

CITIBANK, N.A. - PAKISTAN BRANCHES
(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2011

	(Un-audited)	(Audited)
Note	March 31, 2011	December 31, 2010
	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	8,201,739	7,001,789
Balances with other banks	7 475,048	1,396,604
Lendings to financial institutions	8 21,532,747	11,410,316
Investments - net	9 36,884,477	50,236,317
Advances - net	10 19,261,657	19,244,213
Fixed assets	11 829,937	865,640
Deferred tax assets - net	3,743,069	3,693,968
Other assets	12 3,723,735	3,505,065
	94,652,409	97,353,912
LIABILITIES		
Bills payable	1,756,681	1,164,263
Borrowings from financial institutions	13 4,436,631	4,342,038
Deposits and other accounts	64,412,714	68,304,814
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	14 14,661,269	14,677,325
	85,267,295	88,488,440
NET ASSETS	<u>9,385,114</u>	<u>8,865,472</u>
REPRESENTED BY		
Head office capital account	6,812,671	6,812,671
Reserves	125,573	125,573
Unremitted profit	2,686,299	2,201,511
	9,624,543	9,139,755
Deficit on revaluation of securities - net	(239,429)	(274,283)
	<u>9,385,114</u>	<u>8,865,472</u>
CONTINGENCIES AND COMMITMENTS	15	

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

ARIF USMANI
Managing Director and Citi Country Officer

ANJUM HAI
Chief Financial Officer

CITIBANK, N.A. - PAKISTAN BRANCHES
(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2011

	Note	Quarter ended	
		March 31, 2011	March 31, 2010
		(Rupees in '000)	
Mark-up / return / interest earned		2,633,229	2,191,329
Mark-up / return / interest expensed		1,169,531	979,533
Net mark-up / return / interest income		1,463,698	1,211,796
Provision against advances - net		67,381	469,053
Provision for diminution in the value of investment - net		-	-
Bad debts written off directly		23,562	3,421
		90,943	472,474
Net mark-up / interest income after provisions		1,372,755	739,322
NON MARK-UP / INTEREST INCOME			
Fee, commission and brokerage income		151,840	207,672
Income from dealing in foreign currencies	16	732,134	542,532
Dividend income		-	-
Gain on sale of government securities		(5,019)	2,808
Gain on sale of shares		-	229,715
Unrealised gain / (loss) on revaluation of investments classified as held for trading		6,541	(6,246)
Other income / cost	17	(584,925)	(492,618)
Total non mark-up / interest income - net		300,571	483,863
		1,673,326	1,223,185
NON MARK-UP / INTEREST EXPENSES			
Administrative expenses		921,015	936,141
Provision for diminution in the value of non-banking assets		(1,869)	471
Other charges		9,402	8,255
Total non mark-up / interest expenses		928,548	944,867
PROFIT BEFORE TAXATION			
		744,778	278,318
Taxation			
- Current		327,859	181,753
- Prior year		-	-
- Deferred		(67,869)	(85,772)
		259,990	95,981
PROFIT AFTER TAXATION			
		484,788	182,337

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

ARIF USMANI
Managing Director and Citi Country Officer

ANJUM HAI
Chief Financial Officer

CITIBANK, N.A. - PAKISTAN BRANCHES
 (INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2011

	<u>Quarter ended</u>	
	<u>March 31,</u> <u>2011</u>	<u>March 31,</u> <u>2010</u>
	(Rupees in '000)	
Profit for the period after taxation	484,788	182,337
Components of comprehensive income not reflected in equity		
(Deficit) / surplus on revaluation of available for sale securities - net of tax	34,854	(66,661)
Total comprehensive income for the period	<u>519,642</u>	<u>115,676</u>

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ARIF USMANI
 Managing Director and Citi Country Officer

ANJUM HAI
 Chief Financial Officer

CITIBANK, N.A. - PAKISTAN BRANCHES
(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2011

