

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, 2014

	Note	(Un-audited) March 31, 2014	(Audited) December 31, 2013
ASSETS			
Cash and balances with treasury banks		5,356,668	3,991,465
Balances with other banks	9	175,920	602,119
Lendings to financial institutions	10	1,782,259	9,202,344
Investments - net	11	46,074,380	25,239,845
Advances - net	12	18,608,291	13,556,587
Fixed assets	13	147,391	153,846
Deferred tax assets - net		667,788	685,858
Other assets		10,281,053	6,454,325
		83,093,750	59,886,389
LIABILITIES			
Bills payable		1,876,449	1,284,956
Borrowings from financial institutions	14	5,192,424	909,854
Deposits and other accounts	15	54,394,643	40,936,496
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		12,609,774	8,197,699
		74,073,290	51,329,005
NET ASSETS		9,020,460	8,557,384
REPRESENTED BY			
Head office capital account		6,812,671	6,812,671
Reserves		161,613	161,613
Unremitted profit		2,129,693	1,650,374
		9,103,977	8,624,658
Deficit on revaluation of assets - net of tax		(83,517)	(67,274)
		9,020,460	8,557,384
CONTINGENCIES AND COMMITMENTS	16		

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, 2014

	Note	Quarter ended	
		March 31, 2014	March 31, 2013
		(Rupees in '000)	
Mark-up / return / interest earned		1,454,534	1,160,832
Mark-up / return / interest expensed		686,611	423,659
Net mark-up / return / interest income		<u>767,923</u>	<u>737,173</u>
Reversal of provision against loans and advances - net		(31,119)	(386,007)
Bad debts written off directly		-	2,466
Reversal of provision against off-balance sheet obligations - net		-	-
		<u>(31,119)</u>	<u>(383,541)</u>
Net mark-up / interest income after provisions		<u>799,042</u>	<u>1,120,714</u>
NON MARK-UP / INTEREST INCOME			
Fee, commission and brokerage income		97,286	114,310
Income from dealing in foreign currencies	17	293,794	272,808
Gain on sale of securities		80,963	14,480
Unrealised loss on revaluation of investments classified as held-for-trading		(38,197)	(7,327)
Other (loss) / income	18	(102,936)	228,511
Total non mark-up / interest income - net		<u>330,910</u>	<u>622,782</u>
		<u>1,129,952</u>	<u>1,743,496</u>
NON MARK-UP / INTEREST EXPENSE			
Administrative expenses		365,625	871,257
Reversal against appreciation / diminution in the value of non-banking assets - net		-	(10)
Operating fixed assets written off		210	332
Other charges		15,042	1,606
Total non mark-up / interest expenses - net		<u>380,877</u>	<u>873,185</u>
		<u>749,075</u>	<u>870,311</u>
PROFIT BEFORE TAXATION			
Taxation			
- Current		233,993	51,718
- Prior years		-	-
- Deferred		29,948	311,926
		<u>263,941</u>	<u>363,644</u>
PROFIT AFTER TAXATION		<u><u>485,134</u></u>	<u><u>506,667</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, 2014

	<u>Quarter ended</u>	
	<u>March 31,</u> <u>2014</u>	<u>March 31,</u> <u>2013</u>
	(Rupees in '000)	
Profit for the period after taxation	485,134	506,667
Items that will not be reclassified to profit and loss account		
Components of comprehensive income reflected in equity		
- Remeasurements of defined benefit plan (loss) / gain	(8,946)	7,871
- Deferred tax asset / (liability) on remeasurements of defined benefit plan	3,131	(2,755)
	<u>(5,815)</u>	<u>5,116</u>
Comprehensive income transferred to statement of changes in equity	479,319	511,783
Items that may be reclassified subsequently to profit and loss account		
Components of comprehensive income not reflected in equity		
- Deficit on revaluation of available for sale securities	(24,989)	(95,775)
- Deferred tax asset on revaluation of available for sale securities	8,746	33,521
	<u>(16,243)</u>	<u>(62,254)</u>
Total comprehensive income for the period	463,076	449,529

