

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 September 30, 2023

	(Un-audited) September 30, 2023	(Audited) December 31, 2022
Note	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	6 27,357,667	24,666,659
Balances with other banks	7 788,867	32,498,497
Lendings to financial institutions	8 10,000,000	-
Investments	9 207,094,437	155,155,987
Advances	10 52,606,442	40,256,733
Fixed assets	11 1,435,656	393,258
Intangible assets	-	-
Deferred tax assets	12 251,056	504,621
Other assets	13 24,200,515	11,007,133
	323,734,640	264,482,888
LIABILITIES		
Bills payable	14 1,096,153	725,096
Borrowings	15 8,178,676	1,200
Deposits and other accounts	16 258,039,409	229,621,926
Liabilities against assets subject to finance lease	-	-
Subordinated debt	-	-
Deferred tax liabilities	-	-
Other liabilities	17 30,843,302	18,950,694
	298,157,540	249,298,916
NET ASSETS	25,577,100	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 (88,945)	(563,578)
Unremitted profit	18,689,655	8,771,160
	25,577,100	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 nine months ended September 30, 2023

	Note	Quarter ended		Nine Months Ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
----- (Rupees in '000) -----					
Mark-up / return / interest earned	20	13,426,129	7,177,898	33,878,971	16,122,515
Mark-up / return / interest expensed	21	7,149,807	3,896,586	17,150,066	8,856,553
Net Mark-up / Interest Income		6,276,322	3,281,312	16,728,905	7,265,962
NON MARK-UP / INTEREST INCOME					
Fee and commission income	22	274,936	235,809	774,750	635,529
Foreign exchange income		1,605,773	1,758,227	5,432,685	3,512,242
Gain from derivatives		-	-	-	-
Loss on securities	23	(32,305)	7,356	(48,075)	(36,160)
Other income	24	-	-	-	(6)
Total non-markup / interest income		1,848,404	2,001,392	6,159,360	4,111,605
Total Income		8,124,726	5,282,704	22,888,265	11,377,567
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	25	841,976	700,686	2,549,384	1,988,076
Workers Welfare Fund	17.1	145,284	94,155	402,494	180,395
Other charges	26	-	-	950	30
Total non-markup / interest expenses		987,260	794,841	2,952,828	2,168,501
Profit before provisions		7,137,466	4,487,863	19,935,437	9,209,066
Provision / (reversal) and write offs - net	27	(1,501)	(4,959)	39,636	(21,715)
PROFIT BEFORE TAXATION		7,138,967	4,492,822	19,895,801	9,230,781
Taxation	28	3,611,148	2,846,648	9,977,306	6,021,701
PROFIT AFTER TAXATION		3,527,819	1,646,174	9,918,495	3,209,080

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

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

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months ended September 30, 2023

	<u>Quarter ended</u>		<u>Nine Months ended</u>	
	<u>September</u>	<u>September</u>	<u>September</u>	<u>September</u>
	<u>30,</u>	<u>30,</u>	<u>30,</u>	<u>30,</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>----- (Rupees in '000) -----</u>			
Profit after taxation for the period	3,527,819	1,646,174	9,918,495	3,209,080
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	294,331	341,616	474,633	287,290
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>3,822,150</u>	<u>1,987,790</u>	<u>10,393,128</u>	<u>3,496,370</u>

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

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

For the nine months ended September 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 nine months ended September 30, 2022	-	-	-	3,209,080	3,209,080
2022 - net of tax	-	287,290	-	-	287,290
Opening Balance as at October 1, 2022 (un-audited)	6,812,671	(537,778)	163,719	6,934,680	13,373,292
Profit after taxation for the period October 1, 2022 to December 31, 2022	-	-	-	1,872,366	1,872,366
Other comprehensive Loss for the period October 1, 2022 to December 31, 2022 - net of tax		(25,800)		(35,886)	(61,686)
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 nine months ended September 30, 2023	-	-	-	9,918,495	9,918,495
Other comprehensive income for the nine months ended September 30, 2023 - net of tax	-	474,633	-	-	474,633
Closing Balance as at September 30, 2023	6,812,671	(88,945)	163,719	18,689,655	25,577,100

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 nine months ended September 30, 2023

