

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, 2012

	(Un-audited) March 31, 2012	(Audited) December 31, 2011
	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	7,811,616	6,990,879
Balances with other banks	9 2,656,773	1,149,455
Lendings to financial institutions	10 10,877,954	1,339,057
Investments - net	11 42,316,774	60,399,022
Advances - net	12 18,191,313	18,820,403
Fixed assets	13 554,658	634,699
Deferred tax assets - net	3,678,103	3,614,421
Other assets	14 2,400,518	3,954,861
	88,487,709	96,902,797
LIABILITIES		
Bills payable	2,824,655	2,028,623
Borrowings from financial institutions	15 5,834,106	11,231,101
Deposits and other accounts	59,233,622	61,678,515
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	16 10,412,199	11,198,190
	78,304,582	86,136,429
NET ASSETS	<u>10,183,127</u>	<u>10,766,368</u>
REPRESENTED BY		
Head office capital account	6,812,671	6,812,671
Reserves	149,286	149,286
Unremitted profit	3,363,288	3,957,548
	<u>10,325,245</u>	<u>10,919,505</u>
Deficit on revaluation of securities - net of tax	(142,118)	(153,137)
	<u>10,183,127</u>	<u>10,766,368</u>
CONTINGENCIES AND COMMITMENTS	17	

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

NADEEM LODHI
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, 2012

	Note	Quarter ended	
		March 31, 2012	March 31, 2011
		(Rupees in '000)	
Mark-up / return / interest earned		2,213,465	2,633,229
Mark-up / return / interest expensed		835,105	1,169,531
Net mark-up / return / interest income		1,378,360	1,463,698
Provision against advances - net		(10,928)	67,381
Provision for diminution in the value of investments - net		-	-
Bad debts written off directly		6,791	23,562
		(4,137)	90,943
Net mark-up / return / interest income after provisions		1,382,497	1,372,755
NON MARK-UP / INTEREST INCOME			
Fee, commission and brokerage income		211,340	151,840
Income from dealing in foreign currencies	18	420,107	732,134
Dividend income		-	-
Gain / (loss) on sale of securities		(121,843)	(5,019)
Unrealised gain / (loss) on revaluation of investments classified as held-for-trading		180,797	6,541
Other income / (loss)	19	(381,110)	(584,925)
Total non mark-up / interest income		309,291	300,571
		1,691,788	1,673,326
NON MARK-UP / INTEREST EXPENSES			
Administrative expenses		944,147	921,015
Provision / (reversal) for appreciation / diminution in the value of non-banking assets - net		92	(1,869)
Other charges		19,122	9,402
Total non mark-up / interest expenses		963,361	928,548
		728,427	744,778
PROFIT BEFORE TAXATION			
Taxation			
- Current		332,260	327,859
- Prior years		-	-
- Deferred		(69,616)	(67,869)
		262,644	259,990
		465,783	484,788
PROFIT AFTER TAXATION			
Unremitted profit brought forward		3,957,548	2,201,511
Profit remittance made to head office		(1,060,043)	-
Unremitted profit carried forward		3,363,288	2,686,299

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

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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, 2012

	<u>Quarter ended</u>	
	<u>March 31,</u> <u>2012</u>	<u>March 31,</u> <u>2011</u>
	(Rupees in '000)	
Profit for the period after taxation	465,783	484,788
Components of comprehensive income not reflected in equity		
Surplus / (deficit) on revaluation of available-for-sale securities - net of tax	11,019	34,854
Total comprehensive income for the period	<u><u>476,802</u></u>	<u><u>519,642</u></u>

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NADEEM LODHI
 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, 2012