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 CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2014

	Quarter ended	
	March 31, 2014	March 31, 2013
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	749,075	870,311
Adjustments for :		
Depreciation	26,363	67,013
Amortisation	1,031	12,252
Reversals against loans and advances	(31,119)	(386,007)
(Reversal) / provision against appreciation / diminution in the value of non-banking assets - net	-	(10)
Unrealised loss on revaluation of investments classified as held-for-trading	38,197	7,327
Bad debts written off directly	-	2,466
Charge for defined benefit plan	8,844	17,717
Operating fixed assets written off	210	332
Gain on disposals of fixed assets	(1,439)	(6,691)
	<u>42,087</u>	<u>(285,601)</u>
	791,162	584,710
(Increase) / decrease in operating assets		
Lendings to financial institutions	7,420,085	1,877,139
Held-for-trading securities	(8,411,386)	1,706,718
Advances	(5,020,585)	6,639,816
Other assets	(3,815,037)	609,103
	<u>(9,826,923)</u>	<u>10,832,776</u>
Increase / (decrease) in operating liabilities		
Bills payable	591,493	893,579
Borrowings from financial institutions	4,219,706	(18,946)
Deposits and other accounts	13,458,147	(28,663,532)
Other liabilities (excluding current taxation, Head Office Expenses and payable to defined benefit plan)	4,164,848	(1,483,607)
	<u>22,434,194</u>	<u>(29,272,506)</u>
	13,398,433	(17,855,020)
Contribution to gratuity fund	(5,693)	(8,099)
Income tax paid	(701)	(1,142)
Net cash used in operating activities	<u>13,392,039</u>	<u>(17,864,261)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(12,486,336)	10,179,119
Investments in operating fixed assets	(21,203)	(17,742)
Sale proceeds from disposal of property and equipment	1,494	17,139
Net cash generated from investing activities	<u>(12,506,045)</u>	<u>10,178,516</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit repatriated to Head Office during the period	-	-
Remittances made during the period on account of head office expenses	-	(308,542)
Net cash used in financing activities	<u>-</u>	<u>(308,542)</u>
(Decrease) / increase in cash and cash equivalents	<u>885,994</u>	<u>(7,994,287)</u>
Cash and cash equivalents at the beginning of the period	4,583,730	12,806,299
Cash and cash equivalents at end of the period	<u><u>5,469,724</u></u>	<u><u>4,812,012</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 CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2014

	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, 2013 - Restated	6,812,671	2,007,471	154,932	8,975,074
Profit for the quarter ended March 31, 2013	-	506,667	-	506,667
Other comprehensive income for the quarter ended March 31, 2013				
Remeasurements of defined benefit plan	-	7,871	-	7,871
Tax on remeasurements of defined benefit plan	-	(2,755)	-	(2,755)
	-	5,116	-	5,116
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)
Effect of re-measurement of cost under share based payment - net of tax	-	-	-	-
	-	-	-	-
Balance as at March 31, 2013	6,812,671	2,519,254	154,932	9,486,857
Profit after tax for the period April 01, 2013 to December 31, 2013	-	1,168,569	-	1,168,569
Other comprehensive income for the period April 2013 to December 2013				
Remeasurements of defined benefit plan	-	23,613	-	23,613
Tax on remeasurements of defined benefit plan	-	(8,264)	-	(8,264)
	-	15,349	-	15,349
Transactions with owners				
Contribution by the ultimate holding company in respect of share based payments	-	-	33,739	33,739
Recharged balance payable to the ultimate holding company for share based payments	-	-	(33,739)	(33,739)
Effect of re-measurement of cost under share based payment - net of tax	-	-	6,681	6,681
	-	-	6,681	6,681
Profit remittance made to head office	-	(2,052,798)	-	(2,052,798)
Balance as at December 31, 2013	6,812,671	1,650,374	161,613	8,624,658
Profit for the quarter ended March 31, 2014	-	485,134	-	485,134
Other comprehensive income for the quarter ended March 31, 2014				
Remeasurements of defined benefit plan	-	(8,946)	-	(8,946)
Tax on remeasurements of defined benefit plan	-	3,131	-	3,131
	-	(5,815)	-	(5,815)
Transactions with owners				
Contribution by the ultimate holding company in respect of share based payments	-	-	2,418	2,418
Recharged balance payable to the ultimate holding company for share based payments	-	-	(2,418)	(2,418)
	-	-	-	-
Balance as at March 31, 2014	6,812,671	2,129,693	161,613	9,103,977

