Sonargaon University

Internship Report

On

"Risk Management and Financial Performance

Analysis of Citi Bank N.A"

Submitted by:

Md. Jahidul Islam

ID: BBA1801013011

Program: BBA (Major in Finance)

Semester: Spiring-2023

Submitted to:

Department of Business Administration

Sonargaon University (SU)

Panthopoth Dhaka-1212

Submitted for the partial fulfillment requirement of the degree of Bachelor of Business Administration

Date of Submission 15 January 2024

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Submitted to:

Nowshin Mahood Tahiya

Lecturer

Department of Business Administration

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Letter of Transmittal

15 Jan, 2024

To,

Nowshin Mahmood Tahiya

Lecturer

Department of Business Administration

Sonargaon University

Subject**: Submisson of Internship Report on "Risk Management and Financial Performance Analysis of Citi Bank N.A"**

Dear Mam,

With best respect and honor, I would like to inform you that I have completed my internship report on "Risk Management and Financial Performance Analysis of Citi Bank NA. It is an immense pleasure for me to place the same before you.

I have tried my level best to prepare this reports and to accumulate relevant and insightful information. It is a great experience for me to work on this topic. I have tired to make the report vivid and comprehensive within the scheduled time and limited resources.

I sincerely hope that this report will help you evaluate me. I will be obliged to clarify and matter or to provide any further information regarding this report.

Thanking you for your kind supervision.

Sincerely yours,

Jahidul Islam
ID: BBA1801013011
Department of Business Administration
Sonargaon University (SU)

Letter of acceptance

This is to certify that **Md. Jahidul Islam** bearing ID No BBAI 801013011, student of BBA Program, Sonargaon University, has completed the internship report under my supervision. He has completed the internship report under my supervision. He has worked with Citi Bank N.A as an intern and completed the report entitled **"Risk Management and Financial Performance Analysis of Citi Bank N.A"** as a partial requirement for obtaining BBA Degree. He has completed the report by himself. He has been permitted to submit the report.

Jahidul Islam bears a strong moral character and a very pleasing responsibility. It has indeed been a great pleasure working with him. I wish him all succeed in life.

_____

Nowshin Mahmood Tahiya
Lecturer
Department of Business Administration
Sonargaon University (SU)

Declaration

I, Jahidul Islam, a student of BBA program, Department of Business Administration, Sonargaon University, hereby declare that the internship report titled. **"Risk Management and Financial Performance Analysis of Citi Bank N.A"** has been prepared after the completion of my internship at Citi Bank N.A at Gulshan 1 Branch under the intensive supervision and guidance of **Nowshin Mahmood Tahiya**, Lecturer, Department of Business Administration, Sonargaon University and Md.Shajedur Rahman, Senior Vice President (SVP) and in Charge of Gulshan Branch, Citi Bank N.A

I also declare that this report is an original work and no part of this report has been copied from elsewhere, In addition I would also like to mention that this report has not been published or submitted for being published or submitted for awarding any degree, diploma or recognition.

_____

Jahidul Islam
ID: BBA1801013011
Department of Business Administration
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Acknowledgement

First of all, I would like to express my deep gratitude to the almighty Allah for fruitfully preparing this internship report. It was a great pleasure to prepare an internship report on the various aspects of banking activities focusing Risk Management and Financial Performance Analysis by the Citi Bank N.A

I would like to thank and convey my gratitude to honorable supervisor, Nowshin Mahmood Tahiya, Lecturer, Department of Business Administration, Sonargaon University, for letting me to prepare this report, I would also like to express my sincere appreciation to her for her wholehearted support and guidance.

I am also very grateful to the honorable Senior Vice President (SVP) and In charge of Branch, Md. Shajedur Rahman, Head of investment Department, Md. Akash, Vice President (VP) of Citi Bank N.A (Gulshan- 1 Branch) for their priceless advice and kind effort, Which help me a lot to collect information and data about Risk management and Financial Performance Analysis Of Citi Bank N.A. Their valuable cooperation is the undeniable part of this internship report, I would like to give thanks to them. Also shower of thanks to those entire respondents who responded each and every time in collecting necessary data.

Executive Summary

Citi Bank N.A is corporate bank with an objective of catering financial products, The main objective of this report is to analyze and focus on the overall investment risk management operations and performance analysis of Citi Bank N.A.

In Chapter One, I describe about my internship project because it is the introductory part of my report, In this part, I explain the reason why I Have undertaken the project and what results I would expect from my study, I discuss about the importance of my study and from which sources I collected the data.

In Chapter Two, I try to give and idea About Citi Bank N.A, its historical background, nature of business because it the Organizational part of my report. I discuss about the mission, vision, rule and regulation, strategies of Citi bank N.A

In chapter Three, I try to give a clear idea about Risk Management in details, I discuss about the risk grading system, risk motoring system, investment policy, factors of investment, credit recovery and principles of sound investment.

In chapter Four, I use trend analysis, ratio analysis to describe the Financial Performance analysis of Citi Bank N.A. Here, all sorts of analysis have been executed, in order to analyze how efficient, liquid, secure and desirable the bank is in terms of its finance.

At the end of the report, I include some Findings and Recommendation, I provide finding and conclusion on overall risk management and financial performance of Citibank N.A and evaluation performance of my study.

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Chapter-1

Introduction

1.1 Introduction:

Citibank was founded in 1812 as the City Bank of New York, and later became First National City Bank of New York. The bank has 2,649 branches in 19 countries, including 723 branches in the United States and 1,494 branches in Mexico operated by its subsidiary Banamex.

These risks are: Credit, Interest Rate, Liquidity, Price, Foreign Exchange, Transaction, Compliance, Strategic and Reputation. These categories are not mutually exclusive; any product or service may expose the bank to multiple risks. Singapore - Citi Private Bank, which serves the needs of the world's wealthiest individuals and their families, achieved a record year in gaining clients in Asia in 2022 and said 2023 will be even better, with the "bulk of the growth coming from Singapore". The private banking unit of Citigroup added 350 new clients in 2022, chairman and head of South Asia Lee Lung-Nien said at a media briefing for the launch of its Ultima Mastercard credit card on Monday. "The momentum is still very strong. And I can tell you this year will definitely be more than last year,"

1.2 Origin of the Report:

Internship is a part of BBA program and for completing my academic requirement I Completed my internship at Citi Bank N.A at Gulshan Branch. I worked in general banking investment division. I completed my internship under the intensive supervision and guidance of Nowshin Mahmood Tahiya, Lecturer, Sonargaon University and she suggested me that the topic of my report would be "Risk Management and Financial Performance Analysis of Citi bank N.A" which is relate with my working experience.

1.3 Objective:

Broad Objective:

The broad objective of this report is to analyze the risk management and financial performance of Citi Bank N.A

Specific Objectives:

- To analyze the different ratio such as current, quick, net profit margin, return on asset, working capital, return on equity, earning per share, total asset turnover, total turnover ratio.
- To understand the different risk factors, liquidity risk, credit risk, market risk, operational risk, reputation risk, interest rate risk, country risk.
- To Earning profit The profit motive of the owners of the Bank acts as a driving force in engaging themselves in the business of banking like all other businesses.

- To have an overview of the financial growth of the bank To reimagine a brighter future and seize opportunities to drive growth, banks should focus on transforming their workforce and operations. With a clear sense of the path ahead, banks can reframe their future by placing humans at the center of their organization, leveraging new technologies to support them, and enabling innovation at speed and scale. Banking leaders will need exceptional agility to manage change. Success will arise from a balanced execution of strategic near-term initiatives with investment in people alongside transformation and growth strategies that deliver long-term value.

