

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 SEPTEMBER 30, 2010

	(Un-audited)	(Audited)
	September 30,	December 31,
	2010	2009
	(Rupees in '000)	
ASSETS		
Cash and balances with treasury banks	6,774,526	7,706,034
Balances with other banks	7 1,401,410	2,735,953
Lendings to financial institutions	8 25,191,292	10,155,661
Investments - net	9 31,734,746	33,122,217
Advances - net (Include assets held for sale amounting to Rs. 1,870.807 million)	10 21,182,071	28,245,029
Operating fixed assets	11 957,432	1,266,456
Deferred tax assets - net	4,025,752	3,637,578
Other assets (Include mark-up receivable on account of assets held for sale amounting to Rs. 33.255 million)	12 3,555,110	2,911,872
	94,822,339	89,780,800
LIABILITIES		
Bills payable	1,542,548	1,654,759
Borrowings from financial institutions	13 4,323,875	5,561,411
Deposits and other accounts	64,742,985	58,147,204
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	14 15,450,891	15,892,011
	86,060,299	81,255,385
NET ASSETS	8,762,040	8,525,415
REPRESENTED BY		
Head office capital account	6,812,671	6,780,848
Reserves	92,715	92,715
Unremitted profit	2,123,463	1,778,573
	9,028,849	8,652,136
Deficit on revaluation of securities - net	(266,809)	(126,721)
	8,762,040	8,525,415
CONTINGENCIES AND COMMITMENTS	15	

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

ARIF USMANI
 Managing Director and Citi Country Officer

ANJUM HAI
 Chief Financial Officer

CITIBANK, N.A. - PAKISTAN BRANCHES
(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2010

Note	Nine months ended		Quarter ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
	(Rupees in '000)		(Rupees in '000)	
Mark-up / return / interest earned	7,046,248	7,630,342	2,629,293	2,468,349
Mark-up / return / interest expensed	3,038,039	3,642,704	1,023,869	1,189,055
Net mark-up / return / interest income	4,008,209	3,987,638	1,605,424	1,279,294
Provision against advances - net	1,678,991	345,293	394,813	28,250
Provision for diminution in the value of investment - net	-	-	-	-
Bad debts written off directly	72,972	2,206,982	27,245	612,628
	1,751,963	2,552,275	422,058	640,878
Net mark-up / interest income after provisions	2,256,246	1,435,363	1,183,366	638,416
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	610,369	657,516	229,087	247,879
Income from dealing in foreign currencies	1,817,572	1,248,674	658,400	517,441
Dividend income	-	1,204	-	-
Gain on sale of securities	342,558	375,453	(14,265)	198,025
Unrealised gain / (loss) on revaluation of investments classified as held for trading	(14,212)	(6,364)	(9,080)	(41,023)
Other income	(1,141,587)	(95,352)	(365,933)	(441,091)
Total non mark-up / interest income	1,614,700	2,181,131	498,209	481,231
	3,870,946	3,616,494	1,681,575	1,119,647
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	3,093,674	2,903,384	1,292,433	1,018,525
Provision for diminution in the value of non-banking assets	1,289	1,357	115	(242)
Other charges	45,720	31,385	21,894	7,635
Total non mark-up / interest expenses	3,140,683	2,936,126	1,314,442	1,025,918
PROFIT BEFORE TAXATION	730,263	680,368	367,133	93,729
Taxation				
- Current	826,137	1,202,411	327,531	261,840
- Prior year	(46,621)	(106,460)	81,402	(106,460)
- Deferred	(394,143)	(829,455)	(206,126)	(166,515)
	385,373	266,496	202,807	(11,135)
PROFIT AFTER TAXATION	344,890	413,872	164,326	104,864

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

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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 AND NINE MONTHS ENDED SEPTEMBER 30, 2010