	Note	Nine Months ended	
		September 30, 2023	September 30, 2022
(Rupees in '000)			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		19,895,801	9,230,781
Adjustments:			
Depreciation	25	88,032	139,657
Depreciation on right-of-use assets	25	149,487	112,124
Interest expense on lease liability against right-of-use assets	25	70,147	17,851
Provision / (reversal) and write offs - net	27	39,636	(21,715)
Loss on sale of fixed assets	24	-	44
Unrealised loss on revaluation of investments classified as held for trading	23	52,112	1,861
Charge for defined benefit plan		59,108	61,118
		<u>458,522</u>	<u>310,940</u>
		20,354,323	9,541,721
(Increase) / decrease in operating assets			
Lendings to financial institutions		(10,000,000)	8,178,322
Held-for-trading securities		5,966,423	22,676,140
Advances		(12,389,345)	(9,861,309)
Other assets (excluding advance taxation)		(13,193,382)	(4,903,732)
		<u>(29,616,304)</u>	<u>16,089,421</u>
Increase / (decrease) in operating liabilities			
Bills payable		371,057	(139,681)
Borrowings from financial institutions		7,768,937	(9,058,798)
Deposits		28,417,483	14,815,415
Other liabilities (excluding current taxation, head office expenses, payable to defined benefit plan and lease liability against right-of-use assets)		9,900,628	5,312,160
		<u>46,458,105</u>	<u>10,929,096</u>
Income tax paid		(8,870,098)	(3,707,207)
Contribution to gratuity fund		(35,526)	(31,170)
<i>Net cash flow generated from operating activities</i>		<u>28,290,500</u>	<u>32,821,861</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(57,142,654)	(29,432,547)
Investments in operating fixed assets		(279,201)	(51,876)
<i>Net cash flow used in investing activities</i>		<u>(57,421,855)</u>	<u>(29,484,423)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(295,806)	(162,448)
Profit repatriated to head office during the period		-	-
<i>Net cash flow used in financing activities</i>		<u>(295,806)</u>	<u>(162,448)</u>
(Decrease) / increase in cash and cash equivalents		<u>(29,427,161)</u>	<u>3,174,990</u>
Cash and cash equivalents at beginning of the period		57,163,956	20,527,377
Cash and cash equivalents at end of the period		<u>27,736,795</u>	<u>23,702,367</u>

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

For the nine months ended September 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 September 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)
		September 30, 2023	December 31, 2022
		(Rupees in '000)	
	In hand		
	Local currency	65,839	39,714
	Foreign currency	147,563	163,422
		213,402	203,136
	With State Bank of Pakistan in		
	Local currency current account	22,812,342	20,373,275
	Foreign currency current accounts		
	- Cash reserve account	1,438,692	1,358,585
	- US Dollar clearing account	15,847	12,471
	Foreign currency deposit account		
	- Special cash reserve account	2,877,384	2,717,171
		27,144,265	24,461,502
	With National Bank of Pakistan in		
	Local currency current account	-	2,021
		<u>27,357,667</u>	<u>24,666,659</u>
7	BALANCES WITH OTHER BANKS		
	In Pakistan		
	In current accounts	9,000	9,000
	Outside Pakistan		
	In current accounts	779,867	32,489,497
		<u>788,867</u>	<u>32,498,497</u>
8	LENDINGS TO FINANCIAL INSTITUTIONS		
	Repurchase agreement lendings (Reverse Repo)	10,000,000	-
		10,000,000	-
	Less: Provision held against Lendings to Financial Institutions	-	-
	Lendings to Financial Institutions - net of provision	<u>10,000,000</u>	<u>-</u>

9	INVESTMENTS	(Un-audited)				(Audited)			
		September 30, 2023				December 31, 2022			
9.1	Investments by type:	Cost /	Provision	Surplus /	Carrying	Cost /	Provision for	Surplus /	Carrying
		amortised cost	for diminution	(deficit)	value	amortised cost	diminution	(deficit)	value
		(Rupees in '000)							
	Held-for-trading securities								
	Federal Government Securities	16,595,924	-	(28,394)	16,567,530	22,562,347	-	23,718	22,586,065
		16,595,924	-	(28,394)	16,567,530	22,562,347	-	23,718	22,586,065
	Available-for-sale securities								
	Federal Government Securities	190,701,307	-	(174,400)	190,526,907	133,558,653	-	(988,731)	132,569,922
		190,701,307	-	(174,400)	190,526,907	133,558,653	-	(988,731)	132,569,922
	Total Investments	<u>207,297,231</u>	<u>-</u>	<u>(202,794)</u>	<u>207,094,437</u>	<u>156,121,000</u>	<u>-</u>	<u>(965,013)</u>	<u>155,155,987</u>

