



KPMG Taseer Hadi & Co.
Chartered Accountants
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Independent Auditors' Review Report

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

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Citibank N.A., Pakistan Branches** ("the Bank") as at 30 June 2022 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 half year 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.



KPMG Taseer Hadi & Co.

Other Matter

The figures for the quarter ended June 30, 2022 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: 30 August 2022

Karachi

UDIN: RR202210096IZOYJh5vg

KAMS Taseer Hadi — 1
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, 2022

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
Note	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	6 17,850,101	19,817,760
Balances with other banks	7 517,045	1,104,681
Lendings to financial institutions	8 -	8,178,322
Investments	9 126,040,480	134,784,771
Advances	10 54,904,831	36,788,242
Fixed assets	11 376,645	486,650
Intangible assets	-	-
Deferred tax assets	12 221,648	531,546
Other assets	13 11,583,530	9,473,700
	211,494,280	211,165,672
LIABILITIES		
Bills payable	14 1,105,390	855,130
Borrowings	15 22,095,814	15,302,778
Deposits and other accounts	16 162,753,225	172,542,423
Liabilities against assets subject to finance lease	-	-
Subordinated debt	-	-
Deferred tax liabilities	12 -	-
Other liabilities	17 14,154,349	12,588,419
	200,108,778	201,288,750
NET ASSETS	11,385,502	9,876,922
REPRESENTED BY		
Head office capital account	6,812,671	6,812,671
Reserve	163,719	163,719
Deficit on revaluation of assets	18 (879,394)	(825,068)
Unremitted profit	5,288,506	3,725,600
	11,385,502	9,876,922
CONTINGENCIES AND COMMITMENTS	19	

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

AHMED BOZAI
Managing Director and
Citi Country Officer

IMAD HASSAN KHAN
Country Finance Officer

Citibank N.A., Pakistan 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, 2022

	Note	Quarter ended		Half Year Ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
----- (Rupees in '000) -----					
Mark-up / return / interest earned	20	4,938,267	2,543,265	8,944,617	5,074,166
Mark-up / return/ interest expensed	21	3,214,227	1,305,492	5,705,937	2,546,633
Net Mark-up / Interest Income		1,724,040	1,237,773	3,238,680	2,527,533
NON MARK-UP / INTEREST INCOME					
Fee and commission income	22	190,859	191,792	399,720	331,104
Foreign exchange income		1,555,368	766,958	2,499,985	1,346,038
Gain from derivatives		-	-	-	-
(Loss) / gain on securities	23	(15,113)	41,348	(43,516)	103,066
Other income	24	-	-	(6)	-
Total non-markup / interest income		1,731,114	1,000,098	2,856,183	1,780,208
Total Income		3,455,154	2,237,871	6,094,863	4,307,741
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	25	730,444	659,068	1,287,390	1,169,046
Workers Welfare Fund		57,575	28,479	86,240	57,868
Other charges	26	30	-	30	-
Total non-markup / interest expenses		788,049	687,547	1,373,660	1,226,914
Profit before provisions		2,667,105	1,550,324	4,721,203	3,080,827
(Reversals) / provision and (write offs) - net	27	(15,746)	5,699	(16,756)	(31,669)
PROFIT BEFORE TAXATION		2,682,851	1,544,625	4,737,959	3,112,496
Taxation	28	2,355,841	816,047	3,175,053	1,449,896
PROFIT AFTER TAXATION		327,010	728,578	1,562,906	1,662,600

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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 Comprehensive Income (Un-audited)

For the half year ended June 30, 2022

	Quarter Ended		Half Year Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Profit after taxation for the period	327,010	728,578	1,562,906	1,662,600
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	(152,614)	96,551	(54,326)	(84,550)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-
Total comprehensive income	174,396	825,129	1,508,580	1,578,050

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

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

For the half year ended June 30, 2022

	Head office capital account	Surplus / (deficit) on revaluation of investments	Share based payment contribution reserve by the ultimate holding company	Unremitted profit	Total
	----- (Rupees in '000) -----				
Opening Balance as at January 1, 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 loss for the half year ended June 30, 2021 - net of tax	-	(84,550)	-	-	(84,550)
Remittances made to head office	-	-	-	-	-
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
Opening Balance as at July 1, 2021 (un-audited)	6,812,671	18,291	163,719	8,408,932	15,403,613
Profit after taxation for the period July 1, 2021 to December 31, 2021	-	-	-	2,061,646	2,061,646
Other comprehensive loss for the period July 1, 2021 to December 31, 2021 - net of tax		(843,359)		1,354	(842,005)
Remittances made to head office	-	-	-	(6,746,332)	(6,746,332)
Transactions with owners, recorded directly in equity					
Contribution by the head office in respect of share based payments	-	-	41,301	-	41,301
Recharged balance payable to the head office for share based payments	-	-	(41,301)	-	(41,301)
Effect of re-measurement of cost under share based payment - net of tax			-		-
Opening Balance as at January 1, 2022 (audited)	6,812,671	(825,068)	163,719	3,725,600	9,876,922
Profit after taxation for the half year ended June 30, 2022	-	-	-	1,562,906	1,562,906
Other comprehensive loss for the half year ended June 30, 2022 - net of tax	-	(54,326)	-	-	(54,326)
Transactions with owners, recorded directly in equity					
Contribution by the head office in respect of share based payments	-	-	64,980	-	64,980
Recharged balance payable to the head office for share based payments	-	-	(64,980)	-	(64,980)
Effect of re-measurement of cost under share based payment - net of tax	-	-	-	-	-
Closing Balance as at June 30, 2022	6,812,671	(879,394)	163,719	5,288,506	11,385,502

