



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847
Fax + 92 (21) 3568 5095
Internet www.kpmg.com.pk

Auditors' Report to the Directors on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Citi Bank N.A – Pakistan Branches** ("the Bank") as at June 30, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The figures for the quarters ended June 30, 2016 and June 30, 2015 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Date: 25 August 2016

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amir Jamil Abbasi

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 June 30, 2016

	<i>Note</i>	(Un-audited) June 30, 2016 (Rupees in '000)	(Audited) December 31, 2015
ASSETS			
Cash and balances with treasury banks		3,896,481	4,809,308
Balances with other banks	<i>9</i>	466,420	704,912
Lendings to financial institutions	<i>10</i>	13,245,252	8,464,057
Investments - net	<i>11</i>	46,841,523	48,585,117
Advances - net	<i>12</i>	23,908,278	21,389,597
Fixed assets	<i>13</i>	470,866	458,331
Deferred tax assets - net		8,841	201,088
Other assets		3,739,880	4,031,075
		92,577,541	88,643,485
LIABILITIES			
Bills payable		1,692,757	1,766,257
Borrowings from financial institutions	<i>14</i>	7,582,834	7,003,479
Deposits and other accounts	<i>15</i>	67,622,207	61,742,683
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		6,583,045	7,364,498
		83,480,843	77,876,917
NET ASSETS		9,096,698	10,766,568
REPRESENTED BY			
Head office capital account		6,812,671	6,812,671
Reserves		164,791	164,791
Unremitted profit		1,755,972	3,602,788
		8,733,434	10,580,250
Surplus on revaluation of assets - net of tax		363,264	186,318
		9,096,698	10,766,568

CONTINGENCIES AND COMMITMENTS

16

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

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 half year ended June 30, 2016

	Half Year ended		Quarter ended	
	June 30, 2016 (Rupees in '000)	June 30, 2015	June 30, 2016 (Rupees in '000)	June 30, 2015
Mark-up / return / interest earned	2,915,227	3,349,647	1,477,601	1,690,275
Mark-up / return / interest expensed	1,314,260	1,209,411	675,091	566,022
Net mark-up / return / interest income	1,600,967	2,140,236	802,510	1,124,253
Reversal of provision against loans and advances - net	(41,922)	(118,972)	(16,332)	(66,851)
Bad debts written off directly	-	-	-	-
Reversal of provision against off-balance sheet obligations - net	-	-	-	-
	(41,922)	(118,972)	(16,332)	(66,851)
Net mark-up / interest income after provisions	1,642,889	2,259,208	818,842	1,191,104
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	584,178	215,380	102,500	107,839
Income from dealing in foreign currencies	555,462	603,941	326,926	381,420
Gain on sale of securities	1,120,064	1,930,022	568,266	313,744
Unrealised gain / (loss) on revaluation of investments classified as held-for-trading	80,358	(360,717)	3,454	987
Other income / (loss)	77,886	298,510	(29,347)	(63,255)
Total non mark-up / interest income - net	2,417,948	2,687,136	971,799	740,735
	4,060,837	4,946,344	1,790,641	1,931,839
NON MARK-UP / INTEREST EXPENSE				
Administrative expenses	946,024	762,557	477,801	319,136
Reversal against appreciation / diminution in the value of non-banking assets - net	-	(792)	-	-
Operating fixed assets written off	-	-	-	-
Other charges	77,302	82,279	51,508	31,908
Total non mark-up / interest expenses - net	1,023,326	844,044	529,309	351,044
	3,037,511	4,102,300	1,261,332	1,580,795
PROFIT BEFORE TAXATION				
Taxation				
- Current	1,015,638	1,292,576	463,996	455,190
- Prior years	160,000	80,000	160,000	80,000
- Deferred	100,094	112,444	31,158	67,280
	1,275,732	1,485,020	655,154	602,470
Profit after taxation	1,761,779	2,617,280	606,178	978,325