10	ADVANCES	Performing		Non Performing		Total	
		(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
10.1	Particulars of advances (Gross)	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
				(Rupees in '000)			
	Loans, cash credits, running finances, etc.	42,064,361	31,026,706	629,410	1,772,695	42,693,771	32,799,401
	Bills discounted and purchased	10,542,081	9,230,065	-	-	10,542,081	9,230,065
	Advances - gross	52,606,442	40,256,771	629,410	1,772,695	53,235,852	42,029,466
	Provision against advances						
	- Specific	-	-	(629,410)	(1,772,695)	(629,410)	(1,772,695)
	- General	-	(38)	-	-	-	(38)
		-	(38)	(629,410)	(1,772,695)	(629,410)	(1,772,733)
	Advances - net of provision	<u>52,606,442</u>	<u>40,256,733</u>	<u>-</u>	<u>-</u>	<u>52,606,442</u>	<u>40,256,733</u>

10.1	Particulars of advances (Gross)	(Un-audited)	(Audited)
		September 30, 2023	December 31, 2022
		(Rupees in '000)	
	In local currency	52,932,590	41,765,746
	In foreign currency	303,262	263,720
		<u>53,235,852</u>	<u>42,029,466</u>

10.2 Advances include Rs. 629.410 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)		(Audited)	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
	Non Performing Loans	Provision	Non Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Loss	629,410	629,410	1,772,695	1,772,695
Total	<u>629,410</u>	<u>629,410</u>	<u>1,772,695</u>	<u>1,772,695</u>

10.3	Particulars of provision against advances	(Un-audited)			(Audited)		
		September 30, 2023	December 31, 2022	September 30, 2023	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	71,567	-	71,567	58,138	-	58,138
	Charge for the period / year	45,420	-	45,420	-	-	-
	Reversals	(5,746)	(38)	(5,784)	(26,019)	(77)	(26,096)
		39,674	(38)	39,636	(26,019)	(77)	(26,096)
	Amounts written off	(1,254,526)	-	(1,254,526)	-	-	-
	Closing balance	<u>629,410</u>	<u>-</u>	<u>629,410</u>	<u>1,772,695</u>	<u>38</u>	<u>1,772,733</u>

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) September 30, 2023	(Audited) December 31, 2022
11 FIXED ASSETS			
Capital work-in-progress		71,405	-
Property and equipment	11.1 & 11.2	246,813	127,047
Right-of-use assets		1,117,438	266,211
		<u>1,435,656</u>	<u>393,258</u>
11.1 Additions to fixed assets			
		(Un-audited) September 30, 2023	(Audited) September 30, 2022
		(Rupees in '000)	
The following additions have been made to property and equipment during the period:			
Capital work-in-progress		71,405	-
Furniture and fixture		30,464	6,442
Electrical, office and computer equipment		177,336	27,478
		<u>279,205</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) September 30, 2023	(Audited) 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		83,486	425,524
- Accelerated tax depreciation		67,060	77,139
- Unrealized loss on derivatives		77,016	-
		<u>339,431</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		(88,375)	(88,374)
		<u>(88,375)</u>	<u>(109,911)</u>
		<u>251,056</u>	<u>504,621</u>
13 OTHER ASSETS			
Income / mark-up accrued in local currency		3,570,654	3,106,988
Income / mark-up accrued in foreign currency		41,178	13,029
Advances, deposits, advance rent and other prepayments		157,931	261,658
Advance taxation (payments less provisions)		-	-
Non-banking assets acquired in satisfaction of claims	13.1	7,954	7,954
Branch adjustment account		1,515	6,489
Mark to market gain on forward foreign exchange contracts		13,056,453	5,332,346
Acceptances	17	7,363,862	2,286,010
Others		8,922	613
		<u>24,208,469</u>	<u>11,015,087</u>
Less: Provision held against other assets	13.1	7,954	7,954
Other Assets (net of provision)		<u>24,200,515</u>	<u>11,007,133</u>
13.1 Provision held against other assets			
Non-banking assets acquired in satisfaction of claims	13.1.1	7,954	7,954
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) September 30, 2023	(Audited) December 31, 2022
		(Rupees in '000)	
In Pakistan		1,096,153	725,096
15 BORROWINGS			
Secured			
Repurchase agreement borrowings		-	-
Total secured		-	-
Unsecured			
Call borrowings		7,768,937	-
Overdrawn nostro accounts		409,739	1,200
Total unsecured		<u>8,178,676</u>	<u>1,200</u>
		<u>8,178,676</u>	<u>1,200</u>