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 YAKOUB
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, 2014

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.	A2	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 3 branches (December 31, 2013: 3 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, 2013.
- 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. In addition, obligation in respect of staff retirement benefit is carried at present 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, 2013.

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, 2013.

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, 2013.

	(Un-audited) March 31, 2014	(Audited) December 31, 2013
	(Rupees in '000)	
9. BALANCES WITH OTHER BANKS		
In Pakistan		
- Current accounts	16,885	17,268
Outside Pakistan		
- Current accounts	159,035	584,851
	<u>175,920</u>	<u>602,119</u>
10. LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (Reverse Repo)	<u>1,782,259</u>	<u>9,202,344</u>

11 INVESTMENTS - NET

Note	March 31, 2014 (Un-audited)			December 31, 2013 (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						
	199,213	496,897	696,110	502,123	-	502,123
	12,457,519	-	12,457,519	4,240,120	-	4,240,120
	12,656,732	496,897	13,153,629	4,742,243	-	4,742,243
Available-for-sale securities						
	4,426,755	1,472,631	5,899,386	12,205,710	-	12,205,710
	27,180,067	-	27,180,067	8,387,407	-	8,387,407
	2,000	-	2,000	2,000	-	2,000
11.1	-	-	-	-	-	-
	31,608,822	1,472,631	33,081,453	20,595,117	-	20,595,117
Investments at cost						
	44,265,554	1,969,528	46,235,082	25,337,360	-	25,337,360
Less: Provision for diminution in the value of investments						
	2,000	-	2,000	2,000	-	2,000
Investments - net of provisions						
	44,263,554	1,969,528	46,233,082	25,335,360	-	25,335,360
(Deficit) / Surplus on revaluation						
	(28,640)	(1,575)	(30,215)	7,982	-	7,982
Deficit on revaluation of						
	(126,754)	(1,733)	(128,487)	(103,497)	-	(103,497)
Investments at market value						
	44,108,160	1,966,220	46,074,380	25,239,845	-	25,239,845

- 11.1 Unlisted Term Finance Certificate represents 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)	(Audited)
	March 31, 2014	December 31, 2013
(Rupees in '000)		
12	21,193,241	15,900,839
ADVANCES - NET		
Loans, cash credits, running finances etc. - In Pakistan		
Bills discounted and purchased (excluding Market treasury bills)		
	873,820	696,603
	30,970	501,140
	904,790	1,197,743
Advances - gross		
	22,098,031	17,098,582
Provision against advances		
- Specific	12.2	(3,489,591)
- General	12.3	(149)
	(3,489,740)	(3,541,995)
Advances - net of provision		
	18,608,291	13,556,587

- 12.1 Advances include Rs. 3,492.765 million (December 31, 2013: Rs. 3,548.054 million) which have been placed under non-performing status as detailed below:

12.2 Category of classification

	March 31, 2014 (Un-audited)				
	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
----- (Rupees in '000) -----					
Substandard	265	-	265	66	66
Doubtful	6,649	-	6,649	3,674	3,674
Loss	3,485,851	-	3,485,851	3,485,851	3,485,851
	<u>3,492,765</u>	<u>-</u>	<u>3,492,765</u>	<u>3,489,591</u>	<u>3,489,591</u>

