

**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, 2022

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
Note	(Rupees in '000)	
<b>ASSETS</b>		
Cash and balances with treasury banks	6 <b>16,062,003</b>	19,817,760
Balances with other banks	7 <b>7,640,364</b>	1,104,681
Lendings to financial institutions	8 <b>-</b>	8,178,322
Investments	9 <b>141,948,418</b>	134,784,771
Advances	10 <b>46,671,266</b>	36,788,242
Fixed assets	11 <b>463,582</b>	486,650
Intangible assets	-	-
Deferred tax assets	12 <b>559,749</b>	531,546
Other assets	13 <b>14,296,967</b>	9,473,700
	<b>227,642,349</b>	211,165,672
<b>LIABILITIES</b>		
Bills payable	14 <b>715,449</b>	855,130
Borrowings	15 <b>5,848,916</b>	15,302,778
Deposits and other accounts	16 <b>187,357,838</b>	172,542,423
Liabilities against assets subject to finance lease	-	-
Subordinated debt	-	-
Deferred tax liabilities	12 <b>-</b>	-
Other liabilities	17 <b>20,346,854</b>	12,588,419
	<b>214,269,057</b>	201,288,750
<b>NET ASSETS</b>	<b>13,373,292</b>	<b>9,876,922</b>
<b>REPRESENTED BY</b>		
Head office capital account	<b>6,812,671</b>	6,812,671
Reserve	<b>163,719</b>	163,719
Deficit on revaluation of assets	18 <b>(537,778)</b>	(825,068)
Unremitted profit	<b>6,934,680</b>	3,725,600
	<b>13,373,292</b>	<b>9,876,922</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	19	

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

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**AHMED BOZAI**  
Managing Director and  
Citi Country Officer

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**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 nine months ended September 30, 2022

Note	Quarter ended		Nine Months Ended		
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	
----- (Rupees in '000) -----					
Mark-up / return / interest earned	20	7,177,898	3,196,520	16,122,515	8,266,383
Mark-up / return/ interest expensed	21	3,896,586	1,572,612	8,856,553	4,119,245
Net Mark-up / Interest Income		<u>3,281,312</u>	<u>1,623,908</u>	<u>7,265,962</u>	<u>4,147,138</u>
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	22	235,809	153,350	635,529	484,454
Foreign exchange income		1,758,227	374,748	3,512,242	1,725,089
Gain from derivatives		-	-	-	-
(Loss) / gain on securities	23	7,356	8,919	(36,160)	111,985
Other income	24	-	1,030	(6)	1,030
Total non-markup / interest income		<u>2,001,392</u>	<u>538,047</u>	<u>4,111,605</u>	<u>2,322,558</u>
Total Income		<u>5,282,704</u>	<u>2,161,955</u>	<u>11,377,567</u>	<u>6,469,696</u>
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	25	700,686	440,410	1,988,076	1,609,456
Workers Welfare Fund		94,155	31,721	180,395	89,589
Other charges	26	-	-	30	-
Total non-markup / interest expenses		<u>794,841</u>	<u>472,131</u>	<u>2,168,501</u>	<u>1,699,045</u>
Profit before provisions		<u>4,487,863</u>	<u>1,689,824</u>	<u>9,209,066</u>	<u>4,770,651</u>
(Reversals) / provision and (write offs) - net	27	(4,959)	(4,783)	(21,715)	(36,452)
<b>PROFIT BEFORE TAXATION</b>		<u>4,492,822</u>	<u>1,694,607</u>	<u>9,230,781</u>	<u>4,807,103</u>
Taxation	28	2,846,648	775,607	6,021,701	2,225,503
<b>PROFIT AFTER TAXATION</b>		<u>1,646,174</u>	<u>919,000</u>	<u>3,209,080</u>	<u>2,581,600</u>

**AHMED BOZAI**  
Managing Director and  
Citi Country Officer

**IMAD HASSAN KHAN**  
Country Finance Officer

# Citibank N.A., Pakistan Branches

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

## Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months ended September 30, 2022

	Quarter Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Rupees in '000)			
Profit after taxation for the period	1,646,174	919,000	3,209,080	2,581,600
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Movement in (deficit) / surplus on revaluation of investments - net of tax	341,616	(233,876)	287,290	(318,426)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-
<b>Total comprehensive income</b>	<u>1,987,790</u>	<u>685,124</u>	<u>3,496,370</u>	<u>2,263,174</u>

