

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, 2017

| | <i>Note</i> | (Un-audited) September 30, 2017 | (Audited) December 31, 2016 |
|--|-------------|--|--|
| (Rupees in '000) | | | |
| ASSETS | | | |
| Cash and balances with treasury banks | | 7,222,147 | 5,480,867 |
| Balances with other banks | 9 | 660,735 | 1,542,895 |
| Lendings to financial institutions | 10 | 30,871,628 | 13,325,003 |
| Investments - net | 11 | 66,472,901 | 66,676,243 |
| Advances - net | 12 | 21,363,617 | 21,421,510 |
| Fixed assets | 13 | 562,093 | 579,296 |
| Deferred tax assets - net | | 98,205 | 133,999 |
| Other assets | | 2,438,322 | 2,890,571 |
| | | 129,689,648 | 112,050,384 |
| LIABILITIES | | | |
| Bills payable | | 4,515,079 | 2,524,303 |
| Borrowings from financial institutions | 14 | 23,932,287 | 18,394,904 |
| Deposits and other accounts | 15 | 84,365,586 | 75,076,382 |
| Sub-ordinated loans | | - | - |
| Liabilities against assets subject to finance lease | | - | - |
| Deferred tax liabilities | | - | - |
| Other liabilities | | 8,284,079 | 5,834,617 |
| | | 121,097,031 | 101,830,206 |
| NET ASSETS | | 8,592,617 | 10,220,178 |
| REPRESENTED BY | | | |
| Head office capital account | | 6,812,671 | 6,812,671 |
| Reserves | | 168,704 | 168,704 |
| Unremitted profit | | 1,608,677 | 3,174,345 |
| | | 8,590,052 | 10,155,720 |
| Surplus on revaluation of assets - net of deferred tax | | 2,565 | 64,458 |
| | | 8,592,617 | 10,220,178 |

CONTINGENCIES AND COMMITMENTS

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

NADEEM LODHI
Managing Director and
Citi Country Officer

GULZEB KHAN
Chief Financial Officer

Citibank N.A., Pakistan Branches
(Incorporated in the U.S.A. the liability of members being limited)
Condensed Interim Profit And Loss Account (Un-Audited)
For the quarter and nine months ended September 30, 2017

| Note | Nine months ended | | Quarter ended | |
|--|---|-----------------------|---|-----------------------|
| | September 30, 2017 (Rupees in '000) | September 30, 2016 | September 30, 2017 (Rupees in '000) | September 30, 2016 |
| Mark-up / return / interest earned | 4,525,245 | 4,207,332 | 1,598,719 | 1,414,105 |
| Mark-up / return / interest expensed | 2,300,207 | 2,043,923 | 819,872 | 729,663 |
| Net mark-up / return / interest income | 2,225,038 | 2,163,409 | 778,847 | 684,442 |
| Reversal of provision against loans and advances - net | (36,997) | (45,978) | (10,643) | (4,056) |
| Bad debts written off directly | - | - | - | - |
| Reversal of provision against off-balance sheet obligations - net | - | - | - | - |
| | (36,997) | (45,978) | (10,643) | (4,056) |
| Net mark-up / interest income after provisions | 2,262,035 | 2,209,387 | 789,490 | 688,498 |
| NON MARK-UP / INTEREST INCOME | | | | |
| Fee, commission and brokerage income | 560,296 | 688,223 | 212,419 | 104,045 |
| Income from dealing in foreign currencies | 1,369,464 | 979,882 | 371,764 | 424,420 |
| Gain / (loss) on sale of securities | 87,908 | 1,478,478 | (4,908) | 358,414 |
| Unrealised loss on revaluation of investments classified as held-for-trading | (6,579) | (7,864) | (7,771) | (88,222) |
| Other income / (loss) | 66,635 | 194,246 | 6,784 | (5,640) |
| Total non mark-up / interest income - net | 2,077,724 | 3,332,965 | 578,288 | 793,017 |
| | 4,339,759 | 5,542,352 | 1,367,778 | 1,481,515 |
| NON MARK-UP / INTEREST EXPENSE | | | | |
| Administrative expenses | 1,489,599 | 1,398,711 | 442,587 | 452,687 |
| Reversal against appreciation / diminution in the value of non-banking assets - net | - | - | - | - |
| Operating fixed assets written off | - | - | - | - |
| Other charges | 45,325 | 91,698 | 15,498 | 14,396 |
| Total non mark-up / interest expenses - net | 1,534,924 | 1,490,409 | 458,085 | 467,083 |
| | 2,804,835 | 4,051,943 | 909,693 | 1,014,432 |
| PROFIT BEFORE TAXATION | | | | |
| Taxation | | | | |
| - Current | 931,885 | 1,411,236 | 298,482 | 395,598 |
| - Prior years | 190,482 | 160,000 | - | - |
| - Deferred | 70,755 | 178,189 | 17,495 | 78,095 |
| | 1,193,122 | 1,749,425 | 315,977 | 473,693 |
| PROFIT AFTER TAXATION | 1,611,713 | 2,302,518 | 593,716 | 540,739 |

