



KPMG Taseer Hadi & Co.
Chartered Accountants
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Independent Auditors' Report to the Directors

Opinion

We have audited the annexed financial statements of **Citibank N.A., Pakistan Branches** ("the Bank"), which comprise the statement of financial position as at December 31, 2020, and profit and loss account, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, profit and loss account, statement of comprehensive income, cash flow statement and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and, give the information required by the Banking Companies Ordinance, 1962 and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at December 31, 2020 and of the profit and other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Banking Companies Ordinance, 1962 and Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material



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uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Bank as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, profit and loss account, statement of comprehensive income, cash flow statement and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Banking Companies Ordinance, 1962 and Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account;
- c) investments made, expenditure incurred and guarantees extended during the year were in accordance with the object and powers of the Bank and the transactions of the Bank which have come to our notice have been within the powers of the Bank; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.



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We confirm that for the purpose of our audit we have covered more than sixty percent of the total loans and advances of the Bank.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Taufiq.

Date: 26 March 2021

Karachi

KPMG Taseer Hadi — 1
KPMG Taseer Hadi & Co.
Chartered Accountants

Citibank N.A., Pakistan Branches

(Incorporated In The U.S.A. The Liability of Members Being Limited)

Statement of Financial Position

As at 31 December 2020

	Note	2020 (Rupees in '000)	2019
ASSETS			
Cash and balances with treasury banks	5	11,342,260	11,202,518
Balances with other banks	6	21,386,856	805,867
Lendings to financial institutions	7	639,581	2,951,301
Investments	8	87,892,745	76,154,346
Advances	9	36,438,869	51,868,560
Fixed assets	10	530,957	472,843
Intangible assets		-	-
Deferred tax assets	16	-	124,149
Other assets	11	3,748,789	5,823,539
		161,980,057	149,403,123
LIABILITIES			
Bills payable	13	1,475,556	2,040,458
Borrowings	14	18,848,733	11,698,824
Deposits and other accounts	15	118,238,891	113,232,091
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities	16	50,871	-
Other liabilities	17	9,542,612	10,531,612
		148,156,663	137,502,985
NET ASSETS			
		13,823,394	11,900,138
REPRESENTED BY			
Head office capital account	18	6,812,671	6,812,671
Reserves		161,550	161,543
Surplus on revaluation of assets	19	102,841	104,302
Unremitted profit		6,746,332	4,821,622
		13,823,394	11,900,138
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 43 and annexure I form an integral part of these financial statements.

AHMED BOZAI
 Managing Director and
 Citi Country Officer

GULZEB KHAN
 Chief Financial Officer

Citibank N.A., Pakistan Branches

(Incorporated In The U.S.A. The Liability of Members Being Limited)

Profit and Loss Account

For the year ended 31 December 2020

	Note	2020 (Rupees in '000)	2019
Mark-up / return / interest earned	22	14,723,442	14,502,772
Mark-up / return / interest expensed	23	7,494,965	7,146,711
Net mark-up / interest income		<u>7,228,477</u>	<u>7,356,061</u>
NON MARK-UP / INTEREST INCOME			
Fee and commission income	24	690,120	874,790
Foreign exchange income		3,110,803	3,841,508
Income / (loss) from derivatives		540,218	(730,153)
Gain / (loss) on securities	25	1,053,501	(2,213)
Other (loss) / income	26	(2,410)	141
Total non-markup / interest income		<u>5,392,232</u>	<u>3,984,073</u>
Total income		<u>12,620,709</u>	<u>11,340,134</u>
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	27	1,465,034	2,732,251
Workers Welfare Fund		216,542	172,966
Other charges	28	-	60
Total non-markup / interest expenses		<u>1,681,576</u>	<u>2,905,277</u>
Profit before provisions		<u>10,939,133</u>	<u>8,434,857</u>
Provisions / (reversals) and write offs - net	29	13,300	(58,686)
PROFIT BEFORE TAXATION		<u>10,925,833</u>	<u>8,493,543</u>
Taxation	30	4,169,405	3,660,678
PROFIT AFTER TAXATION		<u><u>6,756,428</u></u>	<u><u>4,832,865</u></u>

The annexed notes 1 to 43 and annexure I form an integral part of these financial statements.

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Managing Director and
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GULZEB KHAN
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Citibank N.A., Pakistan Branches
(Incorporated In The U.S.A. The Liability of Members Being Limited)
Statement of Comprehensive Income
For the year ended 31 December 2020

	2020	2019
	(Rupees in '000)	
Profit after taxation for the year	6,756,428	4,832,865
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in (deficit) / surplus on revaluation of investments - net of tax	(1,461)	179,832
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement loss on defined benefit obligations - net of tax	(10,096)	(11,243)
Total comprehensive income	<u>6,744,871</u>	<u>5,001,454</u>

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Citibank N.A., Pakistan Branches
(Incorporated In The U.S.A. The Liability of Members Being Limited)
Statement of Changes in Equity
For the year ended 31 December 2020

	Head office capital account	Surplus / (deficit) on revaluation of investments	Share based payment contribution reserve by the ultimate holding company	Unremitted profit	Total
	----- (Rupees in '000) -----				
Opening balance as at 1 January 2019	6,812,671	(75,530)	161,543	3,720,846	10,619,530
Profit after taxation for the year ended 31 December 2019	-	-	-	4,832,865	4,832,865
Other comprehensive income - net of tax	-	179,832	-	(11,243)	168,589
Remittances made to head office	-	-	-	(3,720,846)	(3,720,846)
Transactions with owners, recorded directly in equity					
Contribution by the head office in respect of share based payments	-	-	5,718	-	5,718
Recharged balance payable to the head office for share based payments	-	-	(5,718)	-	(5,718)
Opening balance as at 1 January 2020	6,812,671	104,302	161,543	4,821,622	11,900,138
Profit after taxation for the current year	-	-	-	6,756,428	6,756,428
Other comprehensive income - net of tax	-	(1,461)	-	(10,096)	(11,557)
Remittances made to head office	-	-	-	(4,821,622)	(4,821,622)
Transactions with owners, recorded directly in equity					
Contribution by the head office in respect of share based payments	-	-	29,634	-	29,634
Recharged balance payable to the head office for share based payments	-	-	(29,634)	-	(29,634)
Effect of re-measurement of cost under share based payment - net of tax	-	-	7	-	7
Closing Balance as at 31 December 2020	6,812,671	102,841	161,550	6,746,332	13,823,394

The annexed notes 1 to 43 and annexure I form an integral part of these financial statements.

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Citibank N.A., Pakistan Branches
(Incorporated In The U.S.A. The Liability of Members Being Limited)
Cash Flow Statement
For the year ended 31 December 2020

	Note	2020	2019
(Rupees in '000)			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		10,925,833	8,493,543
Adjustments:			
Depreciation		128,060	111,896
Depreciation on right-of-use assets		114,844	58,618
Interest expense on lease liability against right-of-use assets		21,146	14,915
Provisions / (reversals) and write-offs - net	29	13,300	(58,686)
(Loss) / gain on sale of fixed assets		2,965	(10)
Unrealised (gain) / loss on revaluation of investments classified as held-for-trading		(25,719)	2,225
Charge for defined benefit plan		52,385	46,838
		<u>306,981</u>	<u>175,796</u>
		11,232,814	8,669,339
<i>Decrease / (increase) in operating assets</i>			
Lendings to financial institutions		2,311,720	9,507,632
Held-for-trading securities		2,200,217	(6,903,779)
Advances		15,416,391	(11,805,891)
Other assets (excluding advance taxation)		2,350,254	4,976,679
		<u>22,278,582</u>	<u>(4,225,359)</u>
<i>Increase in operating liabilities</i>			
Bills payable		(564,902)	(2,158,559)
Borrowings from financial institutions		6,928,358	(2,196,826)
Deposits		5,006,800	18,196,032
Other liabilities (excluding current taxation)		(925,968)	(6,324,478)
		<u>10,444,288</u>	<u>7,516,169</u>
Income tax paid		(4,448,634)	(2,819,668)
Contribution to gratuity fund		(22,046)	(23,157)
Remittances made during the year on account of head office expenses		-	(286,486)
<i>Net cash flow from operating activities</i>		<u>39,485,004</u>	<u>8,830,838</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(13,904,770)	(2,477,978)
Investments in operating fixed assets		(64,795)	(34,956)
Proceeds from sale of fixed assets		695	10
<i>Net cash flow used in investing activities</i>		<u>(13,968,870)</u>	<u>(2,512,924)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(195,332)	(127,884)
Profit repatriated to head office during the year		(4,821,622)	(3,720,846)
<i>Net cash flow used in financing activities</i>		<u>(5,016,954)</u>	<u>(3,848,730)</u>
Increase in cash and cash equivalents		20,499,180	2,469,184
Cash and cash equivalents at the beginning of the year	31	<u>11,998,925</u>	<u>9,529,741</u>
Cash and cash equivalents at the end of the year	31	<u><u>32,498,105</u></u>	<u><u>11,998,925</u></u>

The annexed notes 1 to 43 and annexure I form an integral part of these financial statements.

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Managing Director and
Citi Country Officer

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Citibank N.A., Pakistan Branches

(Incorporated In The U.S.A. The Liability of Members Being Limited)

Notes to and Forming Part of the Financial Statements

For the year ended 31 December 2020

1. STATUS AND NATURE OF BUSINESS

Citibank N.A., Pakistan Branches (the Bank) operates as a branch of Citibank N.A. which is a foreign banking company incorporated and domiciled in the U.S.A. with limited liability and is a member of Citigroup Inc., which is the ultimate holding company.

The Bank is engaged in banking business as described in the Banking Companies Ordinance, 1962. Its principal office is at AWT Plaza, I. I. Chundrigar Road, Karachi. At 31 December 2020, the Bank operated through 3 branches (31 December 2019: 3 branches) in Pakistan.

Credit ratings assigned to Citigroup Inc. and Citibank N.A., by Moody's Investor Services are as follows:

	Long-term senior debt	Short-term debt
Citigroup Inc.	A3	P-2
Citibank N.A.	Aa3	P-1

2. BASIS OF PRESENTATION

These financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BSD Circular No. 02, dated January 25, 2018.

In accordance with the directives of the Federal Government regarding the shifting of the banking system to the Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade related modes of financing include purchase of goods by the Bank from its customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of mark-up thereon.

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan (SECP), from time to time

2.1.1 Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IFRS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.1.1.1 The SBP, vide its BSD Circular Letter no. 10 dated 26 August 2002 has deferred the applicability of International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1) / 2008 dated 28 April 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Further, the SBP has deferred the applicability of International Accounting Standard (IAS) 39, Financial Instruments, Recognition and Measurement, and has directed all Banks to implement IFRS 9, Financial Instruments, with effect from 01 January 2021 vide BPRD Circular No. 04 of 2019 dated 23 October 2019. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the

requirements prescribed by the SBP through various circulars. The Bank awaits further instructions from the SBP on applicability of IFRS 9.

2.2 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year.

2.2.1 Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

2.2.2 On 29 March 2018, the IASB issued a revised Conceptual Framework for Financial Reporting which became applicable immediately, and contained changes setting a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallize. Entities now use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, entities should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs. The Bank's accounting policies have been consistently applied in accordance with applicable laws and reporting standards as applicable in Pakistan, and have not been impacted due to the applicability of the said framework.

2.2.3 In addition to the above, there are certain new standards, amendments and interpretations that are mandatory for the Bank's accounting periods beginning on or after 01 January 2020, but are considered not to be relevant or do not have any significant effect on the Bank's operations and are, therefore, not disclosed in these financial statements.

2.3 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021:

- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation – for Banks and DFIs, the effective date of the standard has been extended to annual periods beginning on or after 1 January 2021 vide SBP circular 4 dated 23 October 2019. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Bank has assessed that on the date of initial application, the Bank will have additional provision of Rs. 49.162 million

There are certain new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after 01 January 2020 but are considered not to be relevant or will not have any significant effect on the Bank's operations and are therefore not detailed in these financial statements.

2.4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which forms the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to

accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

- i) classification and provisioning against investments (notes 4.3 and 8)
- ii) classification and provisioning against advances (notes 4.4 and 9)
- iii) income taxes (notes 4.8, 11 and 30)
- iv) accounting for defined benefit plan (notes 4.9 and 33)
- v) depreciation / amortisation of fixed assets (notes 4.5 and 10)
- vi) fair value of derivative financial instruments (note 4.16 (b) and 21)
- vii) recording of head office expenses for the current year (note 27)
- viii) fair value of financial instruments (note 36)
- ix) leases (note 4.6 and 10)

3. BASIS OF MEASUREMENT

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention, except that held for trading and available for sale investments and derivative financial instruments have been marked to market and are carried at fair value, right-of-use assets and their related lease liabilities are measured at present values adjusted for depreciation, interest cost and lease repayments respectively. In addition, obligation in respect of staff retirement benefit are measured at present value and certain financial assets are stated net of provision.

3.2 Functional and presentational currency

These financial statements are presented in Pakistani Rupees, which is the Bank's functional and presentational currency. The amounts are rounded to the nearest thousand.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied and adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented in these financial statements.

4.1 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement represents cash and balances with treasury banks, balances with other banks and overdrawn nostro accounts.