	December 31, 2013 (Audited)				
	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
----- (Rupees in '000) -----					
Substandard	2,389	-	2,389	597	597
Doubtful	21,567	-	21,567	17,166	17,166
Loss	3,524,098	-	3,524,098	3,524,098	3,524,098
	<u>3,548,054</u>	<u>-</u>	<u>3,548,054</u>	<u>3,541,861</u>	<u>3,541,861</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, 2014	December 31, 2013
----- (Rupees in '000) -----			
13 FIXED ASSETS			
Capital work-in-progress		21,703	500
Property and equipment	13.1 & 13.2	123,105	149,730
Intangible assets		2,583	3,616
		<u>147,391</u>	<u>153,846</u>

- 13.1** Additions to fixed assets are Nil (March 31, 2013: Nil).

- 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 31, 2014	March 31, 2013
----- (Rupees in '000) -----		
- Furniture and fixtures	210	647
- Electrical and office equipment	-	700
- Vehicles	55	9,101
	<u>265</u>	<u>10,448</u>

	(Un-audited) March 31, 2014	(Audited) December 31, 2013
	(Rupees in '000)	
14 BORROWINGS FROM FINANCIAL INSTITUTIONS		
In Pakistan	2,728,136	900,000
Outside Pakistan	2,464,288	9,854
	<u>5,192,424</u>	<u>909,854</u>
14.1 Particulars of borrowings from financial institutions		
In local currency	2,728,136	900,000
In foreign currency	2,464,288	9,854
	<u>5,192,424</u>	<u>909,854</u>
14.2 Details of borrowings from financial institutions		
Secured		
Repurchase agreement borrowings	1,966,318	-
Unsecured		
Call borrowings	3,163,243	900,000
Overdrawn accounts	62,864	9,854
	<u>3,226,107</u>	<u>909,854</u>
	<u>5,192,425</u>	<u>909,854</u>
15 DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	24,720,944	14,245,554
Savings deposits	17,023,472	14,517,387
Current accounts - non-remunerative	10,977,388	10,870,501
Other deposits	122,109	161,135
	52,843,913	39,794,577
Financial institutions		
Remunerative deposits	-	-
Non-remunerative deposits	1,550,730	1,141,919
	1,550,730	1,141,919
	<u>54,394,643</u>	<u>40,936,496</u>
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, 2014	(Audited) December 31, 2013
	(Rupees in '000)	
(i) Government of Pakistan	202	202
(ii) Others	6,001,860	6,001,860
	<u>6,002,062</u>	<u>6,002,062</u>

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, 2014	(Audited) December 31, 2013
	(Rupees in '000)	
(i) Government of Pakistan	617,676	678,567
(ii) Banking companies and other financial institutions	87,117	87,875
(iii) Others	2,456,802	2,623,885
	<u>3,161,595</u>	<u>3,390,327</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, 2014	(Audited) December 31, 2013
	(Rupees in '000)	
Letters of credit / acceptances	<u>7,487,101</u>	<u>6,154,814</u>

16.4 Other contingencies

Indemnity issued	-	-
Claims not acknowledged as debts	138,258	147,792
	<u>138,258</u>	<u>147,792</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, 2014	(Audited) December 31, 2013
	(Rupees in '000)	
16.5 Commitments in respect of forward transactions		
Forward agreement lending (reverse repos)	<u>1,782,785</u>	<u>9,215,819</u>
Forward agreement borrowings (repos)	<u>1,967,981</u>	<u>-</u>
Forward purchase contracts of government securities	<u>502,828</u>	<u>489,805</u>
Uncancellable commitments to extend credit	<u>890,398</u>	<u>3,262,011</u>