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

NADEEM LODHI
Managing Director and
Citi Country Officer

GULZEB KHAN
Chief Financial Officer

Citibank N.A., Pakistan Branches
(Incorporated in the U.S.A. the liability of members being limited)
Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the quarter and nine months ended September 30, 2017

| | Nine months ended | | Quarter ended | |
|--|---|-----------------------|---|-----------------------|
| | September 30, 2017 (Rupees in '000) | September 30, 2016 | September 30, 2017 (Rupees in '000) | September 30, 2016 |
| Profit for the period after taxation | 1,611,713 | 2,302,518 | 593,716 | 540,739 |
| Items that will not be reclassified to profit and loss account | | | | |
| Components of comprehensive income reflected in equity | | | | |
| - Remeasurements of defined benefit plan (loss) / gain | (4,671) | (19,073) | (1,332) | (10,141) |
| - Deferred tax asset / (liability) on remeasurements of defined benefit plan | 1,635 | 6,676 | 466 | 3,550 |
| | (3,036) | (12,397) | (866) | (6,591) |
| Comprehensive income transferred to statement of changes in equity | 1,608,677 | 2,290,121 | 592,850 | 534,148 |
| Items that may be reclassified subsequently to profit and loss account | | | | |
| Components of comprehensive income not reflected in equity | | | | |
| - (Deficit) / Surplus on revaluation of available for sale securities | (95,219) | (46,420) | (7,554) | (318,645) |
| - Deferred tax asset / (liability) on revaluation of available for sale securities | 33,327 | 16,247 | 2,644 | 111,526 |
| | (61,892) | (30,173) | (4,910) | (207,119) |
| Total comprehensive income for the period | 1,546,785 | 2,259,948 | 587,940 | 327,029 |

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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)
Condensed Interim Cash Flow Statement (Un-Audited)
For the nine months ended September 30, 2017

| | Nine months ended | |
|---|-------------------------------|-------------------------------|
| | September 30, 2017 | September 30, 2016 |
| | (Rupees in '000) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 2,804,835 | 4,051,943 |
| Adjustments for: | | |
| Depreciation | 97,169 | 79,090 |
| Amortisation | - | - |
| Reversal of provision against loans and advances - net (Reversal) / provision against appreciation / diminution in the value of non-banking assets - net | (36,997) | (45,978) |
| Unrealised loss on revaluation of investments classified as held-for-trading | 6,579 | 7,864 |
| Bad debts written off directly | - | - |
| Charge for defined benefit plan | 30,399 | 28,878 |
| Operating fixed assets written off | - | - |
| Gain on disposals of fixed assets | (3,592) | (158) |
| | 93,558 | 69,696 |
| | 2,898,393 | 4,121,639 |
| (Increase) / decrease in operating assets | | |
| Lendings to financial institutions | (17,546,625) | (14,784,086) |
| Held-for-trading securities | (168,764) | (14,217,563) |
| Advances | 94,890 | 1,670,986 |
| Other assets | 471,132 | 1,201,822 |
| | (17,149,367) | (26,128,841) |
| Increase / (decrease) in operating liabilities | | |
| Bills payable | 1,990,776 | 929,858 |
| Borrowings from financial institutions | 5,623,196 | 6,178,817 |
| Deposits and other accounts | 9,289,204 | 18,571,725 |
| Other liabilities (excluding current taxation, Head office expenses and payable to defined benefit plan) | 2,655,567 | 4,052,763 |
| | 19,558,743 | 29,733,163 |
| | 5,307,769 | 7,725,961 |
| Contribution to gratuity fund | (37,265) | (41,722) |
| Income tax paid | (1,141,250) | (946,206) |
| Net cash generated from operating activities | 4,129,254 | 6,738,033 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Net investments in available-for-sale securities | 270,308 | (1,490,458) |
| Investments in fixed assets | (80,162) | (138,207) |
| Sale proceeds from disposal of fixed assets | 3,788 | 1,141 |
| Net cash generated from / (used in) investing activities | 193,934 | (1,627,524) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Profit repatriated to Head Office during the period | (3,174,345) | (3,602,789) |
| Remittances made during the period on account of head office expenses | (203,910) | (197,427) |
| Net cash used in financing activities | (3,378,255) | (3,800,216) |
| | 944,933 | 1,310,293 |
| Increase in cash and cash equivalents | | |
| Cash and cash equivalents at the beginning of the period | 6,933,596 | 5,514,220 |
| Cash and cash equivalents at end of the period | 7,878,529 | 6,824,513 |

