

Financial Statements as at and for the year ended 31 December 2016

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT OF
CITIBANK N.A.
BANGLADESH BRANCHES

We have audited the accompanying financial statements of Citibank, N.A. Bangladesh Branches (the "Bank") which comprise the balance sheet as at 31 December 2016 and profit and loss account, cash flow statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies, other explanatory notes and annexure thereto.

Management Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in Note 2.1 and for such internal control as management determines is necessary to enable the preparation of financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the local central bank (Bangladesh Bank) Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2016, and of its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) as explained in Note 2.1.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bank Company Act 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
 - internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
 - nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank during the year ended 31 December 2016;
- In our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- the balance sheet and profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- the expenditures incurred was for the purpose of the Bank's business;
- the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- adequate provisions have been made against classified loans and advances;
- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- the information and explanations required by us have been received and found satisfactory;
- we have reviewed over 80% of the risk weighted assets of the Bank and spending over 2,000 person hours; and
- Capital Adequacy Ratio (CAR) as required by the Bangladesh Bank has been maintained adequately during the year.

Dhaka, 26 February 2017

Hoda Vasi Chowdhury & Co
Chartered Accountants

Balance Sheet as at 31 December 2016

	Notes	2016 Taka	2015 Taka
Property and assets			
Cash (including foreign currencies)	4	192,197,277	122,941,999
Cash in hand		9,156,354,787	10,494,455,681
Balances with Bangladesh Bank and its agent banks		9,348,552,064	10,617,397,680
Balance with other banks and financial institutions	5		
Inside Bangladesh		809,798,507	812,731,948
Outside Bangladesh		8,750,654,253	7,381,599,573
		9,560,452,760	8,194,331,521
Money at call and short notice	6	1,520,000,000	1,390,000,000
Investments	7		
Government securities		8,839,605,995	8,585,796,207
Reverse Repo with Bangladesh Bank		-	-
Other		6,000,000	6,000,000
		8,845,605,995	8,591,796,207
Loans and advances	8		
Loans, cash credits, overdrafts		8,804,163,236	8,271,759,284
Bills purchased and discounted		150,689,014	2,469,496
		8,954,852,250	8,279,228,779
Fixed assets including premises, furniture and fixtures	9	218,135,362	260,389,439
Other assets	10	1,297,372,378	1,295,736,479
Non banking assets	11	-	-
Total assets		39,744,970,809	38,628,882,125
Liabilities and capital			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	452,122,084	728,764,894
Deposits and other accounts	13		
Current account and other accounts, etc.		25,550,565,148	21,230,175,777
Bills payable		1,870,116,007	1,923,538,320
Savings deposits		289,677,290	244,397,100
Fixed deposits		255,660,346	3,055,949,682
Bearer certificates of deposits		-	-
Other deposits		27,966,018,791	26,454,060,880
Other liabilities	14	2,136,040,300	1,866,439,764
Total liabilities		30,554,388,179	29,049,265,537
Equity			
Fund deposited with Bangladesh Bank as capital	15.2	4,540,836,059	4,529,873,431
Other reserve	16	(99,519,009)	(29,712,017)
Profit and loss account	17	4,749,472,584	5,079,455,174
Total equity		9,190,789,634	9,579,616,588
Total liabilities and equity		39,744,970,809	38,628,882,125
Off-balance sheet items			
Contingent liabilities			
Acceptances and endorsements	18.1	3,090,423,611	3,147,907,022
Letters of guarantee	18.2	2,302,591,334	766,043,842
Irrevocable letters of credit	18.3	8,649,898,954	9,075,021,426
Bills for collection	18.4	-	-
Other contingent liabilities		-	-
		14,042,913,899	12,988,972,289
Other commitments	18.5		
Documentary credits and short term trade - related transactions		113,808,231	158,503,599
Forward assets purchased and forward deposits placed		5,070,545,836	5,945,062,187
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		1,066,600,000	500,000,000
		6,250,954,067	6,203,565,785
Others	18.6		
Value of travelers' cheques on hand		-	-
Value of unprocessed cheques		-	24,206,397
Value of Bangladesh Sanchaypatri on hand		235,925,000	267,825,000
Value of Bangladesh Bank USD bond on hand		208,594,350	224,745,500
		444,519,350	516,776,897
Total off-balance sheet items including contingent liabilities		20,738,387,316	19,709,314,972

The annexed notes 1 to 37 and annexures A to J form an integral part of these financial statements.

Khondoker Rashed Maqsood
Managing Director and
Citi Country Officer, Bangladesh
S. H. Aslam Habib
Chief Financial Officer, Bangladesh

As per our report of same date.

Auditor

Dhaka, 26 February 2017

Hoda Vasi Chowdhury & Co

Profit and Loss Account for the year ended 31 December 2016

	Notes	2016 Taka	2015 Taka
Interest income	20	718,068,572	1,096,071,381
Interest paid on deposits and borrowings	21	(52,637,686)	(197,904,503)
Net interest income		665,430,886	898,166,878
Income from investments	22	472,457,144	728,458,655
Commission, exchange and brokerage	23	729,871,806	795,856,365
Other operating income	24	360,109	28,085,907
Total operating income		1,868,119,945	2,450,567,804
Salaries and allowances	25	449,745,209	423,651,991
Rent, taxes, insurance, electricity, etc.		166,231,727	152,739,325
Legal expenses		676,942	4,089,478
Postage, stamps, telecommunication, etc.		21,469,769	42,400,721
Stationery, printing, advertisement, etc.		27,992,536	25,153,721
Citi Country Officer's salary and allowances		47,460,549	44,561,479
Auditors' fees		750,000	750,000
Depreciation and repairs of bank's assets	26	80,289,412	80,321,345
Other expenses	27	164,732,181	184,628,308
Total operating expenses		959,348,325	958,296,368
Profit before provisions		908,771,620	1,492,271,437
Provision for loans and advances:			
Specific provision for classified loans and advances	14.1	(43,500)	(1,699,324)
General provision for unclassified loans and advances	14.1	(13,874,107)	41,602,335
Provision for off balance sheet exposures	14.2	(12,377,077)	(9,339,955)
Provision for diminution in value of investments		-	-
Provision for nostro accounts		40,035	(40,035)
Total provisions		(26,254,649)	30,523,021
Total profit before income tax		882,516,971	1,522,794,457
Provision for income tax:			
Current tax	28	(481,644,399)	(699,358,777)
Deferred tax	28	43,405,598	(49,174,920)
		(438,238,801)	(748,533,697)
Net profit after tax		444,278,170	774,260,760
Appropriations			
Profit remitted to Head Office		-	774,260,760

The annexed notes 1 to 37 and annexures A to J form an integral part of these financial statements.

Khondoker Rashed Maqsood
Managing Director and
Citi Country Officer, Bangladesh
S. H. Aslam Habib
Chief Financial Officer, Bangladesh

As per our report of same date.

Auditor

Hoda Vasi Chowdhury & Co

Cash flow statement for the year ended 31 December 2016

	2016 Taka	2015 Taka
A) Cash flows from operating activities		
Interest receipts in cash	775,248,069	1,125,444,106
Interest payments	(58,957,414)	(209,594,075)
Dividend receipts	7,500,000	7,500,000
Fee and commission receipts in cash	729,871,806	795,856,365
Recoveries of loans previously written off	-	-
Cash payments to employees	(536,084,142)	(442,368,412)
Cash payment to suppliers	(176,152,970)	(152,643,081)
Income taxes paid	(480,143,519)	(813,963,649)
Income from trading security	402,052,112	704,562,658
Receipts from other operating activities	-	-
Payment for other operating activities	(132,645,522)	(180,058,379)
Operating profit before changes in operating assets and liabilities	530,688,420	834,735,532
Increase/decrease in operating assets and liabilities		
Statutory deposits	-	-
Sale of trading securities	(1,503,336,849)	883,582,450
Loans and advances to other banks	-	-
Loans and advances to customers	(730,361,315)	2,488,141,452
Other assets	(11,713,064)	1,360,498,783
Deposits from other banks	261,601,868	127,869,915
Deposits from customers	1,250,356,043	(1,812,534,351)
Borrowing from other banks and financial institutions	(276,642,811)	592,317,332
Trading liabilities	-	-
Other liabilities	241,022,183	(756,616,819)
	(769,073,945)	2,883,258,761
Net cash flow from operating activities	(238,385,525)	3,717,994,293
B) Cash flows from investing activities		
Proceeds from sale of securities	-	114,443,472
Payment for purchase of securities	-	(75,649,888)
Purchase of fixed assets	(21,361,658)	(61,114,130)
Proceeds from sale of assets	791,877	-
Net cash flow from investing activities	(20,569,781)	(22,320,546)
C) Cash flows from financing activities		
Profit remitted to head office	(774,260,760)	(981,959,157)
Fund received from head office as capital injection	-	-
Effect of change in foreign exchange rate on capital kept in FCY	10,962,628	32,455,150
Net cash flow from financing activities	(763,298,132)	(949,504,007)
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,022,253,438)	2,746,169,740
E) Cash and cash equivalents at the beginning of the year	22,351,481,029	19,605,311,289
F) Cash and cash equivalents at the end of the year (D+E) (note 30)	21,329,227,591	22,351,481,029

Statement of Changes in Equity for the year ended 31 December 2016

Particulars	Fund deposited with Bangladesh Bank Taka	Other reserve Taka	Profit and loss account Taka	Total Taka
Balance as at 1 January 2015	4,497,418,281	34,756,305	5,287,153,571	9,819,328,157
Exchange difference	32,455,150	-	-	32,455,150
Net profit for the year	-	-	774,260,760	774,260,760
Unrealized surplus on revaluation of HFT securities (net of deferred tax liabilities)	-	2,273,885	-	2,273,885
Actuarial gain/(loss)	-	(66,742,207)	-	(66,742,207)
Profit remitted to Head Office	-	-	(981,959,157)	(981,959,157)
Balance as at 31 December 2015	4,529,873,431	(29,712,017)	5,079,455,174	9,579,616,588
Exchange difference	10,962,628	-	-	10,962,628
Net profit for the year	-	-	444,278,170	444,278,170
Unrealized surplus on revaluation of HFT securities (net of deferred tax liabilities)	-	(13,778,054)	-	(13,778,054)
Actuarial gain/(loss)	-	(56,028,938)	-	(56,028,938)
Profit remitted to Head Office	-	-	(774,260,760)	(774,260,760)
Balance as at 31 December 2016	4,540,836,059	(99,519,009)	4,749,472,584	9,190,789,634

Notes to the financial statements
as at and for the year ended 31 December 2016

1 Status of the Bank

1.1 Legal form of the bank

Citibank, N.A. Bangladesh Branches commenced its banking operations in Dhaka, Bangladesh from 24 June 1995 after obtaining licence from Bangladesh Bank dated 26 January 1995. Citigroup Inc. (formed from the merger of Citicorp Inc. and Travelers Group Inc. on 8 October 1998) a holding company under the law of United States of America, is the sole shareholder of Citibank, N.A. The Offshore Banking Unit (OBU) started its operations on 26 April 2006.

1.2 Nature of business

Citibank N.A. started its operations in Bangladesh in 1987, with the opening of a representative office. The Bank opened its first full-service branch in Dhaka in 1995. The Bank now has three branches, these are in Motijheel, Gulshan and Chittagong and two EPZ service counters of its offshore banking units with 162 employees serving corporate customers.

Since 1987, Citi's operations encompass primarily on corporate and commercial banking services under the Institutional Clients Group (ICG). In Bangladesh, Citi provides a comprehensive range of financial services including treasury management, transaction services, foreign exchange and structured finance to corporate clients, governments and financial institutions. In 2008 the Bank started to offer Direct Custody and Clearing (DCC) services to its offshore clients.

2 Basis of preparation

2.1 Statement of compliance

The financial statements of the Bank are prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Company (amendment) Act, 2013, the rules and regulations issued by Bangladesh Bank and the Companies Act 1994. In case any requirement of the Bank Company (amendment) Act, 2013, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Company (amendment) Act, 2013, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRS are as follows:

I) Investment in shares and securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally fall either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value (as measured in accordance with BFRS 13) at the year-end is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at costs. Citi recognizes investment in shares and securities at cost basis.

