

**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 September 30, 2018

	<i>Note</i>	<b>(Un-audited) September 30, 2018</b>	<b>(Audited) December 31, 2017</b>
<b>(Rupees in '000)</b>			
<b>ASSETS</b>			
Cash and balances with treasury banks		<b>4,388,977</b>	5,907,205
Balances with other banks	9	<b>1,926,029</b>	1,091,101
Lendings to financial institutions	10	<b>53,849,675</b>	23,930,516
Investments - net	11	<b>18,679,718</b>	57,091,381
Advances - net	12	<b>36,568,185</b>	24,483,524
Fixed assets	13	<b>464,463</b>	541,286
Deferred tax assets - net		<b>149,741</b>	62,145
Other assets		<b>2,979,703</b>	4,068,828
		<b>119,006,491</b>	117,175,986
<b>LIABILITIES</b>			
Bills payable		<b>5,635,101</b>	1,836,429
Borrowings from financial institutions	14	<b>638,355</b>	15,460,370
Deposits and other accounts	15	<b>95,182,859</b>	78,817,906
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		<b>8,091,964</b>	11,858,203
		<b>109,548,279</b>	107,972,908
<b>NET ASSETS</b>		<b>9,458,212</b>	9,203,078
<b>REPRESENTED BY</b>			
Head office capital account		<b>6,812,671</b>	6,812,671
Reserves		<b>163,039</b>	163,039
Unremitted profit		<b>2,529,339</b>	2,232,629
		<b>9,505,049</b>	9,208,339
Surplus on revaluation of assets - net of deferred tax		<b>(46,837)</b>	(5,261)
		<b>9,458,212</b>	9,203,078

**CONTINGENCIES AND COMMITMENTS**

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The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

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

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**GULZEB KHAN**  
**Chief Financial Officer**

Citibank N.A., Pakistan Branches  
(Incorporated in the U.S.A. the liability of members being limited)  
Condensed Interim Profit And Loss Account (Un-Audited)  
For the quarter and nine months ended September 30, 2018

Note	Nine months ended		Quarter ended	
	September 30, 2018 (Rupees in '000)	September 30, 2017	September 30, 2018 (Rupees in '000)	September 30, 2017
Mark-up / return / interest earned	5,042,123	4,525,949	1,920,866	1,603,047
Mark-up / return / interest expensed	2,338,473	2,301,259	807,007	819,872
Net mark-up / return / interest income	2,703,650	2,224,690	1,113,859	783,175
Reversal of provision against loans and advances - net	(83,472)	(36,997)	1,403	(10,643)
Bad debts written off directly	-	-	-	-
Reversal of provision against off-balance sheet obligations - net	-	-	-	-
	(83,472)	(36,997)	1,403	(10,643)
Net mark-up / interest income after provisions	2,787,122	2,261,687	1,112,456	793,818
<b>NON MARK-UP / INTEREST INCOME</b>				
Fee, commission and brokerage income	941,730	560,296	224,343	212,419
Income from dealing in foreign currencies	1,753,391	1,369,464	670,313	371,764
Gain / (loss) on sale of securities	19,701	87,908	10,251	(4,908)
Unrealised loss on revaluation of investments classified as held-for-trading	(4,131)	(6,231)	(4,131)	(12,099)
Other income / (loss)	9,628	66,635	(15,285)	6,784
Total non mark-up / interest income - net	2,720,319	2,078,072	885,491	573,960
	5,507,441	4,339,759	1,997,947	1,367,778
<b>NON MARK-UP / INTEREST EXPENSE</b>				
Administrative expenses	1,397,639	1,489,599	438,506	442,587
Reversal against appreciation / diminution in the value of non-banking assets - net	-	-	-	-
Operating fixed assets written off	244	-	244	-
Other charges	65,284	45,325	26,871	15,498
Total non mark-up / interest expenses - net	1,463,167	1,534,924	465,621	458,085
	4,044,274	2,804,835	1,532,326	909,693
<b>PROFIT BEFORE TAXATION</b>				
Taxation				
- Current	1,545,967	931,885	637,351	298,482
- Prior years	33,236	190,482	33,236	-
- Deferred	(64,880)	70,755	(141,206)	17,495
	1,514,323	1,193,122	529,381	315,977
<b>PROFIT AFTER TAXATION</b>	<b>2,529,951</b>	<b>1,611,713</b>	<b>1,002,945</b>	<b>593,716</b>