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

NADEEM LODHI
Managing Director and
Citi Country Officer

GULZEB KHAN
Chief Financial Officer

Citibank N.A., Pakistan Branches
(Incorporated in the U.S.A. the liability of members being limited)
Condensed Interim Statement of Changes in Equity (Un-Audited)
For the quarter and nine months ended September 30, 2017

| | 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, 2016 (audited) | 6,812,671 | 3,602,788 | 164,791 | 10,580,250 |
| Profit for the nine months ended September 30, 2016 (un-audited) | - | 2,302,518 | - | 2,302,518 |
| Other comprehensive income for the nine months ended September 30, 2016 | | | | |
| Remeasurements of defined benefit plan | - | (19,073) | - | (19,073) |
| Tax on remeasurements of defined benefit plan | - | 6,676 | - | 6,676 |
| | - | (12,397) | - | (12,397) |
| Transactions with owners | | | | |
| Contribution by the ultimate holding company in respect of share based payments | - | - | 1,901 | 1,901 |
| Recharged balance payable to the ultimate holding company for share based payments | - | - | (1,901) | (1,901) |
| | - | - | - | - |
| Profit remittance made to head office | - | (3,602,789) | - | (3,602,789) |
| Balance as at September 30, 2016 (un-audited) | 6,812,671 | 2,290,120 | 164,791 | 9,267,582 |
| Profit for the quarter ended December 31, 2016 (un-audited) | - | 898,587 | - | 898,587 |
| Other comprehensive income for the period October 2016 to December 2016 | | | | |
| Remeasurements of defined benefit plan | - | (22,095) | - | (22,095) |
| Tax on remeasurements of defined benefit plan | - | 7,733 | - | 7,733 |
| | - | (14,362) | - | (14,362) |
| Transactions with owners | | | | |
| 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 | - | - | 3,913 | 3,913 |
| | - | - | 3,913 | 3,913 |
| Profit remittance made to head office | - | - | - | - |
| Balance as at December 31, 2016 (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 |
| Other comprehensive income for the nine months ended September 30, 2017 | | | | |
| Remeasurements of defined benefit plan | - | (4,671) | - | (4,671) |
| Tax on remeasurements of defined benefit plan | - | 1,635 | - | 1,635 |
| | - | (3,036) | - | (3,036) |
| Transactions with owners | | | | |
| Recharged by the ultimate holding company in respect of share based payments | - | - | 9,255 | 9,255 |
| Contribution 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 |

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

NADEEM LODHI
Managing Director and
Citi Country Officer

GULZEB KHAN
Chief Financial Officer

Citibank N.A., Pakistan Branches

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

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

For the quarter and nine months ended September 30, 2017

1. STATUS AND NATURE OF BUSINESS

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

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

| | Long-term senior debt | Short-term debt |
|----------------|----------------------------------|----------------------------|
| Citigroup Inc. | Baa1 | P-2 |
| Citibank, N.A. | A1 | P-1 |

The Bank is engaged in banking activities permissible under the Banking Companies Ordinance, 1962. Its principal office is at AWT Plaza, I. I. Chundrigar Road, Karachi. The Bank operates through 3 branches (December 31, 2016: 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, 2016.

3. STATEMENT OF COMPLIANCE

3.1 This condensed interim financial information of the Bank for the period ended September 30, 2017 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting. the provisions and directives issued under the repealed Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. In case where the requirements differ, the provisions of the repealed Companies Ordinance, 1984. the Banking Companies Ordinance, 1962 and the said directives shall prevail.

