

# Citibank N.A., Pakistan Branches

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

## Condensed Interim Statement of Financial Position

As at March 31, 2019

	(Un-audited)	(Audited)
Note	March 31, 2019	December 31, 2018
	(Rupees in '000)	
<b>ASSETS</b>		
Cash and balances with treasury banks	6 7,521,077	9,126,210
Balances with other banks	7 1,131,725	641,152
Lendings to financial institutions	8 60,317,154	12,458,933
Investments	9 8,541,456	66,498,149
Advances	10 45,617,949	40,003,983
Fixed assets	11 600,360	485,702
Intangible assets	-	-
Deferred tax assets	-	-
Other assets	12 7,241,934	11,734,103
	<b>130,971,655</b>	<b>140,948,232</b>
<b>LIABILITIES</b>		
Bills payable	13 4,740,024	4,199,017
Borrowings	14 4,742,759	14,123,811
Deposits and other accounts	15 97,206,485	95,036,059
Liabilities against assets subject to finance lease	-	-
Subordinated debt	-	-
Deferred tax liabilities	16 61,283	41,187
Other liabilities	17 12,666,027	16,928,628
	<b>119,416,578</b>	<b>130,328,702</b>
<b>NET ASSETS</b>	<b>11,555,077</b>	<b>10,619,530</b>
<b>REPRESENTED BY</b>		
Head office capital account	6,812,671	6,812,671
Reserves	161,543	161,543
Deficit on revaluation of assets	18 (56,119)	(75,530)
Unremitted profit	4,636,982	3,720,846
	<b>11,555,077</b>	<b>10,619,530</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	19	

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

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**NADEEM LODHI**  
Managing Director and  
Citi Country Officer

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**GULZEB KHAN**  
Chief Financial Officer

# Citibank N.A., Pakistan Branches

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

## Condensed Interim Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2019

	Note	Quarter ended	
		March 31, 2019	March 31, 2018 (Restated) (Rupees in '000)
Mark-up/Return/Interest Earned	21	2,967,885	1,700,402
Mark-up/Return/Interest Expensed	22	1,297,476	868,329
Net Mark-up / Interest Income		<b>1,670,409</b>	832,073
<b>NON MARK-UP/INTEREST INCOME</b>			
Fee and Commission Income	23	224,389	341,172
Foreign Exchange Income		500,770	1,500,212
Loss from derivatives		(1,287)	(1,005,088)
Gain on securities	24	3,118	8,219
Other Income	25	5	30,431
Total non-markup/interest Income		<b>726,995</b>	874,946
Total Income		<b>2,397,404</b>	1,707,019
<b>NON MARK-UP/INTEREST EXPENSES</b>			
Operating expenses	26	538,855	506,016
Workers Welfare Fund		26,844	18,761
Other charges	27	-	-
Total non-markup/interest expenses		<b>565,699</b>	524,777
Profit before provisions		<b>1,831,705</b>	1,182,242
Provisions and write offs - net	28	1,914	(57,081)
<b>PROFIT BEFORE TAXATION</b>		<b>1,829,791</b>	1,239,323
Taxation	29	902,811	434,022
<b>PROFIT AFTER TAXATION</b>		<b>926,980</b>	805,301

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

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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)

## Condensed Interim Statement of Comprehensive Income (Un-audited)

For the quarter ended March 31, 2019

	<b>Quarter Ended</b>	
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
	<b>(Rupees in '000)</b>	
Profit after taxation for the period	<b>926,980</b>	805,301
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Movement in surplus / (deficit) on revaluation of investments - net of tax	<b>19,411</b>	(11,964)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>		
Remeasurement (loss) / gain on defined benefit obligations - net of tax	<b>(10,844)</b>	4,040
<b>Total comprehensive income</b>	<b><u>935,547</u></b>	<b><u>797,377</u></b>

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# Citibank N.A., Pakistan Branches