	Quarter ended	
	March 31, 2011	March 31, 2010
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	744,778	278,318
Adjustments		
Depreciation	78,984	117,949
Amortisation	11,727	13,156
Provision against advances - net	67,381	469,053
Reversal / provision for diminution in the value of non-banking assets	(1,869)	471
Unrealised (gain) / loss on revaluation of held for trading securities	(6,541)	6,246
Bad debts written off directly	23,562	3,421
Charge for defined benefit plan	11,303	8,786
Gain on disposals of fixed assets	(1,720)	(4,977)
Lease rentals	-	-
	<u>182,827</u>	<u>614,105</u>
	927,605	892,423
(Increase) / decrease in operating assets		
Lendings to financial institutions	(10,122,431)	5,459,327
Held for trading securities	8,770,655	(10,655,908)
Advances	(108,387)	2,059,099
Other assets	(216,801)	(526,561)
	<u>(1,676,964)</u>	<u>(3,664,043)</u>
Increase / (decrease) in operating liabilities		
Bills payable	592,418	(204,071)
Borrowings from financial institutions	86,754	1,707,143
Deposits and other accounts	(3,892,100)	5,062,179
Other liabilities (excluding current taxation and payable to defined benefit plan)	(298,405)	564,293
	<u>(3,511,333)</u>	<u>7,129,544</u>
	(4,260,692)	4,357,924
Contribution to gratuity fund	(9,959)	(8,786)
Income tax paid	(46,854)	(15,283)
Net cash (used in) / generated from operating activities	<u>(4,317,505)</u>	<u>4,333,855</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	4,641,348	(944,767)
Investments in fixed assets	(60,577)	(36,553)
Sale proceeds from disposal of property and equipment	7,289	18,539
Net cash generated from / (used in) investing activities	<u>4,588,060</u>	<u>(962,781)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments against lease obligations	-	-
Capital remittance	-	-
Net cash used in financing activities	-	-
Effects of exchange rate changes on cash and cash equivalents	-	(4,479)
Increase / (decrease) in cash and cash equivalents	<u>270,555</u>	<u>3,366,595</u>
Cash and cash equivalents at the beginning of the period	8,398,393	10,400,369
Cash and cash equivalents at the end of the period	<u><u>8,668,948</u></u>	<u><u>13,766,964</u></u>

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ARIF USMANI
Managing Director and Citi Country Officer

ANJUM HAI
Chief Financial Officer

CITIBANK, N.A. - PAKISTAN BRANCHES
(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2011

	Head office capital account	Unremitted profit	Share based payment contribution reserve by the ultimate holding company	Total
----- (Rupees in '000) -----				
Balance as at January 1, 2010	6,780,848	1,778,573	92,715	8,652,136
Total comprehensive income				
Profit for the quarter ended March 31, 2010	-	182,337	-	182,337
Transactions with owners				
Contribution by the ultimate holding company in respect of share based payments	-	-	5,136	5,136
Recharged balance payable to the ultimate holding company for share based payments	-	-	(5,136)	(5,136)
Effect of re-measurement of cost under share based payment - net of tax	-	-	-	-
Capital remitted during the period	-	-	-	-
Exchange adjustments on revaluation of capital	(4,479)	-	-	(4,479)
Balance as at March 31, 2010	6,776,369	1,960,910	92,715	8,829,994
Total comprehensive income				
Profit for the period April 01, 2010 to December 31, 2010	-	240,601	-	240,601
Transactions with owners				
Contribution by the ultimate holding company in respect of share based payments	-	-	39,792	39,792
Recharged balance payable to the ultimate holding company for share based payments	-	-	(39,792)	(39,792)
Effect of re-measurement of cost under share based payment - net of tax	-	-	32,858	32,858
Exchange adjustments on revaluation of capital	36,302	-	-	36,302
Balance as at December 31, 2010	6,812,671	2,201,511	125,573	9,139,755
Total comprehensive income				
Profit for the quarter ended March 31, 2011	-	484,788	-	484,788
Transactions with owners				
Contribution by the ultimate holding company in respect of share based payments	-	-	20,263	20,263
Recharged balance payable to the ultimate holding company for share based payments	-	-	(20,263)	(20,263)
Effect of re-measurement of cost under share based payment - net of tax	-	-	-	-
Exchange adjustments on revaluation of capital	-	-	-	-
Balance as at March 31, 2011	6,812,671	2,686,299	125,573	9,624,543

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ANJUM HAI
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CITIBANK, N.A. - PAKISTAN BRANCHES
(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2011

1 STATUS AND NATURE OF BUSINESS

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

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

	<u>Long-term senior debt</u>	<u>Short-term debt</u>	<u>Outlook</u>
Citigroup Inc.	A3	P-1	Stable
Citibank, N.A.	A1	P-1	Stable

The bank is engaged in banking activities permissible under the Banking Companies Ordinance, 1962. Its principal office is at AWT Plaza, I. I. Chundrigar Road, Karachi and operates through 16 branches (December 31, 2010: 16 branches) in Pakistan.