1.4. Scope of the report:

In this report we covered the data for different financial ratios for the year 2018 to 2022.

1.5 Methodology and data collection:

Source of data:

Methods followed to perform a job or conducting activities to complete a task is called methodology, in conducting this report the following methodology was adopted in data & information, preparation of reports etc. The data were analyzed and presented by Microsoft excel and shows percentage, graphical presentation and different types ofchars. Best effort was given to analyze the numerical findings. All the relevant data regarding this report are collected from two sources.

Primary source data collection:

I discussed with the officials and executives of the Citibank N.A Gulshan Branch and found the approximate data which has been used and presented in this report, The study has been conducted through the assistance of general banking and investment department Gulshan Branch as per their operating and maintaining general banking and investment business through applying modern and technological means. I have also physically observed the effectiveness of the efforts relating general banking and investment business effectivity and efficiently managed by Citi Bank N.A, Gulshan Branch.

Primary sources of data include the following:

- Two months practical participation in internship
- Face to Face conversation with the respective officers and staffs
- Relevant fie study provided by the officers concerned.

Secondary Sources of Data:

I have collected secondary data from the following sources –

- Annual Reports of Citi Bank N.A 2018 to 2022

- Unpublished data from the Citibank N.A, Gulshan Branch
- Manuals of Citi regarding investment business
- Credit Risk manual by Bangladesh Bank
- Synopsis and training material provided by the Citibank and Research Academy.

1.6 Limitations of the Study:

Although I have obtained the whole hearted co operation from the employees of Citibank N.A, Gulshan Branch. But in the way of my study, I have faced the following problems, which may be termed as the limitations of the study. Some limitations are as under.

- The main constraint of the study was insufficiency of information, which was required for the study. There are various information the bank employee cant provide due to security and other corporate obligations.
- Data and information used in this study are mostly from secondary sources.
- All the branches of the bank were not physically visited and all the concerned personnel of the bank have not been interviewed.
- Time has limited which was the main constraint.

Chapter-2

Literature Review

2.1 Literature Review:

Islam (2014) in his paper titled "An Evaluation of the Financial Performance of National Bank Limited Using Financial Ratio analysis" stated that this study attempts primarily to measure the financial performance of National Bank Limited which one of the largest and prominent private commercial banks in Bangladesh for the period 2008-2013 and to identify whether any difference exists between a Banks's years of operation and its performance classifying two period (2008-10 & 2011-13). To complete my task I have to use various materials and take help form online source. Analyze the ratio here used financial ratio analysis (FRA) method which help to draw a overview about financial performance of the National bank limited in terms of profitability, liquidity and credit performance. To test the hypothesis the study has been worked on Student t-test by using SPSS. These analyses helps to see the current performance condition of this bank compare past performance. Because now a day's banking sector of Bangladesh is suffering the disease of default culture which is the consequence or result of bad performance of most banks. The performances of banks are dependent more on the management's ability in formulating strategic plans and the efficient implementation of its strategies. The study findings can be helpful for management of National bank ltd. always for private commercial banks in Bangladesh to improve their financial performance and formulate policies that will improve their performance. The study also identified specific areas for bank to work on which can ensure sustainable growth for these banks.

Alkhatib, and Harasheh (2014) in their paper titled "An Financial Performance of Palestinian Commercial Banks" stated that the purpose of this study is to empirically examine the financial performance of five Palestinian commercial banks listed on Palestine securities exchange (PEX). In this paper, Financial performance has been measured by using three indicators; Internal—based performance measured by Return on Assets, Market-based performance measured by Tobin's Q model (Price/Book value of Equity) and Economic-based performance measured by Economic Value add. The study employed the correlation and multiple regression analysis of annual time series data from 2005-2010 to capture the impact of bank size, credit risk, operational efficiency and asset management on financial performance measured by the three indicators, and to create a good-fit regression model to predict the future financial performance of these banks. The study rejected the hypothesis claiming that 'there exist statistically insignificant impact of bank size, credit risk, operational efficiency and asset management on financial performance of Palestinian commercial banks".

Singh and Tandon (2012) in their paper titled "An Evaluation A Study of financial performance: A comparative analysis of SBI and ICIC Bank" stated that banking Sector plays an important role in economic development of a country. The banking system of India is featured by a large network of bank branches, serving many kinds of financial services of the people. The State Bank of India, popularly known as SBI is one of the leading Bank of public sector in India. SBI has 14 Local Head Offices and 57 Zonal Offices located at important cities throughout the country. ICICI Bank is second largest and leading bank of private sector in India. The Bank has 2,533 branches and 6,800 ATMs in India. The purpose of the study is to examine the financial performance of SBI and ICICI Bank, public sector and private sector respectively. The research is descriptive and analytical in nature. The data used for the study was entirely secondary in nature. The present study is conducted to compare the financial performance of SBI and ICICI Bank on the basis of ratios such as credit deposit, net profit margin etc. The period of study taken is from the year 2007-08 to 2011-12. The study found that SBI is performing well and financially sound than ICICI Bank but in context of deposits and expenditure ICICI bank has better managing efficiency than SBI.

Adhana and Gulati (2019) in their paper titled "An Financial Performance Analysis: A Comparative Study of AXIS Bank and ICICI Bank" stated that banking Sector plays an imperative role in economic development of a country. The banking system of India is featured by a large network of bank branches, serving many kinds of financial services of the people. In today's financial world, financial performance is a mundane amongst the perspective of various stakeholders, be it in the management, lenders, owners and investors' perspective. The knowledge of financial performance helps in predicting, comparing and evaluating the earning ability of the company. It also helps in economic and investment decisions. Any company provides financial information through financial statements and reports. A bank's financial performance can be assessed by analyzing the data provided in its quarterly and annual reports. The present study is conducted to compare the financial performance of Axis Bank and ICICI Bank on the basis of Net Profit and some ratios such as return on equity, capital adequacy, Total Income to Capital Employed and Total Debt to Owners Fund ratio etc. The period of study taken is from the year 201314 to 2017-18. The study found that ICICI Bank is performing well and financially sound in terms of Net profit than Axis Bank but in context of return on equity Axis Bank has better managing efficiency than ICICI Bank.

Rajendran and Sudha (2019) in their paper titled "An evaluated a study on Financial analysis and performance of HDFC Bank stated that" this study has been carried out to evaluate the financial performance of HDFC Bank. HI)FC was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector. The bank at present has an enviable network of over 4,805 branches spread over cities across India. All branches are linked on an online real time basis. Customers in over 500 locations are also servicing through telephone banking. The bank

also has a network of about over 12,860 networked ATMs 2,657 across cities and towns. I-IDFC Bank provides a number of products and services including wholesale banking and retail banking, treasury, auto loans, two-wheeler loans, personal loans, loans against property, consumer durable loans, lifestyle loan, credit cards and the various digital products. The financial performance of above mentioned bank has been evaluated for the past five years i.e.2015, 2016, 2017, 2018 and 2019. The data analyzed by ratio analysis such as current ratio, cash position ratio, fixed assets ratio, debt-equity ratio and proprietary ratio and give interpretation to each ratio. To conclude this article the financial soundness of the bank is satisfactory during the study period.

