

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, 2013

	Note	(Un-audited) March 31, 2013	(Audited) December 31, 2012 Restated
ASSETS			
(Rupees in '000)			
Cash and balances with treasury banks		3,720,646	6,770,561
Balances with other banks	9	1,091,398	6,035,738
Lendings to financial institutions	10	13,036,054	14,913,193
Investments - net	11	19,350,233	31,339,172
Advances - net including assets held for sale amounting to Rs. Nil (December 31, 2012: Rs. 1,904.53 million)	12	11,999,407	18,255,682
Fixed assets	13	294,010	366,664
Deferred tax assets - net		2,969,438	3,247,843
Other assets [including mark-up receivable on account of asset held for sale amounting to Rs. Nil (December 31, 2012: Rs. 37.40 million)]		3,687,295	4,267,364
		<u>56,148,481</u>	<u>85,196,217</u>
LIABILITIES			
Bills payable		3,079,303	2,185,724
Borrowings from financial institutions	14	122,752	141,666
Deposits and other accounts	15	35,630,033	64,293,565
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities [(including other liabilities on account of assets held for sale amounting to Rs. Nil (December 31, 2012: Rs.143.77 million)]		7,875,278	9,583,676
		<u>46,707,366</u>	<u>76,204,631</u>
NET ASSETS		<u><u>9,441,115</u></u>	<u><u>8,991,586</u></u>
REPRESENTED BY			
Head office capital account		6,812,671	6,812,671
Reserves		154,932	154,932
Unremitted profit		2,519,254	2,007,471
		<u>9,486,857</u>	<u>8,975,074</u>
(Deficit) / Surplus on revaluation of assets - net of tax		<u>(45,742)</u>	<u>16,512</u>
		<u><u>9,441,115</u></u>	<u><u>8,991,586</u></u>

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

NADEEM LODHI
 Managing Director and Citi Country Officer

ADAMJEE YAKOOB
 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, 2013

	Note	Quarter ended	
		March 31, 2013	March 31, 2012 Restated
(Rupees in '000)			
Mark-up / return / interest earned		1,160,832	2,213,465
Mark-up / return / interest expensed		423,659	835,105
Net mark-up / return / interest income		737,173	1,378,360
Reversal of provision against loans and advances - net		(386,007)	(10,928)
Bad debts written off directly		2,466	6,791
Reversal of provision against off-balance sheet obligations - net		-	-
		(383,541)	(4,137)
Net mark-up / interest income after provisions		1,120,714	1,382,497
NON MARK-UP / INTEREST INCOME			
Fee, commission and brokerage income		114,310	211,340
Income from dealing in foreign currencies	17	272,808	420,107
Dividend income		-	-
Gain / (loss) on sale of securities		14,480	(121,843)
Unrealised gain / (loss) on revaluation of investments classified as held-for-trading		(7,327)	180,797
Other income / (loss)	18	228,511	(381,110)
Total non mark-up / interest income		622,782	309,291
		1,743,496	1,691,788
NON MARK-UP / INTEREST EXPENSES			
Administrative expenses		866,141	964,878
(Reversal) / provision against appreciation / diminution in the value of non-banking assets - net		(10)	92
Operating fixed assets written off		332	-
Other charges		1,606	19,122
Total non mark-up / interest expenses - net		868,069	984,092
PROFIT BEFORE TAXATION			
		875,427	707,696
Taxation			
- Current		51,718	325,004
- Prior years		-	-
- Deferred		311,926	(69,616)
		363,644	255,388
PROFIT AFTER TAXATION			
		511,783	452,308

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ADAMJEE YAKOOB
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, 2013