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

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 Statement of Comprehensive Income (Un-Audited)

For the half year ended June 30, 2016

	Half Year ended		Quarter ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	(Rupees in '000)		(Rupees in '000)	
Profit for the period after taxation	1,761,779	2,617,280	606,178	978,325
Items that will not be reclassified to profit and loss account				
Components of comprehensive income reflected in equity				
- Remeasurements of defined benefit plan (loss) / gain	(8,932)	(18,841)	(7,193)	1,586
- Deferred tax asset / (liability) on remeasurements of defined benefit plan	3,126	6,594	2,517	(555)
	(5,806)	(12,247)	(4,676)	1,031
Comprehensive income transferred to statement of changes in equity	1,755,973	2,605,033	601,502	979,356
Items that may be reclassified subsequently to profit and loss account				
Components of comprehensive income not reflected in equity				
- Surplus / (Deficit) on revaluation of available for sale securities	272,225	(572,046)	(63,657)	(134,233)
- Deferred tax (liability) / asset on revaluation of available for sale securities	(95,279)	200,216	22,280	46,981
	176,946	(371,830)	(41,377)	(87,252)
Total comprehensive income for the period	1,932,919	2,233,203	560,125	892,104

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

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 Cash Flow Statement (Un-Audited)
For the half year ended June 30, 2016

	Half year ended	
	June 30, 2016	June 30, 2015
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,037,511	4,102,300
Adjustments for:		
Depreciation	53,100	34,850
Amortisation	-	164
Reversal of provision against loans and advances - net	(41,922)	(118,972)
(Reversal) / provision against appreciation / diminution in the value of non-banking assets - net	-	(792)
Unrealised (gain) / loss on revaluation of investments classified as held-for-trading	(80,358)	360,717
Bad debts written off directly	-	-
Charge for defined benefit plan	19,252	21,589
Operating fixed assets written off	-	-
Gain on disposals of fixed assets	(158)	(2,910)
	<u>(50,086)</u>	<u>294,646</u>
	2,987,425	4,396,946
(Increase) / decrease in operating assets		
Lendings to financial institutions	(4,781,195)	(3,762,257)
Held-for-trading securities	690,673	2,279,955
Advances	(2,476,759)	4,811,654
Other assets	61,451	1,210,054
	<u>(6,505,830)</u>	<u>4,539,406</u>
Increase / (decrease) in operating liabilities		
Bills payable	(73,500)	329,913
Borrowings from financial institutions	(209,539)	(13,536,134)
Deposits and other accounts	5,879,524	10,088,634
Other liabilities (excluding current taxation, Head office expenses and payable to defined benefit plan)	(593,830)	(777,973)
	<u>5,002,655</u>	<u>(3,895,560)</u>
	1,484,250	5,040,792
Contribution to gratuity fund	(18,381)	(15,127)
Income tax paid	(945,893)	(121,327)
Net cash used in operating activities	<u>519,976</u>	<u>4,904,338</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	1,405,504	(5,273,584)
Investments in fixed assets	(66,618)	(121,739)
Sale proceeds from disposal of fixed assets	1,141	8,139
Net cash generated from investing activities	<u>1,340,027</u>	<u>(5,387,184)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit repatriated to Head Office during the period	(3,602,789)	-
Remittances made during the period on account of head office expenses	(197,427)	-
Net cash used in financing activities	<u>(3,800,216)</u>	<u>-</u>
Decrease in cash and cash equivalents	<u>(1,940,213)</u>	<u>(482,846)</u>
Cash and cash equivalents at the beginning of the period	5,514,220	3,961,816
Cash and cash equivalents at end of the period	<u><u>3,574,007</u></u>	<u><u>3,478,970</u></u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

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 Statement of Changes in Equity (Un-Audited)
For the half year ended June 30, 2016