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Country Finance Officer

## Citibank N.A., Pakistan Branches

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

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

For the nine months ended September 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) -----				
<b>Opening Balance as at January 1, 2021 (audited)</b>	6,812,671	102,841	161,550	6,746,332	13,823,394
Profit after taxation for the nine months ended September 30, 2021	-	-	-	2,581,600	2,581,600
Other comprehensive loss for the nine months ended September 30, 2021 - net of tax	-	(318,426)	-	-	(318,426)
Remittances made to head office	-	-	-	(6,746,332)	(6,746,332)
<b>Transactions with owners, recorded directly in equity</b>					
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
<b>Opening Balance as at October 1, 2021 (un-audited)</b>	<b>6,812,671</b>	<b>(215,585)</b>	<b>163,719</b>	<b>2,581,600</b>	<b>9,342,405</b>
Profit after taxation for the period October 1, 2021 to December 31, 2021	-	-	-	1,142,646	1,142,646
Other comprehensive loss for the period October 1, 2021 to December 31, 2021 - net of tax		(609,483)		1,354	(608,129)
Remittances made to head office	-	-	-	-	-
<b>Transactions with owners, recorded directly in equity</b>					
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			-		-
<b>Opening Balance as at January 1, 2022 (audited)</b>	<b>6,812,671</b>	<b>(825,068)</b>	<b>163,719</b>	<b>3,725,600</b>	<b>9,876,922</b>
Profit after taxation for the nine months ended September 30, 2022	-	-	-	3,209,080	3,209,080
Other comprehensive loss for the nine months ended September 30, 2022 - net of tax	-	287,290	-	-	287,290
<b>Transactions with owners, recorded directly in equity</b>					
Contribution by the head office in respect of share based payments	-	-	81,428	-	81,428
Recharged balance payable to the head office for share based payments	-	-	(81,428)	-	(81,428)
Effect of re-measurement of cost under share based payment - net of tax	-	-	-	-	-
<b>Closing Balance as at September 30, 2022</b>	<b>6,812,671</b>	<b>(537,778)</b>	<b>163,719</b>	<b>6,934,680</b>	<b>13,373,292</b>

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

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**AHMED BOZAI**  
 Managing Director and  
 Citi Country Officer

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**IMAD HASSAN KHAN**  
 Country Finance Officer

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

	Note	Nine Months Ended	
		September 30, 2022	September 30, 2021
<b>(Rupees in '000)</b>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		9,230,781	4,807,103
Adjustments:			
Depreciation	25	139,657	97,302
Depreciation on right-of-use assets	25	112,124	90,088
Interest expense on lease liability against right-of-use assets	25	17,851	12,716
(Reversals) / provisions and write offs - net	27	(21,715)	(36,452)
Loss on sale of fixed assets	24	44	(937)
Fixed Assets written off		-	-
Unrealised loss / (gain) on revaluation of investments classified as held for trading	23	1,861	17,498
Charge for defined benefit plan		61,118	38,164
		<b>310,940</b>	<b>218,379</b>
		<b>9,541,721</b>	<b>5,025,482</b>
Decrease / (increase) in operating assets			
Lendings to financial institutions		8,178,322	(350,465)
Held-for-trading securities		22,676,140	(16,543,765)
Advances		(9,861,309)	518,847
Other assets (excluding advance taxation)		(4,903,732)	(4,904,890)
		<b>16,089,421</b>	<b>(21,280,273)</b>
Increase / (decrease) in operating liabilities			
Bills payable		(139,681)	(378,783)
Borrowings from financial institutions		(9,058,798)	(1,022,584)
Deposits		14,815,415	22,902,026
Other liabilities (excluding current taxation, head office expenses, payable to defined benefit plan and lease liability against right-of-use assets)		5,312,160	5,305,523
		<b>10,929,096</b>	<b>26,806,182</b>
Income tax paid		(3,707,207)	(2,177,794)
Contribution to gratuity fund		(31,170)	(23,956)
<i>Net cash flow generated from / (used in) operating activities</i>		<b>32,821,861</b>	<b>8,349,641</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in available-for-sale securities		(29,432,547)	(19,062,074)
Investments in operating fixed assets		(51,876)	(29,635)
Proceeds from sale of fixed assets		-	1,010
<i>Net cash flow used in investing activities</i>		<b>(29,484,423)</b>	<b>(19,090,699)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payment of lease liability against right-of-use assets		(162,448)	(84,859)
Profit repatriated to head office during the period		-	(6,746,332)
<i>Net cash flow used in financing activities</i>		<b>(162,448)</b>	<b>(6,831,191)</b>
<b>Decrease in cash and cash equivalents</b>		<b>3,174,990</b>	<b>(17,572,249)</b>
Cash and cash equivalents at beginning of the period		20,527,377	32,498,105
Cash and cash equivalents at end of the period		<b>23,702,367</b>	<b>14,925,856</b>