	Quarter ended	
	March 31, 2013	March 31, 2012 Restated
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	875,427	707,696
Adjustments for :		
Depreciation	67,013	119,162
Amortisation	12,252	12,153
Provision against loans and advances	(386,007)	(10,928)
(Reversal) / provision against appreciation / diminution in the value of non-banking assets - net	(10)	92
Unrealised (gain) / loss on revaluation of investments classified as held-for-trading	7,327	(180,797)
Bad debts written off directly	2,466	6,791
Charge for defined benefit plan	17,717	30,139
Operating fixed assets written off	332	-
Gain on disposals of fixed assets	(6,691)	(4,785)
	(285,601)	(28,173)
	589,826	679,523
(Increase) / decrease in operating assets		
Lendings to financial institutions	1,877,139	(9,538,897)
Held-for-trading securities	1,706,718	14,276,911
Advances	6,639,816	633,227
Other assets	609,103	1,554,251
	10,832,776	6,925,492
Increase / (decrease) in operating liabilities		
Bills payable	893,579	796,032
Borrowings from financial institutions	(18,946)	(5,513,765)
Deposits and other accounts	(28,663,532)	(2,444,893)
Other liabilities (excluding current taxation, Head Office Expenses and payable to defined benefit plan)	(1,488,723)	(615,845)
	(29,277,622)	(7,778,471)
	(17,855,020)	(173,456)
Contribution to gratuity fund	(8,099)	(3,695)
Income tax paid	(1,142)	(508,119)
Net cash used in operating activities	(17,864,261)	(685,270)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	10,179,119	4,003,087
Investments in operating fixed assets	(17,742)	(58,898)
Sale proceeds from disposal of property and equipment	17,139	12,409
Net cash generated from investing activities	10,178,516	3,956,598
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit repatriated to Head Office during the period	-	(1,060,043)
Remittances made during the period on account of head office expenses	(308,542)	-
Net cash used in financing activities	(308,542)	(1,060,043)
(Decrease) / increase in cash and cash equivalents	(7,994,287)	2,211,285
Cash and cash equivalents at the beginning of the period	12,806,299	8,140,334
Cash and cash equivalents at end of the period	4,812,012	10,351,619

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ADAMJEE YAKOOB
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, 2013

	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, 2012	6,812,671	3,957,548	149,286	10,919,505
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses net of tax referred in note 6.1	-	(76,338)	-	(76,338)
Balance as at January 1, 2012 - as restated	<u>6,812,671</u>	<u>3,881,210</u>	<u>149,286</u>	<u>10,843,167</u>
Profit for the quarter ended March 31, 2012	-	452,308	-	452,308
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses net of tax referred in note 6.1	-	(5,722)	-	(5,722)
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	-	-	-	-
	-	-	-	-
Balance as at March 31, 2012 - restated	<u>6,812,671</u>	<u>4,327,796</u>	<u>149,286</u>	<u>11,289,753</u>
Profit after tax for the period April 01, 2012 to December 31, 2012 - restated	-	1,024,834	-	1,024,834
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses net of tax referred in note 6.1	-	(17,168)	-	(17,168)
Transactions with owners				
Contribution by the ultimate holding company in respect of share based payments	-	-	17,093	17,093
Recharged balance payable to the ultimate holding company for share based payments	-	-	(17,093)	(17,093)
Effect of re-measurement of cost under share based payment - net of tax	-	-	5,646	5,646
	-	-	5,646	5,646
Profit remittance made to head office	-	(3,327,991)	-	(3,327,991)
Balance as at December 31, 2012 - restated	<u>6,812,671</u>	<u>2,007,471</u>	<u>154,932</u>	<u>8,975,074</u>
Profit for the quarter ended March 31, 2013	-	511,783	-	511,783
Transactions with owners				
Contribution by the ultimate holding company in respect of share based payments	-	-	1,251	1,251
Recharged balance payable to the ultimate holding company for share based payments	-	-	(1,251)	(1,251)
	-	-	-	-
Balance as at March 31, 2013	<u><u>6,812,671</u></u>	<u><u>2,519,254</u></u>	<u><u>154,932</u></u>	<u><u>9,486,857</u></u>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