	Head office capital account	Unremitted profit	Share based payment contribution reserve by the ultimate holding company	Total
	----- (Rupees in '000) -----			
Balance as at January 1, 2015	6,812,671	3,056,648	156,327	10,025,646
Profit for the half year ended June 30, 2015	-	2,617,280	-	2,617,280
Other comprehensive income for the half year ended June 30, 2015				
Remeasurements of defined benefit plan	-	(18,841)	-	(18,841)
Tax on remeasurements of defined benefit plan	-	6,594	-	6,594
	-	(12,247)	-	(12,247)
Transactions with owners				
Contribution by the ultimate holding company in respect of share based payments	-	-	4,348	4,348
Recharged balance payable to the ultimate holding company for share based payments	-	-	(4,348)	(4,348)
	-	-	-	-
Balance as at June 30, 2015	6,812,671	5,661,681	156,327	12,630,679
Profit for the half year ended December 31, 2015	-	991,944	-	991,944
Other comprehensive income for the period July 2015 to December 2015				
Remeasurements of defined benefit plan	-	8,939	-	8,939
Tax on remeasurements of defined benefit plan	-	(3,128)	-	(3,128)
	-	5,811	-	5,811
Transactions with owners				
Contribution by the ultimate holding company in respect of share based payments	-	-	25,418	25,418
Recharged balance payable to the ultimate holding company for share based payments	-	-	(25,418)	(25,418)
Effect of re-measurement of cost under share based payment - net of tax	-	-	8,464	8,464
	-	-	8,464	8,464
Profit remittance made to head office	-	(3,056,648)	-	(3,056,648)
Balance as at December 31, 2015	6,812,671	3,602,788	164,791	10,580,250
Profit for the half year ended June 30, 2016	-	1,761,779	-	1,761,779
Other comprehensive income for the half year ended June 30, 2016				
Remeasurements of defined benefit plan	-	(8,932)	-	(8,932)
Tax on remeasurements of defined benefit plan	-	3,126	-	3,126
	-	(5,806)	-	(5,806)
Transactions with owners				
Recharged by the ultimate holding company in respect of share based payments	-	-	(3,369)	(3,369)
Contribution balance payable to the ultimate holding company for share based payments	-	-	3,369	3,369
	-	-	-	-
Profit remittance made to head office	-	(3,602,789)	-	(3,602,789)
Balance as at June 30, 2016	<u>6,812,671</u>	<u>1,755,972</u>	<u>164,791</u>	<u>8,733,434</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

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)

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

For the half year ended June 30, 2016

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.

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.	Baa1	P-2
Citibank, N.A.	A1	P-1

The Bank is engaged in banking activities permissible under the Banking Companies Ordinance, 1962. Its principal office is at AWT Plaza, I. I. Chundrigar Road, Karachi. The Bank operates through 3 branches (December 31, 2015: 3 branches) in Pakistan.

2. BASIS OF PRESENTATION

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time.

Permissible forms of trade related modes of financing include purchasing of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchase and sale arising under these arrangements are not reflected in this condensed interim financial information as such but are restricted to the amount of facility actually utilised and appropriate portion of mark-up thereon.

3. STATEMENT OF COMPLIANCE

3.1 This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the directives issued by State Bank of Pakistan (SBP). In case the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the directives issued by SBP prevail.

3.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has also 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 this condensed interim financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

3.3 The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and this condensed interim financial information should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2015.

3.4 SBP vide its BSD Circular No. 07 dated April 20, 2010 has clarified that for the purpose of preparation of financial statements in accordance with International Accounting Standard - 1 (Revised), 'Presentation of Financial Statements', two statement approach shall be adopted i.e. separate 'Profit and Loss Account' and 'Statement of Comprehensive Income' shall be presented, and Balance Sheet shall be renamed as 'Statement of Financial Position'. Furthermore, the Surplus / (Deficit) on Revaluation of Available-for-sale (AFS) Securities only, may be included in the 'Statement of Comprehensive Income'. However, it should continue to be shown separately in the statement of financial position below equity. Accordingly, the above requirements have been adopted in the preparation of this condensed interim financial information.

4. BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except that certain investments and derivative financial instruments have been marked to market and are carried at fair value. In addition, obligation in respect of staff retirement benefit is carried at present value.

5. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in this condensed interim financial information are measured using the currency of the primary economic environment in which the Bank operates. This condensed interim financial information is presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2015.

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The significant judgments made by management and the key sources of estimates used in the preparation of this condensed interim financial information are the same as those applied to the annual financial statements for the year ended December 31, 2015.

8. FINANCIAL RISK MANAGEMENT

The Bank's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2015

	(Un-audited) June 30, 2016	(Audited) December 31, 2015
	(Rupees in '000)	
9. BALANCES WITH OTHER BANKS		
In Pakistan		
- Current accounts	31,247	40,705
Outside Pakistan		
- Current accounts	435,173	664,207
	466,420	704,912

10. LENDINGS TO FINANCIAL INSTITUTIONS

Placements	-	4,818,086
Repurchase agreement lendings (Reverse Repo)	13,245,252	3,645,971
	13,245,252	8,464,057

11. INVESTMENTS - NET

	Note June 30, 2016 (Un-audited)			December 31, 2015 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
Investments by type	----- (Rupees in '000) -----					
Held-for-trading securities						
Market treasury bills	229,576	-	229,576	3,554,265	-	3,554,265
Pakistan Investment Bonds	6,971,313	-	6,971,313	4,337,297	-	4,337,297
	7,200,889	-	7,200,889	7,891,562	-	7,891,562
Available-for-sale securities						
Market treasury bills	2,671,216	-	2,671,216	5,374,695	-	5,374,695
Pakistan Investment Bonds	31,128,169	5,198,139	36,326,308	32,961,503	2,066,830	35,028,333
Fully paid-up ordinary shares	2,000	-	2,000	2,000	-	2,000
Unlisted term finance certificates 11.1	-	-	-	-	-	-
	33,801,385	5,198,139	38,999,524	38,338,198	2,066,830	40,405,028
Investments at cost	41,002,274	5,198,139	46,200,413	46,229,760	2,066,830	48,296,590
Less: Provision for diminution in the value of investments	2,000	-	2,000	2,000	-	2,000
Investments - net of provisions	41,000,274	5,198,139	46,198,413	46,227,760	2,066,830	48,294,590
Surplus on revaluation of held-for-trading securities - net	84,242	-	84,242	3,884	-	3,884
Surplus on revaluation of available-for-sale securities - net	533,777	25,091	558,868	278,567	8,076	286,643
Investments at market value	41,618,293	5,223,230	46,841,523	46,510,211	2,074,906	48,585,117

11.1 Represents term finance certificates received as partial settlement from Azgard Nine Limited against overdue suspended mark-up amounting to Rs 248.090 million and are valued at NIL value.

	(Un-audited) June 30, 2016	(Audited) December 31, 2015
	(Rupees in '000)	
12. ADVANCES - NET		
Loans, cash credits, running finances etc. - In Pakistan	25,968,685	23,406,161
Bills discounted and purchased (excluding Market treasury bills)		
Payable in Pakistan	839,228	1,049,891
Payable outside Pakistan	10,388	4,435
	849,616	1,054,326
Advances - gross	26,818,301	24,460,487
Provision against advances		
- Specific	12.1 (2,909,786)	(3,070,673)
- General	12.2 (237)	(217)
	(2,910,023)	(3,070,890)
Advances - net of provision	23,908,278	21,389,597

- 12.1 Advances include Rs. 2,909.786 million (December 31, 2015: Rs. 3,070.673 million) which have been placed under non-performing status as detailed below:

Category of classification	June 30, 2016 (Un-audited)				
	Classified Advances			Provision required	Provision held
Domestic	Overseas	Total	(Rupees in '000)		
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	<u>2,909,786</u>	-	<u>2,909,786</u>	<u>2,909,786</u>	<u>2,909,786</u>
	<u>2,909,786</u>	-	<u>2,909,786</u>	<u>2,909,786</u>	<u>2,909,786</u>
	December 31, 2015 (Audited)				
	Classified Advances			Provision required	Provision held
Domestic	Overseas	Total	(Rupees in '000)		
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	<u>3,070,673</u>	-	<u>3,070,673</u>	<u>3,070,673</u>	<u>3,070,673</u>
	<u>3,070,673</u>	-	<u>3,070,673</u>	<u>3,070,673</u>	<u>3,070,673</u>

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

13. FIXED ASSETS	(Un-audited)	(Audited)
	June 30, 2016	December 31, 2015
	(Rupees in '000)	
Capital work-in-progress	58,148	17,909
Property and equipment	412,718	440,422
Intangible assets	-	-
	<u>470,866</u>	<u>458,331</u>

- 13.1 Additions to property and equipment are Rs. 26.379 million (June 30, 2015: Rs. 2.432 million).

	(Un-audited)	
	For the half year ended	
	June 30, 2016	June 30, 2015
	(Rupees in '000)	
Furniture and fixtures	-	-
Electrical and office equipment	26,379	2,432
Vehicles	-	-
	<u>26,379</u>	<u>2,432</u>

13.2 The written down value of fixed assets disposed of / written off during the period were as follows:

	(Un-audited) For the half year ended	
	June 30, 2016	June 30, 2015
	(Rupees in '000)	
Furniture and fixtures	-	22
Electrical and office equipment	-	-
Vehicles	983	5,207
	<u>983</u>	<u>5,229</u>
	(Un-audited) June 30, 2016	(Audited) December 31, 2015
	(Rupees in '000)	
14. BORROWINGS FROM FINANCIAL INSTITUTIONS		
In Pakistan	5,221,424	7,003,479
Outside Pakistan	2,361,410	-
	<u>7,582,834</u>	<u>7,003,479</u>
14.1 Particulars of borrowings from financial institutions		
In local currency	5,221,424	7,003,479
In foreign currency	2,361,410	-
	<u>7,582,834</u>	<u>7,003,479</u>
14.2 Details of borrowings from financial institutions		
Secured		
Repurchase agreement borrowings	5,221,424	2,003,479
Unsecured		
Call borrowings	1,572,516	5,000,000
Overdrawn accounts	788,894	-
	<u>2,361,410</u>	<u>5,000,000</u>
	<u>7,582,834</u>	<u>7,003,479</u>
15. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	18,260,949	16,533,913
Savings deposits	38,011,217	34,407,487
Current accounts - non-remunerative	9,541,264	9,166,601
Other deposits	164,665	142,891
	<u>65,978,095</u>	<u>60,250,892</u>
Financial institutions		
Remunerative deposits	-	-
Non-remunerative deposits	1,644,112	1,491,791
	<u>1,644,112</u>	<u>1,491,791</u>
	<u>67,622,207</u>	<u>61,742,683</u>

16. CONTINGENCIES AND COMMITMENTS

16.1 Direct credit substitutes

Includes general guarantees of indebtedness, guarantees and standby letters of credit serving as financial guarantees for loans and securities.

	(Un-audited) June 30, 2016 (Rupees in '000)	(Audited) December 31, 2015
(i) Government of Pakistan	202	202
(ii) Banking companies and other financial institutions	-	2,941,176
	<u>202</u>	<u>2,941,378</u>

16.2 Transaction-related contingent liabilities

Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and stand by letters of credit related to particular transactions.

	(Un-audited) June 30, 2016 (Rupees in '000)	(Audited) December 31, 2015
(i) Government of Pakistan	756,099	719,628
(ii) Banking companies and other financial institutions	34,722	34,676
(iii) Others	1,326,100	1,499,162
	<u>2,116,921</u>	<u>2,253,466</u>

16.3 Trade-related contingent liabilities

Includes short-term self liquidating trade related contingent liabilities arising from the movement of goods, such as documentary credits where the underlying shipment is used as security.

