



KPMG Taseer Hadi & Co.
Chartered Accountants
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Independent Auditors' Review Report

To the Directors of Citibank N.A., Pakistan Branch

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Citibank N.A., Pakistan Branch** ("the Bank") as at **30 June 2023** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement and notes to the financial statements for the half year ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



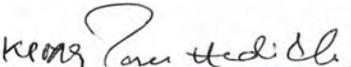
Other Matter

The figures for the quarter ended **30 June 2023** in the condensed interim statement of profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditor's review report is **Amyr Malik**.

Date: 28 August 2023

Karachi
UDIN: RR202310096SDOzNGRn8


KPMG Taseer Hadi & Co.
Chartered Accountants

Citibank N.A., Pakistan Branch

(Incorporated in the U.S.A., the liability of members being limited)

Condensed Interim Statement of Financial Position

As at June 30, 2023

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
Note	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	6 27,328,947	24,666,659
Balances with other banks	7 22,701,532	32,498,497
Lendings to financial institutions	8 -	-
Investments	9 174,417,806	155,155,987
Advances	10 51,411,896	40,256,733
Fixed assets	11 1,214,179	393,258
Intangible assets	-	-
Deferred tax assets	12 479,085	504,621
Other assets	13 9,474,738	11,007,133
	287,028,183	264,482,888
LIABILITIES		
Bills payable	14 1,167,738	725,096
Borrowings	15 -	1,200
Deposits and other accounts	16 248,032,734	229,621,926
Liabilities against assets subject to finance lease	-	-
Subordinated debt	-	-
Deferred tax liabilities	-	-
Other liabilities	17 16,072,761	18,950,694
	265,273,233	249,298,916
NET ASSETS	21,754,950	15,183,972
REPRESENTED BY		
Head office capital account	6,812,671	6,812,671
Reserve	163,719	163,719
Deficit on revaluation of assets	18 (383,276)	(563,578)
Unremitted profit	15,161,836	8,771,160
	21,754,950	15,183,972
CONTINGENCIES AND COMMITMENTS	19	

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.

AHMED BOZAI
Managing Director and
Citi Country Officer

IMAD HASSAN KHAN
Country Finance Officer

Citibank N.A., Pakistan Branch

(Incorporated in the U.S.A., the liability of members being limited)

Condensed Interim Profit and Loss Account (Un-audited)

For the half year ended June 30, 2023

	Note	Quarter ended		Half Year ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
----- (Rupees in '000) -----					
Mark-up / return / interest earned	20	10,875,618	4,938,267	20,452,842	8,944,617
Mark-up / return / interest expensed	21	5,341,213	2,604,403	10,000,259	4,959,967
Net Mark-up / Interest Income		5,534,405	2,333,864	10,452,583	3,984,650
NON MARK-UP / INTEREST INCOME					
Fee and commission income	22	240,699	190,859	499,814	399,720
Foreign exchange income		1,862,052	945,544	3,826,912	1,754,015
Gain from derivatives		-	-	-	-
Loss on securities	23	(15,199)	(15,113)	(15,770)	(43,516)
Other income	24	-	-	-	(6)
Total non-markup / interest income		2,087,552	1,121,290	4,310,956	2,110,213
Total Income		7,621,957	3,455,154	14,763,539	6,094,863
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	25	849,745	730,444	1,707,408	1,287,390
Workers Welfare Fund	17.1	130,364	57,575	257,210	86,240
Other charges	26	950	30	950	30
Total non-markup / interest expenses		981,059	788,049	1,965,568	1,373,660
Profit before provisions		6,640,898	2,667,105	12,797,971	4,721,203
Provision / (reversal) and write offs - net	27	20,678	(15,746)	41,137	(16,756)
PROFIT BEFORE TAXATION		6,620,220	2,682,851	12,756,834	4,737,959
Taxation	28	3,625,702	2,355,841	6,366,158	3,175,053
PROFIT AFTER TAXATION		2,994,518	327,010	6,390,676	1,562,906

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.

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Condensed Interim Statement of Comprehensive Income (Un-audited)

For the half year ended June 30, 2023

	Quarter ended		Half Year ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	----- (Rupees in '000) -----			
Profit after taxation for the period	2,994,518	327,010	6,390,676	1,562,906
Other comprehensive income / (loss)				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of investments - net of tax	548,734	(152,614)	180,302	(54,326)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-
Total comprehensive income	<u>3,543,252</u>	<u>174,396</u>	<u>6,570,978</u>	<u>1,508,580</u>

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.