NADEEM LODHI
 Managing Director and Citi Country Officer

ADAMJEE YAKOOB
 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, 2013

	<u>Quarter ended</u>	
	<u>March 31,</u> <u>2013</u>	<u>March 31,</u> <u>2012</u> <u>Restated</u>
	(Rupees in '000)	
Profit for the period after taxation	511,783	452,308
Effect of change in accounting policy with respect to actuarial gains and losses - net of tax referred in note 6.1	-	(5,722)
Comprehensive income transferred to statement of changes in equity - restated	<u>511,783</u>	<u>446,586</u>
Components of comprehensive income not reflected in equity		
Surplus / (deficit) on revaluation of available-for-sale securities - net of tax	(62,254)	11,019
Total comprehensive income for the period	<u>449,529</u>	<u>457,605</u>

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 Managing Director and Citi Country Officer

ADAMJEE YAKOOB
 Chief Financial Officer

CITIBANK, N.A. - PAKISTAN BRANCHES
(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2013

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.	Baa2	P-2
Citibank, N.A.	A3	P-2

The Bank is engaged in banking activities permissible under the Banking Companies Ordinance, 1962. Its principal office is at AWT Plaza, I. I. Chundrigar Road, Karachi. The Bank operates through 3 branches (December 31, 2012: 7 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, 2012.
- 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, 2012 except for the change mentioned in note 6.1.

6.1 Change in accounting policy - Staff retirement benefits

During the current period (with effect from January 1, 2013), the Bank adopted revised IAS 19 'Employee Benefits' standard and changed its basis for recognition of actuarial gains and losses. The revised IAS 19 require actuarial gains and losses to be recognised immediately in other comprehensive income. Previously, actuarial gains and losses were amortised over the expected average remaining working lives of employees as allowed under the relevant provision of previous IAS 19.

Revised accounting policy of staff retirement benefit is as follows:

6.1.1 Staff retirement benefits

Defined benefit plans

The Bank operates an approved funded gratuity scheme covering eligible employees whose period of employment with Bank is five years or more. Contributions to the fund are made on the basis of actuarial recommendations. Projected Unit Cost method is used for the actuarial valuation. Actuarial gains and losses are recognised immediately in other comprehensive income.

6.1.2 Effects of change in accounting policy

This change in accounting policy has been accounted for retrospectively in accordance with International Accounting Standard - 8 Accounting Policies, Changes in Accounting Estimates 'and Errors', resulting in adjustment of prior year financial statements.

Effect of retrospective application of change in accounting policy are as follows:

	December 31, 2012		
	As previously reported	Effect of change in accounting policy	As Restated
	----- (Rupees in '000) -----		
Effect on balance Sheet			
Other Liabilities	9,513,942	69,734	9,583,676
Deferred tax asset - net	3,194,412	53,431	3,247,843
Other Assets	4,296,388	(29,024)	4,267,364
Unremitted profit	2,052,798	(45,327)	2,007,471

	3 Months ended March 31, 2013	9 Months ended December 31, 2012	3 Months ended March 31, 2012	Prior to December 31, 2012
	------(Rupees in '000)-----			
Effect on profit and loss account				
Net increase / (decrease) in profit before tax	-	62,194	20,731	-
Net increase / (decrease) in tax expenses	-	(21,768)	(7,256)	-
	<u>-</u>	<u>40,426</u>	<u>13,475</u>	<u>-</u>
Effect on other comprehensive income				
Amortisation of actuarial gains / losses reclassified to other comprehensive income	-	(62,194)	(20,731)	-
Net (expense) / income recognised in other	-	35,782	11,927	(117,443)
Net decrease in deferred tax liability	-	9,244	3,082	41,105
	<u>-</u>	<u>(17,168)</u>	<u>(5,722)</u>	<u>(76,338)</u>

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, 2012.

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, 2012.

9 BALANCES WITH OTHER BANKS

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in '000)	
In Pakistan		
- Current accounts	38,900	35,189
Outside Pakistan		
- Current accounts	1,052,498	6,000,549
	<u>1,091,398</u>	<u>6,035,738</u>

10 LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse Repo)	<u>13,036,054</u>	<u>14,913,193</u>
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11 INVESTMENTS - NET