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

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

As at March 31, 2019

	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) -----				
<b>Opening Balance as at January 1, 2018 (audited)</b>	6,812,671	(5,261)	163,039	2,232,629	9,203,078
Profit after taxation for the quarter ended March 31, 2018	-	-	-	805,301	805,301
Other comprehensive income for the quarter ended March 31, 2018 - net of tax	-	-	-	4,040	4,040
Remittances made to head office	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments - net of tax	-	(11,964)	-	-	(11,964)
<b>Transactions with owners, recorded directly in equity</b>					
Contribution by the head office in respect of share based payments	-	-	12,048	-	12,048
Recharged balance payable to the head office for share based payments	-	-	(12,048)	-	(12,048)
<b>Opening Balance as at April 1, 2018 (un-audited)</b>	<b>6,812,671</b>	<b>(17,225)</b>	<b>163,039</b>	<b>3,041,970</b>	<b>10,000,455</b>
Profit after taxation for the period April 1, 2018 to December 31, 2018	-	-	-	2,904,230	2,904,230
Other comprehensive income for the period April 1, 2018 to December 31, 2018 - net of tax	-	-	-	7,275	7,275
Remittances made to head office	-	-	-	(2,232,629)	(2,232,629)
Movement in surplus / (deficit) on revaluation of investments - net of tax	-	(58,305)	-	-	(58,305)
<b>Transactions with owners, recorded directly in equity</b>					
Contribution by the head office in respect of share based payments	-	-	1,942	-	1,942
Recharged balance payable to the head office for share based payments	-	-	(1,942)	-	(1,942)
Effect of re-measurement of cost under share based payment - net of tax	-	-	(1,496)	-	(1,496)
<b>Opening Balance as at January 1, 2019 (un-audited)</b>	<b>6,812,671</b>	<b>(75,530)</b>	<b>161,543</b>	<b>3,720,846</b>	<b>10,619,530</b>
Profit after taxation for the quarter ended March 31, 2019	-	-	-	926,980	926,980
Other comprehensive income for the quarter ended March 31, 2019 - net of tax	-	-	-	(10,844)	(10,844)
Remittances made to head office	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments - net of tax	-	19,411	-	-	19,411
<b>Transactions with owners, recorded directly in equity</b>					
Contribution by the head office in respect of share based payments	-	-	6,052	-	6,052
Recharged balance payable to the head office for share based payments	-	-	(6,052)	-	(6,052)
<b>Closing Balance as at March 31, 2019</b>	<b>6,812,671</b>	<b>(56,119)</b>	<b>161,543</b>	<b>4,636,982</b>	<b>11,555,077</b>

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

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# Citibank N.A., Pakistan Branches

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

## Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2019

	Quarter ended	
	March 31, 2019	March 31, 2018 (Restated)
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,829,791	1,239,323
Adjustments:		
Depreciation	31,135	31,619
Depreciation on right-of-use assets	15,840	-
Interest expense on lease liability against right-of-use assets	5,123	-
Provision and write-offs - net	1,914	(57,081)
Gain on sale of fixed assets	-	(29,459)
Unrealised gain / (loss) on revaluation of investments classified as held for trading	(2,178)	4,630
Charge for defined benefit plan	11,709	10,034
	<b>63,543</b>	<b>(40,257)</b>
	<b>1,893,334</b>	<b>1,199,066</b>
(Increase)/ Decrease in operating assets		
Lendings to financial institutions	<b>(47,858,221)</b>	(28,778,865)
Held-for-trading securities	<b>6,733,596</b>	(10,801,003)
Advances	<b>(5,615,880)</b>	932,360
Others assets (excluding advance taxation)	<b>4,881,062</b>	(4,241,701)
	<b>(41,859,443)</b>	(42,889,209)
(Decrease) / Increase in operating liabilities		
Bills Payable	<b>541,007</b>	512,711
Borrowings from financial institutions	<b>(11,070,578)</b>	(3,908,418)
Deposits	<b>2,170,426</b>	2,439,276
Other liabilities (excluding current taxation, Head Office Expenses, payable to defined benefit plan and lease liability against right-of-use Assets)	<b>(4,442,505)</b>	4,947,249
	<b>(12,801,650)</b>	3,990,818
Income tax paid	<b>(1,242,918)</b>	(288,302)
Contribution to gratuity fund	<b>(6,038)</b>	(5,106)
Remittances made during the year on account of head office expenses	-	-
<i>Net cash flow used in operating activities</i>	<b>(54,016,715)</b>	(37,992,733)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	<b>51,255,138</b>	38,532,289
Investments in operating fixed assets	<b>(26,264)</b>	(387)
Proceeds from sale of fixed assets	-	29,459
<i>Net cash flow generated from investing activities</i>	<b>51,228,874</b>	38,561,361
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	<b>(16,245)</b>	-
Profit repatriated to head office during the year	-	-
<i>Net cash used in financing activities</i>	<b>(16,245)</b>	-
<b>(Decrease) / Increase in cash and cash equivalents</b>	<b>(2,804,086)</b>	568,628
Cash and cash equivalents at beginning of the period	<b>9,529,741</b>	6,996,344
Cash and cash equivalents at end of the period	<b>6,725,655</b>	7,564,972

Note

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The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

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# Citibank N.A., Pakistan Branches

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## Notes to and forming part of the Condensed Interim Financial Information (Un-audited)

For the quarter ended March 31, 2019

### 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 March 31, 2019, the Bank operated through 3 branches (December 31, 2018: 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** 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.

**2.2** These condensed interim financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular Letter No. 05, dated March 22, 2019.

### 2.3 STATEMENT OF COMPLIANCE

These condensed interim 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).

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.

The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7 'Financial Instruments: Disclosures' through its notification S.R.O 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan through BPRD Circular Letter No. 05 dated March 22, 2019 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and this condensed interim financial information should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2018.

IFRS 9, Financial Instruments, was notified by the SECP as applicable for accounting periods beginning on or after July 1, 2018. However, the SECP vide its SRO Letter no 229 (I) / 2019 dated 14 February 2019, has deferred the applicability of this standard to banks, to accounting periods beginning on or after June 30, 2019.