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

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Citibank N.A., Pakistan Branches
(Incorporated in the U.S.A., the liability of members being limited)
Condensed Interim Cash Flow Statement (Un-audited)
For the half year ended June 30, 2022

	Note	Half Year Ended	
		June 30, 2022	June 30, 2021
(Rupees in '000)			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		4,737,959	3,112,496
Adjustments:			
Depreciation	25	71,870	64,665
Depreciation on right-of-use assets	25	73,741	58,385
Interest expense on lease liability against right-of-use assets	25	10,225	7,619
(Reversals) / provision and (write offs) - net	27	(16,756)	(31,669)
Loss on sale of fixed assets	24	44	-
Fixed Assets written off		-	-
Unrealised loss / (gain) on revaluation of investments classified as held for trading	23	1,698	(959)
Charge for defined benefit plan		40,401	25,154
		181,223	123,195
		4,919,182	3,235,691
Decrease / (increase) in operating assets			
Lendings to financial institutions		8,178,322	(5,713,276)
Held-for-trading securities		21,792,379	(2,898,591)
Advances		(18,099,833)	702,891
Other assets (excluding advance taxation)		(2,190,295)	(2,855,406)
		9,680,573	(10,764,382)
Increase / (decrease) in operating liabilities			
Bills payable		250,260	(224,685)
Borrowings from financial institutions		7,188,100	(2,863,352)
Deposits		(9,789,198)	4,865,890
Other liabilities (excluding current taxation, head office expenses, payable to defined benefit plan and lease liability against right-of-use assets)		548,745	3,834,882
		(1,802,093)	5,612,735
Income tax paid		(1,630,316)	(1,250,053)
Contribution to gratuity fund		(20,812)	(15,669)
Net cash flow generated from / (used in) operating activities		11,146,534	(3,181,678)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(13,240,012)	(15,335,755)
Investments in operating fixed assets		(33,920)	(20,170)
Proceeds from sale of fixed assets		-	-
Net cash flow used in investing activities		(13,273,932)	(15,355,925)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets		(32,833)	(28,192)
Profit repatriated to head office during the period		-	-
Net cash flow used in financing activities		(32,833)	(28,192)
Decrease in cash and cash equivalents		(2,160,231)	(18,565,795)
Cash and cash equivalents at beginning of the period		20,527,377	32,498,105
Cash and cash equivalents at end of the period		18,367,146	13,932,310

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

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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 Statements (Un-audited)

For the half year ended June 30, 2022

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, 2022, the Bank operates through 3 branches (December 31, 2021: 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, 2021.

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 standards and interpretations of and amendments to existing accounting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2022. These are considered as either not relevant or do not have any significant impact on the Bank's condensed interim financial statements.

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

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

	Effective date (annual periods beginning on or after)
- IAS 1 - Classification of liabilities as current or non-current (Amendments)	January 01, 2023
- IAS 8 - Definition of accounting estimates (Amendments)	January 01, 2023
- IAS 12 - Deferred Tax related to Assets and Liabilities (Amendments)	January 01, 2023

The above mentioned amendments are not likely to have a material impact effect on the Bank's condensed interim financial statements.

As per the SBP's BPRD Circular no. 3 dated July 05, 2022, IFRS 9 - Financial Instruments has been made applicable to Banks in Pakistan for accounting periods beginning on or after:

- January 01, 2023 for banks having asset size of Rs. 500 billion or above as at 31 December 2021; and
- January 01, 2024 for all other banks.

The impact of the application of IFRS 9 in Pakistan on the Bank's financial statements is being assessed.

There are various other new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2023 but are considered not to be relevant or will not have any significant effect on the Bank's operations and are therefore not detailed in these condensed interim 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, 2021.

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, 2021.