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

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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)

## Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the nine months ended September 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 September 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:

	<b>Effective date (annual periods beginning on or after)</b>
- 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	(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
		(Rupees in '000)	
	In hand		
	Local currency	61,541	68,406
	Foreign currency	196,679	107,029
		258,220	175,435
	With State Bank of Pakistan in		
	Local currency current account	13,734,894	18,414,017
	Foreign currency current accounts		
	- Cash reserve account	685,356	405,981
	- US Dollar clearing account	10,800	8,344
	Foreign currency deposit account		
	- Special cash reserve account	1,370,712	811,962
		15,801,762	19,640,304
	With National Bank of Pakistan in		
	Local currency current account	2,021	2,021
		16,062,003	19,817,760

7	BALANCES WITH OTHER BANKS	(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
	In Pakistan		
	In current accounts	9,000	27,636
	Outside Pakistan		
	In current accounts	7,631,364	1,077,045
		7,640,364	1,104,681

8	LENDINGS TO FINANCIAL INSTITUTIONS	(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
	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)				(Audited)			
		September 30, 2022				December 31, 2021			
9.1	Investments by type:	Cost / amortised cost	Provision for diminution	Surplus/ (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus/ (deficit)	Carrying value
		(Rupees in '000)							
	<b>Held-for-trading securities</b>								
	Federal Government Securities	9,448,459	-	22,717	9,471,176	32,124,599	-	24,578	32,149,177
		9,448,459	-	22,717	9,471,176	32,124,599	-	24,578	32,149,177
	<b>Available-for-sale securities</b>								
	Federal Government Securities	133,420,710	-	(943,468)	132,477,242	103,988,163	-	(1,352,569)	102,635,594
		133,420,710	-	(943,468)	132,477,242	103,988,163	-	(1,352,569)	102,635,594
	<b>Total Investments</b>	142,869,169	-	(920,751)	141,948,418	136,112,762	-	(1,327,991)	134,784,771

9.1.2	Investments given as collateral	(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
		(Rupees in '000)	

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

**Federal Government securities:**

-Market Treasury Bills

5,846,370 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  
Closing Balance

-	-
-	248,090
-	-

10	ADVANCES	Performing		Non Performing		Total	
		(Un-audited) September 30, 2022	(Audited) December 31, 2021	(Un-audited) September 30, 2022	(Audited) December 31, 2021	(Un-audited) September 30, 2022	(Audited) December 31, 2021
		(Rupees in '000)					
	Loans, cash credits, running finances, etc.	42,668,068	33,623,528	1,779,425	1,740,576	44,447,493	35,364,104
	Bills discounted and purchased	4,003,241	3,164,829	-	-	4,003,241	3,164,829
	Advances - gross	46,671,309	36,788,357	1,779,425	1,740,576	48,450,734	38,528,933
	Provision against advances						
	- Specific	-	-	(1,779,425)	(1,740,576)	(1,779,425)	(1,740,576)
	- General	(43)	(115)	-	-	(43)	(115)
		(43)	(115)	(1,779,425)	(1,740,576)	(1,779,468)	(1,740,691)
	Advances - net of provision	46,671,266	36,788,242	-	-	46,671,266	36,788,242

10.1	Particulars of advances (Gross)	(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
		(Rupees in '000)	

In local currency  
In foreign currency

48,184,660 38,323,351  
266,074 205,582  
48,450,734 38,528,933



10.2 Advances include Rs. 1,774.425 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) September 30, 2022		(Audited) December 31, 2021	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	(Rupees in '000)			
Domestic	1,779,425	1,779,425	1,740,576	1,740,576
Loss				
Total	1,779,425	1,779,425	1,740,576	1,740,576

10.3 Particulars of provision against advances	(Un-audited) September 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	60,492	-	60,492	19,426	-	19,426
Charge for the period / year	-	-	-	-	-	-
Reversals	(21,643)	(72)	(21,715)	(37,867)	(91)	(37,958)
Amounts written off	-	-	-	(622,064)	-	(622,064)
Closing balance	1,779,425	43	1,779,468	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) September 30, 2022	(Audited) December 31, 2021
		(Rupees in '000)	
Property and equipment	11.1 & 11.2	159,147	246,972
Right-of-use assets		304,435	239,678
		463,582	486,650