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Condensed Interim Statement of Changes in Equity (Un-audited)

For the half year ended June 30, 2023

	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 January 1, 2022 (audited)	6,812,671	(825,068)	163,719	3,725,600	9,876,922
Profit after taxation for the half year ended June 30, 2022	-	-	-	1,562,906	1,562,906
Other comprehensive income for the half year ended June 30, 2022 - net of tax	-	(54,326)	-	-	(54,326)
Opening Balance as at July 1, 2022 (un-audited)	6,812,671	(879,394)	163,719	5,288,506	11,385,502
Profit after taxation for the period July 1, 2022 to December 31, 2022	-	-	-	3,518,540	3,518,540
Other comprehensive income for the period July 1, 2022 to December 31, 2022 - net of tax		315,816		(35,886)	279,930
Opening Balance as at January 1, 2023 (audited)	6,812,671	(563,578)	163,719	8,771,160	15,183,972
Profit after taxation for the half year ended June 30, 2023	-	-	-	6,390,676	6,390,676
Other comprehensive income for the half year ended June 30, 2023 - net of tax	-	180,302	-	-	180,302
Closing Balance as at June 30, 2023	6,812,671	(383,276)	163,719	15,161,836	21,754,950

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.

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Citibank N.A., Pakistan Branch
(Incorporated in the U.S.A., the liability of members being limited)
Condensed Interim Cash Flow Statement (Un-audited)
For the half year ended June 30, 2023

	Half Year ended	
	June 30, 2023	June 30, 2022
<i>Note</i>	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	12,756,834	4,737,959
Adjustments:		
Depreciation	25 62,828	71,870
Depreciation on right-of-use assets	25 85,703	73,741
Interest expense on lease liability against right-of-use assets	25 37,674	10,225
Provision / (reversal) and write offs - net	27 41,137	(16,756)
Loss on sale of fixed assets	24 -	44
Unrealised loss on revaluation of investments classified as held for trading	23 26,730	1,698
Charge for defined benefit plan	44,161	40,401
	298,233	181,223
	13,055,067	4,919,182
(Increase) / decrease in operating assets		
Lendings to financial institutions	-	8,178,322
Held-for-trading securities	18,169,640	21,792,379
Advances	(11,196,300)	(18,099,833)
Other assets (excluding advance taxation)	1,532,395	(2,190,295)
	8,505,735	9,680,573
Increase / (decrease) in operating liabilities		
Bills payable	442,642	250,260
Borrowings from financial institutions	-	7,188,100
Deposits	18,410,808	(9,789,198)
Other liabilities (excluding current taxation, head office expenses, payable to defined benefit plan and lease liability against right-of-use assets)	(4,881,097)	548,745
	13,972,353	(1,802,093)
Income tax paid	(5,038,303)	(1,630,316)
Contribution to gratuity fund	(21,892)	(20,812)
<i>Net cash flow generated from operating activities</i>	30,472,960	11,146,534
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(37,220,976)	(13,240,012)
Investments in operating fixed assets	(270,172)	(33,920)
<i>Net cash flow used in investing activities</i>	(37,491,148)	(13,273,932)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(115,289)	(32,833)
Profit repatriated to head office during the period	-	-
<i>Net cash flow used in financing activities</i>	(115,289)	(32,833)
Decrease in cash and cash equivalents	(7,133,477)	(2,160,231)
Cash and cash equivalents at beginning of the period	57,163,956	20,527,377
Cash and cash equivalents at end of the period	50,030,479	18,367,146

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.

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Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2023

1. STATUS AND NATURE OF BUSINESS

Citibank N.A., Pakistan Branch (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 June 30, 2023, the Bank operates through 3 branches (December 31, 2022: 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

2.1 Statement of Compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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 (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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 IAS-34, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

- 2.2 The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and International Accounting Standard (IAS) 34, Interim Financial Reporting. These condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended December 31, 2022.

SBP through BPRD Circular No. 02 of 2023 has amended the existing format of annual financial statements of banks. All banks are directed to prepare their annual / interim financial statements on the revised formats, effective from the 1st quarter of 2024 as directed vide BPRD Circular Letter No. 7 of 2023.

- 2.3 The State Bank of Pakistan, vide its BSD Circular Letter no. 10 dated August 26, 2002, has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. 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 State Bank of Pakistan through various circulars.
- 2.4 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 includes purchase of goods by banks from customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchase and resale arising under these arrangements are not reflected in these condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the audited annual financial statements for the year ended December 31, 2022.

3.1 Standards, amendments and interpretations to approved accounting standards that are effective in the current period

There are certain other new standards and interpretations of and amendments to existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2023. These are considered either not relevant or not to have any significant impact on the Bank's financial statements.

3.2 Standards, interpretations and amendments to 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 1 July 2023:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which an entity must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the entity must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, entities will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for entities that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help entities provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring entities to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to an entity's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the entity applies the amendments.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, entities will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7) introduce two new disclosure objectives for an entity to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the entity's liabilities and cash flows, and the entity's exposure to liquidity risk. Under the amendments, entities also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors an entity might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.
- International Tax Reform – Pillar Two Model Rules (amendments to IAS 12) introduce following new disclosure requirements:
 - Once tax law is enacted but before top-up tax is effective: disclose information that is known or can be reasonably estimated and that helps users of its financial statements to understand its exposure to Pillar Two income taxes at the reporting date. If information is not known or cannot be reasonably estimated at the reporting date, then an entity discloses a statement to that effect and information about its progress in assessing the Pillar Two exposure.
 - After top-up tax is effective: disclose current tax expense related to top-up tax.