The annexed notes 1 to 23 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 quarter and nine months ended September 30, 2018

	Nine months ended		Quarter ended	
	September 30, 2018 (Rupees in '000)	September 30, 2017	September 30, 2018 (Rupees in '000)	September 30, 2017
Profit for the period after taxation	2,529,951	1,611,713	1,002,945	593,716
<b>Items that will not be reclassified to profit and loss account</b>				
<b>Components of comprehensive income reflected in equity</b>				
- Remeasurements of defined benefit plan (loss) / gain	(942)	(4,671)	2,397	(1,332)
- Deferred tax asset / (liability) on remeasurements of defined benefit plan	330	1,635	(839)	466
	(612)	(3,036)	1,558	(866)
<b>Comprehensive income transferred to statement of changes in equity</b>	<b>2,529,339</b>	<b>1,608,677</b>	<b>1,004,503</b>	<b>592,850</b>
<b>Items that may be reclassified subsequently to profit and loss account</b>				
<b>Components of comprehensive income not reflected in equity</b>				
- (Deficit) / Surplus on revaluation of available for sale securities	(63,964)	(95,219)	23,701	(7,554)
- Deferred tax asset / (liability) on revaluation of available for sale securities	22,387	33,327	(8,296)	2,644
	(41,577)	(61,892)	15,405	(4,910)
<b>Total comprehensive income for the period</b>	<b>2,487,762</b>	<b>1,546,785</b>	<b>1,019,908</b>	<b>587,940</b>

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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 Cash Flow Statement (Un-Audited)  
For the nine months ended September 30, 2018

	Nine months ended	
	September 30, 2018	September 30, 2017
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,044,274	2,804,835
<b>Adjustments for:</b>		
Depreciation	92,275	97,169
Amortisation	-	-
Reversal of provision against loans and advances - net (Reversal) / provision against appreciation / diminution in the value of non-banking assets - net	(83,472)	(36,997)
Unrealised loss on revaluation of investments classified as held-for-trading	4,131	6,231
Bad debts written off directly	-	-
Charge for defined benefit plan	30,095	30,399
Operating fixed assets written off	244	-
Gain on disposals of fixed assets	(30,103)	(3,592)
	<u>13,170</u>	<u>93,210</u>
	4,057,444	2,898,045
<b>Increase in operating assets</b>		
Lendings to financial institutions	(29,919,159)	(17,546,625)
Held-for-trading securities	(630,582)	(168,416)
Advances	(12,001,189)	94,890
Other assets	629,806	471,132
	<u>(41,921,124)</u>	<u>(17,149,019)</u>
<b>Increase in operating liabilities</b>		
Bills payable	3,798,672	1,990,776
Borrowings from financial institutions	(15,458,408)	5,623,196
Deposits and other accounts	16,364,953	9,289,204
Other liabilities (excluding current taxation, Head office expenses and payable to defined benefit plan)	(3,481,079)	2,655,567
	<u>1,224,138</u>	<u>19,558,743</u>
	(36,639,542)	5,307,769
Contribution to gratuity fund	(15,199)	(37,265)
Income tax paid	(1,119,884)	(1,141,250)
Remittances made during the period on account of head office expenses	(300,995)	(203,910)
<b>Net cash (used in) / generated from operating activities</b>	<u>(38,075,620)</u>	<u>3,925,344</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	38,974,149	270,308
Investments in fixed assets	(15,696)	(80,162)
Sale proceeds from disposal of fixed assets	30,103	3,788
<b>Net cash generated from investing activities</b>	<u>38,988,556</u>	<u>193,934</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit repatriated to Head Office during the period	(2,232,629)	(3,174,345)
<b>Net cash used in financing activities</b>	<u>(2,232,629)</u>	<u>(3,174,345)</u>
<b>(Decrease) / Increase in cash and cash equivalents</b>	<u>(1,319,693)</u>	<u>944,933</u>
Cash and cash equivalents at the beginning of the period	6,996,344	6,933,596
<b>Cash and cash equivalents at end of the period</b>	<u><u>5,676,651</u></u>	<u><u>7,878,529</u></u>