4.2 Lendings to / borrowings from financial institutions

The Bank enters into inter-bank transactions at contracted rates for a specified period of time. These are recorded as under:

(a) Sale of securities under repurchase agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the financial statements as investments and the counterparty liability for amounts received under these agreements is included in borrowings from financial institutions. The difference between sale and repurchase price is recognised over the period of transaction as an expense.

(b) Purchase of securities under resale agreements

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised as investments in the statement of financial position. Amounts paid under these agreements are included in lendings to financial institutions. The difference between purchase and resale price is recognised over the period of transaction as income.

(c) Other lendings

These are recorded at the proceeds paid. Mark-up received is recognised in the profit and loss account over the period on an accrual basis.

4.3 Investments

In accordance with the requirements of BSD circular No 10 dated July 13, 2004, the investments are classified as follows:

(a) Held for trading

These are securities, which are either acquired for generating profit from short-term fluctuations in market prices, interest rate movements, dealer's margin or are securities included in a portfolio in which a pattern of short-term profit making exists.

(b) Held to maturity

These are securities with fixed or determinable payments and fixed maturity in respect of which the Bank has the positive intent and ability to hold them till maturity. These are carried at amortised cost.

(c) Available for sale

These are investments that do not fall under the 'held for trading' or 'held to maturity' categories.

4.3.1 Initial measurement

Investments are initially recognised at fair value. All purchases and sales of investments that require delivery within the time frame established by regulation or market convention are recognised at trade date, which is the date on which the Bank commits to purchase or sell the investments.

4.3.2 Subsequent measurement

In accordance with the requirements of the State Bank of Pakistan, quoted securities other than those classified as 'held to maturity' are subsequently remeasured to market value. Surplus / (deficit) arising on revaluation of securities which are classified as 'available for sale' is included in the statement of comprehensive income and is shown in the statement of financial position as part of the equity. Surplus / (deficit) arising on revaluation of securities classified as 'held for trading' is taken to the profit and loss account. In accordance with the requirements specified by the State Bank of Pakistan, investments classified as 'held to maturity' are carried at amortised cost.

Impairment loss in respect of investments classified as available for sale (except term finance certificates) and held to maturity is recognised based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments.

Provision for diminution in the value of term finance certificates is made as per the requirements set out in the Prudential Regulations issued by the State Bank of Pakistan. In case of impairment of available for sale securities, the cumulative loss that has been recognised directly in surplus on revaluation of securities on the statement of financial position as part of equity is removed there from and recognised in the profit and loss account. For investments classified as held to maturity, the impairment loss is recognised in profit and loss account. The difference between the face value and the purchase price is amortised over the remaining life of the investment using effective yield method, in order to determine the amortised cost.

Gains and losses on disposal of investments during the year is taken to the profit and loss account.

4.4 Advances

Advances are stated net of specific and general provision against loan losses. Specific and general provisions are made in accordance with the requirements of the Prudential Regulations issued by the State Bank of Pakistan from time to time. The net provision made / reversed during the year is charged to the profit and loss account and accumulated provision is netted-off against advances. Advances are written off when there is no realistic prospect of recovery.

4.5 Operating fixed assets and depreciation

Capital work in progress

Capital work in progress is stated at cost less impairment losses, if any.

Property and equipment - owned

Fixed assets are carried at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is charged to the profit and loss account applying the straight-line method using the rates specified in note 10.1 to these financial statements. The depreciation charge for the year is calculated after taking into account residual value, if any. The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at each reporting date. Depreciation on additions is charged for the whole month if the assets are purchased before 15th day of the month while no depreciation is charged in the month in which assets are disposed off.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Subsequent costs are included in the assets' carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably.

Gain and loss on disposal of fixed assets is taken to the profit and loss account in the period in which they arise.

Intangible

Intangible assets having a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Such intangible assets are amortised using the straight-line method over their estimated useful lives. The useful lives and amortisation method are reviewed and adjusted, if appropriate at each statement of financial position date. Intangible assets having an indefinite useful life are stated at acquisition cost, less impairment loss, if any.

Amortisation is charged to the profit and loss account applying the straight-line method.

4.6 Right-of-use asset and related lease liability

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Bank mainly leases properties for its operations. The Bank recognizes a right-of use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method from the commencement date to the earlier of end of the useful life of right-of-use asset or end of the lease term. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. The lease liability is subsequently increased by the finance cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension

option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Bank has elected not to recognize right-of-use assets and lease liabilities for short term and low value assets. The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term. The right-of-use assets are presented in the same line items as it presents underlying assets of the same nature that it owns.

4.7 Impairment

The carrying amount of assets are reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is taken to the profit and loss account.

4.8 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items which are directly recognised in equity / other comprehensive income, in such cases, the relating income tax is also directly recognised in equity / other comprehensive income.

Current

Current tax is the expected tax payable on taxable income for the year determined using tax rate enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary relating to prior years, which arises from assessments / developments made during the year.

Deferred

Deferred tax is recognised using balance sheet liability method on all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is calculated at the rates that are expected to apply to the period when the differences are expected to reversed, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow whole or part of the deferred tax asset to be utilised.

The Bank also recognises a deferred tax asset / liability on the deficit / surplus on revaluation of securities, which is adjusted against the related surplus / deficit in accordance with the requirements of the International Accounting Standard 12 - Income Taxes.

4.9 Staff retirement benefits

Defined benefit plan

The Bank operates an approved funded gratuity scheme for all its permanent employees whose period of service with the Bank is five years or more. Expenses relating to the scheme are recognised and contributions to the fund are made based on actuarial recommendations.

Liability in respect of this benefit is recognised based on actuarial valuation carried out using Projected Unit Cost method. All actuarial gains and losses are recognized in the Statement of Financial Position immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur.

Gratuity is payable to staff on completion of the prescribed qualifying period of service under the plan.

Defined contribution plan

The Bank operates a recognised provident fund scheme for all its permanent employees to which equal monthly contributions are made both by the Bank and employees at the rate of 10 percent of basic salary. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

4.10 Share based payments

The Bank offers two types of share based incentive plans which are Stock Award and Stock Option programmes. Under these plans, the share option of the holding company are granted by the holding company to high performing employees of the Bank. Pursuant to a separate agreement, the Bank makes a cash settlement to Citigroup Inc. for the value of the share-based incentive awards delivered to the Bank's employees under these plans.

The Bank applies equity-settled accounting for its share based incentive plans, with separate accounting for its associated obligations to make payments to Citigroup Inc.

Fair value of the shares awarded under the stock award programme, on the grant date and on each measurement date, is determined with reference to the price quoted on the New York Stock Exchange.

4.11 Borrowings / deposits

- (a) Borrowings / deposits are recorded at the proceeds received.
- (b) Borrowing / deposit costs are recognised as an expense in the period in which these are incurred using the effective mark-up / interest rate method to the extent that they are not directly attributable to the acquisition of or construction of qualifying assets. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) are capitalised as part of the cost of that asset.

4.12 Provisions for guarantee claims and other off-balance sheet obligation

Provision for guarantee claims and other off balance sheet obligations is recognised when intimated and reasonable certainty exists for the Bank to settle the obligation. Expected recoveries are recognised by debiting the customer's account. Charge to the profit and loss account is stated net-off expected recoveries.

4.13 Other provisions

Other provisions are recognised when the Bank has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

4.14 Revenue recognition

- Mark-up / return / interest on advances and investments is recognised on a time proportion basis, taking into account effective yield on the instrument, except in case of non-performing advances where income is recognised on receipt basis in accordance with the requirements of the Prudential Regulations issued by the State Bank of Pakistan.

- Fee and commission are recognised as and when services are performed.
- Gains and losses on sale of investments and operating fixed assets are recognised in the profit and loss account when the risks and rewards of ownership are transferred.
- Dividend income is recognised when the Bank's right to receive the dividend has been established.

4.15 Foreign currencies

a) Foreign currency transactions

Foreign currency transactions are translated into Pakistani Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pakistani Rupees at exchange rates prevailing at the reporting date. Foreign bills purchased and forward foreign exchange contracts are valued at the forward rates applicable to their respective maturities.

b) Translation gains and losses

Translation gains and losses are included in the profit and loss account.

c) Contingencies and commitments

Commitments for outstanding forward foreign exchange contracts are disclosed at contracted rates with the fair value adjustment disclosed in other assets / other liabilities as the case may be. Contingent liabilities / commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in rupee terms at the exchange rate prevailing at the reporting date.

4.16 Financial instruments

(a) Financial assets and financial liabilities

The Bank initially recognises financial assets and liabilities on the date at which they originate except for investments which are recognised on the trade date.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are transferred. The Bank also enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or part of the risks and rewards of the transferred assets. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the statement of financial position.

Financial liabilities are derecognised when the contractual obligations expire, or are discharged or cancelled

b) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value using appropriate valuation techniques. All derivative financial instruments having positive fair value are carried as assets and instruments having negative fair value are carried as liabilities. Any change in the fair value of derivative financial instruments is taken to profit and loss account.

c) Off setting

Financial assets and financial liabilities are off-set and the net amount is reported in the financial statements only when there is a legally enforceable right to offset the recognised amounts and the Bank intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Income and expense items of such assets and liabilities are also off-set and the net amount is reported in the financial statements.

4.17 Assets acquired in satisfaction of claims

The Bank occasionally acquires vehicles and other assets in settlement of certain advances. These are stated at the lower of related advances and the current fair value of such assets. Gains or losses on disposal and unrealised losses on revaluation are recognised in income currently. In case certain repossessed assets cannot be disposed off within pre-determined number of days, impairment loss is recognised by the Bank against such assets.

4.18 Acceptances

Acceptances comprise of undertakings by the Bank to pay bill of exchange drawn on customers. Acceptances are recognised as financial liability in the statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments in respect of acceptances have been accounted for as financial assets and financial liabilities.

4.19 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing product or services (business segment), or in providing products or services within a particular economic environment (geographical segment). The Bank's Chief operating decision maker reviews the results and assesses performance of these segments separately. The operations of the Bank are based in Pakistan, therefore geographical segment is not relevant.

4.19.1 Business segments

(a) Treasury

It includes fixed income, foreign exchange, funding, own position securities, lending, borrowing and derivatives.

(b) Corporate banking

Corporate banking includes syndicated financing and services provided in connection with merger and acquisitions, project finance, export finance, trade finance, short-term and long-term lending, bill discounting and negotiation, letter of credit, acceptances, guarantees and deposits.

5. CASH AND BALANCES WITH TREASURY BANKS	Note	2020	2019
		(Rupees in '000)	
In hand			
Local currency		102,004	63,181
Foreign currency		110,044	131,357
		212,048	194,538
With State Bank of Pakistan in			
Local currency current account	5.1	9,681,690	9,209,853
Foreign currency current account			
- Cash reserve account	5.2	479,503	418,089
- US Dollar clearing account		7,992	139,236
Foreign currency deposit account			
- Special cash reserve account	5.3	959,006	1,238,781
		11,128,191	11,005,959
With National Bank of Pakistan in			
Local currency current account		2,021	2,021
		11,342,260	11,202,518

- 5.1** The local currency current account is maintained with the State Bank of Pakistan (SBP) as per the requirements of Section 22 of the Banking Companies Ordinance 1962. This section requires banking companies to maintain a local currency cash reserve in the current account opened with the SBP at a sum not less than such percentage of its time and demand liabilities in Pakistan as may be prescribed by SBP.
- 5.2** This represents cash reserve of 5% which is required to be maintained with the State Bank of Pakistan on deposits held under the New Foreign Currency Accounts Scheme (FE-25 deposits).
- 5.3** This represents special cash reserve of 10% which is required to be maintained with the State Bank of Pakistan on FE-25 deposits. Profit rates on these deposits are fixed by SBP on a monthly basis. These carry mark-up rates from 0% to 0.76% (2019: 0.70% to 1.51%).

6. BALANCES WITH OTHER BANKS	<i>Note</i>	2020	2019
		(Rupees in '000)	
In Pakistan			
In current account		9,886	45,454
Outside Pakistan			
In current account	6.1	21,376,970	760,413
		<u>21,386,856</u>	<u>805,867</u>

- 6.1** This includes balance of Rs. 21,376.72 million (2019: Rs. 760.205 million) held with branches of Citibank, N.A. outside Pakistan.

7. LENDINGS TO FINANCIAL INSTITUTIONS	<i>Note</i>	2020	2019
		(Rupees in '000)	
Repurchase agreement lendings (Reverse Repo)	7.1 & 7.3	<u>639,581</u>	<u>2,951,301</u>
		639,581	2,951,301
Less: provision held against Lendings to Financial Institutions		-	-
Lending to Financial Institutions - net of provision		<u>639,581</u>	<u>2,951,301</u>

- 7.1** These represent short term lendings to financial institutions against government securities. These carry mark-up rates at 6.05% (2019: 13.05%) per annum and have a maturity period of upto January 2021 (2019: January 2020).