These amendments apply from 31 December 2023. No disclosures are required in interim periods ending on or before 31 December 2023.

As per State Bank of Pakistan (SBP)'s BPRD circular letter no. 07 of 2023, IFRS 9 'Financial Instruments' is effective from January 1, 2024 for all banking companies.

The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements is the same as that applied in the preparation of the audited annual financial statements for the year ended December 31, 2022.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the audited annual financial statements for the year ended December 31, 2022.

6	CASH AND BALANCES WITH TREASURY BANKS	(Un-audited)	(Audited)
		June 30, 2023	December 31, 2022
		(Rupees in '000)	
	In hand		
	Local currency	36,147	39,714
	Foreign currency	67,621	163,422
		103,768	203,136
	With State Bank of Pakistan in		
	Local currency current account	19,485,663	20,373,275
	Foreign currency current accounts		
	- Cash reserve account	2,573,915	1,358,585
	- US Dollar clearing account	15,751	12,471
	Foreign currency deposit account		
	- Special cash reserve account	5,147,829	2,717,171
		27,223,158	24,461,502
	With National Bank of Pakistan in		
	Local currency current account	2,021	2,021
		27,328,947	24,666,659
7	BALANCES WITH OTHER BANKS		
	In Pakistan		
	In current accounts	9,000	9,000
	Outside Pakistan		
	In current accounts	22,692,532	32,489,497
		22,701,532	32,498,497
8	LENDINGS TO FINANCIAL INSTITUTIONS		
	Repurchase agreement lendings (Reverse Repo)	-	-
	Less: Provision held against Lendings to Financial Institutions	-	-
	Lendings to Financial Institutions - net of provision	-	-

9	INVESTMENTS	(Un-audited)				(Audited)			
		June 30, 2023				December 31, 2022			
9.1	Investments by type:	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	4,392,707	-	(3,012)	4,389,695	22,562,347	-	23,718	22,586,065
		4,392,707	-	(3,012)	4,389,695	22,562,347	-	23,718	22,586,065
	Available-for-sale securities								
	Federal Government Securities	170,779,629	-	(751,518)	170,028,111	133,558,653	-	(988,731)	132,569,922
		170,779,629	-	(751,518)	170,028,111	133,558,653	-	(988,731)	132,569,922
	Total Investments	175,172,336	-	(754,530)	174,417,806	156,121,000	-	(965,013)	155,155,987

10	ADVANCES	Performing		Non Performing		Total	
		(Un-audited) June 30, 2023	(Audited) December 31, 2022	(Un-audited) June 30, 2023	(Audited) December 31, 2022	(Un-audited) June 30, 2023	(Audited) December 31, 2022
		(Rupees in '000)					
	Loans, cash credits, running finances, etc.	37,487,311	31,026,706	1,769,591	1,772,695	39,256,902	32,799,401
	Bills discounted and purchased	13,924,585	9,230,065	-	-	13,924,585	9,230,065
	Advances - gross	51,411,896	40,256,771	1,769,591	1,772,695	53,181,487	42,029,466
	Provision against advances						
	- Specific	-	-	(1,769,591)	(1,772,695)	(1,769,591)	(1,772,695)
	- General	-	(38)	-	-	-	(38)
		-	(38)	(1,769,591)	(1,772,695)	(1,769,591)	(1,772,733)
	Advances - net of provision	51,411,896	40,256,733	-	-	51,411,896	40,256,733

10.1	Particulars of advances (Gross)	(Un-audited)	(Audited)
		June 30, 2023	December 31, 2022
		(Rupees in '000)	
	In local currency	52,848,398	41,765,746
	In foreign currency	333,089	263,720
		53,181,487	42,029,466

10.2 Advances include Rs. 1,769,591 million (December 31, 2022: Rs. 1,772,695 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) June 30, 2023		(Audited) December 31, 2022	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	1,769,591	1,769,591	1,772,695	1,772,695
Total	1,769,591	1,769,591	1,772,695	1,772,695

10.3	Particulars of provision against advances	(Un-audited) June 30, 2023			(Audited) December 31, 2022		
		Specific	General	Total	Specific	General	Total
		(Rupees in '000)					
	Opening balance	1,772,695	38	1,772,733	1,740,576	115	1,740,691
	Exchange adjustments	69,368	-	69,368	58,138	-	58,138
	Charge for the period / year	45,421	-	45,421	-	-	-
	Reversals	(4,246)	(38)	(4,284)	(26,019)	(77)	(26,096)
		41,175	(38)	41,137	(26,019)	(77)	(26,096)
	Amounts written off	(113,647)	-	(113,647)	-	-	-
	Closing balance	1,769,591	-	1,769,591	1,772,695	38	1,772,733

10.3.1 As at December 31, 2022, the Bank maintained general provision in accordance with the applicable requirements of the Prudential Regulations for Housing Finance issued by the SBP. The provision ranged between 0.5% to 1.5% based on the classified housing finance to total housing finance ratio present in the portfolio as at December 31, 2022.