	Note	March 31, 2013 (Un-audited)			December 31, 2012 (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		1,263,076	-	1,263,076	788,342	-	788,342
Pakistan Investment Bonds		727,546	-	727,546	2,908,998	-	2,908,998
		1,990,622	-	1,990,622	3,697,340	-	3,697,340
Available-for-sale securities							
Market treasury bills		11,810,531	-	11,810,531	18,550,975	-	18,550,975
Pakistan Investment Bonds		5,617,431	-	5,617,431	9,056,106	-	9,056,106
Fully paid-up ordinary shares		2,000	-	2,000	2,000	-	2,000
Unlisted term finance certificates	11.1	-	-	-	-	-	-
		17,429,962	-	17,429,962	27,609,081	-	27,609,081
Investments at cost		19,420,584	-	19,420,584	31,306,421	-	31,306,421
Less: Provision for diminution in the value of investments		2,000	-	2,000	2,000	-	2,000
Investments - net of provisions		19,418,584	-	19,418,584	31,304,421	-	31,304,421
Deficit on revaluation of held-for-trading securities - net		2,021	-	2,021	9,348	-	9,348
Deficit on revaluation of available-for-sale securities - net		(70,372)	-	(70,372)	25,403	-	25,403
Investments at market value		19,350,233	-	19,350,233	31,339,172	-	31,339,172

- 11.1 Unlisted Term Finance Certificate includes TFCs, received from a non performing customer, booked at NIL value against the settlement of its over due suspended mark up amounting to Rs. 248.09 million.

	Note	(Un-audited) March 31, 2013	(Audited) December 31, 2012
(Rupees in '000)			
12 ADVANCES - NET			
Loans, cash credits, running finances etc. - In Pakistan		14,799,078	23,032,953
Bills discounted and purchased (excluding Market treasury bills)			
Payable in Pakistan		802,646	901,664
Payable outside Pakistan		286,895	507,063
		1,089,541	1,408,727
Advances - gross		15,888,619	24,441,680
Provision against advances			
- Specific	12.2	(3,888,712)	(6,091,487)
- General	12.3	(500)	(94,511)
		(3,889,212)	(6,185,998)
Advances - net of provision		11,999,407	18,255,682

- 12.1 Advances include Rs. 3,944.962 million (December 31, 2012: Rs. 6,207.490 million) which have been placed under non-performing status as detailed below:

12.2 Category of classification

	March 31, 2013 (Un-audited)				
	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	-	-	-	-	-
Doubtful	112,500	-	112,500	56,250	56,250
Loss	3,832,462	-	3,832,462	3,832,462	3,832,462
	<u>3,944,962</u>	<u>-</u>	<u>3,944,962</u>	<u>3,888,712</u>	<u>3,888,712</u>

	December 31, 2012 (Audited)				
	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	4,927	-	4,927	1,359	1,359
Doubtful	138,504	-	138,504	69,252	69,252
Loss	6,064,059	-	6,064,059	6,020,876	6,020,876
	<u>6,207,490</u>	<u>-</u>	<u>6,207,490</u>	<u>6,091,487</u>	<u>6,091,487</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.

12.4 As at December 31, 2012, the bank's consumer asset portfolio, comprising of Auto Loans, Personal Loans and Credit Cards, was classified as assets held for sale amounting to Rs 1,904.53 million (net of specific provision). During the quarter ended March 31, 2013 the bank sold this portfolio after obtaining all regulatory approvals. For details refer note 18.2.

	Note	(Un-audited)	(Audited)
		March 31, 2013	December 31, 2012
		(Rupees in '000)	
13 FIXED ASSETS			
Capital work-in-progress		30,125	12,383
Property and equipment	13.1 & 13.2	209,299	287,443
Intangible assets		54,586	66,838
		<u>294,010</u>	<u>366,664</u>

	(Un-audited)	
	March 31, 2013	March 31, 2012
	(Rupees in '000)	

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

- Furniture and fixtures	-	1,585
- Electrical and office equipment	-	928
- Vehicles	-	11,429
	<u>-</u>	<u>13,942</u>

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

	(Un-audited)	
	March 31, 2013	March 31, 2012
	(Rupees in '000)	
- Furniture and fixtures	647	18
- Electrical and office equipment	700	73
- Vehicles	9,101	7,533
	<u>10,448</u>	<u>7,624</u>