II) Revaluation gain/loss on Government securities

BFRS: As per requirement of BAS 39 where T-bills and T-bonds fall under the category of "held for trading", any change in the fair value (as measured in accordance with BFRS 13) of held for trading assets is recognised through profit and loss account.

T-bills and T-Bonds designated as "held to maturity" are measured at amortised cost method and interest income is recognised through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

III) Provisions on loans and advances

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012) and BRPD circular No. 05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5%, 20%, 50% and 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) Other comprehensive income

BFRS: As per BAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of Other Comprehensive Income are to be included in a single Other Comprehensive Income Statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements through BRPD circular no. 14 dated 25 June 2003 which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single (OCI) statement. As such the Bank does not prepare an OCI statement. However elements of OCI, if any, are shown in the statements of changes in equity.

v) Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

vi) Repo and Reverse Repo transactions

BFRS: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is treated as a loan and the underlying asset continues to be recognised in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. Same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no. 02 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction and the financial asset is derecognised in the seller's book and recognised in the buyer's book.

However, as per DMD circular letter no. 7 dated 29 July 2012, non primary dealer banks are eligible to participate in the Assured

Citibank, N.A. (Bangladesh Branches)

Financial Statements as at and for the year ended 31 December 2016



Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

xvi) Presentation of Intangible Assets
BFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD circular no. 14 dated 25 June 2003.

xvii) Recognition of derivatives
BFRS: As per BAS 39, all derivatives including forward contracts are initially recognised at fair value (as measured in accordance with BFRS 13) which is generally the transaction price. Subsequent to initial recognition, derivatives are classified as "fair value through profit & loss" and changes in Fair value are recognised in profit and loss accounts.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, derivative contracts are disclosed outside of balance sheet exposures.

xviii) Recognition of interest in suspense
BFRS: Loans and advances to customers are generally classified as "loans and advances" as per BAS 39 and interest income is recognised through interest rate method over the life of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: In accordance with BRPD circular no. 14 dated 23 September 2012, interest accrued on sub-standard (SS) and Doubtful (DF) loans are credited to "Interest suspense account" included in "other liabilities" instead of income account. Interest from loans and advances ceases to be accrued when they are classified as Bad and loss category.

2.2 Basis of measurement

The financial statements of the Bank have been prepared on the historical cost basis except for the following:

- Government treasury bills and bonds designated as 'Held for trading (HFT)' at present value using marking to market concept with gains credited to revaluation reserve as per DOS circular 05 dated 26 May 2008 and DOS circular 05 dated 28 January 2009.
- Government treasury bills and bonds designated as 'Held to maturity (HTM)' and re-measured Government treasury bond at present value using amortisation concept as DOS circular 05 dated 26 May 2008 and DOS circular 05 dated 28 January 2009.
- Investment in shares of listed companies are valued at market price and unlisted companies at cost or book value of last audited balance sheet whichever is lower.
- Net asset/(liability) of defined benefit scheme which is net of present value of the defined benefit obligations, total plan assets and other related items as required by BAS 19.

2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk) which is the Bank's functional currency. Except as otherwise indicated, financial information presented in Taka has been rounded to the nearest integer.

2.4 Use of estimates and judgments

The preparation of these financial statements in conformity with Bangladesh Bank Circulars and BFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

(a) Provisions for loans and advances

The Bank assesses its loans and advances for objective evidence of impairment on a regular basis and particularly at year end. While the primary criteria set out in BRPD circular no. 14 dated 23 September 2012, for determining whether a loan is impaired is objective, being based on borrower's ability to make timely repayments, loans and advances may also be classified based on qualitative judgment. This involves making assessments regarding the economic environment in which borrowers operate in addition to making judgments about a borrower's financial situation and net realisable value of any underlying collateral.

(b) Taxation

The estimation of current tax provision involves making judgments regarding admissibility of certain expenses as well as estimating the amount of other expenses for tax purposes.

In addition, the recognition of deferred tax assets requires the Bank to estimate to which it is probable that future taxable profits will be available against which the deferred tax may be utilised.

(c) Post employment benefits-asset/(liability) from gratuity

The determination of Bank's asset/(liability) from gratuity involves the use of estimates regarding demographic variables (such as employee turnover and mortality) and financial variables (such as future increases in salaries and medical costs) that will influence the cost of the benefit.

(d) Depreciation

Depreciation is provided on a straight line basis over the estimated useful life of each item of property, plant and equipment. The determination of useful life involves the use of estimates regarding expected use of the assets, expected physical wear and tear, technical or commercial obsolescence and legal or similar limits on the use of the asset.

2.5 Reporting period

These financial statements cover one calendar year from 1 January to 31 December 2016.

The financial statements were authorised for issue by the Citi Country Officer and the Chief Financial Officer on 26 February 2017.

2.6 Cash flow statement

Cash flow statement has been prepared in accordance with the BRPD Circular No. 14 dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

2.7 Statement of changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth.

2.8 Liquidity statements

The liquidity statement of assets and liabilities as on the reporting date has been prepared based on residual maturity term which has been given in the statement.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

3.1 Foreign currencies

Transactions in foreign currencies are translated into the respective functional currency of the operation at the spot exchange rate at the date of the transaction.

Monetary assets, liabilities and fund deposited with Bangladesh Bank as capital denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the profit and loss account except for exchange rate differences on funds deposited with Bangladesh bank as capital, which is recognised directly in equity.

3.2 Cash and cash equivalents

Cash and cash equivalents in cash flow statement include notes and coins in hand both restricted and unrestricted balances held with Bangladesh Bank and its agent bank (including foreign currency) balance with other banks and financial institutions, money at call and short notice, 91 days treasury bills, Bangladesh Bank bills, reverse repo and prize bond.

3.3 Investments

All investment securities are initially recognised at cost, including acquisition charges associated with the investment. Premiums are amortised and discounts are accreted.

Held to maturity

Investments which have, 'fixed or determinable payments' and are intended to be held to maturity are classified as 'Held to Maturity'.

Held for trading

Investment classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management.

Revaluation

As per DOS Circular letter no. 05 dated 26 May 2008 and DOS circular no. 05 dated 28 January 2009, HFT securities are revalued each week using Marking to Market concept by changes in the fair value and recognised in the profit and loss accounts and revaluation reserve as per Bangladesh Bank guidelines and circulars.

Value of investments has been shown as under:

Government treasury bills and bonds (HFT)	At present value (using marking to market concept)
Government treasury bills and bonds (HTM)	At present value (using marking to market concept)
Prize bond	At cost
Unquoted shares	At cost or book value of the last audited balance sheet whichever is lower

Details are shown in Note 7.

3.4 Loans and advances and provisions for loans and advances

a) Loans and advances are stated in the balance sheet on gross value. Loans and advances are initially measured at fair value, and subsequently measured at amortised cost.

b) Provision for loans and advances is made on the basis of periodical review by the management and of instructions contained in Bangladesh Bank BRPD Circular No. 16 dated 18 November 2014, BRPD Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012 and BRPD Circular No. 5 dated 29 May 2013. The guidance in the circular follows a formulaic approach whereby specified rates are applied to the various categories of loans as defined in the circular. These circulars also provide scope for further provisioning based on qualitative judgments. The rates of provision for different classifications are given below:

Particulars	Rates	
	2016	2015
General provision on:		
All unclassified loans and advances except following:	1.00%	1.00%
Small and medium enterprise financing	0.25%	0.25%
Consumer financing	5.00%	5.00%
Housing finance and loans for professionals to set up business under consumer financing scheme	2.00%	2.00%
Loan to BHs/MBs/SDs against shares	2.00%	2.00%
Agricultural loans	2.50%	2.50%

In accordance with BRPD Circular No.14 dated September 23, 2012, BRPD circular No. 05 dated 29 May 2013 and BRPD Circular No. 16 dated 18 November 2014, the rate of provision on the outstanding amount of loans kept in the 'Special Mention Account' will be the same as the rates stated above i.e. 0.25% against all unclassified loans of Small and Medium Enterprise (SME), 5% on the unclassified amount for Consumer Financing, 2% on the unclassified amount for Housing Finance, 2.5% on the unclassified amount of agricultural loans and 1% against all other unclassified loans.

Particulars	Rates	
	2016	2015
Specific provision on:		
Substandard and doubtful agricultural loans	5.00%	5.00%
Substandard loans and advances	20.00%	20.00%
Doubtful loans and advances	50.00%	50.00%
Bad/loss loans and advances	100.00%	100.00%

c) Loans and advances are written off in accordance with BRPD circular no. 02 dated 13 January 2003 and BRPD circular no. 13 dated 07 November 2013 to the extent that:

- i) there is no realistic prospect of recovery, and
- ii) against which legal cases are filed and classified as bad/loss as per guidelines of Bangladesh Bank.

These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are maintained and followed up. Write-off loans and advances are reported to the Credit Information Bureau (CIB) of Bangladesh Bank.

Details are shown in note 8.

3.5 Fixed assets and depreciation

Recognition and measurement

Items of fixed assets excluding land are measured at cost/revaluation less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost/revaluation.

Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner.

When parts of an item of fixed asset have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from disposal with the carrying amount of the item of fixed asset, and is recognised in other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of fixed assets is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of fixed assets are recognised in the profit and loss account as incurred.

Depreciation

Depreciation is recognised in the profit and loss account on a straight line basis, over the estimated useful lives of each part of an item of fixed assets since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Bank will obtain ownership by the end of the lease. In case of acquisition of fixed assets, depreciation is charged from the month of acquisition, whereas depreciation on disposed off fixed assets is charged up to the month prior to the disposal. Asset category-wise depreciation rates are as follows:

Category of assets	Rate of depreciation
Furniture and fixtures	10% - 33.33%
Equipment	10% - 33.33%
Motor vehicles	20%
Computers	20% - 33.33%

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted, if appropriate.

Retirement and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain and loss from disposal of asset under "Other operating income" in the profit and loss account.

3.6 Finance and operating leases

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance leases.

When the Bank is a lessee under finance leases, the leased assets are capitalised and included in "fixed assets" and the corresponding liability to the lessor is included in "Other liabilities". A finance lease and its corresponding liability are recognised initially at the fair value of the asset or, if lower, the present value of the minimum lease payments. Finance charges payable are recognised as interest expense over the period of the lease based on the interest rate implicit in the lease so as to give a constant rate of interest on the remaining balance of the liability.

All other leases are classified as operating leases. When the Bank is the lessee under an operating lease, leased assets are not recognised in the balance sheet. Rentals payable, including rent paid in advance, under operating leases are accounted for on a straight-line basis over the period of the lease, unless another systematic basis is more representative of the time pattern of the user's benefit, and are included in "Rent, taxes, insurance, electricity etc."

3.7 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents includes interest-bearing borrowings against securities from Bangladesh Bank and other banks and call borrowing from other banks. These items are brought to financial statements at the gross value of the outstanding balance.

Details are shown in note 12.

3.8 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposit redeemable at call, interest bearing on demand and short-term deposits, savings deposit and fixed deposit. These items are brought to financial statements at the gross value of the outstanding balance.

Details are shown in note 13.

3.9 Other liabilities

Other liabilities comprise items such as provision for loans and advances, provision for taxation, interest payable, interest suspense, accrued expenses etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, Income Tax Ordinance 1984 and internal policy of the Bank.

Details are shown in note 14.

3.10 Fund deposited with Bangladesh Bank

This represents amounts deposited with Bangladesh Bank in foreign currency as a part of minimum capital requirement.

According to subsection 3 of Section 13 of the Bank Company (amendment) Act, 2013 as amended by BRPD Circular no. 18 dated 21 March 2014 and "Guidelines on Risk Based Capital Adequacy for Banks (Basel III) as of December 2014" of Bangladesh Bank, all banks are required to deposit with Bangladesh Bank the higher of Tk. 4,000 million and minimum capital requirement calculated as 10% (2015: 10%) of risk weighted assets. In addition to minimum capital requirement. Capital Conversation Buffer (CCB) to be maintained in the form of CET1 at 0.625% per year from 2016 to 2019.

Details are shown in note 15.

