

**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, 2012**

		(Un-audited) September 30, 2012	(Audited) December 31, 2011
	Note	(Rupees in '000)	
<b>ASSETS</b>			
Cash and balances with treasury banks		6,679,642	6,990,879
Balances with other banks	9	4,305,735	1,149,455
Lendings to financial institutions	10	2,815,166	1,339,057
Investments - net	11	42,557,208	60,399,022
Advances - net (Including assets held for sale amounting to Rs 2,015.08 million)	12	20,070,386	18,820,403
Fixed assets	13	432,526	634,699
Deferred tax assets - net		2,775,858	3,614,421
Other assets (Including mark-up receivable on account of assets held for sale amounting to Rs 30.911 million)	14	4,429,916	3,954,861
		<u>84,066,437</u>	<u>96,902,797</u>
<b>LIABILITIES</b>			
Bills payable		2,008,879	2,028,623
Borrowings from financial institutions	15	281,134	11,231,101
Deposits and other accounts		60,610,106	61,678,515
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.146.334 million)	16	9,751,134	11,198,190
		<u>72,651,253</u>	<u>86,136,429</u>
<b>NET ASSETS</b>		<u>11,415,184</u>	<u>10,766,368</u>
<b>REPRESENTED BY</b>			
Head office capital account		6,812,671	6,812,671
Reserves		149,286	149,286
Unremitted profit		4,306,435	3,957,548
		<u>11,268,392</u>	<u>10,919,505</u>
Deficit on revaluation of securities - net of tax		146,792	(153,137)
		<u>11,415,184</u>	<u>10,766,368</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	17		

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

\_\_\_\_\_  
**NADEEM LODHI**  
 Managing Director and Citi Country Officer

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**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, 2012**

Note	Nine months ended		Quarter ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
	(Rupees in '000)		(Rupees in '000)	
Mark-up / return / interest earned	6,535,792	7,828,248	2,105,429	2,706,079
Mark-up / return / interest expensed	2,391,571	3,500,000	766,893	1,119,649
Net mark-up / return / interest income	4,144,221	4,328,248	1,338,536	1,586,430
Provision against advances - net	25,115	652,586	52,986	549,459
Provision for diminution in the value of investment - net	-	-	-	-
Bad debts written off directly	14,211	35,081	3,019	3,397
	39,326	687,667	56,005	552,856
Net mark-up / interest income after provisions	4,104,895	3,640,581	1,282,531	1,033,574
<b>NON MARK-UP / INTEREST INCOME</b>				
Fee, commission and brokerage income	471,308	571,638	119,649	198,356
Income from dealing in foreign currencies	1,450,324	2,568,176	483,818	1,360,176
Dividend income	-	-	-	-
(Loss) / gain on sale of securities	591,350	51,704	656,827	54,869
Unrealised gain / (loss) on revaluation of investments classified as held for trading	357,729	99,796	129,495	98,720
Other income / (cost)	(970,274)	(1,723,683)	(285,644)	(932,807)
Total non mark-up / interest income	1,900,437	1,567,631	1,104,145	779,314
	6,005,332	5,208,212	2,386,676	1,812,888
<b>NON MARK-UP / INTEREST EXPENSES</b>				
Administrative expenses	2,757,454	2,944,041	897,573	973,953
Provision for diminution in the value of non-banking assets	(2,029)	(1,923)	(1,624)	342
Other charges	72,653	64,923	30,741	36,280
Total non mark-up / interest expenses	2,828,078	3,007,041	926,690	1,010,575
<b>PROFIT BEFORE TAXATION</b>	3,177,254	2,201,171	1,459,986	802,313
Taxation				
- Current	1,136,678	915,052	447,523	289,732
- Prior year	(557,327)	-	(405,691)	139,122
- Deferred	677,062	(406,304)	642,974	(224,714)
	1,256,413	508,748	684,806	204,140
<b>PROFIT AFTER TAXATION</b>	1,920,841	1,692,423	775,180	598,173