2 BASIS OF PRESENTATION

In accordance with the directives of the Federal Government regarding the shifting of the banking system to Islamic modes, the State Bank of Pakistan (SBP) has issued various circulars from time to time. Permissible forms of trade related modes of financing include purchasing of goods by banks from their customers and immediate resale to them at appropriate mark-up in price on deferred payment basis. The purchase and sale arising under these arrangements are not reflected in these condensed interim financial statements as such but are restricted to the amount of facility actually utilised and appropriate portion of mark-up thereon.

3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the directives issued by State Bank of Pakistan (SBP). In case the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the directives issued by SBP prevail.

The State Bank of Pakistan (SBP) vide its BSD Circular No. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for banking companies till further instructions. In addition the Securities and Exchange Commission of Pakistan has also deferred the applicability of International Financial Reporting Standard 7, Financial Instruments: Disclosures (IFRS 7) on banking companies vide SRO 411(I) / 2008 till further orders. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

The State Bank of Pakistan (SBP) through its BSD Circular No. 07 dated April 20, 2010 has clarified that for the purpose of preparation of financial statements in accordance with International Accounting Standard - 1 (Revised) 'Presentation of Financial Statements', two statement approach shall be adopted i.e. separate 'Profit and Loss Account' and 'Statement of Comprehensive Income' shall be presented, and Balance Sheet shall be renamed as 'Statement of Financial Position'. Furthermore, the Surplus / (Deficit) on Revaluation of Available-for sales Securities (AFS) only, may be included in the 'Statement of Comprehensive Income'. Accordingly, the above requirements have been adopted in the preparation of these condensed interim financial statements.

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan (SBP) through BSD Circular Letter No. 2 dated May 12, 2004 and requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. They do not include all of the information required for the full set of annual financial statements, and these condensed interim financial statements should be read in conjunction with the financial statements of the bank for the year ended December 31, 2010.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the bank for the year ended December 31, 2010.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The significant judgments made by management and the key sources of estimates used in the preparation of these condensed interim financial statements were the same as those applied to the annual financial statements for the year ended December 31, 2010.

6 FINANCIAL RISK MANAGEMENT

The bank's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2010.

	March 31, 2011	December 31, 2010
	(Rupees in '000)	
7 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	55,095	79,540
Outside Pakistan		
In current accounts	419,953	973,755
In deposit accounts	-	343,309
	<u>419,953</u>	<u>1,317,064</u>
	<u>475,048</u>	<u>1,396,604</u>
8 LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings	-	100,000
Repurchase agreement lendings (Reverse Repo)	21,532,747	11,310,316
	<u>21,532,747</u>	<u>11,410,316</u>

9 INVESTMENTS - net

	March 31, 2011			December 31, 2010		
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total
	(Rupees in '000)					
Investments by type						
Held-for-trading securities						
Market treasury bills	7,159,247	-	7,159,247	15,304,570	-	15,304,570
Pakistan Investment Bonds	912,908	-	912,908	1,538,240	-	1,538,240
	8,072,155	-	8,072,155	16,842,810	-	16,842,810
Available-for-sale securities						
Market treasury bills	21,874,721	-	21,874,721	23,733,562	2,787,299	26,520,861
Pakistan Investment Bonds	5,098,124	-	5,098,124	5,093,332	-	5,093,332
Fully paid-up ordinary shares	52,000	-	52,000	52,000	-	52,000
Unlisted Term finance certificates	2,206,000	-	2,206,000	2,206,000	-	2,206,000
	29,230,845	-	29,230,845	31,084,894	2,787,299	33,872,193
Investments at cost	37,303,000	-	37,303,000	47,927,704	2,787,299	50,715,003
Less: Provision for diminution in the value of investments	52,000	-	52,000	52,000	-	52,000
Investments - net of provisions	37,251,000	-	37,251,000	47,875,704	2,787,299	50,663,003
(Deficit) / surplus on revaluation of held-for-trading securities - net	1,829	-	1,829	(4,712)	-	(4,712)
(Deficit) / surplus on revaluation of available-for-sale securities - net	(368,352)	-	(368,352)	(421,820)	(154)	(421,974)
Investments at market value	<u>36,884,477</u>	<u>-</u>	<u>36,884,477</u>	<u>47,449,172</u>	<u>2,787,145</u>	<u>50,236,317</u>