11.1 Additions to fixed assets	(Un-audited) September 30, 2022	September 30, 2021
	(Rupees in '000)	
The following additions have been made to property and equipment during the period:		
Capital work-in-progress	-	-
Furniture and fixture	9,500	8,866
Electrical, office and computer equipment	42,376	19,999
	51,876	28,865

11.2 Disposals of fixed assets	September 30, 2022	December 31, 2021
	(Rupees in '000)	
The net book value of property and equipment disposed off during the period is as follows:		
Furniture and fixture	44	73
	44	73

12 DEFERRED TAX ASSETS	September 30, 2022	December 31, 2021
Deductible Temporary Differences on		
- Post retirement employee benefits	84,795	84,795
- Deficit on revaluation of investments	404,593	527,502
- Unrealized gain on derivatives	164,984	(2,457)
	654,372	609,840
Taxable Temporary Differences on		
- Effect of re-measurement of cost under share based payment	(88,374)	(88,374)
- Accelerated tax depreciation	(6,249)	10,080
	(94,623)	(78,294)
	559,749	531,546

13 OTHER ASSETS	September 30, 2022	December 31, 2021
Income / mark-up accrued in local currency	3,545,339	2,155,554
Income / mark-up accrued in foreign currency	20,684	20,336
Advances, deposits, advance rent and other prepayments	90,248	76,122
Advance taxation (payments less provisions)	-	80,465
Non-banking assets acquired in satisfaction of claims	7,954	7,954
Branch adjustment account	3,439	2,727
Mark to market gain on forward foreign exchange contracts	7,865,223	932,576
Acceptances	2,682,579	6,203,981
Others	89,455	1,939
	14,304,921	9,481,654
Less: Provision held against other assets	7,954	7,954
Other Assets (net of provision)	14,296,967	9,473,700
13.1 Provision held against other assets		
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) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
In Pakistan	715,449	855,130

15 BORROWINGS	(Un-audited) September 30, 2022	(Audited) December 31, 2021
<b>Secured</b>		
Repurchase agreement borrowings	5,848,916	7,847,174
<b>Total secured</b>	5,848,916	7,847,174
<b>Unsecured</b>		
Call borrowings	-	7,060,540
Overdrawn nostro accounts	-	395,064
<b>Total unsecured</b>	-	7,455,604
	5,848,916	15,302,778

## 16 DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) September 30, 2022			(Audited) December 31, 2021		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	(Rupees in '000)					
<b>Customers</b>						
Current deposits	49,410,704	1,735,737	51,146,441	36,924,017	1,364,888	38,288,905
Savings deposits	84,807,804	9,445,318	94,253,122	101,695,920	5,962,762	107,658,682
Term deposits	18,766,718	49,887	18,816,605	17,620,817	38,545	17,659,362
Others - margin deposits	19,804,794	28,791	19,833,585	6,533,550	3,873	6,537,423
	<b>172,790,020</b>	<b>11,259,733</b>	<b>184,049,753</b>	<b>162,774,304</b>	<b>7,370,068</b>	<b>170,144,372</b>
<b>Financial Institutions</b>						
Current deposits	3,002,744	305,341	3,308,085	1,978,016	420,035	2,398,051
	<b>3,002,744</b>	<b>305,341</b>	<b>3,308,085</b>	<b>1,978,016</b>	<b>420,035</b>	<b>2,398,051</b>
	<b>175,792,764</b>	<b>11,565,074</b>	<b>187,357,838</b>	<b>164,752,320</b>	<b>7,790,103</b>	<b>172,542,423</b>

## 17 OTHER LIABILITIES

	Note	(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
		(Rupees in '000)	
Mark-up / Return / Interest payable in local currency		392,663	25,255
Mark-up / Return / Interest payable in foreign currency		482	20
Unearned commission and income on bills discounted		145,345	26,436
Accrued expenses	17.1	1,005,534	892,187
Current taxation (provisions less payments)		2,384,043	-
Worker's Welfare Fund (WWF) payable	17.2	901,003	720,608
Acceptances		2,682,579	6,203,981
Mark to market loss on forward foreign exchange contracts		8,232,350	926,278
Unremitted head office expenses		1,078,059	956,742
Payable to regional offices for support services		14,347	18,242
Payable to defined benefit plan		317,160	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
Payable on account of sale proceeds of shares sold by an associated undertaking	17.5	-	136,033
Lease liability against right-of-use assets		196,335	164,051
Clearing account balances		1,508,204	592,692
Unclaimed deposit balances		909,906	919,094
Others		578,642	520,130
		<b>20,346,854</b>	<b>12,588,419</b>

17.1 This includes the Bank's obligation to the head office under the stock award and stock option programmes. As of September 30, 2022, recognised liability for share based incentive plans was 500.847 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. 1,123.760 million against Sindh and Punjab WWF laws from the date of its levy till 30 September 2022. The bank along with the banking industry has challenged the Sindh WWF levy which is pending in Court. No notice has been received from Punjab Revenue Authority in respect of its WWF law. 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 COIC.

