

# 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, 2020

	(Un-audited) March 31, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
<b>ASSETS</b>		
Cash and balances with treasury banks	6,490,792	11,202,518
Balances with other banks	1,774,917	805,867
Lendings to financial institutions	10,891,290	2,951,301
Investments	88,230,657	76,154,346
Advances	49,731,977	51,868,560
Fixed assets	468,497	472,843
Intangible assets	-	-
Deferred tax assets	-	124,149
Other assets	10,151,226	5,823,539
	<b>167,739,356</b>	<b>149,403,123</b>
<b>LIABILITIES</b>		
Bills payable	2,920,385	2,040,458
Borrowings	16,670,370	11,698,824
Deposits and other accounts	119,511,963	113,232,091
Liabilities against assets subject to finance lease	-	-
Subordinated debt	-	-
Deferred tax liabilities	722,334	-
Other liabilities	13,912,929	10,531,612
	<b>153,737,981</b>	<b>137,502,985</b>
<b>NET ASSETS</b>	<b>14,001,375</b>	<b>11,900,138</b>
<b>REPRESENTED BY</b>		
Head office capital account	6,812,671	6,812,671
Reserves	161,543	161,543
Surplus on revaluation of assets	633,153	104,302
Unremitted profit	6,394,008	4,821,622
	<b>14,001,375</b>	<b>11,900,138</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	19	

The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

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

**GULZEB KHAN**  
Chief Financial Officer

# Citibank N.A., Pakistan Branches

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

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

For the quarter ended March 31, 2020

	Note	Quarter ended	
		March 31, 2020	March 31, 2019
----- (Rupees in '000) -----			
Mark-up/Return/Interest Earned	20	4,620,544	2,967,885
Mark-up/Return/Interest Expensed	21	2,675,614	1,297,476
Net Mark-up / Interest Income		1,944,930	1,670,409
<b>NON MARK-UP/INTEREST INCOME</b>			
Fee and Commission Income	22	230,758	224,389
Foreign Exchange Income		(554,031)	500,770
Gain from derivatives		1,536,689	(1,287)
(Loss) / gain on securities	23	122,792	3,118
Other Income	24	-	5
Total non-markup/interest Income		1,336,208	726,995
Total Income		3,281,138	2,397,404
<b>NON MARK-UP/INTEREST EXPENSES</b>			
Operating expenses	25	628,637	538,855
Workers Welfare Fund		45,494	26,844
Other charges		-	-
Total non-markup/interest expenses		674,131	565,699
Profit before provisions		2,607,007	1,831,705
Provisions and write offs - net	26	24,273	1,914
<b>PROFIT BEFORE TAXATION</b>		2,582,734	1,829,791
Taxation	27	1,004,074	902,811
<b>PROFIT AFTER TAXATION</b>		1,578,660	926,980

The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

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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, 2020

	<u>Quarter ended</u>	
	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
	----- (Rupees in '000) -----	
Profit after taxation for the period	1,578,660	926,980
<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	528,851	19,411
<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	(6,274)	(10,844)
<b>Total comprehensive income</b>	<u><u>2,101,237</u></u>	<u><u>935,547</u></u>

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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 Statement of Changes in Equity (Un-audited)**  
For the quarter ended March 31, 2020

	Head office capital account	Surplus / (deficit) on revaluation of investments	Share based payment contribution reserve by the ultimate holding company	Unremitted profit	Total
	----- (Rupees in '000) -----				
<b>Opening Balance as at January 1, 2019 (audited)</b>	6,812,671	(75,530)	161,543	3,720,846	10,619,530
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	-	19,411	-	(10,844)	8,567
Remittances made to head office	-	-	-	-	-
<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>Opening Balance as at April 1, 2019 (un-audited)</b>	<b>6,812,671</b>	<b>(56,119)</b>	<b>161,543</b>	<b>4,636,982</b>	<b>11,555,077</b>
Profit after taxation for the period April 1, 2019 to December 31, 2019	-	-	-	3,905,885	3,905,885
Other comprehensive income for the period April 1, 2019 to December 31, 2019 - net of tax	-	160,421	-	(399)	160,022
Remittances made to head office	-	-	-	(3,720,846)	(3,720,846)
<b>Transactions with owners, recorded directly in equity</b>					
Contribution by the head office in respect of share based payments	-	-	(334)	-	(334)
Recharged balance payable to the head office for share based payments	-	-	334	-	334
Effect of re-measurement of cost under share based payment - net of tax	-	-	-	-	-
<b>Opening Balance as at January 1, 2020 (audited)</b>	<b>6,812,671</b>	<b>104,302</b>	<b>161,543</b>	<b>4,821,622</b>	<b>11,900,138</b>
Profit after taxation for the quarter ended March 31, 2020	-	-	-	1,578,660	1,578,660
Other comprehensive income for the quarter ended March 31, 2020 - net of tax	-	-	-	(6,274)	(6,274)
Remittances made to head office	-	-	-	-	-
Movement in surplus / (deficit) on revaluation of investments - net of tax	-	528,851	-	-	528,851
<b>Transactions with owners, recorded directly in equity</b>					
Contribution by the head office in respect of share based payments	-	-	1,308	-	1,308
Recharged balance payable to the head office for share based payments	-	-	(1,308)	-	(1,308)
<b>Closing Balance as at March 31, 2020</b>	<b>6,812,671</b>	<b>633,153</b>	<b>161,543</b>	<b>6,394,008</b>	<b>14,001,375</b>

The annexed notes 1 to 33 form an integral part of these condensed interim financial statements.