7.2 Particulars of lending	2020	2019
	(Rupees in '000)	
In local currency	639,581	2,951,301
In foreign currencies	-	-
	<u>639,581</u>	<u>2,951,301</u>

7.3 Securities held as collateral against Lending to financial institutions

	2020			2019		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	----- (Rupees in '000) -----					
Market Treasury Bills	639,579	-	639,579	2,951,296	-	2,951,296
Total	639,579	-	639,579	2,951,296	-	2,951,296

8. INVESTMENTS

8.1 Investments by type:

	2020				2019			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
	----- (Rupees in '000) -----							
Held-for-trading securities								
Federal Government Securities	11,786,616	-	20,630	11,807,246	13,986,833	-	(5,089)	13,981,744
	11,786,616	-	20,630	11,807,246	13,986,833	-	(5,089)	13,981,744
Available-for-sale securities								
Federal Government Securities	75,916,906	-	168,593	76,085,499	62,012,136	-	160,466	62,172,602
Non Government Debt Securities	248,090	(248,090)	-	-	248,090	(248,090)	-	-
	76,164,996	(248,090)	168,593	76,085,499	62,260,226	(248,090)	160,466	62,172,602
Total Investments	87,951,612	(248,090)	189,223	87,892,745	76,247,059	(248,090)	155,377	76,154,346

8.2 Investments by segments:

	Note	2020				2019			
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
		----- (Rupees in '000) -----							
Federal Government Securities									
Market Treasury Bills	8.3 & 8.4	61,429,047	-	160,342	61,589,389	69,765,629	-	70,628	69,836,257
Pakistan Investment Bonds	8.3 & 8.5	26,274,475	-	28,881	26,303,356	6,233,340	-	84,749	6,318,089
		87,703,522	-	189,223	87,892,745	75,998,969	-	155,377	76,154,346
Non Government Debt Securities									
Unlisted		248,090	(248,090)	-	-	248,090	(248,090)	-	-
		248,090	(248,090)	-	-	248,090	(248,090)	-	-
Total Investments		87,951,612	(248,090)	189,223	87,892,745	76,247,059	(248,090)	155,377	76,154,346

8.2.1 Investments given as collateral

	2020	2019
	(Rupees in '000)	
Market Treasury Bills	18,614,390	5,493,474

8.3 Investments include certain approved / government securities which are held by the Bank to comply with the Statutory Liquidity Requirement determined on the basis of the Bank's demand and time liabilities as set out under section 29 of the Banking Companies Ordinance, 1962.

8.4 Market Treasury Bills are for a period of three months, six months and one year. The effective rates of profit on Market Treasury Bills range from 7.06% to 13% (2019: 12.74% to 14.25%) per annum with maturities upto November 2021 (2019: December 2020). Market Treasury Bills having face value of Rs. 25 million (2019: Rs. 25 million) and market value Rs. 24 million (2019: Rs. 23 million) have been deposited with the State Bank of Pakistan against telegraph transfer / discounting facility granted by them. In addition, Market Treasury Bills having face value of Rs. 7,684 million (2019: Rs. 7,684 million) and having market value of Rs. 7,282 million (2019: Rs. 7,026 million) have been deposited with the State Bank of Pakistan as pledged capital.

8.5 Pakistan Investment Bonds (PIBs) are for periods of three years. The yield on these PIBs range from 7.42% to 8.40% (2019: 11.75% to 14.15%) per annum with maturities from September 2022 to October 2023 (2019: July 2021 to September 2022).

8.6 Provision for diminution in value of investments	2020	2019
	(Rupees in '000)	
8.6.1 Opening balance	(248,090)	(248,090)
Exchange adjustments	-	-
Charge / reversals		
Charge for the year	-	-
Reversals for the year	-	-
Reversal on disposals	-	-
Transfers - net	-	-
Amounts written off	-	-
Closing Balance	<u>(248,090)</u>	<u>(248,090)</u>

8.6.2 Particulars of provision against debt securities
Category of classification

	2020		2019	
	NPI	Provision	NPI	Provision
	(Rupees in '000)			
Domestic				
Loss	<u>248,090</u>	<u>248,090</u>	248,090	248,090
	<u>248,090</u>	<u>248,090</u>	248,090	248,090

8.7 Quality of Available for Sale Securities

Details regarding quality of Available for Sale (AFS) securities are as follows:

		Cost / amortised Cost	
		2020	2019
		(Rupees in '000)	
Federal Government Securities - Government guaranteed			
Market Treasury Bills		51,801,443	56,997,570
Pakistan Investment Bonds		<u>24,115,463</u>	5,014,566
		<u>75,916,906</u>	<u>62,012,136</u>
Non Government Debt Securities			
	Note	Cost / amortised Cost	
		2020	2019
		(Rupees in '000)	
Unlisted			
Azgard Nine Limited - Unrated			
49,618 Term Finance Certificates (2019: 49,618) of Rs. 5,000 each	8.7.1	<u>248,090</u>	248,090

8.7.1 Represents term finance certificates received as partial settlement from Azgard Nine Limited against overdue suspended mark-up amounting to Rs. 248.090 million kept in memorandum account and are fully provided.

9. ADVANCES

	Performing		Non Performing		Total	
	2020	2019	2020	2019	2020	2019
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	33,348,186	47,784,780	2,381,081	2,675,026	35,729,267	50,459,806
Bills discounted and purchased	3,090,889	4,082,040	-	-	3,090,889	4,082,040
Advances - gross	36,439,075	51,866,820	2,381,081	2,675,026	38,820,156	54,541,846
Provision against advances						
- Specific	-	-	(2,381,081)	(2,673,071)	(2,381,081)	(2,673,071)
- General	(206)	(215)	-	-	(206)	(215)
	(206)	(215)	(2,381,081)	(2,673,071)	(2,381,287)	(2,673,286)
Advances - net of provision	36,438,869	51,866,605	-	1,955	36,438,869	51,868,560

9.1 Particulars of advances (Gross)

	2020	2019
	(Rupees in '000)	
In local currency	38,633,999	54,224,814
In foreign currencies	186,157	317,032
	38,820,156	54,541,846

9.2 Based on classification defined in SBP Prudential Regulations, Rs. 38,382.827 million (2019: Rs. 54,088.092 million) advances fall under Corporate and Rs. 437.329 million (2019: 453.754 million) fall under Consumer and SME classification as at December 31, 2020.

9.3 Advances include Rs. 2,381.081 million (2019: Rs. 2,675.026 million) which have been placed under non-performing status as detailed below:

Category of Classification

	2020		2019	
	Non performing loans	Provision	Non performing loans	Provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	3,910	1,955
Loss	2,381,081	2,381,081	2,671,116	2,671,116
Total	2,381,081	2,381,081	2,675,026	2,673,071

9.4 Particulars of provision against advances

	2020			2019		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	2,673,071	215	2,673,286	2,743,634	426	2,744,060
Charge for the year	13,309	(9)	13,300	1,955	(211)	1,744
Reversals	-	-	-	(60,430)	-	(60,430)
	13,309	(9)	13,300	(58,475)	(211)	(58,686)
Amounts written off	(305,299)	-	(305,299)	(12,088)	-	(12,088)
Closing balance	2,381,081	206	2,381,287	2,673,071	215	2,673,286

9.4.1 The Bank maintains general provision in accordance with the applicable requirements of the Prudential Regulations for Housing Finance issued by the SBP. The provision ranges between 0.5% to 1.5% based on the classified housing finance to total housing finance ratio present in the portfolio.

9.4.2 Particulars of provision against advances

	2020			2019		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
In local currency	2,381,081	206	2,381,287	2,673,071	215	2,673,286
	2,381,081	206	2,381,287	2,673,071	215	2,673,286

9.4.3 Although the Bank has made provision against its non-performing portfolio as per the category of classification of the loan, the Bank holds enforceable collateral in the event of recovery through litigation for financing other than personal loans. These securities comprise of charge against various tangible assets of the borrower including land, building and machinery, stock in trade etc.

9.4.4 During 2017, the Bank entered into an agreement with a third party to settle outstanding dues of Azgard Nine Limited (amounting to Rs. 1,030.15 million comprising of Rs. 782.06 million pertaining to advances and Rs. 248.09 million for term finance certificate) as full and final settlement for an amount of Rs. 160 million. Partial payments were received in 2017 and 2018, whereas remaining payment was received during 2019 as per agreement and addendum thereto. Final clearance certificate is to be issued by the Bank to the third party in due course evidencing that all liabilities owed by the Company to the Bank stand fully and unconditionally discharged.

9.5 PARTICULARS OF WRITE OFFS:

	2020	2019
	(Rupees in '000)	
9.5.1 Against Provisions	305,299	12,088
Directly charged to Profit & Loss account	-	-
	305,299	12,088
9.5.2 Write Offs of Rs. 500,000 and above	305,299	12,088
- Domestic	-	-
- Overseas	-	-
Write Offs of Below Rs. 500,000	305,299	12,088

9.6 DETAILS OF LOAN WRITE OFF OF Rs. 500,000/- AND ABOVE

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the Statement in respect of written-off loans or any other financial relief of rupees five hundred thousand or above allowed to a person(s) during the year ended December 31, 2020 is given in Annexure-1.(except where such disclosure is restricted by overseas regulatory authorities).

10. FIXED ASSETS

		2020	2019
		(Rupees in '000)	
Property and equipment	10.1	<u>530,957</u>	472,843
		<u>530,957</u>	<u>472,843</u>

10.1 Property and Equipment

	2020					
	Building on Leasehold land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Right-of-Use assets	Total
	(Rupees in '000)					
At January 1, 2020						
Cost	6,295	606,873	557,595	72,746	122,699	1,366,208
Accumulated depreciation	(4,232)	(316,471)	(471,586)	(42,458)	(58,618)	(893,365)
Net book value	<u>2,063</u>	<u>290,402</u>	<u>86,009</u>	<u>30,288</u>	<u>64,081</u>	<u>472,843</u>
Year ended December 2020						
Opening net book value	2,063	290,402	86,009	30,288	64,081	472,843
Additions	-	11,463	53,216	-	134,499	199,178
Disposals	-	(3,453)	(207)	-	-	(3,660)
Depreciation charge	(239)	(71,460)	(48,797)	(7,564)	(114,844)	(242,904)
Other adjustments / transfers	-	116	-	-	105,384	105,500
Closing net book value	<u>1,824</u>	<u>227,068</u>	<u>90,221</u>	<u>22,724</u>	<u>189,120</u>	<u>530,957</u>
At December 31, 2020						
Cost	4,863	610,673	424,147	71,827	362,582	1,474,092
Accumulated depreciation	(3,039)	(383,605)	(333,926)	(49,103)	(173,462)	(943,135)
Net book value	<u>1,824</u>	<u>227,068</u>	<u>90,221</u>	<u>22,724</u>	<u>189,120</u>	<u>530,957</u>
Rate of depreciation (percentage)	<u>5</u>	<u>10-50</u>	<u>14.3-33.33</u>	<u>20</u>	<u>39-41</u>	
2019						
	Building on Lease hold land	Furniture and fixture	Electrical, office and computer equipment	Vehicles	Right-of-Use assets	Total
	(Rupees in '000)					
At January 1, 2019						
Cost	6,295	625,413	513,296	34,977	-	1,179,981
Accumulated depreciation	(3,993)	(257,793)	(426,171)	(34,946)	-	(722,903)
Net book value	<u>2,302</u>	<u>367,620</u>	<u>87,125</u>	<u>31</u>	<u>-</u>	<u>457,078</u>
Year ended December 2019						
Opening net book value	2,302	367,620	87,125	31	-	457,078
Impact of adoption of IFRS 16	-	-	-	-	122,699	122,699
Adjusted opening net book value	2,302	367,620	87,125	31	122,699	579,777
Additions	-	7,095	46,808	37,821	-	91,724
Disposals	-	-	-	-	-	-
Depreciation charge	(239)	(58,678)	(45,415)	(7,564)	(58,618)	(170,514)
Other adjustments / transfers	-	(25,635)	(2,509)	-	-	(28,144)
Closing net book value	<u>2,063</u>	<u>290,402</u>	<u>86,009</u>	<u>30,288</u>	<u>64,081</u>	<u>472,843</u>
At December 31, 2019						
Cost / Revalued amount	6,295	606,873	557,595	72,746	122,699	1,366,208
Accumulated depreciation	(4,232)	(316,471)	(471,586)	(42,458)	(58,618)	(893,365)
Net book value	<u>2,063</u>	<u>290,402</u>	<u>86,009</u>	<u>30,288</u>	<u>64,081</u>	<u>472,843</u>
Rate of depreciation (percentage)	<u>5</u>	<u>10-50</u>	<u>14.3-33.33</u>	<u>20</u>	<u>38-75</u>	

10.2 The cost of fully depreciated assets still in use amounts to Rs. 333.974 million (2019: Rs. 471.245 million).

11	OTHER ASSETS	Note	2020 (Rupees in '000)	2019
	Income / Mark-up accrued in local currency		1,116,092	2,054,893
	Income / Mark-up accrued in foreign currency		31,696	42,951
	Advances, deposits, advance rent and other prepayments		78,909	86,346
	Advance taxation (payments less provisions)		275,504	-
	Non-banking assets acquired in satisfaction of claims	11.2	7,954	7,954
	Branch adjustment account		1,247	-
	Mark to market gain on forward foreign exchange contracts		1,033,201	981,152
	Acceptances		1,199,226	2,649,485
	Others		12,914	8,712
			<u>3,756,743</u>	<u>5,831,493</u>
	Less: Provision held against other assets	11.1 & 11.3	7,954	7,954
	Other Assets (Net of Provision)		<u>3,748,789</u>	<u>5,823,539</u>
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		-	-
	Other Assets - total		<u>3,748,789</u>	<u>5,823,539</u>

11.1 The management has made provision against the amount of non-banking assets acquired in satisfaction of claims taking a conservative view. Therefore, the management has not disclosed the market value of these assets.