#### **2.4 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year**

The SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 has amended the format of condensed interim financial statements of banks in order to align it with the annual financial statements, issued vide BPRD Circular No. 2 of 2018. All banks have been directed to prepare their quarterly and half yearly condensed interim financial statements on the revised format effective from the accounting year beginning on January 1, 2019. Accordingly, the Bank has prepared these condensed interim financial statements on the new format prescribed by the SBP. The adoption of new format required certain recognition requirements, reclassification of comparative information and also introduced additional disclosure requirements.

IFRS 16, the accounting standard for leases, became effective for annual reporting periods commencing on or after January 1, 2019. The impact of the adoption of IFRS 16 on the Bank's condensed interim financial statements is disclosed in note 4.1.2 below.

There are certain other new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after 01 January 2019 but are considered not to be relevant or to have any significant effect on the Bank's operations and are, therefore, not disclosed in these condensed interim financial statements.

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

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2020:

IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). 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 carried out an impact assessment as at 31 December 2017 which has been submitted to the State Bank of Pakistan. However, this assessment has not been updated to 31 March 2019 pending notification as to date the standard is applicable for banks.

The Bank expects that adoption of the remaining amendments will not affect its financial statements in the period of initial application.

#### **2.6 Critical accounting estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management and the key sources of estimates used in the preparation of this condensed interim financial information are the same as those applied to the annual financial statements for the year ended December 31, 2018.

### **3 BASIS OF MEASUREMENT**

#### **3.1 Accounting convention**

These condensed interim 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. In addition, obligation in respect of staff retirement benefit is carried at present value and certain financial assets are stated net of provision.

#### **3.2 Functional and presentational currency**

These condensed interim 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 accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2018, except for those disclosed in note 4.1.

### 4.1 Changes in accounting policies

4.1.1 The SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 has amended the format of condensed interim financial statements of banks in order to align it with the annual financial statements, issued vide BPRD Circular No. 2 of 2018. All banks have been directed to prepare their quarterly and half yearly condensed interim financial statements on the revised format effective from the accounting year beginning on January 1, 2019. Accordingly, the Bank has prepared these condensed interim unconsolidated financial statements on the new format prescribed by the SBP. The amended format introduced certain new disclosures and has resulted in the following significant change:

Cost of foreign currency swaps (note 22) amounting to Rs. 101.863 million for the quarter ended March 31, 2019 (Rs. 171.664 million for the quarter ended March 31, 2018) which was previously shown as part of mark-up income / return / interest earned has now been shown as part of mark-up / return / profit / interest expensed in the profit and loss account.

Provision against advances amounting to Rs. 1.913 million for the quarter ended March 31, 2019 (Reversal of provision against advances of Rs. 57.081 million for the quarter ended March 31, 2018) which was previously shown in the Profit and Loss Account has now been shown as part of provisions and write-offs (note 28).

4.1.2 The Bank has adopted IFRS 16 from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on 1 January 2019.

On adoption of IFRS 16, the Bank recognized lease liabilities in relation to leases, which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The uniform borrowing rate applied to the lease liabilities on 1 January 2019.

The change in accounting policy affected the following items in the balance sheet on 31 March 2019:

- Right-of-Use (RoU) assets recognized as Fixed assets by Rs. 119.529 million;
- Lease liabilities recognized as Other liabilities by Rs. 157.550 million;
- Depreciation on right-of-use assets and Interest expense on lease liability against right-of-use assets has been recognized as Operating expenses by Rs. 15.840 million and Rs. 5.123 million respectively.

In applying IFRS 16 for the first time, the Bank has used the following expedients permitted by the standard:

- The use of a single discount rate to the total portfolio of leases;
- Lease term considered to the extent of define period mentioned in lease agreements
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss.

## 5 FINANCIAL RISK MANAGEMENT

The Bank's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2018.