6	CASH AND BALANCES WITH TREASURY BANKS	(Rupees in '000)							
		(Un-audited) June 30, 2022	(Audited) December 31, 2021						
	In hand								
	Local currency	77,670	68,406						
	Foreign currency	94,693	107,029						
		172,363	175,435						
	With State Bank of Pakistan in								
	Local currency current account	15,904,351	18,414,017						
	Foreign currency current accounts								
	- Cash reserve account	573,571	405,981						
	- US Dollar clearing account	9,684	8,344						
	Foreign currency deposit account								
	- Special cash reserve account	1,188,111	811,962						
		17,675,717	19,640,304						
	With National Bank of Pakistan in								
	Local currency current account	2,021	2,021						
		17,850,101	19,817,760						
7	BALANCES WITH OTHER BANKS								
	In Pakistan								
	In current accounts	29,606	27,636						
	Outside Pakistan								
	In current accounts	487,439	1,077,045						
		517,045	1,104,681						
8	LENDINGS TO FINANCIAL INSTITUTIONS								
	Repurchase agreement lendings (Reverse Repo)	-	8,178,322						
		-	8,178,322						
	Less: Provision held against Lendings to Financial Institutions	-	-						
	Lendings to Financial Institutions - net of provision	-	8,178,322						
9	INVESTMENTS	(Un-audited) June 30, 2022				(Audited) December 31, 2021			
9.1	Investments by type:	Cost / amortised cost	Provision for	Surplus/ (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus/ (deficit)	Carrying value
		(Rupees in '000)							
	Held-for-trading securities								
	Federal Government Securities	10,332,220	-	22,880	10,355,100	32,124,599	-	24,578	32,149,177
		10,332,220	-	22,880	10,355,100	32,124,599	-	24,578	32,149,177
	Available-for-sale securities								
	Federal Government Securities	117,228,175	-	(1,542,795)	115,685,380	103,988,163	-	(1,352,569)	102,635,594
		117,228,175	-	(1,542,795)	115,685,380	103,988,163	-	(1,352,569)	102,635,594
	Total Investments	127,560,395	-	(1,519,915)	126,040,480	136,112,762	-	(1,327,991)	134,784,771
9.1.2	Investments given as collateral							(Un-audited) June 30, 2022	(Audited) December 31, 2021
								(Rupees in '000)	
	The market value of investments given as collateral is as follows:								
	Federal Government securities:								
	-Market Treasury Bills							8,367,929	7,845,024
9.2	Provision for diminution in value of investments								
9.2.1	Opening balance							-	(248,090)
	Exchange adjustments							-	-
	Charge / reversals								
	Charge for the period / year							-	-
	Reversals for the period / year							-	-
	Reversal on disposals							-	-
	Transfers - net							-	-
	Amounts written off							-	248,090
	Closing Balance							-	-
10	ADVANCES	Performing		Non Performing		Total			
		(Un-audited) June 30, 2022	(Audited) December 31, 2021	(Un-audited) June 30, 2022	(Audited) December 31, 2021	(Un-audited) June 30, 2022	(Audited) December 31, 2021		
		(Rupees in '000)							
	Loans, cash credits, running finances, etc.	50,701,296	33,623,528	1,756,832	1,740,576	52,458,128	35,364,104		
	Bills discounted and purchased	4,203,637	3,164,829	-	-	4,203,637	3,164,829		
	Advances - gross	54,904,933	36,788,357	1,756,832	1,740,576	56,661,765	38,528,933		
	Provision against advances								
	- Specific	-	-	(1,756,832)	(1,740,576)	(1,756,832)	(1,740,576)		
	- General	(102)	(115)	-	-	(102)	(115)		
		(102)	(115)	(1,756,832)	(1,740,576)	(1,756,934)	(1,740,691)		
	Advances - net of provision	54,904,831	36,788,242	-	-	54,904,831	36,788,242		
10.1	Particulars of advances (Gross)					(Un-audited) June 30, 2022	(Audited) December 31, 2021		
						(Rupees in '000)			
	In local currency					56,423,183	38,323,351		
	In foreign currency					238,582	205,582		
						56,661,765	38,528,933		

10.2 Advances include Rs. 1,756.832 million (December 31, 2021: Rs. 1,740,576 million) which have been placed under non-performing status as detailed below:

Category of Classification	(Un-audited) June 30, 2022		(Audited) December 31, 2021	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Loss	1,756,832	1,756,832	1,740,576	1,740,576
Total	1,756,832	1,756,832	1,740,576	1,740,576

10.3 Particulars of provision against advances	(Un-audited) June 30, 2022			(Audited) December 31, 2021		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	1,740,576	115	1,740,691	2,381,081	206	2,381,287
Exchange adjustments	32,999	-	32,999	19,426	-	19,426
Charge for the period / year	-	-	-	-	-	-
Reversals	(16,743)	(13)	(16,756)	(37,867)	(91)	(37,958)
Amounts written off	-	-	-	(622,064)	-	(622,064)
Closing balance	1,756,832	102	1,756,934	1,740,576	115	1,740,691

