



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

Report on Review of Interim Financial Statements

Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Citibank N.A., Pakistan Branches** ("the Bank") as at June 30, 2021 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

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

KTHB



KPMG Taseer Hadi & Co.


Other Matter

The figures for the quarter ended June 30, 2021 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.

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

Date: 27 AUG 2021

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants

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, 2021

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	6 13,441,013	11,342,260
Balances with other banks	7 628,312	21,386,856
Lendings to financial institutions	8 6,352,857	639,581
Investments	9 105,989,443	87,892,745
Advances	10 35,767,647	36,438,869
Fixed assets	11 423,235	530,957
Intangible assets	-	-
Deferred tax assets	-	-
Other assets	12 6,424,017	3,748,789
	169,026,524	161,980,057
LIABILITIES		
Bills payable	13 1,250,871	1,475,556
Borrowings	14 15,891,385	18,848,733
Deposits and other accounts	15 123,104,781	118,238,891
Liabilities against assets subject to finance lease	-	-
Subordinated debt	-	-
Deferred tax liabilities	16 17,866	50,871
Other liabilities	17 13,358,008	9,542,612
	153,622,911	148,156,663
NET ASSETS	15,403,613	13,823,394
REPRESENTED BY		
Head office capital account	6,812,671	6,812,671
Reserve	163,719	161,550
Surplus on revaluation of assets	18 18,291	102,841
Unremitted profit	8,408,932	6,746,332
	15,403,613	13,823,394
CONTINGENCIES AND COMMITMENTS	19	

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

AHMED BOZAI
Managing Director and
Citi Country Officer

IMAD HASSAN KHAN
Country Finance Officer

Citibank N.A., Pakistan 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, 2021

Note	Quarter ended		Half Year ended		
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	
----- (Rupees in '000) -----					
Mark-up / return / interest earned	20	2,543,265	4,103,099	5,074,166	8,723,643
Mark-up / return/ interest expensed	21	1,305,492	2,193,815	2,546,633	4,869,429
Net Mark-up / Interest Income		1,237,773	1,909,284	2,527,533	3,854,214
NON MARK-UP / INTEREST INCOME					
Fee and commission income	22	191,792	169,707	331,104	400,465
Foreign exchange income		940,544	1,595,833	1,290,307	1,041,802
Gain / (loss) from derivatives		(173,586)	(476,284)	55,731	1,060,405
Gain on securities	23	41,348	578,163	103,066	700,955
Other Income		-	-	-	-
Total non-markup / interest income		1,000,098	1,867,419	1,780,208	3,203,627
Total Income		2,237,871	3,776,703	4,307,741	7,057,841
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	24	659,068	606,468	1,169,046	1,235,105
Workers Welfare Fund		28,479	56,825	57,868	102,319
Other charges		-	-	-	-
Total non-markup / interest expenses		687,547	663,293	1,226,914	1,337,424
Profit before provisions		1,550,324	3,113,410	3,080,827	5,720,417
(Reversals) / provisions and write offs - net	25	5,699	(22,321)	(31,669)	1,952
PROFIT BEFORE TAXATION		1,544,625	3,135,731	3,112,496	5,718,465
Taxation	26	816,047	1,252,157	1,449,896	2,256,231
PROFIT AFTER TAXATION		728,578	1,883,574	1,662,600	3,462,234

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

AHMED BOZAI
 Managing Director and
 Citi Country Officer

IMAD HASSAN KHAN
 Country Finance Officer

Citibank N.A., Pakistan 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, 2021

	Quarter Ended		Half Year ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- (Rupees in '000) -----			
Profit after taxation for the period	728,578	1,883,574	1,662,600	3,462,234
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of investments - net of tax	96,551	369,904	(84,550)	898,755
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement loss on defined benefit obligations - net of tax	-	(975)	-	(7,249)
Total comprehensive income	<u>825,129</u>	<u>2,252,503</u>	<u>1,578,050</u>	<u>4,353,740</u>

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

AHMED BOZAI
Managing Director and
Citi Country Officer

IMAD HASSAN KHAN
Country Finance Officer

Citibank N.A., Pakistan 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, 2021

	Head office capital account	Surplus on revaluation of investments	Share based payment contribution reserve by the ultimate holding company	Unremitted profit	Total
	----- (Rupees in '000) -----				
Opening Balance as at January 1, 2020 (audited)	6,812,671	104,302	161,543	4,821,622	11,900,138
Profit after taxation for the half year ended June 30, 2020	-	-	-	3,462,234	3,462,234
Other comprehensive income for the half year ended June 30, 2020 - net of tax	-	898,755	-	(7,249)	891,506
Transactions with owners, recorded directly in equity					
Contribution by the head office in respect of share based payments	-	-	7,824	-	7,824
Recharged balance payable to the head office for share based payments	-	-	(7,824)	-	(7,824)
Effect of re-measurement of cost under share based payment - net of tax	-	-	7	-	7
Opening Balance as at July 1, 2020 (un-audited)	6,812,671	1,003,057	161,550	8,276,607	16,253,885
Profit after taxation for the period July 1, 2020 to December 31, 2020	-	-	-	3,294,194	3,294,194
Other comprehensive income for the period July 1, 2020 to December 31, 2020 - net of tax	-	(900,216)	-	(2,847)	(903,063)
Remittances made to head office	-	-	-	(4,821,622)	(4,821,622)
Transactions with owners, recorded directly in equity					
Contribution by the head office in respect of share based payments	-	-	21,810	-	21,810
Recharged balance payable to the head office for share based payments	-	-	(21,810)	-	(21,810)
Opening Balance as at January 1, 2021 (audited)	6,812,671	102,841	161,550	6,746,332	13,823,394
Profit after taxation for the half year ended June 30, 2021	-	-	-	1,662,600	1,662,600
Other comprehensive income for the half year ended June 30, 2021 - net of tax	-	(84,550)	-	-	(84,550)
Transactions with owners, recorded directly in equity					
Contribution by the head office in respect of share based payments	-	-	128,489	-	128,489
Recharged balance payable to the head office for share based payments	-	-	(128,489)	-	(128,489)
Effect of re-measurement of cost under share based payment - net of tax	-	-	2,169	-	2,169
Closing Balance as at June 30, 2021	6,812,671	18,291	163,719	8,408,932	15,403,613