## 18 DEFICIT ON REVALUATION OF ASSETS

	Note	(Un-audited)	(Audited)
		September 30, 2022	December 31, 2021
		(Rupees in '000)	
<b>Deficit on revaluation of:</b>			
- Available for sale securities	9.1	(943,468)	(1,352,569)
<b>Deferred tax on deficit on revaluation of:</b>			
- Available for sale securities		405,690	527,501
		<b>(537,778)</b>	<b>(825,068)</b>

## 19 CONTINGENCIES AND COMMITMENTS

- Guarantees	19.1	7,774,421	2,183,378
- Commitments	19.2	461,880,096	214,748,553
- Other contingent liabilities	19.3	287,443	247,685
		<b>469,941,960</b>	<b>217,179,616</b>
<b>19.1 Guarantees</b>			
Financial guarantees		-	-
Performance guarantees		2,320,363	2,183,378
Other guarantees		5,454,058	-
		<b>7,774,421</b>	<b>2,183,378</b>
<b>19.2 Commitments</b>			
Documentary credits and short-term trade-related transactions			
- Letters of credit		37,387,402	19,607,388
Commitments in respect of:			
- Forward foreign exchange contracts	19.2.1	414,952,590	176,946,398
- Forward government securities transactions	19.2.2	5,854,008	16,041,251
- Forward lending	19.2.3	2,315,384	2,152,129
Commitments for acquisition of:			
- Fixed assets		-	1,387
Other commitments	19.2.4	1,370,712	-
		<b>461,880,096</b>	<b>214,748,553</b>

19.2.1 Commitments in respect of forward foreign exchange contracts	Note	(Un-audited) September 30, 2022 (Rupees in '000)	(Audited) December 31, 2021
Purchase		208,277,773	94,831,909
Sale		206,674,817	82,114,489
		<u>414,952,590</u>	<u>176,946,398</u>
<b>19.2.2 Commitments in respect of forward government securities transactions</b>			
Purchase		5,854,008	7,853,624
Sale		-	8,187,627
		<u>5,854,008</u>	<u>16,041,251</u>
<b>19.2.3 Commitments in respect of forward lending</b>			
Undrawn formal standby facilities, credit lines	19.2.3.1	<u>2,315,384</u>	<u>2,152,129</u>
<b>19.2.3.1</b> These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the bank without the risk of incurring significant penalty or expense.			
	Note	(Un-audited) September 30, 2022 (Rupees in '000)	(Audited) December 31, 2021
<b>19.2.4 Other commitments</b>			
Forward placement	6	<u>1,370,712</u>	-
<b>19.3 Other contingent liabilities</b>			
Claims against bank not acknowledged as debt	19.3.1	<u>287,443</u>	<u>247,685</u>
<b>19.3.1</b> These are not recognised as debt as the probability of these crystallising against the Bank is considered remote.			
<b>19.4</b> Tax related contingencies are disclosed in note 28.1 of these condensed interim financial statements.			
		(Un-audited)	
<b>20 MARK-UP / RETURN / INTEREST EARNED</b>		September 30, 2022	September 30, 2021
		(Rupees in '000)	
On:			
a) Loans and advances		4,849,262	2,272,233
b) Investments		10,476,408	5,336,729
c) Lendings to financial institutions		775,809	651,854
d) Balances with banks		21,036	5,567
e) Income from foreign currency swaps against foreign currency deposits / borrowings		-	-
		<u>16,122,515</u>	<u>8,266,383</u>
<b>21 MARK-UP / RETURN / INTEREST EXPENSED</b>			
On:			
a) Deposits		8,330,048	4,052,006
b) Borrowings		526,505	67,239
		<u>8,856,553</u>	<u>4,119,245</u>
<b>22 FEE AND COMMISSION INCOME</b>			
Branch banking customer fees		27,617	24,307
Card related fees (credit cards)		9,111	3,065
Custody related fees		346,579	250,248
Commission on trade		179,546	107,965
Commission on guarantees		13,116	15,022
Commission on cash management		53,888	67,676
Commission on remittances including home remittances		2	8
Others		5,670	16,163
		<u>635,529</u>	<u>484,454</u>