Karim and Alam (2013) in their paper titled "An Evaluation of Financial Performance of Private Commercial Banks in Bangladesh: Ratio Analysis stated that" banks play an important role in the economic development of every nation. They have control over a large part of the supply of money in circulation. Since, the appearance of private commercial banks is the larger portion of the banking sector in Bangladesh, thus this study is intended to measure the performance of selected private sector banks (five), listed on both the Dhaka Stock Exchange and Chittagong Stock Exchange, in Bangladesh through extensive use of financial ratios that mainly indicate the adequacy of the risk based capital, credit growth, credit concentration, non-performing loan position, liquidity gap analysis, liquidity ratio, return on assets (ROA), return on equity (ROE), net interest margin (NIM), etc. Three indicators namely, Internal-based performance measured by Return on Assets, Market-based performance measured by Tobin's Q model (Price/Book ratio) and Economic-based performance measured by Economic Value add has been used to measure financial performance of the selected banks. Annual time series data from 2008-2012 of the selected banks from their respective audited annual reports (secondary data) were employed in multiple regression analysis to apprehend the impact of bank size, credit risk, operational efficiency and asset management on financial performance measured by the three indicators, and to create a good-fit regression model to predict the future financial performance of these banks. Statistically, the hypothesis is claiming that Bank size, credit risk, operational efficiency and asset management have significant impact on financial performance of Bangladeshi commercial banks.

Singh and_Tandon (2012) in their paper titled "An Evaluation a study of financial performance: A comparative analysis of SBI and ICICI Bank stated that" banking Sector plays an important role in economic development of a country. The banking system of India is featured by a large network of bank branches, serving many kinds of financial services of the people. The State Bank of India, popularly known as SBI is one of the leading bank of public sector in India. SBI has 14 Local Head Offices and 57 Zonal Offices located at important cities throughout the country. ICICI Bank is second largest and leading bank of private sector in India. The Bank has 2,533 branches and 6,800 ATMs in India. The purpose of the study is to examine the financial performance of SBI and ICICI Bank, public sector and private sector respectively. The research is descriptive and analytical in nature. The data used for the study was entirely secondary in nature. The present study is conducted to compare the financial

performance of SBI and ICICI Bank on the basis of ratios such as credit deposit, net profit margin etc. The period of study taken is from the year 2007-08 to 2011-12. The study found that SBI is performing well and financially sound than ICICI Bank but in context of deposits and expenditure ICICI bank has better managing efficiency than SBI.

Dewandaru, and Nagayev (2019) in their paper titled "An Evaluation The impact of social and environmental sustainability on financial performance: A global analysis of the banking sector stated that" while there is ample evidence that non-financial firms' financial performance and social and environmental performance are related, evidence for the banking sector remains limited and inconclusive. This paper examines the impact of access to finance and environmental financing on the financial performance of the banking sector globally. Based on cross-sectional linear regressions and non-linear threshold regressions of 713 banks from 75 countries over the period 2013—2015, we find that access to finance has significantly positive effects on banks' financial performance in most estimation models controlling for both bank-specific and macroeconomic variables. The positive impact on financial performance is channeled through loan growth and management quality. We find that for banks with total assets less than USD 2 billion, access to finance has a significantly positive impact on return to equity. The paper concludes by discussing policy implications.

Chapter-3

Organizational Overview

3.1 History

Citibank, N. A. (N. A. stands for "National Association"; stylized as Citibank) is the primary U.S. banking subsidiary of financial services multinational Citigroup. Citibank was founded in 1812 as the City Bank of New York, and later became First National City Bank of New York. The bank has 2,649 branches in 19 countries, including 723 branches in the United States and 1,494 branches in Mexico operated by its subsidiary Banamex.[citation needed] The U.S. branches are concentrated in six metropolitan areas: New York, Chicago, Los Angeles, San Francisco, Washington, D.C., and Miami. Citibank is the 4th largest bank in the United States in terms of assets.

3.2 Vision and Mission

Vision : It is for Citi to be the preeminent banking partner for institutions with cross-border needs, a global leader in wealth management and a valued personal bank in our home market.

Mission : Citi's mission is to serve as a trusted partner to our clients by responsibly providing financial services that enable growth and economic progress.

- Thinking Global: We are able to use our insights and local knowledge to uniquely enable our clients to grow globally.
- We are focusing our business model on where our clients need us most and helping them stay ahead of evolving trends and global changes.
- Offer wide array of products and services that differentiate and excite all customer segments.
- Be the "Employer of choice" by offering an environment where people excel and leaders are created.
- Continuously challenge processes and platforms to enhance effectiveness and efficiency.
- Promote innovation and automation with a view to guaranteeing and enhancing excellence in service.
- Ensure respect for community, good governance and compliance in everything we do.
- To ensure the growth and economic progress.
- To serve as a trusted partner to our clients by responsibly providing financial services.

3.3Goals

Citi's Goals is to serve as a trusted partner to our clients by responsibly providing financial services that enable growth and economic progress.

- Citi should develop SMART goals to meet the strategic targets identified in the mission statement.

- Citi should also develop ethical grounds to remain in line with the mission statement.
- Citi should keep goals flexible, but the means to achieve the goals should be stringent and should reflect the values drafted in the mission statement.

3.3 Objectives:

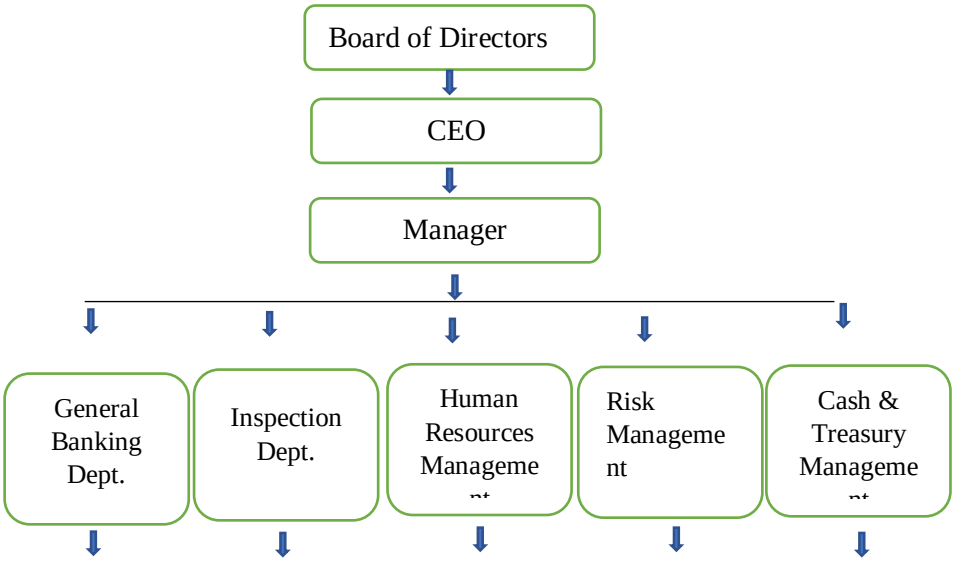
Citibank NA aims to continuously update and develop its product line and range of services to cater to the needs of retail and corporate customers. To achieve this goal, efforts have been directed in three main areas:

- Design and introduction of new products and services
- Shaping and developing the system to face new challenges and emerging need of the market.
- Full implementation and utilization of the Bank's excellence program which aims to provide service, to customers.

3.4 Organizational Organogram

Over the past three years, Citi has implemented a strategy to be the preeminent banking partner for institutions with cross-border needs, a global leader in wealth management and a valued personal bank in its home market. Today's announcement is the next logical step in Citi's work to implement the plan it presented at its 2022 Investor Day and deliver its medium-term targets. Citi has been executing a focused strategy for its five interconnected businesses, made rapid progress on exiting its consumer franchises outside the United States, and continues to strengthen its risk management and controls.