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

AHMED BOZAI
Managing Director and

IMAD HASSAN KHAN
Country Finance 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, 2021

Note	Half Year ended	
	June 30, 2021	June 30, 2020
(Rupees in '000)		
CASH FLOW FROM OPERATING ACTIVITIES		
	3,112,496	5,718,465
Profit before taxation		
Adjustments:		
	64,665	65,115
	58,385	55,540
	7,619	10,051
25	(31,669)	1,952
	-	3,453
	(959)	(7,119)
	25,154	26,193
	123,195	155,185
	3,235,691	5,873,650
(Increase) / decrease in operating assets		
	(5,713,276)	2,951,301
	(2,898,591)	11,120,846
	702,891	(5,100,952)
	(2,855,406)	909,329
	(10,764,382)	9,880,524
Increase in operating liabilities		
	(224,685)	(358,942)
	(2,863,352)	(4,331,195)
	4,865,890	5,706,572
	3,834,882	(119,401)
	5,612,735	897,034
	(1,250,053)	(1,715,207)
	(15,669)	(10,297)
	(3,181,678)	14,925,704
CASH FLOW FROM INVESTING ACTIVITIES		
	(15,335,755)	(15,939,708)
	(20,170)	(49,173)
	(15,355,925)	(15,988,881)
CASH FLOW FROM FINANCING ACTIVITIES		
	(28,192)	(59,663)
	(28,192)	(59,663)
Decrease in cash and cash equivalents		
	(18,565,795)	(1,122,840)
	32,498,105	11,998,925
	13,932,310	10,876,085

The annexed notes 1 to 32 form an integral part of these condensed interim financial statements.

AHMED BOZAI
Managing Director and

IMAD HASSAN KHAN
Country Finance Officer

Citibank N.A., Pakistan Branches

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

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended June 30, 2021

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 June 30, 2021, the Bank operates through 3 branches (December 31, 2020: 3 branches) in Pakistan.

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

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

2 BASIS OF PRESENTATION

2.1 Statement Of Compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IFRS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1) / 2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Accordingly, the requirements of these standards have not been considered in the preparation of these 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 and presentations made in these condensed interim financial statements are based on the format prescribed by the State Bank of Pakistan vide 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 the disclosures required for 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, 2020.

- 2.2 In accordance with the directives of the Federal Government regarding the shifting of the banking system to the Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade-related modes of financing includes purchase of goods by banks from customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchase and resale arising under these arrangements are not reflected in these condensed interim financial statements as such but are restricted to the amount of facility actually utilized and the appropriate portion of mark-up thereon.

3 SIGNIFICANT ACCOUNTING POLICIES

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

There are certain other new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after January 01, 2021, 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.

3.2 Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, the applicability of IFRS 9 to banks in Pakistan has been deferred to accounting periods beginning on or after January 01, 2022. The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed and implementation guidelines are awaited.

There are various other standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not effective in the current period. These are not likely to have material effect on the Bank's financial statements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as that applied in the preparation of the audited financial statements for the year ended December 31, 2020.

5 FINANCIAL RISK MANAGEMENT

5.1 The Bank's risk management policies are the same as disclosed in the financial statements for the year ended December 31, 2020.

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	(Rupees in '000)	
6 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	74,678	102,004
Foreign currency	104,379	110,044
	179,057	212,048
With State Bank of Pakistan in		
Local currency current account	11,598,278	9,681,690
Foreign currency current accounts		
- Cash reserve account	551,403	479,503
- US Dollar clearing account	7,448	7,992
Foreign currency deposit account		
- Special cash reserve account	1,102,806	959,006
	13,259,935	11,128,191
With National Bank of Pakistan in		
Local currency current account	2,021	2,021
	<u>13,441,013</u>	<u>11,342,260</u>
7 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	9,886	9,886
Outside Pakistan		
In current accounts	618,426	21,376,970
	<u>628,312</u>	<u>21,386,856</u>
8 LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (Reverse Repo)	6,352,857	639,581
	<u>6,352,857</u>	<u>639,581</u>
Less: Provision held against Lendings to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	<u>6,352,857</u>	<u>639,581</u>