11.2	Non-banking assets acquired in satisfaction of claims	2020 (Rupees in '000)	2019
	Opening Balance	7,954	7,954
	Additions	-	-
	Revaluation	-	-
	Disposals	-	-
	Depreciation	-	-
	Impairment	-	-
	Closing Balance	<u>7,954</u>	<u>7,954</u>

11.3	Provision held against other assets	2020 (Rupees in '000)	2019
	Non banking assets acquired in satisfaction of claims	<u>7,954</u>	<u>7,954</u>

11.3.1	Movement in provision held against other assets	2020 (Rupees in '000)	2019
	Opening balance	7,954	7,954
	Charge for the year	-	-
	Reversals	-	-
	Amount Written off	-	-
	Closing balance	<u>7,954</u>	<u>7,954</u>

12. CONTINGENT ASSETS

There were no contingent assets of the Bank as at 31 December 2020 (2019: Nil).

13. BILLS PAYABLE	Note	2020	2019
(Rupees in '000)			
In Pakistan		1,475,556	2,040,458
		<u>1,475,556</u>	<u>2,040,458</u>
14. BORROWINGS			
Secured			
Repurchase agreement borrowings	14.1	18,617,722	5,495,460
Total secured		<u>18,617,722</u>	<u>5,495,460</u>
Unsecured			
Call borrowings	14.2	-	6,193,904
Overdrawn nostro accounts		231,011	9,460
Total unsecured		<u>231,011</u>	<u>6,203,364</u>
		<u>18,848,733</u>	<u>11,698,824</u>

14.1 This represents secured borrowing that carries mark-up rate of 6.40% to 7.00% (2019: 13.20%) per annum and are due to mature in January 2021 (2019: January 2020).

14.2 This represents unsecured borrowing that carries mark-up rate of NIL (2019: 1.5% to 1.55%) per annum and are due to mature in NIL (2019: January 2020).

14.3 Particulars of borrowings with respect to Currencies	2020	2019
(Rupees in '000)		
In local currency	18,617,722	5,495,460
In foreign currencies	231,011	6,203,364
	<u>18,848,733</u>	<u>11,698,824</u>

15. **DEPOSITS AND OTHER ACCOUNTS**

	2020			2019		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- (Rupees in '000) -----						
Customers						
Current deposits	27,878,505	1,556,612	29,435,117	34,552,809	855,697	35,408,506
Savings deposits	62,204,324	6,044,384	68,248,708	40,800,675	5,166,689	45,967,364
Term deposits	14,330,316	34,903	14,365,219	25,742,318	33,814	25,776,132
Others	3,143,901	4,101	3,148,002	3,013,179	10,760	3,023,939
	<u>107,557,046</u>	<u>7,640,000</u>	<u>115,197,046</u>	104,108,981	6,066,960	110,175,941
Financial Institutions						
Current deposits	1,865,087	1,176,758	3,041,845	2,902,443	153,707	3,056,150
	<u>1,865,087</u>	<u>1,176,758</u>	<u>3,041,845</u>	2,902,443	153,707	3,056,150
	<u>109,422,133</u>	<u>8,816,758</u>	<u>118,238,891</u>	107,011,424	6,220,667	113,232,091

15.1 Composition of deposits

	2020	2019
	(Rupees in '000)	
- Individuals	221,916	217,098
- Public Sector Entities	26,337	289,149
- Banking Companies	4,466,641	3,972,759
- Non-Banking Financial Institutions	1,769,523	1,560,880
- Private Sector	<u>111,754,474</u>	<u>107,192,205</u>
	<u>118,238,891</u>	<u>113,232,091</u>

15.2 This includes deposits eligible to be covered under insurance arrangements amounting to Rs. 238.900 million (2019: Rs. 227.500 million).

16. DEFERRED TAX (LIABILITIES) / ASSETS

2020			
At January 1, 2020	Recognised in Profit and Loss Account	Recognised in OCI / equity	At December 31, 2020
(Rupees in 000)			
Deductible Temporary Differences on			
- Post retirement employee benefits	79,205	-	6,455
- Accelerated tax depreciation	4,586	17,829	-
- Provision against advances	-	-	-
	83,791	17,829	6,455
			108,075
Taxable Temporary Differences on			
- Surplus on revaluation of investments	(56,164)	-	(9,588)
- effect of re-measurement of cost under share based payment	(86,985)	-	(3)
- Unrealized gain on derivatives	183,507	(189,713)	-
	40,358	(189,713)	(9,591)
			(158,946)
	124,149	(171,884)	(3,136)
			(50,871)
2019			
At January 1, 2019	Recognised in Profit and Loss Account	Recognised in OCI	At December 31, 2019
(Rupees in 000)			
Deductible Temporary Differences on			
- Post retirement employee benefits	73,151	-	6,054
- Accelerated tax depreciation	(9,999)	14,585	-
- Unrealized gain on derivatives	(58,023)	241,530	-
	5,129	256,115	6,054
			267,298
Taxable Temporary Differences on			
- Surplus on revaluation of investments	40,669	-	(96,833)
- Accelerated tax depreciation	-	-	-
- effect of re-measurement of cost under share based payment	(86,985)	-	-
	(46,316)	-	(96,833)
			(143,149)
	(41,187)	256,115	(90,779)
			124,149

17. OTHER LIABILITIES	Note	2020 (Rupees in '000)	2019
Mark-up / Return / Interest payable in local currency		242,031	643,022
Mark-up / Return / Interest payable in foreign currency		1,368	20,109
Unearned commission and income on bills discounted		26,233	68,033
Accrued expenses	17.1 & 17.2	1,324,364	990,344
Current taxation (provisions less payments)		-	175,612
Acceptances		1,199,226	2,649,485
Mark to market loss on forward foreign exchange contracts		1,017,289	1,505,458
Unremitted head office expenses		936,972	1,289,949
Payable to regional offices for support services		17,463	23,984
Payable to defined benefit plan		266,887	219,997
Payable on account of sale proceeds of securities held under custody		1,650,716	1,052,087
Payable on account of sale proceeds of shares sold by an associated undertaking		136,033	136,033
Lease liability against right-of-use assets		126,712	61,015
Clearing Account balances		834,753	25,131
Unclaimed deposit balances		945,447	921,181
Others		817,118	750,172
		9,542,612	10,531,612

17.1 This includes the Bank's obligation to the head office under the stock award and stock option programmes. As of December 31, 2020 recognised liability for share based incentive plans was Rs. 245.609 million (2019: Rs. 217.986 million).

17.2 The Supreme Court of Pakistan vide its order dated November 10, 2016 has held that the amendments made in the law introduced by the Federal Government for the levy of Workers Welfare Fund were not lawful as this is not in the nature of tax and therefore could not have been introduced through the money bill. The Federal Board of Revenue has filed review petitions against the above judgment. These petitions are currently pending with the Supreme Court of Pakistan.

A legal advice has been obtained by the Pakistan Banks Association which highlights that consequent to filing of these review petitions, a risk has arisen and the judgment is not conclusive or final till the review petitions are decided. Accordingly, the Bank maintains full provision of Rs. 252.638 million in respect of federal WWF law from the date of its levy till December 2013. Further the Bank maintains provision of Rs. 809.865 million against Sind and Punjab WWF laws from the date of its levy till December 31, 2020. The bank along with the banking industry has challenged the Sind WWF levy which is pending in Court. No notice has been received from Punjab Revenue Authority in respect of its WWF law.

18. HEAD OFFICE CAPITAL ACCOUNT	2020 (Rupees in '000)	2019
<u>Capital held as:</u>		
Deposit of un-encumbered approved securities	6,812,671	6,812,671

18.1 This represents Market Treasury Bills having face value of Rs. 7,684 million (2019: Rs. 7,684 million). The market value of Market Treasury Bills amounts to Rs. 7,282 million (2019: Rs. 7,026 million) and these have maturities of up to October 2021 (2019: September 2020).

18.2 Capital has been deposited with the State Bank of Pakistan in compliance with section 13 of the Banking Companies Ordinance, 1962.

19. SURPLUS ON REVALUATION OF ASSETS	<i>Note</i>	2020	2019
		(Rupees in '000)	
Surplus on revaluation of			
- Available for sale securities	8.1	168,593	160,466
Deferred tax on surplus on revaluation of:			
- Available for sale securities		(65,752)	(56,164)
		102,841	104,302

20. CONTINGENCIES AND COMMITMENTS

-Guarantees	20.1	1,541,777	1,831,370
-Commitments	20.2	227,621,840	204,598,091
-Other contingent liabilities	20.3	239,765	232,767
		229,403,382	206,662,228

20.1 Guarantees:

Financial guarantees	202	202
Performance guarantees	1,541,575	1,751,670
Other guarantees	-	79,498
	1,541,777	1,831,370

20.2 Commitments:

Documentary credits and short-term trade-related transactions		9,609,444	14,985,438
- letters of credit			
Commitments in respect of:			
- forward foreign exchange contracts	20.2.1	196,867,719	166,956,852
- forward government securities transactions	20.2.2	19,267,722	8,450,851
- forward lending	20.2.3	1,870,826	1,811,131
Commitments for acquisition of:			
- operating fixed assets		6,129	6,011
Other commitments	20.2.4	-	12,387,808
		227,621,840	204,598,091

20.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	91,281,050	88,015,717
Sale	105,586,669	78,941,135
	196,867,719	166,956,852

20.2.2	Commitments in respect of forward government securities transactions	<i>Note</i>	2020	2019
		(Rupees in '000)		
	Purchase		18,627,719	5,497,446
	Sale		640,003	2,953,405
			19,267,722	8,450,851

20.2.3 Commitments in respect of forward lending

Undrawn formal standby facilities, credit lines and other commitments to lend	<i>20.2.3.1</i>	1,870,826	1,811,131
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20.2.3.1 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Bank without the risk of incurring significant penalty or expense.

20.2.4	Other commitments	<i>Note</i>	2020	2019
		(Rupees in '000)		
	Forward borrowing		-	12,387,808
	Forward placement		-	-
			-	12,387,808

20.3 Other contingent liabilities

Claims not acknowledged as debt	<i>20.3.1</i>	239,765	232,767
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20.3.1 These are not recognised as debt as the probability of these crystallising against the Bank is considered remote.

21. DERIVATIVE INSTRUMENTS

A derivative financial instrument is a contract the value of which is determined by reference to one or more underlying financial instruments, reference rates or indices. Forward contracts, options and swaps are the most common types of derivatives. Also included in derivatives are structured financial products that have one or more characteristics of forwards, futures, swaps and options.

The Bank enters into derivatives contracts for market making and for creating effective hedges to enable customers and the Bank to transfer, modify or reduce their interest rate and foreign exchange risks. The Bank as an Authorised Derivative Dealer (ADD) is an active participant in the derivative market of Pakistan.

Overall responsibility for derivatives trading activity lies with the Treasury. Existence of an independent market risk function together with the Asset Liability Committee (ALCO) assists in the identification and quantification of risks on derivatives. This involves:

- co-ordinating approvals of market risk limits;
- formulation of policies and procedures with respect to market risk; and
- monitoring of Market risk and Credit risk exposure.

Treasury operations records transactions in the books, while product control reports the price and liquidity information independently.

21.2 The fair value of derivative financial instruments have been determined using valuation techniques with significant inputs such as forecasted market interest rates and foreign exchange rates. The determination of the fair value of these instruments is most sensitive to these key assumptions. Any significant change in these key assumptions may have an effect on the fair value of these derivative financial instruments.

21.3 Risk management related to derivatives is discussed in note 41.

22. MARK-UP / RETURN / INTEREST EARNED	<i>Note</i>	2020	2019
(Rupees in '000)			
On:			
a) Loans and advances		5,136,845	6,293,358
b) Investments		8,816,904	5,681,081
c) Lendings to financial institutions		724,620	2,383,241
d) Balances with banks		45,073	145,092
		<u>14,723,442</u>	<u>14,502,772</u>
23. MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		6,433,716	6,154,772
Borrowings		672,439	522,301
Cost of foreign currency swaps against foreign currency deposits / borrowings		388,810	469,638
		<u>7,494,965</u>	<u>7,146,711</u>
24. FEE AND COMMISSION INCOME			
Branch banking customer fees		24,943	22,496
Card related fees (debit and credit cards)		5,252	11,418
Credit related fees		-	390
Custody related fees		372,863	351,531
Commission on trade		147,747	159,292
Commission on guarantees		15,242	9,811
Commission on cash management		112,345	308,137
Commission on remittances including home remittances		14	27
Others		11,714	11,688
		<u>690,120</u>	<u>874,790</u>
25. GAIN / (LOSS) ON SECURITIES			
Realised	25.1	1,027,782	12
Unrealised - held for trading	8.1	25,719	(2,225)
		<u>1,053,501</u>	<u>(2,213)</u>
25.1 Realised gain on:			
Federal Government Securities		1,027,782	12
		<u>1,027,782</u>	<u>12</u>
26. OTHER (LOSS) / INCOME			
(Loss) / gain on sale of fixed assets - net		(2,965)	10
Sale of non-capitalized assets		-	100
Incidental Income		555	31
		<u>(2,410)</u>	<u>141</u>

27. OPERATING EXPENSES	Note	2020	2019
		(Rupees in '000)	
Total compensation expense	27.1	795,013	746,263
Property expense			
Rent & taxes		13,051	44,386
Insurance		-	18
Utilities cost		31,920	33,417
Security (including guards)		42,673	45,896
Repair & maintenance (including janitorial charges)		89,018	72,143
Depreciation		71,699	58,916
Depreciation on right-of-use assets		114,844	58,618
Interest expense on lease liability against right-of-use assets		21,146	14,915
Others		882	379
		385,233	328,688
Information technology expenses			
Software maintenance		45,772	28,960
Hardware maintenance		9,135	1,368
Depreciation		48,797	45,416
Network charges		46,406	45,241
Others		2,038	1,329
		152,148	122,314
Other operating expenses			
Legal & professional charges		49,330	37,547
Outsourced services costs (refer note 32.1)		94,721	215,742
Travelling & conveyance		19,786	75,363
NIFT clearing charges		5,966	4,859
Depreciation		7,564	7,564
Training & development		172	1,703
Postage & courier charges		24,043	26,396
Communication		33,165	24,532
Head office expenses	27.4	(352,977)	806,602
Stationery & printing		22,948	25,822
Marketing, advertisement & publicity		17	1,905
Donations	27.2	4,700	3,950
Auditors Remuneration	27.3	3,670	4,539
Banking Service Charges		84,965	121,146
Brokerage and commission		34,461	64,807
Card Association Fees		52,161	42,284
Record Management Expenses		34,714	29,280
Others		13,234	40,945
		132,640	1,534,986
		1,465,034	2,732,251

The Bank has incurred outsourced services cost of Rs. 18.928 million (2019: Rs. 75.268 million) pertaining to payments to companies incorporated outside Pakistan and Rs. 75.793 million (2019: Rs. 140.474 million) pertaining to payments to companies incorporated in Pakistan.