Effective immediately, the new Executive Management Team includes:



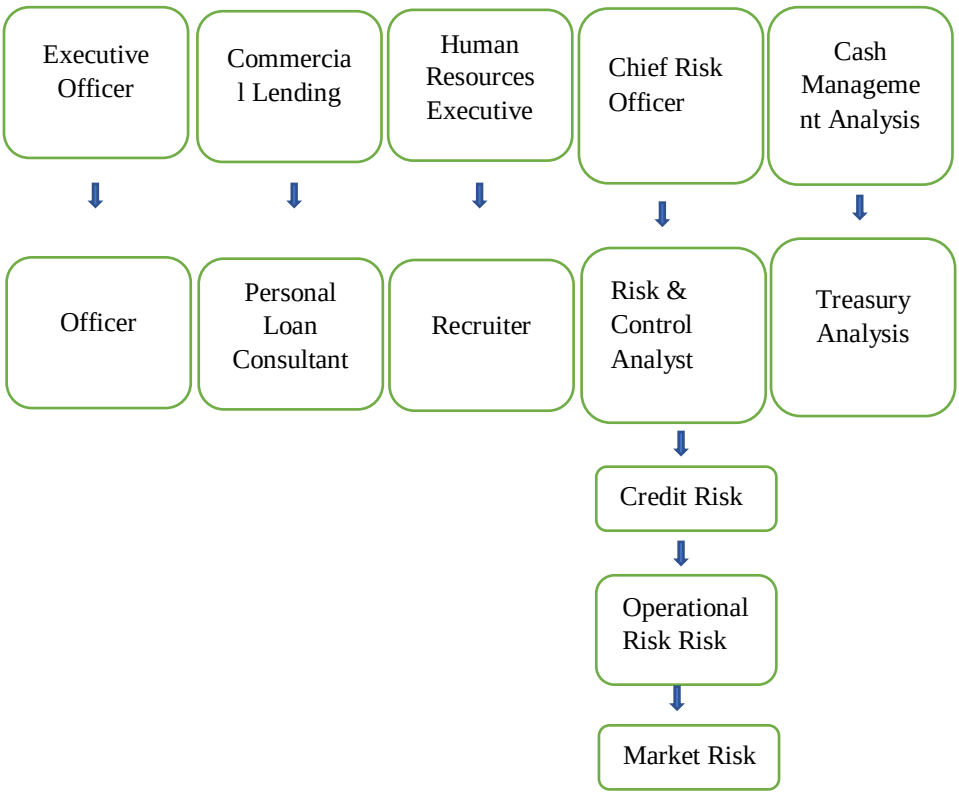


Figure:3.1 Organizational Organogram

3.4 Products and Services:

Benefits of Citibank Banking Services:

Convenience in accessing and handling bank accounts- With Citibank banking services, you can easily access and manage your bank accounts from a single platform. You can even transfer and receive funds within minutes.

Safe and Secure banking transactions- Citibank applies multiple levels of security to combat cyber fraud, ensuring safe and secure banking transactions.

Transparency- Citibank lets you check account details, account balance, and more through its online and mobile banking platform.

Online Banking, Mobile Banking, Branch Banking & ATMs, Global, Payments, Personalized Services, Credit, Cards Ready, Credit Deposits, Mortgages, Insurance

Online Banking: Online banking is a way of managing your bank accounts with a computer or mobile device, using the Internent to conduct financial transactions such as deposits, transfers, and bill, payment. Spend more time doing things that are meaningful to you and less time banking.

That's why banking across all our channels can now be done quickly and easily.

- No time constraint.
- Greater levels of awareness and security.
- Geographical convenience.

Mobile Banking: Mobile banking is the act of making financial transactions on a mobile device (cell phone, tablet, etc.). It can be used for personal banking and international transfers, such as remittances.
Branch Banking & ATMs: Automated teller machine is an electronic banking outlet for completing basic transactions without going into a bank branch. a machine that dispenses cash or performs other banking services when an account holder inserts a bank card.
Global, Payments: A payment made anywhere in the world in any currency, usually electronically.

Personalized Services: Personalized service is a type of customer service tailored to the customer's individual needs. This can include everything from customizing a product to fit the customer's personal preferences to provide them with unique, one-on-one assistance that is based on their specific situation.

Credit, Cards: A credit card is a thin rectangular piece ofplastic or metal issued by a bank or financial services company that allows cardholders to borrow funds with which to pay for goods and services with merchants that accept cards for payment.

Fixed income security:

Achieve your long-term investment goals with our high-quality Fixed Income Securities such as bonds and structured notes.

- Receive more predictable returns on your investments.
- Enjoy the assurance of lower risk potential as compared to equity investments.

Mortgages: A mortgage loan k is a bank that specializes in originating and/or servicing mortgage loans. In the United States, a mortgage bank is a state-licensed banking entity that makes mortgage loans directly to consumers.

Insurance: Insurance is a means of protection from financial loss in which, in exchange for a fee, a party agrees to compensate another party in the event of a certain loss, damage, or injury. It is a form of risk management, primarily used to hedge against the risk of a contingent or uncertain loss.

3.6 Awards

Citi has won 17 awards at the Euromoney Awards for Excellence 2022, including three global awards for:

- World's Best Bank for Diversity and Inclusion
- World's Best Bank for Securities Services
- World's Best Digital Bank
- World's Best Bank for Diversity and Inclusion
- World's Best Bank for Securities Services
- World's Best Digital Bank
- Africa's Best Bank for Financing
- Asia's Best Bank
- Asia's Best Bank for Transaction Services
- Asia's Best Bank for Financing
- Middle East's Best Bank for Transaction Services
- CEE's Best Investment Bank
- Central America and Caribbean Best Investment Bank
- Latin America's Best Bank for Financing
- North America's Best Digital Bank
- Best Investment Bank in the UAE
- Best Investment Bank in India
- Best Investment Bank in Turkey
- Best Investment Bank in Finland
- Best Investment Bank in Ireland

Chapter-4

Theoretical Concept & Ratio Analysis

4.1 Ratio Analysis:

Ratio analysis is an accounting method that uses financial statements, like balance sheets and income statements, to gain insights into a company's financial health. Ratio analysis will help determine various aspects of an organization including profitability, liquidity and market value. Ratio analysis is a helpful tool to determine from the outside what is going on inside of a business because the financial statements required to perform ratio analysis are available to the general public. Company insiders typically do not use ratio analysis because they already have access to much more detailed information that will give them a better view of the company's financial status.

4.1 Liquidity Ratio :

Current ratio: Liquidity ratios, that measures a company's ability to pay short-term obligations. If the current assets of a company are more than twice the current liabilities, then that company is generally considered to have good short term financial strength and vice versa. The current ratio formula is: Current Ratio = Current assets / Current liabilities ..Eqn . Also known as "liquidity ratio", "cash asset ratio" and "cash ratio".

- **Quick ratio or acid test ratio:** Quick ratio is an indicator of a company's short-term liquidity. The quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets. For this reason, the ratio excludes inventories from current assets; the ideal ratio is and is calculated as follows: Quick ratio = current assets — (cash and equivalents + marketable securities + accounts receivable) / current liabilities .. Eqn

4.2 Profitability Ratio:

- **Profit margin:** A ratio of profitability calculated as profit after tax by net sales. Profit margin is very useful when comparing companies in similar industries. A higher profit margin indicates a more profitable company that has better control over its costs compared to its competitors. It is calculated as: Profit Margin = Profit after tax / Net sales.