9 INVESTMENTS	Note	(Un-audited) June 30, 2021				(Audited) December 31, 2020			
		Cost / amortised cost	Provision for diminution	Surplus	Carrying value	Cost / amortised cost	Provision for diminution	Surplus	Carrying value
9.1 Investments by type:		(Rupees in '000)							
Held-for-trading securities									
Federal Government Securities		14,685,207	-	21,589	14,706,796	11,786,616	-	20,630	11,807,246
		14,685,207	-	21,589	14,706,796	11,786,616	-	20,630	11,807,246
Available-for-sale securities									
Federal Government Securities		91,252,661	-	29,986	91,282,647	75,916,906	-	168,593	76,085,499
Non Government Debt Securities	9.1.1	248,090	(248,090)	-	-	248,090	(248,090)	-	-
		91,500,751	(248,090)	29,986	91,282,647	76,164,996	(248,090)	168,593	76,085,499
Total Investments		<u>106,185,958</u>	<u>(248,090)</u>	<u>51,575</u>	<u>105,989,443</u>	<u>87,951,612</u>	<u>(248,090)</u>	<u>189,223</u>	<u>87,892,745</u>

9.1.1 This 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 have been completely provided. On May 5, 2021, the Bank had entered into a termination and settlement agreement with Creative Impex (Private) Limited for settlement of outstanding exposure of Azgard Nine Limited, including investments of Rs. 248.09 million and advances of Rs. 622.06 million, which were fully provided in prior years. The Bank in consideration of the same, received Rs. 211.28 million in prior years. The transaction was settled subsequent to the period end and accordingly the amount has been written off.

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	(Rupees in '000)	
9.1.2 Investments given as collateral		

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

Federal Government securities:

-Market Treasury Bills	-	18,614,390
------------------------	---	------------

9.2 Provision for diminution in value of investments

9.2.1 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	<u>248,090</u>	<u>248,090</u>

9.2.2 Particulars of provision against debt securities

Category of classification	(Un-audited) June 30, 2021		(Audited) December 31, 2020	
	Non Performing Investments	Provision	Non Performing Investments	Provision
Domestic	(Rupees in '000)			
Loss	<u>248,090</u>	<u>248,090</u>	<u>248,090</u>	<u>248,090</u>

10 ADVANCES

Note	Performing		Non Performing		Total	
	(Un-audited) June 30, 2021	(Audited) December 31, 2020	(Un-audited) June 30, 2021	(Audited) December 31, 2020	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	<u>32,221,419</u>	<u>33,348,186</u>	<u>2,346,796</u>	<u>2,381,081</u>	<u>34,568,215</u>	<u>35,729,267</u>
Bills discounted and purchased	<u>3,546,382</u>	<u>3,090,889</u>	-	-	<u>3,546,382</u>	<u>3,090,889</u>
Advances - gross	<u>35,767,801</u>	<u>36,439,075</u>	<u>2,346,796</u>	<u>2,381,081</u>	<u>38,114,597</u>	<u>38,820,156</u>
Provision against advances						
- Specific	-	-	(2,346,796)	(2,381,081)	(2,346,796)	(2,381,081)
- General	(154)	(206)	-	-	(154)	(206)
Advances - net of provision	<u>35,767,647</u>	<u>36,438,869</u>	-	-	<u>35,767,647</u>	<u>36,438,869</u>

10.1 Particulars of advances (Gross)

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	(Rupees in '000)	
In local currency	<u>37,931,108</u>	<u>38,633,999</u>
In foreign currency	<u>183,489</u>	<u>186,157</u>
	<u>38,114,597</u>	<u>38,820,156</u>

10.2 Advances include Rs. 2,346.796 million (December 31, 2020: Rs. 2,381.081 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) June 30, 2021		(Audited) December 31, 2020	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Loss	<u>2,346,796</u>	<u>2,346,796</u>	<u>2,381,081</u>	<u>2,381,081</u>

10.3 Particulars of provision against advances

	(Un-audited) June 30, 2021			(Audited) December 31, 2020		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	<u>2,381,081</u>	<u>206</u>	<u>2,381,287</u>	<u>2,673,071</u>	<u>215</u>	<u>2,673,286</u>
Exchange adjustments	<u>(2,668)</u>	<u>-</u>	<u>(2,668)</u>	<u>11,353</u>	<u>-</u>	<u>11,353</u>
Charge for the period / year	-	-	-	1,956	-	1,956
Reversals for the period / year	<u>(31,617)</u>	<u>(52)</u>	<u>(31,669)</u>	<u>-</u>	<u>(9)</u>	<u>(9)</u>
	<u>(31,617)</u>	<u>(52)</u>	<u>(31,669)</u>	<u>1,956</u>	<u>(9)</u>	<u>1,947</u>
Amounts written off	-	-	-	(305,299)	-	(305,299)
Closing balance	<u>2,346,796</u>	<u>154</u>	<u>2,346,950</u>	<u>2,381,081</u>	<u>206</u>	<u>2,381,287</u>

10.3.1 The Bank maintains general provision in accordance with the applicable requirements of the Prudential Regulations for Housing Finance issued by the SBP. The provision ranges between 0.5% to 1.5% based on the classified housing finance to total housing finance ratio present in the portfolio.