23	(LOSS) / GAIN ON SECURITIES	Note	(Un-audited)	
			September 30, 2022	September 30, 2021
			(Rupees in '000)	
	Realised	23.1	(34,299)	129,483
	Unrealised - held for trading	9.1	(1,861)	(17,498)
			<b>(36,160)</b>	<b>111,985</b>
23.1	Realised (loss) / gain on:			
	Federal Government Securities		(34,299)	129,483
			<b>(34,299)</b>	<b>129,483</b>
24	<b>OTHER INCOME</b>			
	Loss on sale of fixed assets - net		(44)	937
	Sale of non-capitalized assets		38	93
			<b>(6)</b>	<b>1,030</b>
25	<b>OPERATING EXPENSES</b>			
	<b>Total compensation expense</b>		<b>974,938</b>	<b>847,088</b>
	<b>Property expense</b>			
	Rent and taxes		12,174	3,354
	Utilities cost		34,831	25,359
	Security (including guards)		35,080	31,404
	Repair and maintenance (including janitorial charges)		75,230	63,438
	Depreciation		102,484	58,786
	Depreciation on right-of-use assets		112,124	90,088
	Interest expense on lease liability against right-of-use assets		17,851	12,716
	Others		-	(567)
			<b>389,774</b>	<b>284,578</b>
	<b>Information technology expenses</b>			
	Software maintenance		35,765	48,577
	Hardware maintenance		348	2,784
	Depreciation		31,500	32,843
	Network charges		45,565	37,960
	Others		742	4,484
			<b>113,920</b>	<b>126,648</b>
	<b>Other operating expenses</b>			
	Legal and professional charges		49,349	41,931
	Outsourced services costs		12,516	78,241
	Travelling and conveyance		27,076	7,663
	Depreciation		5,673	5,673
	Training and development		241	218
	Postage and courier charges		15,078	8,602
	Communication		29,764	20,276
	Head office expenses	25.1	121,317	61
	Stationery and printing		5,866	6,958
	Marketing, advertisement and publicity		3,535	-
	Auditors remuneration		5,494	1,730
	Banking service charges		92,245	79,448
	Brokerage and commission paid		18,284	20,016
	Card association fees		51,970	29,387
	Others		71,036	50,938
			<b>509,444</b>	<b>351,142</b>
			<b>1,988,076</b>	<b>1,609,456</b>

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

		<b>(Un-audited)</b>	
		<b>September 30, 2022</b>	September 30, 2021
		<b>(Rupees in '000)</b>	
<b>26</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by State Bank of Pakistan	<u>30</u>	-
		<u>30</u>	-
<b>27</b>	<b>PROVISIONS &amp; WRITE OFFS - NET</b>		
	(Reversals) / provisions against loans and advances	10.3 <u>(21,715)</u>	<u>(36,452)</u>
		<u>(21,715)</u>	<u>(36,452)</u>
<b>28</b>	<b>TAXATION</b>		
	Current	<b>5,671,473</b>	1,997,633
	Prior periods	<b>500,239</b>	196,227
	Deferred	<u>(150,011)</u>	31,643
		<u><b>6,021,701</b></u>	<u>2,225,503</u>

- 28.1 Income Tax return for tax year 2022 (accounting year ended December 31, 2021) will be filed by October 31, 2022.

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.

## 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	September 30, 2022 (Un-audited)			Total	
		Level 1	Level 2	Level 3		
(Rupees in '000)						
<b>On balance sheet financial instruments</b>						
<b>Financial assets - measured at fair value</b>						
Investments						
	Federal Government Securities	141,948,418	-	141,948,418	-	141,948,418
<b>Financial assets - disclosed but not measured at fair value</b>						
	Cash and balances with treasury banks	29.2	16,062,003	-	-	-
	Balances with other banks	29.2	7,640,364	-	-	-
	Lendings to financial institutions	29.2	-	-	-	-
	Advances	29.2	46,671,266	-	-	-
	Other financial assets	29.2	14,202,633	-	-	-
			<u>226,524,684</u>	<u>-</u>	<u>141,948,418</u>	<u>-</u>
						<u>141,948,418</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>						
	Forward purchase of foreign exchange		208,277,773	-	210,922,513	-
	Forward sale of foreign exchange		206,674,817	-	203,752,026	-
	Forward purchase contracts of government securities		5,854,008	-	5,854,008	-
	Forward placement		1,370,712	-	1,370,712	-
December 31, 2021 (Audited)						
	Carrying / Notional Value	Fair Value			Total	
		Level 1	Level 2	Level 3		
(Rupees in '000)						
<b>On balance sheet financial instruments</b>						
<b>Financial assets - measured at fair value</b>						
Investments						
	Federal Government Securities		134,784,771	-	134,784,771	-
<b>Financial assets - disclosed but not measured at fair value</b>						
	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>
						<u>134,784,771</u>
<b>Off-balance sheet financial instruments - measured at fair value</b>						
	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 nine months ended September 30, 2022