A ratio of profitability calculated as net income divided by revenues, or net profits divided by sales. It measures how much out of every rupee of sales a company actually keeps in earnings. Profit margin is very useful when comparing companies in similar industries. A higher profit margin indicates a more profitable company that has better control over its costs compared to its competitors. It is calculated as: Net Income or Net Profit / Net Sales.

4.3 Return on shareholder's equity (RONW): Net income is for the full fiscal year (before dividends paid to common stock holders but after dividends to preferred stock.) Shareholder 'equity does not include preferred shares. It is also known as "return on net worth" (RONW). RONW = Net Income /Shareholder's Equity.

- **Return on assets:** An indicator of how profitable a company is relative to its total

Asset ROA gives an idea as to how efficient management is at using its assets generate earnings. The formula for return on assets is: Net Income / Avg. total assets.

4.4 Market Based Ratio:

- **Earning per share:** The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability. It is calculated as: EPS = Earning available / No. of share issued to shareholders.

Price earning ratio: A valuation ratio of a company's current share price compared to its per share earnings. It is calculated as: P/E Ratio = Market price per share/ EPS.

Solvency Ratio:

- **Inventory turnover ratio:** A ratio showing how many times a company's inventory is sold and replaced over a period. The days in the period can then be divided by the inventory turnover formula to calculate the days it takes to sell the inventory on hand or "inventory turnover days. It is calculated as: Inventory turnover ratio = Cost of goods sold / Average inventory.
- **Debtor turnover ratio:** An activity or turnover ratio is calculated as credit sales by average debtors. A high debtor turnover ratio is not good for a company. It is calculated as: Debtor turnover ratio = Credit sales / Average debtors.
- **Working capital turnover:** A measurement comparing the depletion of working capital to the generation of sales over a given period is known as working capital turnover. This provides some useful information as to how effectively a company is using its working capital to generate sales. It is calculated as: Working capital turnover = Sales / Working capital.
- **Total asset turnover:** It can be calculated as net sales divided by total assets. This is a measure of how well assets are being used to produce revenue. A high total asset turnover is beneficial for a company. It is calculated as: Total asset turnover = Net sales / Total assets.

4.5 Leverage Ratio:

Interest coverage ratio: A ratio used to determine how easily a company can pay interest on outstanding debt. The interest coverage ratio is calculated by dividing a company's earnings before interest and taxes (EBIT) of one period by the company's interest expenses of the same period: It is calculated as: Interest coverage ratio = EBIT / Interest expenses.

Chapter-5

Risk Factor

5.1 Liquidity Risk

Adequate and diverse sources of funding and liquidity are essential to Citi's businesses. Funding and liquidity risks arise from several factors, many of which are mostly or entirely outside Citi's control, such as disruptions in the financial markets, changes in key funding sources, credit spreads, changes in Citi's credit ratings and macroeconomic, geopolitical and other conditions. For additional information, see "Risk Factors—Liquidity Risks" above. Citi's funding and liquidity management objectives are aimed at

- funding its existing asset base,
- growing its core businesses,
- maintaining sufficient liquidity, structured appropriately, so that Citi can operate under a variety of adverse circumstances, including potential Company-specific and/or market liquidity events in varying durations and severity, and
- satisfying regulatory requirements, including, but not limited to, those related to resolution planning (for additional information, see "Resolution Plan" and "Total Loss-Absorbing Capacity (TLAC)" below).

Citigroup's primary liquidity objectives are established by entity, and in aggregate, across two major categories:

- Citibank (including Citibank Europe plc, Citibank Singapore Ltd. and Citibank (HongKong) Ltd.)
- Citi's non-bank and other entities, including the parent holding company (Citigroup Inc.)

5.2 Credit Risk:

Credit risk is the risk of loss resulting from the decline in credit quality of a client, customer or counterparty (or downgrade risk) or the failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations. Credit risk is one of the most significant risks Citi faces as an institution. For additional information, see "Risk Factors—Credit Risk" above. Credit risk arises in many of Citigroup's business activities, including:

- consumer, commercial and corporate lending;
- capital markets derivative transactions;
- structured finance; and
- securities financing transactions (repurchase and reverse repurchase agreements, and securities loaned and borrowed).

5.3 Market Risk:

Market risk is the potential for losses arising from changes in the value of Citi's assets and liabilities resulting from changes in market variables such as interest rates, foreign exchange rates, equity prices, commodity prices and credit spreads, as well as their implied volatilities. Market risk arises from both Citi's trading and non-trading portfolios. For additional information on market risk and market risk management at Citi, see "Risk Factors" above. Each business is required to establish, with approval from Citi's market risk management, a market risk limit framework for identified risk factors that clearly defines approved risk profiles and is within the parameters of Citi's overall risk appetite. These limits are monitored by the Risk organization, including various regional, legal entity and business Risk Management committees, Citi 's country and business Asset & Liability Committees and the Citigroup Risk Management and Asset & Liability Committees. In all cases, the businesses are ultimately responsible for the market risks taken and for remaining within their defined limits.

5.4Operational Risk:

Each Citi operating segment must implement operational risk processes consistent with the requirements of this framework. This includes:

- understanding the operational risks they are exposed to;
- designing controls to mitigate identified risks;
- establishing key indicators;
- monitoring and reporting whether the operational risk exposures are in or out of their operational risk appetite.
- having processes in place to bring operational risk exposures within acceptable levels;
- periodically estimating and aggregating the operational risks they are exposed to;
- ensuring that sufficient resources are available to actively improve the operational risk
- environment and mitigate emerging risks.

5.5 Reputation Risk:

Citi's reputation is a vital asset in building trust and Citi is diligent in enhancing and protecting its reputation with its key stakeholders. To support this, Citi has developed a reputation. Risk framework. Under this framework, Citigroup and Citibank, N.A. have implemented a risk appetite statement and related key indicators to monitor corporate activities and operations relative to Citi's risk appetite. The framework also requires that business segments and regions escalate potential material reputation risks that require review or mitigation through a Reputation Risk Committee or equivalent. The Reputation Risk Committees, which are composed of Citi 's senior executives, govern the process by which material reputation risks are identified, measured, monitored, controlled and reported. Elbe Reputation Risk Committees determine the appropriate actions to be taken in line with risk appetite and regulatory

expectations, while promoting a culture of risk awareness and high standards of integrity and ethical behavior across the Company, consistent with Citi's Mission and Value Proposition. The Citigroup Reputation Risk Committee may escalate reputation risks to the Nomination, Governance and Public Affairs Committee or other appropriate committee of the Citigroup Board of Directors.

5.6 Interest Rate Risk:

Interest rate risk posed by changing interest rates which have a direct impact on the interest earned on loans and investments and the interest paid on deposits. Interest rate risk management is all about managing the net interest margin (interest income minus interest expense) and controlling the risk posed by changing interest rates while trying to take advantage of changing interest rates.