3.2 The Companies Ordinance, 1984 was repealed by enactment of the Companies Act, 2017 on 30 May 2017. Securities and Exchange Commission of Pakistan vide its Circular No. 17 of 2017 and press release of 20 July 2017, has clarified that all those companies whose financial year, including quarterly and other interim period closes on or before 30th June 2017 can prepare financial statements in accordance with the provision of the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires enhanced disclosures and has also enhanced the definition of related parties.

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, 2016.

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, 2016.

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, 2016

| 9. BALANCES WITH OTHER BANKS | (Un-audited) September 30, 2017 | (Audited) December 31, 2016 |
|------------------------------|---------------------------------------|-----------------------------------|
| | (Rupees in '000) | |
| In Pakistan | | |
| - Current accounts | 25,697 | 38,825 |
| Outside Pakistan | | |
| - Current accounts | 635,038 | 1,504,070 |
| | <u>660,735</u> | <u>1,542,895</u> |

10. LENDINGS TO FINANCIAL INSTITUTIONS

| | | |
|--|-------------------|-------------------|
| Placements | - | - |
| Repurchase agreement lendings (Reverse Repo) | 30,871,628 | 13,325,003 |
| | <u>30,871,628</u> | <u>13,325,003</u> |

11. INVESTMENTS - NET

| | September 30, 2017 (Un-audited) | | | December 31, 2016 (Audited) | | |
|--|---------------------------------|------------------------|-------------------|-----------------------------|------------------------|------------|
| | Held by Bank | Given as collateral | Total | Held by Bank | Given as collateral | Total |
| Investments by type ----- (Rupees in '000) ----- | | | | | | |
| Held-for-trading securities | | | | | | |
| Market treasury bills | 18,392,291 | - | 18,392,291 | 22,996,286 | - | 22,996,286 |
| Pakistan Investment Bonds | 4,772,759 | - | 4,772,759 | - | - | - |
| | <u>23,165,050</u> | - | <u>23,165,050</u> | 22,996,286 | - | 22,996,286 |
| Available-for-sale securities | | | | | | |
| Market treasury bills | 40,018,992 | - | 40,018,992 | 29,639,302 | - | 29,639,302 |
| Pakistan Investment Bonds | 3,294,809 | - | 3,294,809 | 13,944,807 | - | 13,944,807 |
| Fully paid-up ordinary shares | - | - | - | 2,000 | - | 2,000 |
| Unlisted term finance certificates <i>11.1</i> | 248,090 | - | 248,090 | 248,090 | - | 248,090 |
| | <u>43,561,891</u> | - | <u>43,561,891</u> | 43,834,199 | - | 43,834,199 |
| Investments at cost | <u>66,726,941</u> | - | <u>66,726,941</u> | 66,830,485 | - | 66,830,485 |
| Less: Provision for diminution in the value of investments | 248,090 | - | 248,090 | 250,090 | - | 250,090 |
| Investments - net of provisions | <u>66,478,851</u> | - | <u>66,478,851</u> | 66,580,395 | - | 66,580,395 |
| Deficit on revaluation of held-for-trading securities - net | (9,897) | - | (9,897) | (3,318) | - | (3,318) |
| Surplus on revaluation of available-for-sale securities - net | 3,947 | - | 3,947 | 99,166 | - | 99,166 |
| Investments at market value | <u>66,472,901</u> | - | <u>66,472,901</u> | 66,676,243 | - | 66,676,243 |

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.

| 12. ADVANCES - NET | (Un-audited) September 30, 2017 | (Audited) December 31, 2016 |
|--|---------------------------------------|-----------------------------------|
| | (Rupees in '000) | |
| Loans, cash credits, running finances etc. - In Pakistan | 23,431,267 | 22,930,708 |
| Bills discounted and purchased (excluding Market treasury bills) | | |
| Payable in Pakistan | 762,318 | 1,357,767 |
| Payable outside Pakistan | - | - |
| | <u>762,318</u> | 1,357,767 |
| Advances - gross | <u>24,193,585</u> | 24,288,475 |
| Provision against advances | | |
| - Specific - provision against non-performing advances | (2,829,711) | (2,866,751) |
| - General - provision against advances | (257) | (214) |
| | <u>(2,829,968)</u> | (2,866,965) |
| Advances - net of provision | <u>21,363,617</u> | 21,421,510 |