	Note	(Un-audited) June 30, 2023	(Audited) December 31, 2022
11 FIXED ASSETS			
Property and equipment	11.1 & 11.2	334,391	127,047
Right-of-use assets		879,788	266,211
		<u>1,214,179</u>	<u>393,258</u>
11.1 Additions to fixed assets			
		(Un-audited)	
		June 30, 2023	June 30, 2022
		(Rupees in '000)	
The following additions have been made to property and equipment during the period:			
Furniture and fixture		21,431	6,442
Electrical, office and computer equipment		248,741	27,478
		<u>270,172</u>	<u>33,920</u>
11.2 Disposals of fixed assets			
The net book value of property and equipment disposed off during the period is as follows:			
Furniture and fixture		-	44
		<u>-</u>	<u>44</u>
		(Un-audited)	(Audited)
		June 30, 2023	December 31, 2022
		(Rupees in '000)	
12 DEFERRED TAX ASSETS			
Deductible Temporary Differences on			
- Post retirement employee benefits		111,869	111,869
- Deficit on revaluation of investments		381,341	425,524
- Accelerated tax depreciation		67,720	77,139
- Unrealized loss on derivatives		6,529	-
		<u>567,459</u>	<u>614,532</u>
Taxable Temporary Differences on			
- Unrealized gain on derivatives		-	(21,537)
- Effect of re-measurement of cost under share based payment		(88,374)	(88,374)
		<u>(88,374)</u>	<u>(109,911)</u>
		<u>479,085</u>	<u>504,621</u>
13 OTHER ASSETS			
Income / mark-up accrued in local currency		3,112,854	3,106,988
Income / mark-up accrued in foreign currency		39,940	13,029
Advances, deposits, advance rent and other prepayments		184,622	261,658
Advance taxation (payments less provisions)		-	-
Non-banking assets acquired in satisfaction of claims	13.1	7,954	7,954
Branch adjustment account		20,127	6,489
Mark to market gain on forward foreign exchange contracts		980,659	5,332,346
Acceptances	17	5,135,918	2,286,010
Others		618	613
		<u>9,482,692</u>	<u>11,015,087</u>
Less: Provision held against other assets	13.1	7,954	7,954
Other Assets (net of provision)		<u>9,474,738</u>	<u>11,007,133</u>
13.1 Provision held against other assets			
Non-banking assets acquired in satisfaction of claims	13.1.1	<u>7,954</u>	<u>7,954</u>
13.1.1 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.			
14 BILLS PAYABLE			
		(Un-audited)	(Audited)
		June 30, 2023	December 31, 2022
		(Rupees in '000)	
In Pakistan		<u>1,167,738</u>	<u>725,096</u>
15 BORROWINGS			
Secured			
Repurchase agreement borrowings		-	-
Total secured		<u>-</u>	<u>-</u>
Unsecured			
Call borrowings		-	-
Overdrawn nostro accounts		-	1,200
Total unsecured		<u>-</u>	<u>1,200</u>

16 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) June 30, 2023			(Audited) December 31, 2022		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)					
Customers						
Current deposits	78,968,745	17,850,464	96,819,209	52,777,604	11,514,065	64,291,669
Savings deposits	104,645,599	12,087,679	116,733,278	106,060,041	9,720,596	115,780,637
Term deposits	18,650,029	62,452	18,712,481	17,696,294	49,446	17,745,740
Others - margin deposits	13,627,328	23,149	13,650,477	29,386,674	30,658	29,417,332
	215,891,701	30,023,744	245,915,445	205,920,613	21,314,765	227,235,378
Financial Institutions						
Current deposits	1,718,581	398,708	2,117,289	1,974,283	412,265	2,386,548
	1,718,581	398,708	2,117,289	1,974,283	412,265	2,386,548
	217,610,282	30,422,452	248,032,734	207,894,896	21,727,030	229,621,926

17 OTHER LIABILITIES

	Note	(Un-audited)	(Audited)
		June 30, 2023	December 31, 2022
		(Rupees in '000)	
Mark-up / Return / Interest payable in local currency		12,933	117,757
Unearned commission and income on bills discounted		170,263	175,208
Accrued expenses		568,280	587,747
Current taxation (provisions less payments)		2,253,412	894,182
Worker's Welfare Fund (WWF) payable	17.1	1,258,395	1,001,185
Acceptances		5,135,918	2,286,010
Mark to market loss on forward foreign exchange contracts		989,340	5,281,360
Unremitted head office expenses		1,200,925	1,108,648
Payable to regional offices for support services		13,794	13,776
Payable to Head office against employee benefit	17.2	676,277	533,273
Payable to defined benefit plan		390,305	368,036
Provision against off-balance sheet obligations	17.3	202	202
Payable on account of sale proceeds of securities held under custody	17.4	-	4,256,041
Lease liability against right-of-use assets		813,134	191,469
Withholding Tax		317,166	247,148
Clearing account balances		873,637	496,655
Unclaimed deposit balances		957,225	917,276
Others		441,555	474,721
		16,072,761	18,950,694