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Citi Country Officer

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**GULZEB KHAN**  
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Citibank N.A., Pakistan Branches  
(Incorporated in the U.S.A. the liability of members being limited)  
Condensed Interim Statement of Changes in Equity (Un-Audited)  
For the quarter and nine months ended September 30, 2018

	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, 2017 (audited)	6,812,671	3,174,345	168,704	10,155,720
Profit for the nine months ended September 30, 2017 (un-audited)	-	1,611,713	-	1,611,713
<b>Other comprehensive income for the nine months ended September 30, 2017</b>				
Remeasurements of defined benefit plan	-	(4,671)	-	(4,671)
Tax on remeasurements of defined benefit plan	-	1,635	-	1,635
	-	(3,036)	-	(3,036)
<b>Transactions with owners</b>				
Contribution by the ultimate holding company in respect of share based payments	-	-	9,255	9,255
Recharged balance payable to the ultimate holding company for share based payments	-	-	(9,255)	(9,255)
	-	-	-	-
Profit remittance made to head office	-	(3,174,345)	-	(3,174,345)
Balance as at September 30, 2017 (un-audited)	6,812,671	1,608,677	168,704	8,590,052
Profit for the quarter ended December 31, 2017 (un-audited)	-	622,207	-	622,207
<b>Other comprehensive income for the period October 2017 to December 2017</b>				
Remeasurements of defined benefit plan	-	2,685	-	2,685
Tax on remeasurements of defined benefit plan	-	(940)	-	(940)
	-	1,745	-	1,745
<b>Transactions with owners</b>				
Contribution by the ultimate holding company in respect of share based payments	-	-	13,483	13,483
Recharged balance payable to the ultimate holding company for share based payments	-	-	(13,483)	(13,483)
Effect of re-measurement of cost under share based payment - net of tax	-	-	(5,665)	(5,665)
	-	-	(5,665)	(5,665)
Profit remittance made to head office	-	-	-	-
Balance as at December 31, 2017 (audited)	6,812,671	2,232,629	163,039	9,208,339
Profit for the nine months ended September 30, 2018 (un-audited)	-	2,529,951	-	2,529,951
<b>Other comprehensive income for the nine months ended September 30, 2018</b>				
Remeasurements of defined benefit plan	-	(942)	-	(942)
Tax on remeasurements of defined benefit plan	-	330	-	330
	-	(612)	-	(612)
<b>Transactions with owners</b>				
Recharged by the ultimate holding company in respect of share based payments	-	-	6,841	6,841
Contribution balance payable to the ultimate holding company for share based payments	-	-	(6,841)	(6,841)
	-	-	-	-
Profit remittance made to head office	-	(2,232,629)	-	(2,232,629)
<b>Balance as at September 30, 2018 (un-audited)</b>	<b>6,812,671</b>	<b>2,529,339</b>	<b>163,039</b>	<b>9,505,049</b>

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

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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 quarter and nine months ended September 30, 2018

## 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:

	<b>Long-term senior debt</b>	<b>Short-term debt</b>
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, 2017: 3 branches) in Pakistan.

## 2. BASIS OF PRESENTATION

**2.1** 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.

**2.2** 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, 2017.

## 3. STATEMENT OF COMPLIANCE

**3.1** The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial 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 Companies Act, 2017;
- Banking Companies Ordinance, 1962 and the directives issued by SBP;

**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 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 financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

#### **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

#### **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, 2017.

#### **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, 2017.

#### **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, 2017

	(Un-audited) September 30, 2018	(Audited) December 31, 2017
	(Rupees in '000)	
<b>9. BALANCES WITH OTHER BANKS</b>		
In Pakistan		
- Current accounts	18,646	48,308
Outside Pakistan		
- Current accounts	1,907,383	1,042,793
	<b>1,926,029</b>	<b>1,091,101</b>
<b>10. LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Repurchase agreement lendings (Reverse Repo)	53,849,675	23,930,516
	<b>53,849,675</b>	<b>23,930,516</b>