16 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) September 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	61,898,397	10,586,574	72,484,971	52,777,604	11,514,065	64,291,669
Savings deposits	145,125,255	8,381,998	153,507,253	106,060,041	9,720,596	115,780,637
Term deposits	22,609,157	62,834	22,671,991	17,696,294	49,446	17,745,740
Others - margin deposits	7,574,694	391	7,575,085	29,386,674	30,658	29,417,332
	237,207,503	19,031,797	256,239,300	205,920,613	21,314,765	227,235,378
Financial Institutions						
Current deposits	1,619,831	180,278	1,800,109	1,974,283	412,265	2,386,548
	1,619,831	180,278	1,800,109	1,974,283	412,265	2,386,548
	238,827,334	19,212,075	258,039,409	207,894,896	21,727,030	229,621,926

17 OTHER LIABILITIES

	Note	(Un-audited) September 30, 2023	(Audited) December 31, 2022
		(Rupees in '000)	
Mark-up / Return / Interest payable in local currency		630,803	117,757
Unearned commission and income on bills discounted		253,548	175,208
Accrued expenses		522,338	587,747
Current taxation (provisions less payments)		2,087,525	894,182
Worker's Welfare Fund (WWF) payable	17.1	1,403,679	1,001,185
Acceptances		7,363,862	2,286,010
Mark to market loss on forward foreign exchange contracts		13,228,893	5,281,360
Unremitted head office expenses		1,290,709	1,108,648
Payable to regional offices for support services		7,688	13,776
Payable to Head office against employee benefit	17.2	660,236	533,273
Payable to defined benefit plan		391,618	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		966,524	191,469
Withholding Tax		340,458	247,148
Clearing account balances		232,781	496,655
Unclaimed deposit balances		992,334	917,276
Others		444,026	474,721
		30,843,302	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. 1,626.436 million against Sindh and Punjab WWF laws from the date of its levy till 30 September 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) September 30, 2023	(Audited) December 31, 2022
		(Rupees in '000)	
Deficit on revaluation of:			
- Available for sale securities	9.1	(174,399)	(988,731)
Deferred tax on deficit on revaluation of:			
- Available for sale securities		85,454	425,153
		(88,945)	(563,578)

19 CONTINGENCIES AND COMMITMENTS

- Guarantees	19.1	7,635,081	8,179,060
- Commitments	19.2	499,234,564	532,154,406
- Other contingent liabilities	19.3	403,757	317,730
		507,273,402	540,651,196
19.1 Guarantees			
Financial guarantees		-	-
Performance guarantees		2,308,959	2,341,334
Other guarantees		5,326,122	5,837,726
		7,635,081	8,179,060
19.2 Commitments			
Documentary credits and short-term trade-related transactions			
- Letters of credit		26,346,928	51,516,860
Commitments in respect of:			
- Forward foreign exchange contracts	19.2.1	452,894,031	458,319,667
- Forward government securities transactions	19.2.2	15,976,446	16,721,604
- Forward lending	19.2.3	1,139,775	2,879,104
Commitments for acquisition of:			
- Fixed assets		-	-
Other commitments	19.2.4	2,877,384	2,717,171
		499,234,564	532,154,406