17.1 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 gross provision of Rs. 1,481.153 million against Sindh and Punjab WWF laws from the date of its levy till 30 June 2023. The bank along with the banking industry has challenged the Sindh WWF levy which is pending in Court. No notice has been received from Punjab Revenue Authority in respect of its WWF law. However, single member bench of Sindh High Court issued an interim order, whereby all banks are required to comply the order of full bench's order in the similar case. Stay has been obtained against the interim order by the banks, the lawyer also informed that final order of full bench will also decide the fate of banking industry's cases.

17.2 This represents share based payment of certain employees, which were vested in prior years. The change primarily represents exchange difference recognised in the current period. The amount is payable to Head office based on internal instructions.

17.3 These represent provision against financial guarantees issued by the bank.

17.4 This represented amount payable to the parent entity of International Finance Corporation, on account of custody services for the management of the portfolio of securities.

18 DEFICIT ON REVALUATION OF ASSETS

	Note	(Un-audited)	(Audited)
		June 30, 2023	December 31, 2022
		(Rupees in '000)	
Deficit on revaluation of:			
- Available for sale securities	9.1	(751,518)	(988,731)
Deferred tax on deficit on revaluation of:			
- Available for sale securities		368,242	425,153
		<u>(383,276)</u>	<u>(563,578)</u>

19 CONTINGENCIES AND COMMITMENTS

- Guarantees	19.1	7,112,830	8,179,060
- Commitments	19.2	397,846,413	532,154,406
- Other contingent liabilities	19.3	401,304	317,730
		<u>405,360,547</u>	<u>540,651,196</u>
19.1 Guarantees			
Financial guarantees		-	-
Performance guarantees		2,286,571	2,341,334
Other guarantees		4,826,259	5,837,726
		<u>7,112,830</u>	<u>8,179,060</u>
19.2 Commitments			
Documentary credits and short-term trade-related transactions		23,287,615	51,516,860
- Letters of credit			
Commitments in respect of:			
- Forward foreign exchange contracts	19.2.1	366,801,665	458,319,667
- Forward government securities transactions	19.2.2	1,477,708	16,721,604
- Forward lending	19.2.3	1,129,296	2,879,104
Commitments for acquisition of:			
- Fixed assets		2,300	-
Other commitments	19.2.4	5,147,829	2,717,171
		<u>397,846,413</u>	<u>532,154,406</u>

19.2.1	Commitments in respect of forward foreign exchange contracts	Note	(Un-audited) June 30, 2023 (Rupees in '000)	(Audited) December 31, 2022
	Purchase		183,274,906	221,495,197
	Sale		183,526,759	236,824,470
			366,801,665	458,319,667
19.2.2	Commitments in respect of forward government securities transactions			
	Purchase		-	-
	Sale		1,477,708	16,721,604
			1,477,708	16,721,604
19.2.3	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines	19.2.3.1	1,129,296	2,879,104
19.2.3.1	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.			
19.2.4	Other commitments	Note	(Un-audited) June 30, 2023 (Rupees in '000)	(Audited) December 31, 2022
	Forward placement	6	5,147,829	2,717,171
19.3	Other contingent liabilities			
	Claims against bank not acknowledged as debt	19.3.1	401,304	317,730
19.3.1	These are not recognised as debt as the probability of these crystallising against the Bank is considered remote.			
19.4	Tax related contingencies are disclosed in note 28 of these condensed interim financial statements.			
20	MARK-UP / RETURN / INTEREST EARNED		(Un-audited) June 30, 2023 (Rupees in '000)	June 30, 2022
	On:			
	a) Loans and advances		4,005,689	2,991,892
	b) Investments		14,201,649	5,690,413
	c) Lendings to financial institutions		1,514,824	256,736
	d) Balances with banks		730,680	5,576
			20,452,842	8,944,617
21	MARK-UP / RETURN / INTEREST EXPENSED			
	On:			
	a) Deposits		9,466,504	4,609,156
	b) Borrowings		533,755	350,811
			10,000,259	4,959,967
22	FEE AND COMMISSION INCOME			
	Branch banking customer fees		20,599	20,270
	Card related fees (credit cards)		12,831	5,204
	Custody related fees		267,043	190,872
	Commission on trade		126,285	132,533
	Commission on guarantees		9,071	10,133
	Commission on cash management		45,002	35,846
	Commission on remittances including home remittances		1	2
	Others		18,982	4,860
			499,814	399,720