11 FIXED ASSETS

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	(Rupees in '000)	
Property and equipment	<u>297,342</u>	<u>341,837</u>
Right-of-use assets	<u>125,893</u>	<u>189,120</u>
	<u>423,235</u>	<u>530,957</u>

11.2 Additions to fixed assets

	(Un-audited) June 30, 2021	(Un-audited) June 30, 2020
	(Rupees in '000)	
The following additions have been made to fixed assets during the period:		
Property and equipment		
Furniture and fixture	<u>5,010</u>	<u>4,379</u>
Electrical, office and computer equipment	<u>14,390</u>	<u>44,679</u>
	<u>19,400</u>	<u>49,058</u>

	Note	(Un-audited) June 30, 2021 (Rupees in '000)	(Audited) December 31, 2020 (Rupees in '000)
12 OTHER ASSETS			
Income / mark-up accrued in local currency		1,957,355	1,116,092
Income / mark-up accrued in foreign currency		45,771	31,696
Advances, deposits, advance rent and other prepayments		91,539	78,909
Advance taxation (payments less provisions)		95,326	275,504
Non-banking assets acquired in satisfaction of claims		7,954	7,954
Branch adjustment account		363	1,247
Mark to market gain on forward foreign exchange contracts		1,047,833	1,033,201
Acceptances		3,175,486	1,199,226
Others		10,344	12,914
		<u>6,431,971</u>	<u>3,756,743</u>
Less: Provision held against other assets	12.1	(7,954)	(7,954)
Other Assets (Net of Provision)		<u>6,424,017</u>	<u>3,748,789</u>
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		-	-
		<u>6,424,017</u>	<u>3,748,789</u>

12.1 Provision held against other assets			
Non-banking assets acquired in satisfaction of claims	12.1.1	<u>7,954</u>	<u>7,954</u>
		<u>7,954</u>	<u>7,954</u>

12.1.1 The management has made provision against the amount of non-banking assets acquired in satisfaction of claims taking a conservative view. Therefore, the management has not disclosed the market value of these assets.

	(Un-audited) June 30, 2021 (Rupees in '000)	(Audited) December 31, 2020 (Rupees in '000)
--	--	---

13 BILLS PAYABLE		
In Pakistan	<u>1,250,871</u>	<u>1,475,556</u>

14 BORROWINGS		
Secured		
Repurchase agreement borrowings	-	18,617,722
Total secured	-	18,617,722
Unsecured		
Call borrowings	15,754,370	-
Overdrawn nostro accounts	137,015	231,011
Total unsecured	<u>15,891,385</u>	<u>231,011</u>
	<u>15,891,385</u>	<u>18,848,733</u>

	(Un-audited) June 30, 2021			(Audited) December 31, 2020		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	----- (Rupees in '000) -----					
Customers						
Current deposits	24,652,648	1,183,042	25,835,690	27,878,505	1,556,612	29,435,117
Savings deposits	71,920,974	7,269,889	79,190,863	62,204,324	6,044,384	68,248,708
Term deposits	12,638,331	34,403	12,672,734	14,330,316	34,903	14,365,219
Others - Margin deposits	3,021,013	2,321	3,023,334	3,143,901	4,101	3,148,002
	<u>112,232,966</u>	<u>8,489,655</u>	<u>120,722,621</u>	<u>107,557,046</u>	<u>7,640,000</u>	<u>115,197,046</u>
Financial Institutions						
Current deposits	2,179,125	203,035	2,382,160	1,865,087	1,176,758	3,041,845
	<u>114,412,091</u>	<u>8,692,690</u>	<u>123,104,781</u>	<u>109,422,133</u>	<u>8,816,758</u>	<u>118,238,891</u>

	(Un-audited) June 30, 2021 (Rupees in '000)	(Audited) December 31, 2020 (Rupees in '000)
16 DEFERRED TAX LIABILITIES		
Deductible Temporary Differences on		
- Post retirement employee benefits	85,660	85,660
- Accelerated tax depreciation	24,484	22,415
	<u>110,144</u>	<u>108,075</u>
Taxable Temporary Differences on		
- Surplus on revaluation of investments	(11,694)	(65,752)
- Effect of re-measurement of cost under share based payment	(88,375)	(86,988)
- Unrealized gain on derivatives	(27,941)	(6,206)
	<u>(128,010)</u>	<u>(158,946)</u>
	<u>(17,866)</u>	<u>(50,871)</u>