3.11 Contingencies

3.11.1 Contingent liabilities

A contingent liability is: A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or A present obligation that arises from past events but is not recognised because:

- * it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- * the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

3.11.2 Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. An example is a claim that an entity is pursuing through legal processes, where the outcome is uncertain.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. A contingent asset is disclosed where an inflow of economic benefits is probable.

3.12 Revenue recognition

3.12.1 Interest on loans and advances

Interest income for all loans and advances are recognised in the profit and loss account using the effective interest method in accordance with BAS 39. The effective method is a way of calculating the amortised cost of financial asset and allocating the interest income over the relevant periods.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments throughout the expected life of the financial asset or where appropriate, a shorter period, to the carrying amount of the financial asset.

When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument but not future credit losses. The calculation includes all amounts paid or received by the Bank that are an integral part of the effective interest rate of a financial asset, including transaction cost and all other premiums or discounts.

Interest on loans and advances is calculated on daily product basis and accrued at the end of each month but charged to customer accounts on quarterly basis.

In accordance with BRPD circular no. 14 dated 23 September 2012, interest accrued on sub-standard (SS) and Doubtful (DF) loans are credited to "Interest suspense account" included in "other liabilities" instead of income account. Interest from loans and advances ceases to be accrued when they are classified as Bad and loss category.

As per the BRPD circular no. 6 dated 19 March 2015, the Bank is required to identify its good borrowers and to pay 10% rebate on the interest earned from them during the year. Interest income for loans and advances are recognized taking into account the amount of rebate allowed to the customers.

3.12.2 Income from investment

Interest income on investments in government and other securities is recognised on accrual basis. Investment income includes interest income, capital gain, and revaluation loss on government securities. Investment income also includes dividend on investment in shares. Dividend income is recognised when the right to receive payment is established. This is the ex-dividend date for the equity securities.

3.12.3 Fees and commission income

The Bank earns fees and commissions from a diverse range of services provided to its customers. Commission on Letter of Guarantee is recognised on accrual basis. Other fees and commission income is recognised on a realisation basis.

3.12.4 Exchange income

Exchange income includes all gains and losses from foreign currency transactions.

3.13 Interest paid on borrowing and other deposits

Interest paid on deposits and other accounts except fixed deposit is accrued on a monthly basis, but credited to customer account on half yearly basis. Interest on fixed deposit is accrued on a daily basis and credited to customer account on maturity of fixed deposit. Interest on borrowing from other banks is accrued on a daily basis and paid through Bangladesh Bank account on maturity.

All other expenses are recognised on accrual basis.

3.14 Post Employment benefit

The retirement benefits accrued for the employees of the Bank as on reporting date have been accounted for in accordance to the provisions of Bangladesh Accounting Standard (BAS-19, Employee Benefits).

3.14.1 Provident fund

Provident fund scheme (defined contribution plan) is given to the eligible staff of the Bank in accordance with the rules of the locally registered provident fund constituted under an irrevocable trust. Payments to the provident fund are charged as expense in the profit and loss as they fall due.

3.14.2 Gratuity fund

The Bank operates a funded gratuity scheme duly approved by the National Board of Revenue. Under this scheme, the Bank's obligation to the members of the scheme is to pay one month's last drawn salary for each year of service on the termination of employment. Members who leave the Bank within the first five years of service are not entitled to any benefits under this scheme. The scheme is considered as a defined benefit plan as it meets the recognition criteria specified for this purpose. The fund is managed in accordance with rules of the locally registered fund constituted under an irrevocable trust.

Actuarial valuation of the gratuity scheme is made periodically to assess the adequacy of the liabilities provided for the scheme BAS 19 Employee Benefits.

In accordance with the requirements of BAS 19: Employee Benefits, the Bank's net obligation in respect of its gratuity fund is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation is performed by a qualified actuary using the Projected Unit Credit method.

Actuarial gains and losses that arise are recognised in equity and presented in the statement of Changes in Equity in the period they arise. Past service costs are recognised immediately to the extent that benefits are vested and are otherwise recognised over the average period until benefits are vested on a straight line basis.

3.15 Short-term employee benefits

Short-term employee benefits are employee benefits which fall due wholly within twelve months after the end of the period in which the employee renders the related service including salaries, bonuses and other allowances.

3.16 Provisions and accrued expenses

In compliance with BAS 37, provisions and accrued expenses are recognised in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.17 Provisions for off balance sheet exposures

In compliance with Bangladesh Bank guidelines off balance sheet items are disclosed under contingent liabilities. As per BRPD Circular No.14 dated 23 September 2012, the Bank is required to maintain provision at 1% against gross off-balance sheet exposures (cash margin or value of eligible collateral will not be deducted while computing off-balance sheet exposure).

Details are shown in note 14.2.

3.18 Provisions on balances with other banks and financial institutions (Nostro accounts)

Provisions made for unsettled debit transactions for more than three months on nostro accounts are reviewed at each balance sheet date by management and certified by external auditors in accordance with Bangladesh Bank Foreign Exchange Policy Department, Circular No. FEOD (FEMO)/01/2005-677 dated 13 September 2005.

Details are shown in note 14.

3.19 Provisions for other assets

BRPD Circular no. 14 dated 25 June 2001 requires a provision of 100% on other assets which are outstanding for one year and above.

3.20 Provision for taxation

3.20.1 Income tax

Provision for taxation has been calculated using tax rates as prescribed in the Income Tax Ordinance (ITO) 1984 and relevant Special Regulatory Orders (SRO) and any adjustment to tax payable in respect of previous years.

3.20.2 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years.

Provision for taxation for the year ended 31 December 2016 has been made on the basis of the provisions of the Income Tax Ordinance 1984 and the Finance Act 2016. Currently the income tax rate applicable for banks is 42.5%.

3.20.3 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to unrealised surplus on revaluation of held to maturity (HTM) securities and land and buildings are recognised directly in revaluation reserve as a part of equity and is subsequently recognised in profit and loss account on maturity of the security and disposal of land and buildings.

Details are shown in note 14.4.2.

3.21 Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount.

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The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro-rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.22 Reconciliation of inter-bank/inter-branch account
Books of account with regard to Inter-bank (In Bangladesh and outside Bangladesh) are reconciled and no material differences were found which may affect the financial statements significantly.

3.23 Core risk management
BRPD circulars no.17 dated 07 October 2003, BRPD circular no. 04 dated 05 March 2007 and DOS circular no. 2 dated 15 February 2012 require banks to put in place an effective risk management system. The risk management system of the Bank covers the following six broad risk areas:
Credit risk
Foreign exchange risk
Asset liability management risk
Money laundering risk
Internal control and compliance risk
Information & Communication risk
Technology Security risk

The prime objective of the risk management is that the Bank undertakes well calculated business risks to safeguard its capital, financial resources and growth of sustainable profitability. In this context, the Bank has formed a risk management committee to overview regular monitoring of those critical risk areas.

3.23.1 Credit risk
Credit risk is one of the major risks faced by the Bank. This can be described as the situation when a borrower or counterparty of the Bank will fail to meet its obligations in accordance with agreed terms and conditions. To assess and to mitigate the credit risk, the Bank has implemented Credit Risk Management (CRM) Manual, which is considered an important tool for retaining the quality and performance of the assets. Accordingly, the Bank's credit risk management functions have been designed to address all these issues including risks that arises from global changes in banking, finance and related issues. The Bank has defined segregation of duties for all credit risk related activities like credit approval, administration, monitoring and recovery functions.

3.23.2 Foreign exchange risk
Foreign exchange risk is defined as situation when change in earnings may happen due to unfavorable change in foreign exchange rates and the relevant currency position of the Bank. Treasury front office conducts deal for commercial purpose and back office of the treasury keep records and passes entries in books of accounts. As per Bangladesh Bank guidelines, the Treasury Department is operationally and physically divided into front office and back office to mitigate any risk. Separate telephone and fax lines were installed in the dealing room to meet Bangladesh Bank guidelines. In addition, the Bank has also implemented strong monitoring and control by setting limits on approval of a deal, net open position, maximum loss per day/month and DVOI, which are monitored on a regular basis.

3.23.3 Asset liability management risk
Changes in market liquidity and/or interest rate exposes Bank's business to the risk of loss. The Bank has an Asset Liability Committee (ALCO) which is responsible for managing short-term and long-term liquidity to ensure that the Bank has adequate liquidity at all times and at the most appropriate funding cost. ALCO reviews liquidity requirements of the Bank, maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan. The Asset Liability Committee also monitors Balance Sheet risk, which is defined as potential changes in earnings due to changes in rate of interest and exchange rates which are not of trading nature.

3.23.4 Prevention of money laundering
Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risk, the Bank has designated Country Compliance Officer and Anti Money Laundering Compliance Officer, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for Prevention of Money Laundering have been established and transaction profiling is in place. Training has been continuously given to all the categories of Executives and Officers for developing awareness and skill for identifying suspicious transactions and other activities relating to money laundering.

3.23.5 Internal control and compliance risk
The internal control environment is the framework under which internal controls are developed, implemented and monitored. It consists of the mechanisms and arrangements that ensure internal and external risks to which the Bank is exposed are identified; appropriate and effective internal controls are developed and implemented to soundly and prudently manage these risks; reliable and comprehensive systems are to be put in place to appropriately monitor the effectiveness of these controls.

Citibank NA being one of the largest global banks has established an appropriate and effective internal control environment to ensure that the Bank is managed and controlled in a sound and prudent manner. The factors which together comprise the control environment are:
a. Management Committee (MANCOM) that is actively concerned with sound corporate governance and that understands and diligently discharges its responsibilities by ensuring that the Bank is appropriately and effectively managed and controlled;
b. Business Unit managements are those actively manage and operate the Bank in a sound and prudent manner;
c. Control mechanism to monitor the effectiveness of the organizational and procedural controls is in place. An Independent Internal audit to engage a risk-based methodology in conducting periodic audits for the various businesses and functions in Bangladesh.

Three Lines of Defense:
Citi relies on three lines of defense for the management of its risks and ensure effective control environment. These lines of defense are outlined in Global Operational Risk Management Policy which is summarized below.
First Line of Defense: The Business owns its risks, including the operational, reputational, legal and financial risks and is responsible for its management. In order to mitigate these risks, the Business is responsible for the design and operation of controls to reduce the likelihood of errors and lapses and to ensure ongoing compliance is embedded in all relevant decisions and operations.
Businesses will define the segmentation structure they will use for implementing their Program (i.e. O&T or Operations, Technology or ICG Operations and ICG Technology, etc.). The business may rely on Functional Specialists (for example O&T) to implement certain responsibilities under the Policy. These specialists operating within and/or across managed businesses are responsible for advising on, contributing to, executing, and/or overseeing key controls in support of efficient and effective management of risks.
Second Line of Defense: Citi's Control Functions establish the second line of defense to enhance the effectiveness of controls across products, business lines and regions. Finance, Global Compliance, Human Resources, Legal, Risk, Finance & Risk Infrastructure, all own policies or processes that affect Citi's control. Oversight is also established in respective functions to ensure controls are in place across all regions/countries.
Third Line of Defense: Internal Audit, in accordance with their charter, provides independent assessment and evaluation of the control environment.
The Bank has also assessed ICC Risk in accordance with guidelines issued by Bangladesh Bank and found those to be in line with the aforesaid framework being used at the Bank.

3.23.6 Information technology risk
The Bank has an in-house IT department for the support and services of IT systems locally, backed by a global IT support team to manage core group-wide IT systems and processes. The Business Continuity Plan (BCP) is formulated to cover various operational risks including IT risk and consists of a recovery plan (i.e. backup and recovery process).

3.23.7 Audit committee
According to BRPD Circular No. 12 (23 December 2002), all banks are advised to constitute an audit committee comprising of member of the board. The audit committee will assist the board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plan set by board for the effective functioning of the Bank. The committee will review the financial reporting process, the system of internal control and management of the financial risk, the audit process and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

The Bank, being a foreign bank, does not have a local board of directors from whom to select an Audit Committee but there is a Business Risk, Compliance and Control Committee (BRCC) where all risk issues are discussed, action points set to mitigate risks identified and documented. However, the Bank obtained formal dispensation from the Banking Regulation and Policy Department of Bangladesh Bank as regards to the formation of the committee as suggested in the BRPD Circular No 12 dated 23 December 2002.