		(Un-audited) March 31, 2019	(Audited) December 31, 2018
		(Rupees in '000)	
<b>6</b>	<b>CASH AND BALANCES WITH TREASURY BANKS</b>		
	In hand		
	Local currency	137,894	160,717
	Foreign currency	105,378	105,913
		243,272	266,630
	With State Bank of Pakistan in		
	Local currency current account	5,561,999	7,252,520
	Foreign currency current account		
	- Cash reserve account	394,186	388,813
	- US Dollar clearing account	136,917	49,661
	Foreign currency deposit account		
	- Special cash reserve account	1,182,557	1,166,440
		7,275,659	8,857,434
	With National Bank of Pakistan in		
	Local currency current accounts	2,146	2,146
		7,521,077	9,126,210
		(Un-audited) March 31, 2019	(Audited) December 31, 2018
		(Rupees in '000)	
<b>7</b>	<b>BALANCES WITH OTHER BANKS</b>		
	In Pakistan		
	In current accounts	14,916	30,299
	Outside Pakistan		
	In current accounts	1,116,809	610,853
		1,131,725	641,152
<b>8</b>	<b>LENDINGS TO FINANCIAL INSTITUTIONS</b>		
	Repurchase agreement lendings (Reverse Repo)	60,317,154	12,458,933
		60,317,154	12,458,933
	Less: Provision held against Lending to Financial Institutions	-	-
	Lendings to Financial Institutions - net of provision	60,317,154	12,458,933
<b>9</b>	<b>INVESTMENTS</b>	(Un-audited) March 31, 2019	(Audited) December 31, 2018
<b>9.1</b>	<b>Investments by type:</b>	Cost / Amortised cost	Provision for diminution
		Surplus / (Deficit)	Carrying Value
		Cost / Amortised cost	Provision for diminution
		Surplus / (Deficit)	Carrying Value
		(Rupees in '000)	
	<b>Held-for-trading securities</b>		
	Federal Government Securities	349,458	-
		(687)	348,771
		7,083,054	-
		(2,864)	7,080,190
	<b>Available-for-sale securities</b>		
	Federal Government Securities	8,279,021	-
	Non Government Debt Securities 9.1.1	248,090	(248,090)
		(86,336)	-
		59,534,158	-
		248,090	(248,090)
		59,782,248	(248,090)
	<b>Total Investments</b>	<b>8,876,569</b>	<b>(248,090)</b>
		<b>(87,023)</b>	<b>8,541,456</b>
		<b>66,865,302</b>	<b>(248,090)</b>
		<b>(119,063)</b>	<b>66,498,149</b>
<b>9.1.1</b>	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 completely provided for.		
<b>9.2</b>	<b>Provision for diminution in value of investments</b>	(Un-audited) March 31, 2019	(Audited) December 31, 2018
<b>9.2.1</b>	Opening balance	(248,090)	(248,090)
	Exchange adjustments		
	Charge / reversals		
	Charge for the period / year	-	-
	Reversals for the period / year	-	-
	Reversal on disposals	-	-
	Transfers - net	-	-
	Amounts written off	-	-
	Closing Balance	(248,090)	(248,090)



	Note	(Un-audited)	
		March 31, 2019	March 31, 2018
(Rupees in '000)			
<b>11.2 Additions to fixed assets</b>			
The following additions have been made to fixed assets during the period:			
Capital work-in-progress		-	387
<b>Property and equipment</b>			
Electrical office and computer equipment		9,469	-
Vehicles		37,821	-
		47,290	-
Total		47,290	387

## 12 OTHER ASSETS

Income / Mark-up accrued in local currency		1,142,506	831,646
Income / Mark-up accrued in foreign currency		24,622	30,365
Advances, deposits, advance rent and other prepayments		75,751	112,335
Advance taxation (payments less provisions)	12.2	565,922	921,512
Non-banking assets acquired in satisfaction of claims		7,954	7,954
Branch adjustment account		-	-
Mark to market gain on forward foreign exchange contracts		1,721,407	3,578,806
Acceptances		3,698,333	6,249,450
Others		13,393	9,989
		7,249,888	11,742,057
Less: Provision held against other assets	12.1	7,954	7,954
Other Assets (Net of Provision)		7,241,934	11,734,103
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		-	-
		7,241,934	11,734,103

### 12.1 Provision held against other assets

Non banking assets acquired in satisfaction of claims		7,954	7,954
		7,954	7,954

12.1.1 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.

12.2 The Income Tax returns of the Bank have been filed up to the tax year 2018 (accounting year ended December 31, 2017) and were deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance) unless amended by the Commissioner of Inland Revenue.

The income tax authorities have issued amended assessment orders for up to tax years 2018, and created additional tax demands (including disallowances of reversal of provisions made prior to Seventh Schedule and charging of Minimum Tax) of Rs.630 million (December 31, 2018: Rs.630 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 is confident that the appeals will be decided in favour of the Bank.

	(Un-audited)		(Audited)	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
(Rupees in '000)				
<b>13 BILLS PAYABLE</b>				
In Pakistan	4,740,024	4,199,017	4,740,024	4,199,017

	(Un-audited)		(Audited)	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
(Rupees in '000)				
<b>14 BORROWINGS</b>				
<b>Unsecured</b>				
Call borrowings	2,815,612	13,886,190	2,815,612	13,886,190
Overdrawn nostro accounts	1,927,147	237,621	1,927,147	237,621
<b>Total unsecured</b>	4,742,759	14,123,811	4,742,759	14,123,811

## 15 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited)			(Audited)		
	March 31, 2019			December 31, 2018		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
(Rupees in '000)						
<b>Customers</b>						
Current deposits	36,241,166	1,090,939	37,332,105	37,301,239	3,526,445	40,827,684
Savings deposits	26,194,746	5,285,029	31,479,775	22,070,832	2,366,723	24,437,555
Term deposits	21,914,088	30,742	21,944,830	24,428,822	30,323	24,459,145
Others	4,344,672	9,744	4,354,416	3,305,257	5,848	3,311,105
	88,694,672	6,416,454	95,111,126	87,106,150	5,929,339	93,035,489
<b>Financial Institutions</b>						
Current deposits	1,877,620	217,739	2,095,359	1,725,187	275,383	2,000,570
	1,877,620	217,739	2,095,359	1,725,187	275,383	2,000,570
	90,572,292	6,634,193	97,206,485	88,831,337	6,204,722	95,036,059