	(Un-audited) June 30, 2016 (Rupees in '000)	(Audited) December 31, 2015
Letters of credit / acceptances	<u>11,344,504</u>	<u>10,036,491</u>

16.4 Other contingencies

Claims not acknowledged as debts

	(Un-audited) June 30, 2016 (Rupees in '000)	(Audited) December 31, 2015
	177,513	162,457
16.4.1	<u>177,513</u>	<u>162,457</u>

16.4.1 These are not recognised as debt as the probability of these crystallising against the Bank is considered remote.

16.5 Commitments in respect of forward transactions

	(Un-audited) June 30, 2016 (Rupees in '000)	(Audited) December 31, 2015
Forward agreement lending (reverse repos)	13,258,209	3,648,557
Forward agreement borrowings (repos)	5,229,865	2,010,786
Forward borrowing	-	6,284,460
Uncancellable commitments to extend credit	3,781,170	1,947,363
Forward purchase of trading securities	1,023,349	-
Forward sale of trading securities	330,122	-

	(Un-audited) June 30, 2016	(Audited) December 31, 2015
	(Rupees in '000)	
16.6 Commitments in respect of forward foreign exchange contracts		
Purchase	<u>75,803,307</u>	<u>99,992,028</u>
Sale	<u>77,455,963</u>	<u>102,542,917</u>

The Bank utilises foreign exchange instruments to meet the needs of its customers and as part of its asset and liability management activity to hedge its own exposure to currency risk.

	(Un-audited) June 30, 2016	(Audited) December 31, 2015
	(Rupees in '000)	
16.7 Other commitments		
Cross currency and interest rate derivative contracts (notional amount)	<u>6,022,450</u>	<u>6,083,675</u>
16.8 Commitments in respect of capital expenditure	<u>150,886</u>	<u>115,884</u>

17. INCOME FROM DEALING IN FOREIGN CURRENCIES

It includes income from foreign exchange dealings, forward settled interbank deals, revaluation of on balance sheet exposure and foreign exchange impact with respect to derivative contracts.

		(Un-audited) June 30, 2016	June 30, 2015
		(Rupees in '000)	
18. OTHER INCOME			
Gain from interest rate derivative contracts	<i>18.1</i>	<u>77,700</u>	286,637
Net profit on sale of property and equipment		<u>158</u>	2,910
Credit losses recovered		<u>-</u>	583
Others		<u>28</u>	8,380
		<u>77,886</u>	<u>298,510</u>