**11. INVESTMENTS - NET**

	Note <u>September 30, 2018 (Un-audited)</u>			December 31, 2017 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
<b>Investments by type</b>	----- (Rupees in '000) -----					
<b>Held-for-trading securities</b>						
Market treasury bills	8,439,570	-	8,439,570	6,791,487	-	6,791,487
Pakistan Investment Bonds	-	-	-	1,017,501	-	1,017,501
	8,439,570	-	8,439,570	7,808,988	-	7,808,988
<b>Available-for-sale securities</b>						
Market treasury bills	7,462,013	-	7,462,013	46,007,977	-	46,007,977
Pakistan Investment Bonds	2,856,824	-	2,856,824	3,285,009	-	3,285,009
Unlisted term finance certificates 11.1	248,090	-	248,090	248,090	-	248,090
	10,566,927	-	10,566,927	49,541,076	-	49,541,076
<b>Investments at cost</b>	19,006,497	-	19,006,497	57,350,064	-	57,350,064
Less: Provision for diminution in the value of investments	248,090	-	248,090	248,090	-	248,090
<b>Investments - net of provisions</b>	18,758,407	-	18,758,407	57,101,974	-	57,101,974
Deficit on revaluation of held-for-trading securities - net	(6,632)	-	(6,632)	(2,500)	-	(2,500)
Surplus on revaluation of available-for-sale securities - net	(72,057)	-	(72,057)	(8,093)	-	(8,093)
<b>Investments at market value</b>	18,679,718	-	18,679,718	57,091,381	-	57,091,381

**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.

	Note	(Un-audited) September 30, 2018	(Audited) December 31, 2017
		(Rupees in '000)	
<b>12. ADVANCES - NET</b>			
Loans, cash credits, running finances etc. - In Pakistan		35,842,683	25,862,946
Bills discounted and purchased (excluding Market treasury bills)			
Payable in Pakistan		3,440,927	1,419,476
Payable outside Pakistan		-	-
		3,440,927	1,419,476
Advances - gross		39,283,610	27,282,422
Provision against advances			
- Specific - provision against non-performing advances	12.1	(2,714,980)	(2,798,643)
- General - provision against advances	12.2	(445)	(255)
		(2,715,425)	(2,798,898)
Advances - net of provision		36,568,185	24,483,524



- 12.1 Advances include Rs. 2,714.98 million (December 31, 2017: Rs. 2,798.64 million) which have been placed under non-performing status as detailed below:

Category of classification	September 30, 2018 (Un-audited)				
	Classified Advances			Provision required	Provision held
Domestic	Overseas	Total	(Rupees in '000)		
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	<u>2,714,980</u>	-	<u>2,714,980</u>	<u>2,714,980</u>	<u>2,714,980</u>
	<u>2,714,980</u>	-	<u>2,714,980</u>	<u>2,714,980</u>	<u>2,714,980</u>
	December 31, 2017 (Audited)				
	Classified Advances			Provision required	Provision held
Domestic	Overseas	Total	(Rupees in '000)		
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	<u>2,798,643</u>	-	<u>2,798,643</u>	<u>2,798,643</u>	<u>2,798,643</u>
	<u>2,798,643</u>	-	<u>2,798,643</u>	<u>2,798,643</u>	<u>2,798,643</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	Note	(Un-audited)	(Audited)
		September 30, 2018	December 31, 2017
		(Rupees in '000)	
Capital work-in-progress		9,215	-
Property and equipment	13.1 & 13.2	<u>455,248</u>	<u>541,286</u>
		<u>464,463</u>	<u>541,286</u>

- 13.1 The cost of additions made during the period was as follows:

	(Un-audited)	
	For the nine months ended	
	September 30, 2018	September 30, 2017
(Rupees in '000)		
Furniture and fixtures	387	113,885
Electrical and office equipment	<u>6,034</u>	<u>15,703</u>
	<u>6,421</u>	<u>129,588</u>