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

**NADEEM LODHI**  
Managing Director and Citi Country Officer

**ANJUM HAI**  
Chief Financial Officer

**CITIBANK, N.A. - PAKISTAN BRANCHES****(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)****CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)****FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2012**

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>September 30,</u> <u>2012</u> <u>(Rupees in '000)</u>	<u>September 30,</u> <u>2011</u> <u>(Rupees in '000)</u>	<u>September 30,</u> <u>2012</u> <u>(Rupees in '000)</u>	<u>September 30,</u> <u>2011</u> <u>(Rupees in '000)</u>
Profit for the period after taxation	1,920,841	1,692,423	775,180	598,173
<b>Components of comprehensive income not reflected in equity</b>				
Surplus on revaluation of available for sale securities - net of tax	299,929	267,119	290,268	218,642
<b>Total comprehensive income for the period</b>	<b><u>2,220,770</u></b>	<b><u>1,959,542</u></b>	<b><u>1,065,448</u></b>	<b><u>816,815</u></b>

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Managing Director and Citi Country Officer

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**ANJUM HAI**  
Chief Financial Officer

**CITIBANK, N.A. - PAKISTAN BRANCHES**  
**(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2012**

	<b>Nine months ended</b>	
	<b>September 30, 2012</b>	<b>September 30, 2011</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,177,254	2,201,171
<b>Adjustments for :</b>		
Depreciation	238,992	236,250
Amortisation	36,591	43,465
Provision against advances - net	25,115	652,586
(Reversal) / provision for appreciation / diminution in the value of non-banking assets - net	(2,029)	(1,923)
Unrealised gain on revaluation of investments classified as held for trading	(357,729)	(99,796)
Bad debts written off directly	14,211	35,081
Charge for defined benefit plan	47,925	34,640
Gain on disposals of fixed assets	(30,535)	(10,256)
	<u>(27,459)</u>	<u>890,047</u>
	3,149,795	3,091,218
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(1,476,109)	(2,714,357)
Held-for-trading securities	14,023,370	3,844,881
Advances	(1,289,309)	(583,609)
Other assets	(473,026)	721,852
	<u>10,784,926</u>	<u>1,268,767</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	(19,744)	888,053
Borrowings from financial institutions	(10,894,365)	(3,124,108)
Deposits and other accounts	(1,068,409)	1,314,613
Other liabilities (excluding current taxation and payable to defined benefit plan)	1,325,678	(2,901,775)
	<u>(10,656,840)</u>	<u>(3,823,217)</u>
	3,277,881	536,768
Contribution to gratuity fund	(45,879)	(28,927)
Income tax paid	(3,057,728)	(190,294)
<b>Net cash used in operating activities</b>	<u>174,274</u>	<u>317,547</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	4,637,602	(1,577,069)
Investments in fixed assets	(100,601)	(176,747)
Sale proceeds from disposal of fixed assets	57,726	28,487
<b>Net cash generated from investing activities</b>	<u>4,594,727</u>	<u>(1,725,329)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Head office expense remittance made during the period	(296,403)	-
Profit remittance made during the period	(1,571,954)	-
<b>Net cash used in financing activities</b>	<u>(1,868,357)</u>	<u>-</u>
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>(Decrease) / increase in cash and cash equivalents</b>	<u>2,900,644</u>	<u>(1,407,782)</u>
Cash and cash equivalents at the beginning of the period	8,081,368	8,398,393
<b>Cash and cash equivalents at end of the period</b>	<u><u>10,982,012</u></u>	<u><u>6,990,611</u></u>

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

\_\_\_\_\_  
**NADEEM LODHI**  
**Managing Director and Citi Country Officer**

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**ANJUM HAI**  
**Chief Financial Officer**