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Managing Director and  
Citi Country Officer

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**Citibank N.A., Pakistan Branches**  
(Incorporated In The U.S.A. The Liability of Members Being Limited)  
**Condensed Interim Cash Flow Statement (Un-audited)**  
For the quarter ended March 31, 2020

	<b>Quarter ended</b>	
	<b>March 31, 2020</b>	March 31, 2019 (Restated)
	<b>(Rupees in '000)</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,582,734	1,829,791
Adjustments:		
Depreciation	33,228	31,135
Depreciation on right-of-use assets	14,618	15,840
Interest expense on lease liability against right-of-use assets	1,895	5,123
Provision and write-offs - net	24,273	1,914
Gain on sale of fixed assets	-	-
Unrealised gain on revaluation of investments classified as held for trading	(11,181)	(2,178)
Charge for defined benefit plan	13,097	11,709
	<b>75,930</b>	<b>63,543</b>
	<b>2,658,664</b>	<b>1,893,334</b>
Increase in operating assets		
Lendings to financial institutions	(7,939,989)	(47,858,221)
Held-for-trading securities	3,968,727	6,733,596
Advances	2,112,310	(5,615,880)
Others assets (excluding advance taxation)	(4,273,086)	4,881,062
	<b>(6,132,038)</b>	<b>(41,859,443)</b>
Increase / (decrease) in operating liabilities		
Bills Payable	879,927	541,007
Borrowings from financial institutions	4,981,006	(11,070,578)
Deposits	6,279,872	2,170,426
Other liabilities (excluding current taxation, Head Office Expenses, payable to defined benefit plan and lease liability against right-of-use assets)	3,536,787	(4,442,505)
	<b>15,677,592</b>	<b>(12,801,650)</b>
Income tax paid	(669,192)	(1,242,918)
Contribution to gratuity fund	(5,052)	(6,038)
Remittances made during the year on account of head office expenses	-	-
<i>Net cash flow generated / (used in) from operating activities</i>	<b>11,529,974</b>	<b>(54,016,715)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	(15,220,240)	51,255,138
Investments in operating fixed assets	(39,437)	(26,264)
Proceeds from sale of fixed assets	-	-
<i>Net cash flow generated from / (used in) investing activities</i>	<b>(15,259,677)</b>	<b>51,228,874</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of lease liability against right-of-use assets	(3,513)	(16,245)
Profit repatriated to head office during the year	-	-
<i>Net cash used in financing activities</i>	<b>(3,513)</b>	<b>(16,245)</b>
<b>Increase / (Decrease) in cash and cash equivalents</b>	<b>(3,733,216)</b>	<b>(2,804,086)</b>
Cash and cash equivalents at beginning of the period	<b>11,998,925</b>	<b>9,529,741</b>
Cash and cash equivalents at end of the period	<b>8,265,709</b>	<b>6,725,655</b>

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

For the quarter ended March 31, 2020

### 1. STATUS AND NATURE OF BUSINESS

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

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

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

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

### 2 BASIS OF PRESENTATION

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 includes purchase of goods by banks from its 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.

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 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 IFRS, the 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) 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 these condensed interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2019.

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

The following new standards, interpretations of, and amendments to existing accounting and reporting standards will be effective from the dates mentioned below against the respective standard, interpretation or amendment:

Standard, Interpretation or Amendment	Effective date (annual)
IAS 1 - Presentation of Financial Statements (Amendments)	January 01, 2020
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 01, 2020

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 2020 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 new standards, interpretations of, and amendments to existing accounting and reporting standards will be effective from the dates mentioned below against the respective standard, interpretation or amendment:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2021

IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation – for Banks and DFIs, the effective date of the standard has been extended to annual periods beginning on or after 1 January 2021 vide SBP's BPRD circular No. 4 dated 23 October 2019. IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. According to SBP BPRD circular letter No. 15 date 26 March 2020, the Banks/DFIs are required to have a parallel run of IFRS 9 from 1 July 2020. The Banks/DFIs are also required to prepare pro-forma financial statements which includes the impact of IFRS 9 from the year ended 31 December 2019. These proforma financial statements are being prepared and according to initial exercise to estimate the impairment required under expected credit loss model, the provision for doubtful debts is estimate to increase by Rs. 72.674 million as at 31 December 2019.

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 in conformity with approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and 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 these condensed interim financial statements are the same as those applied to the annual financial statements for the year ended December 31, 2019.

## 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 and lease liability under IFRS 16 are carried at their 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 principal accounting policies applied 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, 2019.

## 5 FINANCIAL RISK MANAGEMENT

### 5.1 A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. The potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. The extent of these impacts on the Bank are unclear, although they will likely adversely affect its businesses, results of operations and financial condition.

The Bank's risk management policies are the same as disclosed in the financial statements for the year ended December 31, 2019 except for the following additional considerations due to the COVID-19.