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

	(Un-audited)	
	<b>For the nine months ended</b>	
	<b>September</b>	<b>September</b>
	<b>30, 2018</b>	<b>30, 2017</b>
	<b>(Rupees in '000)</b>	
Furniture and fixtures	145	196
Electrical and office equipment	99	-
	<u>244</u>	<u>196</u>
	<b>(Un-audited)</b>	<b>(Audited)</b>
	<b>September</b>	<b>December</b>
	<b>30, 2018</b>	<b>31, 2017</b>
	<b>(Rupees in '000)</b>	
<b>14. BORROWINGS FROM FINANCIAL INSTITUTIONS</b>		
In Pakistan	-	3
Outside Pakistan	638,355	15,460,367
	<u>638,355</u>	<u>15,460,370</u>
<b>14.1 Particulars of borrowings from financial institutions</b>		
In local currency	-	3
In foreign currency	638,355	15,460,367
	<u>638,355</u>	<u>15,460,370</u>
<b>14.2 Details of borrowings from financial institutions</b>		
<b>Unsecured</b>		
Call borrowings	-	15,458,408
Overdrawn accounts	638,355	1,962
	<u>638,355</u>	<u>15,460,370</u>
<b>15. DEPOSITS AND OTHER ACCOUNTS</b>		
<b>Customers</b>		
Fixed deposits	20,088,919	11,102,097
Savings deposits	29,607,979	45,306,553
Current accounts - non-remunerative	37,157,038	17,398,456
Other deposits	5,965,463	3,369,429
	<u>92,819,399</u>	<u>77,176,535</u>
<b>Financial institutions</b>		
Non-remunerative deposits	2,363,460	1,641,371
	<u>95,182,859</u>	<u>78,817,906</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) September 30, 2018	(Audited) December 31, 2017
	(Rupees in '000)	
(i) Government of Pakistan	202	202
(ii) Banking companies and other financial institutions	-	-
	<u>202</u>	<u>202</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) September 30, 2018	(Audited) December 31, 2017
	(Rupees in '000)	
(i) Government of Pakistan	1,343,402	959,479
(ii) Banking companies and other financial institutions	8,000	11,042
(iii) Others	929,925	1,299,681
	<u>2,281,327</u>	<u>2,270,202</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.

	<i>Note</i>	(Un-audited) September 30, 2018	(Audited) December 31, 2017
		(Rupees in '000)	
Letters of credit / acceptances		<u>18,029,645</u>	<u>14,765,357</u>

### 16.4 Other contingencies

Claims not acknowledged as debts		189,831	170,422
	16.4.1	<u>189,831</u>	<u>170,422</u>

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

	(Un-audited) September 30, 2018	(Audited) December 31, 2017
<b>16.5 Commitments in respect of forward transactions</b>	<b>(Rupees in '000)</b>	
Forward agreement lending (reverse repos)	<u>53,888,538</u>	<u>23,964,259</u>
Forward borrowing	<u>-</u>	<u>8,833,376</u>
Uncancellable commitments to extend credit	<u>1,378,613</u>	<u>1,362,871</u>
Forward purchase of trading securities	<u>559,283</u>	<u>1,609,683</u>
Forward sale contracts of government securities	<u>-</u>	<u>7,717,243</u>
Forward placement	<u>838,331</u>	<u>662,503</u>

**16.6 Commitments in respect of forward foreign exchange contracts**

Purchase	<u>80,929,649</u>	<u>94,204,250</u>
Sale	<u>77,662,858</u>	<u>77,215,996</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) September 30, 2018	(Audited) December 31, 2017
<b>16.7 Other commitments</b>	<b>(Rupees in '000)</b>	

Interest rate derivative contracts (notional amount)	<u>2,458,333</u>	<u>3,933,333</u>
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<b>16.8 Commitments in respect of capital expenditure</b>	<u>7,573</u>	<u>1,451</u>
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**16.9** The Income Tax returns of the Bank have been filed up to the tax year 2017 (accounting year ended December 31, 2016) and were deemed to be assessed under section 120 of the Income Tax Ordinance, 2001 (Ordinance) unless amended by the Commissioner of Inland Revenue.

The income tax authorities have issued amended assessment orders for the tax years 2012, 2014, 2015, 2016 and 2017, and created additional tax demands (including disallowances of reversal of provisions made prior to Seventh Schedule and charging of Minimum Tax) of Rs. 902 million (2017: Rs. 837 million), which have been fully paid as required under the law. The Bank has filed appeals before the appellate forums against these amendments. Where the appellate authorities have allowed relief on certain issues, the assessing authorities have filed appeals before higher appellate forums. Where the appellate authorities have not allowed relief the Bank has filed appeals before higher appellate forums. The management of the Bank is confident that the appeals will be decided in favour of the Bank.

**16.10** An ex-employee has filed a Suit before the Sindh High Court challenging his termination and is seeking damages/compensation to the extent of PKR 107,162,000/- Based on the legal advice of the Bank's external legal counsel, it is unlikely that there will be any substantial financial impact on the Bank.