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>September 30,</u> <u>2010</u> <u>(Rupees in '000)</u>	<u>September 30,</u> <u>2009</u> <u>(Rupees in '000)</u>	<u>September 30,</u> <u>2010</u> <u>(Rupees in '000)</u>	<u>September 30,</u> <u>2009</u> <u>(Rupees in '000)</u>
Profit for the period after taxation	344,890	413,872	164,326	104,864
Components of comprehensive income not reflected in equity				
(Deficit) / surplus on revaluation of available for sale securities - net of tax	(140,088)	270,714	(77,127)	129,110
Total comprehensive income for the period	<u>204,802</u>	<u>684,586</u>	<u>87,199</u>	<u>233,974</u>

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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 NINE MONTHS ENDED SEPTEMBER 30, 2010

	Nine months ended	
	September 30, 2010	September 30, 2009
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	730,263	680,368
Adjustments		
Depreciation	294,608	400,531
Amortisation	39,478	33,208
Provision against advances - net	1,678,991	345,293
Provision for diminution in the value of non-banking assets	1,289	1,357
Unrealised (gain) / loss on revaluation of held for trading securities	14,212	6,364
Bad debts written off directly	72,972	2,206,982
Charge for defined benefit plan	24,952	32,082
Gain on disposals of fixed assets	(12,549)	(13,271)
Lease rentals	-	2,987
	<u>2,113,953</u>	<u>3,015,533</u>
	2,844,216	3,695,901
(Increase) / decrease in operating assets		
Lendings to financial institutions	(15,035,631)	7,512,751
Held for trading securities	(4,566,510)	(1,245,590)
Advances	5,310,995	12,077,096
Other assets	(644,527)	10,000,991
	<u>(14,935,673)</u>	<u>28,345,248</u>
Increase / (decrease) in operating liabilities		
Bills payable	(112,211)	(385,341)
Borrowings from financial institutions	(1,197,342)	(274,639)
Deposits and other accounts	6,595,781	(1,901,863)
Other liabilities (excluding current taxation and payable to defined benefit plan)	(786,951)	(4,934,182)
	<u>4,499,277</u>	<u>(7,496,025)</u>
	(7,592,180)	24,545,124
Contribution to gratuity fund	(24,952)	(30,938)
Income tax paid	(352,284)	(790,231)
Net cash (used in) / generated from operating activities	<u>(7,969,416)</u>	<u>23,723,955</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	5,724,249	(25,173,928)
Investments in fixed assets	(69,122)	(401,564)
Sale proceeds from disposal of property and equipment	56,609	78,610
Net cash generated from / (used in) investing activities	<u>5,711,736</u>	<u>(25,496,882)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments against lease obligations	-	(2,987)
Capital remittance	-	(1,099,363)
Net cash used in financing activities	<u>-</u>	<u>(1,102,350)</u>
Effects of exchange rate changes on cash and cash equivalents	31,823	115,331
Increase / (decrease) in cash and cash equivalents	<u>(2,225,857)</u>	<u>(2,759,946)</u>
Cash and cash equivalents at the beginning of the period	10,400,369	17,922,742
Cash and cash equivalents at the end of the period	<u><u>8,174,512</u></u>	<u><u>15,162,796</u></u>

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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 NINE MONTHS ENDED SEPTEMBER 30, 2010

	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, 2009	7,742,345	1,689,600	75,785	9,507,730
Profit for the nine months ended September 30, 2009	-	413,872	-	413,872
Charge reversal by the ultimate holding company in respect of share based payments	-	-	(3,910)	(3,910)
Recharged balance payable to the ultimate holding company for share based payments	-	-	3,910	3,910
Effect of re-measurement of cost under share based payment - net of tax	-	-	-	-
Capital remitted during the period	(1,099,363)	-	-	(1,099,363)
Exchange adjustments on revaluation of capital	115,331	-	-	115,331
Balance as at September 30, 2009	6,758,313	2,103,472	75,785	8,937,570
Loss for the three months ended December 31, 2009	-	(324,899)	-	(324,899)
Contribution by the ultimate holding company in respect of share based payments	-	-	32,689	32,689
Recharged balance payable to the ultimate holding company for share based payments	-	-	(32,689)	(32,689)
Effect of re-measurement of cost under share based payment - net of tax	-	-	16,930	16,930
Exchange adjustments on revaluation of capital	22,535	-	-	22,535
Balance as at December 31, 2009	6,780,848	1,778,573	92,715	8,652,136
Profit for the nine months ended September 30, 2010	-	344,890	-	344,890
Contribution by the ultimate holding company in respect of share based payments	-	-	1,975	1,975
Recharged balance payable to the ultimate holding company for share based payments	-	-	(1,975)	(1,975)
Effect of re-measurement of cost under share based payment - net of tax	-	-	-	-
Exchange adjustments on revaluation of capital	31,823	-	-	31,823
Balance as at September 30, 2010	<u>6,812,671</u>	<u>2,123,463</u>	<u>92,715</u>	<u>9,028,849</u>