3.24 Changes in accounting policies
The Bank has consistently applied the accounting policies as set out in note 3: significant accounting policies. During the year ended 31 December 2016, the Bank has not adopted any new standards and amendments to existing standards, having any material impact on preparing these financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2018 and optional earlier adoption is permissible. However, the Bank has not early adopted these new or amended standards in preparing these financial statements. Some of these new or amended standards relevant to the Bank are disclosed below:
(a) BFRS 9 Financial Instruments
BFRS 9, published in July 2014, replaces the existing guidance in BAS 39 Financial Instruments: Recognition and Measurement. BFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.
The Bank is assessing the potential impact on its financial statements resulting from the application of BFRS 9.
(b) BFRS 15 Revenue from Contracts with Customers
BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including BAS 18 Revenue, BAS 11 Construction Contracts and BFRIC 13 Customer Loyalty Programmes. BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.
The Bank is assessing the potential impact on its financial statements resulting from the application of BFRS 15.

3.25 Offsetting
Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Bank has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.
Income and expenses are presented on a net basis only when permitted under BFRSs, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

3.26	Comparatives: Figures of previous year have been rearranged whenever considered necessary to conform to current year's presentation. IAS 8: Accounting policies, changes in Accounting Estimates and Errors requires an entity to correct material prior period errors retrospectively by restating the comparative amounts for the prior period presented in which the error occurs. No corrections of errors were made in the current period.		
3.27	Operating segments The Bank has no identified operating segment and as such presentation of segmental reporting is not made in the financial statements as per BFRS 8.		
3.28	Events after the reporting period All material events after the reporting period are considered and where necessary, adjusted for or disclosed in accordance with BAS 10: Events after the reporting period.		
4	Cash (Including foreign currencies)	<div><div>2016</div><div>Taka</div><div>188,966,014</div><div>3,231,263</div><div>192,197,277</div></div>	<div><div>2015</div><div>Taka</div><div>110,932,617</div><div>12,009,382</div><div>122,941,999</div></div>
	In hand:		
	Local currency	188,966,014	110,932,617
	Foreign currencies	3,231,263	12,009,382
		192,197,277	122,941,999
	Balance with Bangladesh Bank:		
	Local currency	4,152,546,880	5,701,728,627
	Foreign currencies	5,003,807,907	4,792,727,054
		9,156,354,787	10,494,455,681
	Balance with Sonali Bank Limited (as agent of Bangladesh Bank):		
	Local currency	-	-
		9,348,552,064	10,617,397,680
	Foreign currency balance with Bangladesh Bank Includes Tk. 4,540,836,059 (2015: Tk. 4,529,873,430) equivalent to USD 57,698,043.95 maintained as capital which has been adjusted for exchange rate differences resulted from revaluation of funds (USD) deposited with Bangladesh Bank as capital at Tk. 78.7 (2015: Tk.78.5).		
4.1	Reconciliation with clearing accounts statement from Bangladesh Bank There were no unidentified transactions appearing in the Bank's balances with Bangladesh Bank as at 31 December 2016. Transactions up to 23 July 2016 were completely adjusted. For the remaining balances, the unadjusted items have been identified and reconciliation process is in place.		
4.2	Cash Reserve Ratio (CRR) and Statutory Liquidity Reserve (SLR) Cash Reserve Ratio (CRR) and Statutory Liquidity Reserve (SLR) have been calculated and maintained in accordance with Section 33 of the Bank Company (amendment) Act, 2013 and of instructions contained in MPD Circular nos. 1 dated 23 June 2014& DOS Circular No. 1 dated Jan 19 2014 issued by Bangladesh Bank. The statutory Cash Reserve Ratio on the Bank's time and demand liabilities at the rate of 6.5% (bi weekly) and 6% (daily) has been calculated and maintained with Bangladesh Bank in current account. Cash reserve ratio maintained by the Bank, is shown below:		
4.2.1	Cash Reserve Ratio (CRR) Daily 6% (2015: 6%) of average demand and time liabilities:		
	Required reserve	1,681,922,560	1,525,724,704
	Actual reserve held	4,142,202,588	5,848,934,169
	Surplus	2,460,280,028	4,323,209,464
	Bi-weekly 6.5% (2015: 6.5%) of average demand and time liabilities:		
	Required reserve	1,822,082,770	1,652,868,430
	Actual reserve held (Annexure- H)	3,004,193,079	5,197,975,876
	Surplus	1,182,110,309	3,545,107,447
4.2.2	Statutory Liquidity Reserve (SLR) As per the MPD circular nos. 5 dated 01 December 2010, Bank's has maintained 19% Statutory Liquidity Reserve (SLR). On a new MPD circular nos. 2 issued on 1 dated 23 June 2014, 13% SLR has been maintained on the Bank's time & demand liabilities in the form of treasury bills, bonds and debentures including foreign currency balance with Bangladesh Bank. Statutory Liquidity Reserve maintained by the Bank, is shown below:		
	13% (2015: 13%) of Average demand and time liabilities:		
	Required reserve	3,644,165,550	3,305,736,859
	Actual reserve held with Bangladesh Bank	11,353,037,193	12,904,805,945
	Surplus	7,708,871,643	9,599,069,085
4.2.3	Actual reserve held for Statutory Liquidity Reserve		
	Cash in hand	192,197,277	122,941,999
	Surplus balance with Bangladesh Bank for SLR	2,320,119,818	4,196,065,739
	Balance with agent bank (Sonali Bank Ltd.) as per statement	-	-
	Government treasury bills	1,682,629,779	1,244,589,489
	Government treasury bonds	6,258,004,568	5,191,456,890
	Bangladesh Bank Bill	899,646,851	2,147,480,028
	Prize bond	438,900	2,271,800
	Reverse Repo	11,353,037,193	12,904,805,945
5	Balance with other banks and financial institutions		
	Inside Bangladesh (Note 5.1)	809,798,507	812,731,948
	Outside Bangladesh (Note 5.2)	8,750,654,253	7,381,599,573
		9,560,452,760	8,194,331,521
5.1	Inside Bangladesh		
	Current account:		
	AB Bank Ltd.	65,074,108	32,288,925
	Agrani Bank Ltd.	5,285,548	5,431,755
	IFIC Bank Ltd.	247,629,012	284,730,745
	Prime Bank Ltd.	194,623,260	286,665,318
	Sonali Bank Ltd.	92,168,133	55,334,511
	Southeast Bank Ltd.	179,437,288	123,194,934
		784,217,349	787,646,188
	Short notice deposit (SND)		
	Sonali Bank Ltd.	25,581,158	25,085,759
		809,798,507	812,731,948
5.2	Outside Bangladesh		
	Interest bearing account:		
	Citibank, Australia (AUD)	596,950	139,877
	Citibank, Canada (CAD)	515,987	118,086
	Citibank, Hong Kong (HKD)	44,706	36,492
	Citibank, Karachi (USD)	16,719,747	16,677,257
	Citibank, London (CHF)	183,136	292,611
	Citibank, London (GBP)	105,870,903	15,259,694
	Citibank, London (EUR)	114,202,830	262,718,891
	Citibank, London (DKK)	34,579	58,677
	Citibank, London (SEK)	59,920	64,809
	Citibank, Mumbai (USD)	130,300,359	165,982,805
	Citibank, New York (USD)	8,368,394,000	6,915,838,375
	Citibank, Norway (NOK)	35,641	33,602
	Citibank, Singapore (SGD)	406,659	344,488
	Citibank, Sri Lanka (USD)	3,917,683	3,910,575
	Citibank, Tokyo (JPY)	9,371,154	123,334
		8,750,654,253	7,381,599,573
	Details are shown in Annexure C.		
5.3	Maturity grouping of balance with other banks and financial institutions		
	Repayable on demand	9,560,452,760	8,194,331,521
	Not more than one months	-	-
	Over one month but not more than three months	-	-
	Over three months but not more than one year	-	-
	Over one year but not more than five years	-	-
	Over five years	-	-
		9,560,452,760	8,194,331,521
6	Money at call and short notice	<div><div>2016</div><div>Taka</div><div>220,000,000</div><div>400,000,000</div><div>620,000,000</div></div>	<div><div>2015</div><div>Taka</div><div>220,000,000</div><div>-</div><div>220,000,000</div></div>
	In bank:		
	AB Bank Ltd	220,000,000	220,000,000
	Eastern Bank Ltd	400,000,000	-
		620,000,000	220,000,000
	In non banking financial institutions (public and private):		
	Investment Corporation of Bangladesh (ICB)	900,000,000	1,170,000,000
		1,520,000,000	1,390,000,000
7	Investments		
	Government securities	8,839,605,995	8,585,798,207
	Reverse Repo with Bangladesh Bank	-	-
	Other	6,000,000	6,000,000
		8,845,605,995	8,591,798,207
7.1	Government securities		
	Treasury bills	1,682,935,760	1,244,589,489
	National investment bond	-	-
	Bangladesh Bank bills	899,783,867	2,147,480,028
	Bangladesh Bank treasury bonds	6,256,447,468	5,191,456,890
	Government notes/bond	-	-
	Prize bonds	438,900	2,271,800
	Others	-	-
		8,839,605,995	8,585,798,207

7.2	Other investments (unquoted)	2016	2015
		Taka	Taka
	Central Depository		
	Bangladesh Ltd. (CDBL)*	6,000,000	6,000,000
	Debentures and bond	-	-
	Other investment	-	-
	Gold, etc.	-	-
		6,000,000	6,000,000
	*The Bank holds 3,000,000 ordinary shares in CDBL of Taka 10 each which is inclusive of 2,400,000 bonus shares.		
7.3	Classification of treasury bills and government treasury bonds		
	Held to maturity (HTM)		
	Treasury bills	-	-
	Treasury bonds	-	-
		-	-
	Held for trading (HFT)		
	Treasury bills	1,682,935,760	1,244,589,489
	Treasury bonds	6,256,447,468	5,191,456,890
	Bangladesh Bank bills	899,783,867	2,147,480,028
		8,839,167,095	8,583,526,407
		8,839,167,095	8,583,526,407
7.4	Category wise grouping of treasury bills and government bonds		
	Held to Maturity Securities (HTM)		
	Treasury bills		
	Held to Maturity Securities (HTM)		
	30 days Bangladesh Bank bills	-	-
	91 day treasury bills	-	-
	182 day treasury bills	-	-
	364 day treasury bills	-	-
	2 years treasury bills	-	-
	5 year treasury bonds	-	-
		-	-
	Held For Trading Securities (HFT)		
	7 days Bangladesh Bank bills	899,783,867	-
	30 days Bangladesh Bank bills	-	2,147,480,028
	91 day treasury bills	-	-
	182 day treasury bills	189,360,267	1,146,653,978
	364 day treasury bills	1,493,575,493	97,935,511
	2 years treasury bills	-	-
	5 year treasury bonds	-	-
		2,582,719,627	3,392,069,517
	Total treasury bills	2,582,719,627	3,392,069,517
	Government Bonds		
	Held to Maturity Securities (HTM)		
	1 year bond	-	-
	3 years bond	-	-
	5 years bond	-	-
	15 years bond	-	-
	20 years bond	-	-
		-	-
	Held For Trading Securities (HFT)		
	1 year bond	-	-
	2 years bond	1,804,732,977	1,518,613,401
	5 years bond	4,334,426,546	3,672,843,488
	10 years bond	117,287,945	-
	15 years bond	-	-
	20 years bond	-	-
		6,256,447,468	5,191,456,890
	Total government bonds	6,256,447,468	5,191,456,890
		8,839,167,095	8,583,526,407
7.5	Cost and market value of investments		
	Treasury bills (including Bangladesh Bank bills):		
	Face value of HFT securities	2,600,000,000	3,400,000,000
	Unamortised amount	(25,815,217)	(12,894,271)
	MTM gain (charged in Equity)	8,534,844	4,963,788
	MTM loss (charged in P&L)	-	-
	Market value	2,582,719,627	3,392,069,517
	Government bond:		
	Face value of HFT securities	5,854,900,000	4,877,100,000
	Unamortised amount	304,165,723	330,517,774
	MTM gain (charged in Equity)	97,381,745	41,961,480
	MTM loss (charged in P&L)	-	(58,122,365)
	Market value	6,256,447,468	5,191,456,890
	Prize bond	438,900	2,271,800
	Reverse Repo with Bangladesh Bank	-	-
	Central Depository Bangladesh Ltd. (CDBL)*	6,000,000	6,000,000
		8,845,605,995	8,591,798,207
	*As per last audited financial statement of CDBL, book value per share is higher than the cost price of the investment.		
7.6	Maturity grouping of investments		
	Repayable on demand	438,900	2,271,800
	Not more than one month	999,715,323	2,497,400,915
	Over one month but not more than three months	89,428,812	1,298,747,694
	Over three months but not more than one year	4,223,681,047	1,049,557,654
	Over one year but not more than five years	3,526,341,913	3,737,820,144
	Over five years	6,000,000	6,000,000
		8,845,605,995	8,591,798,207
7.7	Repo and Reverse-repo (other than Repo under ALS program)		
7.7.1	Repo as at 31 December 2016		
	There were no repo outstanding as at 31 December 2016.		
7.7.2	Transactions of Repo and Reverse-repo during the year 2016		
		Minimum outstanding	Maximum outstanding
		Taka	Taka
			Daily Average outstanding
			Taka
	Securities sold under repo		
	i) With Bangladesh Bank	-	-
	ii) With other banks and Fis	-	-
	Securities purchased under reverse repo		
	i) With Bangladesh Bank	-	-
	ii) With other banks and Fis	-	-
8	Loans and advances	2016	2015
		Taka	Taka
	Loans, cash credits, overdrafts	8,804,163,236	8,271,759,284
	Bills purchased and discounted	150,689,014	7,469,496
		8,954,852,250	8,279,228,779
8.1	Loans and advances		
	Inside Bangladesh		
	Continuous loan	1,101,236,081	774,813,384
	Demand Loan	7,413,663,380	7,091,357,783
	Fixed term loan	14,278,677	8,021,923
	Staff loan	231,800,778	261,492,578
	Short Term Agri-credit and Microcredit	193,873,334	143,543,111
		8,954,852,250	8,279,228,779
	Outside Bangladesh	-	-
		8,954,852,250	8,279,228,779
8.2	Maturity grouping of loans and advances including bills purchased and discounted		
	Repayable on demand	1,033,372,232	707,017,124
	Not more than one month	2,332,798,947	1,498,868,909
	More than one month but not more than three months	2,703,639,333	2,810,610,583
	More than three month but less than one year	2,432,953,269	2,787,252,149
	More than one year but less than five years	231,800,778	255,235,824
	More than five years	220,287,691	220,244,191
		8,954,852,250	8,279,228,779