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	Note	(Un-audited)	(Audited)
		June 30, 2022	December 31, 2021
		(Rupees in '000)	
Property and equipment	11.1 & 11.2	208,978	246,972
Right-of-use assets		167,667	239,678
		376,645	486,650

11.1 Additions to fixed assets	(Un-audited)	
	June 30, 2022	June 30, 2021
	(Rupees in '000)	
The following additions have been made to property and equipment during the period:		
Furniture and fixture	6,442	5,010
Electrical, office and computer equipment	27,478	14,390
	33,920	19,400

11.2 Disposals of fixed assets		
	June 30, 2022	June 30, 2021
	(Rupees in '000)	
The net book value of property and equipment disposed off during the period is as follows:		
Furniture and fixture	44	-
	44	-

12 DEFERRED TAX ASSETS		
	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Deductible Temporary Differences on		
- Post retirement employee benefits	84,795	84,795
- Deficit on revaluation of investments	662,400	527,502
	747,195	612,297
Taxable Temporary Differences on		
- Surplus on revaluation of investments	-	-
- Effect of re-measurement of cost under share based payment	(88,374)	(88,374)
- Unrealized gain on derivatives	(434,782)	(2,457)
- Accelerated tax depreciation	(2,391)	10,080
	(525,547)	(80,751)
	221,648	531,546

13 OTHER ASSETS		
	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Income / mark-up accrued in local currency	3,222,744	2,155,554
Income / mark-up accrued in foreign currency	11,176	20,336
Advances, deposits, advance rent and other prepayments	101,369	76,122
Advance taxation (payments less provisions)	-	80,465
Non-banking assets acquired in satisfaction of claims	7,954	7,954
Branch adjustment account	2,585	2,727
Mark to market gain on forward foreign exchange contracts	2,103,819	932,576
Acceptances	6,140,804	6,203,981
Others	1,033	1,939
	11,591,484	9,481,654
Less: Provision held against other assets	7,954	7,954
Other Assets (net of provision)	11,583,530	9,473,700

13.1 Provision held against other assets		
	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Non-banking assets acquired in satisfaction of claims	7,954	7,954
	7,954	7,954

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

14 BILLS PAYABLE	(Un-audited)	(Audited)
	June 30, 2022	December 31, 2021
	(Rupees in '000)	
In Pakistan	1,105,390	855,130

15 BORROWINGS		
	June 30, 2022	June 30, 2021
	(Rupees in '000)	
Secured		
Repurchase agreement borrowings	8,371,085	7,847,174
Total secured	8,371,085	7,847,174
Unsecured		
Call borrowings	13,724,729	7,060,540
Overdrawn nostro accounts	-	395,064
Total unsecured	13,724,729	7,455,604
	22,095,814	15,302,778

16 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) June 30, 2022			(Audited) December 31, 2021		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)					
Customers						
Current deposits	35,729,217	1,611,362	37,340,579	36,924,017	1,364,888	38,288,905
Savings deposits	85,010,661	8,061,733	93,072,394	101,695,920	5,962,762	107,658,682
Term deposits	11,418,093	44,732	11,462,825	17,620,817	38,545	17,659,362
Others - margin deposits	16,006,605	51,376	16,057,981	6,533,550	3,873	6,537,423
	148,164,576	9,769,203	157,933,779	162,774,304	7,370,068	170,144,372
Financial Institutions						
Current deposits	4,373,829	445,617	4,819,446	1,978,016	420,035	2,398,051
	4,373,829	445,617	4,819,446	1,978,016	420,035	2,398,051
	152,538,405	10,214,820	162,753,225	164,752,320	7,790,103	172,542,423

17 OTHER LIABILITIES

	Note	(Un-audited)	(Audited)
		June 30, 2022	December 31, 2021
		(Rupees in '000)	
Mark-up / Return / Interest payable in local currency		55,889	25,255
Mark-up / Return / Interest payable in foreign currency		1,001	20
Unearned commission and income on bills discounted		43,249	26,436
Accrued expenses	17.1	884,417	892,187
Current taxation (provisions less payments)		1,018,474	
Worker's Welfare Fund (WWF) payable	17.2	806,848	720,608
Acceptances		6,140,804	6,203,981
Mark to market loss on forward foreign exchange contracts		1,071,390	926,278
Unremitted head office expenses		1,047,470	956,742
Payable to regional offices for support services		13,678	18,242
Payable to defined benefit plan		306,801	287,212
Provision against off-balance sheet obligations	17.3	202	202
Payable on account of sale proceeds of securities held under custody	17.4	199,256	199,256
Payable on account of sale proceeds of shares sold by an associated undertaking	17.5	-	136,033
Lease liability against right-of-use assets		143,173	164,051
Clearing account balances		974,189	592,692
Unclaimed deposit balances		908,998	919,094
Others		538,510	520,130
		14,154,349	12,588,419