12.1 Advances include Rs. 2,829.711 million (December 31, 2016: Rs. 2,866.751 million) which have been placed under non-performing status as detailed below:

| Category of classification | September 30, 2017 (Un-audited) | | | | |
|----------------------------|---------------------------------|-------|------------------|--------------------|------------------|
| | Classified Advances | | | Provision required | Provision held |
| Domestic | Overseas | Total | (Rupees in '000) | | |
| Substandard | - | - | - | - | - |
| Doubtful | - | - | - | - | - |
| Loss | <u>2,829,711</u> | - | <u>2,829,711</u> | <u>2,829,711</u> | <u>2,829,711</u> |
| | <u>2,829,711</u> | - | <u>2,829,711</u> | <u>2,829,711</u> | <u>2,829,711</u> |
| | December 31, 2016 (Audited) | | | | |
| | Classified Advances | | | Provision required | Provision held |
| Domestic | Overseas | Total | (Rupees in '000) | | |
| Substandard | - | - | - | - | - |
| Doubtful | - | - | - | - | - |
| Loss | <u>2,866,751</u> | - | <u>2,866,751</u> | <u>2,866,751</u> | <u>2,866,751</u> |
| | <u>2,866,751</u> | - | <u>2,866,751</u> | <u>2,866,751</u> | <u>2,866,751</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, 2017 | December 31, 2016 |
| (Rupees in '000) | | | |
| Capital work-in-progress | | 8,408 | 57,835 |
| Property and equipment | 13.1 & 13.2 | <u>553,685</u> | <u>521,461</u> |
| | | <u>562,093</u> | <u>579,296</u> |

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

| | (Un-audited) | |
|---------------------------------|---------------------------|--------------------|
| | For the nine months ended | |
| | September 30, 2017 | September 30, 2016 |
| (Rupees in '000) | | |
| Furniture and fixtures | 113,885 | - |
| Electrical and office equipment | <u>15,703</u> | <u>26,432</u> |
| | <u>129,588</u> | <u>26,432</u> |

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

| | (Un-audited) | |
|---|---------------------------|-----------------------|
| | For the nine months ended | |
| | September 30, 2017 | September 30, 2016 |
| | (Rupees in '000) | |
| Furniture and fixtures | 196 | - |
| Vehicles | - | 983 |
| | <u>196</u> | <u>983</u> |
| | (Un-audited) | (Audited) |
| | September | December |
| | 30, 2017 | 31, 2016 |
| | (Rupees in '000) | |
| 14. BORROWINGS FROM FINANCIAL INSTITUTIONS | | |
| In Pakistan | 4,353 | 2,481 |
| Outside Pakistan | 23,927,934 | 18,392,423 |
| | <u>23,932,287</u> | <u>18,394,904</u> |
| 14.1 Particulars of borrowings from financial institutions | | |
| In local currency | 4,353 | 2,481 |
| In foreign currency | 23,927,934 | 18,392,423 |
| | <u>23,932,287</u> | <u>18,394,904</u> |
| 14.2 Details of borrowings from financial institutions | | |
| Unsecured | | |
| Call borrowings | 23,927,934 | 18,304,738 |
| Overdrawn accounts | 4,353 | 90,166 |
| | <u>23,932,287</u> | <u>18,394,904</u> |
| 15. DEPOSITS AND OTHER ACCOUNTS | | |
| Customers | | |
| Fixed deposits | 16,758,324 | 19,457,869 |
| Savings deposits | 44,961,808 | 43,463,616 |
| Current accounts - non-remunerative | 16,843,973 | 10,774,265 |
| Other deposits | 4,190,664 | 108,556 |
| | <u>82,754,769</u> | <u>73,804,306</u> |
| Financial institutions | | |
| Non-remunerative deposits | 1,610,817 | 1,272,076 |
| | <u>84,365,586</u> | <u>75,076,382</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, 2017 | (Audited) December 31, 2016 |
|---|---------------------------------------|-----------------------------------|
| | (Rupees in '000) | |
| (i) Government of Pakistan | 202 | 202 |
| (ii) Banking companies and other financial institutions | - | - |
| | <u>202</u> | <u>2,941,378</u> |

16.2 Transaction-related contingent liabilities

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

| | (Un-audited) September 30, 2017 | (Audited) December 31, 2016 |
|---|---------------------------------------|-----------------------------------|
| | (Rupees in '000) | |
| (i) Government of Pakistan | 592,774 | 544,938 |
| (ii) Banking companies and other financial institutions | 22,489 | 34,004 |
| (iii) Others | 1,186,345 | 1,471,113 |
| | <u>1,801,608</u> | <u>2,050,055</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, 2017 | (Audited) December 31, 2016 |
|---------------------------------|-------------|---------------------------------------|-----------------------------------|
| | | (Rupees in '000) | |
| Letters of credit / acceptances | | <u>11,460,953</u> | <u>9,178,119</u> |