19.2.1	Commitments in respect of forward foreign exchange contracts	Note	(Un-audited) September 30, 2023 (Rupees in '000)	(Audited) December 31, 2022
	Purchase		236,916,127	221,495,197
	Sale		215,977,904	236,824,470
			<u>452,894,031</u>	<u>458,319,667</u>
19.2.2	Commitments in respect of forward government securities transactions			
	Purchase		660,283	-
	Sale		15,316,163	16,721,604
			<u>15,976,446</u>	<u>16,721,604</u>
19.2.3	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines	19.2.3.1	<u>1,139,775</u>	<u>2,879,104</u>
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) September 30, 2023 (Rupees in '000)	(Audited) December 31, 2022
	Forward placement	6	<u>2,877,384</u>	<u>2,717,171</u>
19.3	Other contingent liabilities			
	Claims against bank not acknowledged as debt	19.3.1	<u>403,757</u>	<u>317,730</u>
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) September 30, 2023 (Rupees in '000)	September 30, 2022
	On:			
	a) Loans and advances		6,955,702	4,849,262
	b) Investments		23,661,042	10,476,408
	c) Lendings to financial institutions		2,039,133	775,809
	d) Balances with banks		1,223,094	21,036
			<u>33,878,971</u>	<u>16,122,515</u>
21	MARK-UP / RETURN / INTEREST EXPENSED			
	On:			
	a) Deposits		16,530,024	8,330,048
	b) Borrowings		620,042	526,505
			<u>17,150,066</u>	<u>8,856,553</u>
22	FEE AND COMMISSION INCOME			
	Branch banking customer fees		29,744	27,617
	Card related fees (credit cards)		17,888	9,111
	Custody related fees		434,960	346,579
	Commission on trade		194,508	179,546
	Commission on guarantees		11,912	13,116
	Commission on cash management		66,381	53,888
	Commission on remittances including home remittances		1	2
	Others		19,356	5,670
			<u>774,750</u>	<u>635,529</u>

23	LOSS ON SECURITIES	Note	(Un-audited)	
			September 30, 2023	September 30, 2022
			(Rupees in '000)	
	Realised	23.1	4,037	(34,299)
	Unrealised - held for trading	9.1	(52,112)	(1,861)
			(48,075)	(36,160)
23.1	Realised gain / (loss) on:			
	Federal Government Securities		4,037	(34,299)
			4,037	(34,299)
24	OTHER INCOME			
	Loss on sale of fixed assets - net		-	(44)
	Sale of non-capitalized assets		-	38
			-	(6)
25	OPERATING EXPENSES			
	Total compensation expense		1,222,740	974,938
	Property expense			
	Rent and taxes		61,752	12,174
	Utilities cost		44,219	34,831
	Security (including guards)		51,766	35,080
	Repair and maintenance (including janitorial charges)		106,173	75,230
	Depreciation		33,883	102,484
	Depreciation on right-of-use assets		149,487	112,124
	Interest expense on lease liability against right-of-use assets		70,147	17,851
			517,427	389,774
	Information technology expenses			
	Software maintenance		73,045	35,765
	Hardware maintenance		475	348
	Depreciation		48,476	31,500
	Network charges		57,339	45,565
	Others		531	742
			179,866	113,920
	Other operating expenses			
	Legal and professional charges		19,027	49,349
	Outsourced services costs		2,011	12,516
	Travelling and conveyance		36,344	27,076
	NIFT clearing charges		-	-
	Depreciation		5,673	5,673
	Training and development		113	241
	Postage and courier charges		16,690	15,078
	Communication		38,201	29,764
	Head office expenses	25.1	182,061	121,317
	Stationery and printing		4,463	5,866
	Marketing, advertisement and publicity		3,521	3,535
	Donations		500	-
	Auditors remuneration		7,471	5,494
	Banking service charges		99,844	92,245
	Brokerage and commission paid		17,778	18,284
	Card association fees		99,793	51,970
	Others		95,861	71,036
			629,351	509,444
			2,549,384	1,988,076

- 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)	
		September 30, 2023	September 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>39,636</u>	<u>(21,715)</u>
		<u>39,636</u>	<u>(21,715)</u>
28 TAXATION			
Current		10,063,441	5,671,473
Prior periods		-	500,239
Deferred		(86,135)	(150,011)
		<u>9,977,306</u>	<u>6,021,701</u>

- 28.1 Income Tax return for tax year 2023 (accounting year ended December 31, 2022) is expected to be filed by October 31, 2023.