Even when interest rates change a bank can control interest rate risk by matching the repricing maturities of assets and liabilities. If the both an asset and a liability are repriced at the same time a bank will be able to maintain net interest margin as interest cost and interest earnings either go up or down simultaneously. However the realities of the market may be such that a bank may not be able to match maturities of assets and liabilities. In Oman a typical banks faces a maturity mismatch problem because deposits are short ten in nature while loans are long term in this market. This would result in a situation where deposits are repriced much faster than loans (unless loans allow for faster repricing although their maturities are long). In a situation where interest rates are falling this would be an advantage to the banks. However if interest rates rise this would go against a bank which is financing long term loans with short term deposits. For banks operating in an environment of changing interest rates, which is the situation in Oman over the last few years, interest rate risk management becomes a key issue.

5.7 Country Risk:

Top 25 Country Exposures The following table presents Citi 's top 25 exposures by country (excluding the U.S.) as of December 31 , 2022. (Including the U.S., the total exposure as of December 31, 2022 to the top 25 countries would represent approximately 98% of Citi's exposure to all countries.) For purposes of the table, loan amounts are reflected in the country where the loan is booked, which is generally based on the domicile of the borrower. For example, a loan to a Chinese subsidiary of a Switzerland-based corporation will generally be categorized as a loan in China. In addition, Citi has developed regional booking centers in certain countries, most significantly in the United Kingdom (U.K.) and Ireland, in order to more efficiently serve its corporate customers. As an example, with respect to the U.K., only 38% of corporate loans presented in the table below are to U.K. domiciled entities (40% for unfunded commitments), with the balance of the loans predominately to European domiciled counterparties. Approximately 90% of the total U.K. funded loans and 89% of the total U.K.unfunded commitments were investment grade as of December 31, 2022. Trading account assets and investment securities are generally categorized based on the domicile of the issuer of the security

of the underlying reference entity. For additional information on the assets included in the table, see the footnotes to the table below.

Chapter-6

Analysis of Financial Performance

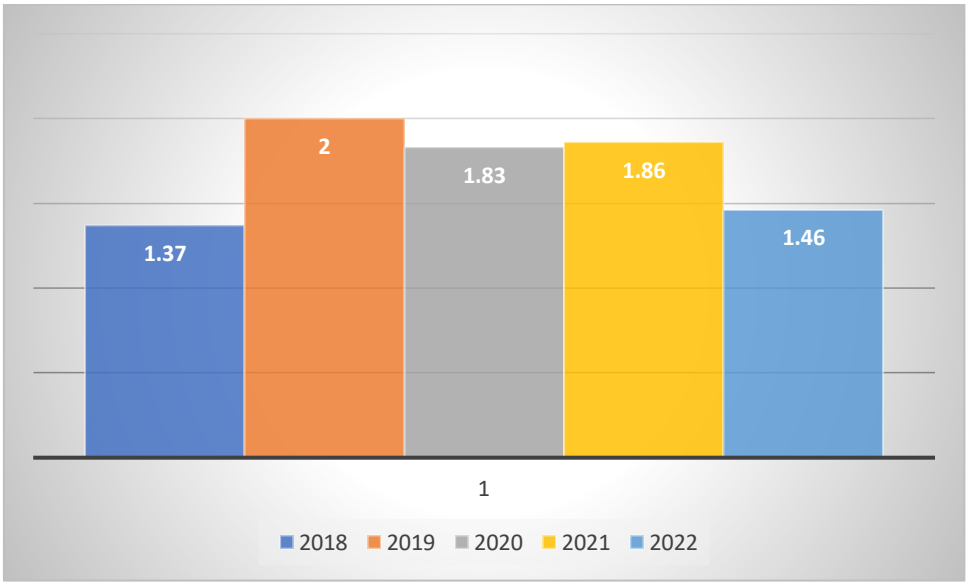
6.1 Current Ratio:

Table 6.1 Current Ratio

Particular	2018	2019	2020	2021	2022
Current Ratio	1.37	2	1.83	1.86	1.46

From the table 6.1 we can see that highest current ratio was in the year of 2021 which was 2 and the lowest ratio was 1.37 in the year of 2018

Figure 6.1 current Ration



From the figure 6.1 the higher the current ration; the more liquid the firm is considered to be Citi current ratio is good enough because it maintains more than l current assets against l current liabilities whereas normally banking industry maintains 1: 1 current ratio this graph shows that, the current ratio in 2018 is low but with the passage of time it increases. In 2019, the ratio is so higher than 5 financial years.

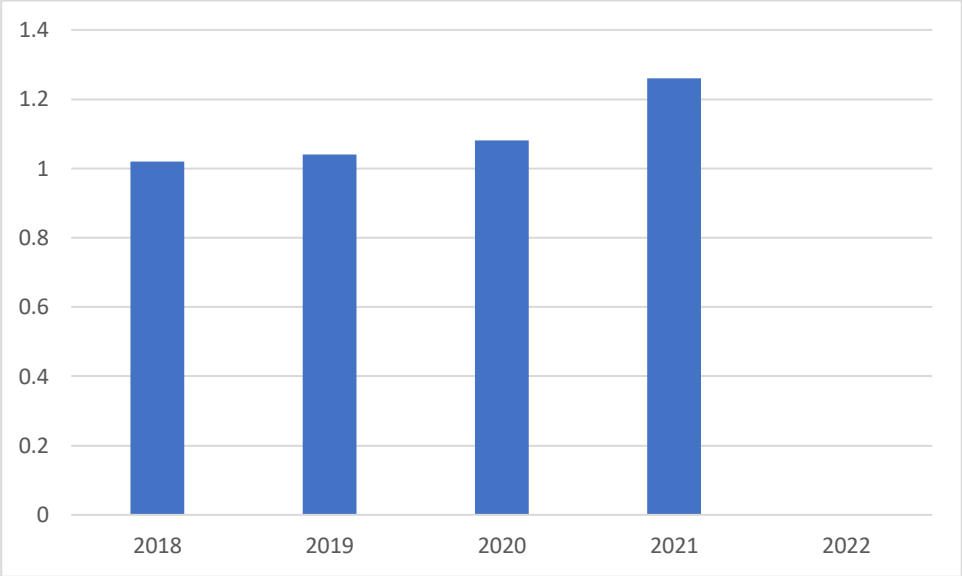
6.2 Quick Ratio:

Table 6.2 Quick Ratio

Particular	2018	2019	2020	2021	2022
Current Ratio	1.02	1.04	1.08	1.26	1.28

From the table 6.2 we can see that the highest current ratio was in the year of 2022 which was 1.28 and the lowest ratio was 1.02 in the year of 2018

Figure 6.2 Quick Raito



From the table 6.2 we can see that the highest current ratio was in the year of 2022 which was 1.28 and the lowest ratio was 1.02 in the year of 2018

6.3 Net Profit Margin:

Table-63 Net Profit Margin

Particular	2018	2019	2020	2021	2022
Net Profit Margin	(226%)	120%	71%	07 %	36%

From the table 6.3 we can see that the highest current ratio was in the year of 2019 which was 120% and the lowest ratio was 36% in the year of 2022.

Figure 6.3 Net Profit Margin



From the figure 6.3 the bank net profit margin in 2018 was negatively high that is (226%) But in 2019 Citi recovered from worst situation and then slight increased but sharply decreased in 2021. The last years position was positive good.