	Note	(Un-audited) March 31, 2019	(Audited) December 31, 2018
Rupees in '000			
<b>16 DEFERRED TAX LIABILITIES</b>			
Deductible Temporary Differences on			
- Post retirement employee benefits		78,990	73,151
- Deficit on revaluation of investments		30,217	40,669
		<b>109,207</b>	113,820
Taxable Temporary Differences on			
- Accelerated tax depreciation		(21,966)	(9,999)
- Effect of re-measurement of cost under share based payment		(86,985)	(86,985)
- Unrealized gain on derivatives		(61,539)	(58,023)
		<b>(170,490)</b>	(155,007)
		<b>(61,283)</b>	(41,187)

**17 OTHER LIABILITIES**

Mark-up / Return / Interest payable in local currency		411,789	502,742
Mark-up / Return / Interest payable in foreign currency		563	926
Unearned commission and income on bills discounted		35,965	54,619
Accrued expenses	17.1 & 17.2	738,127	889,733
Acceptances		3,698,333	6,249,450
Mark to market loss on forward foreign exchange contracts		1,526,125	3,380,425
Unremitted head office expenses		853,098	769,833
Payable to regional offices for support services		87,802	75,151
Payable to defined benefit plan		201,373	179,019
Payable on account of sale proceeds of securities held under custody		1,694,096	1,700,155
Payable on account of sale proceeds of shares sold by an associated undertaking		420,887	420,887
Securities sold but not yet purchased		495,831	495,449
Lease liability against right-of-use assets		157,550	-
Others		2,344,488	2,210,239
		<b>12,666,027</b>	16,928,628

17.1 This includes the Bank's obligation to the head office under the stock award and stock option programmes. As of March 31, 2019 recognised liability for share based incentive plans was Rs. 218.320 million (December 31, 2018: Rs. 212.267 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 416.298 million against provincial WWF law from the date of its levy till March 31, 2019.

	Note	(Un-audited) March 31, 2019	(Audited) December 31, 2018
(Rupees in '000)			
<b>18 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS</b>			
Surplus / (deficit) on revaluation of			
- Available for sale securities	9.1	(86,336)	(116,199)
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		30,217	40,669
		<b>(56,119)</b>	(75,530)

**19 CONTINGENCIES AND COMMITMENTS**

-Guarantees	19.1	2,593,522	2,328,536
-Commitments	19.2	309,713,778	243,706,429
-Other contingent liabilities	19.3	213,028	210,336
		<b>312,520,328</b>	246,245,301

**19.1 Guarantees:**

Financial guarantees		202	202
Performance guarantees		2,495,669	2,328,334
Other guarantees		97,651	-
		<b>2,593,522</b>	2,328,536

	Note	(Un-audited) March 31, 2019 (Rupees in '000)	(Audited) December 31, 2018
<b>19.2 Commitments:</b>			
Documentary credits and short-term trade-related transactions - letters of credit		13,268,766	12,151,417
Commitments in respect of:			
- Forward foreign exchange contracts	19.2.1	223,483,121	213,647,263
- Forward government securities transactions	19.2.2	511,725	539,830
- Derivatives - interest rate swaps	19.2.3	1,475,000	1,966,667
- Forward lending	19.2.4	61,338,560	14,227,239
Commitments for acquisition of:			
- Fixed assets		7,213	7,573
Other commitments	19.2.5	9,629,393	1,166,440
		<b>309,713,778</b>	<b>243,706,429</b>

#### 19.2.1 Commitments in respect of forward foreign exchange contracts

Purchase	115,903,131	115,534,754
Sale	107,579,990	98,112,509
	<b>223,483,121</b>	<b>213,647,263</b>

#### 19.2.2 Commitments in respect of forward government securities transactions

	(Un-audited) March 31, 2019 (Rupees in '000)	(Audited) December 31, 2018
Purchase	511,725	539,830
Sale	-	-
	<b>511,725</b>	<b>539,830</b>

#### 19.2.3 Commitments in respect of derivatives

Purchase*	1,475,000	1,966,667
Sale	-	-
	<b>1,475,000</b>	<b>1,966,667</b>

\* Interest rate derivative contract

#### 19.2.4 Commitments in respect of forward lending

Forward repurchase agreement lending	60,369,742	12,469,769
Undrawn formal standby facilities, credit lines and other commitments to lend	968,818	1,757,470
	<b>61,338,560</b>	<b>14,227,239</b>

#### 19.2.5 Other commitments

Forward borrowing	8,446,836	-
Forward placement	1,182,557	1,166,440
	<b>9,629,393</b>	<b>1,166,440</b>

#### 19.3 Other contingent liabilities

Claims not acknowledged as debt	19.3.1	213,028	210,336
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19.3.1 These are not recognised as debt as the probability of these crystallising against the Bank is considered remote.