17	OTHER LIABILITIES	Note	(Un-audited) June 30, 2021 (Rupees in '000)	(Audited) December 31, 2020
	Mark-up / Return / Interest payable in local currency		26,083	242,031
	Mark-up / Return / Interest payable in foreign currency		40	1,368
	Unearned commission and income on bills discounted		41,547	26,233
	Accrued expenses	17.1 & 17.2	1,327,607	1,324,364
	Acceptances		3,175,486	1,199,226
	Mark to market loss on forward foreign exchange contracts		976,190	1,017,289
	Unremitted head office expenses		1,007,873	936,972
	Payable to regional offices for support services		17,651	17,463
	Payable to defined benefit plan		276,372	266,887
	Payable on account of sale proceeds of securities held under custody		3,001,509	1,650,716
	Payable on account of sale proceeds of shares sold by an associated undertaking		136,033	136,033
	Lease liability against right-of-use assets		101,297	126,712
	Clearing account balances		1,392,248	834,753
	Unclaimed deposit balances		966,923	945,447
	Others		911,149	817,118
			<u>13,358,008</u>	<u>9,542,612</u>
17.1	This includes the Bank's obligation to the head office under the stock award and stock option programmes. As of June 30, 2021, recognised liability for share based incentive plans is Rs. 372.542 million (December 31, 2020: Rs. 245.609 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. 867.732 million against Sindh and Punjab WWF laws from the date of its levy till June 30, 2021. The bank along with the banking industry has challenged the Sindh WWF levy which is pending in Court. No notice has been received from Punjab Revenue Authority in respect of its WWF law.			
18	SURPLUS ON REVALUATION OF ASSETS	Note	(Un-audited) June 30, 2021 (Rupees in '000)	(Audited) December 31, 2020
	Surplus on revaluation of:			
	- Available for sale securities	9.1	29,986	168,593
	Deferred tax on surplus on revaluation of:			
	- Available for sale securities		(11,695)	(65,752)
			<u>18,291</u>	<u>102,841</u>
19	CONTINGENCIES AND COMMITMENTS			
	- Guarantees	19.1	1,916,148	1,541,777
	- Commitments	19.2	239,932,182	227,621,840
	- Other contingent liabilities	19.3	236,551	239,765
			<u>242,084,881</u>	<u>229,403,382</u>
19.1	Guarantees			
	Financial guarantees		202	202
	Performance guarantees		1,915,946	1,541,575
			<u>1,916,148</u>	<u>1,541,777</u>
19.2	Commitments			
	Documentary credits and short-term trade-related transactions			
	- letters of credit		16,073,932	9,609,444
	Commitments in respect of:			
	- Forward foreign exchange contracts	19.2.1	209,994,936	196,867,719
	- Forward government securities transactions	19.2.2	7,143,062	19,267,722
	- Forward lending	19.2.3	1,990,182	1,870,826
	Commitments for acquisition of:			
	- Fixed assets		3,759	6,129
	Other commitments	19.2.4	4,726,311	-
			<u>239,932,182</u>	<u>227,621,840</u>
19.2.1	Commitments in respect of forward foreign exchange contracts			
	Purchase		115,506,645	91,281,050
	Sale		94,488,291	105,586,669
			<u>209,994,936</u>	<u>196,867,719</u>
19.2.2	Commitments in respect of forward government securities transactions			
	Purchase		787,709	18,627,719
	Sale		6,355,353	640,003
			<u>7,143,062</u>	<u>19,267,722</u>
19.2.3	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines and other commitments to lend	19.2.3.1	1,990,182	1,870,826
19.2.3.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.			

	Note	(Un-audited) June 30, 2021 (Rupees in '000)	(Audited) December 31, 2020
19.2.4 Other commitments			
Forward borrowing		<u>4,726,311</u>	<u>-</u>
19.3 Other contingent liabilities			
Claims against bank not acknowledged as debt	19.3.1	<u>236,551</u>	<u>239,765</u>
19.3.1	These are not recognised as debt as the probability of these crystallising against the Bank is considered remote.		
19.4	Tax related contingencies are disclosed in note 26.1 of these condensed interim financial statements.		
		(Un-audited)	
	Note	June 30, 2021	June 30, 2020
		(Rupees in '000)	
20 MARK-UP/RETURN/INTEREST EARNED			
On:			
a) Loans and advances		1,447,638	3,238,054
b) Investments		3,231,498	4,850,723
c) Lendings to financial institutions		385,673	597,841
d) Balances with banks		5,054	37,025
e) Income from foreign currency swaps against foreign currency deposits / borrowings		4,303	-
		<u>5,074,166</u>	<u>8,723,643</u>
21 MARK-UP/RETURN/INTEREST EXPENSED			
On:			
a) Deposits		2,490,529	3,601,034
b) Borrowings		56,104	480,213
c) Cost of foreign currency swaps against foreign currency deposits / borrowings		-	788,182
		<u>2,546,633</u>	<u>4,869,429</u>
22 FEE & COMMISSION INCOME			
Branch banking customer fees		15,007	11,260
Card related fees (credit cards)		2,174	2,851
Custody related fees		178,113	215,481
Commission on trade		67,002	86,196
Commission on guarantees		7,275	8,308
Commission on cash management		46,371	73,780
Commission on remittances including home remittances		3	2
Others		15,159	2,587
		<u>331,104</u>	<u>400,465</u>
23 GAIN ON SECURITIES			
Realised	23.1	102,107	693,836
Unrealised - held for trading	9.1	959	7,119
		<u>103,066</u>	<u>700,955</u>
23.1	Realised gain on:		
Federal Government Securities		<u>102,107</u>	<u>693,836</u>