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

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

#### Profit & Loss

Net mark-up / return / profit	(3,480,786)	10,746,748	7,265,962
Inter segment revenue - net	7,493,943	(7,493,943)	-
Non mark-up / return / interest income	635,504	3,476,101	4,111,605
<b>Total Income</b>	<b>4,648,661</b>	<b>6,728,906</b>	<b>11,377,567</b>
Segment direct expenses	1,528,748	639,753	2,168,501
Inter segment expense allocation	-	-	-
<b>Total expenses</b>	<b>1,528,748</b>	<b>639,753</b>	<b>2,168,501</b>
Reversals of provision	(21,715)	-	(21,715)
<b>Profit before tax</b>	<b>3,141,628</b>	<b>6,089,153</b>	<b>9,230,781</b>

(Un-audited)  
As at September 30, 2022

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

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

#### Balance Sheet

Cash & Bank balances	258,221	23,444,146	23,702,367
Investments	-	141,948,418	141,948,418
Net inter segment lending	151,260,424	-	151,260,424
Lendings to financial institutions	-	-	-
Advances - performing	46,671,266	-	46,671,266
- non-performing	-	-	-
Others	5,545,093	9,775,205	15,320,298
<b>Total Assets</b>	<b>203,735,004</b>	<b>175,167,769</b>	<b>378,902,773</b>
Borrowings	-	5,848,916	5,848,916
Deposits & other accounts	186,354,062	1,003,776	187,357,838
Net inter segment borrowing	-	151,260,424	151,260,424
Others	12,829,440	8,232,863	21,062,303
<b>Total liabilities</b>	<b>199,183,502</b>	<b>166,345,979</b>	<b>365,529,481</b>
Equity	4,551,502	8,821,790	13,373,292
<b>Total Equity &amp; liabilities</b>	<b>203,735,004</b>	<b>175,167,769</b>	<b>378,902,773</b>
<b>Contingencies &amp; Commitments</b>	<b>47,764,650</b>	<b>422,177,310</b>	<b>469,941,960</b>

(Un-audited)  
For the nine months ended September 30, 2021

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

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

**Profit & Loss**

Net mark-up / return / profit	(1,779,773)	5,926,911	4,147,138
Inter segment revenue - net	4,073,308	(4,073,308)	-
Non mark-up / return / interest income	485,438	1,837,120	2,322,558
<b>Total Income</b>	<b>2,778,973</b>	<b>3,690,723</b>	<b>6,469,696</b>
Segment direct expenses	1,265,096	433,949	1,699,045
Inter segment expense allocation	-	-	-
<b>Total expenses</b>	<b>1,265,096</b>	<b>433,949</b>	<b>1,699,045</b>
Reversals of provision	(36,452)	-	(36,452)
<b>Profit before tax</b>	<b>1,550,329</b>	<b>3,256,774</b>	<b>4,807,103</b>

(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
<b>Total Assets</b>	<b>187,450,696</b>	<b>165,974,850</b>	<b>353,425,546</b>
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
<b>Total liabilities</b>	<b>184,265,313</b>	<b>159,283,310</b>	<b>343,548,623</b>
Equity	3,185,382	6,691,540	9,876,922
<b>Total Equity &amp; liabilities</b>	<b>187,450,695</b>	<b>165,974,850</b>	<b>353,425,545</b>
<b>Contingencies &amp; Commitments</b>	<b>24,191,967</b>	<b>192,987,649</b>	<b>217,179,616</b>