18.1 This is net of funding cost of FX swaps amounting to Rs 122 million (June 30, 2015: Rs 155 million).

19. RELATED PARTY TRANSACTIONS

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

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

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

19.1 Details of significant transactions with related parties and balances with them as at period end are as follows:

	Balance as at December 31, 2015	Net placements / disbursements / deposits / transfers	Net settlements / repayments / withdrawals / transfers	Balance as at June 30, 2016
----- (Rupees in '000) -----				
Deposits				
Associated undertakings	583,903	299,205	(272,388)	610,720
Staff retirement benefit funds	9,572	78,556	(71,546)	16,582
			(Un-audited) June 30, 2016	(Audited) December 31, 2015
			(Rupees in '000)	
Nostro balances / placements with Citibank				
Branches outside Pakistan			402,927	5,481,015
Call borrowings			1,572,516	-
Mark-up / return / interest payable			243	78
Mark-up / return / interest receivable			-	4,171
Overdrawn Nostro Accounts			788,894	-
Unremitted head office expenses			700,543	792,257
Payable for expenses and share based payment			202,288	194,154
Payable to defined benefit plan			153,862	144,058
Commitments in respect of forward exchange contracts				
Purchase			26,408,326	28,761,393
Sale			26,305,262	28,918,895
Unrealised gain / (loss) on forward foreign exchange contracts - purchase			(472,074)	(99,573)
Unrealised (loss) / gain on forward foreign exchange contracts - sale			116,726	(86,438)
Other receivables			4,276	-
Other payable			500,000	-
Counter guarantees to branches			1,071,160	4,189,484
			(Un-audited) Half year ended	
			June 30, 2016	June 30, 2015
			(Rupees in '000)	
19.2 Contribution to staff retirement benefit funds			42,753	27,393
19.3 Income / expense for the period				
Mark-up / return / interest earned			6,818	1,660
Mark-up / return / interest expensed			13,758	4,159
Fee, commission and brokerage income			4,258	-
Other income			21,984	11,360
Regional expenses for support services			39,552	(21,345)
Head office expenses			105,713	(33,037)
Remuneration paid to key management personnel			37,444	34,555
Gain on sale of securities			968	-
Sale of fixed assets			63	-

20. SEGMENT INFORMATION

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

	For the half year ended June 30, 2016 (Un-audited)		
	Trading and sales	Corporate & Retail banking	Total
	----- (Rupees in '000) -----		
Total income	1,942,839	3,390,336	5,333,175
Total expenses	904,225	2,667,171	3,571,396
Net income	1,038,614	723,165	1,761,779
Segment return on net assets (ROA) (%)**	3.14%	5.45%	3.81%
Segment cost of funds (%)***	2.24%	3.74%	3.54%

	As at June 30, 2016 (Un-audited)		
	Trading and sales	Corporate & Retail banking	Total
	----- (Rupees in '000) -----		
Segment assets (gross)	66,054,716	29,442,803	95,497,519
Segment non-performing loans	-	2,909,786	2,909,786
Segment provision required*	-	2,919,978	2,919,978
Segment liabilities	8,766,996	74,713,847	83,480,843

	For the half year ended June 30, 2015 (Un-audited)		
	Trading and sales	Corporate & Retail banking	Total
	----- (Rupees in '000) -----		
Total income	3,265,685	2,771,098	6,036,783
Total expenses	1,337,970	2,081,533	3,419,503
Net income	1,927,715	689,565	2,617,280
Segment return on net assets (ROA) (%)**	7.39%	5.03%	6.58%
Segment cost of funds (%)***	4.61%	4.13%	4.17%

	As at December 31, 2015 (Audited)		
	Trading and sales	Corporate & Retail banking	Total
	----- (Rupees in '000) -----		
Segment assets (gross)	63,344,640	28,379,688	91,724,328
Segment non-performing loans	-	3,070,673	3,070,673
Segment provision required*	-	3,080,843	3,080,843
Segment liabilities	7,267,320	70,609,597	77,876,917

* The provision against each segment represents provision held against advances, investments and other assets.

** Segment ROA = Net income / (Segment Assets - Segment Provisions)

*** Segment cost of funds have been computed based on the average balances.

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

'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.

21.1 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:

On balance sheet financial instruments		June 30, 2016 (Un-audited)						Fair Value			
		Carrying Value					Total	Level 1	Level 2	Level 3	Total
Note	Available for Sale	Held for trading	Loans and Receivables	Other financial Assets	Other financial liabilities						
						(Rupees in '000)					
Financial assets measured at fair value											
Investments											
	2,675,202	229,599	-	-	-	2,904,801	-	2,904,801	-	2,904,801	
	36,881,190	7,055,532	-	-	-	43,936,722	-	43,936,722	-	43,936,722	
	-	-	-	-	-	-	-	-	-	-	
Financial assets not measured at fair value											
	-	-	-	3,896,481	-	3,896,481	-	-	-	-	
	-	-	-	466,420	-	466,420	-	-	-	-	
	-	-	-	13,245,252	-	13,245,252	-	-	-	-	
	-	-	-	23,908,278	-	23,908,278	-	-	-	-	
	-	-	-	2,471,011	-	2,471,011	-	1,224,731	-	1,224,731	
	39,556,392	7,285,131	-	43,987,442	-	90,828,965	-	48,066,254	-	48,066,254	
Financial liabilities not measured at fair value											
	-	-	-	-	1,692,757	1,692,757	-	-	-	-	
	-	-	-	-	7,582,834	7,582,834	-	-	-	-	
	-	-	-	-	67,622,207	67,622,207	-	-	-	-	
	-	-	-	-	6,567,045	6,567,045	-	906,959	-	906,959	
	-	-	-	-	83,464,843	83,464,843	-	906,959	-	906,959	