Citibank, N.A. (Bangladesh Branches)

Financial Statements as at and for the year ended 31 December 2016



8.3 Analysis of significant concentration of loans and advances including bills purchased and discounted	2016 Taka	2015 Taka
Advances to allied concerns of Directors	-	-
Advance to chief executive and other senior executives: Citi Country Officer	35,335,876	36,965,793
Other senior executives and staff of the Bank	196,464,902	224,526,786
	231,800,778	261,492,578
Advances to customers' group (Note 8.4)	5,910,491,714	5,428,360,287
Industry wise (Note 8.5)	8,954,852,250	8,279,228,779
Geographical location wise (Note 8.6)	8,954,852,250	8,279,228,779

8.4 Number of clients with amount of outstanding and classified loans to whom loans and advances sanctioned more than 10% of total capital of the Bank	2016 Taka	2015 Taka
Number of the clients	16	12
Amount of outstanding advances	5,910,491,714	5,428,360,287
Details are mentioned in the Annexure E		

8.5 Particulars of loans and advances - Industry wise	2016 Taka	2015 Taka
Agriculture (Dairy, Poultry, Nursery, Hatchery etc)	193,873,333	143,543,111
Ready-made Garments	1,077,793,053	1,210,665,035
Pharmaceutical Industries	490,530,960	80,173,214
Chemical Industries	342,494,641	753,263,284
Fuel & Electricity	413,324,687	452,766,804
Agro based Industries	1,698,328,088	775,211,012
IT Sector	789,451,986	804,154,277
Telecommunication	1,363,764,924	2,294,058,378
Financial Corporation	1,721,224,226	929,672,542
Others	864,069,352	835,721,123
	8,954,852,250	8,279,228,779

8.6 Particulars of loans and advances - geographical location wise	2016 Taka	2015 Taka
Dhaka Division	99.87% 8,943,042,250	99.92% 8,272,728,779
Chittagong Division	0.13% 11,810,000	0.08% 6,500,000
	100% 8,954,852,250	100% 8,279,228,779

8.7 Classification of loans and advances	2016 Taka	2015 Taka
Unclassified:		
Standard	97.54% 8,734,564,559	97.34% 8,058,984,588
Special mention account	0.00% -	0.00% -
	97.54% 8,734,564,559	97.34% 8,058,984,588
Classified:		
Substandard	0.00% -	0.00% -
Doubtful	0.00% -	0.00% -
Bad/loss	2.46% 220,287,691	2.66% 220,244,191
	2.46% 220,287,691	2.66% 220,244,191
	100.00% 8,954,852,250	100.00% 8,279,228,779

8.8 Particulars of loans and advances	2016 Taka	2015 Taka
i) Loans considered good in respect of which the banking company is fully secured (unclassified loans and advances):	8,734,564,559	8,058,984,588
ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee:	-	-
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor:	-	-
iv) Loans adversely classified; provision not maintained there against:	-	-
v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons:	231,800,778	261,492,578
vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members:	-	-
vii) Maximum total amount of advance including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person:	231,800,778	261,492,578
viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in case of private companies as members:	-	-
ix) Due from banking companies	-	-
x) Classified loans for which interest has not been charged:		
a) Increase/(Decrease) of provision (specific)	43,500	1,699,324
Amount of loans written off	-	-
Amount realised against the loan previously written off	-	-
b) Provision against the loan classified as bad/loss at the date of balance sheet	162,061,174	162,017,674
(c) Amount of interest charged in suspense account	58,226,517	58,226,517
xi) Loans written off:		
Current year	-	-
Cumulative to-date	-	-
The amount of written off loans for which lawsuit filed	-	-

8.9 Particulars of required provision for loans and advances	2016 Taka	2015 Taka
Outstanding as at 31 Dec		
For loans and advances	8,439,799,282	8,439,799,282
Unclassified-general provision	84,397,993	78,128,859
All unclassified loans (other than small enterprises, housing finance, loan to MBs loans for professional, consumer financing and special mention account)	100,891,944	100,891,944
Small and medium enterprise financing	-	-
Loan to BHs/MBs/SDs against shares	-	-
Housing and loan for professional	-	-
Consumer finance	-	-
Agriculture finance	193,873,333	193,873,333
Special Mention Account (SMA)	-	-
Required general provision	89,497,056	81,973,826
Classified - specific provision	-	-
Sub-standard and doubtful agricultural loans	-	-
Sub-standard	-	-
Doubtful	-	-
Bad/loss	220,287,691	220,244,191
Required specific provision	162,017,674	162,017,674
Required provision for loans and advances	251,514,730	243,991,500
Total provision maintained	294,324,624	280,407,016
Excess provision as at 31 December	42,766,394	36,415,516

8.10 Bills purchased and discounted	2016 Taka	2015 Taka
Bills purchased and discounted excluding treasury bills:		
Inside Bangladesh	150,689,014	7,469,496
Outside Bangladesh	-	-
	150,689,014	7,469,496

8.11 Maturity wise bills purchased and discounted	2016 Taka	2015 Taka
Payable within one month	15,966,867	-
Payable over one month but within three months	58,695,352	7,469,496
Payable over three months but within six months	76,026,795	-
Payable over six months	150,689,014	7,469,496

9 Fixed assets including premises, furniture and fixtures	2016 Taka	2015 Taka
Premises used by the bank	-	-
Vehicles	30,365,526	30,365,526
Furniture and fixtures	286,059,850	141,443,414
Office equipment	277,041,389	415,641,496
	593,466,765	587,450,436
Less: Accumulated depreciation	-	-
Vehicles	30,365,521	30,365,521
Furniture and fixtures	149,426,815	52,670,202
Office equipment	195,539,067	244,025,255
	375,331,403	327,060,978
For details refer to Annexure F.	218,135,362	260,389,459

10 Other asset	2016 Taka	2015 Taka
a) Income generating other assets	-	-
b) Non-income generating other assets:		
i) Investments in shares of subsidiary companies	-	-
ii) Stationery, stamps, printing materials in stock	690,756	1,817,368
iii) Advance rent and advertisement	289,283,925	360,190,192
iv) Interest accrued on investment but not collected,	178,972,615	130,609,518
v) Commission and brokerage receivable on shares and debentures	-	-
vi) Other income receivables	-	6,000,000
vii) Security deposits	2,831,797	2,831,797
viii) Preliminary, formation and organisational expenses, renovation, development and prepaid expenses	-	-
ix) Branch adjustment (Note 10.1)	-	-
x) Suspense	489,361	284,356
xi) Silver	-	-
xii) Other Prepaid Expenses	15,011,857	2,545,853
xiii) Others (Note 10.2)	810,092,067	791,457,395
	1,297,372,378	1,295,736,479

10.1 Branch adjustment	2016 Taka	2015 Taka
General accounts debit	-	-
General accounts credit	-	-

Branch adjustments account represents outstanding interbranch and head office transactions (net) originated but yet to be responded at balance sheet date. The unresponded entries as at 31 December 2016 are given below:	2016 Taka	2015 Taka
Debit		
Credit		

Up to three months	2016 Taka	2015 Taka
Over three months but within six months	-	-
Over six months but within one year	-	-
Over one year but within five years	-	-

10.2 Others	2016 Taka	2015 Taka
Foreign exchange revaluation	9,651,235	44,197,416
Deferred tax assets (Note 14.4.2)	183,497,428	140,091,830
Clearing and collection items	588,575,936	536,636,973
Overdrawn on deposit account	22,494	89,475
Export bill negotiation	22,943,682	70,441,701
Accounts Receivable	-	-
Accounts Receivable with OBU	5,401,292	-
Asset retirement obligation	-	-
Net surplus assets of defined benefit scheme (Note 14.5.6)	-	-
	810,092,067	791,457,395

10.3 Maturity grouping of other assets	2016 Taka	2015 Taka
On demand	598,227,171	580,834,417
Not more than one month	54,923,661	87,862,675
Over one month but not more than three months	11,462,401	18,439,844
Over three months but not more than one year	125,183,127	72,395,907
Over one year but not more than five years	452,676,262	140,091,830
Over five years	54,899,756	396,111,605
	1,297,372,378	1,295,736,479

10.4 Particulars of required provision for other asset:	2016 Taka	2015 Taka
Particulars		
Base for Provision		
Taka		
Rate (%)		
Provision		
Taka		
Nil	-	-

11 Non banking assets	2016 Taka	2015 Taka
a) Income generating assets	-	-
b) Non-income generating assets	-	-

12 Borrowings from other banks, financial institutions and agents	2016 Taka	2015 Taka
Inside Bangladesh (Note 12.1)	452,122,084	728,764,894
Outside Bangladesh (Note-12.2)	452,122,084	728,764,894

12.1 Inside Bangladesh Secured	2016 Taka	2015 Taka
Repayable on demand	-	-
Others - call borrowings	-	-
Collateralised repo with Bangladesh Bank (under ALS programme)	-	-
Others borrowings	-	-
EDF (Export Development Fund) from Bangladesh Bank	452,122,084	728,764,894
Unsecured	452,122,084	728,764,894

12.2 Outside Bangladesh Secured	2016 Taka	2015 Taka
Others borrowings	-	-
Citibank, Singapore	-	-
Unsecured	-	-

12.3 Maturity wise grouping of borrowings from other banks, financial institutions and agents	2016 Taka	2015 Taka
On demand	-	-
Within one month	18,330,152	57,410,811
Over one month but within three months	219,820,173	331,502,954
Over three months but within one year	213,971,759	339,851,129
Over one year but within five years	-	-
Over five years	452,122,084	728,764,894