The Bank has outsourced some of its activities to Citi-affiliated entities incorporated outside Pakistan. These include, among others, KYC and AML transaction monitoring, FATCA validation and reporting, e-statement, Electronic Communication surveillance, Regulatory report production, Data hosting, system and infrastructure support, Suppliers' management and payment processing, and Commercial Cards processing and printing.

27.1 Total compensation expense	2020	2019
	(Rupees in '000)	
Fees and Allowances etc	-	-
Managerial Remuneration		
i) Fixed	472,975	417,901
ii) Variable		
of which;		
a) Cash Bonus / Awards etc.	92,266	116,697
b) Bonus & Awards in Shares etc.	29,634	14,567
Charge for defined benefit plan	52,385	46,838
Contribution to defined contribution plan	30,640	27,465
Rent & house maintenance	35,058	34,324
Utilities	3,176	7,191
Medical	23,095	16,654
Conveyance	48,455	28,702
Professional membership fees reimbursement	240	248
Others	-	932
Sub-total	787,924	711,519
Severance Allowance *	7,089	34,744
Grand Total	795,013	746,263

* The number of persons paid severance allowance was 03 (2019: 08).

27.2 Donations above Rs. 0.5 Million	2020	2019
	(Rupees in '000)	
Sindh Healthcare Commission	4,100	-
Patients Aid Foundation	-	1,000
The Kidney Centre Post Graduate Training Institute	600	-
Marie Adelaide Leprosy Centre	-	800
Donations individually not exceeding Rs. 500,000	-	2,150
	<u>4,700</u>	<u>3,950</u>

27.2.1 Donations were not made to any donee in which key management personnel or their spouse had any interest.

27.3 Auditors' remuneration	2020	2019
	(Rupees in '000)	
Audit fee	1,780	1,780
Fee for the half yearly review	491	491
Special certifications and other services	1,074	1,886
Out-of-pocket expenses	325	382
	<u>3,670</u>	<u>4,539</u>

27.4 Head office expenses are estimated based on head office certificate of prior year and are subject to true ups / actualisation.

28. OTHER CHARGES	<i>Note</i>	2020	2019
		(Rupees in '000)	
Penalties imposed by State Bank of Pakistan		-	60

29. PROVISIONS / (REVERSALS) & WRITE OFFS - NET

Provision / (reversal) against loans & advances	9.4	<u>13,300</u>	<u>(58,686)</u>
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30. TAXATION

Current	3,997,521	3,747,582
Prior years	-	169,210
Deferred	171,884	(256,114)
	<u>4,169,405</u>	<u>3,660,678</u>

30.1 Relationship between tax expense and accounting profit

Profit before taxation	<u>10,925,833</u>	<u>8,493,543</u>
Taxation at the applicable tax rate of 35% (2019: 35%)	3,824,042	2,972,740
Taxation at the applicable Super tax rate of 4% (2019: 4%)	437,033	339,742
Prior year charge		
- Current tax	-	-
- Super tax	-	169,210
Taxation effect of expenses / income that are not deductible / taxable in determining taxable income	(100,809)	172,592
Others	9,139	6,394
	<u>4,169,405</u>	<u>3,660,678</u>

30.2 The Income Tax returns of the Bank have been filed up to the tax year 2020 (accounting year ended December 31, 2019).

The income tax authorities have issued amended assessment orders for up to tax years 2018, and created additional tax demands (including disallowances of tax loss on disposal of fixed asset, bad debt written off and charging of Minimum Tax) of Rs. 392 million (December 31, 2019: Rs. 392 million), which have been fully paid as required under the law. The Bank has filed appeals before the appellate forums against these amendments. Where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. Where the appellate authorities have not allowed relief, the Bank has filed appeals before higher appellate forums. The management of the Bank, in consultation with its tax advisor, is confident that the appeals will be decided in favour of the Bank.

FBR has started proceedings for monitoring of withholding taxes under section 161 of the Income Tax Ordinance 2001 and has passed an order creating demand of Rs. 127 million for the calendar years 2005 and 2006. Penalty amount on alleged short tax payment is Rs. 6.39 million. Surcharge amount for alleged short tax payment, if any, will be in addition to it. Bank has filed appeals and obtained stay against the demand from Commissioner Appeals. No provision has been booked for this demand in the books of accounts as management is of the view that bank will be able to defend its position in a court of law. Bank's view is supported by external counsel opinion.

31. CASH AND CASH EQUIVALENTS	2020	2019
	(Rupees in '000)	
Cash and balance with treasury banks	11,342,260	11,202,518
Balance with other banks	21,386,856	805,867
Overdrawn nostros	(231,011)	(9,460)
	<u>32,498,105</u>	<u>11,998,925</u>

31.1 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2020				2020			
	Liabilities				Equity			
	Bills payable	Borrowings	Deposits and other accounts	Other liabilities	Head office capital account	Reserves	Surplus / (Deficit) on revaluation of assets	Unremitted profit
	(Rupees in '000)							
Balance as at 01 January 2020	2,040,458	11,689,364	113,232,091	10,531,612	6,812,671	161,543	104,302	4,821,622
Changes from financing cash flows								
Proceeds from sub-ordinated debt	-	-	-	-	-	-	-	-
Profit repatriated to head office during the year	-	-	-	-	-	-	-	(4,821,622)
Total changes from financing cash flows	2,040,458	11,689,364	113,232,091	10,531,612	6,812,671	161,543	104,302	-
Other changes								
Liability-related								
Changes in bills payable	(564,902)	-	-	-	-	-	-	-
Changes in borrowings	-	6,928,358	-	-	-	-	-	-
Changes in deposits and other accounts	-	-	5,006,800	-	-	-	-	-
Changes in other liabilities	-	-	-	-	-	-	-	-
- Cash based	-	-	-	(1,143,346)	-	-	-	-
- Non-cash based	-	-	-	154,346	-	7	-	(10,096)
Profit for the year	-	-	-	-	-	-	-	6,756,428
Changes in surplus on revaluation of assets	-	-	-	-	-	-	(1,461)	-
	(564,902)	6,928,358	5,006,800	(989,000)	-	7	(1,461)	6,746,332
Balance as at 31 December 2020	1,475,556	18,617,722	118,238,891	9,542,612	6,812,671	161,550	102,841	6,746,332

	2019				2019			
	Liabilities				Equity			
	Bills payable	Borrowings	Deposits and other accounts	Other liabilities	Head office capital account	Reserves	Surplus / (Deficit) on revaluation of assets	Unremitted profit
	(Rupees in '000)							
Balance as at 01 January 2019	4,199,017	13,886,190	95,036,059	16,928,628	6,812,671	161,543	(75,530)	3,720,846
Changes from financing cash flows								
Proceeds from sub-ordinated debt	-	-	-	-	-	-	-	-
Profit repatriated to head office during the year	-	-	-	-	-	-	-	(3,720,846)
Total changes from financing cash flows	4,199,017	13,886,190	95,036,059	16,928,628	6,812,671	161,543	(75,530)	-
Other changes								
Liability-related								
Changes in bills payable	(2,158,559)	-	-	-	-	-	-	-
Changes in borrowings	-	(2,196,826)	-	-	-	-	-	-
Changes in deposits and other accounts	-	-	18,196,032	-	-	-	-	-
Changes in other liabilities	-	-	-	-	-	-	-	-
- Cash based	-	-	-	(6,634,121)	-	-	-	-
- Non-cash based	-	-	-	237,105	-	-	-	(11,243)
Profit for the year	-	-	-	-	-	-	-	4,832,865
Changes in surplus on revaluation of assets	-	-	-	-	-	-	179,832	-
	(2,158,559)	(2,196,826)	18,196,032	(6,397,016)	-	-	179,832	4,821,622
Balance as at 31 December 2019	2,040,458	11,689,364	113,232,091	10,531,612	6,812,671	161,543	104,302	4,821,622

32. STAFF STRENGTH

	2020	2019
	(Number)	
Permanent	149	133
Bank's own staff strength at the end of the year	<u>149</u>	<u>133</u>

32.1 In addition to the above, 114 (2019: 135) employees of outsourcing services companies were assigned to the Bank as at the end of the year to perform services other than guarding and janitorial services.

33. DEFINED BENEFIT PLAN

33.1 General description

All permanent employees with a minimum service period of five years or more with the Bank are entitled to end of service benefits calculated at 130 percent of basic salary for each year of service with the Bank. The assets of the funded plan are held independently in a separate trustee administered fund.

33.2 Number of Employees under the scheme

The number of employees covered under the following defined benefit schemes are:

	2020	2019
	(Number)	
- Gratuity fund	147	134

33.3 Principal actuarial assumptions

The actuarial valuations were carried out as at December 31, 2020 using the following significant assumptions:

	2020 (Per annum)	2019
Discount rate	9.75%	11.30%
Expected rate of return on plan assets	9.75%	11.30%
Expected rate of salary increase	8.75%	10.30%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in Pakistan. The rates assumed are based on the adjusted State Life Insurance Corporation 2001 - 2005 mortality tables with one year age set back.

33.4 Reconciliation of payable to defined benefit plans	Note	Gratuity fund	
		2020	2019
		(Rupees in '000)	
Present value of obligations		307,864	279,722
Fair value of plan assets		(40,977)	(59,725)
Payable		<u>266,887</u>	<u>219,997</u>
33.5 Movement in defined benefit obligations			
Obligations at the beginning of the year		279,722	263,842
Current service cost		28,994	26,717
Interest cost		28,643	30,739
Benefits paid		(41,203)	(57,855)
Re-measurement loss		11,708	16,279
Obligations at the end of the year		<u>307,864</u>	<u>279,722</u>
33.6 Movement in fair value of plan assets			
Fair value at the beginning of the year		59,725	84,823
Interest income on plan assets		5,252	10,618
Contributions- net		22,046	23,157
Benefits paid		(41,203)	(57,855)
Re-measurements: Net return on plan assets over interest income loss	33.8.2	(4,843)	(1,018)
Fair value at the end of the year		<u>40,977</u>	<u>59,725</u>
33.7 Movement in payable under defined benefit schemes			
Opening balance		219,997	179,019
Charge for the year		52,385	46,838
Contributions - net		(22,046)	(23,157)
Re-measurement loss recognised in OCI during the year	33.8.2	16,551	17,297
Closing balance		<u>266,887</u>	<u>219,997</u>
33.8 Charge for defined benefit plans			
33.8.1 Cost recognised in profit and loss			
Current service cost		28,994	26,717
Net interest on defined benefit liability		23,391	20,121
		<u>52,385</u>	<u>46,838</u>

33.8.2 Re-measurements recognised in OCI during the year	Gratuity fund	
	2020	2019
	(Rupees in '000)	
Loss on obligation		
- Financial assumptions	-	-
- Experience adjustment	11,708	16,279
Return on plan assets over interest income	4,843	1,018
Total re-measurements recognised in OCI	<u>16,551</u>	<u>17,297</u>

33.9 Components of plan assets

Cash and cash equivalents - net	6,306	3,151
Government Securities	34,300	54,850
Total	<u>40,606</u>	<u>58,001</u>

33.10 Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Gratuity Fund 2020 (Rupees in '000)
1% increase in discount rate	286,298
1% decrease in discount rate	332,283
1 % increase in expected rate of salary increase	333,791
1 % decrease in expected rate of salary increase	284,621

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the Statement of Financial Position.

	2020 (Rupees in '000)
33.11 Expected contributions to be paid to the funds in the next financial year	<u>23,420</u>
33.12 Expected charge for the next financial year	<u>54,737</u>

33.13 Maturity profile

The weighted average duration of the obligation is 8 years.

33.14 Funding Policy

Funding levels are monitored on an annual basis and are based on actuarial recommendations. Through its defined benefit gratuity plan, the Fund is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The Fund believes that due to long-term nature of the plan liabilities and the strength of the Bank's support, current investment strategy manages this risk adequately.
Inflation risk	The majority of the plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities. However, plan assets are variable rate instruments and are re-priced at regular intervals to off-set inflationary impacts.
Life expectancy / Withdrawal rate	The majority of the plans' obligations are to provide benefits on severance with the Bank on achieving retirement. Any change in life expectancy / withdrawal rate would impact plan liabilities.