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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)****NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2010****1 STATUS AND NATURE OF BUSINESS**

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

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

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

The bank is engaged in banking activities permissible under the Banking Companies Ordinance, 1962. Its principal office is at AWT Plaza, I. I. Chundrigar Road, Karachi and operates through 16 branches (December 31, 2009: 21 branches) in Pakistan.

2 BASIS OF PRESENTATION

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

3 STATEMENT OF COMPLIANCE

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

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

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

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the State Bank of Pakistan (SBP) through BSD Circular Letter No. 2 dated May 12, 2004 and requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. They do not include all of the information required for the full set of annual financial statements, and these condensed interim financial statements should be read in conjunction with the financial statements of the bank for the year ended December 31, 2009.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the bank for the year ended December 31, 2009.

5 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 these condensed interim financial statements were the same as those applied to the annual financial statements for the year ended December 31, 2009.

6 FINANCIAL RISK MANAGEMENT

The bank's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2009.

	September 30, 2010	December 31, 2009
	(Rupees in '000)	
7 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	37,320	79,589
Outside Pakistan		
In current accounts	1,364,090	1,270,691
In deposit accounts	-	1,385,673
	<u>1,364,090</u>	<u>2,656,364</u>
	<u>1,401,410</u>	<u>2,735,953</u>
8 LENDINGS TO FINANCIAL INSTITUTIONS		
Call money lendings	-	-
Repurchase agreement lendings (Reverse Repo)	25,191,292	10,155,661
	<u>25,191,292</u>	<u>10,155,661</u>
9 INVESTMENTS - NET		

	Note	September 30, 2010			December 31, 2009		
		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		6,321,341	-	6,321,341	2,166,271	-	2,166,271
Pakistan Investment Bonds		973,351	-	973,351	561,911	-	561,911
		7,294,692	-	7,294,692	2,728,182	-	2,728,182
Available-for-sale securities							
Market treasury bills		18,822,669	-	18,822,669	24,211,458	673,194	24,884,652
Pakistan Investment Bonds		3,834,334	-	3,834,334	3,496,599	-	3,496,599
Fully paid-up ordinary shares	9.1	52,000	-	52,000	52,000	-	52,000
Unlisted Term finance certificates		2,206,000	-	2,206,000	2,206,000	-	2,206,000
		<u>24,915,003</u>	-	<u>24,915,003</u>	<u>29,966,057</u>	<u>673,194</u>	<u>30,639,251</u>
Investments at cost		32,209,695	-	32,209,695	32,694,239	673,194	33,367,433
Less: Provision for diminution in the value of investments		52,000	-	52,000	52,000	-	52,000
Investments - net of provisions		<u>32,157,695</u>	-	<u>32,157,695</u>	<u>32,642,239</u>	<u>673,194</u>	<u>33,315,433</u>
(Deficit) / surplus on revaluation of held-for-trading securities - net		(12,473)	-	(12,473)	1,739	-	1,739
(Deficit) / surplus on revaluation of available-for-sale securities - net		(410,475)	-	(410,475)	(196,898)	1,943	(194,955)
Investments at market value		<u>31,734,747</u>	-	<u>31,734,747</u>	<u>32,447,080</u>	<u>675,137</u>	<u>33,122,217</u>

- 9.1 As at December 31, 2009, the bank held 14,247 'Class A' (listed) and 33,244 'Class C' (unlisted) shares at Nil cost. During the period 16,622 'Class C' shares were converted to 'Class A' shares as a result of 1:1 conversion. These 'Class A' and 'Class C' shares were subsequently sold during the period.