Off balance sheet financial instruments		June 30, 2016 (Un-audited)				
		Carrying Value	Level 1	Level 2	Level 3	Total
		(Rupees in '000)				
Forward foreign exchange purchase contracts		75,803,307	-	75,220,045	-	75,220,045
Forward foreign exchange sale contracts		77,455,963	-	78,168,598	-	78,168,598
Forward purchase of trading securities		1,023,349	-	1,023,729	-	1,023,729
Forward sale of trading securities		330,122	-	316,708	-	316,708
Cross currency and interest rate derivative contracts		6,022,450	-	6,224,014	-	6,224,014

On balance sheet financial instruments		December 31, 2015 (Audited)						Fair Value			
		Carrying Value					Total	Level 1	Level 2	Level 3	Total
Note	Available for Sale	Held for trading	Loans and Receivables	Other financial Assets	Other financial liabilities						
						(Rupees in '000)					
Financial assets measured at fair value											
Investments											
	5,377,383	3,554,195	-	-	-	8,931,578	-	8,931,578	-	8,931,578	
	35,312,288	4,341,251	-	-	-	39,653,539	-	39,653,539	-	39,653,539	
	-	-	-	-	-	-	-	-	-	-	
Financial assets not measured at fair value											
	-	-	-	4,809,308	-	4,809,308	-	-	-	-	
	-	-	-	704,912	-	704,912	-	-	-	-	
	-	-	-	8,464,057	-	8,464,057	-	-	-	-	
	-	-	-	21,389,597	-	21,389,597	-	-	-	-	
	-	-	-	2,493,511	-	2,493,511	-	920,814	-	920,814	
	40,689,671	7,895,446	-	37,861,385	-	86,446,502	-	49,505,931	-	49,505,931	
Financial liabilities not measured at fair value											
	-	-	-	-	1,766,257	1,766,257	-	-	-	-	
	-	-	-	-	7,003,479	7,003,479	-	-	-	-	
	-	-	-	-	61,742,683	61,742,683	-	-	-	-	
	-	-	-	-	7,336,881	7,336,881	-	756,156	-	756,156	
	-	-	-	-	77,849,300	77,849,300	-	756,156	-	756,156	

Off balance sheet financial instruments		December 31, 2015 (Audited)				
		Carrying Value	Level 1	Level 2	Level 3	Total
		(Rupees in '000)				
Forward foreign exchange contracts - purchase		99,992,028	-	99,971,466	-	99,971,466
Forward foreign exchange contracts - sale		102,542,917	-	102,650,710	-	102,650,710
Cross currency and interest rate derivative contracts		6,083,675	-	6,161,102	-	6,161,102

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

21.3 The fair value of traded investments other than those classified as held to maturity is based on quoted market price. Fair value of unquoted equity investments is determined on the basis of break-up value of these investments as per the latest available audited financial statements.

Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in these financial statements.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short term in nature or in the case of customer loans and deposits are frequently repriced.

22. GENERAL

22.1 This condensed interim financial information was authorised for issue by the management of the Bank on August 26, 2016.

22.2 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

NADEEM LODHI
Managing Director and
Citi Country Officer

GULZEB KHAN
Chief Financial Officer