### 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)		(Audited)	
	September 30, 2022		December 31, 2021	
	Head Office	Branches and other related parties	Head Office	Branches and other related parties
----- (Rupees in '000) -----				
<b>Balances with other banks</b>				
In current accounts	7,370,415	260,853	625,200	451,725
	<u>7,370,415</u>	<u>260,853</u>	<u>625,200</u>	<u>451,725</u>
<b>Other Assets</b>				
Interest / mark-up accrued	-	-	183	(359)
Other receivables	-	-	-	-
Unrealised gain on foreign exchange contracts	-	3,478,826	2	481,414
	<u>-</u>	<u>3,478,826</u>	<u>185</u>	<u>481,055</u>
<b>Borrowings</b>				
Opening balance	-	7,060,540	-	-
Borrowings during the period / year	-	1,595,569,110	-	1,924,796,948
Settled during the period / year	-	(1,602,629,650)	-	(1,917,736,408)
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,060,540</u>
<b>Overdrawn Nostros</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>395,064</u>
<b>Deposits and other accounts</b>				
Opening balance	8,277	1,029,390	5,566	1,666,656
Received during the period / year	8,518	1,863,824	29,872	1,349,767
Withdrawn during the period / year	(9,891)	(1,715,751)	(27,161)	(1,987,033)
Closing balance	<u>6,904</u>	<u>1,177,463</u>	<u>8,277</u>	<u>1,029,390</u>
<b>Other Liabilities</b>				
Interest / mark-up payable	-	-	-	20
Unremitted head office expense	1,078,059	-	956,742	-
Unrealised loss on foreign exchange contracts	-	5,590,565	-	349,722
Payable to defined benefit plan	-	317,160	-	287,212
Payable on account of sale proceeds of securities held under custody	-	-	-	199,256
Payable to associated undertakings	-	-	-	136,033
Payable for expenses and share based payments	500,847	14,347	393,475	18,242
	<u>1,578,906</u>	<u>5,922,072</u>	<u>1,350,217</u>	<u>990,485</u>
<b>Contingencies and Commitments</b>				
Forward exchange contracts				
Purchase	-	1,725,694	-	38,769,810
Sales	-	1,955	-	38,669,810
Counter guarantees to branches	171,908	511,231	138,072	390,586
	<u>171,908</u>	<u>2,238,880</u>	<u>138,072</u>	<u>77,830,206</u>
<b>(Un-audited)</b>				
<b>for the nine months ended</b>				
	September 30, 2022		September 30, 2021	
	Head Office	Branches and other related parties	Head Office	Branches and other related parties
	----- (Rupees in '000) -----			
<b>Income</b>				
Mark-up / return / interest earned	7	167	10	241
Fee and commission income	14,505	31,978	6,084	29,109
Net gain / (loss) on sale of securities	-	2,844	-	477
Foreign Exchange Income	(2)	(2,243,431)	-	222,290
<b>Expense</b>				
Mark-up / return / interest paid	2,823	106,403	38	4,345
Regional expenses for support services	7,665	8,939	14,215	14,417
Head office expenses	121,317	-	61	-
Share based payments expense	119,620	-	-	-
Contribution to staff retirement benefit funds	-	85,160	-	52,103
Remuneration of Key Management Personnel	-	105,256	-	72,393

### 32 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	(Un-audited) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	<u>6,812,671</u>	<u>6,812,671</u>
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>13,373,292</u>	9,876,922
Eligible Additional Tier 1 (ADT 1) Capital	<u>-</u>	-
Total Eligible Tier 1 Capital	<u>13,373,292</u>	9,876,922
Eligible Tier 2 Capital	<u>43</u>	115
Total Eligible Capital (Tier 1 + Tier 2)	<u>13,373,335</u>	9,877,037
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	<u>24,302,840</u>	27,561,262
Market Risk	<u>914,244</u>	1,638,649
Operational Risk	<u>19,890,463</u>	19,890,464
Total	<u>45,107,547</u>	49,090,375
Common Equity Tier 1 Capital Adequacy Ratio	<u>29.65%</u>	20.12%
Tier 1 Capital Adequacy Ratio	<u>29.65%</u>	20.12%
Total Capital Adequacy Ratio	<u>29.65%</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 nine months ended September 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 September 30, 2022. The Bank's CAR as at September 30, 2022 was 29.65% 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) September 30, 2022	(Audited) December 31, 2021
	(Rupees in '000)	
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	<u>13,373,292</u>	9,876,922
Total Exposure	<u>291,461,452</u>	254,767,301
Leverage Ratio	<u>4.59%</u>	3.88%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	<u>134,804,206</u>	116,643,594
Total Net Cash Outflow	<u>28,231,656</u>	24,981,218
Liquidity Coverage Ratio	<u>477.49%</u>	466.93%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	<u>177,664,842</u>	168,492,923
Total Required Stable Funding	<u>82,046,731</u>	51,197,808
Net Stable Funding Ratio	<u>216.54%</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 28th October 2022 by the management of the Bank.

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**AHMED BOZAI**  
Managing Director and  
Citi Country Officer

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**IMAD HASSAN KHAN**  
Country Finance Officer