### 5.2 Regulatory reliefs due to COVID-19

The State Bank of Pakistan (SBP) has responded to the crisis by cutting the policy rate by 225 basis points to 11 percent and by introducing regulatory measures to maintain banking system soundness and to sustain economic activity. These include (i) reducing the capital conservation buffer by 100 basis points to 1.5 percent; (ii) increasing the regulatory limit on extension of credit to SMEs by 44 percent to Rs 180 million; (iii) relaxing the debt burden ratio for consumer loans from 50 percent to 60 percent; (iv) allowing banks to defer clients' payment of principal on loan obligations by one year; and (v) relaxing regulatory criteria for restructured/rescheduled loans for borrowers who require relief beyond the extension of principal repayment for one year. The Bank is fully aware of the risks associated with COVID-19 and regularly conducting assessments of its portfolio and its operations to ensure the risks are minimized.

	(Un-audited) March 31, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
<b>6 CASH AND BALANCES WITH TREASURY BANKS</b>		
In hand		
Local currency	72,817	63,181
Foreign currency	137,751	131,357
	<b>210,568</b>	194,538
With State Bank of Pakistan in		
Local currency current account	4,725,047	9,209,853
Foreign currency current account		
- Cash reserve account	383,419	
- US Dollar clearing account	19,481	418,089
		139,236
Foreign currency deposit account		
- Special cash reserve account	1,150,256	1,238,781
	<b>6,278,203</b>	11,005,959
With National Bank of Pakistan in		
Local currency current accounts	2,021	2,021
	<b>6,490,792</b>	11,202,518

	(Un-audited) March 31, 2020	(Audited) December 31, 2019
	(Rupees in '000)	
<b>7 BALANCES WITH OTHER BANKS</b>		
In Pakistan		
In current accounts	10,387	45,454
Outside Pakistan		
In current accounts	1,764,530	760,413
	<b>1,774,917</b>	805,867

<b>8 LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Repurchase agreement lendings (Reverse Repo)	10,891,290	2,951,301
	<b>10,891,290</b>	2,951,301
Less: Provision held against Lending to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	<b>10,891,290</b>	2,951,301

	Note	(Un-audited) March 31, 2020				(Audited) December 31, 2019			
		Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
<b>9 INVESTMENTS</b>									
<b>9.1 Investments by type:</b>									
		(Rupees in '000)							
<b>Held-for-trading securities</b>									
Federal Government Securities		10,018,106	-	6,092	10,024,198	13,986,833	-	(5,089)	13,981,744
		<b>10,018,106</b>	-	<b>6,092</b>	<b>10,024,198</b>	13,986,833	-	(5,089)	13,981,744
<b>Available-for-sale securities</b>									
Federal Government Securities		77,232,376	-	974,083	78,206,459	62,012,136	-	160,466	62,172,602
Non Government Debt Securities	9.1.1	248,090	(248,090)	-	-	248,090	(248,090)	-	-
		<b>77,480,466</b>	<b>(248,090)</b>	<b>974,083</b>	<b>78,206,459</b>	62,260,226	(248,090)	160,466	62,172,602
<b>Total Investments</b>		<b>87,498,572</b>	<b>(248,090)</b>	<b>980,175</b>	<b>88,230,657</b>	76,247,059	(248,090)	155,377	76,154,346

9.1.1 Represents term finance certificates received as partial settlement from Azgard Nine Limited against overdue suspended mark-up amounting to Rs. 248,090 million kept in memorandum account and are completely provided for.

	(Un-audited) March 31, 2020	(Audited) December 31, 2019
	Rupees in '000	
<b>9.1.2 Investments given as collateral</b>		

The market value of investments given as collateral is as follows:

**Federal Government securities:**

-Market Treasury Bills

-	5,493,474
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**9.2 Provision for diminution in value of investments**

<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	<b>(248,090)</b>	<b>(248,090)</b>



9.2.2 Particulars of provision against debt securities

Category of classification	(Un-audited) March 31, 2020		(Audited) December 31, 2019	
	NPI	Provision	NPI	Provision
<b>Domestic</b>	----- (Rupees in '000) -----			
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	248,090	248,090	248,090	248,090
	<u>248,090</u>	<u>248,090</u>	<u>248,090</u>	<u>248,090</u>

10 ADVANCES

	Performing		Non Performing		Total	
	(Un-audited) March 31, 2020	(Audited) December 31, 2019	(Un-audited) March 31, 2020	(Audited) December 31, 2019	(Un-audited) March 31, 2020	(Audited) December 31, 2019
	----- (Rupees in '000) -----					
Loans, cash credits, running finances, etc.	46,774,485	47,784,780	2,698,058	2,675,026	49,472,543	50,459,806
Bills discounted and purchased	2,955,751	4,082,040	-	-	2,955,751	4,082,040
Advances - gross	49,730,236	51,866,820	2,698,058	2,675,026	52,428,294	54,541,846
Provision against advances						
- Specific	-	-	(2,696,103)	(2,673,071)	(2,696,103)	(2,673,071)
- General	(214)	(215)	-	-	(214)	(215)
Advances - net of provision	49,730,022	51,866,605	1,955	1,955	49,731,977	51,868,560