### 20 DERIVATIVE INSTRUMENTS

#### Product Analysis

##### Counterparties

##### With other entities for

	(Un-audited) March 31, 2019 Interest Rate Swaps	
	Notional Principal	Mark to market loss
Hedging	-	-
Market Making	1,475,000	(19,457)

##### Total

Hedging	-	-
Market Making	1,475,000	(19,457)

##### Counterparties

##### With other entities for

	(Audited) December 31, 2018 Interest Rate Swaps	
	Notional Principal	Mark to market loss
Hedging	-	-
Market Making	1,966,667	(32,600)

##### Total

Hedging	-	-
Market Making	1,966,667	(32,600)



	Note	(Un-audited)	
		March 31, 2019	March 31, 2018
		(Rupees in '000)	
<b>26 OPERATING EXPENSES</b>			
<b>Total compensation expense</b>		<b>176,516</b>	160,552
<b>Property expense</b>			
Rent & taxes		14,414	40,882
Insurance		18	390
Utilities cost		5,205	5,623
Security (including guards)		10,991	12,237
Repair & maintenance (including janitorial charges)		11,721	13,142
Depreciation		18,183	18,233
Depreciation on right-of-use assets		15,840	-
Interest expense on lease liability against right-of-use assets		5,123	-
Others		197	-
		<b>81,692</b>	90,507
<b>Information technology expenses</b>			
Software maintenance		5,145	-
Hardware maintenance		20	577
Depreciation		11,061	11,829
Amortisation		-	-
Network charges		9,960	8,024
Others		728	-
		<b>26,914</b>	20,430
<b>Other operating expenses</b>			
Legal & professional charges		9,715	6,350
Outsourced services costs		40,293	59,293
Travelling & conveyance		19,188	26,213
NIFT clearing charges		2,009	4,045
Depreciation		1,891	1,557
Training & development		244	-
Postage & courier charges		7,461	8,669
Communication		7,534	5,065
Head office expenses	26.1	83,265	79,293
Stationery & printing		7,753	10,068
Marketing, advertisement & publicity		-	1
Donations		400	450
Auditors Remuneration		764	771
Banking Service Charges		43,851	14,703
Brokerage and commission paid		15,352	16,937
Card Association Fees		9,978	-
Others		4,035	1,112
		<b>253,733</b>	234,527
		<b>538,855</b>	506,016
<b>26.1</b>	Head office expenses are estimated based on head office certificates of prior year and are subject to true ups / actualisation.		
<b>27 OTHER CHARGES</b>			
Penalties imposed by State Bank of Pakistan		-	-
Penalties imposed by other regulatory bodies (to be specified)		-	-
Others (to be specified, if material)		-	-
		<b>-</b>	<b>-</b>

	Note	(Un-audited)	
		March 31, 2019	March 31, 2018
<b>28 PROVISIONS &amp; WRITE OFFS - NET</b>			
Provisions against lending to financial institutions	8.1	-	-
Provisions for diminution in value of investments	9.2.1	-	-
Provisions / reversal against loans & advances	10.3	1,914	(57,081)
Other provisions / write offs (to be specified)		-	-
Bad debts written off directly		-	-
Recovery of written off / charged off bad debts		-	-
		<b>1,914</b>	<b>(57,081)</b>

### 29 TAXATION

Current	718,119	398,223
Prior periods	169,210	-
Deferred	15,482	35,799
	<b>902,811</b>	<b>434,022</b>

### 30 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.

#### 30.1 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:

	Note	(Un-audited)			
		March 31, 2019			
	Carrying / Notional Value	Fair Value			Total
		Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Federal Government Securities		8,541,456	-	8,541,456	-
		-			8,541,456
<b>Financial assets - disclosed but not measured at fair value</b>					
Cash and balances with treasury banks	30.2	7,521,077	-	-	-
Balances with other banks	30.2	1,131,725	-	-	-
Lendings to financial institutions	30.2	60,317,154	-	-	-
Advances - net	30.2	45,617,949	-	-	-
Other financial assets	30.2	6,596,789	-	-	-
		<b>129,726,150</b>	<b>-</b>	<b>8,541,456</b>	<b>-</b>
					<b>8,541,456</b>

		(Un-audited) March 31, 2019			
Note	Carrying / Notional Value	Fair Value			Total
		Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
<b>Off-balance sheet financial instruments - measured at fair value</b>					
	115,903,131	-	117,451,204	-	117,451,204
	107,579,990	-	106,235,270	-	106,235,270
	60,369,742	-	60,369,742	-	60,369,742
	8,446,836	-	8,446,836	-	8,446,836
	511,725	-	507,764	-	507,764
	-	-	-	-	-
	1,182,557	-	1,182,557	-	1,182,557
	1,475,000	-	1,455,543	-	1,455,543

		(Audited) December 31, 2018			
Note	Carrying / Notional Value	Fair Value			Total
		Level 1	Level 2	Level 3	
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
	66,498,149	-	66,498,149	-	66,498,149
	-	-	-	-	-
<b>Financial assets - disclosed but not measured at fair value</b>					
	9,126,210	-	-	-	-
	641,152	-	-	-	-
	12,458,933	-	-	-	-
	40,003,983	-	-	-	-
	10,696,740	-	-	-	-
	139,425,167	-	66,498,149	-	66,498,149