13 Deposits and other accounts	2016 Taka	2015 Taka
Current account and other accounts, etc.		
Current account	14,329,938,576	12,404,288,837
Short notice deposits	9,609,419,645	7,389,742,846
Sundry deposits (Note 13.5)	1,611,206,927	1,436,144,094
	25,550,565,148	21,230,175,777
Bills payable (Note 13.4)	1,870,116,007	1,923,538,320
Savings deposits	289,677,290	244,397,100
Fixed deposits		
Repayable On demand	-	-
Repayable within one month	55,062,000	1,148,862,000
Over one month but within six months	169,598,346	1,016,500,000
Over six months but within one year	31,000,000	878,587,682
Over one year but within five years	-	12,000,000
Over five years but within ten years	-	-
	255,660,346	3,055,949,682
	27,966,018,791	26,454,060,880

13.1 Classification of deposits from banks and others	2016 Taka	2015 Taka
Inter-bank deposits (Note 13.1.1)	576,430,802	314,828,934
Other deposits	27,389,587,989	26,139,231,946
	27,966,018,791	26,454,060,880

13.1.1 Inter bank deposits inside Bangladesh AB Bank Limited* The Trust Bank Limited	2016 Taka	2015 Taka
	-	5,710,615
	-	5,710,615

13.2 Unclaimed deposits for 10 years or more	2016 Taka	2015 Taka
Payment order	1,008,983	2,820,509
	1,008,983	2,820,509

13.3 Maturity wise grouping of deposits and other accounts (based on remaining maturity)	2016 Taka	2015 Taka
Deposit from inter banks		
Deposits from others		
Total		
Taka		
Repayable on demand	576,430,802	1,451,508,618
Repayable within one month	-	669,391,990
Repayable over one month but within six months	-	1,159,062,079
Repayable over six months but within one year	-	3,633,765,415
Repayable over one year but within five years	-	20,475,859,886
Repayable over five years but within ten years	-	-
	576,430,802	27,389,587,989
	27,966,018,791	26,454,060,880

13.4 Bills payable inside Bangladesh Outside Bangladesh	2016 Taka	2015 Taka
	1,870,116,007	1,923,538,320
	1,870,116,007	1,923,538,320

13.5 Sundry deposits	2016 Taka	2015 Taka
Deposit of Retention Quota for Exporters (ERQ)	334,638,446	528,602,128
Margin Deposits	474,050,122	474,050,122
Vostro Accounts	576,430,802	309,118,319
Special Foreign Currency Accounts	22,441,844	91,864,484
Others	203,678,993	32,569,041
	1,611,206,927	1,436,144,094

14 Other liabilities	2016 Taka	2015 Taka
Provision for loans and advances (Note 14.1)	294,324,624	280,407,016
Provision for off balance sheet exposures (Note 14.2)	215,437,191	203,060,114
Provision for balances with other banks (Nostro accounts)	58,226,517	40,035
Interest suspense account (Note 14.3)	470,039,385	468,538,505
Liability for tax, VAT and excise duty deducted at source	23,433,313	21,613,692
Foreign exchange revaluation loss	1,944,573	24,028,035
Interest payable	1,391,253	7,710,982
Accounts payable	730,016,851	531,759,942
Provision for expenses	109,236,478	77,516,652
Unearned income	12,803,803	11,928,031
Bonus payable	41,751,809	66,430,573
Asset retirement obligation	8,141,245	-
Rent equalization reserve	85,543,608	73,311,337
Net deficit of defined benefit scheme (Note 14.5.6)	84,499,650	42,670,333
	2,136,040,300	1,866,439,764

14.1 Provision for loans and advances	2016 Taka	2015 Taka
Movement in General Provision for unclassified loans and advances		
Balance as at 1 January	118,389,343	159,991,678
Add: Provision made during the year:		
On general loans and advances	13,874,107	-
On Special Mention Account	13,874,107	-
	132,263,450	159,991,678
Less: Provision no longer required	-	41,602,335
Balance as at 31 December	132,263,450	118,389,343

14.2 Provision for off balance sheet exposures	2016 Taka	2015 Taka
Balance as at 1 January	203,060,114	193,720,159
Add: Provision made during the year	12,377,077	9,339,955
	215,437,191	203,060,114
Less: Provision no longer required	-	-
Balance as at 31 December	215,437,191	203,060,114

14.3 Interest suspense account	2016 Taka	2015 Taka
Balance as at 1 January	58,226,517	58,896,958
Add: Amount transferred to "Interest suspense" account during the year	-	-
	58,226,517	58,896,958
Less: Amount of interest suspense recovered	-	670,441
Amount written off during the year	-	-
Interest waiver during the year	-	-
	-	670,441
Balance as at 31 December	58,226,517	58,226,517

14.4 Provision for taxation	2016 Taka	2015 Taka
Current tax (Note 14.4.1)	460,279,926	448,595,266
Deferred tax liability (Note 14.4.2)	9,759,459	19,943,239
	470,039,385	468,538,505

14.4.1 Provision for current tax	2016 Taka	2015 Taka
Provision		
Balance as at 1 January	448,595,266	564,768,657
Provision made during the year	440,600,509	699,358,777
	889,195,775	1,264,127,434
Adjustments made during the year	(428,915,849)	(815,532,168)
Balance as at 31 December	460,279,926	448,595,266

14.4.

Financial Statements as at and for the year ended 31 December 2016



	2016	2015
	Taka	Taka
Fair value of plan assets		
Balance with Bank	100,966,944	-
Treasury bills/bonds	124,808,869	188,282,726
	225,775,813	188,282,726
Defined benefit obligation		
Present value of funded obligations	310,275,463	230,953,059
Present value of unfunded obligations	-	-
Net (liabilities)/assets	(84,499,650)	(42,670,333)
14.5.4 Changes in the present value of defined benefit obligations		
As at 1 January	230,953,059	160,253,000
Current service cost	33,532,893	26,601,860
Interest cost	18,731,155	18,284,252
Past service cost	-	1,030,988
Actuarial (gains)/losses	46,787,751	45,771,986
Experience (gains)/losses	17,399,272	2,396,789
Benefits paid	(37,228,627)	(23,445,834)
As at 31 December	310,275,463	230,953,059
14.5.5 Changes in the fair value of plan assets		
As at 1 January	188,282,726	135,801,617
Expected returns on plan assets	17,208,334	17,564,623
Contributions by the Bank	49,462,581	66,487,393
Return on plan assets greater/less than discount rate	8,852,879	(8,325,273)
Benefits paid	(37,228,627)	(23,445,834)
As at 31 December	225,775,813	188,282,726
14.5.6 Summary		
Defined benefit obligations	(310,275,463)	(230,953,059)
Fair value of plan assets	225,775,813	188,282,726
Net assets/(liabilities)	(84,499,650)	(42,670,333)
Actuarial (gains)/losses due to experience and assumptions	38,734,932	54,297,257
Experience losses	17,399,272	2,396,789
Actuarial (gains)/losses	56,134,204	56,694,046
14.6 Maturity was grouping of other liabilities		
On demand	-	-
Within one month	86,549,853	853,190,766
Over one month but within three months	1,888,902,024	200,000,000
Over three months but within one year	36,403,328	497,586,630
Over one year but within five years	824,185,095	315,662,368
Over five years	-	-
	2,336,040,300	1,856,439,764
15 Equity		
The Bank's approach to capital management is driven by a desire to maintain a strong capital base to support the development of its business, to meet the regulatory capital requirements at all times and maintain good credit rating.		
15.1 Compliance with capital adequacy regulations		
Capital requirements for the banks at a local level are set and maintained by Bangladesh Bank. The capital that the Bank is required to hold is determined by its balance sheet and off balance sheet positions in accordance with guidelines and various circulars on risk based capital adequacy, subject to a minimum threshold. These are explained in greater details in note 15.1.1 below. The Bank has put in place processes and controls to monitor and manage capital adequacy, no breaches were reported during the year.		
As per section 33(4) of the Bank Company (amendment) Act, 2013, BRPD circular no. 11 dated 14 August 2008 and BRPD circular no. 18 dated 21 December 2014, the required value of the capital and reserves of the Bank at the close of the business on 31 December 2016 is Tk. 4,000,000,000 or 10% of risk weighted assets whichever is higher. Accordingly the required value of the capital and reserves of the Bank at the close of the business on 31 December 2016 was Tk. 4,000,000,000 (2015: Tk. 4,000,000,000). The Bank's capital was greater than the amount required above.		
15.1.1 The calculation of the Capital to Risk Weighted Assets Ratio (CRAR) has been done as per BRPD circular no. 18 dated 21 December 2014 and guidelines on Risk Based Capital Adequacy (Basel-II) as of December 2014 of Bangladesh Bank. The details of the capital as at 31 December are as follows:		
	2016	2015
	Taka	Taka
(A) Total risk weighted assets (RWA)	21,978,208,612	24,697,568,166
10% of risk weighted assets	2,197,820,861	2,469,756,815
(B) Required capital (Higher of RWA and 4,000,000,000)	4,000,000,000	4,000,000,000
Total capital held:		
Common Equity Tier 1 (CET1) Capital		
Fund deposited with Bangladesh Bank (Note 15.2)	4,540,836,059	4,529,873,431
Retained earnings	4,749,472,584	5,079,455,174
Actuarial gain/(loss)	(112,722,984)	(56,694,046)
Deferred tax assets on specific provision	(65,434,635)	-
	9,112,153,460	9,487,219,923
Tier 2 Capital		
General Provision (1.25 percentage points of credit risk-weighted assets calculated under the standardised approach for 2015)	347,709,641	240,139,866
Gain on revaluation of HFT securities - 50%	12,354,072	12,354,072
Deductions (for 2015, 20% of the gain on revaluation of HFT securities)	(4,941,629)	(2,470,814)
	355,133,084	250,023,124
(C) Total capital	9,467,266,544	9,737,243,047
Surplus capital (C-B)	5,467,266,544	5,737,243,047
Capital adequacy ratio:		
Capital to Risk Weighted Assets Ratio (CRAR)	43.08%	40.41%
Common Equity Tier-1 to RWA	41.46%	39.37%
15.2 Fund deposited with Bangladesh Bank as capital		
The make-up of paid up capital is as follows:	2016	2015
	Taka	Taka
Capital maintained in FCY (USD \$7,698,043.95)	4,540,836,059	4,529,873,431
	4,540,836,059	4,529,873,431
16 Other reserve		
Revaluation reserve on HTM securities		
Balance as at 1 January	-	-
Addition to revaluation reserve	-	-
Adjustment from revaluation reserve	-	-
Deferred tax liabilities	-	-
Balance as at 31 December	-	-
Revaluation reserve on HFT securities		
Balance as at 1 January	26,982,029	24,708,144
Addition to revaluation reserve	12,203,975	26,982,029
Adjustment from revaluation reserve	40,184,004	21,660,173
Balance as at 31 December	12,203,975	26,982,029
Actuarial gain/(loss)	(112,722,984)	(56,694,046)
Balance as at 31 December	(99,519,009)	(29,712,017)
17 Profit and loss account		
Balance as at 1 January	5,079,455,174	5,287,353,571
Currency translation difference	5,079,455,174	5,287,353,571
Withdrawal of lien of Capital	444,278,170	774,260,760
Retained surplus for the year	(774,260,760)	(981,919,305)
Profit/(loss)	4,749,472,584	5,079,455,174
Balance as at 31 December	4,749,472,584	5,079,455,174
18 Contingent liabilities		
18.1 Acceptances and endorsements		
Acceptance under letters of credit - Import	3,090,423,611	3,147,907,022
Acceptance under letters of credit - Export	-	-
Balance as at 31 December	3,090,423,611	3,147,907,022
18.2 Letters of guarantee		
Letters of guarantee (Local)	254,162,937	190,626,216
Letters of guarantee (Foreign)	2,302,591,334	766,043,842
Balance for which the Bank is contingently liable in respect of guarantee issued favouring:		
Government	2,064,880,517	659,954,031
Banks and other financial institutions	887,000	2,417,332
Others	236,823,817	103,672,479
Balance as at 31 December	2,302,591,334	766,043,842
18.3 Irrevocable letters of credit		
Back to back L/C	493,720,017	494,341,921
Others	8,649,898,954	8,580,679,305
Balance as at 31 December	9,143,618,971	9,075,021,226
18.4 Bills for collection		
Bills for collection (Local)	-	-
Bills for collection (Foreign)	-	-
18.5 Other commitments		
Documentary credits and short term trade related transactions	113,808,231	156,503,599
Forward assets purchased and forward deposits placed	5,070,545,836	5,545,062,187
Undrawn formal standby facilities, credit lines and commitments to lend	1,066,600,000	500,000,000
Spot exchange rate contracts	-	-
Forward exchange rate contracts	-	-
Other exchange rate contracts	6,250,954,067	6,203,565,785
18.6 Others		
Value of travelers' cheques on hand	-	-
Value of Bangladesh Sanchayaptra on hand	235,925,000	267,825,000
Value of Bangladesh Bank USD bond on hand	208,594,350	224,745,300
Value of unprocessed cheques	-	24,206,397
	444,519,350	516,776,897
19 Income statement		
Income:		
Interest, discount and similar income	718,066,572	1,096,071,381
Dividend income	7,500,000	7,500,000
Fee, commission and brokerage	729,871,806	795,856,365
Gain less losses arising from dealing securities	464,957,144	720,958,654
Gain less losses arising from investment securities	-	-
Gain less losses arising from dealing in foreign currencies	-	-
Income from non-banking assets	360,109	28,085,907
Other operating income	-	-
Profit less losses on interest rate changes	1,920,757,631	2,648,472,307
Expenses:		
Interest, fees and commission	52,637,686	197,904,503
Losses on loans and advances	-	-
Administrative expenses	714,326,732	693,346,715
Provision and other liabilities	182,204,439	203,681,763
Depreciation on banking assets	62,817,154	61,557,890
	1,019,986,011	1,156,200,871
Income over expenditure	908,771,620	1,492,271,436