10.1 Particulars of advances (Gross)

	(Un-audited) March 31, 2020		(Audited) December 31, 2019	
	Rupees in '000			
In local currency			52,086,989	54,245,506
In foreign currencies			341,305	296,340
			<u>52,428,294</u>	<u>54,541,846</u>

10.2 Advances include Rs. 2,698.058 million (December 31, 2019: Rs. 2,675.026 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) March 31, 2020		(Audited) December 31, 2019	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- (Rupees in '000) -----			
<b>Domestic</b>				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	3,910	1,955	3,910	1,955
Loss	2,694,148	2,694,148	2,671,116	2,671,116
Total	<u>2,698,058</u>	<u>2,696,103</u>	<u>2,675,026</u>	<u>2,673,071</u>

10.3 Particulars of provision against advances

	(Un-audited) March 31, 2020			(Audited) December 31, 2019		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	2,673,071	215	2,673,286	2,743,634	426	2,744,060
Charge for the period / year	24,274	-	24,274	1,955	(211)	1,744
Reversals	-	(1)	(1)	(60,430)	-	(60,430)
	24,274	(1)	24,273	(58,475)	(211)	(58,686)
Amounts written off	(1,242)	-	(1,242)	(12,088)	-	(12,088)
Closing balance	<u>2,696,103</u>	<u>214</u>	<u>2,696,317</u>	<u>2,673,071</u>	<u>215</u>	<u>2,673,286</u>

10.3.1 General provision against consumer loans represents provision maintained at an amount equal to 1.5% of the fully secured performing portfolio and 5% of the unsecured performing portfolio as required by the Prudential Regulations issued by the State Bank of Pakistan.

11 FIXED ASSETS

	Note	(Un-audited)	(Audited)
		March 31, 2020	December 31, 2019
		----- (Rupees in '000) -----	
Capital work-in-progress	11.1	-	-
Property and equipment		414,971	408,762
Right-of-use assets	4.1.2	53,526	64,081
		<u>468,497</u>	<u>472,843</u>
11.1 Capital work-in-progress			
Civil works		-	-
Advances to suppliers		-	-
		<u>-</u>	<u>-</u>

	Note	(Un-audited)	
		March 31, 2020	March 31, 2019
<b>11.2 Additions to fixed assets</b>			
The following additions have been made to fixed assets during the period:			
Capital work-in-progress		-	-
<b>Property and equipment</b>			
Furniture and fixture		2,713	-
Electrical office and computer equipment		36,724	9,469
Vehicles		-	37,821
<b>Total</b>		<b>39,437</b>	<b>47,290</b>
		(Un-audited)	(Audited)
		March 31, 2020	December 31, 2019
<b>12 OTHER ASSETS</b>			
Income / Mark-up accrued in local currency		1,742,789	2,054,893
Income / Mark-up accrued in foreign currency		65,215	42,951
Advances, deposits, advance rent and other prepayments		123,621	86,346
Advance taxation (payments less provisions)		54,601	-
Non-banking assets acquired in satisfaction of claims		7,954	7,954
Mark to market gain on forward foreign exchange contracts		5,086,662	981,152
Acceptances		3,052,668	2,649,485
Others		24,585	8,712
		<b>10,159,180</b>	<b>5,831,493</b>
Less: Provision held against other assets		7,954	7,954
Other Assets (Net of Provision)	12.1	10,151,226	5,823,539
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		-	-
		<b>10,151,226</b>	<b>5,823,539</b>
<b>12.1 Provision held against other assets</b>			
Non-banking assets acquired in satisfaction of claims		7,954	7,954
		<b>7,954</b>	<b>7,954</b>
<b>12.1.1</b>	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.		

	(Un-audited)		(Audited)			
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019		
<b>13 BILLS PAYABLE</b>						
In Pakistan	2,920,385	2,040,458				
<b>14 BORROWINGS</b>						
<b>Secured</b>						
Repurchase agreement borrowings	-	5,495,460				
<b>Total secured</b>	-	5,495,460				
<b>Unsecured</b>						
Call borrowings	16,670,370	6,193,904				
Overdrawn nostro accounts	-	9,460				
<b>Total unsecured</b>	16,670,370	6,203,364				
	16,670,370	11,698,824				
<b>15 DEPOSITS AND OTHER ACCOUNTS</b>						
	(Un-audited)	(Audited)				
	March 31, 2020	December 31, 2019				
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	(Rupees in '000)					
<b>Customers</b>						
Current deposits	22,750,865	1,140,060	23,890,925	34,552,809	855,697	35,408,506
Savings deposits	58,590,626	6,030,169	64,620,795	40,800,675	5,166,689	45,967,364
Term deposits	22,963,343	-	22,963,343	25,742,318	33,814	25,776,132
Others	4,891,060	3,906	4,894,966	3,013,179	10,760	3,023,939
	109,195,894	7,174,135	116,370,029	104,108,981	6,066,960	110,175,941
<b>Financial Institutions</b>						
Current deposits	3,000,053	141,881	3,141,934	2,902,443	153,707	3,056,150
	3,000,053	141,881	3,141,934	2,902,443	153,707	3,056,150
	112,195,947	7,316,016	119,511,963	107,011,424	6,220,667	113,232,091