**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.

	<i>Note</i>	(Un-audited) September 30, 2018	September 30, 2017
<b>18. OTHER INCOME</b>		<b>(Rupees in '000)</b>	
(Loss) / Gain from interest rate derivative contracts	<i>18.1</i>	<u>(21,512)</u>	<u>59,769</u>
Net profit on sale of property and equipment		<u>30,103</u>	<u>3,592</u>
Others		<u>1,037</u>	<u>3,274</u>
		<u>9,628</u>	<u>66,635</u>

**19. 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.

**19.1** 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**

		September 30, 2018 (Un-audited)					Fair Value							
Note	Carrying Value					Total	Level 1	Level 2	Level 3	Total				
	Available for Sale	Held for trading	Loans and Receivables	Other financial Assets	Other financial liabilities									
					(Rupees in '000)					(Rupees in '000)				
<b>Financial assets measured at fair value</b>														
Investments														
	Market Treasury Bills	7,460,093	8,432,938	-	-	-	15,893,031	-	15,893,031	-	15,893,031			
	Pakistan Investment Bonds	2,786,687	-	-	-	-	2,786,687	-	2,786,687	-	2,786,687			
<b>Financial assets not measured at fair value</b>														
	Cash and balances with treasury banks	19.2	-	-	4,388,977	-	4,388,977	-	-	-	-			
	Balances with other banks	19.2	-	-	1,926,029	-	1,926,029	-	-	-	-			
	Lendings to financial institutions	19.2	-	53,849,675	-	-	53,849,675	-	-	-	-			
	Advances - net	19.2	-	36,568,185	-	-	36,568,185	-	-	-	-			
	Other financial assets	19.2	-	-	2,423,099	-	2,423,099	-	-	-	-			
			<b>10,246,780</b>	<b>98,850,798</b>	<b>-</b>	<b>8,738,105</b>	<b>-</b>	<b>117,835,683</b>	<b>-</b>	<b>18,679,718</b>	<b>-</b>			
<b>Financial liabilities not measured at fair value</b>														
	Bills payable	19.2	-	-	-	5,635,101	5,635,101	-	-	-	-			
	Borrowings from financial institutions	19.2	-	-	-	638,355	638,355	-	-	-	-			
	Deposits and other accounts	19.2	-	-	-	95,182,859	95,182,859	-	-	-	-			
	Other financial liabilities	19.2	-	-	-	7,919,733	7,919,733	-	-	-	-			
			<b>-</b>	<b>-</b>	<b>-</b>	<b>109,376,048</b>	<b>109,376,048</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			

**Off balance sheet financial instruments**

		September 30, 2018 (Un-audited)				
	Carrying Value	Fair Value			Total	
		Level 1	Level 2	Level 3		
(Rupees in '000)						
	Forward foreign exchange purchase contracts	80,929,649	-	81,983,705	-	81,983,705
	Forward foreign exchange sale contracts	77,662,858	-	76,233,825	-	76,233,825
	Forward purchase contracts of government securities	559,283	-	559,283	-	559,283
	Forward repurchase agreement lendings (reverse repos)	53,888,538	-	53,888,538	-	53,888,538
	Forward placement	838,331	-	838,331	-	838,331
	Interest rate derivative contracts	2,458,333	-	2,451,234	-	2,451,234

**On balance sheet financial instruments**

		December 31, 2017 (Audited)					Fair Value							
Note	Carrying Value					Total	Level 1	Level 2	Level 3	Total				
	Available for Sale	Held for trading	Loans and Receivables	Other financial Assets	Other financial liabilities									
					(Rupees in '000)					(Rupees in '000)				
<b>Financial assets measured at fair value</b>														
Investments														
	Market Treasury Bills	46,006,518	6,788,987	-	-	-	52,795,505	-	52,795,505	-	52,795,505			
	Pakistan Investment Bonds	3,278,375	1,017,501	-	-	-	4,295,876	-	4,295,876	-	4,295,876			
<b>Financial assets not measured at fair value</b>														
	Cash and balances with treasury banks	19.2	-	-	5,907,205	-	5,907,205	-	-	-	-			
	Balances with other banks	19.2	-	-	1,091,101	-	1,091,101	-	-	-	-			
	Lendings to financial institutions	19.2	-	23,930,516	-	-	23,930,516	-	-	-	-			
	Advances - net	19.2	-	24,483,524	-	-	24,483,524	-	-	-	-			
	Other financial assets	19.2	-	-	3,127,177	-	3,127,177	-	-	-	-			
			<b>49,284,893</b>	<b>7,806,488</b>	<b>48,414,040</b>	<b>10,125,483</b>	<b>-</b>	<b>115,630,904</b>	<b>-</b>	<b>57,091,381</b>	<b>-</b>			
<b>Financial liabilities not measured at fair value</b>														
	Bills payable	19.2	-	-	-	1,836,429	1,836,429	-	-	-	-			
	Borrowings from financial institutions	19.2	-	-	-	15,460,370	15,460,370	-	-	-	-			
	Deposits and other accounts	19.2	-	-	-	78,817,906	78,817,906	-	-	-	-			
	Other financial liabilities	19.2	-	-	-	11,755,390	11,755,390	-	-	-	-			
			<b>-</b>	<b>-</b>	<b>-</b>	<b>107,870,095</b>	<b>107,870,095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			