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in '000)	
14 BORROWINGS FROM FINANCIAL INSTITUTIONS		
In Pakistan	122,752	141,666
14.1 Particulars of borrowings from financial institutions		
In local currency	122,752	141,666
14.2 Details of borrowings from financial institutions		
Secured		
Borrowings from the State Bank of Pakistan under - Long Term Financing - Export Oriented Projects scheme (LTF-EOP)	22,720	25,245
Unsecured		
Call borrowings	100,000	100,000
Overdrawn accounts	32	16,421
	100,032	116,421
	122,752	141,666
15 DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	13,454,330	16,089,264
Savings deposits	11,798,013	21,680,362
Current accounts - non-remunerative	9,172,371	24,564,881
Other deposits	69,513	73,541
	34,494,227	62,408,048
Financial institutions		
Remunerative deposits	232,630	260,930
Non-remunerative deposits	903,175	1,624,587
	1,135,805	1,885,517
	35,630,032	64,293,565
16 CONTINGENCIES AND COMMITMENTS		
16.1 Direct credit substitutes		
Includes general guarantees of indebtedness, guarantees and standby letters of credit serving as financial guarantees for loans and securities.		
	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in '000)	
(i) Government of Pakistan	-	69,173
(ii) Banking companies and other financial institutions	-	-
(iii) Others	-	72,821
	-	141,994

16.2 Transaction-related contingent liabilities

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

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in '000)	
(i) Government of Pakistan	531,966	820,758
(ii) Banking companies and other financial institutions	67,928	67,670
(iii) Others	2,200,577	5,727,832
	<u>2,800,471</u>	<u>6,616,260</u>

16.3 Trade-related contingent liabilities

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

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in '000)	
Letters of credit / acceptances	<u>7,008,574</u>	<u>10,187,301</u>

16.4 Other contingencies

Indemnity issued	15,484	15,484
Claims not acknowledged as debts	138,132	136,321
	<u>16.4.1</u>	<u>153,616</u>

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

16.4.2 The State Bank of Pakistan (SBP) by its letter dated March 25, 2011 asked the Bank to take measures to fully comply with the SBP's guidelines relating to 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 has also taken up the matter with the SBP. Management is confident that this matter will be resolved in the Bank's favour. The possible financial impact, if any, has not been determined as it involves data relating to past several years.

	(Un-audited) March 31, 2013	(Audited) December 31, 2012
	(Rupees in '000)	
16.5 Commitments in respect of forward transactions		
Forward agreement lending (reverse repos)	<u>13,130,044</u>	<u>14,927,891</u>
Forward agreement borrowings (repos)	<u>-</u>	<u>-</u>
Uncancellable commitments to extend credit	<u>2,316,139</u>	<u>1,716,579</u>

16.6 Commitments in respect of forward foreign exchange contracts

Purchase	<u>63,776,673</u>	<u>58,284,081</u>
Sale	<u>45,773,503</u>	<u>36,487,833</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, 2013	(Audited) December 31, 2012
	(Rupees in '000)	
16.7 Other commitments		
Cross currency and interest rate derivative contracts (notional amount)	<u>22,718,275</u>	<u>31,228,364</u>
Foreign currency options	<u>637,170</u>	<u>7,223,828</u>

17 INCOME FROM DEALING IN FOREIGN CURRENCIES

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

	Note	(Un-audited)	
		March 31, 2013	March 31, 2012
18 OTHER INCOME		(Rupees in '000)	
Loss from interest rate derivative contracts	18.1	(75,734)	(428,359)
Net profit on sale of property and equipment		6,691	4,785
Credit losses recovered		5,226	33,056
Gain on sale of consumer assets portfolio	18.2	287,504	-
Others		4,824	9,408
		228,511	(381,110)

18.1 This is net of funding cost of FX swaps amounting to Rs 48 million (March 31, 2012: Rs 374 million).

18.2 During the quarter the Bank sold its consumer assets portfolio comprising of Auto Loans, Personal Loans and Credit Cards to Habib Bank Limited as part of its restructuring initiatives after obtaining necessary approvals from regulatory authorities. Details of the transaction are as under:

	March 31, 2013 Rupees in '000
Gross advances	3,577,266
Specific provision	(1,801,911)
Other assets	24,108
Other liabilities	(126,055)
Carrying value of portfolio	1,673,408
Sale consideration	1,960,912
Gain on sale	287,504

19 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.