**CITIBANK, N.A. - PAKISTAN BRANCHES**  
**(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2012**

	Head office capital account	Unremitted profit	Share based payment contribution reserve by the ultimate holding company	Total
----- (Rupees in '000) -----				
Balance as at January 1, 2011	6,812,671	2,201,511	125,573	9,139,755
Profit for the nine months ended September 30, 2011	-	1,692,423	-	1,692,423
<b>Transactions with owners</b>				
Contribution by the ultimate holding company in respect of share based payments	-	-	27,833	27,833
Recharged balance payable to the ultimate holding company for share based payments	-	-	(27,833)	(27,833)
Effect of re-measurement of cost under share based payment - net of tax	-	-	-	-
Balance as at September 30, 2011	6,812,671	3,893,934	125,573	10,832,178
Profit for the period October 01, 2011 to December 31, 2011	-	63,614	-	63,614
<b>Transactions with owners</b>				
Contribution by the ultimate holding company in respect of share based payments	-	-	33,472	33,472
Recharged balance payable to the ultimate holding company for share based payments	-	-	(33,472)	(33,472)
Effect of re-measurement of cost under share based payment - net of tax	-	-	23,713	23,713
Balance as at December 31, 2011	6,812,671	3,957,548	149,286	10,919,505
Profit for the nine months ended September 30, 2012	-	1,920,841	-	1,920,841
Contribution by the ultimate holding company in respect of share based payments	-	-	3,652	3,652
Recharged balance payable to the ultimate holding company for share based payments	-	-	(3,652)	(3,652)
Effect of re-measurement of cost under share based payment - net of tax	-	-	-	-
Profit remittance made to head office	-	(1,571,954)	-	(1,571,954)
<b>Balance as at September 30, 2012</b>	<b>6,812,671</b>	<b>4,306,435</b>	<b>149,286</b>	<b>11,268,392</b>

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

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**CITIBANK, N.A. - PAKISTAN BRANCHES****(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)****NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2012****1 STATUS AND NATURE OF BUSINESS**

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

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

	<u>Long-term senior debt</u>	<u>Short-term debt</u>
Citigroup Inc.	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 8 branches (December 31, 2011: 16 branches) in Pakistan.

**2 BASIS OF PRESENTATION**

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

**3 STATEMENT OF COMPLIANCE**

- 3.1** This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the directives issued by State Bank of Pakistan (SBP). In case the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the directives issued by SBP prevail.
- 3.2** The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has also deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 3.3** The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and this condensed interim financial information should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2011.
- 3.4** SBP vide its BSD Circular No. 07 dated April 20, 2010 has clarified that for the purpose of preparation of financial statements in accordance with International Accounting Standard - 1 (Revised), 'Presentation of Financial Statements', two statement approach shall be adopted i.e. separate 'Profit and Loss Account' and 'Statement of Comprehensive Income' shall be presented, and Balance Sheet shall be renamed as 'Statement of Financial Position'. Furthermore, only the Surplus / (Deficit) on Revaluation of Available-for-sale (AFS) Securities, 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, 2011.

#### 7. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

#### 8. FINANCIAL RISK MANAGEMENT

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

#### 9. BALANCES WITH OTHER BANKS

In Pakistan

- Current accounts

26,973

75,003

Outside Pakistan

- Current accounts

4,278,762

1,074,452

- Deposit accounts

-

-

4,278,762

1,074,452

4,305,735

1,149,455

#### 10. LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse Repo)

2,815,166

1,339,057

(Un-audited) (Audited)  
September December  
30, 2012 31, 2011  
(Rupees in '000)

## 11 INVESTMENTS - NET

Note	September 30, 2012 (Un-audited)			December 31, 2011 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
------(Rupees in '000)-----						
<b>Investments by type</b>						
<b>Held-for-trading securities</b>						
Market treasury bills	5,513,856	-	5,513,856	12,179,967	6,372,738	18,552,705
Pakistan Investment Bonds	6,208,973	-	6,208,973	7,193,494	-	7,193,494
	11,722,829	-	11,722,829	19,373,461	6,372,738	25,746,199
<b>Available-for-sale securities</b>						
Market treasury bills	11,300,501	-	11,300,501	20,024,548	-	20,024,548
Pakistan Investment Bonds	19,177,799	-	19,177,799	15,091,354	-	15,091,354
Fully paid-up ordinary shares	2,000	-	2,000	52,000	-	52,000
Unlisted term finance certificates 11.1	248,090	-	248,090	-	-	-
	30,728,390	-	30,728,390	35,167,902	-	35,167,902
<b>Investments at cost</b>	42,451,219	-	42,451,219	54,541,363	6,372,738	60,914,101
Less: Provision for diminution in the value of investments 11.1	250,090	-	250,090	52,000	-	52,000
<b>Investments - net of provisions</b>	42,201,129	-	42,201,129	54,489,363	6,372,738	60,862,101
Surplus / (deficit) on revaluation of held-for-trading securities - net	130,246	-	130,246	(211,508)	(15,975)	(227,483)
Surplus / (deficit) on revaluation of available-for-sale securities - net	225,833	-	225,833	(235,596)	-	(235,596)
<b>Investments at market value</b>	42,557,208	-	42,557,208	54,042,259	6,356,763	60,399,022