33.15 The plan assets and defined benefit obligations are based in Pakistan.

34. DEFINED CONTRIBUTION PLAN

All permanent employees of the Bank are entitled to end of service benefits through a recognised provident fund, whereby the Bank and all permanent employees are required to make monthly contributions to the scheme at 10 percent of basic salary.

During the year, the Bank contributed Rs. 30.640 million (2019: Rs. 27.465 million) in respect of the defined contribution plan.

35. COMPENSATION OF CHIEF EXECUTIVE AND EXECUTIVES

	Citi Country Officer		Executives	
	2020	2019	2020	2019
----- (Rupees in '000) -----				
Managerial remuneration	41,396	65,151	434,600	316,935
Charge for defined benefit plan	2,083	2,499	20,610	18,592
Contribution to defined contribution plan	2,500	3,000	24,742	22,319
Rent and house maintenance	19,019	19,296	98,969	89,276
Utilities	4,881	5,090	24,742	22,319
Medical	1,004	324	2,399	1,570
Others	5,610	4,155	67,757	61,198
	76,493	99,515	673,819	532,209
Number of persons	1	1	92	61

35.1 The Bank also provides free use of furnished accommodation and bank maintained car to the Citi Country Officer (CCO).

36. FAIR VALUE MEASUREMENTS

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in principal or, in its absence, the most advantageous market to which the Bank has access at that date.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

36.1 Fair value of financial assets

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

		2020					
Note	Carrying / Notional Value	Fair Value			Total		
		Level 1	Level 2	Level 3			
		(Rupees in '000)					
On balance sheet financial instruments							
Financial assets - measured at fair value							
Investments							
	Federal Government Securities	87,892,745	-	87,892,745	-	87,892,745	
Financial assets - disclosed but not measured at fair value							
	Cash and balances with treasury banks	36.2	11,342,260	-	-	-	
	Balances with other banks	36.2	21,386,856	-	-	-	
	Lendings to financial institutions	36.2	639,581	-	-	-	
	Advances - net	36.2	36,438,869	-	-	-	
	Other financial assets	36.2	3,392,640	-	-	-	
			161,092,951	-	87,892,745	-	87,892,745
Off-balance sheet financial instruments - measured at fair value							
	Forward purchase of foreign exchange		91,281,050	-	91,956,578	-	91,956,578
	Forward sale of foreign exchange		105,586,669	-	104,929,163	-	104,929,163
	Forward purchase contracts of government securities		18,627,719	-	18,627,719	-	18,627,719
	Forward sale contracts of government securities		640,003	-	640,003	-	640,003
		2019					
Note	Carrying / Notional Value	Fair Value			Total		
		Level 1	Level 2	Level 3			
		(Rupees in '000)					
On balance sheet financial instruments							
Financial assets - measured at fair value							
Investments							
	Federal Government Securities		76,154,346	-	76,154,346	-	76,154,346
Financial assets - disclosed but not measured at fair value							
	Cash and balances with treasury banks	36.2	11,202,518	-	-	-	-
	Balances with other banks	36.2	805,867	-	-	-	-
	Lendings to financial institutions	36.2	2,951,301	-	-	-	-
	Advances - net	36.2	51,868,560	-	-	-	-
	Other financial assets	36.2	5,733,651	-	-	-	-
			148,716,243	-	76,154,346	-	76,154,346
Off-balance sheet financial instruments - measured at fair value							
	Forward purchase of foreign exchange		88,015,717	-	87,281,571	-	87,281,571
	Forward sale of foreign exchange		78,941,135	-	79,158,384	-	79,158,384
	Forward Borrowing		12,387,808	-	12,387,808	-	12,387,808
	Forward purchase contracts of government securities		5,497,446	-	5,497,446	-	5,497,446
	Forward sale contracts of government securities		2,953,405	-	2,953,405	-	2,953,405

36.2 The Bank has not disclosed the fair values for these financial assets and liabilities, as these are short term or repriced over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

37. SEGMENT INFORMATION

37.1 Segment Details with respect to Business Activities

The Chief Operating Decision Maker (CODM) is the Managing Director and Citi Country Officer of the Bank. The segment analysis with respect to business activity presented to the CODM is as follows:

	2020		
	Corporate Banking	Treasury	Total
	----- (Rupees in '000) -----		
Profit & Loss			
Net mark-up / return / profit	(1,296,871)	8,525,348	7,228,477
Inter segment revenue - net	4,934,754	(4,934,754)	-
Non mark-up / return / interest income	687,433	4,704,799	5,392,232
Total Income	4,325,316	8,295,393	12,620,709
Segment direct expenses	1,260,019	421,557	1,681,576
Total expenses	1,260,019	421,557	1,681,576
Provisions	13,300	-	13,300
Profit before tax	3,051,997	7,873,836	10,925,833

	Corporate Banking	Treasury	Total
	----- (Rupees in '000) -----		
Balance Sheet			
Cash & Bank balances	212,047	32,517,069	32,729,116
Investments	-	87,892,745	87,892,745
Net inter segment lending	91,107,997	(91,107,997)	-
Lendings to financial institutions	-	639,581	639,581
Advances - performing	36,438,869	-	36,438,869
- non-performing net of provision	-	-	-
Others	2,871,645	1,408,101	4,279,746
Total Assets	130,630,558	31,349,499	161,980,057
Borrowings	-	18,848,733	18,848,733
Deposits & other accounts	116,727,819	1,511,072	118,238,891
Net inter segment borrowing	(91,107,997)	91,107,997	-
Others	10,041,350	1,027,689	11,069,039
Total liabilities	35,661,172	112,495,491	148,156,663
Equity	3,861,390	9,962,004	13,823,394
Total Equity & liabilities	39,522,562	122,457,495	161,980,057
Contingencies & Commitments	13,267,941	216,135,441	229,403,382

	2019		
	Corporate Banking	Treasury	Total
	(Rupees in '000)		
Profit & Loss			
Net mark-up / return / profit	138,586	7,217,475	7,356,061
Inter segment revenue - net	4,106,202	(4,106,202)	-
Non mark-up / return / interest income	874,865	3,109,208	3,984,073
Total Income	5,119,653	6,220,481	11,340,134
Segment direct expenses	1,938,298	966,979	2,905,277
Total expenses	1,938,298	966,979	2,905,277
Reversal of provisions	(58,686)	-	(58,686)
Profit before tax	3,240,041	5,253,502	8,493,543

	Corporate Banking	Treasury	Total
	(Rupees in '000)		
Balance Sheet			
Cash & Bank balances	194,538	11,813,847	12,008,385
Investments	-	76,154,346	76,154,346
Net inter segment lending	69,890,836	(69,890,836)	-
Lendings to financial institutions	-	2,951,301	2,951,301
Advances - performing	51,866,605	-	51,866,605
- non-performing net of provision	1,955	-	1,955
Others	5,212,272	1,208,259	6,420,531
Total Assets	127,166,206	22,236,917	149,403,123
Borrowings	-	11,698,824	11,698,824
Subordinated debt	-	-	-
Deposits & other accounts	111,564,357	1,667,734	113,232,091
Net inter segment borrowing	(69,890,836)	69,890,836	-
Others	11,062,294	1,509,776	12,572,070
Total liabilities	52,735,815	84,767,170	137,502,985
Equity	4,539,556	7,360,582	11,900,138
Total Equity & liabilities	57,275,371	92,127,752	149,403,123
Contingencies & Commitments	18,866,717	187,795,511	206,662,228

38. TRUST ACTIVITIES

The Bank acts as security trustee on a small number of transactions which are not significant in relation to the size and volume of the Bank's activities. The service is viewed as an ancillary offering for certain transactions.

39. RELATED PARTY TRANSACTIONS

Transactions with related parties comprise of transactions in the normal course of business with other branches of Citibank, N.A. outside Pakistan, other direct and indirect subsidiaries of Citigroup, retirement benefit plans and key management personnel of the Bank.

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk.

Contributions to and accruals in respect of staff retirements and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to executives is determined in accordance with the terms of their employment.

	2020		2019	
	Head Office	Branches and other related parties	Head Office	Branches and other related parties
----- (Rupees in '000) -----				
Balances with other banks				
In current accounts	21,132,632	244,085	509,097	251,108
	<u>21,132,632</u>	<u>244,085</u>	<u>509,097</u>	<u>251,108</u>
Other Assets				
Interest / mark-up accrued	2,689	2,345	2,021	6,292
Other receivables	-	-	-	-
Unrealised gain on foreign exchange contracts	-	858,993	-	381,991
	<u>2,689</u>	<u>861,338</u>	<u>2,021</u>	<u>388,283</u>
Borrowings				
Opening balance	-	6,193,904	-	13,886,190
Borrowings during the year	-	1,193,707,615	-	1,107,632,815
Settled during the year	-	(1,199,901,519)	-	(1,115,325,101)
Closing balance	-	-	-	6,193,904
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,193,904</u>
Overdrawn Nostros	-	230,514	-	9,460
	<u>-</u>	<u>230,514</u>	<u>-</u>	<u>9,460</u>
Deposits and other accounts				
Opening balance	12,931	1,797,435	766	706,394
Received during the year	11,233	2,330,060	23,446	4,479,696
Withdrawn during the year	(18,598)	(2,460,839)	(11,281)	(3,388,655)
Closing balance	<u>5,566</u>	<u>1,666,656</u>	<u>12,931</u>	<u>1,797,435</u>
Other Liabilities				
Interest / mark-up payable	-	-	-	262
Unremitted Head Office Expense	936,972	-	1,289,949	-
Unrealised loss on foreign exchange contracts	-	125,239	-	330,386
Payable to defined benefit plan	-	266,887	-	219,997
Payable to associated undertakings	-	1,786,749	-	1,188,120
Payable for expenses and share based payments	247,609	17,463	217,986	23,984
	<u>1,184,581</u>	<u>2,196,338</u>	<u>1,507,935</u>	<u>1,762,749</u>
Contingencies and Commitments				
Forward exchange contracts				
Purchase	-	43,445,066	-	30,252,904
Sales	-	43,295,006	-	30,261,304
Counter guarantees to branches	73,867	336,028	83,038	678,301
	<u>73,867</u>	<u>87,076,100</u>	<u>83,038</u>	<u>61,192,509</u>
Income				
Mark-up / return / interest earned	43,061	371	129,240	773
Fee and commission income	16,258	88,838	16,883	281,028
Net loss on sale of securities	-	(1,852)	-	(3,084)
Foreign Exchange Income	557	20,289	622	13,751
Expense				
Mark-up / return / interest paid	27	58,140	97	106,123
Regional expenses for support services	13,648	5,334	7,669	67,599
Head office expenses	(352,977)	-	806,602	-
Contribution to staff retirement benefit funds	-	52,686	-	50,622
Remuneration of Key Management Personnel	-	76,493	-	99,515

40. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

2020 2019
(Rupees in '000)

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	<u>6,812,671</u>	<u>6,812,671</u>
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	<u>13,720,553</u>	<u>11,795,836</u>
Eligible Additional Tier 1 (ADT 1) Capital	<u>-</u>	<u>-</u>
Total Eligible Tier 1 Capital	<u>13,720,553</u>	<u>11,795,836</u>
Eligible Tier 2 Capital	<u>103,047</u>	<u>104,517</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>13,823,600</u>	<u>11,900,353</u>

Risk Weighted Assets (RWAs):

Credit Risk	<u>26,513,780</u>	<u>35,094,976</u>
Market Risk	<u>1,819,952</u>	<u>1,987,232</u>
Operational Risk	<u>19,263,743</u>	<u>15,530,012</u>
Total	<u>47,597,475</u>	<u>52,612,220</u>

Common Equity Tier 1 Capital Adequacy ratio	<u>28.83%</u>	<u>22.42%</u>
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Tier 1 Capital Adequacy Ratio	<u>28.83%</u>	<u>22.42%</u>
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Total Capital Adequacy Ratio	<u>29.04%</u>	<u>22.62%</u>
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The State Bank of Pakistan through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of losses) for Banks / Development Finance Institutions to be raised to Rs. 10 billion by the year ending December 31, 2013. The raise is to be achieved in a phased manner requiring Rs.10 billion capital (net of losses) from the end of the financial year 2013 onwards. However, branches of foreign banks operating in Pakistan whose head office holds paid-up capital (free of losses) of atleast US\$ 300 million, have a CAR of 8% or minimum prescribed by the home regulator and have prescribed number of branches, are allowed to maintain lower amount with prior approval of SBP. In this regard the Bank is maintaining higher capital to support business requirements.

In order to dampen the effects of COVID - 19, SBP via BPRD Circular Letter No. 12 dated 26 March 2020 has given regulatory relief and reduced the Capital Conservation Buffer (CCB) as prescribed vide BPRD Circular No. 6 of 15 August 2013, for the time being, from its existing level of 2.50% to 1.50%, till further instructions.

The capital to risk weighted assets ratio, is calculated in accordance with the SBP guidelines on capital adequacy, under Basel III and Pre-Basel III treatment using Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk.