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

	Balance as at December 31, 2012	Net placements / disbursements / deposits / transfers	Net settlements / repayments / withdrawals / transfers	Balance as at March 31, 2013
(Rupees in '000)				
Advances				
Key management personnel	114	332	(446)	-
Deposits				
Associated undertakings	662,044	236,952	(538,467)	360,529
Key management personnel	14,852	43,895	(55,427)	3,320
Staff retirement benefit funds	63,597	63,702	(121,943)	5,356

	(Un-audited) March 31, 2013	(Audited) December 31, 2012 Restated
(Rupees in '000)		
Nostro balances / placements with Citibank Branches outside Pakistan	1,049,444	5,997,220
Unremitted head office expenses	566,605	798,012
Interest / Fee receivable from associated undertakings	2,623	2,001
Payable for expenses and share based payment	258,353	229,760
Payable to defined benefit plan	251,956	9,583,676
Commitments in respect of forward exchange contracts		
Purchase	5,946,902	3,276,381
Sale	5,946,902	3,268,381
Interest rate swap - Notional principal	5,394,065	7,295,059
Foreign currency options - Notional principal	318,585	3,611,914

	(Un-audited)	
	For the quarter ended	
	March 31, 2013	March 31, 2012
	(Rupees in '000)	
19.2 Contribution to staff retirement benefit funds	20,043	20,756
19.3 Income / expense for the period		
Mark-up / return / interest earned	2,870	2,485
Mark-up / return / interest expensed	802	762
Other income	4,861	1,127
Regional expenses for support services	65,445	104,870
Head office expenses	77,135	74,101
Remuneration paid to key management personnel	35,371	15,157

20 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, 2013 (Un-audited)			
	Trading and sales	Retail banking	Corporate banking	Total
	(Rupees in '000)			
Total income	453,681	450,955	878,978	1,783,614
Total expenses	273,136	499,692	499,003	1,271,831
Net income / (loss)	180,545	(48,737)	379,975	511,783
Segment return on net assets (ROA) (%)**	1.96%	-5.29%	9.75%	3.65%
Segment cost of funds (%)***	7.88%	1.94%	4.15%	3.86%

	As at March 31, 2013 (Un-audited)			
	Trading and sales	Retail banking	Corporate banking	Total
	(Rupees in '000)			
Segment assets (gross)	36,867,425	3,881,537	19,301,380	60,050,342
Segment non-performing loans	-	181,566	3,763,396	3,944,962
Segment provision required*	-	194,714	3,707,147	3,901,861
Segment liabilities	3,669,835	3,675,163	39,362,368	46,707,366

	For the quarter ended March 31, 2012 - Restated			
	Trading and sales	Retail banking	Corporate banking	Total
	(Rupees in '000)			
Total income	713,955	743,772	1,065,029	2,522,756
Total expenses	336,611	874,915	858,922	2,070,448
Net income / (loss)	377,344	(131,143)	206,107	452,308
Segment return on net assets (ROA) (%)**	2.41%	-6.48%	4.64%	2.04%
Segment cost of funds (%)***	8.60%	3.74%	5.61%	4.98%

	As at December 31, 2012 (Audited) - Restated			
	Trading and sales	Retail banking	Corporate banking	Total
	(Rupees in '000)			
Segment assets (gross)	58,918,030	9,082,523	23,394,319	91,394,872
Segment non-performing loans	-	1,983,464	4,224,026	6,207,490
Segment provision required*	-	2,083,881	4,114,775	6,198,656
Segment liabilities	5,955,058	18,786,980	51,462,593	76,204,631

* 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.

21 GENERAL

21.1 This condensed interim financial information was authorised for issue by the management of the Bank on April 26, 2013.

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

21.3 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

ADAMJEE YAKOOB
Chief Financial Officer