24	OPERATING EXPENSES	Note	(Un-audited)	
			June 30, 2021	June 30, 2020
			(Rupees in '000)	
	Total compensation expense		596,394	373,758
	Property expense			
	Rent and taxes		686	8,009
	Utilities cost		14,134	13,465
	Security (including guards)		26,225	21,768
	Repair and maintenance (including janitorial charges)		41,942	38,981
	Depreciation		38,949	35,874
	Depreciation on right-of-use assets		58,385	55,540
	Interest expense on lease liability against right-of-use assets		7,619	10,051
	Fixed Assets written off		-	3,453
	Others		-	920
			187,940	188,061
	Information technology expenses			
	Software maintenance		30,141	18,374
	Hardware maintenance		2,225	3,162
	Depreciation		21,934	25,459
	Network charges		26,682	20,588
	Others		11	823
			80,993	68,406
	Other operating expenses			
	Legal and professional charges		30,623	19,695
	Outsourced services costs		65,660	41,701
	Travelling and conveyance		2,333	30,469
	Depreciation		3,782	3,782
	Training and development		218	66
	Postage and courier charges		4,864	10,411
	Communication		12,614	18,521
	Head office expenses	24.1	70,901	313,151
	Stationery and printing		2,433	9,730
	Donations		-	600
	Auditors Remuneration		796	1,364
	Banking Service Charges		49,714	75,408
	Brokerage and commission paid		12,006	19,615
	Card Association Fees		20,000	22,624
	Others		27,775	37,743
			303,719	604,880
			1,169,046	1,235,105

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

		(Un-audited)	
		June 30, 2021	June 30, 2020
		(Rupees in '000)	
25	(REVERSALS) / PROVISIONS & WRITE OFFS - NET		
	(Reversals) / provisions against loans and advances	10.3	1,952
		<u>(31,669)</u>	<u>1,952</u>
26	TAXATION		
	Current	26.2	1,880,055
	Prior periods		-
	Deferred		376,176
		<u>1,449,896</u>	<u>2,256,231</u>

26.1 The Income Tax returns of the Bank have been filed up to the tax year 2020 (accounting year ended December 31, 2019).

The income tax authorities issued amended assessment orders for up to tax years 2020 whereby aggregate tax demand of Rs. 667 million (December 31, 2020: Rs. 392 million) was raised. Total demand has been paid except for the tax year 2019, where management had decided to pay 10% against the demand of Rs. 175 million. This was done in accordance with the tax opinion from tax advisor in order to obtain stay against demand for the tax year 2019.

The Bank has filed appeals before the appellate forums against these amended assessment orders for all years, where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. On the other hand, where the appellate authorities have not allowed relief, the Bank has filed appeals before higher appellate forums. The management of the Bank, in consultation with its tax advisor, is confident that the appeals will be decided in favour of the Bank.

In the year 2020, FBR had started proceedings for monitoring of withholding taxes under section 161 of the Income Tax Ordinance 2001 and has passed an order creating demand of Rs. 127 million for the accounting years 2005 and 2006. Penalty amount on alleged short tax payment is Rs. 6.39 million. Surcharge amount for alleged short tax payment, if any, will be in addition to it. Bank has filed appeals and obtained a stay against the demand from the Sindh High Court. Neither the demand is paid nor any provision has been recognised for this demand in the books of accounts as management is of the view that the bank will be able to defend its position in a court of law. Bank's view is supported by external counsel opinion.

26.2 This represents tax charge for tax year 2020 on account of difference between tax charged in the financial statements for the year ended December 31, 2019 and tax charge offered in the return.

27 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.

27.1 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) June 30, 2021					
	Carrying / Notional Value	Fair Value			Total	
		Level 1	Level 2	Level 3		
----- (Rupees in '000) -----						
On balance sheet financial instruments						
Financial assets - measured at fair value						
Investments						
	Federal Government Securities	105,989,443	-	105,989,443	-	105,989,443
Financial assets - disclosed but not measured at fair value						
	Cash and balances with treasury banks	27.2 13,441,013	-	-	-	-
	Balances with other banks	27.2 628,312	-	-	-	-
	Lendings to financial institutions	27.2 6,352,857	-	-	-	-
	Advances - net	27.2 35,767,647	-	-	-	-
	Other financial assets	27.2 4,343,752	-	-	-	-
		<u>166,523,024</u>				
Off-balance sheet financial instruments - measured at fair value						
	Forward purchase of foreign exchange	115,506,645	-	116,074,042	-	116,074,042
	Forward sale of foreign exchange	94,488,291	-	93,997,214	-	93,997,214
	Forward Borrowing	4,726,311	-	4,726,311	-	4,726,311
	Forward purchase contracts of government securities	787,709	-	787,709	-	787,709
	Forward sale contracts of government securities	6,355,353	-	6,355,353	-	6,355,353

	(Audited) December 31, 2020					
	Carrying / Notional Value	Fair Value			Total	
		Level 1	Level 2	Level 3		
----- (Rupees in '000) -----						
On balance sheet financial instruments						
Financial assets - measured at fair value						
Investments						
	Federal Government Securities	87,892,745	-	87,892,745	-	87,892,745
Financial assets - disclosed but not measured at fair value						
	Cash and balances with treasury banks	27.2 11,342,260	-	-	-	-
	Balances with other banks	27.2 21,386,856	-	-	-	-
	Lendings to financial institutions	27.2 639,581	-	-	-	-
	Advances - net	27.2 36,438,869	-	-	-	-
	Other financial assets	27.2 3,392,640	-	-	-	-
		<u>161,092,951</u>				
Off-balance sheet financial instruments - measured at fair value						
	Forward purchase of foreign exchange	91,281,050	-	91,956,578	-	91,956,578
	Forward sale of foreign exchange	105,586,669	-	104,929,163	-	104,929,163
	Forward purchase contracts of government securities	18,627,719	-	18,627,719	-	18,627,719
	Forward sale contracts of government securities	640,003	-	640,003	-	640,003

27.2 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.