	Note	(Un-audited) March 31, 2020	(Audited) December 31, 2019
<b>16 DEFERRED TAX LIABILITIES</b>			
Rupees in '000			
Deductible Temporary Differences on			
- Tax losses carried forward		-	-
- Post retirement employee benefits		82,584	79,205
- Deficit on revaluation of investments		-	-
- Accelerated tax depreciation		-	4,586
- Unrealized loss on derivatives		-	183,507
- Provision against advances, off balance sheet etc.		-	-
- Others (to be specified if material )		-	-
		<b>82,584</b>	<b>267,298</b>
Taxable Temporary Differences on			
- Surplus on revaluation of fixed assets		-	-
- Surplus on revaluation of investments		(340,930)	(56,164)
- Accelerated tax depreciation		(3,630)	-
- Effect of re-measurement of cost under share based payment		(86,985)	(86,985)
- Unrealized gain on derivatives		(373,373)	-
		<b>(804,918)</b>	<b>(143,149)</b>
		<b>(722,334)</b>	<b>124,149</b>
<b>17 OTHER LIABILITIES</b>			
Mark-up / Return / Interest payable in local currency		535,895	643,022
Mark-up / Return / Interest payable in foreign currency		31,490	20,109
Unearned commission and income on bills discounted		54,786	68,033
Accrued expenses	17.1 & 17.2	925,093	990,344
Current taxation (provisions less payments)		-	175,612
Acceptances		3,052,668	2,649,485
Mark to market loss on forward foreign exchange contracts		4,074,279	1,505,458
Unremitted head office expenses		1,446,524	1,289,949
Payable to regional offices for support services		75,151	23,984
Payable to defined benefit plan		237,695	219,997
Payable on account of sale proceeds of securities held under custody		1,052,087	1,052,087
Payable on account of sale proceeds of shares sold by an associated undertaking		136,033	136,033
Securities sold but not yet purchased		-	-
Lease liability against right-of-use assets		63,460	61,015
Others		2,227,768	1,696,484
		<b>13,912,929</b>	<b>10,531,612</b>

17.1 This includes the Bank's obligation to the head office under the stock award and stock option programmes. As of March 31, 2020, recognised liability for share based incentive plans was Rs. 219.294 million (December 31, 2019: Rs. 217.986 million).

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

A legal advice has been obtained by the Pakistan Banks Association which highlights that consequent to filing of these review petitions, a risk has arisen and the judgment is not conclusive or final till the review petitions are decided. Accordingly, the Bank maintains full provision of Rs. 252.638 million in respect of federal WWF law from the date of its levy till December 2013. Further the Bank maintains provision of Rs. 612.513 million against provincial WWF law from the date of its levy till March 31, 2020. The bank alongwith banking industry challenged the provincial WWF levy which is pending in Court.

	Note	(Un-audited) March 31, 2020	(Audited) December 31, 2019
<b>18 SURPLUS ON REVALUATION OF ASSETS</b>			
Rupees in '000			
Surplus on revaluation of			
- Available for sale securities	9.1	974,083	160,466
Deferred tax on surplus on revaluation of:			
- Available for sale securities		(340,930)	(56,164)
		<b>633,153</b>	<b>104,302</b>
<b>19 CONTINGENCIES AND COMMITMENTS</b>			
-Guarantees	19.1	1,813,531	1,831,370
-Commitments	19.2	316,227,037	204,598,091
-Other contingent liabilities	19.3	249,404	232,767
		<b>318,289,972</b>	<b>206,662,228</b>
<b>19.1 Guarantees:</b>			
Financial guarantees		202	202
Performance guarantees		1,743,567	1,751,670
Other guarantees		69,762	79,498
		<b>1,813,531</b>	<b>1,831,370</b>

**19.2 Commitments:**

Documentary credits and short-term trade-related transactions			
- letters of credit		13,306,802	14,985,438
Commitments in respect of:			
- Forward foreign exchange contracts	19.2.1	253,344,535	166,956,852
- Forward government securities transactions	19.2.2	31,010,268	8,450,851
- Forward lending	19.2.3	1,891,083	1,811,131
Commitments for acquisition of:			
- Fixed assets		3,979	6,011
Other commitments	19.2.4	16,670,370	12,387,808
		<u>316,227,037</u>	<u>204,598,091</u>
		(Un-audited)	(Audited)
	Note	March 31,	December 31,
		2020	2019
		(Rupees in '000)	
<b>19.2.1 Commitments in respect of forward foreign exchange contracts</b>			
Purchase		136,742,106	88,015,717
Sale		116,602,429	78,941,135
		<u>253,344,535</u>	<u>166,956,852</u>
<b>19.2.2 Commitments in respect of forward government securities transactions</b>			
Purchase		6,249,425	5,497,446
Sale		24,760,843	2,953,405
		<u>31,010,268</u>	<u>8,450,851</u>
<b>19.2.3 Commitments in respect of forward lending</b>			
Undrawn formal standby facilities, credit lines and other commitments to lend	19.2.4.1	<u>1,891,083</u>	<u>1,811,131</u>
<b>19.2.3.1</b> 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.			
	Note	(Un-audited)	(Audited)
		March 31,	December 31,
		2020	2019
		(Rupees in '000)	
<b>19.2.4 Other commitments</b>			
Forward borrowing		16,670,370	12,387,808
Forward placement		-	-
<b>19.3 Other contingent liabilities</b>			
Claims not acknowledged as debt	19.3.1	<u>249,404</u>	<u>232,767</u>
<b>19.3.1</b> These are not recognised as debt as the probability of these crystallising against the Bank is considered remote.			