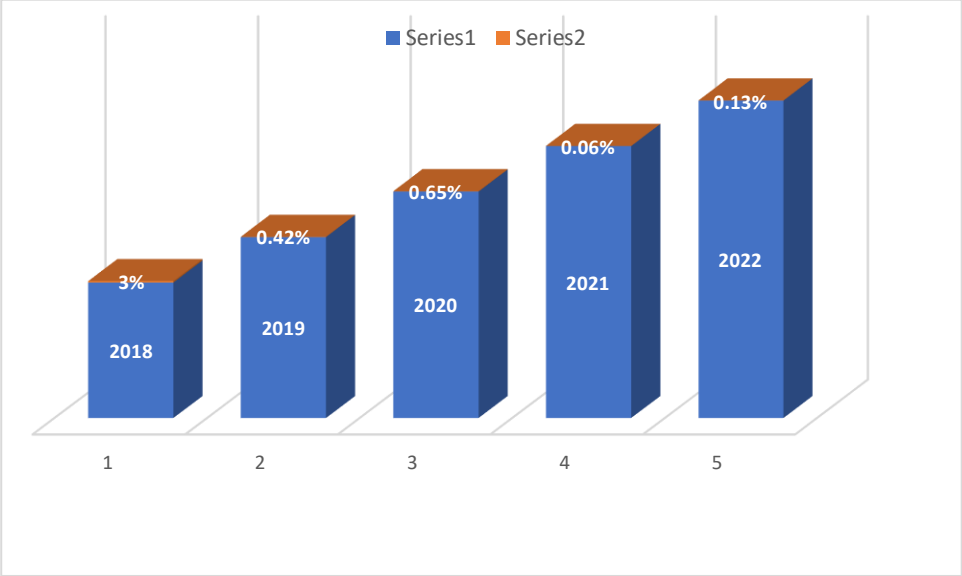
6.4 Return on Asset:

Table 6.4 Return on Asset

Particular	2018	2019	2020	2021	2022
Profit Margin	3%	0.42%	0.65%	.06%	.13%

From the table 6.4 we can see that the highest return on asset was in the year of 2018 which was 120% and the lowest ratio was 36% in the year of 2021.

Figure 6.4 Return On Asset



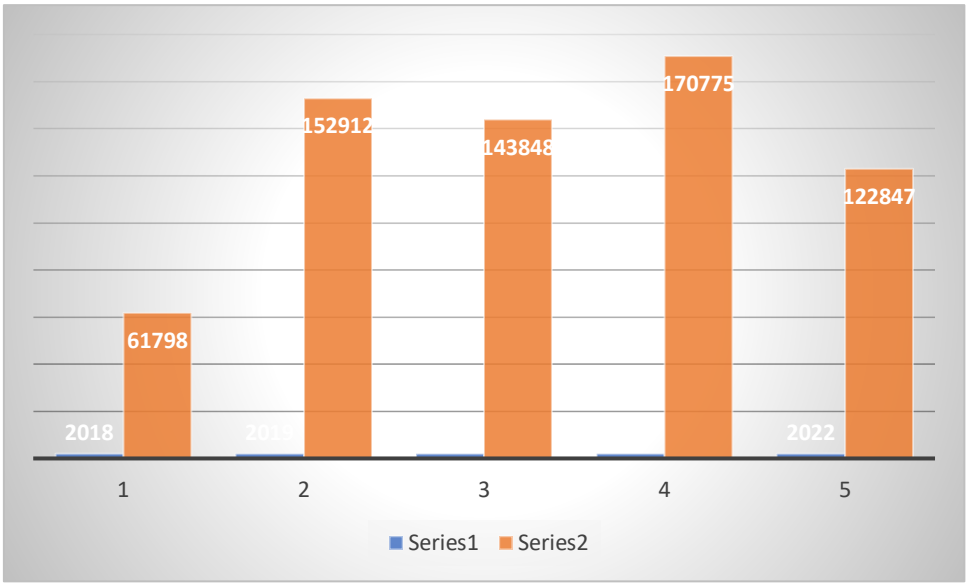
6.5 Working Capital:

Table 6.5 Working Capital

Particular	2018	2019	2020	2021	2022
Working Capital	61798	152912	143848	170775	122847

From the table 6.5 we can see that the highest return on asset was in the year of 2018 which was 170775 and the lowest ratio was 67798 in the year of 2018

Figure 6.5 Working Capital



From the figure 6.5 we can see that net working capital of citi gradually decreasing in year by year However, the bank cannot able to meet up its current obligations, so the bank should increase its Current asset.

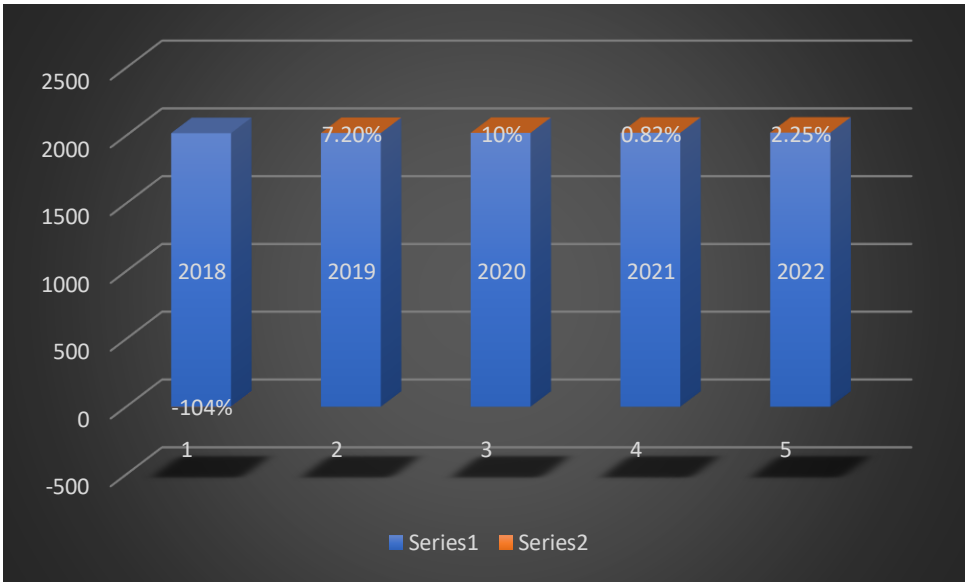
6.6 Return of Equity:

Table:6.6 Return of Equity

Particular	2018	2019	2020	2021	2022
Return on Equity	(104%)	7.2%	10%	.82%	2.25%

From the table 6.6 we can see that the highest return on asset was in the year of 2022 which was 2.25% and the lowest ratio was (104%) in the year of 2018.

Figure 6.6 Return of Equity



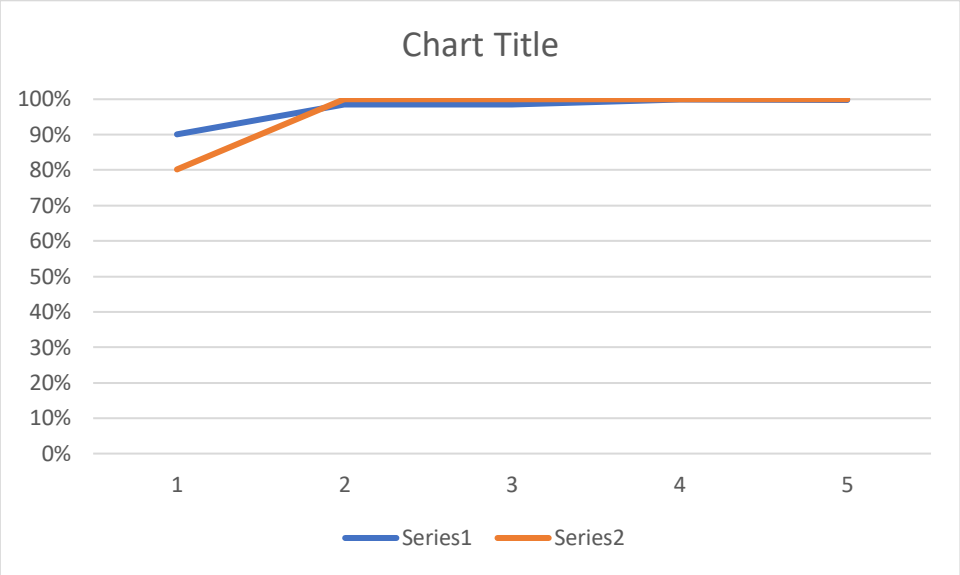
6.7 Earning Per Share:

Table:6.7 Earnings per share

Particular	2018	2019	2020	2021	2022
Earning per share (in tk)	(221.86)	31.82	32.12	1.53	3.96

From the table 6.7 we can see that the highest return on asset was in the year of 2022 which was 3.96 and the lowest ratio was (221.86) in the year of 2018.