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

Federal government debt securities	The fair value of government securities are valued using PKRV rates.
Forward contracts	The fair values are derived using forward exchange rates or PKRV rates applicable to their respective remaining maturities.

28 SEGMENT INFORMATION

28.1 Segment Details with respect to Business Activities

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

(Un-audited)
For the half year ended June 30, 2021

	Corporate Banking	Treasury	Total
----- (Rupees in '000) -----			
Profit and Loss			
Net mark-up / return / profit	(1,042,891)	3,570,424	2,527,533
Inter segment revenue - net	2,604,787	(2,604,787)	-
Non mark-up / return / interest income	331,104	1,449,104	1,780,208
Total Income	1,893,000	2,414,741	4,307,741
Segment direct expenses	910,701	316,213	1,226,914
Total expenses	910,701	316,213	1,226,914
Reversals of provision	(31,669)	-	(31,669)
Profit before tax	1,013,968	2,098,528	3,112,496

(Un-audited)
As at June 30, 2021

	Corporate Banking	Treasury	Total
----- (Rupees in '000) -----			
Balance Sheet			
Cash and Bank balances	179,058	13,890,267	14,069,325
Investments	-	105,989,443	105,989,443
Net inter segment lending	100,705,473	-	100,705,473
Lendings to financial institutions	-	6,352,857	6,352,857
Advances - performing	35,767,647	-	35,767,647
Others	4,491,215	2,356,037	6,847,252
Total Assets	141,143,393	128,588,604	269,731,997
Borrowings	-	15,891,385	15,891,385
Deposits and other accounts	122,466,600	638,181	123,104,781
Net inter segment borrowing	-	100,705,473	100,705,473
Others	13,646,004	980,741	14,626,745
Total liabilities	136,112,604	118,215,780	254,328,384
Equity	5,030,789	10,372,824	15,403,613
Total Equity & liabilities	141,143,393	128,588,604	269,731,997
Contingencies & Commitments	20,220,572	221,864,309	242,084,881

(Un-audited)
For the half year ended June 30, 2020

	Corporate Banking	Treasury	Total
	----- (Rupees in '000) -----		
Profit and Loss			
Net mark-up / return / profit	(362,980)	4,217,194	3,854,214
Inter segment revenue - net	2,418,663	(2,418,663)	-
Non mark-up / return / interest income	397,012	2,806,615	3,203,627
Total Income	<u>2,452,695</u>	<u>4,605,146</u>	<u>7,057,841</u>
Segment direct expenses	852,311	485,113	1,337,424
Total expenses	<u>852,311</u>	<u>485,113</u>	<u>1,337,424</u>
Provisions	1,952	-	1,952
Profit before tax	<u>1,598,432</u>	<u>4,120,033</u>	<u>5,718,465</u>

(Audited)
As at December 31, 2020

	Corporate Banking	Treasury	Total
	----- (Rupees in '000) -----		
Balance Sheet			
Cash and Bank balances	212,047	32,517,069	32,729,116
Investments	-	87,892,745	87,892,745
Net inter segment lending	91,107,997	-	91,107,997
Lendings to financial institutions	-	639,581	639,581
Advances - performing	36,438,869	-	36,438,869
Others	2,871,645	1,408,101	4,279,746
Total Assets	<u>130,630,558</u>	<u>122,457,496</u>	<u>253,088,054</u>
Borrowings	-	18,848,733	18,848,733
Deposits and other accounts	116,727,819	1,511,072	118,238,891
Net inter segment borrowing	-	91,107,997	91,107,997
Others	10,041,350	1,027,689	11,069,039
Total liabilities	<u>126,769,169</u>	<u>112,495,491</u>	<u>239,264,660</u>
Equity	3,861,390	9,962,004	13,823,394
Total Equity & liabilities	<u>130,630,559</u>	<u>122,457,495</u>	<u>253,088,054</u>
Contingencies & Commitments	<u>13,267,941</u>	<u>216,135,441</u>	<u>229,403,382</u>

