extracted from Citigroup's 4Q23 Quarterly Financial Data Supplement available at <https://www.citigroup.com/global/investors/quarterly-earnings>