<b>Off-balance sheet financial instruments - measured at fair value</b>					
	115,534,754	-	119,113,702	-	119,113,702
	98,112,509	-	94,729,805	-	94,729,805
	12,469,769	-	12,469,769	-	12,469,769
	-	-	-	-	-
	539,830	-	522,514	-	522,514
	-	-	-	-	-
	1,166,440	-	1,166,440	-	1,166,440
	1,966,667	-	1,934,066	-	1,934,066

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

## 31 SEGMENT INFORMATION

### 31.1 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:

**For the quarter ended March 31, 2019  
(Un-audited)**

	<b>Corporate Banking</b>	<b>Trading &amp; Sales</b>	<b>Total</b>
	----- (Rupees in '000) -----		
<b>Profit &amp; Loss</b>			
Net mark-up / return / profit	11,452	1,658,957	1,670,409
Inter segment revenue - net	1,046,286	(1,046,286)	-
Non mark-up / return / interest income	224,391	502,604	726,995
<b>Total Income</b>	<b>1,282,129</b>	<b>1,115,275</b>	<b>2,397,404</b>
Segment direct expenses	326,000	239,699	565,699
Inter segment expense allocation	-	-	-
<b>Total expenses</b>	<b>326,000</b>	<b>239,699</b>	<b>565,699</b>
Provisions	1,914	-	1,914
<b>Profit before tax</b>	<b>954,215</b>	<b>875,576</b>	<b>1,829,791</b>

**As at March 31, 2019  
(Un-audited)**

	<b>Corporate Banking</b>	<b>Trading &amp; Sales</b>	<b>Total</b>
	----- (Rupees in '000) -----		
<b>Balance Sheet</b>			
Cash & Bank balances	243,272	8,409,530	8,652,802
Investments	-	8,541,456	8,541,456
Net inter segment lending	60,116,345	(60,116,345)	-
Lendings to financial institutions	-	60,317,154	60,317,154
Advances - performing	45,617,949	-	45,617,949
- non-performing net of provision	-	-	-
Others	6,008,912	1,833,382	7,842,294
<b>Total Assets</b>	<b>111,986,478</b>	<b>18,985,177</b>	<b>130,971,655</b>
Borrowings	-	4,742,759	4,742,759
Deposits & other accounts	96,574,905	631,580	97,206,485
Net inter segment borrowing	(60,116,346)	60,116,346	-
Others	15,411,573	2,055,761	17,467,334
<b>Total liabilities</b>	<b>51,870,132</b>	<b>67,546,446</b>	<b>119,416,578</b>
Equity	-	11,555,077	11,555,077
<b>Total Equity &amp; liabilities</b>	<b>51,870,132</b>	<b>79,101,523</b>	<b>130,971,655</b>
<b>Contingencies &amp; Commitments</b>	<b>17,051,347</b>	<b>295,468,981</b>	<b>312,520,328</b>

For the quarter ended March 31, 2018  
(Un-audited)

	Corporate Banking	Trading & Sales	Total
	----- (Rupees in '000) -----		
Profit & Loss			
Net mark-up / return / profit	(238,124)	1,070,197	832,073
Inter segment revenue - net	530,703	(530,703)	-
Non mark-up / return / interest income	371,116	503,830	874,946
Total Income	<u>663,695</u>	<u>1,043,324</u>	<u>1,707,019</u>
Segment direct expenses	260,619	264,158	524,777
Inter segment expense allocation	-	-	-
Total expenses	<u>260,619</u>	<u>264,158</u>	<u>524,777</u>
Provisions	(57,081)	-	(57,081)
Profit before tax	<u>460,157</u>	<u>779,166</u>	<u>1,239,323</u>

As at December 31, 2018  
(Audited)

	Corporate Banking	Trading & Sales	Total
	----- (Rupees in '000) -----		
Balance Sheet			
Cash & Bank balances	266,629	9,500,733	9,767,362
Investments	-	66,498,149	66,498,149
Net inter segment lending	62,790,652	(62,790,652)	-
Lendings to financial institutions	-	12,458,933	12,458,933
Advances - performing	40,003,983	-	40,003,983
- non-performing	-	-	-
Others	8,609,484	3,610,321	12,219,805
Total Assets	<u>111,670,748</u>	<u>29,277,484</u>	<u>140,948,232</u>
Borrowings	-	14,123,811	14,123,811
Deposits & other accounts	94,446,990	589,069	95,036,059
Net inter segment borrowing	(62,790,652)	62,790,652	-
Others	17,223,758	3,945,074	21,168,832
Total liabilities	<u>48,880,096</u>	<u>81,448,606</u>	<u>130,328,702</u>
Equity	-	10,619,530	10,619,530
Total Equity & liabilities	<u>48,880,096</u>	<u>92,068,136</u>	<u>140,948,232</u>
Contingencies & Commitments	<u>16,455,332</u>	<u>229,789,969</u>	<u>246,245,301</u>