23	LOSS ON SECURITIES	Note	(Un-audited)	
			June 30, 2023	June 30, 2022
			(Rupees in '000)	
	Realised	23.1	10,960	(41,818)
	Unrealised - held for trading	9.1	(26,730)	(1,698)
			<u>(15,770)</u>	<u>(43,516)</u>
23.1	Realised gain / (loss) on:			
	Federal Government Securities		10,960	(41,818)
			<u>10,960</u>	<u>(41,818)</u>
24	OTHER INCOME			
	Loss on sale of fixed assets - net		-	(44)
	Sale of non-capitalized assets		-	38
			<u>-</u>	<u>(6)</u>
25	OPERATING EXPENSES			
	Total compensation expense		879,663	644,759
	Property expense			
	Rent and taxes		56,270	5,210
	Utilities cost		23,859	18,212
	Security (including guards)		38,992	23,945
	Repair and maintenance (including janitorial charges)		72,770	49,092
	Depreciation		28,983	47,471
	Depreciation on right-of-use assets		85,703	73,741
	Interest expense on lease liability against right-of-use assets		37,674	10,225
			344,251	227,896
	Information technology expenses			
	Software maintenance		34,885	22,374
	Hardware maintenance		185	338
	Depreciation		30,063	20,617
	Network charges		35,969	29,001
	Others		531	742
			101,633	73,072
	Other operating expenses			
	Legal and professional charges		12,383	34,470
	Outsourced services costs		868	(921)
	Travelling and conveyance		27,750	15,180
	Depreciation		3,782	3,782
	Training and development		113	146
	Postage and courier charges		11,452	9,394
	Communication		24,429	27,218
	Head office expenses	25.1	92,277	90,728
	Stationery and printing		6,986	9,223
	Marketing, advertisement and publicity		1,871	3,535
	Auditors remuneration		2,906	3,934
	Banking service charges		65,574	60,751
	Brokerage and commission paid		13,126	11,489
	Card association fees		59,415	28,863
	Others		58,929	43,871
			381,861	341,663
			<u>1,707,408</u>	<u>1,287,390</u>

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

	Note	(Un-audited)	
		June 30, 2023	June 30, 2022
(Rupees in '000)			
26 OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		<u>950</u>	<u>30</u>
27 PROVISION / (REVERSAL) AND WRITE OFFS - NET			
Provision / (reversals) against loans and advances	10.3	<u>41,137</u>	<u>(16,756)</u>
		<u>41,137</u>	<u>(16,756)</u>
28 TAXATION			
Current		6,397,533	2,229,015
Prior periods		-	500,239
Deferred		<u>(31,375)</u>	<u>445,799</u>
		<u>6,366,158</u>	<u>3,175,053</u>

28.1 Income Tax return for tax year 2022 (accounting year ended December 31, 2021) was filed by October 31, 2022.

28.2 The income tax authorities issued amended assessment orders for up to tax years 2020 whereby aggregate tax demand of Rs. 667 million (December 31, 2022: Rs. 667 million) was raised. Total demand has been paid except for the tax year 2019, where management had decided to pay 10% against the demand of Rs. 175 million. This was done in accordance with the tax opinion from tax advisor in order to obtain stay against demand for the tax year 2019.

The Bank has filed appeals before the appellate forums against these amended assessment orders for all years, where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. On the other hand, 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.

In the year 2020, FBR had started proceedings for monitoring of withholding taxes under section 161 of the Income Tax Ordinance 2001 (ITO, 2001) and has passed an order creating demand of Rs. 127 million for the accounting 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 a stay against the demand from the Sindh High Court. Neither the demand is paid nor any provision has been recognised for this demand in the books of accounts as management is of the view that the bank will be able to defend its position in a court of law. Bank's view is supported by external counsel opinion.

28.3 The Bank received a notice from the tax authorities, whereby the tax authorities have inadvertently intended to levy Federal Excise Duty (FED) on "Income from dealing in foreign currencies" and "other Income" of Rs 308.916 million for the calendar year 2017. As per the tax opinion, the income from dealing in foreign currency does not fall under the ambit of VAT/FED and there is a tribunal judgement in banking industry's favour. In the light of tax opinion, the notice was challenged in the High Court and stay was obtained. No provision has been recognized as management is of the view that the bank will be able to defend its position in the court of law. Bank's view is supported by external counsel opinion.

28.4 Applicable rate represents rate of tax for banking companies i.e. 39% as specified in Division II Part I of the first schedule to the ITO, 2001 and rate of super tax for banking companies i.e. 10% as specified in Division IIB of Part I of the first schedule to the ITO, 2001.

29 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.

29.1 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.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset 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:

	June 30, 2023 (Un-audited)				
	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	174,417,806	-	174,417,806	-	174,417,806
Off-balance sheet financial instruments - measured at fair value					
Forward foreign exchange contracts	366,801,665	-	(8,681)	-	(8,681)
Forward sale contracts of government securities	1,477,708	-	(54,808)	-	(54,808)
----- (Rupees in '000) -----					
	December 31, 2022 (Audited)				
	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	155,155,987	-	155,155,987	-	155,155,987
Off-balance sheet financial instruments - measured at fair value					
Forward foreign exchange contracts	458,319,667	-	50,986	-	50,986
Forward sale contracts of government securities	16,721,604	-	-	-	-

29.2 Valuation techniques used in determination of fair valuation of financial instruments within level 2.

Item	Valuation techniques and input used
Federal government securities	The fair value of Market Treasury Bills and Pakistan Investment Bonds are derived using PKRV rates. Floating rate Pakistan Investment Bonds are revalued using PKFRV rates.
Forward contracts	The fair values have been determined by interpolating the mid rates announced by the State Bank of Pakistan or PKRV/PKFRV rates applicable to their respective remaining maturities.