16.4 Other contingencies

| | | | |
|----------------------------------|--------|----------------|----------------|
| Claims not acknowledged as debts | | <u>163,395</u> | 162,457 |
| | 16.4.1 | <u>163,395</u> | <u>162,457</u> |

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

| | (Un-audited) September 30, 2017 | (Audited) December 31, 2016 |
|--|---------------------------------------|-----------------------------------|
| | (Rupees in '000) | |
| 16.5 Commitments in respect of forward transactions | | |
| Forward agreement lending (reverse repos) | <u>30,896,974</u> | <u>13,386,447</u> |
| Forward borrowing | <u>103,828,259</u> | <u>13,074,813</u> |
| Uncancellable commitments to extend credit | <u>2,018,672</u> | <u>3,930,698</u> |
| Forward purchase of trading securities | <u>-</u> | <u>210,813</u> |
| Forward sale of trading securities | <u>2,337,957</u> | <u>-</u> |

16.6 Commitments in respect of forward foreign exchange contracts

| | | |
|----------|--------------------|--------------------|
| Purchase | <u>118,160,557</u> | <u>121,436,578</u> |
| Sale | <u>92,301,456</u> | <u>103,510,839</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, 2017 | (Audited) December 31, 2016 |
|---|---------------------------------------|-----------------------------------|
| | (Rupees in '000) | |
| 16.7 Other commitments | | |
| Cross currency and interest rate derivative contracts (notional amount) | <u>4,425,000</u> | <u>5,961,225</u> |
| 16.8 Commitments in respect of capital expenditure | <u>6,866</u> | <u>53,192</u> |

17. INCOME FROM DEALING IN FOREIGN CURRENCIES

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

| | <i>Note</i> | (Un-audited) September 30, 2017 | September 30, 2016 |
|---|-------------|---------------------------------------|-----------------------|
| | | (Rupees in '000) | |
| 18. OTHER INCOME | | | |
| Gain / (loss) from interest rate derivative contracts | <i>18.1</i> | <u>59,769</u> | 194,060 |
| Net profit on sale of property and equipment | | <u>3,592</u> | 158 |
| Others | | <u>3,274</u> | 28 |
| | | <u>66,635</u> | <u>194,246</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, 2017 (Un-audited) | | | | | | | | |
|---|--------------------|---------------------------------|-----------------------|------------------------|-----------------------------|------------------|------------|------------|---------|------------|
| | | Carrying Value | | | | | Fair Value | | | |
| Note | Available for Sale | Held for trading | Loans and Receivables | Other financial Assets | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | | | | | (Rupees in '000) | | | | |
| Financial assets measured at fair value | | | | | | | | | | |
| Investments | | | | | | | | | | |
| | 40,020,116 | 18,392,519 | - | - | - | 58,412,635 | - | 58,412,635 | - | 58,412,635 |
| | 3,297,632 | 4,762,634 | - | - | - | 8,060,266 | - | 8,060,266 | - | 8,060,266 |
| | - | - | - | - | - | - | - | - | - | - |
| Financial assets not measured at fair value | | | | | | | | | | |
| | - | - | - | 7,222,147 | - | 7,222,147 | - | - | - | - |
| | - | - | - | 660,735 | - | 660,735 | - | - | - | - |
| | - | - | 30,871,628 | - | - | 30,871,628 | - | - | - | - |
| | - | - | 21,363,617 | - | - | 21,363,617 | - | - | - | - |
| | - | - | - | 1,487,130 | - | 1,487,130 | - | 1,487,130 | - | 1,487,130 |
| | 43,317,748 | 23,155,153 | 52,235,245 | 9,370,012 | - | 128,078,158 | - | 67,960,031 | - | 67,960,031 |
| Financial liabilities not measured at fair value | | | | | | | | | | |
| | - | - | - | - | 4,515,079 | 4,515,079 | - | - | - | - |
| | - | - | - | - | 23,932,287 | 23,932,287 | - | - | - | - |
| | - | - | - | - | 84,365,586 | 84,365,586 | - | - | - | - |
| | - | - | - | - | 8,213,469 | 8,213,469 | - | - | - | - |
| | - | - | - | - | 121,026,421 | 121,026,421 | - | - | - | - |