	Quarter ended	
	March 31, 2012	March 31, 2011
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	728,427	744,778
Adjustments for :		
Depreciation	119,162	78,984
Amortisation	12,153	11,727
Provision against advances - net	(10,928)	67,381
(Reversal) / provision for appreciation / diminution in the value of non-banking assets - net	92	(1,869)
Unrealised (gain) / loss on revaluation of held-for-trading securities	(180,797)	(6,541)
Bad debts written off directly	6,791	23,562
Charge for defined benefit plan	9,408	11,303
Gain on disposals of fixed assets	(4,785)	(1,720)
	<u>(48,904)</u>	<u>182,827</u>
	679,523	927,605
(Increase) / decrease in operating assets		
Lendings to financial institutions	(9,538,897)	(10,122,431)
Held-for-trading securities	14,276,911	8,770,655
Advances	633,227	(108,387)
Other assets	1,554,251	(216,801)
	<u>6,925,492</u>	<u>(1,676,964)</u>
Increase / (decrease) in operating liabilities		
Bills payable	796,032	592,418
Borrowings from financial institutions	(5,513,765)	86,754
Deposits and other accounts	(2,444,893)	(3,892,100)
Other liabilities (excluding current taxation and payable to defined benefit plan)	(615,845)	(298,405)
	<u>(7,778,471)</u>	<u>(3,511,333)</u>
	(173,456)	(4,260,692)
Contribution to gratuity fund	(3,695)	(9,959)
Income tax paid	(508,119)	(46,854)
Net cash used in operating activities	<u>(685,270)</u>	<u>(4,317,505)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	4,003,087	4,641,348
Investments in fixed assets	(58,898)	(60,577)
Sale proceeds from disposal of fixed assets	12,409	7,289
Net cash generated from investing activities	<u>3,956,598</u>	<u>4,588,060</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit remittance made during the period	(1,060,043)	-
Net cash used in financing activities	<u>(1,060,043)</u>	<u>-</u>
Effects of exchange rate changes on cash and cash equivalents	-	-
(Decrease) / increase in cash and cash equivalents	<u>2,211,285</u>	<u>270,555</u>
Cash and cash equivalents at the beginning of the period	8,140,334	8,398,393
Cash and cash equivalents at end of the period	<u><u>10,351,619</u></u>	<u><u>8,668,948</u></u>

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

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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, 2012

	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, 2011	6,812,671	2,201,511	125,573	9,139,755
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	-	-	-	-
Balance as at March 31, 2011	6,812,671	2,686,299	125,573	9,624,543
Profit for the period April 01, 2011 to December 31, 2011	-	1,271,249	-	1,271,249
Transactions with owners				
Contribution by the ultimate holding company in respect of share based payments	-	-	41,042	41,042
Recharged balance payable to the ultimate holding company for share based payments	-	-	(41,042)	(41,042)
Effect of re-measurement of cost under share based payment - net of tax	-	-	23,713	23,713
Balance as at December 31, 2011	6,812,671	3,957,548	149,286	10,919,505
Profit for the quarter ended March 31, 2012	-	465,783	-	465,783
Transactions with owners				
Contribution by the ultimate holding company in respect of share based payments	-	-	13,786	13,786
Recharged balance payable to the ultimate holding company for share based payments	-	-	(13,786)	(13,786)
Effect of re-measurement of cost under share based payment - net of tax	-	-	-	-
Profit remittance made to head office	-	(1,060,043)	-	(1,060,043)
Balance as at March 31, 2012	6,812,671	3,363,288	149,286	10,325,245

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

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Managing Director and Citi Country Officer

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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 INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2012

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>
Citigroup Inc.	A3	P-2
Citibank, N.A.	A1	P-1

The Bank is engaged in banking activities permissible under the Banking Companies Ordinance, 1962. Its principal office is at AWT Plaza, I. I. Chundrigar Road, Karachi. The Bank operates through 14 branches (December 31, 2011: 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 this condensed interim financial information as such but are restricted to the amount of facility actually utilised and appropriate portion of mark-up thereon.

3 STATEMENT OF COMPLIANCE

3.1 This condensed interim financial information has 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.

3.2 The SBP 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 through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has also deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

3.3 The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and this condensed interim financial information should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2011.

3.4 SBP vide 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-sale (AFS) Securities only, may be included in the 'Statement of Comprehensive Income'. However, it should continue to be shown separately in the statement of financial position below equity. Accordingly, the above requirements have been adopted in the preparation of this condensed interim financial information.

4. BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except that certain investments and derivative financial instruments have been marked to market and are carried at fair value.

5. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in this condensed interim financial information are measured using the currency of the primary economic environment in which the Bank operates. This condensed interim financial information is presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2011.

7. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The significant judgments made by management and the key sources of estimates used in the preparation of this condensed interim financial information are the same as those applied to the annual financial statements for the year ended December 31, 2011.

8. FINANCIAL RISK MANAGEMENT

The Bank's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2011.