30 SEGMENT INFORMATION

30.1 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:

	(Un-audited) For the half year ended June 30, 2023		
	Corporate Banking & Securities Services	Markets	Total
	----- (Rupees in '000) -----		
Profit & Loss			
Net mark-up / return / profit	(5,460,815)	15,913,398	10,452,583
Inter segment revenue - net	13,116,253	(13,116,253)	-
Non mark-up / return / interest income	499,814	3,811,142	4,310,956
Total Income	8,155,252	6,608,287	14,763,539
Segment direct expenses	1,551,621	413,947	1,965,568
Inter segment expense allocation	-	-	-
Total expenses	1,551,621	413,947	1,965,568
Provision	41,137	-	41,137
Profit before tax	6,562,494	6,194,340	12,756,834

	(Un-audited) As at June 30, 2023		
	Corporate Banking & Securities Services	Markets	Total
	----- (Rupees in '000) -----		
Balance Sheet			
Cash & Bank balances	103,768	49,926,711	50,030,479
Investments	-	174,417,806	174,417,806
Net inter segment lending	213,828,290	-	213,828,290
Lendings to financial institutions	-	-	-
Advances - performing	51,411,896	-	51,411,896
- non-performing net of provision	-	-	-
Others	9,253,487	1,914,515	11,168,002
Total Assets	274,597,441	226,259,032	500,856,473
Borrowings	-	-	-
Deposits & other accounts	247,154,884	877,850	248,032,734
Net inter segment borrowing	-	213,828,290	213,828,290
Others	16,251,158	989,341	17,240,499
Total liabilities	263,406,042	215,695,481	479,101,523
Equity	11,191,394	10,563,556	21,754,950
Total Equity & liabilities	274,597,436	226,259,037	500,856,473
Contingencies & Commitments	31,933,345	373,427,202	405,360,547

(Un-audited)
For the half year ended June 30, 2022

Corporate Banking & Securities Services	Markets	Total
--	---------	-------

----- (Rupees in '000) -----

Profit & Loss

Net mark-up / return / profit	(1,617,264)	5,601,914	3,984,650
Inter segment revenue - net	3,902,712	(3,902,712)	-
Non mark-up / return / interest income	399,695	1,710,518	2,110,213
Total Income	2,685,143	3,409,720	6,094,863
Segment direct expenses	966,317	407,343	1,373,660
Inter segment expense allocation	-	-	-
Total expenses	966,317	407,343	1,373,660
Reversal of provision	(16,756)	-	(16,756)
Profit before tax	1,735,582	3,002,377	4,737,959

(Audited)
As at December 31, 2022

Corporate Banking & Securities Services	Markets	Total
--	---------	-------

----- (Rupees in '000) -----

Balance Sheet

Cash & Bank balances	203,136	56,962,020	57,165,156
Investments	-	155,155,987	155,155,987
Net inter segment lending	202,307,447	-	202,307,447
Lendings to financial institutions	-	-	-
Advances - performing	40,256,733	-	40,256,733
- non-performing net of provision	-	-	-
Others	5,182,042	6,722,970	11,905,012
Total Assets	247,949,358	218,840,977	466,790,335
Borrowings	-	1,200	1,200
Deposits & other accounts	228,657,980	963,946	229,621,926
Net inter segment borrowing	-	202,307,447	202,307,447
Others	14,394,431	5,281,359	19,675,790
Total liabilities	243,052,411	208,553,952	451,606,363
Equity	4,896,947	10,287,025	15,183,972
Total Equity & liabilities	247,949,358	218,840,977	466,790,335
Contingencies & Commitments	62,892,754	477,758,442	540,651,196

31 RELATED PARTY TRANSACTIONS

Transactions with related parties comprise of transactions in the normal course of business with the Head Office and 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 appointment.