29 RELATED PARTY TRANSACTIONS

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

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

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

	(Un-audited) June 30, 2021		(Audited) December 31, 2020	
	Head Office	Branches and other related parties	Head Office	Branches and other related parties
----- (Rupees in '000) -----				
Balances with other banks				
In current accounts	352,860	254,491	21,132,632	244,085
	352,860	254,491	21,132,632	244,085
Other Assets				
Income / mark-up accrued	1,359	419	2,689	2,345
Unrealised gain on foreign exchange contracts	-	308,020	-	858,993
	1,359	308,439	2,689	861,338
Borrowings				
Opening balance	-	-	-	6,193,904
Borrowings during the period / year	-	508,543,329	-	1,193,707,615
Settled during the period / year	-	(492,788,959)	-	#####
Closing balance	-	15,754,370	-	-
Overdrawn Nostros	-	137,015	-	230,514
Deposits and other accounts				
Opening balance	5,566	1,666,656	12,931	1,797,435
Received during the period / year	21,243	665,013	11,233	2,330,060
Withdrawn during the period / year	(18,236)	(1,500,634)	(18,598)	(2,460,839)
Closing balance	8,573	831,035	5,566	1,666,656
Other Liabilities				
Unremitted Head Office Expense	1,007,873	-	936,972	-
Unrealised loss on foreign exchange contracts	-	662,053	-	125,239
Payable to defined benefit plan	-	276,372	-	266,887
Payable to associated undertakings	-	3,137,542	-	1,786,749
Payable for expenses and share based payments	372,542	17,651	247,609	17,463
	1,380,415	4,093,618	1,184,581	2,196,338
Contingencies and Commitments				
Forward exchange contracts				
Purchase	-	43,178,855	-	43,445,066
Sales	-	43,093,316	-	43,295,006
Counter guarantees to branches	36,117	694,603	73,867	336,028
	36,117	86,966,774	73,867	87,076,100
(Un-audited) for the half year ended				
	June 30, 2021		June 30, 2020	
	Head Office	Branches and other related parties	Head Office	Branches and other related parties
----- (Rupees in '000) -----				
Income				
Mark-up / return / interest earned	4,864	181	35,290	93
Fee and commission income	1,501	16,905	8,260	67,574
Net gain / (loss) on sale of securities	-	(578)	-	79,734
Foreign Exchange Income	36	8,698	-	9,086
Expense				
Mark-up / return / interest paid	12	2,335	-	57,428
Regional expenses for support services	3,973	3,885	8,138	(9,014)
Head office expenses	70,901	-	313,151	-
Contribution to staff retirement benefit funds	-	34,070	-	25,918
Remuneration of Key Management Personnel	-	42,674	-	47,224

30 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>6,812,671</u>	<u>6,812,671</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>15,385,322</u>	13,720,553
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	<u>15,385,322</u>	13,720,553
Eligible Tier 2 Capital	<u>18,445</u>	103,047
Total Eligible Capital (Tier 1 + Tier 2)	<u>15,403,767</u>	13,823,600
Risk Weighted Assets (RWAs):		
Credit Risk	<u>23,802,133</u>	26,513,780
Market Risk	<u>1,414,362</u>	1,819,952
Operational Risk	<u>19,263,743</u>	19,263,743
Total	<u>44,480,238</u>	47,597,475
Common Equity Tier 1 Capital Adequacy Ratio	<u>34.59%</u>	28.83%
Tier 1 Capital Adequacy Ratio	<u>34.59%</u>	28.83%
Total Capital Adequacy Ratio	<u>34.63%</u>	29.04%

The State Bank of Pakistan through its BSD Circular No. 07 dated April 15, 2009 has prescribed the minimum paid-up capital (net of losses) for Banks / Development Finance Institutions to be raised to Rs. 10 billion by the year ended December 31, 2013. The raise is to be achieved in a phased manner requiring Rs.10 billion capital (net of losses) from the end of the financial year 2013 onwards. However, branches of foreign banks operating in Pakistan whose head office holds paid-up capital (free of losses) of atleast US\$ 300 million, have a CAR of 8% or minimum prescribed by the home regulator and have prescribed number of branches, are allowed to maintain lower amount with prior approval of SBP. In this regard the Bank is maintaining higher capital to support business requirements.

The Head office capital account of the Bank for the half year ended June 30, 2021 stands at Rs 6.813 billion and is in compliance with the SBP requirement for the said period. In addition, the banks are also required to maintain a Minimum Capital Adequacy Ratio (CAR) of 11.50% of the risk weighted exposures of the Bank as of June 30, 2021. The Bank's CAR as at June 30, 2021 was 34.63% 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.

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	(Rupees in '000)	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>15,385,322</u>	13,720,553
Total Exposure	<u>200,086,721</u>	204,816,282
Leverage Ratio	<u>7.69%</u>	6.70%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>99,787,399</u>	76,849,975
Total Net Cash Outflow	<u>26,623,288</u>	27,517,608
Liquidity Coverage Ratio	<u>374.81%</u>	279.28%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>138,658,528</u>	123,130,530
Total Required Stable Funding	<u>50,111,706</u>	64,680,917
Net Stable Funding Ratio	<u>276.70%</u>	190.37%

31 GENERAL

31.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

31.2 Corresponding figures have been re-classified, re-arranged or additionally incorporated in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current period. Following major reclassifications have been made during the period:

	For the period ended June 30, 2020		
	As previously stated	Impact	As stated
<i>Effects on condensed interim profit and loss account</i>			
Other income	<u>3,453</u>	<u>(3,453)</u>	<u>-</u>
Operating expenses	<u>1,231,652</u>	<u>3,453</u>	<u>1,235,105</u>
Provisions and write offs - net	<u>28,983</u>	<u>(27,031)</u>	<u>1,952</u>
Foreign exchange income	<u>(1,068,833)</u>	<u>27,031</u>	<u>(1,041,802)</u>

The above reclassifications did not have any impact on the condensed interim statement of financial position, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement.

32 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on August 27, 2021 by the management of the Bank.

AHMED BOZAI
Managing Director and
Citi Country Officer

IMAD HASSAN KHAN
Country Finance Officer