		(Un-audited)	
		March 31, 2020	March 31, 2019
		(Rupees in '000)	
<b>20</b>	<b>MARK-UP/RETURN/INTEREST EARNED</b>		
	On:		
	a) Loans and advances	1,808,281	1,120,936
	b) Investments	2,439,461	533,398
	c) Lendings to financial institutions	336,663	1,277,121
	d) Balances with banks	36,139	36,430
		<u>4,620,544</u>	<u>2,967,885</u>
<b>21</b>	<b>MARK-UP/RETURN/INTEREST EXPENSED</b>		
	On:		
	a) Deposits	1,929,695	1,109,484
	b) Borrowings	373,559	86,129
	c) Cost of foreign currency swaps against foreign currency deposits / borrowings	372,360	101,863
		<u>2,675,614</u>	<u>1,297,476</u>
<b>22</b>	<b>FEE &amp; COMMISSION INCOME</b>		
	Branch banking customer fees	5,745	4,491
	Card related fees (credit cards)	2,321	2,375
	Credit related fees	-	-
	Custody related fees	115,078	71,980
	Commission on trade	49,964	40,285
	Commission on guarantees	3,339	1,770
	Commission on cash management	52,892	100,465
	Commission on remittances including home remittances	1	4
	Others	1,418	3,019
		<u>230,758</u>	<u>224,389</u>
<b>23</b>	<b>(LOSS) / GAIN ON SECURITIES</b>		
	Realised	111,611	940
	Unrealised - held for trading	11,181	2,178
		<u>122,792</u>	<u>3,118</u>
<b>23.1</b>	Realised (loss) / gain on:		
	Federal Government Securities	111,611	940
		<u>111,611</u>	<u>940</u>
<b>24</b>	<b>OTHER INCOME</b>		
	Gain on sale of fixed assets-net	-	-
	Sale of non-capitalized assets	-	5
	Incidental Income	-	-
		<u>-</u>	<u>5</u>

Note

23.1

9.1

25	OPERATING EXPENSES	Note	(Un-audited)	
			March 31,	March 31,
			2020	2019
			(Rupees in '000)	
	<b>Total compensation expense</b>		<b>179,149</b>	176,516
	<b>Property expense</b>			
	Rent & taxes		16,347	14,414
	Insurance		-	18
	Utilities cost		5,460	5,205
	Security (including guards)		11,124	10,991
	Repair & maintenance (including janitorial charges)		19,279	11,721
	Depreciation		17,507	18,183
	Depreciation on right-of-use assets		14,618	15,840
	Interest expense on lease liability against right-of-use assets		1,895	5,123
	Others		1,092	197
			<b>87,322</b>	81,692
	<b>Information technology expenses</b>			
	Software maintenance		14,030	5,145
	Hardware maintenance		1,275	20
	Depreciation		13,830	11,061
	Amortisation		-	-
	Network charges		8,458	9,960
	Others		241	728
			<b>37,834</b>	26,914
	<b>Other operating expenses</b>			
	Legal & professional charges		10,733	9,715
	Outsourced services costs		27,329	40,293
	Travelling & conveyance		17,102	19,188
	Depreciation		1,891	1,891
	Training & development		66	244
	Postage & courier charges		6,726	7,461
	Communication		7,979	7,534
	Head office expenses	25.1	156,576	83,265
	Stationery & printing		5,090	7,753
	Marketing, advertisement & publicity		-	-
	Donations		600	400
	Auditors Remuneration		892	764
	Banking Service Charges		48,686	43,851
	Brokerage and commission paid		5,976	15,352
	Card Association Fees		11,073	9,978
	Others		23,613	4,035
			<b>324,332</b>	253,733
			<b>628,637</b>	538,855

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)	
		March 31, 2020	March 31, 2019
(Rupees in '000)			
<b>26 PROVISIONS &amp; WRITE OFFS - NET</b>			
Provisions against lending to financial institutions		-	-
Provisions for diminution in value of investments	9.2.1	-	-
Provisions / (reversal) against loans & advances	10.3	24,273	1,914
Other provisions / write offs (to be specified)		-	-
Bad debts written off directly		-	-
Recovery of written off / charged off bad debts		-	-
		<b>24,273</b>	<b>1,914</b>
<b>27 TAXATION</b>			
Current		438,977	718,119
Prior periods		-	169,210
Deferred		565,097	15,482
		<b>1,004,074</b>	<b>902,811</b>

27.1 The Income Tax returns of the Bank have been filed up to the tax year 2019 (accounting year ended December 31, 2018).