**Off balance sheet financial instruments**

		December 31, 2017 (Audited)				
	Carrying Value	Fair Value			Total	
		Level 1	Level 2	Level 3		
(Rupees in '000)						
	Forward foreign exchange purchase contracts	94,204,250	-	96,841,760	-	96,841,760
	Forward foreign exchange sale contracts	77,215,996	-	74,448,477	-	74,448,477
	Forward repurchase agreement lendings (reverse repos)	23,964,259	-	23,964,259	-	23,964,259
	Forward purchase contracts of government securities	1,609,683	-	1,609,683	-	1,609,683
	Forward Borrowing	8,833,376	-	8,833,376	-	8,833,376
	Forward sale contracts of government securities	7,717,243	-	7,717,243	-	7,717,243
	Forward placement	662,503	-	662,503	-	662,503
	Interest rate derivative contracts	3,933,333	-	3,991,331	-	3,991,331

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).

**19.2** 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.

**19.3** The fair value of traded investments other than those classified as held to maturity is based on quoted market price.

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.

## 20 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.

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

	Balance as at December 31, 2017	Net placements / disbursements / deposits / transfers	Net settlements / repayments / withdrawals / transfers	Balance as at September 30, 2018
----- (Rupees in '000) -----				
<b>Deposits</b>				
Associated undertakings	328,864	825,512	(156,399)	<b>997,977</b>
Staff retirement benefit funds	273,096	1,667,065	(1,934,053)	<b>6,108</b>
			<b>(Un-audited)</b>	<b>(Audited)</b>
			<b>September</b>	<b>December</b>
			<b>30, 2018</b>	<b>31, 2017</b>
			<b>(Rupees in '000)</b>	
Nostro balances / placements with Citibank				
Branches outside Pakistan			<b>1,906,891</b>	1,040,846
Call borrowings			-	15,458,408
Mark-up / return / fee / commission / interest payable			-	1,857
Mark-up / return / fee / commission / interest receivable			<b>5,694</b>	4,685
Overdrawn Nostro Accounts			<b>638,355</b>	1,959
Unremitted head office expenses			<b>684,303</b>	755,690
Payable for expenses and share based payment			<b>206,554</b>	205,842
Payable to defined benefit plan			<b>192,316</b>	176,478
Commitments in respect of forward exchange contracts				
Purchase			<b>14,108,352</b>	18,777,952
Sale			<b>14,107,515</b>	18,776,061
Unrealised gain on forward foreign exchange contracts - purchase			<b>261,101</b>	773,715
Unrealised loss on forward foreign exchange contracts - sale			<b>(198,600)</b>	(681,413)
Payable to associated undertaking			<b>2,139,627</b>	4,265,948
Counter guarantees to Citi affiliates			<b>1,244,801</b>	884,286
			<b>(Un-audited)</b>	
			<b>Nine months ended</b>	
			<b>September</b>	<b>September</b>
			<b>30, 2018</b>	<b>30, 2017</b>
			<b>(Rupees in '000)</b>	
<b>20.2 Contribution to staff retirement benefit funds</b>			<b>33,160</b>	56,248
<b>20.3 Income / expense for the period</b>				
Mark-up / return / interest earned			<b>29,897</b>	38,299
Mark-up / return / interest expensed			<b>48,369</b>	152,246
Fee, commission and brokerage income			<b>32,898</b>	40,479
Regional expenses for support services			<b>10,084</b>	34,097
Head office expenses			<b>229,608</b>	257,369
Remuneration paid to key management personnel			<b>67,411</b>	61,510
(Loss) / Gain on sale of securities			<b>15</b>	(3)
Sale of fixed assets			-	-