17.1 This includes the Bank's obligation to the head office under the stock award and stock option programmes. As of June 30, 2022, recognised liability for share based incentive plans was 484.399 million (December 31, 2021: Rs. 417.399 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. 1,029.605 million against Sindh and Punjab WWF laws from the date of its levy till 30 June 2022. The bank along with the banking industry has challenged the Sind WWF levy which is pending in Court. No notice has been received from Punjab Revenue Authority in respect of its WWF law. However, single member bench of Sindh High Court issued an interim order, whereby all banks are required to comply the order of full bench's order in the similar case. Stay has been obtained against the interim order by the banks, the lawyer also informed that final order of full bench will also decide the fate of banking industry's cases.

17.3 These represent provision against financial guarantees issued by the bank

17.4 This represents amount payable to the parent entity of International Finance Corporation, on account of custody services for the management of the portfolio of securities.

17.5 This represents the amount paid to Citibank Overseas Investment Corporation (COIC), a subsidiary of Citibank N.A on account of remittance of the sale proceeds of shares which were disposed by CC

18 DEFICIT ON REVALUATION OF ASSETS

	Note	(Un-audited)	(Audited)
		June 30, 2022	December 31, 2021
		(Rupees in '000)	
Deficit on revaluation of:			
- Available for sale securities	9.1	(1,542,795)	(1,352,569)
Deferred tax on deficit on revaluation of:			
- Available for sale securities		663,401	527,501
		(879,394)	(825,068)

19 CONTINGENCIES AND COMMITMENTS

- Guarantees	19.1	3,591,413	2,183,378
- Commitments	19.2	135,362,153	214,748,553
- Other contingent liabilities	19.3	287,443	247,685
		139,241,009	217,179,616
19.1 Guarantees			
Financial guarantees		-	-
Performance guarantees		2,759,908	2,183,378
Other guarantees		831,505	-
		3,591,413	2,183,378
19.2 Commitments			
Documentary credits and short-term trade-related transactions			
- Letters of credit		32,879,867	19,607,388
Commitments in respect of:			
- Forward foreign exchange contracts	19.2.1	90,683,025	176,946,398
- Forward government securities transactions	19.2.2	8,380,555	16,041,251
- Forward lending	19.2.3	2,230,595	2,152,129
Commitments for acquisition of:			
- Fixed assets		-	1,387
Other commitments	19.2.4	1,188,111	-
		135,362,153	214,748,553

19.2.1	Commitments in respect of forward foreign exchange contracts	Note	(Un-audited) June 30, 2022 (Rupees in '000)	(Audited) December 31, 2021
	Purchase		55,390,466	94,831,909
	Sale		35,292,559	82,114,489
			<u>90,683,025</u>	<u>176,946,398</u>
19.2.2	Commitments in respect of forward government securities transactions			
	Purchase		8,380,555	7,853,624
	Sale		-	8,187,627
			<u>8,380,555</u>	<u>16,041,251</u>
19.2.3	Commitments in respect of forward lending			
	Undrawn formal standby facilities, credit lines	19.2.3.1	<u>2,230,595</u>	<u>2,152,129</u>
19.2.3.1	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.			
19.2.4	Other commitments		(Un-audited) June 30, 2022 (Rupees in '000)	(Audited) December 31, 2021
	Forward placement	6	<u>1,188,111</u>	<u>-</u>
19.3	Other contingent liabilities			
	Claims against bank not acknowledged as debt	19.3.1	<u>287,443</u>	<u>247,685</u>
19.3.1	These are not recognised as debt as the probability of these crystallising against the Bank is considered remote.			
19.4	Tax related contingencies are disclosed in note 28.1 of these condensed interim financial statements.			
20	MARK-UP / RETURN / INTEREST EARNED		(Un-audited) June 30, 2022 (Rupees in '000)	June 30, 2021
	On:			
	a) Loans and advances		2,991,892	1,447,638
	b) Investments		5,690,413	3,231,498
	c) Lendings to financial institutions		256,736	385,673
	d) Balances with banks		5,576	5,054
	e) Income from foreign currency swaps against foreign currency deposits / borrowings		-	4,303
			<u>8,944,617</u>	<u>5,074,166</u>
21	MARK-UP / RETURN / INTEREST EXPENSED			
	On:			
	a) Deposits		4,609,156	2,490,529
	b) Borrowings		350,811	56,104
	c) Cost of foreign currency swaps against foreign currency deposits / borrowings		745,970	-
			<u>5,705,937</u>	<u>2,546,633</u>
22	FEE AND COMMISSION INCOME			
	Branch banking customer fees		20,270	15,007
	Card related fees (credit cards)		5,204	2,174
	Custody related fees		190,872	178,113
	Commission on trade		132,533	67,002
	Commission on guarantees		10,133	7,275
	Commission on cash management		35,846	46,371
	Commission on remittances including home remittances		2	3
	Others		4,860	15,159
			<u>399,720</u>	<u>331,104</u>