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

## 28 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.

### 28.1 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 asset 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, 2020			
		Fair Value			
	Carrying / Notional Value	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
Federal Government Securities		88,230,657	-	88,230,657	-
<b>Financial assets - disclosed but not measured at fair value</b>					
Cash and balances with treasury banks	28.2	6,490,792	-	-	-
Balances with other banks	28.2	1,774,917	-	-	-
Lendings to financial institutions	28.2	10,891,290	-	-	-

Advances - net	28.2	49,731,977	-	-	-	-
Other financial assets	28.2	9,971,919	-	-	-	-
		<u>167,091,552</u>	-	88,230,657	-	88,230,657



		(Un-audited)				
		March 31, 2020				
Note		Fair Value				
Carrying / Notional Value		Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----						
<b>Off-balance sheet financial instruments - measured at fair value</b>						
		136,742,106	-	141,725,136	-	141,725,136
		116,602,429	-	112,636,118	-	112,636,118
		16,670,370	-	16,670,370	-	16,670,370
		6,249,425	-	6,249,425	-	6,249,425
		24,760,843	-	24,760,843	-	24,760,843
		-	-	-	-	-
(Audited)						
December 31, 2019						
Carrying / Notional Value		Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----						
<b>On balance sheet financial instruments</b>						
<b>Financial assets - measured at fair value</b>						
		76,154,346	-	76,154,346	-	76,154,346
<b>Financial assets - disclosed but not measured at fair value</b>						
	28.2	11,202,518	-	-	-	-
	28.2	805,867	-	-	-	-
	28.2	2,951,301	-	-	-	-
	28.2	51,868,560	-	-	-	-
	28.2	5,733,651	-	-	-	-
		<u>148,716,243</u>	<u>-</u>	<u>76,154,346</u>	<u>-</u>	<u>76,154,346</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>						
		88,015,717	-	87,281,571	-	87,281,571
		78,941,135	-	79,158,384	-	79,158,384
		12,387,808	-	12,387,808	-	12,387,808
		5,497,446	-	5,497,446	-	5,497,446
		2,953,405	-	2,953,405	-	2,953,405
		-	-	-	-	-
		-	-	-	-	-

**28.2** 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.

## 29 SEGMENT INFORMATION

### 29.1 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 quarter ended March 31, 2020		
	Corporate Banking	Trading & Sales	Total
	----- (Rupees in '000) -----		
<b>Profit &amp; Loss</b>			
Net mark-up / return / profit	(121,414)	2,066,344	1,944,930
Inter segment revenue - net	1,118,206	(1,118,206)	-
Non mark-up / return / interest income	230,758	1,105,450	1,336,208
<b>Total Income</b>	<b>1,227,550</b>	<b>2,053,588</b>	<b>3,281,138</b>
Segment direct expenses	449,105	225,026	674,131
Inter segment expense allocation	-	-	-
<b>Total expenses</b>	<b>449,105</b>	<b>225,026</b>	<b>674,131</b>
Provisions	24,273	-	24,273
<b>Profit before tax</b>	<b>754,172</b>	<b>1,828,562</b>	<b>2,582,734</b>

	(Un-audited) As at March 31, 2020		
	Corporate Banking	Trading & Sales	Total
	----- (Rupees in '000) -----		
<b>Balance Sheet</b>			
Cash & Bank balances	210,568	8,055,141	8,265,709
Investments	-	88,230,657	88,230,657
Net inter segment lending	81,112,783	(81,112,783)	-
Lendings to financial institutions	-	10,891,290	10,891,290
Advances - performing	49,730,022	-	49,730,022
- non-performing net of provision	1,955	-	1,955
Others	5,507,269	5,112,454	10,619,723
<b>Total Assets</b>	<b>136,562,597</b>	<b>31,176,759</b>	<b>167,739,356</b>
Borrowings	-	16,670,370	16,670,370
Deposits & other accounts	119,055,368	456,595	119,511,963
Net inter segment borrowing	(81,112,783)	81,112,783	-
Others	13,418,756	4,136,892	17,555,648
<b>Total liabilities</b>	<b>51,361,341</b>	<b>102,376,640</b>	<b>153,737,981</b>
Equity	4,088,473	9,912,902	14,001,375
<b>Total Equity &amp; liabilities</b>	<b>55,449,814</b>	<b>112,289,542</b>	<b>167,739,356</b>
<b>Contingencies &amp; Commitments</b>	<b>17,264,799</b>	<b>301,025,173</b>	<b>318,289,972</b>

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

	Corporate Banking	Trading & Sales	Total
	----- (Rupees in '000) -----		
Profit & Loss			
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
Total Income	<u>1,282,129</u>	<u>1,115,275</u>	<u>2,397,404</u>
Segment direct expenses	411,922	153,777	565,699
Inter segment expense allocation	-	-	-
Total expenses	<u>411,922</u>	<u>153,777</u>	<u>565,699</u>
Provisions	1,914	-	1,914
Profit before tax	<u>868,293</u>	<u>961,498</u>	<u>1,829,791</u>