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 nine months ended September 30, 2018 (Un-audited)			
	Corporate Banking	Trading & Sales	Total
----- (Rupees in '000) -----			
External revenue			
Mark-up / return / interest earned	1,556,603	3,485,520	5,042,123
Fee, commission and brokerage	941,730	-	941,730
Other income	15,570	1,763,019	1,778,589
Intersegment revenue	291,276	(291,276)	-
<b>Total revenue</b>	<b>2,805,179</b>	<b>4,957,263</b>	<b>7,762,442</b>
Depreciation and amortisation	(33,219)	(59,056)	(92,275)
Other expenses	(1,838,113)	(3,302,103)	(5,140,216)
<b>Total expenses</b>	<b>(1,871,332)</b>	<b>(3,361,159)</b>	<b>(5,232,491)</b>
Reportable segment profit	933,847	1,596,104	2,529,951

For the nine months ended September 30, 2017 (Un-audited)			
	Corporate Banking	Trading & Sales	Total
----- (Rupees in '000) -----			
External revenue			
Mark-up / return / interest earned	948,196	3,577,753	4,525,949
Fee, commission and brokerage	560,296	-	560,296
Other income	3,433	1,514,343	1,517,776
Intersegment revenue	396,426	(396,426)	-
<b>Total revenue</b>	<b>1,908,351</b>	<b>4,695,670</b>	<b>6,604,021</b>
Depreciation and amortisation	(27,207)	(69,961)	(97,168)
Other expenses	(1,303,460)	(3,591,680)	(4,895,140)
<b>Total expenses</b>	<b>(1,330,667)</b>	<b>(3,661,641)</b>	<b>(4,992,308)</b>
Reportable segment profit	577,684	1,034,029	1,611,713

For the nine months ended September 30, 2018 (Un-audited)			
	Corporate Banking	Trading & Sales	Total
----- (Rupees in '000) -----			
<b>Segment assets</b>	<b>39,262,402</b>	<b>79,744,089</b>	<b>119,006,491</b>
<b>Segment liabilities</b>	<b>105,324,180</b>	<b>4,224,099</b>	<b>109,548,279</b>
<b>Segment return on net assets*</b>	<b>3.77%</b>	<b>2.50%</b>	<b>2.86%</b>
<b>Segment cost of funds**</b>	<b>2.23%</b>	<b>4.13%</b>	<b>2.97%</b>

As at December 2017 (Audited)			
	Corporate Banking	Trading & Sales	Total
----- (Rupees in '000) -----			
Segment assets	26,868,141	90,307,845	117,175,986
Segment liabilities	88,010,159	19,962,749	107,972,908
Segment return on net assets*	3.82%	1.40%	1.90%
Segment cost of funds**	3.00%	1.40%	2.70%

\* Segment return of net assets = Net income / Average (Segment Assets - Segment Provisions)

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



22	<b>RISK MANAGEMENT</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>September</b>	<b>December</b>
		<b>30, 2018</b>	<b>31, 2017</b>
		----- (Rupees in '000) -----	
22.1	<b>Liquidity Coverage Ratio</b>		
	High quality liquid assets	<b>67,914,558</b>	88,102,934
	Net cash outflows	<b>25,944,100</b>	36,702,434
	<b>Liquidity Coverage Ratio (%)</b>	<b>262%</b>	240%
	<b>Minimum Requirement (%)</b>	<b>90%</b>	90%
22.2	<b>Net Stable Funding Ratio</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>September</b>	<b>December</b>
		<b>30, 2018</b>	<b>31, 2017</b>
		----- (Rupees in '000) -----	
	Available stable funding	<b>93,040,659</b>	89,286,589
	Required stable funding	<b>44,960,921</b>	34,475,951
	<b>Net Stable Funding Ratio</b>	<b>207%</b>	259%
	<b>Minimum Requirement (%)</b>	<b>100%</b>	100%

**23. GENERAL**

**23.1** This condensed interim financial information was authorised for issue by the management of the Bank on October 29, 2018.

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

**23.3** 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**