Figure 6.7 Earning per share



From the table 6.7 we can see that the highest return on asset was in the year of 2022 which was 3.96 and the lowest ratio was (221.86) in the year of 2018.

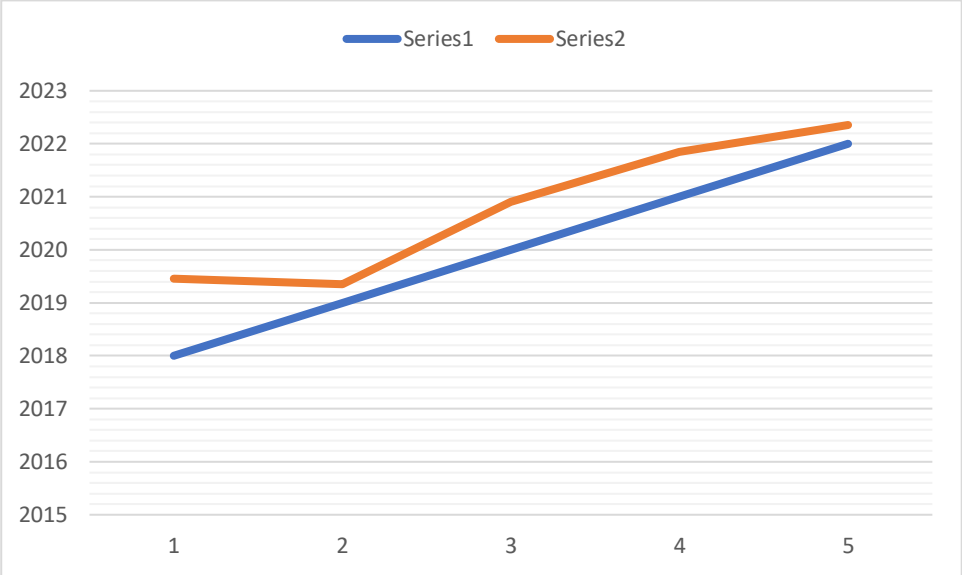
6.8 Total Asset Turnover Ratio:

Table:6.8 Total Asset Turnover

Particular	2018	2019	2020	2021	2022
Earning per share (in tk)	1.46	.35	.91	.843	0.354

From the table 6.8 we can see that total turnover ratio was in the year of 2018 which was 1.46 and the lowest ratio was .35 in the year of 2019

Figure 6.8 Total Turnover Ratio



Generally, the higher a firms total asset turnover, the more efficiently its assets has been used. This measurement is probably of greatest interest to management because it indicates whether the firms' operations have been financially efficient. This exactly means how many times the company turns over its assets per year, the greater the total asset turnover, the company is more efficient and 4 to times is standard position but also depends on industry. Here Citi total asset turnover ratio is decreasing after 2020 to 2022 which is not a good sign.

Chapter 7

Findings

7.1 Findings:

I. The current ratio of this bank was good, and its highest ratio was 1.86
II. The current ratio of this bank was good, and the highest current ratio was in the year of 2022 which was 1.28 and the lowest ratio was 1.02 in the year of 2018.
III. The current ratio of this bank was good we can see that the highest current ratio was in the year of 2019 which was 120% and the lowest ratio was 36% in the year of 2022.
IV. The current ratio of this bank was good from the figure 6.4 the banks return on asset in 2018 was strongly positive 2018 But sharply decreased in 2019 Citi recovered from worst situation and then slight increased 2020. We can notice that performance is positive but not as like as 2018. A slight increase in return on asset brings hope that the banks performance is going to be well in near future.
V. From the figure 6.5 we can see that net working capital of Citi gradually decreasing in year by year However, the bank cannot able to meet up its current obligations, so the bank should increase its Current asset
VI. The banks return on equity recovered from the worst situation in 2018 t02020. In 2021 the ratio decreased to .82% only but increased in 2022. The fluctuation of ratio indicates management inefficiency. So, they should be attentive about shareholders wealth. They should work hard to increase the return associated with equity.
VII. From the table 6.7 we can see that the highest return on asset was in the year of 2022 which was 3.96 and the lowest ratio was (221.86) in the year of 2018.
VIII. Generally, the higher a firms total asset turnover, the more efficiently its assets has been used. This measurement is probably of greatest interest to management, because it indicates whether the firms operations have been financially efficient. This exactly means how many times the company turns over its assets per year, the greater the total asset turnover, the company is more efficient and 4 to 6 times is standard position but also depends on industry. Here Citi total asset turnover ratio is decreasing after 2020 to 2022 which is not a good sign.

Chapter-8
Recommendations and conclusion

8.1 Recommendations:

In my internship period, I tried to look something deeply that what are the actual problems behind the backward positions of Citi Bank than other private commercial banks. From my analysis and point of view, some recommendations are as follows-

I. Lack of proper utilization oh human resources across the bank. Some branches have excess employees without having works and some others have excessive work load without human resources to tackle the pressure. There need a good optimization of recruiting and employment of human resources.

ll. Citi bank is under online facility. That's ok but the facility provided by the bank is too poor to maintain the cyber security. So proper internet security and bearing all branches under CC Camera is essential.

Ill. The website design is need to improve. Therefore, the website design should be changed and can put more information about the bank. The existing design cannot capture the customers attention.

IV. Upper-level management should give some power to the Branch Mangers for sanctioning loans for the purpose of foreign trade up to a certain limit. So that they can provide loan to their valuable clients when they are in shortfall of funds on emergency basis.

V. The Top management of Citi Bank Limited should be more effective to the employee then current situation. Because they should take care the branch level employees benefits, opportunities etc.

VI. The Bank should use less debt financing and should give more emphasis on equity financing.

VII. Target of profit is an old trend of Citi. To increase profitability the management body should point out that which sector needs development and must be done by time frame.

VIII. There should be proper incentives for the employees to carry out the banking functions properly. Because motivations, communication with employees are the major tools to utilize the human forces properly, Over time allowances can be allowed as per extra working hours.

IX. The infrastructural facility so Citi bank is not good enough to run the banking system. Some offices are not provided with proper facility, so this should be taken in the special consideration.

8.2 Conclusion:

The City Bank of New York was founded on June 16, 1812. The first president of the City Bank was the statesman and retired Colonel The Citi Bank N.A is a commercial bank, it has many general functions like other commercial bank. Collection of core deposits from the customers from urban and rural areas and investing those deposits as an investment to different sectors in the economy like industry, agriculture, business, power plants, telecommunications etc. Without those the bank has a great contribution I the green banking to protect the environment with the climate change challenges globally.

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