	Note	September 30, 2010	December 31, 2009
10 ADVANCES - NET		(Rupees in '000)	
Loans, cash credits, running finances etc. In Pakistan		24,529,896	30,338,609
Bills discounted and purchased (excluding Market treasury bills)			
Payable in Pakistan		956,660	619,207
Payable outside Pakistan		321,545	247,037
		1,278,205	866,244
Advances - gross		25,808,101	31,204,853
Provision against advances			
- Specific	10.2	(4,240,553)	(2,486,006)
- General	10.3	(385,477)	(473,818)
		(4,626,030)	(2,959,824)
Advances - net of provision		21,182,071	28,245,029

- 10.1 Advances include Rs. 5,378.762 million (December 31, 2009: Rs. 3,158.076 million) which have been placed under non-performing status as detailed below:

10.2 Category of classification

	September 30, 2010				
	Domestic	Overseas	Total	Provision required	Provision held
	----- (Rupees in '000) -----				
Substandard	506,724	-	506,724	132,774	132,774
Doubtful	1,214,848	-	1,214,848	593,614	593,614
Loss	3,657,190	-	3,657,190	3,514,165	3,514,165
	5,378,762	-	5,378,762	4,240,553	4,240,553
	----- (Rupees in '000) -----				
	December 31, 2009				
	----- (Rupees in '000) -----				
Substandard	428,714	-	428,714	104,123	104,123
Doubtful	399,864	-	399,864	170,130	170,130
Loss	2,329,498	-	2,329,498	2,211,753	2,211,753
	3,158,076	-	3,158,076	2,486,006	2,486,006

- 10.3 General provision includes 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 (SBP).

- 10.4 The SBP vide its Circular No. 10 dated October 20, 2009 and BSD Circular No. 2 dated June 30, 2010 has allowed banks to avail the benefit of 40% of forced sale value of pledged stocks and mortgaged commercial, residential and industrial properties held as collateral against all non - performing loans for four years (previously three years) from the date of classification for calculating provisioning requirement. However, the additional impact on profitability arising from availing this benefit would not be available for payment of cash or stock dividend. During the current period, the bank has not availed any benefit in respect of change of benefit from three years to four years. The additional profit arising from availing the FSV benefit - net of tax at September 30, 2010 which is not available for remittance of profits amounted to approximately Rs 29.753 million (December 31, 2009: Rs. 29.753 million).

10.5 Non-current assets held for sale

As at September 30, 2010, the bank has classified its mortgage and auto loans amounting to Rs 1,870.807 million (December 31, 2009: Rs. 2,957.958 million) as 'assets held of sale'. This is consequent to the bank's decision to exit from these businesses.

11	FIXED ASSETS	Note	September 30, 2010	December 31, 2009
			(Rupees in '000)	
	Capital work-in-progress		17,474	15,692
	Property and equipment	11.1 & 11.2	796,792	1,068,145
	Intangible assets		143,166	182,619
			<u>957,432</u>	<u>1,266,456</u>

Nine months ended
September 30, 2010 **September 30, 2009**
(Rupees in '000)

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

- Furniture and fixtures	2,365	144,773
- Electrical and office equipment	2,221	125,494
- Vehicles	62,754	78,642
- Intangibles	-	150,342
	<u>67,340</u>	<u>499,251</u>

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

Nine months ended
September 30, 2010 **September 30, 2009**
(Rupees in '000)

- Furniture and fixtures	6,897	4,336
- Electrical and office equipment	5,507	5,947
- Vehicles	31,656	55,056
	<u>44,060</u>	<u>65,339</u>

12 OTHER ASSETS

12.1 Revaluation gain on derivatives

It includes gain on revaluation of forward foreign exchange contracts, foreign currency options and interest rate derivatives as at September 30, 2010 amounting to Rs. 2,302.599 million (December 31, 2009: Rs. 1,339.075 million).

12.2 Assets held for sale

As more fully explained in note 10.5 to these condensed interim financial statements, other assets also include assets held for sale amounting to Rs. 33.255 million (December 31, 2009: Rs. 46.713 million) which represent mark-up receivable on advances classified as "assets held for sale."