23	(LOSS) / GAIN ON SECURITIES	Note	(Un-audited)	
			June 30, 2022	June 30, 2021
			(Rupees in '000)	
	Realised	23.1	(41,818)	102,107
	Unrealised - held for trading	9.1	(1,698)	959
			(43,516)	103,066
23.1	Realised (loss) / gain on:			
	Federal Government Securities		(41,818)	102,107
			(41,818)	102,107
24	OTHER INCOME			
	Loss on sale of fixed assets - net		(44)	-
	Sale of non-capitalized assets		38	-
			(6)	-
25	OPERATING EXPENSES			
	Total compensation expense		644,759	596,394
	Property expense			
	Rent and taxes		5,210	686
	Utilities cost		18,212	14,134
	Security (including guards)		23,945	26,225
	Repair and maintenance (including janitorial charges)		49,092	41,942
	Depreciation		47,471	38,949
	Depreciation on right-of-use assets		73,741	58,385
	Interest expense on lease liability against right-of-use assets		10,225	7,619
	Others		-	-
			227,896	187,940
	Information technology expenses			
	Software maintenance		22,374	30,141
	Hardware maintenance		338	2,225
	Depreciation		20,617	21,934
	Network charges		29,001	26,682
	Others		742	11
			73,072	80,993
	Other operating expenses			
	Legal and professional charges		34,470	30,623
	Outsourced services costs		(921)	65,660
	Travelling and conveyance		15,180	2,333
	Depreciation		3,782	3,782
	Training and development		146	218
	Postage and courier charges		9,394	4,864
	Communication		27,218	12,614
	Head office expenses	25.1	90,728	70,901
	Stationery and printing		9,223	2,433
	Marketing, advertisement and publicity		3,535	-
	Auditors remuneration		3,934	796
	Banking service charges		60,751	49,714
	Brokerage and commission		11,489	12,006
	Card association fees		28,863	20,000
	Others		43,871	27,775
			341,663	303,719
			1,287,390	1,169,046

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

		(Un-audited)	
		June 30, 2022	June 30, 2021
		(Rupees in '000)	
26	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	30	-
		<u>30</u>	<u>-</u>
27	PROVISIONS & WRITE OFFS - NET		
	(Reversals) / provisions against loans and advances	10.3	(31,669)
		<u>(16,756)</u>	<u>(31,669)</u>
28	TAXATION		
	Current	28.2	1,234,003
	Prior periods	28.2	196,227
	Deferred	445,799	19,666
		<u>3,175,053</u>	<u>1,449,896</u>

- 28.1 The Income Tax returns of the Bank have been filed up to the tax year 2021 (accounting year ended December 31, 2020).

The income tax authorities issued amended assessment orders for up to tax years 2020 whereby aggregate tax demand of Rs. 667 million (December 31, 2021: Rs. 667 million) was raised. Total demand has been paid except for the tax year 2019, where management had decided to pay 10% against the demand of Rs. 175 million. This was done in accordance with the tax opinion from tax advisor in order to obtain stay against demand for the tax 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.

- 28.2 During the period, the tax rate has been revised from 35% to 39%. Rate of tax on income from government securities has also been increased to 55% from 40%. The impact of increase in tax on government securities is applicable from tax year 2022. Further, Super Tax rate increased to 10% from 4% for the tax year 2023. Super tax will remain applicable at 4% from Tax Year 2024 onward. Accordingly, the impact of these changes in tax rates have been incorporated in these condensed interim financial statements.

29 FAIR VALUE MEASUREMENTS

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in principal or, in its absence, the most advantageous market to which the Bank has access at that date.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