| Off balance sheet financial instruments | | September 30, 2017 (Un-audited) | | | | |
|---|--|---------------------------------|---------|-------------|---------|------------------|
| | | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| | | | | | | (Rupees in '000) |
| | | 118,160,557 | - | 118,402,092 | - | 118,402,092 |
| | | 92,301,456 | - | 92,076,839 | - | 92,076,839 |
| | | 2,337,957 | - | 2,333,203 | - | 2,333,203 |
| | | 4,425,000 | - | 4,511,481 | - | 4,511,481 |

| On balance sheet financial instruments | | December 31, 2016 (Audited) | | | | | | | | |
|---|--------------------|-----------------------------|-----------------------|------------------------|-----------------------------|------------------|------------|------------|---------|------------|
| | | Carrying Value | | | | | Fair Value | | | |
| Note | Available for Sale | Held for trading | Loans and Receivables | Other financial Assets | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | | | | | (Rupees in '000) | | | | |
| Financial assets measured at fair value | | | | | | | | | | |
| Investments | | | | | | | | | | |
| | 29,613,378 | 22,992,968 | - | - | - | 52,606,346 | - | 52,606,346 | - | 52,606,346 |
| | 14,069,897 | - | - | - | - | 14,069,897 | - | 14,069,897 | - | 14,069,897 |
| | - | - | - | - | - | - | - | - | - | - |
| Financial assets not measured at fair value | | | | | | | | | | |
| | - | - | - | 5,480,867 | - | 5,480,867 | - | - | - | - |
| | - | - | - | 1,542,895 | - | 1,542,895 | - | - | - | - |
| | - | - | 13,325,003 | - | - | 13,325,003 | - | - | - | - |
| | - | - | 21,421,510 | - | - | 21,421,510 | - | - | - | - |
| | - | - | - | 1,974,689 | - | 1,974,689 | - | - | - | - |
| | 43,683,275 | 22,992,968 | 34,746,513 | 8,998,451 | - | 110,421,207 | - | 66,676,243 | - | 66,676,243 |
| Financial liabilities not measured at fair value | | | | | | | | | | |
| | - | - | - | - | 2,524,303 | 2,524,303 | - | - | - | - |
| | - | - | - | - | 18,394,904 | 18,394,904 | - | - | - | - |
| | - | - | - | - | 75,076,382 | 75,076,382 | - | - | - | - |
| | - | - | - | - | 5,805,541 | 5,805,541 | - | - | - | - |
| | - | - | - | - | 101,801,130 | 101,801,130 | - | - | - | - |

| Off balance sheet financial instruments | | December 31, 2016 (Audited) | | | | |
|---|--|-----------------------------|---------|-------------|---------|------------------|
| | | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| | | | | | | (Rupees in '000) |
| | | 121,436,578 | - | 120,993,943 | - | 120,993,943 |
| | | 103,510,839 | - | 104,343,718 | - | 104,343,718 |
| | | 210,813 | - | 209,761 | - | 209,761 |
| | | 5,961,225 | - | 6,061,660 | - | 6,061,660 |

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, 2016 | Net placements / disbursements / deposits / transfers | Net settlements / repayments / withdrawals / transfers | Balance as at September 30, 2017 |
|---|---------------------------------------|---|---|--|
| ----- (Rupees in '000) ----- | | | | |
| Deposits | | | | |
| Associated undertakings | 602,059 | 5,781,237 | (1,905,472) | 4,477,824 |
| Staff retirement benefit funds | 12,221 | 456,340 | (459,281) | 9,280 |
| | | | (Un-audited) September 30, 2017 | (Audited) December 31, 2016 |
| | | | (Rupees in '000) | |
| Nostro balances / placements with Citibank | | | | |
| Branches outside Pakistan | | | 633,154 | 1,474,013 |
| Call borrowings | | | 23,927,934 | 18,304,738 |
| Mark-up / return / interest payable | | | 1,586 | 1,177 |
| Mark-up / return / interest receivable | | | 3,130 | 6,374 |
| Overdrawn Nostro Accounts | | | - | 87,685 |
| Unremitted head office expenses | | | 936,064 | 882,605 |
| Payable for expenses and share based payment | | | 235,742 | 214,516 |
| Payable to defined benefit plan | | | 174,801 | 176,996 |
| Commitments in respect of forward exchange contracts | | | | |
| Purchase | | | 25,687,214 | 22,437,431 |
| Sale | | | 25,687,214 | 22,428,603 |
| Unrealised loss on forward foreign exchange contracts - purchase | | | 201,648 | (120,488) |
| Unrealised gain / (loss) on forward foreign exchange contracts - sale | | | (202,200) | 108,913 |
| Payable to associated undertaking | | | 4,265,948 | 1,873,256 |
| Counter guarantees to branches | | | 836,823 | 916,657 |
| | | | (Un-audited) | |
| | | | Nine months ended | |
| | | | September 30, 2017 | September 30, 2016 |
| | | | (Rupees in '000) | |
| 20.2 Contribution to staff retirement benefit funds | | | 56,248 | 77,959 |
| 20.3 Income / expense for the period | | | | |
| Mark-up / return / interest earned | | | 38,299 | 10,718 |
| Mark-up / return / interest expensed | | | 152,246 | 29,320 |
| Fee, commission and brokerage income | | | 40,479 | 41,884 |
| Regional expenses for support services | | | 34,097 | 60,454 |
| Head office expenses | | | 257,369 | 204,290 |
| Remuneration paid to key management personnel | | | 61,510 | 54,204 |
| (Loss) / Gain on sale of securities | | | (3) | 968 |
| Sale of fixed assets | | | - | 63 |