	Note	March 31, 2011	December 31, 2010
10 ADVANCES - net		(Rupees in '000)	
Loans, cash credits, running finances etc. In Pakistan		21,749,172	22,115,762
Bills discounted and purchased (excluding Market treasury bills)			
Payable in Pakistan		989,575	1,076,895
Payable outside Pakistan		1,056,994	538,547
		<u>2,046,569</u>	<u>1,615,442</u>
Advances - gross		<u>23,795,741</u>	<u>23,731,204</u>
Provision against advances			
- Specific	10.2	(4,381,408)	(4,309,629)
- General	10.3	(152,676)	(177,362)
		<u>(4,534,084)</u>	<u>(4,486,991)</u>
Advances - net of provision		<u><u>19,261,657</u></u>	<u><u>19,244,213</u></u>

10.1 Advances include Rs. 5,044.494 million (December 31, 2010: Rs. 4,988.867 million) which have been placed under non-performing status as detailed below:

10.2 Category of classification

	March 31, 2011				
	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	233,624	-	233,624	58,232	58,232
Doubtful	914,182	-	914,182	457,092	457,092
Loss	3,896,688	-	3,896,688	3,866,084	3,866,084
	<u>5,044,494</u>	<u>-</u>	<u>5,044,494</u>	<u>4,381,408</u>	<u>4,381,408</u>
	----- (Rupees in '000) -----				
	December 31, 2010				
	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	246,201	-	246,201	62,376	62,376
Doubtful	916,302	-	916,302	452,521	452,521
Loss	3,826,364	-	3,826,364	3,794,732	3,794,732
	<u>4,988,867</u>	<u>-</u>	<u>4,988,867</u>	<u>4,309,629</u>	<u>4,309,629</u>

10.3 General provision against consumer loans represents provision maintained at an amount equal to 1.5% of the fully secured performing portfolio and 5% of the unsecured performing portfolio as required by the Prudential Regulations issued by the State Bank of Pakistan.

	Note	March 31, 2011	December 31, 2010
11 FIXED ASSETS		(Rupees in '000)	
Capital work-in-progress		16,233	4,650
Property and equipment	11.1 & 11.2	693,993	729,551
Intangible assets		119,711	131,439
		<u>829,937</u>	<u>865,640</u>
		For the quarter ended	
		March 31, 2011	March 31, 2010
		(Rupees in '000)	
11.1 The following additions were made at cost during the period:			
- Furniture and fixtures		1,070	112
- Electrical and office equipment		3,040	6,195
- Vehicles		44,885	3,649
		<u>48,995</u>	<u>9,956</u>

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

	For the quarter ended	
	March 31, 2011	March 31, 2010
	(Rupees in '000)	
- Furniture and fixtures	-	1,249
- Electrical and office equipment	-	8,133
- Vehicles	5,569	1,581
	<u>5,569</u>	<u>10,963</u>

12 OTHER ASSETS

12.1 It includes gain on revaluation of forward foreign exchange contracts, foreign currency options and derivatives as at March 31, 2011 amounting to Rs. 2,449.222 million (December 31, 2010: Rs. 2,241.437 million).