29.1 Fair value of financial assets

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

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets 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	Carrying / Notional Value	June 30, 2022 (Un-audited)			Total	
		Level 1	Level 2	Level 3		
		Fair Value				
----- (Rupees in '000) -----						
On balance sheet financial instruments						
Financial assets - measured at fair value						
Investments						
	Federal Government Securities	126,040,480	-	126,040,480	-	126,040,480
Financial assets - disclosed but not measured at fair value						
	Cash and balances with treasury banks	29.2	17,850,101	-	-	-
	Balances with other banks	29.2	517,045	-	-	-
	Lendings to financial institutions	29.2	-	-	-	-
	Advances	29.2	54,904,831	-	-	-
	Other financial assets	29.2	11,479,422	-	-	-
			<u>210,791,879</u>	<u>-</u>	<u>126,040,480</u>	<u>-</u>
Off-balance sheet financial instruments - measured at fair value						
	Forward purchase of foreign exchange		55,390,466	-	57,103,955	-
	Forward sale of foreign exchange		35,292,559	-	34,612,869	-
	Forward purchase contracts of government securities		8,380,555	-	8,380,555	-
	Forward placement		1,188,111	-	1,188,111	-
December 31, 2021 (Audited)						
	Carrying / Notional Value	Fair Value			Total	
		Level 1	Level 2	Level 3		
----- (Rupees in '000) -----						
On balance sheet financial instruments						
Financial assets - measured at fair value						
Investments						
	Federal Government Securities		134,784,771	-	134,784,771	-
Financial assets - disclosed but not measured at fair value						
	Cash and balances with treasury banks	29.2	19,817,760	-	-	-
	Balances with other banks	29.2	1,104,681	-	-	-
	Lendings to financial institutions	29.2	8,178,322	-	-	-
	Advances	29.2	36,788,242	-	-	-
	Other financial assets	29.2	9,313,814	-	-	-
			<u>209,987,590</u>	<u>-</u>	<u>134,784,771</u>	<u>-</u>
Off-balance sheet financial instruments - measured at fair value						
	Forward purchase of foreign exchange		94,831,909	-	95,207,528	-
	Forward sale of foreign exchange		82,114,489	-	81,741,959	-
	Forward purchase contracts of government securities		7,853,624	-	7,853,624	-
	Forward sale contracts of government securities		8,187,627	-	8,187,627	-

29.2 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.

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

Item	Valuation techniques and input used
Federal government securities	The fair value of Market Treasury Bills and Pakistan Investment Bonds are derived using PKRV rates. Floating rate Pakistan Investment Bonds are revalued using PKFRV rates.
Forward contracts	The fair values are derived using forward exchange rates or PKRV rates applicable to their respective remaining maturities.

30 SEGMENT INFORMATION

30.1 Segment Details with respect to Business Activities

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

(Un-audited)
For the half year ended June 30, 2022

Corporate Banking & Securities Services	Markets	Total	
----- (Rupees in '000) -----			
Profit & Loss			
Net mark-up / return / profit	(1,617,264)	4,855,944	3,238,680
Inter segment revenue - net	3,902,712	(3,902,712)	-
Non mark-up / return / interest income	399,695	2,456,488	2,856,183
Total Income	2,685,143	3,409,720	6,094,863
Segment direct expenses	966,317	407,343	1,373,660
Inter segment expense allocation	-	-	-
Total expenses	966,317	407,343	1,373,660
Reversals of provision	(16,756)	-	(16,756)
Profit before tax	1,735,582	3,002,377	4,737,959

(Un-audited)
As at June 30, 2022

Corporate Banking & Securities Services	Markets	Total	
----- (Rupees in '000) -----			
Balance Sheet			
Cash & Bank balances	172,364	18,194,782	18,367,146
Investments	-	126,040,480	126,040,480
Net inter segment lending	116,559,895	-	116,559,895
Lendings to financial institutions	-	-	-
Advances - performing	54,904,831	-	54,904,831
- non-performing	-	-	-
Others	8,628,211	3,553,612	12,181,823
Total Assets	180,265,301	147,788,874	328,054,175
Borrowings	-	22,095,814	22,095,814
Deposits & other accounts	161,907,651	845,574	162,753,225
Net inter segment borrowing	-	116,559,895	116,559,895
Others	14,186,977	1,072,762	15,259,739
Total liabilities	176,094,628	140,574,045	316,668,673
Equity	4,170,673	7,214,829	11,385,502
Total Equity & liabilities	180,265,301	147,788,874	328,054,175
Contingencies & Commitments	38,989,318	100,251,691	139,241,009

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

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

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

Profit & 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
Inter segment expense allocation	-	-	-
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

(Audited)
As at December 31, 2021

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

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

Balance Sheet

Cash & Bank balances	175,434	20,747,007	20,922,441
Investments	-	134,784,771	134,784,771
Net inter segment lending	142,259,874	-	142,259,874
Lendings to financial institutions	-	8,178,322	8,178,322
Advances - performing	36,788,242	-	36,788,242
- non-performing	-	-	-
Others	8,227,146	2,264,750	10,491,896
Total Assets	187,450,696	165,974,850	353,425,546
Borrowings	-	15,302,778	15,302,778
Deposits & other accounts	171,752,900	789,523	172,542,423
Net inter segment borrowing	-	142,259,873	142,259,873
Others	12,512,413	931,136	13,443,549
Total liabilities	184,265,313	159,283,310	343,548,623
Equity	3,185,382	6,691,540	9,876,922
Total Equity & liabilities	187,450,695	165,974,850	353,425,545
Contingencies & Commitments	24,191,967	192,987,649	217,179,616