2020 2019
(Rupees in '000)

Leverage Ratio (LR):

Eligible Tier-1 Capital	<u>13,720,553</u>	<u>11,795,836</u>
Total Exposures	<u>204,816,282</u>	<u>180,389,351</u>
Leverage Ratio	<u>6.70%</u>	<u>6.54%</u>

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	<u>76,849,975</u>	<u>65,953,782</u>
Total Net Cash Outflow	<u>27,517,608</u>	<u>24,431,612</u>
Liquidity Coverage Ratio	<u>279.28%</u>	<u>269.95%</u>

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	<u>123,130,530</u>	<u>113,608,872</u>
Total Required Stable Funding	<u>64,680,917</u>	<u>65,298,947</u>
Net Stable Funding Ratio	<u>190.37%</u>	<u>173.98%</u>

40.1 The full disclosures on the CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS as per SBP instructions issued from time to time are placed on the website. The link to the full disclosures is available at <https://www.citi.com/icg/sa/emea/pakistan/about/announcements/liquidity-statements.html>

41. RISK MANAGEMENT

The Head office capital account of the Bank for the year ended December 31, 2020 stands at Rs 6.813 billion and is in compliance with the SBP requirement for the said period. In addition, the banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 11.50% of the risk weighted exposures of the Bank as of December 31, 2020. The Bank's CAR as at December 31, 2020 was 29.04% of its risk weighted exposure.

A framework for Domestic Systemically Important Bank – (D-SIB) was issued by State Bank of Pakistan in April 2018. Under the framework, the bank is required to hold additional CET 1 capital on its risk weighted assets in Pakistan at the rate applicable on G-SIB. Citigroup Inc., an ultimate parent company, is currently required to maintain 3% additional capital buffer under the G-SIB framework. Accordingly, bank also holds additional 3% under Pillar 1 capital requirement.

The overall risk management framework relies upon the Bank's internal entity wide standards and covers credit, market, operational and liquidity risks, including undertaking, measuring, monitoring and reporting of risks. It may be noted that:

- These standards are governed by specific policies which are defined and documented.
- Risks are measured using defined methodologies.
- Limits for credit, market and liquidity risks are approved by Risk Management, which is "independent" of the business areas.
- Dedicated risk management and control functions are in place for credit, market, liquidity and operational risks.

Additionally, Risk Management maintains oversight of the regulatory, economic, reputational and legal risks associated with the above-mentioned risk areas.

As was reported in the Ultimate Parent Company's (Citigroup's) Annual Report on SEC Form 10-K for the year ended 31 December 2020, Citigroup disclosed that in addition to the widespread public health implications, the emergence of the COVID-19 pandemic has had an extraordinary impact on macroeconomic conditions in the U.S. and around the world.

In considering going concern, the Company continues to closely monitor developments related to the outbreak of COVID-19. The potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers.

During the pandemic, the Company has remained well positioned from a capital and liquidity perspective, and has maintained strong business operations.

The directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore, have prepared the financial statements on a going concern basis.

The State Bank of Pakistan (SBP) has responded to the crisis by cutting the policy rate by 625 basis points to 7 percent and by introducing regulatory measures to maintain banking system soundness and to sustain economic activity. These include (i) reducing the capital conservation buffer by 100 basis points to 1.5 percent; (ii) increasing the regulatory limit on extension of credit to SMEs by 44 percent to Rs 180 million; (iii) relaxing the debt burden ratio for consumer loans from 50 percent to 60 percent; (iv) allowing banks to defer clients' payment of principal on loan obligations by one year; and (v) relaxing regulatory criteria for restructured/rescheduled loans for borrowers who require relief beyond the extension of principal repayment for one year and / or mark-up with no reflection on credit history; and introduction of refinancing schemes for payment of wages and salaries. The Bank is fully aware of the risks associated with COVID-19 and regularly conducting assessments of its portfolio and its operations to ensure the risks are minimized.

41.1 Credit Risk

This represents the potential for financial loss resulting from the failure of a borrower or counterparty to honour its financial or contractual obligations arising out of activities which include lendings, sales and trading, derivatives, securities transaction and settlement.

41.1.1 Corporate credit risk

This risk is managed through the following:

- Single centre of control for each credit relationship that coordinates credit activities with the borrower.
- Documented target market and portfolio concentration limits that establish the credit appetite and minimum acceptable standards (both borrower and industry specific), provide portfolio diversification and maintain risk / capital alignment.
- Consistent standards for credit origination, documentation and remedial management.
- Maintenance of accurate and consistent borrower risk ratings through use of statistical models (periodically validated) or approved scoring methodologies after taking into consideration the available credit risk mitigates.
- Periodic stress testing of the credit portfolio based on emerging or expected risk events.

41.1.2 Lendings to financial institutions

Credit risk by public / private sector

	Gross lendings		Non-performing lendings		Provision held	
	2020	2019	2020	2019	2020	2019
	(Rupees in '000)					
Private	639,581	2,951,301	-	-	-	-

41.1.3 Investment in debt securities

Credit risk by industry sector

	Gross investments		Non-performing investments		Provision held	
	2020	2019	2020	2019	2020	2019
	(Rupees in '000)					
Textile	248,090	248,090	248,090	248,090	248,090	248,090
Financial	87,703,522	75,998,969	-	-	-	-
	87,951,612	76,247,059	248,090	248,090	248,090	248,090

Credit risk by public / private sector

	Gross investments		Non-performing investments		Provision held	
	2020	2019	2020	2019	2020	2019
	(Rupees in '000)					
Public / Government	87,703,522	75,998,969	-	-	-	-
Private	248,090	248,090	248,090	248,090	248,090	248,090
	87,951,612	76,247,059	248,090	248,090	248,090	248,090

41.1.4 Advances

Credit risk by industry sector

	Gross advances		Non-performing advances		Provision held	
	2020	2019	2020	2019	2020	2019
	(Rupees in '000)					
Textile	1,357,456	1,570,491	1,357,456	1,570,491	1,357,456	1,570,491
Chemical and Pharmaceuticals	13,758,722	13,531,328	53,601	54,843	53,601	54,843
Footwear and Leather garments	73,174	73,174	73,174	73,174	73,174	73,174
Automobile and transportation equipment	6,091,217	15,002,342	34,721	34,721	34,721	34,721
Electronics and electrical appliances	4,800,000	5,519,432	-	-	-	-
Power (electricity), Gas, Water, Sanitary	10,563	1,410,394	-	-	-	-
Wholesale and Retail Trade	9,101	9,854	9,026	9,026	9,026	9,026
Transport, Storage and Communication	6,006,296	6,227,438	13,258	13,258	13,258	13,258
Financial	847	4,417	-	-	-	-
Services	78	75,041	-	-	-	-
Individuals	284,920	303,344	139,015	139,015	139,015	137,059
Others	6,427,782	10,814,591	700,829	780,498	700,829	780,498
	38,820,156	54,541,846	2,381,080	2,675,026	2,381,080	2,673,070

Credit risk by public / private sector

	Gross advances		Non-performing advances		Provision held	
	2020	2019	2020	2019	2020	2019
	(Rupees in '000)					
Private	38,820,156	54,541,846	2,381,080	2,675,026	2,381,080	2,673,070

41.1.5 Contingencies and Commitments

Credit risk by industry sector	2020	2019
	(Rupees in '000)	
Textile	141	141
Chemical and Pharmaceuticals	4,878,711	6,031,310
Automobile and transportation equipment	126,535	1,280,524
Electronics and electrical appliances	971,916	890,909
Power (electricity), Gas, Water, Sanitary	130,793	167,818
Wholesale and Retail Trade	7,917	6,914
Transport, Storage and Communication	1,328,441	1,767,624
Financial	214,339,521	181,945,147
Services	43,624	42,596
Others	7,575,783	14,529,245
	229,403,382	206,662,228
Credit risk by public / private sector		
Public / Government	1,134,768	12,923,191
Private	228,268,614	193,739,037
	229,403,382	206,662,228

41.1.6 Concentration of Advances

The Bank's top 10 exposures on the basis of total (funded and non-funded exposures) aggregated to Rs. 39,444.380 million (2019: Rs. 51,195.365 million) are as following:

	2020	2019
	(Rupees in '000)	
Funded	30,993,112	36,267,333
Non Funded	8,451,268	14,928,032
Total Exposure	39,444,380	51,195,365

The sanctioned limits against these top 10 exposures aggregated to Rs. 64,610.294 million (2019: Rs. 71,965.570 million)

41.1.7 Advances - Province / Region-wise Disbursement & Utilization

Province / Region	2020						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Baluchistan	Islamabad	AJK including Gilgit-Baltistan
	(Rupees in '000)						
Punjab	86,386,444	85,409,686	-	-	-	-	-
Sindh	109,020,487	-	109,997,245	-	-	-	-
KPK including FATA	-	-	-	-	-	-	-
Baluchistan	-	-	-	-	-	-	-
Islamabad	35,764,588	-	-	-	35,764,588	-	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-	-
Total	231,171,519	85,409,686	109,997,245	-	-	35,764,588	-
Province / Region	2019						
	Disbursements	Utilization					
		Punjab	Sindh	KPK including FATA	Baluchistan	Islamabad	AJK including Gilgit-Baltistan
	(Rupees in '000)						
Punjab	67,445,990	67,445,990	-	-	-	-	-
Sindh	132,135,464	-	132,135,464	-	-	-	-
KPK including FATA	-	-	-	-	-	-	-
Baluchistan	-	-	-	-	-	-	-
Islamabad	51,875,462	-	-	-	51,875,462	-	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-	-
Total	251,456,916	67,445,990	132,135,464	-	-	51,875,462	-

41.2 Market Risk

Market risk is the risk of losses arising from fluctuation in the market value of trading and non-trading portfolios. The primary sources of market risk are fluctuation in interest rates and foreign exchange rates.

Market risk is measured in accordance with the Bank's established standards, under which the business is required to establish, with approval from independent market risk management, a market risk limit framework, including risk measures, limits and controls, that clearly defines approved risk profiles and is within the parameters of the Bank's overall risk appetite. In all cases, businesses are ultimately responsible for the market risk they take and for remaining within their defined limits.

The Bank's principal measure of earnings risk to earnings from non-trading portfolios due to interest rate changes is Interest Rate Exposure (IRE). This measures the change in expected Net Interest Revenue from changes in market rates of interest. Market risk in trading portfolios is measured through a complementary set of tools, including factor sensitivities, value-at-risk and stress testing.

The Bank uses the Standardized Approach to calculate capital charge for market risk as per the current regulatory framework under Basel II. This approach covers the Bank's trading portfolios, comprising off-balance sheet transactions including derivatives and securities classified under the trading portfolio.

41.2.1 Balance sheet split by trading and banking books

	2020			2019		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	(Rupees in '000)					
Cash and balances with treasury banks	11,342,260	-	11,342,260	11,202,518	-	11,202,518
Balances with other banks	21,386,856	-	21,386,856	805,867	-	805,867
Lendings to financial institutions	639,581	-	639,581	2,951,301	-	2,951,301
Investments	76,085,499	11,807,246	87,892,745	62,172,602	13,981,744	76,154,346
Advances	36,438,869	-	36,438,869	51,868,560	-	51,868,560
Fixed assets	530,957	-	530,957	472,843	-	472,843
Deferred tax assets	-	-	-	124,149	-	124,149
Other assets	2,703,163	1,045,626	3,748,789	4,837,217	986,322	5,823,539
	149,127,185	12,852,872	161,980,057	134,435,057	14,968,066	149,403,123

41.2.2 Foreign Exchange Risk

Foreign Exchange Risk is the risk of loss resulting from adverse movement in exchange rates. The Bank's principal exchange rate related contracts are forward foreign exchange conducts, cross currency swaps and options. Non traded foreign exchange risk arises through the provision of banking products and services in foreign currency. The objectives of foreign exchange risk management function is to minimise the adverse impact of foreign exchange assets and liabilities mismatch and maximise the earnings observing the limits set by the Bank. Exchange position arising from trading activities are monitored through foreign exchange limits on aggregate and individual basis. Hedging strategies and mark to market valuations are used to mitigate exchange risk resulting from open positions. Overall exchange position risk is maintained in accordance with the regulatory requirements prescribed by the State Bank of Pakistan.

The analysis below represents the concentration of the Bank's foreign currency risk for on and off balance sheet financial instruments.

	2020				2019			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
	(Rupees in '000)							
United States Dollar	23,892,527	8,523,228	(14,513,469)	855,830	4,456,866	13,899,993	8,266,806	(1,176,321)
Great Britain Pound Sterling	3,187	1,523	-	1,664	4,361	10,648	5,849	(438)
Euro	151,491	158,268	-	(6,777)	197,710	211,078	-	(13,368)
Japanese Yen	-	189,091	196,122	7,031	-	1,925	1,925	-
Other currencies	232,419	1,324,228	54,517	(1,037,292)	598,499	580,073	6,056	24,482
	24,279,624	10,196,338	(14,262,830)	(179,544)	5,257,436	14,703,717	8,280,636	(1,165,645)

	2020		2019	
	Banking	Trading book	Banking book	Trading book
	(Rupees in '000)			
Impact of 1% change in foreign exchange rates on				
- Profit and loss account				
Increase of 1%	-	1,789	-	12,357
Decrease of 1%	-	(1,789)	-	(12,357)
- Other comprehensive income				
Increase of 1%	-	-	-	-
Decrease of 1%	-	-	-	-

41.2.3 Equity position Risk

The risk arising from taking long or short positions, in the trading book, in the equities and all instruments that exhibit market behaviour similar to equities. The Bank does not maintain equity trading portfolio.