	(Un-audited) March 31, 2012	(Audited) December 31, 2011
	(Rupees in '000)	
9. BALANCES WITH OTHER BANKS		
In Pakistan		
- Current accounts	149,654	75,003
Outside Pakistan		
- Current accounts	2,507,119	1,074,452
- Deposit accounts	-	-
	<u>2,507,119</u>	<u>1,074,452</u>
	<u>2,656,773</u>	<u>1,149,455</u>
10. LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings	-	-
Repurchase agreement lendings (Reverse Repo)	10,877,954	1,339,057
	<u>10,877,954</u>	<u>1,339,057</u>

11 INVESTMENTS - NET

	March 31, 2012 (Un-audited)			December 31, 2011 (Audited)		
	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	8,219,902	-	8,219,902	12,179,967	6,372,738	18,552,705
Pakistan Investment Bonds	3,249,386	-	3,249,386	7,193,494	-	7,193,494
	11,469,288	-	11,469,288	19,373,461	6,372,738	25,746,199
Available-for-sale securities						
Market treasury bills	15,405,074	-	15,405,074	20,024,548	-	20,024,548
Pakistan Investment Bonds	15,707,741	-	15,707,741	15,091,354	-	15,091,354
Fully paid-up ordinary shares	52,000	-	52,000	52,000	-	52,000
Unlisted term finance certificates	-	-	-	-	-	-
	31,164,815	-	31,164,815	35,167,902	-	35,167,902
Investments at cost	42,634,103	-	42,634,103	54,541,363	6,372,738	60,914,101
Less: Provision for diminution in the value of investments	52,000	-	52,000	52,000	-	52,000
Investments - net of provisions	42,582,103	-	42,582,103	54,489,363	6,372,738	60,862,101
Deficit on revaluation of held-for-trading securities - net	(46,686)	-	(46,686)	(211,508)	(15,975)	(227,483)
Deficit on revaluation of available-for-sale securities - net	(218,643)	-	(218,643)	(235,596)	-	(235,596)
Investments at market value	42,316,774	-	42,316,774	54,042,259	6,356,763	60,399,022

Note **(Un-audited)** **(Audited)**
March **December**
31, 2012 **31, 2011**
(Rupees in '000)

12 ADVANCES - NET

Loans, cash credits, running finances etc. - In Pakistan		22,523,908	23,085,918
Bills discounted and purchased (excluding Market treasury bills)			
Payable in Pakistan		750,218	662,607
Payable outside Pakistan		337,223	529,562
		1,087,441	1,192,169
Advances - gross		23,611,349	24,278,087
Provision against advances			
- Specific	12.2	(5,309,072)	(5,338,814)
- General	12.3	(110,964)	(118,870)
		(5,420,036)	(5,457,684)
Advances - net of provision		18,191,313	18,820,403

12.1 Advances include Rs 5,476.304 million (December 31, 2011: Rs 5,506.335 million) which have been placed under non-performing status as detailed below:

12.2 Category of classification

	March 31, 2012 (Un-audited)				
	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	128,417	-	128,417	31,902	31,902
Doubtful	56,982	-	56,982	27,081	27,081
Loss	5,290,905	-	5,290,905	5,250,088	5,250,088
	<u>5,476,304</u>	<u>-</u>	<u>5,476,304</u>	<u>5,309,071</u>	<u>5,309,071</u>

	December 31, 2011 (Audited)				
	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	132,235	-	132,235	33,663	33,663
Doubtful	51,495	-	51,495	25,748	25,748
Loss	5,322,605	-	5,322,605	5,279,403	5,279,403
	<u>5,506,335</u>	<u>-</u>	<u>5,506,335</u>	<u>5,338,814</u>	<u>5,338,814</u>

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

	Note	(Un-audited)	(Audited)
		March 31, 2012	December 31, 2011
13 FIXED ASSETS		(Rupees in '000)	
Capital work-in-progress		53,878	8,923
Property and equipment	13.1 & 13.2	398,433	511,275
Intangible assets		102,347	114,501
		<u>554,658</u>	<u>634,699</u>

(Un-audited)
For the quarter ended
March **March**
31, 2012 **31, 2011**
(Rupees in '000)

- 13.1** The following additions were made at cost during the period:

- Furniture and fixtures	1,585	1,070
- Electrical and office equipment	928	3,040
- Vehicles	11,429	44,885
	<u>13,942</u>	<u>48,995</u>

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

	(Un-audited)	
	For the quarter ended	
	March	March
	31, 2012 31, 2011	
	(Rupees in '000)	
- Furniture and fixtures	18	-
- Electrical and office equipment	73	-
- Vehicles	7,533	5,569
	<u>7,624</u>	<u>5,569</u>

14 OTHER ASSETS**14.1 Revaluation gain on derivatives**

It includes gain on revaluation of forward foreign exchange contracts, foreign currency options and derivatives as at March 31, 2012 amounting to Rs 1,101.547 million (December 31, 2011: Rs 2,164.818 million).