	March 31, 2011	December 31, 2010
		(Rupees in '000)
13 BORROWINGS FROM FINANCIAL INSTITUTIONS		
In Pakistan	4,436,631	4,342,038
Outside Pakistan	-	-
	<u>4,436,631</u>	<u>4,342,038</u>

13.1 Particulars of borrowings from financial institutions

In local currency	4,436,631	4,342,038
In foreign currency	-	-
	<u>4,436,631</u>	<u>4,342,038</u>

13.2 Details of borrowings from financial institutions

Secured

Borrowings from the State Bank of Pakistan under

- Export refinance scheme
- Long Term Financing - Export Oriented Projects scheme (LTF-EOP)

Repurchase agreement borrowings

1,141,561	1,361,561
90,654	93,178
<u>3,056,577</u>	<u>2,787,299</u>
4,288,792	4,242,038

Unsecured

- Call borrowings
- Overdrawn accounts

140,000	100,000
7,839	-
<u>147,839</u>	<u>100,000</u>
<u>4,436,631</u>	<u>4,342,038</u>

14 OTHER LIABILITIES

14.1 It includes loss on revaluation of forward foreign exchange contracts, foreign currency options and derivatives as at March 31, 2011 amounting to Rs. 10,715.499 million (December 31, 2010: Rs. 11,058.699 million).

15 CONTINGENCIES AND COMMITMENTS

15.1 Direct credit substitutes

Includes general guarantees of indebtedness, bank acceptance, guarantees and standby letters of credit serving as financial guarantees for loans and securities.

	March 31, 2011	December 31, 2010
		(Rupees in '000)
(i) Government	20,820	21,148
(ii) Banking companies and other financial institutions	68,041	68,874
(iii) Others	6,909,948	7,010,606
	<u>6,998,809</u>	<u>7,100,628</u>

15.2 Transaction-related contingent liabilities

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

	March 31, 2011	December 31, 2010
	(Rupees in '000)	
(i) Government	1,128,299	1,078,396
(ii) Banking companies and other financial institutions	144,681	120,152
(iii) Others	1,804,720	1,717,533
	<u>3,077,700</u>	<u>2,916,081</u>

15.3 Trade-related contingent liabilities

Includes short-term self liquidating trade related contingent liabilities arising from the movement of goods, such as documentary credits where the underlying shipment is used as security.

	Note	March 31, 2011	December 31, 2010
		(Rupees in '000)	
Letters of credit		<u>19,660,551</u>	<u>13,235,235</u>

15.4 Other contingencies

Indemnity issued		15,484	15,484
Claims not acknowledged as debts		<u>275,948</u>	<u>276,363</u>
	15.4.1	<u>291,432</u>	<u>291,847</u>

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

15.4.2 The bank has received communication from the State Bank of Pakistan dated March 25, 2011 wherein the bank has been asked to take measures to fully comply with the requirements specified by the State Bank of Pakistan's guidelines relating to the returns on a specific portfolio of its foreign currency deposits. Based on legal advice, the bank maintains that it has fully complied with such requirements and returns on these deposits are in accordance with the bank's General Terms and Conditions. The possible financial impact, if any, has currently not been determined as it involves data relating to past several years. The bank has taken up the matter with the SBP and discussions with the SBP are in progress. The management is confident that this matter will be resolved in its favour.

15.5 Commitments in respect of forward transactions

	March 31, 2011	December 31, 2010
	(Rupees in '000)	
Forward agreement lending (reverse repos)	<u>21,747,578</u>	<u>11,372,857</u>
Forward agreement borrowings (repos)	<u>3,057,741</u>	<u>2,790,284</u>
Forward agreement to purchase (reverse repos)	<u>484,158</u>	<u>-</u>
Forward purchase contracts of government securities	<u>91,676</u>	<u>-</u>
Forward sale contracts of government securities	<u>-</u>	<u>838,267</u>
Uncancellable commitments to extend credit	<u>625,000</u>	<u>378,430</u>

15.6 Commitments in respect of forward foreign exchange contracts

Purchase	<u>139,108,279</u>	<u>128,072,394</u>
Sale	<u>83,637,657</u>	<u>71,842,177</u>

The bank utilises foreign exchange instruments to meet the needs of its customers and as part of its asset and liability management activity to hedge its own exposure to currency risk.

15.7 Other commitments

	March 31, 2011	December 31, 2010
	(Rupees in '000)	
Cross currency and interest rate derivative contracts (notional amount)	<u>60,667,007</u>	<u>66,308,305</u>
Foreign currency options	<u>155,047</u>	<u>2,062,762</u>

16 INCOME FROM DEALING IN FOREIGN CURRENCIES

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

17 OTHER INCOME / COST

This includes funding cost of FX swaps amounting to Rs. _____ million (2010: Rs.450 million).