16.6 Commitments in respect of forward foreign exchange contracts

Purchase	<u>95,810,505</u>	<u>119,788,695</u>
Sale	<u>79,587,582</u>	<u>107,166,379</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, 2014	(Audited) December 31, 2013
	(Rupees in '000)	
16.7 Other commitments		
Cross currency and interest rate derivative contracts (notional amount)	<u>11,534,108</u>	<u>16,423,814</u>
16.8 Commitments in respect of capital expenditure	<u>15,367</u>	<u>33,933</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, 2014	March 31, 2013
18 OTHER INCOME			
Loss from interest rate derivative contracts	18.1	(106,977)	(75,734)
Net profit on sale of property and equipment		1,439	6,691
Credit losses recovered		-	5,226
Gain on sale of consumer assets portfolio		-	287,504
Others		2,602	4,824
		<u>(102,936)</u>	<u>228,511</u>

18.1 This is net of funding cost of FX swaps amounting to Rs 82 million (March 31, 2013: Rs 48 million).

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, 2013	Net placements / disbursements / deposits / transfers	Net settlements / repayments / withdrawals / transfers	Balance as at March 31, 2014
	(Rupees in '000)			
Deposits				
Associated undertakings	524,941	157,254	(242,998)	439,197
Staff retirement benefit funds	77,561	47,040	(72,228)	52,373
			(Un-audited)	(Audited)
			March	December
			31, 2014	31, 2013
			(Rupees in '000)	
Nostro balances / placements with Citibank Branches outside Pakistan			156,467	556,003
Call borrowings			2,463,243	-
Overdrawn Nostro Accounts			1,045	9,854
Unremitted head office expenses			939,814	852,468
Payable for expenses and share based payment			204,413	280,179
Payable to defined benefit plan			97,946	85,849
Commitments in respect of forward exchange contracts				
Purchase			7,436,024	6,451,536
Sale			7,436,024	6,451,536
Interest rate swap - Notional principal			1,699,637	3,633,699

	(Un-audited)	
	For the quarter ended	
	March 31, 2014	March 31, 2013
	(Rupees in '000)	
19.2 Contribution to staff retirement benefit funds	12,538	20,043
19.3 Income / expense for the period		
Mark-up / return / interest earned	1,016	2,870
Mark-up / return / interest expensed	743	802
Other income	9,734	4,861
Regional expenses for support services	(51,825)	65,445
Head office expenses	87,346	77,135
Remuneration paid to key management personnel	18,157	35,371

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, 2014 (Un-audited)		
	Trading and sales	Corporate & Retail banking	Total
	----- (Rupees in '000) -----		
Total income	585,639	1,199,805	1,785,444
Total expenses	303,558	996,752	1,300,310
Net income	282,081	203,053	485,134
Segment return on net assets (ROA) (%)**	1.91%	3.36%	2.34%
Segment cost of funds (%)***	8.23%	5.26%	5.31%

	As at March 31, 2014 (Un-audited)		
	Trading and sales	Corporate & Retail banking	Total
	----- (Rupees in '000) -----		
Segment assets (gross)	58,952,769	27,641,663	86,594,432
Segment non-performing loans	-	3,503,706	3,503,706
Segment provision required*	-	3,500,682	3,500,682
Segment liabilities	13,479,715	60,593,575	74,073,290

	For the quarter ended March 31, 2013 (Un-audited)		
	Trading and sales	Corporate & Retail banking	Total
	----- (Rupees in '000) -----		
Total income	453,681	1,329,933	1,783,614
Total expenses	273,136	1,003,811	1,276,947
Net income	180,545	326,122	506,667
Segment return on net assets (ROA) (%)**	1.96%	6.77%	3.61%
Segment cost of funds (%)***	7.88%	3.81%	3.86%

	As at December 31, 2013 (Audited)		
	Trading and sales	Corporate & Retail banking	Total
	----- (Rupees in '000) -----		
Segment assets (gross)	39,201,291	24,238,034	63,439,325
Segment non-performing loans	-	3,558,995	3,558,995
Segment provision required*	-	3,552,936	3,552,936
Segment liabilities	6,326,233	45,002,772	51,329,005

* 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.

**** Comparative information has been restated in line with the reportable segments in the current period.

21 GENERAL

- 21.1** This condensed interim financial information was authorised for issue by the management of the Bank on April 21, 2014.
- 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