## 32 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 appointment.

	(Un-audited) March 31, 2019		(Audited) December 31, 2018	
	Head Office	Branches and other related parties	Head Office	Branches and other related parties
----- (Rupees in '000) -----				
<b>Balances with other banks</b>				
In current accounts	-	1,116,421	-	536,690
	-	1,116,421	-	536,690
<b>Other Assets</b>				
Interest / mark-up accrued	1,309	-	1,076	-
Other receivables	-	1,510	-	3,510
Unrealised gain on forward foreign exchange contracts - purchase	-	373,447	-	720,788
	1,309	374,957	1,076	724,298
<b>Borrowings</b>				
Opening balance	-	13,886,190	-	15,458,408
Borrowings during the year	-	264,982,363	-	979,524,899
Settled during the year	-	(276,052,940)	-	(981,097,117)
Closing balance	-	2,815,613	-	13,886,190
<b>Overdrawn Nostros</b>	1,927,144	-	237,618	-
<b>Deposits and other accounts</b>				
Opening balance	766	693,332	616	328,248
Received during the year	8,456	1,903,792	1,090,363	4,062,479
Withdrawn during the year	-	(206,078)	(1,090,213)	(3,697,395)
Closing balance	9,222	2,391,046	766	693,332
<b>Other Liabilities</b>				
Interest / mark-up payable	-	563	-	926
Unremitted Head Office Expense	853,098	-	769,833	-
Unrealised loss on forward foreign exchange contracts - sale	-	275,586	-	723,363
Payable to defined benefit plan	-	201,373	-	179,019
Payable to associated undertakings	-	2,114,982	-	2,121,042
Payable for expenses and share based payments	218,320	87,802	212,268	75,151
	1,071,418	2,680,306	982,101	3,099,501
<b>Contingencies and Commitments</b>				
Forward exchange contracts				
Purchase	-	26,657,468	-	29,964,551
Sales	-	26,657,468	-	29,964,551
Counter guarantees to branches	195,932	1,202,470	150,623	1,233,307
	195,932	54,517,406	150,623	61,162,409

	(Un-audited) Quarter Ended			
	March 31, 2019		March 31, 2018	
	Head Office	Branches and other related parties	Head Office	Branches and other related parties
<b>Income</b>				
Mark-up / return / interest earned	32,289	474	-	5,001
Fee and commission income	4,289	87,880	8,475	217,790
Net gain on sale of securities	-	(9)	-	(62)
Foreign Exchange Income	-	995	-	20,756
<b>Expense</b>				
Mark-up / return / interest paid	96	29,789	-	34,083
Regional expenses for support services	1,366	12,273	1,083	4,428
Head office expenses	83,265	-	79,293	-
Contribution to staff retirement benefit funds	-	13,026	-	11,237
Remuneration of Key Management Personnel	-	51,385	-	34,323

### 33 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

March 31,      December 31,  
2019              2018  
(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>11,555,077</u>	10,619,530
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Eligible Additional Tier 1 (ADT 1) Capital

-	-
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Total Eligible Tier 1 Capital

<u>11,555,077</u>	10,619,530
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Eligible Tier 2 Capital

421	426
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Total Eligible Capital (Tier 1 + Tier 2)

<u>11,555,498</u>	10,619,956
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**Risk Weighted Assets (RWAs):**

Credit Risk

<u>30,667,109</u>	29,188,301
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Market Risk

1,843,727	957,497
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Operational Risk

<u>12,444,530</u>	12,444,529
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Total

<u>44,955,366</u>	<u>42,590,327</u>
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Common Equity Tier 1 Capital Adequacy Ratio

<u>25.70%</u>	24.93%
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Tier 1 Capital Adequacy Ratio

<u>25.70%</u>	24.93%
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Total Capital Adequacy Ratio

<u>25.70%</u>	<u>24.94%</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.

The Head office capital account of the Bank for the quarter ended March 31, 2019 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 11.90% of the risk weighted exposures of the Bank as of March 31, 2019. The Bank's CAR as at March 31, 2019 was 25.70% 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., the ultimate parent company, is currently required to maintain 2% additional capital buffer under the G-SIB framework. Accordingly, bank also holds additional 2% 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.

March 31,      December 31,  
2019              2018  
(Rupees in '000)

**Leverage Ratio (LR):**

Eligible Tier-1 Capital

11,555,077	10,619,530
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Total Exposure

<u>157,757,179</u>	167,813,928
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Leverage Ratio

<u>7.32%</u>	6.33%
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**Liquidity Coverage Ratio (LCR):**

Total High Quality Liquid Assets

<u>68,854,507</u>	68,163,186
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Total Net Cash Outflow

<u>25,551,209</u>	25,765,502
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Liquidity Coverage Ratio

<u>269.48%</u>	264.55%
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**Net Stable Funding Ratio (NSFR):**

Total Available Stable Funding

<u>99,237,973</u>	99,839,445
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Total Required Stable Funding

<u>62,824,941</u>	49,670,959
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Net Stable Funding Ratio

<u>157.96%</u>	201.00%
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**34 DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue on May 28, 2019 by the management of the Bank.

**35 GENERAL**

**35.1** Figures have been rounded off to the nearest thousand rupees.

**35.2** 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.

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**NADEEM LODHI**  
Managing Director and  
Citi Country Officer

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**GULZEB KHAN**  
Chief Financial Officer