18 RELATED PARTY TRANSACTIONS

Transactions with related parties comprise of transactions in the normal course of business with other branches of Citibank, N.A. outside Pakistan, other direct and indirect subsidiaries of Citigroup, retirement benefit plans and key management personnel of the Bank.

Banking transactions with the related parties are executed substantially on the same terms, including mark-up rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk.

Contributions to and accruals in respect of staff retirements and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to executives is determined in accordance with the terms of their appointment.

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

	Balance as at December 31, 2010	Net placements / disbursements / deposits / transfers	Net settlements / repayments / withdrawals / transfers	Balance as at March 31, 2011
------(Rupees in '000)-----				
Loans and advances				
Key management personnel	382	394	(414)	362
Deposits				
Associated undertakings	618,795	658,378	(996,680)	280,493
Key management personnel	7,306	12,443	(12,974)	6,775
Staff retirement benefit funds	13,657	567,214	(558,549)	22,322
			March 31, 2011	December 31, 2010
			(Rupees in '000)	
Nostro balances / placements with Citibank branches outside Pakistan			414,543	1,312,499
Unremitted head office expenses			586,974	544,193
Payable for expenses and share based payment			145,714	119,088
Payable to defined benefit plan			72,668	71,324
Claims receivable from Citi Global Insurance Reserve Plan			-	-
			For the quarter ended	
			March 31, 2011	March 31, 2010
			(Rupees in '000)	

18.2 Income / expense for the period

Mark-up / return / interest earned	1,416	3,601
Mark-up / return / interest expensed	2,132	194
Other income	1,330	998
Regional expenses for support services	77,806	83,062
Head office expenses	42,781	20,426
Remuneration paid to key management personnel	15,859	13,782
Contribution to staff retirement benefit funds	20,271	22,194

19 SEGMENT INFORMATION

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

For the quarter ended March 31, 2011

	Trading and sales	Retail banking	Corporate banking	Total
----- (Rupees in '000) -----				
Total income	4,430,296	3,089,269	1,141,383	8,660,948
Total expenses	1,699,832	4,143,467	2,472,759	8,316,058
Net income / (loss)	2,730,464	(1,054,198)	(1,331,376)	344,890
Segment return on net assets (%)**	16.7%	-34.9%	-30.9%	1.5%
Segment cost of funds (%)***	10.4%	5.3%	6.2%	5.8%

As at March 31, 2011

	Trading and sales	Retail banking	Corporate banking	Total
----- (Rupees in '000) -----				
Segment assets (gross)	65,557,411	14,494,271	19,472,213	99,523,895
Segment non-performing loans	-	2,204,264	3,174,498	5,378,762
Segment provision required*	-	2,404,457	2,221,573	4,626,030
Segment liabilities	15,069,454	31,098,431	39,892,414	86,060,299

For the quarter ended March 31, 2010

	Trading and sales	Retail banking	Corporate banking	Total
----- (Rupees in '000) -----				
Total income	599,799	1,263,898	811,495	2,675,192
Total expenses	240,923	1,408,994	842,938	2,492,855
Net income / (loss)	358,876	(145,096)	(31,443)	182,337
Segment return on net assets (ROA) (%)**	2.3%	-5.1%	-0.5%	0.8%
Segment cost of funds (%)***	10.7%	5.5%	6.0%	6.0%

As at December 31, 2010

	Trading and sales	Retail banking	Corporate banking	Total
----- (Rupees in '000) -----				
Segment assets (gross)	69,389,894	13,220,950	19,301,833	101,912,677
Segment non-performing loans	-	1,845,071	3,143,796	4,988,867
Segment provision required*	-	1,997,334	2,561,431	4,558,765
Segment liabilities	14,421,510	30,351,885	43,715,045	88,488,440

* The provision against each segment represents provision held against advances, investments and other assets.

** Segment return on net assets (ROA) = Net income / (Segment assets - Segment provisions)

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

20 GENERAL

20.1 These condensed interim financial statements were authorised for issue by the management of the bank on April 29, 2011.

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

20.3 Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period. No significant reclassifications were made.

ARIF USMANI
Managing Director and Citi Country Officer

ANJUM HAI
Chief Financial Officer