	2016	2015	
	Taka	Taka	
20 Interest income			
Interest on loans and advances	598,642,300	802,043,333	
Interest on placement with other banks and financial institutions	60,751,250	126,538,757	
Interest on Reverse Repo	-	131,096,082	
Interest on balances with other banks and financial institutions	4,651,755	1,228,657	
Interest on foreign currency balances	54,023,267	35,164,593	
	718,068,572	1,096,071,381	
21 Interest paid on deposits and borrowings			
Interest on deposits	37,173,308	189,859,104	
Interest on borrowings	15,464,378	8,045,400	
Interest on Repurchase agreement (repo)	-	-	
Interest on foreign bank accounts	-	-	
	52,637,686	197,904,503	
22 Income from investments			
Interest income from government securities (Note 22.1)	562,209,567	762,727,372	
Capital Gain/(loss) on government securities (Note 22.2)	81,245,846	12,765,643	
Revaluation gain/(loss) on government securities (Note 22.3)	(178,498,269)	(54,534,361)	
Dividend on investment in shares	7,500,000	7,500,000	
Gain on sale of investment in shares	472,457,344	728,458,655	
22.1 Interest income from government securities			
Interest income on Treasury bills & Bangladesh Bank Bills	180,928,875	78,351,277	
Interest income on Treasury bonds	381,280,692	684,376,095	
	562,209,567	762,727,372	
22.2 Capital Gain/(loss) on government securities			
Capital gain on Treasury bill	-	155,394	
Capital gain on Treasury bonds	84,356,246	19,558,500	
	84,356,246	19,713,894	
Capital loss on Treasury bill	-	(160,378)	
Capital loss on Treasury bonds	(3,110,400)	(6,787,873)	
	(3,110,400)	(6,948,251)	
	81,245,846	12,765,643	
22.3 Revaluation gain/(loss) on government securities			
Revaluation gain on Treasury bill	-	-	
Revaluation gain on Treasury bonds	-	-	
	-	-	
Revaluation loss on Treasury bill	-	-	
Revaluation loss on Treasury bonds	(178,498,269)	(54,534,361)	
	(178,498,269)	(54,534,361)	
	(178,498,269)	(54,534,361)	
23 Commission, exchange and brokerage			
Commission income:			
L/C commission	161,575,790	174,151,342	
Collection	20,687,767	26,455,314	
Transfer	9,260,297	12,435,482	
Service charge	4,613,208	11,171,737	
Guarantee	5,578,433	5,464,117	
Syndication	-	-	
Arrangement fee	-	-	
Agency Fees	4,662,000	4,638,000	
Others	34,596,008	22,913,216	
	240,973,503	257,229,009	
Exchange Income:			
Net profit from foreign currency dealings	488,898,303	538,627,355	
	729,871,806	795,856,365	
24 Other operating income			
Gain/(loss) on sale of fixed assets	360,109	28,085,907	
Miscellaneous income/(expense)*	-	28,085,907	
	360,109	28,085,907	
*This Includes Fire Insurance claim received amounting to USD 356,060 from Citi NY			
25 Salaries and allowances			
Salaries and allowances	392,987,673	366,699,478	
Provision fund contribution	24,853,712	24,744,250	
Gratuity	35,157,694	12,668,865	
Bonus	-	-	
Current year expense	55,539,135	64,663,833	
Adjustment related to prior year expense	(11,332,456)	(562,955)	
	44,206,679	64,100,878	
Total salaries, bonus and allowances	497,205,758	468,213,470	
Less: Citi Country Officer's (CCO) salary and allowances	47,460,549	44,561,479	
Total salaries, bonus and allowances excluding CCO's salaries and allowances	449,745,209	423,651,991	
26 Depreciation and repairs of bank's assets			
Depreciation on fixed assets (Annexure F)*	62,817,154	61,267,889	
Repairs and maintenance	17,472,258	19,053,456	
	80,289,412	80,321,345	
27 Other expenses			
Charitable expenses	400,000	-	
Clearance fees	22,852,008	49,201,294	
Collection expense	-	-	
Contribution non-charitable	63,250	-	
Employee activities	-	1,958,943	
Entertainment expenses	135,843	2,017,541	
Fuel and maintenance of vehicles	5,135,190	11,504,464	
Membership entrance fee	715,635	723,132	
Outsourced/contract staff costs	66,739,043	68,180,854	
Professional fees	1,402,305	4,778,209	
Seminar	6,496,733	14,550,921	
Service charge - other bank	27,551,922	3,395,335	
Sponsorship, meeting and events	7,467,058	12,277,254	
Training	4,663,161	8,235,120	
Traveling expenses	117,982	17,343	
IT expenses	13,619,350	-	
Sundry expenses	7,372,701	7,787,897	
	164,732,181	184,628,308	
28 Tax expense			
Current tax expenses:			
Current year	481,644,399	699,358,777	
Adjustments for prior years	-	-	
Deferred tax (income)/expenses	481,644,399	699,358,777	
	(43,405,598)	49,174,920	
	438,238,801	748,533,697	
29 Reconciliation of effective tax rate			
	2016	2015	
	%	%	
Profit before tax as per profit and loss account	882,516,971	1,522,794,457	
Income tax using the tax rate at 42.5%	42.5%	375,069,713	
Factors affecting the tax charge for current period			
Non-deductible expenses	17.44%	153,939,906	
Deductible expenses	-4.23%	(37,306,150)	
Tax exempted income	-3.91%	(34,529,484)	
Dividend income	-0.19%	(1,687,500)	
Movement of temporary difference	-4.92%	(43,405,598)	
Adjustment for prior years	2.96%	26,157,914	
Total income tax expenses	49.66%	438,238,801	
30 Cash and cash equivalent			
Cash in hand (including foreign currencies)	192,197,277	122,941,999	
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	9,156,354,787	10,494,455,681	
Balance with other banks and financial institutions	9,560,452,760	8,194,331,521	
Money at call and short notice	1,520,000,000	1,390,000,000	
91 days treasury bills	-	-	
Reverse Repo	-	-	
30 days BB bill	899,783,867	2,147,480,028	
Prize bond	438,900	2,271,800	
	21,329,227,591	22,351,481,029	
Citibank, N.A.			
Bangladesh Branches			
Financial Highlights as at 31 December 2016			
Annexure - A			
Sl. no.	Particulars	2016	2015
1	Capital - fund deposited with Bangladesh Bank	Taka 4,542,826,059	4,529,873,421
2	Total capital	Taka 9,467,266,544	9,737,243,047
3	Capital surplus/deficit	Taka 5,467,266,544	5,467,266,544
4	Capital adequacy ratio (required ratio is 10%)	% 43.09%	40.46%
5	Total assets	Taka 39,744,971,829	38,628,882,125
6	Total deposits	Taka 27,068,016,791	26,454,000,880
7	Total loans and advances	Taka 8,954,852,250	8,279,228,779
8	Total contingent liabilities and commitments	Taka 20,738,387,306	19,709,394,972
9	Advances/deposit ratio	% 32.02%	31.30%
10	Classified advances as (% of total advances	% 2.66%	2.66%
11	Net profit after tax and provisions	Taka 444,275,770	774,680,760
12	Amount of classified loans during current year	Taka 220,287,691	120,244,091
13	Amount of provisions against classified loans	Taka 162,045,174	160,017,674
14	Provisions surplus / (shortage)	Taka 42,706,394	36,455,516
15	Interest suspense account	Taka 58,226,517	58,226,517
16	Interest bearing assets	Taka 32,166,697,637	28,279,601,785
17	Non-Interest bearing assets	Taka 7,578,273,171	10,349,280,340
18	Return on Investment (ROI)	% 4.73%	0.88%
19	Return on assets (ROA)	% 1.19%	1.56%
20	Income from Investment	Taka 472,457,144	728,458,655
21	Cost of fund*	% 0.03	0.42
*Weighted Average Interest on Deposit as reported to BBR as at 31 December.			

Citibank, N.A. (Bangladesh Branches)

Financial Statements as at and for the year ended 31 December 2016



Citibank, N.A.
Bangladesh Branches
Balance with other banks and financial institutions (Outside Bangladesh)
as at 31 December 2016

Annexure - C

Name of the bank	Account type	Foreign currency	2016			2015		
			FC amount	Exchange rate	Equivalent taka	FC amount	Exchange rate	Equivalent taka
Citibank, Australia	Current a/c	AUD	10,913	96.7821	596,950	2,437	97.3992	199,877
Citibank, Canada	Current a/c	CAD	8,864	58.201	515,967	2,089	56.5765	118,066
Citibank, Hong Kong	Current a/c	HKD	4,406	10.1474	44,706	3,603	10.5278	36,492
Citibank, Karachi	Current a/c	USD	212,449	78.7000	16,719,747	212,449	78.5000	16,677,257
Citibank, London	Current a/c	CHF	2,383	76.8992	183,136	3,793	79.0265	292,61
Citibank, London	Current a/c	GBP	1,097,712	96.4469	105,870,903	19,077	16.3292	15,299,694
Citibank, London	Current a/c	EUR	1,387,897	82.2848	114,202,830	3,072,798	85.4983	262,718,891
Citibank, London	Current a/c	DKK	3,124	11.0679	34,579	5,121	11.4573	58,677
Citibank, London	Current a/c	SEK	6,961	8.6094	59,920	6,961	9.3109	64,809
Citibank, Mumbai	Current a/c	USD	1,693,659	78.7000	130,300,359	2,114,421	78.5000	165,982,605
Citibank, New York	Current a/c	USD	106,332,834	78.7000	8,368,394,000	88,099,832	78.5000	6,918,838,375
Citibank, Norway	Current a/c	NOK	2,940	9.0461	35,641	3,772	8.9079	33,602
Citibank, Singapore	Current a/c	SGD	7,487	54.3111	406,659	6,202	55.5418	344,488
Citibank, Sri Lanka	Current a/c	USD	49,780	78.7000	3,917,682	49,816	78.5000	3,910,575
Citibank, Tokyo	Current a/c	JPY	12,882,286	0.6750	9,311,554	189,125	0.6521	123,324
					8,795,654,353			7,381,599,973

Citibank, N.A.
Bangladesh Branches
Schedule of Treasury Bill/Treasury Bonds
as at 31 December 2016