- 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

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:

	September 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	207,094,437	-	207,094,437	-	207,094,437
Off-balance sheet financial instruments - measured at fair value					
Forward foreign exchange contracts	452,894,031	-	(172,440)	-	(172,440)
Forward purchase contracts of government securities	660,283	-	1,937	-	1,937
Forward sale contracts of government securities	5,293,153	-	33,575	-	33,575
----- (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 nine months ended September 30, 2023		
	Corporate Banking & Securities Services	Markets	Total
	----- (Rupees in '000) -----		
Profit & Loss			
Net mark-up / return / profit	(9,574,322)	26,303,227	16,728,905
Inter segment revenue - net	21,336,297	(21,336,297)	-
Non mark-up / return / interest income	774,750	5,384,610	6,159,360
Total Income	12,536,725	10,351,540	22,888,265
Segment direct expenses	2,291,662	661,166	2,952,828
Inter segment expense allocation	-	-	-
Total expenses	2,291,662	661,166	2,952,828
Provision	39,636	-	39,636
Profit before tax	10,205,427	9,690,374	19,895,801

	(Un-audited) As at September 30, 2023		
	Corporate Banking & Securities Services	Markets	Total
	----- (Rupees in '000) -----		
Balance Sheet			
Cash & Bank balances	213,402	27,933,132	28,146,534
Investments	-	207,094,437	207,094,437
Net inter segment lending	224,421,048	-	224,421,048
Lendings to financial institutions	-	10,000,000	10,000,000
Advances - performing	52,606,442	-	52,606,442
- non-performing net of provision	-	-	-
Others	11,999,079	13,888,148	25,887,227
Total Assets	289,239,971	258,915,717	548,155,688
Borrowings	-	8,178,676	8,178,676
Deposits & other accounts	257,413,227	626,182	258,039,409
Net inter segment borrowing	-	224,421,051	224,421,051
Others	18,707,125	13,232,330	31,939,455
Total liabilities	276,120,352	246,458,239	522,578,591
Equity	13,119,616	12,457,484	25,577,100
Total Equity & liabilities	289,239,968	258,915,723	548,155,691
Contingencies & Commitments	35,525,541	471,747,861	507,273,402

(Un-audited)
For the nine months ended September 30, 2022

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

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

Profit & Loss

Net mark-up / return / profit	(3,480,786)	10,746,748	7,265,962
Inter segment revenue - net	7,493,943	(7,493,943)	-
Non mark-up / return / interest income	635,504	3,476,101	4,111,605
Total Income	4,648,661	6,728,906	11,377,567
Segment direct expenses	1,528,748	639,753	2,168,501
Inter segment expense allocation	-	-	-
Total expenses	1,528,748	639,753	2,168,501
Reversal of provision	(21,715)	-	(21,715)
Profit before tax	3,141,628	6,089,153	9,230,781

(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

32 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

(Un-audited) (Audited)
September 30, December 31,
2023 2022
(Rupees in '000)

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses) 6,812,671 6,812,671

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	25,577,100	15,183,972
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	25,577,100	15,183,972
Eligible Tier 2 Capital	-	38
Total Eligible Capital (Tier 1 + Tier 2)	25,577,100	15,184,010

Risk Weighted Assets (RWAs):

Credit Risk	26,424,525	29,404,035
Market Risk	5,269,934	753,338
Operational Risk	23,107,465	23,107,465
Total	54,801,924	53,264,838

Common Equity Tier 1 Capital Adequacy Ratio 46.67% 28.51%

Tier 1 Capital Adequacy Ratio 46.67% 28.51%

Total Capital Adequacy Ratio 46.67% 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 September 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 September 30, 2023. The Bank's CAR as at September 30, 2023 was 46.67% 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.

September 30, December 31,
2023 2022
(Rupees in '000)

Leverage Ratio (LR):

Eligible Tier-1 Capital	25,577,100	15,183,972
Total Exposure	358,057,516	326,408,435
Leverage Ratio	7.14%	4.65%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	186,567,061	136,944,503
Total Net Cash Outflow	45,662,107	30,574,074
Liquidity Coverage Ratio	408.58%	447.91%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	262,847,020	218,392,885
Total Required Stable Funding	67,809,740	91,482,940
Net Stable Funding Ratio	387.62%	238.73%

33 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on October 27, 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