21 SEGMENT INFORMATION

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

| For the 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 | 3,577,049 | 4,525,245 |
| Fee, commission and brokerage | 560,296 | - | 560,296 |
| Other income | 3,433 | 1,513,994 | 1,517,427 |
| Intersegment revenue | 396,426 | (396,426) | - |
| Total revenue | 1,908,351 | 4,694,617 | 6,602,968 |
| Depreciation and amortisation | (27,207) | (69,961) | (97,168) |
| Impairment of assets | - | - | - |
| Other immaterial non cash items | - | - | - |
| Other expenses | (1,303,460) | (3,590,627) | (4,894,087) |
| Total expenses | (1,330,667) | (3,660,588) | (4,991,255) |
| Reportable segment profit | 577,684 | 1,034,029 | 1,611,713 |

| For the nine months ended September 30, 2016 (Un-audited) | | | |
|---|----------------------|--------------------|--------------------|
| | Corporate Banking | Trading & Sales | Total |
| ----- (Rupees in '000) ----- | | | |
| External revenue | | | |
| Mark-up / return / interest earned | 1,158,191 | 3,049,141 | 4,207,332 |
| Fee, commission and brokerage | 688,223 | - | 688,223 |
| Other income | 29,173 | 2,615,569 | 2,644,742 |
| Intersegment revenue | 2,712,780 | (2,712,780) | - |
| Total revenue | 4,588,367 | 2,951,930 | 7,540,297 |
| Depreciation and amortisation | (48,245) | (30,845) | (79,090) |
| Impairment of assets | - | - | - |
| Other immaterial non cash items | - | - | - |
| Other expenses | (3,827,521) | (1,331,168) | (5,158,689) |
| Total expenses | (3,875,766) | (1,362,013) | (5,237,779) |
| Reportable segment profit | 712,601 | 1,589,917 | 2,302,518 |

| For the nine months ended September 30, 2017 (Un-audited) | | | |
|---|----------------------|--------------------|--------------------|
| | Corporate Banking | Trading & Sales | Total |
| ----- (Rupees in '000) ----- | | | |
| Segment assets | 24,613,789 | 105,075,859 | 129,689,648 |
| Segment liabilities | 96,494,518 | 24,602,513 | 121,097,031 |
| Segment return on net assets* | 1.76% | 0.81% | 2.67% |
| Segment cost of funds** | 1.64% | 0.62% | 3.91% |

| As at December 2016 (Audited) | | | |
|-------------------------------|----------------------|--------------------|-------------|
| | Corporate Banking | Trading & Sales | Total |
| ----- (Rupees in '000) ----- | | | |
| Segment assets | 24,581,622 | 87,468,762 | 112,050,384 |
| Segment liabilities | 82,878,589 | 18,951,617 | 101,830,206 |
| Segment return on net assets* | 4.00% | 3.00% | 3.00% |
| Segment cost of funds** | 3.40% | 1.30% | 3.10% |

* 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. GENERAL

22.1 This condensed interim financial information was authorised for issue by the management of the Bank on October 26, 2017.

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

22.3 Comparative information has been re-classified, re-arranged or additionally incorporated in this condensed interim financial information, wherever necessary to facilitate comparison and better presentation.

NADEEM LODHI
Managing Director and
Citi Country Officer

GULZEB KHAN
Chief Financial Officer