13	BORROWINGS FROM FINANCIAL INSTITUTIONS	September 30, 2010	December 31, 2009
		(Rupees in '000)	

In Pakistan	1,560,182	5,561,411
Outside Pakistan	2,763,692	-
	<u>4,323,874</u>	<u>5,561,411</u>

13.1 Particulars of borrowings from financial institutions

In local currency	1,560,182	5,561,411
In foreign currency	2,763,692	-
	<u>4,323,874</u>	<u>5,561,411</u>

		September 30, 2010	December 31, 2009
		(Rupees in '000)	
13.2	Details of borrowings from financial institutions		
	Secured		
	Borrowings from the State Bank of Pakistan under		
	- Export refinance scheme	948,692	1,598,680
	- Long Term Financing - Export Oriented Projects scheme (LTF-EOP)	211,490	340,414
	Repurchase agreement borrowings	-	3,080,699
		1,160,182	5,019,793
	Unsecured		
	Call borrowings	3,162,269	500,000
	Overdrawn accounts	1,424	41,618
		3,163,693	541,618
		<u>4,323,875</u>	<u>5,561,411</u>
14	OTHER LIABILITIES		
14.1	It includes loss on revaluation of forward foreign exchange contracts, foreign currency options and interest rate derivatives as at September 30, 2010 amounting to Rs. 11,400.593 million (December 31, 2009: Rs. 11,377.517 million).		
15	CONTINGENCIES AND COMMITMENTS		
15.1	Direct credit substitutes		
	Includes general guarantees of indebtedness, bank acceptance, guarantees and standby letters of credit serving as financial guarantees for loans and securities.		
		September 30, 2010	December 31, 2009
		(Rupees in '000)	
	(i) Government	20,201	55,985
	(ii) Banking companies and other financial institutions	91,834	12,398
	(iii) Others	9,504,144	8,122,020
		<u>9,616,179</u>	<u>8,190,403</u>
15.2	Transaction-related contingent liabilities		
	Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and stand by letters of credit related to particular transactions.		
		September 30, 2010	December 31, 2009
		(Rupees in '000)	
	(i) Government	869,518	1,226,058
	(ii) Banking companies and other financial institutions	120,289	126,201
	(iii) Others	696,821	395,622
		<u>1,686,628</u>	<u>1,747,881</u>
15.3	Trade-related contingent liabilities		
	Includes short-term self liquidating trade related contingent liabilities arising from the movement of goods, such as documentary credits where the underlying shipment is used as security.		
		Note	September 30, 2010
			December 31, 2009
		(Rupees in '000)	
	Letters of credit		6,670,521
			<u>9,330,190</u>
15.4	Other contingencies		
	Indemnity issued		15,484
	Claims not acknowledged as debts		277,388
		15.4.1	<u>292,872</u>
			<u>291,456</u>
15.4.1	These are not recognised as debt as the probability of these crystallising against the bank is considered remote.		

	September 30, 2010	December 31, 2009
	(Rupees in '000)	
15.5 Commitments in respect of forward transactions		
Forward agreement lending (reverse repos)	25,285,859	10,317,618
Forward agreement borrowings (repos)	946,675	3,085,119
Forward agreement to purchase (reverse repos)	-	2,808,113
Forward purchase contracts of government securities	48,307	-
Forward sale contracts of government securities	777,989	-

15.6 Commitments in respect of forward foreign exchange contracts

Purchase	119,736,515	120,306,365
Sale	60,110,167	63,979,867

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.

	September 30, 2010	December 31, 2009
	(Rupees in '000)	
15.7 Other commitments		
Interest rate and cross currency derivative contracts (notional amount)	67,068,780	64,724,267
Foreign currency options	1,535,603	2,613,192

16 INCOME FROM DEALING IN FOREIGN CURRENCIES

It includes income from foreign exchange swap trading positions, forward settled inter bank deals and revaluation of Nostro accounts.

17 OTHER INCOME

This includes net funding cost of foreign exchange swaps.