41.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II Specific

Interest rate risk is the risk that fair value of a financial instrument will fluctuate as a result of changes in interest rates, including changes in the shape of yield curves. Interest rate risk is inherent in many of the Bank's businesses and arises from mismatches between the contractual maturities or the re-pricing of on and off-balance sheet assets and liabilities.

The interest rate sensitivity profile is prepared on a quarterly basis based on the re-pricing or contractual maturities of assets and liabilities. Interest rate risk is monitored and managed by performing periodic gap analysis, sensitivity analysis and stress testing and taking appropriate actions where required.

	2020		2019	
	Banking book	Trading book	Banking book	Trading book
----- (Rupees in '000) -----				
Impact of 1% change in interest rates on				
- Profit and loss account				
Increase of 1%	115,081	(43,747)	136,266	(11,459)
Decrease of 1%	(115,081)	43,747	(136,266)	11,459
- Other comprehensive income				
Increase of 1%	(446,401)	-	(454,292)	-
Decrease of 1%	446,401	-	454,292	-

41.2.5 Mismatch of Interest Rate Sensitive Assets and Liabilities

Effective Yield / Interest rate	Total	2020										Non-interest bearing financial instruments
		Exposed to Yield / Interest risk										
		Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years		
----- (Rupees in '000) -----												
On-balance sheet financial instruments												
<u>Assets</u>												
Cash and balances with treasury banks	0.08%	11,342,260	1,438,510	-	-	-	-	-	-	-	-	9,903,750
Balances with other banks	0.00%	21,386,856	-	-	-	-	-	-	-	-	-	21,386,856
Lendings to financial institutions	10.02%	639,581	639,581	-	-	-	-	-	-	-	-	-
Investments	10.78%	87,892,745	4,674,922	33,571,641	3,618,600	21,913,482	10,970,521	13,143,579	-	-	-	-
Advances	10.44%	36,438,869	26,739,943	1,577,465	1,001,973	806,911	12,956	3,812,154	22,872	46,177	35,609	2,382,809
Other assets	-	3,392,640	-	-	-	-	-	-	-	-	-	3,392,640
		161,092,951	33,492,956	35,149,106	4,620,573	22,720,393	10,983,477	16,955,733	22,872	46,177	35,609	37,066,055
<u>Liabilities</u>												
Bills payable	-	1,475,556	-	-	-	-	-	-	-	-	-	1,475,556
Borrowings	4.97%	18,848,733	18,617,722	-	-	-	-	-	-	-	-	231,011
Deposits and other accounts	5.20%	118,238,891	81,156,475	1,410,000	22,452	5,000	20,000	-	-	-	-	35,624,964
Other liabilities	-	9,542,612	-	-	-	-	-	-	-	-	-	9,542,612
		148,105,792	99,774,197	1,410,000	22,452	5,000	20,000	-	-	-	-	46,874,143
On-balance sheet gap		12,987,159	(66,281,241)	33,739,106	4,598,121	22,715,393	10,963,477	16,955,733	22,872	46,177	35,609	(9,808,088)

2020

Effective Yield / Interest rate	Total	Exposed to Yield / Interest risk									Non-interest bearing financial instruments
		Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	
(Rupees in '000)											
Off-balance sheet financial instruments											
Commitments in respect of:											
- forward Foreign Exchange contracts - purchase	91,281,050	52,350,382	37,573,939	1,356,729	-	-	-	-	-	-	-
- forward Foreign Exchange contracts - sale	(105,586,669)	(66,960,033)	(37,156,922)	(1,467,079)	(2,635)	-	-	-	-	-	-
- forward purchase contracts of government securities	18,627,719	18,627,719	-	-	-	-	-	-	-	-	-
- forward sale contracts of government securities	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap	4,962,103	4,658,071	417,017	(110,350)	(2,635)	-	-	-	-	-	-
Total Yield / Interest Risk Sensitivity Gap		(61,623,170)	34,156,123	4,487,771	22,712,758	10,963,477	16,955,733	22,872	46,177	35,609	(9,808,088)
Cumulative Yield / Interest Risk Sensitivity Gap		(61,623,170)	(27,467,047)	(22,979,276)	(266,518)	10,696,959	27,652,692	27,675,564	27,721,741	27,757,350	17,949,262

2019

Effective Yield / Interest rate	Total	Exposed to Yield / Interest risk									Non-interest bearing financial instruments
		Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	
(Rupees in '000)											
On-balance sheet financial instruments											
<u>Assets</u>											
Cash and balances with treasury banks	0.96%	11,202,518	1,656,870	-	-	-	-	-	-	-	9,545,648
Balances with other banks	0.00%	805,867	-	-	-	-	-	-	-	-	805,867
Lendings to financial institutions	10.70%	2,951,301	2,951,301	-	-	-	-	-	-	-	-
Investments	11.87%	76,154,346	7,519,736	6,611,560	56,997,570	5,025,480	-	-	-	-	-
Advances	12.73%	51,868,560	35,958,621	9,829,868	4,226,382	1,708,029	14,089	12,884	23,711	48,951	40,758
Other assets	0.00%	5,733,651	-	-	-	-	-	-	-	-	5,733,651
		148,716,243	48,086,528	16,441,428	4,226,382	58,705,599	5,039,569	12,884	23,711	48,951	40,758
<u>Liabilities</u>											
Bills payable	0.00%	2,040,458	-	-	-	-	-	-	-	-	2,040,458
Borrowings	7.19%	11,698,824	11,689,364	-	-	-	-	-	-	-	9,460
Deposits and other accounts	5.81%	113,232,091	69,217,011	2,293,664	185,589	25,232	2,000	20,000	-	-	41,488,595
Other liabilities	0.00%	10,287,967	-	-	-	-	-	-	-	-	10,287,967
		137,259,340	80,906,375	2,293,664	185,589	25,232	2,000	20,000	-	-	53,826,480
On-balance sheet gap		11,456,903	(32,819,847)	14,147,764	4,040,793	58,680,367	5,037,569	(7,116)	23,711	48,951	40,758
											(37,736,047)

2019

Effective Yield / Interest rate	Total	Exposed to Yield/ Interest risk									Non-interest bearing financial instruments
		Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	
----- (Rupees in '000) -----											
Off-balance sheet financial instruments											
Commitments in respect of:											
- forward Foreign Exchange contracts - purchase	88,015,717	36,967,094	31,527,117	15,181,660	4,339,846	-	-	-	-	-	-
- forward Foreign Exchange contracts - sale	(78,941,135)	(39,044,791)	(26,414,734)	(9,878,126)	(3,603,484)	-	-	-	-	-	-
- forward purchase contracts of government securities	5,497,446	5,497,446	-	-	-	-	-	-	-	-	-
- forward sale contracts of government securities	2,953,405	2,953,405	-	-	-	-	-	-	-	-	-
-forward borrowing	(12,387,808)	(12,387,808)	-	-	-	-	-	-	-	-	-
Off-balance sheet gap	5,137,625	(6,014,654)	5,112,383	5,303,534	736,362	-	-	-	-	-	-
Total Yield / Interest Risk Sensitivity Gap		(38,834,501)	19,260,147	9,344,327	59,416,729	5,037,569	(7,116)	23,711	48,951	40,758	(37,736,047)
Cumulative Yield / Interest Risk Sensitivity Gap		(38,834,501)	(19,574,354)	(10,230,027)	49,186,702	54,224,271	54,217,155	54,240,866	54,289,817	54,330,575	16,594,528

41.2.6 Reconciliation of assets and liabilities exposed to Yield / Interest Rate risk with total assets and liabilities

	2020	2019
	(Rupees in '000)	
Total financial assets as per note 41.2.5	161,092,951	148,716,243
Add: Non financial assets		
Operating fixed assets	530,957	472,843
Deferred tax asset	-	124,149
Other assets	356,149	89,888
Total assets as per statement of financial position	161,980,057	149,403,123
Total liabilities as per note 41.2.5	148,105,792	137,259,340
Add: Non financial liabilities		
Deferred tax liabilities	50,871	-
Other liabilities	-	243,645
Total liabilities as per statement of financial position	148,156,663	137,502,985

41.3 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Operational risk is inherent in the Bank's activities and as with other risk types is managed through an overall framework with checks and balances that include recognised ownership of the risk by the businesses, independent risk management oversight and independent review by corporate audit. The operational risk policy codifies the core governing principles for operational risk management and provides a framework for operational risk. In accordance with the policy, each business area is responsible to identify its key operational risks as well as the controls established to mitigate those risks and to ensure compliance with laws, regulations, regulatory administrative actions and the Bank's policies.

Total

2019

	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
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(Rupees in '000)

Assets

Cash and balances with treasury banks	11,202,518	-	985,977	109,540	9,981,777	108,900	5,783	9,279	-	1,262	-	-	-	-
Balances with other banks	805,867	-	-	-	805,867	-	-	-	-	-	-	-	-	-
Lendings to financial institutions	2,951,301	-	2,951,301	-	-	-	-	-	-	-	-	-	-	-
Investments	76,154,346	18,572	1,314,526	-	6,186,639	2,495,071	4,116,489	-	31,922,979	25,074,590	5,025,480	-	-	-
Advances	51,868,560	81,466	2,166,291	923,608	32,787,580	6,793,466	3,037,049	4,227,324	404,813	1,304,813	15,847	12,884	23,711	89,708
Fixed assets	472,843	25	187	184	44,074	790	790	2,371	2,371	2,371	30,008	9,515	19,021	361,136
Deferred tax assets	124,149	-	476	476	1,088	2,041	2,041	6,122	6,122	6,463	24,830	24,830	49,660	-
Other assets	5,823,539	745,212	277,649	210,455	846,953	898,820	726,106	1,568,826	489,474	60,044	-	-	-	-
	149,403,123	845,275	7,696,407	1,244,263	50,653,978	10,299,088	7,888,258	5,813,922	32,825,759	26,449,543	5,096,165	47,229	92,392	450,844

Liabilities

Bills payable	2,040,458	-	1,020,228	510,115	510,115	-	-	-	-	-	-	-	-	-
Borrowings	11,698,824	-	11,689,364	-	9,460	-	-	-	-	-	-	-	-	-
Deposits and other accounts	113,232,091	-	19,719,547	2,190,800	74,151,760	2,178,000	115,665	185,589	-	25,232	2,000	20,000	14,643,498	-
Other liabilities	10,531,612	746,731	298,313	217,421	1,133,466	863,729	1,023,444	1,743,871	2,328,909	1,951,598	45,969	46,166	87,997	43,998
	137,502,985	746,731	32,727,452	2,918,336	75,804,801	3,041,729	1,139,109	1,929,460	2,328,909	1,976,830	47,969	66,166	14,731,495	43,998

Net assets

	11,900,138	98,544	(25,031,045)	(1,674,073)	(25,150,823)	7,257,359	6,749,149	3,884,462	30,496,850	24,472,713	5,048,196	(18,937)	(14,639,103)	406,846
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Head office capital account	6,812,671
Reserves	161,543
Unremitted profit	4,821,622
Surplus on revaluation of assets	104,302
	<u>11,900,138</u>

42. DATE OF AUTHORISATION

These financial statements were authorised for issue on March 26, 2021 by the management of the Bank.

43. GENERAL

43.1 Figures have been rounded off to the nearest thousand rupees.

43.2 Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year.

AHMED BOZAI
Managing Director and
Citi Country Officer

GULZEB KHAN
Chief Financial Officer

**STATEMENT SHOWING WRITTEN-OFF LOANS OR ANY OTHER FINANCIAL RELIEF
OF RUPEES FIVE HUNDRED THOUSAND OR ABOVE PROVIDED
DURING THE YEAR ENDED 31 DECEMBER 2020**

S. No.	Name and address of the borrower	Name of individuals / partners / directors (with CNIC No.)	Father's/ Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest / Mark-up written-off / waived	Other financial relief provided	Total (9+10+11)
				Principal	Interest / Mark-up	Other than Interest / Mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
----- (Rupees in '000) -----											
1	PAKISTAN AGRO CHEMICALS (PVT) LTD 38/C - IV BLOCK 6 P.E.C.H.S. KARACHI	ABDUR RAFAY/42201-0269107-1 SAQIB RAFAY/42201-5529933-5 SHAHNOOR RAFAY/42201-0225132-6 JAMAL HAIDER/42201-1158728-7	M.A. RAUF ABDUR RAFAY W/O ABDUR RAFAY GHULAM HAIDER	2,578	3,650		6,228	2,578	3,650		6,228
2	JOES FASHION EXPORTS (PVT) LTD 44-L BLOCK 6 RAZI ROAD, P.E.C.H.S KARACHI	MOHSIN AYUB MIRZA/42301-7541736-5 ZAREEN MOHSIN/42301-9238562-2	AYUB MIRZA MOHSIN AYUB	235,982	365,864		601,846	224,388	373,836		598,225
3	NEEDLE POINT (PVT) LTD. ON DEFENCE ROAD OFF BHOBATIAN CHOWK, RWP RD LAHORE	NASIR ABBAS MIRZA/35202-4325376-3 MRS. NAILA BHATTI/35202-5249035-4	MOHAMMAD ABBAS MIRZA RAI RASHEED BHATTI	79,669	277,928		357,597	79,669	277,928		357,597
TOTAL:				318,229	647,442	-	965,671	306,635	655,415	-	962,050

* Relief includes amounts which would be due to the Bank under contractual arrangements whether or not accrued in the books.