Annexure - D

Figures in Taka

Script No	Type	Face value	Booking date	Maturity date	Book value	Market value	Gain/(Loss)	Amortized Cost (Bills)/ Purchase Price (Bonds)
SD093644171	Treasury Bill	250,000,000	11-Apr-16	10-Apr-17	246,668,750	247,960,772	1,292,022	246,668,750
SD093644171	Treasury Bill	200,000,000	11-Apr-16	10-Apr-17	197,420,220	198,368,617	948,397	197,420,220
SD093644177	Treasury Bill	500,000,000	25-Apr-16	24-Apr-17	492,420,036	495,303,990	2,883,954	492,420,036
SD093644178	Treasury Bill	500,000,000	24-May-16	23-May-17	493,835,071	493,889,339	5,504,268	490,825,071
SD09362011	Treasury Bill	100,000,000	11-Jul-16	9-Jun-17	99,875,024	99,931,456	56,432	99,875,024
SD09362012	Treasury Bill	90,000,000	19-Sep-16	20-Mar-17	89,273,330	89,428,82	155,282	89,273,330
SD093642171	Treasury Bill	60,000,000	12-Dec-16	11-Dec-17	57,923,631	57,952,774	29,143	57,923,631
SD040070479	Bangladesh Bank Bill	490,000,000	26-Dec-16	2-Jan-17	449,926,586	449,931,836	5,250	449,926,586
SD040070273	Bangladesh Bank Bill	300,000,000	28-Dec-16	4-Jan-17	299,902,314	299,908,970	6,656	299,902,314
SD040070371	Bangladesh Bank Bill	150,000,000	29-Dec-16	5-Jan-17	149,938,821	149,943,061	4,240	149,938,821
		2,600,000,000			2,574,184,783	2,582,779,627	8,594,844	2,574,184,783

SD093621058	Treasury Bond	14,000,000	10-Jul-13	10-Jul-18	13,996,783	13,918,952	1,021,969	13,994,463
SD093621054	Treasury Bond	15,300,000	14-Aug-13	14-Aug-18	15,288,650	17,055,987	1,767,337	15,283,032
SD093621058	Treasury Bond	18,800,000	1-Sep-13	1-Sep-18	19,777,235	22,162,702	2,385,466	19,763,420
SD093641053	Treasury Bond	10,000,000	15-Oct-14	15-Oct-19	10,004,469	12,003,789	1,999,320	10,011,70
SD093621059	Treasury Bond	9,700,000	12-Nov-14	12-Nov-19	9,690,689	10,902,560	1,211,871	9,688,680
SD093621057	Treasury Bond	200,000,000	7-Dec-15	3-Apr-18	214,778,223	218,197,131	4,020,908	229,647,08
SD093621050	Treasury Bond	290,600,000	24-Feb-16	4-Jul-17	309,428,052	304,791,781	1,383,730	323,687,077
SD093641028	Treasury Bond	200,000,000	4-May-16	4-May-18	200,046,016	203,405,207	3,378,191	200,049,998
SD093621027	Treasury Bond	300,000,000	9-May-16	8-Jul-17	306,081,982	310,334,964	4,022,982	326,387,430
SD093621027	Treasury Bond	170,000,000	1-May-16	8-Jul-17	172,067,820	173,435,688	1,367,868	179,024,033
SD093621056	Treasury Bond	35,000,000	1-May-16	8-Aug-17	36,359,329	36,679,471	320,148	36,668,577
SD093621053	Treasury Bond	400,000,000	15-May-16	12-Feb-19	436,688,787	451,662,132	15,073,375	456,006,776
SD093621023	Treasury Bond	150,000,000	16-May-16	9-Aug-17	155,383,211	160,679,275	5,296,064	171,831,78
SD093621052	Treasury Bond	30,000,000	25-May-16	9-Sep-17	31,153,795	31,925,950	767,155	32,912,927
SD093621031	Treasury Bond	160,000,000	2-Jun-16	2-Jun-18	169,128,503	171,756,464	2,630,961	169,886,573
SD093621027	Treasury Bond	63,000,000	7-Jun-16	2-Aug-18	72,121,163	73,645,999	1,524,736	75,537,389
SD093621057	Treasury Bond	40,000,000	8-Jun-16	2-Jun-18	42,763,973	43,642,056	878,083	44,806,264
SD093621050	Treasury Bond	146,500,000	8-Jun-16	6-Mar-18	158,977,815	205,834,247	3,856,432	219,305,79
SD093641054	Treasury Bond	300,000,000	10-Jul-16	16-Aug-18	316,042,461	323,954,078	8,911,617	329,903,616
SD093641054	Treasury Bond	300,000,000	27-Jul-16	16-Aug-18	322,579,736	334,430,177	11,850,392	344,093,619
SD093641024	Treasury Bond	416,800,000	8-Aug-16	8-Jun-18	419,334,756	427,277,585	7,942,830	424,215,289
SD093641059	Treasury Bond	155,000,000	9-Aug-16	12-Mar-19	169,661,607	174,287,659	4,626,052	178,861,023
SD093621026	Treasury Bond	100,000,000	5-Oct-16	13-Jul-18	101,965,076	103,265,945	1,300,869	103,739,736
SD093621056	Treasury Bond	344,600,000	6-Oct-16	3-Oct-17	342,659,218	363,915,824	1,256,606	368,589,376
SD093621056	Treasury Bond	162,200,000	6-Oct-16	5-Dec-17	172,582,575	173,072,895	589,320	181,422,119
SD093621056	Treasury Bond	70,000,000	10-Oct-16	9-Dec-17	74,481,206	74,735,528	254,322	75,322,854
SD093621052	Treasury Bond	417,700,000	17-Oct-16	7-Nov-17	500,006,424	500,060,179	1,063,755	530,787,736
SD093641054	Treasury Bond	152,400,000	31-Oct-16	16-Aug-18	167,963,759	169,890,008	1,927,249	173,283,750
SD093621058	Treasury Bond	225,400,000	31-Oct-16	8-Sep-18	249,299,907	252,296,613	2,996,705	255,245,151
SD093621054	Treasury Bond	250,000,000	31-Oct-16	9-Dec-18	278,192,544	281,935,031	3,742,007	291,573,375
SD093621057	Treasury Bond	60,000,000	9-Nov-16	10-Sep-19	66,472,662	66,898,160	425,498	67,702,229
SD093621059	Treasury Bond	45,300,000	15-Nov-16	12-Nov-19	50,671,826	50,966,081	244,253	50,933,996
		3,894,900,000			4,159,083,723	4,256,447,468	97,381,745	4,420,371,947
Grand Total		8,494,900,000			8,733,290,506	8,839,187,095	105,916,589	8,994,701,930

Citibank, N.A.
Bangladesh Branches
Details of Large Loan
as at 31 December 2016

Annexure-E

	2016		2015	
	Taka	Taka	Taka	Taka
Number of clients		16		12
Amount of outstanding advances (Taka)		5,910,491,714		5,428,360,287
Amount of classified advances (Taka)		-		-
Measures taken for recovery (Taka)		-		-

Client-wise break up is as follows:

Sl. No.	Name of clients	2016			2015		
		Funded	Non Funded	Total	Funded	Non Funded	Total
1	Bangladesh Petroleum Corporation	-	3,868,892,000	3,868,892,000	-	-	-
2	Pendebor Energy Ltd.	-	278,312,828	278,312,828	-	-	-
3	Grameenphone Limited	350,159,444	130,283	351,471,728	-	-	-
4	British American Tobacco Bangladesh Company Limited	353,066,472	1,074,736,711	1,429,803,183	143,196,897	-	143,196,897
5	Syngenta Bangladesh Limited	1,294,494,542	478,928,918	1,773,423,459	1,204,804,403	-	1,204,804,403
6	C.P. Bangladesh Company Ltd.	-	264,625,740	264,625,740	153,066,687	-	153,066,687
7	Nestle Bangladesh Limited	1,504,076	369,729,036	371,233,712	-	-	-
8	Karnashahi Fertilizer Co. Ltd.	-	-	-	-	-	-
9	Khulna Power Company Limited	391,046,500	535,463,657	926,510,157	-	-	-
10	International Beverage Private Limited	35,459,685	54,455,692	89,915,378	-	-	-
11	Banglalink Digital Communications Ltd.	-	15,768,297	15,768,297	1,74,246,111	-	1,74,246,111
12	Adi Group	698,690	125,459,498	126,158,189	-	-	-
13	Pacific Jeans Group	-	382,499,232	382,499,232	-	-	-
14	Novartis Bangladesh Limited	349,180,386	53,722,991	402,903,377	19,482,217	-	19,482,217
15	Squire Group	-	263,575,057	263,575,057	-	-	-
16	Laforce Furna Cement Limited	-	236,100,157	236,100,157	-	-	-
17	Savari Avenis Bangladesh Limited	-	49,982,127	49,982,127	33,586,344	-	33,586,344
18	M/JL Bangladesh Limited	22,278,187	327,014,776	349,292,963	452,768,804	-	452,768,804
19	M & J Group	436,247,342	225,243,856	661,491,199	540,821,181	-	540,821,181
20	IBM Bangladesh Private Limited	789,450,986	-	789,450,986	804,194,277	-	804,194,277
21	Standard Group	489,783,221	283,709,268	773,492,489	572,429,663	-	572,429,663
22	Pven Group	397,887,939	60,396,178	458,284,117	350,018,421	-	350,018,421
23	Procter & Gamble Bangladesh Pvt. Ltd.	-	148,908,415	148,908,415	-	-	-
24	Rohi Axiata Limited	1,025,580,556	-	1,025,580,556	-	-	-
25	Hazari Technologies Bangladesh Ltd.	-	157,574,538	157,574,538	-	-	-
26	Incepta Group	1,423,402	145,874,936	147,298,338	-	-	-
27	Bayar Cosmetics Limited	30,256,486	9,876,850	40,133,336	-	-	-
28	Auror Bangladesh Limited	-	-	-	1,171,903,344	-	1,171,903,344
	Total	8,910,491,714	9,488,034,031	18,398,525,745	8,478,360,287	-	8,478,360,287

Citibank, N.A.
Bangladesh Branches
Schedule of fixed assets including premises, furniture and fixtures
as at 31 December 2016

Annexure-F

Particulars	Cost			Rate of dep.	Depreciation			Balance as at 31 December	Written down value as at 31 December
	Balance as at 1 January	Additions during the year	Disposal during the year		Balance as at 1 January	Charged during the year	Adjustment for disposal during the year		
	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	Taka
Own Assets									
Furniture and fixtures	141,443,414	750,995	143,865,441	-	286,059,850	10-33.33	52,670,202	149,426,815	136,633,035
Office equipment	415,641,496	20,610,663	(159,210,770)	-	277,041,389	10-33.33	24,025,255	195,539,067	81,502,322
Vehicle	30,365,526	-	-	20	30,365,526	-	-	30,365,521	6
	587,450,436	21,361,658	(153,345,329)	-	587,450,436	327,060,978	62,877,154	(14,546,729)	218,135,562

* During 2016 fixed asset cost of BDT 153,142,875 has been reclassified from office equipment to furniture and fixtures. Reclassified amount of accumulated depreciation is BDT 87,927,988

Citibank, N.A.
Bangladesh Branches
Schedule of fixed assets including premises, furniture and fixtures
as at 31 December 2015

Particulars	Cost			Rate of dep.	Depreciation			Balance as at 31 December	Written down value as at 31 December	
	Balance as at 1 January	Additions during the year	Disposal during the year		Balance as at 1 January	Charged during the year	Adjustment for disposal during the year			
Own Assets	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	
Furniture and fixtures	132,333,890	9,109,564	-	141,443,414	10-33.33	38,100,570	14,569,632	-	52,670,202	88,773,212
Office equipment	363,636,930	52,004,566	-	415,641,496	10-33.33	198,189,951	45,635,304	-	244,025,225	171,616,241
Vehicle	30,369,526	-	-	30,369,526	20	25,669,803	795,717	-	30,369,526	25,669,803
	526,336,306	61,114,130	-	587,450,436		265,860,324	61,200,653	-	327,060,956	260,389,459