18 RELATED PARTY TRANSACTIONS

Transactions with related parties comprise of transactions in the normal course of business with other branches of Citibank, N.A. outside Pakistan, other direct and indirect subsidiaries of Citigroup, retirement benefit plan 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/benefits to executives is determined in accordance with the terms of their appointment.

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

	Balance as at December 31, 2009	Net placements / disbursements / deposits / transfers	Net settlements / repayments / withdrawals / transfers	Balance as at September 30, 2010
	----- (Rupees in '000) -----			
Loans and advances				
Key management personnel	4,141	1,649	(4,652)	1,138
Deposits				
Associated undertakings	338,301	753,206	(432,266)	659,241
Key management personnel	2,464	30,619	(16,147)	16,936
Staff retirement benefit funds	20,229	574,581	(478,413)	116,397

	September 30, 2010	December 31, 2009
	(Rupees in '000)	
Nostro balances / placements with Citibank branches outside Pakistan	1,360,335	2,654,894
Call borrowing	2,762,269	-
Unremitted head office expenses	493,426	728,818
Payable for expenses and share based payment	103,528	97,448
Payable to defined benefit plan	61,113	61,113
Claims receivable from Citi Global Insurance Reserve Plan	-	3,901

	Nine months ended	
	September 30, 2010	September 30, 2009
	(Rupees in '000)	
18.2 Income / expense for the period		
Mark-up / return / interest earned	8,077	13,149
Mark-up / return / interest expensed	657	27,756
Other income	5,725	17,701
Regional expenses for support services	248,551	290,816
Head office expenses	168,930	91,130
Remuneration paid to key management personnel	41,309	37,875
Contribution to staff retirement benefit funds	63,121	72,672
Sale of fixed assets	1,008	7

19 SEGMENT INFORMATION

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

	For the nine months ended September 30, 2010			
	Trading and sales	Retail banking	Corporate banking	Total
	(Rupees in '000)			
Total income	4,430,296	3,089,269	1,141,383	8,660,948
Total expenses	1,699,832	4,143,467	2,472,759	8,316,058
Net income / (loss)	2,730,464	(1,054,198)	(1,331,376)	344,890
Segment return on net assets (%)**	5.6%	-11.6%	-10.3%	0.5%
Segment cost of funds (%)***	10.4%	5.3%	6.2%	5.8%

	As at September 30, 2010			
	Trading and sales	Retail banking	Corporate banking	Total
	(Rupees in '000)			
Segment assets (gross)	65,557,411	14,494,271	19,472,213	99,523,895
Segment non-performing loans	-	2,204,264	3,174,498	5,378,762
Segment provision required*	-	2,404,457	2,221,573	4,626,030
Segment liabilities	15,069,454	31,098,431	39,892,414	86,060,299

	For the nine months ended September 30, 2009			
	Trading and sales	Retail banking	Corporate banking	Total
	(Rupees in '000)			
Total income	3,482,213	3,557,311	2,771,949	9,811,473
Total expenses	1,461,165	4,844,734	3,091,702	9,397,601
Net income / (loss)	2,021,048	(1,287,423)	(319,753)	413,872
Segment return on net assets (ROA) (%)**	4.7%	-12.0%	-1.9%	0.6%
Segment cost of funds (%)***	12.1%	6.0%	6.6%	6.7%

	As at December 31, 2009			Total
	Trading and sales	Retail banking	Corporate banking	
	----- (Rupees in '000) -----			
Segment assets (gross)	53,029,921	14,132,647	25,652,293	92,814,861
Segment non-performing loans	-	1,065,100	2,092,976	3,158,076
Segment provision required*	-	1,325,697	1,708,364	3,034,061
Segment liabilities	10,335,616	32,468,358	38,451,411	81,255,385

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

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

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

20 GENERAL

- 20.1** These condensed interim financial statements were authorised for issue by the management of the bank on October 28, 2010.
- 20.2** Figures have been rounded off to the nearest thousand rupees.
- 20.3** Corresponding figures have been reclassified, rearranged or additionally incorporated in these condensed interim financial statements, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period. No significant reclassifications were made.

ARIF USMANI
 Managing Director and Citi Country Officer

ANJUM HAI
 Chief Financial Officer