	(Un-audited) June 30, 2023		(Audited) December 31, 2022	
	Head Office	Branches and other related parties	Head Office	Branches and other related parties
----- (Rupees in '000) -----				
Balances with other banks				
In current accounts	16,009,225	6,681,294	23,043,647	9,445,731
	<u>16,009,225</u>	<u>6,681,294</u>	<u>23,043,647</u>	<u>9,445,731</u>
Other Assets				
Interest / mark-up accrued	-	-	-	-
Other receivables	-	-	-	-
Unrealised gain on foreign exchange contracts	-	777,071	-	3,441,005
	<u>-</u>	<u>777,071</u>	<u>-</u>	<u>3,441,005</u>
Borrowings				
Opening balance	-	-	-	7,060,540
Borrowings during the period / year	-	-	-	1,631,542,097
Settled during the period / year	-	-	-	(1,638,602,637)
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Overdrawn Nostros	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,200</u>
Deposits and other accounts				
Opening balance	2,571	1,133,908	8,277	1,029,390
Received during the period / year	6,483	1,411,284	16,533	3,368,378
Withdrawn during the period / year	(4,534)	(1,363,249)	(22,239)	(3,263,860)
Closing balance	<u>4,520</u>	<u>1,181,943</u>	<u>2,571</u>	<u>1,133,908</u>
Other Liabilities				
Interest / mark-up payable	-	-	-	-
Unremitted head office expense	1,200,925	-	1,108,648	-
Unrealised loss on foreign exchange contracts	-	231,822	-	1,956,871
Payable to defined benefit plan	-	390,305	-	368,036
Payable on account of sale proceeds of securities held under custody	-	-	-	4,256,041
Payable to associated undertakings	-	-	-	-
Payable for expenses and share based payments	676,278	13,794	533,273	13,776
	<u>1,877,203</u>	<u>635,921</u>	<u>1,641,921</u>	<u>6,594,724</u>
Contingencies and Commitments				
Forward exchange contracts				
Purchase	-	93,339,109	-	108,516,587
Sales	-	93,339,109	-	108,516,587
Counter guarantees to branches	153,296	552,742	182,037	508,780
	<u>153,296</u>	<u>187,230,960</u>	<u>182,037</u>	<u>217,541,954</u>
(Un-audited) for the half year ended				
	June 30, 2023		June 30, 2022	
	Head Office	Branches and other related parties	Head Office	Branches and other related parties
----- (Rupees in '000) -----				
Income				
Mark-up / return / interest earned	566,721	85,038	7	143
Fee and commission income	7,310	25,202	10,587	23,085
Net gain / (loss) on sale of securities	-	-	-	2,733
Foreign Exchange Income	-	545,249	(2)	(244,135)
Expense				
Mark-up / return / interest paid	717	1,760	556	27,038
Regional expenses for support services	6,524	4,748	4,935	(742)
Head office expenses	92,277	-	90,728	-
Share based payments expense	143,004	-	88,570	-
Contribution to staff retirement benefit funds	-	47,772	-	43,112
Remuneration of Key Management Personnel	-	137,024	-	80,038

32 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>6,812,671</u>	<u>6,812,671</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>21,754,950</u>	15,183,972
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>21,754,950</u>	15,183,972
Eligible Tier 2 Capital	-	38
Total Eligible Capital (Tier 1 + Tier 2)	<u>21,754,950</u>	15,184,010
Risk Weighted Assets (RWAs):		
Credit Risk	<u>26,424,998</u>	29,404,035
Market Risk	<u>4,092,547</u>	753,338
Operational Risk	<u>23,107,465</u>	23,107,465
Total	<u>53,625,010</u>	53,264,838
Common Equity Tier 1 Capital Adequacy Ratio	<u>40.57%</u>	28.51%
Tier 1 Capital Adequacy Ratio	<u>40.57%</u>	28.51%
Total Capital Adequacy Ratio	<u>40.57%</u>	28.51%

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 ended 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.

The Head office capital account of the Bank as at June 30, 2023 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 June 30, 2023. The Bank's CAR as at June 30, 2023 was 40.57% of its risk weighted exposure.

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.

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., the ultimate parent company, is currently required to maintain 3.5% additional capital buffer under the G-SIB framework. Accordingly, bank also holds additional 3.5% (December 2022: 3%) under Pillar 1 capital requirement.

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.

In June 2022, the Bank had adopted a short-term credit rating as a replacement for long-term rating related to short-term on-balance sheet exposures. As a result of change in methodology, the Bank's CAR had improved from 19.46% to 26.61% as on 30 June 2022. Since then, the bank continues to follow the same approach. Had the bank used long-term ratings as at June 2023, the CAR would have been 31.51%

	(Un-audited) June 30, 2023	(Audited) December 31, 2022
	(Rupees in '000)	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>21,754,950</u>	15,183,972
Total Exposure	<u>334,023,329</u>	326,408,435
Leverage Ratio	<u>6.51%</u>	4.65%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>178,526,479</u>	136,944,503
Total Net Cash Outflow	<u>51,108,650</u>	30,574,074
Liquidity Coverage Ratio	<u>349.31%</u>	447.91%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>248,361,620</u>	218,392,885
Total Required Stable Funding	<u>70,416,158</u>	91,482,940
Net Stable Funding Ratio	<u>352.71%</u>	238.73%

33 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on 28 August 2023 by the management of the Bank.

34 GENERAL

Figures have been rounded off to the nearest thousand rupees.

AHMED BOZAI
Managing Director and
Citi Country Officer

IMAD HASSAN KHAN
Country Finance Officer