	(Un-audited) March 31, 2012	(Audited) December 31, 2011
	(Rupees in '000)	
15 BORROWINGS FROM FINANCIAL INSTITUTIONS		
In Pakistan	5,725,309	7,633,273
Outside Pakistan	108,797	3,597,828
	<u>5,834,106</u>	<u>11,231,101</u>
15.1 Particulars of borrowings from financial institutions		
In local currency	5,725,309	7,633,273
In foreign currency	108,797	3,597,828
	<u>5,834,106</u>	<u>11,231,101</u>
15.2 Details of borrowings from financial institutions		
Secured		
Borrowings from the State Bank of Pakistan under		
- Export refinance scheme	507,900	1,080,060
- Long Term Financing - Export Oriented Projects scheme (LTF-EOP)	32,820	35,345
Repurchase agreement borrowings	5,176,616	6,358,902
	5,717,336	7,474,307
Unsecured		
Call borrowings	-	3,697,828
Overdrawn accounts	116,770	58,966
	116,770	3,756,794
	<u>5,834,106</u>	<u>11,231,101</u>
16 OTHER LIABILITIES		
16.1	It includes loss on revaluation of forward foreign exchange contracts, foreign currency options and derivatives as at March 31, 2012 amounting to Rs 6,677.511 million (December 31, 2011: Rs 7,719.976 million).	
17 CONTINGENCIES AND COMMITMENTS		
17.1 Direct credit substitutes		
Includes general guarantees of indebtedness, guarantees and standby letters of credit serving as financial guarantees for loans and securities.		
	(Un-audited) March 31, 2012	(Audited) December 31, 2011
	(Rupees in '000)	
(i) Government	72,215	90,662
(ii) Banking companies and other financial institutions	-	-
(iii) Others	125,826	92,839
	<u>198,041</u>	<u>183,501</u>
17.2 Transaction-related contingent liabilities		
Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and stand by letters of credit related to particular transactions.		
	(Un-audited) March 31, 2012	(Audited) December 31, 2011
	(Rupees in '000)	
(i) Government	652,463	895,793
(ii) Banking companies and other financial institutions	95,180	103,165
(iii) Others	5,481,251	1,790,825
	<u>6,228,894</u>	<u>2,789,783</u>

17.3 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	(Un-audited) March 31, 2012	(Audited) December 31, 2011
(Rupees in '000)			
Letters of credit		<u>27,786,072</u>	<u>20,907,945</u>

17.4 Other contingencies

Indemnity issued		15,484	15,484
Claims not acknowledged as debts		<u>283,891</u>	<u>282,818</u>
	17.4.1	<u>299,375</u>	<u>298,302</u>

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

17.4.2 The bank received communication from the State Bank of Pakistan (SBP) dated March 25, 2011 wherein the Bank was asked to take measures to fully comply with the requirements specified by the SBP'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 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.

	(Un-audited) March 31, 2012	(Audited) December 31, 2011
(Rupees in '000)		
17.5 Commitments in respect of forward transactions		
Forward agreement lending (reverse repos)	<u>10,976,883</u>	<u>1,340,776</u>
Forward agreement borrowings (repos)	<u>5,181,555</u>	<u>6,369,027</u>
Uncancellable commitments to extend credit	<u>1,451,518</u>	<u>5,700,444</u>

17.6 Commitments in respect of forward foreign exchange contracts

Purchase	<u>93,319,926</u>	<u>124,445,528</u>
Sale	<u>58,946,098</u>	<u>76,128,440</u>

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

	(Un-audited) March 31, 2012	(Audited) December 31, 2011
(Rupees in '000)		
17.7 Other commitments		
Cross currency and interest rate derivative contracts (notional amount)	<u>40,973,947</u>	<u>50,262,515</u>
Foreign currency options	<u>2,923,303</u>	<u>6,433,560</u>

18 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.

19 OTHER INCOME

This is net of funding cost of FX swaps amounting to Rs 374 million (March 31, 2011: Rs 551 million).