31 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, 2022		(Audited) December 31, 2021	
	Head Office	Branches and other related parties	Head Office	Branches and other related parties
----- (Rupees in '000) -----				
Balances with other banks				
In current accounts	194,627	292,776	625,200	451,725
	<u>194,627</u>	<u>292,776</u>	<u>625,200</u>	<u>451,725</u>
Other Assets				
Interest / mark-up accrued	-	-	183	(359)
Other receivables	-	-	-	-
Unrealised gain on foreign exchange contracts	-	362,858	2	481,414
	<u>-</u>	<u>362,858</u>	<u>185</u>	<u>481,055</u>
Borrowings				
Opening balance	-	7,060,540	-	-
Borrowings during the period / year	-	718,299,494	-	1,924,796,948
Settled during the period / year	-	(711,635,306)	-	(1,917,736,408)
Closing balance	<u>-</u>	<u>13,724,728</u>	<u>-</u>	<u>7,060,540</u>
Overdrawn Nostros	<u>-</u>	<u>-</u>	<u>-</u>	<u>395,064</u>
Deposits and other accounts				
Opening balance	8,277	1,029,390	5,566	1,666,656
Received during the period / year	7,207	718,125	29,872	1,349,767
Withdrawn during the period / year	(9,888)	(712,722)	(27,161)	(1,987,033)
Closing balance	<u>5,596</u>	<u>1,034,793</u>	<u>8,277</u>	<u>1,029,390</u>
Other Liabilities				
Interest / mark-up payable	-	1,001	-	20
Unremitted head office expense	1,047,470	-	956,742	-
Unrealised loss on foreign exchange contracts	-	475,301	-	349,722
Payable to defined benefit plan	-	306,801	-	287,212
Payable on account of sale proceeds of securities held under custody	-	199,256	-	199,256
Payable to associated undertakings	-	-	-	136,033
Payable for expenses and share based payments	484,399	13,678	393,475	18,242
	<u>1,531,869</u>	<u>996,037</u>	<u>1,350,217</u>	<u>990,485</u>
Contingencies and Commitments				
Forward exchange contracts				
Purchase	-	16,439,858	-	38,769,810
Sales	-	16,439,858	-	38,669,810
Counter guarantees to branches	171,908	802,377	138,072	390,586
	<u>171,908</u>	<u>33,682,093</u>	<u>138,072</u>	<u>77,830,206</u>

	(Un-audited) for the half year ended ended			
	June 30, 2022		June 30, 2021	
	Head Office	Branches and other related parties	Head Office	Branches and other related parties
----- (Rupees in '000) -----				
Income				
Mark-up / return / interest earned	7	143	4,864	181
Fee and commission income	10,587	23,085	1,501	16,905
Net gain / (loss) on sale of securities	-	2,733	-	(578)
Foreign Exchange Income	(2)	(244,135)	36	8,698
Expense				
Mark-up / return / interest paid	556	27,038	12	2,335
Regional expenses for support services	4,935	(742)	3,973	3,885
Head office expenses	90,728	-	70,901	-
Share based payments expense	88,570	-	132,713	-
Contribution to staff retirement benefit funds	-	43,112	-	34,070
Remuneration of Key Management Personnel	-	80,038	-	42,674

32 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	(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>11,385,502</u>	9,876,922
Eligible Additional Tier 1 (ADT 1) Capital	<u>-</u>	-
Total Eligible Tier 1 Capital	<u>11,385,502</u>	9,876,922
Eligible Tier 2 Capital	<u>102</u>	115
Total Eligible Capital (Tier 1 + Tier 2)	<u>11,385,604</u>	9,877,037
Risk Weighted Assets (RWAs):		
Credit Risk	<u>22,251,053</u>	27,561,262
Market Risk	<u>651,366</u>	1,638,649
Operational Risk	<u>19,890,463</u>	19,890,464
Total	<u>42,792,882</u>	49,090,375
Common Equity Tier 1 Capital Adequacy Ratio	<u>26.61%</u>	20.12%
Tier 1 Capital Adequacy Ratio	<u>26.61%</u>	20.12%
Total Capital Adequacy Ratio	<u>26.61%</u>	20.12%

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, 2022 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, 2022. The Bank's CAR as at June 30, 2022 was 26.61% 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, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>11,385,502</u>	9,876,922
Total Exposure	<u>260,690,742</u>	254,767,301
Leverage Ratio	<u>4.37%</u>	3.88%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>120,055,774</u>	116,643,594
Total Net Cash Outflow	<u>25,799,950</u>	24,981,218
Liquidity Coverage Ratio	<u>465.33%</u>	466.93%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>165,056,526</u>	168,492,923
Total Required Stable Funding	<u>70,493,725</u>	51,197,808
Net Stable Funding Ratio	<u>234.14%</u>	329.10%

33 GENERAL

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

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

34 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on August 30, 2022 by the management of the Bank.

AHMED BOZAI
Managing Director and
Citi Country Officer

IMAD HASSAN KHAN
Country Finance Officer