(Audited)  
As at December 31, 2019

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

30 RELATED PARTY TRANSACTIONS

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

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

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

	(Un-audited) March 31, 2020		(Audited) December 31, 2019	
	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	712,548	1,051,793	509,097	251,108
	<u>712,548</u>	<u>1,051,793</u>	<u>509,097</u>	<u>251,108</u>
<b>Other Assets</b>				
Interest / mark-up accrued	4,270	9,318	2,021	6,292
Other receivables	-	-	-	-
Unrealised gain on foreign exchange contracts - purchase	-	1,521,059	-	381,991
	<u>4,270</u>	<u>1,530,377</u>	<u>2,021</u>	<u>388,283</u>
<b>Borrowings</b>				
Opening balance	-	6,193,904	-	13,886,190
Borrowings during the period	-	461,306,292	-	1,107,632,815
Settled during the period	-	(450,829,826)	-	(1,115,325,101)
Closing balance	-	<u>16,670,370</u>	-	<u>6,193,904</u>
<b>Overdrawn Nostros</b>	-	-	-	9,460
<b>Deposits and other accounts</b>				
Opening balance	12,931	1,797,435	766	706,394
Received during the period	727	159,617	23,446	4,479,696
Withdrawn during the period	(6,661)	(598,264)	(11,281)	(3,388,655)
Closing balance	<u>6,997</u>	<u>1,358,788</u>	<u>12,931</u>	<u>1,797,435</u>
<b>Other Liabilities</b>				
Interest / mark-up payable	-	31,490	-	262
Unremitted Head Office Expense	1,446,524	-	1,289,949	-
Unrealised loss on foreign exchange contracts - sale	-	1,791,537	-	330,386
Payable to defined benefit plan	-	237,695	-	219,997
Payable to associated undertakings	-	1,188,120	-	1,188,120
Payable for expenses and share based payments	219,294	13,588	217,986	23,984
Other liabilities	-	-	-	-
	<u>1,665,818</u>	<u>3,262,430</u>	<u>1,507,935</u>	<u>1,762,749</u>
<b>Contingencies and Commitments</b>				
Forward exchange contracts				
Purchase	-	38,404,326	-	30,252,904
Sales	-	44,559,752	-	30,261,304
Counter guarantees to branches	51,921	637,877	83,038	678,301
	<u>51,921</u>	<u>83,601,955</u>	<u>166,076</u>	<u>61,870,810</u>
(Un-audited) for the quarter ended				
	March 31, 2020		March 31, 2019	
	Head Office	Branches and other related parties	Head Office	Branches and other related parties
----- (Rupees in '000) -----				
<b>Income</b>				
Mark-up / return / interest earned	34,453	46	32,289	474
Fee and commission income	4,593	55,467	4,289	87,880
Net gain / (loss) on sale of securities	-	79,734	-	(9)
Foreign Exchange Income	-	117,930	-	995
<b>Expense</b>				
Mark-up / return / interest paid	-	46,020	96	29,789
Regional expenses for support services	4,883	(9,576)	1,366	12,273
Head office expenses	156,576	-	83,265	-
Contribution to staff retirement benefit funds	-	12,764	-	13,026
Remuneration of Key Management Personnel	-	30,289	-	51,385

31 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

March 31, 2020      December 31, 2019  
(Rupees in '000)

**Minimum Capital Requirement (MCR):**

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

Eligible Common Equity Tier 1 (CET 1) Capital	<u>13,368,222</u>	11,795,836
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>13,368,222</u>	11,795,836
Eligible Tier 2 Capital	<u>633,367</u>	104,517
Total Eligible Capital (Tier 1 + Tier 2)	<u>14,001,589</u>	11,900,353

**Risk Weighted Assets (RWAs):**

Credit Risk	<u>32,990,604</u>	35,095,218
Market Risk	<u>2,152,832</u>	1,987,232
Operational Risk	<u>15,530,011</u>	15,530,012
Total	<u>50,673,447</u>	52,612,462

Common Equity Tier 1 Capital Adequacy Ratio	<u>26.38%</u>	<u>22.42%</u>
Tier 1 Capital Adequacy Ratio	<u>26.38%</u>	<u>22.42%</u>
Total Capital Adequacy Ratio	<u>27.63%</u>	<u>22.62%</u>

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, 2020 stands at Rs 6.813 billion and is in compliance with the SBP requirement for the said period. In addition, the banks are also required to maintain a minimum Capital Adequacy Ratio (CAR) of 11.50% of the risk weighted exposures of the Bank as of March 31, 2020. The Bank's CAR as at March 31, 2020 was 27.63% 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% additional capital buffer under the G-SIB framework. Accordingly, bank also holds additional 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.

March 31, 2020      December 31, 2019  
(Rupees in '000)

**Leverage Ratio (LR):**

Eligible Tier-1 Capital	<u>13,368,222</u>	11,795,836
Total Exposure	<u>196,027,181</u>	180,389,351
Leverage Ratio	<u>6.82%</u>	6.54%

**Liquidity Coverage Ratio (LCR):**

Total High Quality Liquid Assets	<u>74,216,675</u>	65,953,782
Total Net Cash Outflow	<u>27,103,117</u>	24,431,612
Liquidity Coverage Ratio	<u>273.83%</u>	269.95%

**Net Stable Funding Ratio (NSFR):**

Total Available Stable Funding	<u>120,871,005</u>	113,608,872
Total Required Stable Funding	<u>70,789,513</u>	65,298,947
Net Stable Funding Ratio	<u>170.75%</u>	173.98%

**32 DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue on May 18, 2020 by the management of the Bank.

**33 GENERAL**

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

**33.2** 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 period.

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

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**GULZEB KHAN**  
Chief Financial Officer