20 RELATED PARTY TRANSACTIONS

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

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

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

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

	Balance as at December 31, 2011	Net placements / disbursements / deposits / transfers	Net settlements / repayments / withdrawals / transfers	Balance as at March 31, 2012
------(Rupees in '000)-----				
Advances				
Key management personnel	260	1,551	(1,473)	338
Deposits				
Associated undertakings	611,279	529,995	(868,297)	272,977
Key management personnel	12,158	27,213	(34,034)	5,337
Staff retirement benefit funds	16,480	104,853	(42,469)	78,864
			(Un-audited)	(Audited)
			March	December
			31, 2012	31, 2011
			(Rupees in '000)	
Nostro balances / placements with Citibank branches outside Pakistan			2,494,434	1,070,518
Overdrawn accounts			100,129	-
Call Borrowing			-	3,597,828
Unremitted head office expenses			847,835	773,734
Payable for expenses and share based payment			146,635	217,485
Payable to defined benefit plan			119,121	99,244
Commitments in respect of forward exchange contracts				
Purchase			13,874,384	18,755,714
Sale			13,874,384	18,502,714
Interest rate swap - Notional principal			8,647,880	10,405,082
Foreign currency options - Notional principal			1,461,651	3,216,780
			(Un-audited)	
			For the quarter ended	
			March	March
			31, 2012	31, 2011
			(Rupees in '000)	
20.2 Income / expense for the period				
Mark-up / return / interest earned			2,485	1,416
Mark-up / return / interest expensed			762	2,132
Other income			1,127	1,330
Regional expenses for support services			104,870	77,806
Head office expenses			74,101	42,781
Remuneration paid to key management personnel			15,157	15,859
Contribution to staff retirement benefit funds			20,756	20,271

21 SEGMENT INFORMATION

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

	For the quarter ended March 31, 2012			
	Trading and sales	Retail banking	Corporate banking	Total
	----- (Rupees in '000) -----			
Total income	799,584	660,410	1,062,762	2,522,756
Total expenses	389,466	874,915	792,592	2,056,973
Net income / (loss)	410,118	(214,505)	270,170	465,783
Segment return on net assets (ROA) (%)**	2.62%	-10.60%	6.10%	2.11%
Segment cost of funds (%)***	8.60%	3.74%	5.61%	4.98%

	As at March 31, 2012 (Un-audited)			
	Trading and sales	Retail banking	Corporate banking	Total
	----- (Rupees in '000) -----			
Segment assets (gross)	62,692,282	10,192,494	21,092,655	93,977,431
Segment non-performing loans	-	1,987,978	3,488,326	5,476,304
Segment provision required*	-	2,101,103	3,388,618	5,489,721
Segment liabilities	12,194,763	29,534,212	36,575,608	78,304,583

	For the quarter ended March 31, 2011			
	Trading and sales	Retail banking	Corporate banking	Total
	----- (Rupees in '000) -----			
Total income	1,039,843	730,654	1,163,303	2,933,800
Total expenses	672,340	991,666	785,006	2,449,012
Net income / (loss)	367,503	(261,012)	378,297	484,788
Segment return on net assets (ROA) (%)**	2.17%	-9.96%	9.29%	2.00%
Segment cost of funds (%)***	10.40%	5.30%	6.20%	5.80%

	As at December 31, 2011 (Audited)			
	Trading and sales	Retail banking	Corporate banking	Total
	----- (Rupees in '000) -----			
Segment assets (gross)	70,768,132	10,794,159	20,867,783	102,430,074
Segment non-performing loans	-	1,998,567	3,507,768	5,506,335
Segment provision required*	-	2,123,487	3,403,790	5,527,277
Segment liabilities	18,143,801	29,753,945	38,238,683	86,136,429

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

** Segment ROA = Net income / (Segment Assets - Segment Provisions)

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

22 NON - ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

Subsequent to quarter end Bank has decided to close two of its branches. Further, consistent with its global strategy, Bank will continue to examine businesses and or portfolios to achieve a more efficient utilisation of capital in a manner that's economically rational.

23 GENERAL

- 23.1** This condensed interim financial information was authorised for issue by the management of the Bank on April 26, 2012.
- 23.2** Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.
- 23.3** Corresponding figures have been reclassified, rearranged or additionally incorporated in this condensed interim financial information, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period. No significant reclassifications were made.

NADEEM LODHI
 Managing Director and Citi Country Officer

ANJUM HAI
 Chief Financial Officer