11.1 Represent term finance certificates received as partial settlement from a customer against overdue mark-up. Bank has taken full reserve against the outstanding amount.

	Note	(Un-audited) September 30, 2012	(Audited) December 31, 2011
(Rupees in '000)			
<b>12 ADVANCES - NET</b>			
Loans, cash credits, running finances etc. - In Pakistan		23,879,340	23,085,918
Bills discounted and purchased (excluding Market treasury bills)			
Payable in Pakistan		820,334	662,607
Payable outside Pakistan		777,973	529,562
		1,598,307	1,192,169
Advances - gross		25,477,647	24,278,087
Provision against advances			
- Specific	12.2	(5,308,125)	(5,338,814)
- General	12.3	(99,136)	(118,870)
		(5,407,261)	(5,457,684)
Advances - net of provision		20,070,386	18,820,403

12.1 Advances include Rs 5,407.584 million (December 31, 2011: Rs 5,506.335 million) which have been placed under non-performing status as detailed below:



**12.2 Category of classification**

	<b>September 30, 2012 (Un-audited)</b>				
	<b>Domestic</b>	<b>Overseas</b>	<b>Total</b>	<b>Provision required</b>	<b>Provision held</b>
	----- (Rupees in '000) -----				
Substandard	36,318	-	36,318	9,318	9,318
Doubtful	53,042	-	53,042	26,521	26,521
Loss	5,318,224	-	5,318,224	5,272,286	5,272,286
	<u>5,407,584</u>	<u>-</u>	<u>5,407,584</u>	<u>5,308,125</u>	<u>5,308,125</u>
	<b>December 31, 2011 (Audited)</b>				
	<b>Domestic</b>	<b>Overseas</b>	<b>Total</b>	<b>Provision required</b>	<b>Provision held</b>
	----- (Rupees in '000) -----				
Substandard	132,235	-	132,235	33,663	33,663
Doubtful	51,495	-	51,495	25,748	25,748
Loss	5,322,605	-	5,322,605	5,279,403	5,279,403
	<u>5,506,335</u>	<u>-</u>	<u>5,506,335</u>	<u>5,338,814</u>	<u>5,338,814</u>

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

**12.4 Non-current assets held for sale**

As at September 30, 2012, the bank has classified its consumer asset portfolio (amounting to Rs.2,015.08 million) as assets held for sale. This is consequent to the bank's decision to exit these businesses. Due diligence has been conducted by interested counterparties and the sale when finalized will be subject to regulatory approvals.

	<b>Note</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>September 30, 2012</b>	<b>December 31, 2011</b>
----- (Rupees in '000) -----			
Capital work-in-progress		-	8,923
Property and equipment	13.1 & 13.2	353,436	511,275
Intangible assets		79,090	114,501
		<u>432,526</u>	<u>634,699</u>

	<b>(Un-audited)</b>	
	<b>Nine months ended</b>	
	<b>September 30, 2012</b>	<b>September 30, 2011</b>
----- (Rupees in '000) -----		
<b>13.1</b> The following additions were made at cost during the period:		
- Furniture and fixtures	46,162	2,005
- Electrical and office equipment	50,753	6,290
- Vehicles	11,429	55,172
- Intangibles	1,180	-
	<u>109,524</u>	<u>63,467</u>

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

	<b>(Un-audited)</b>	
	<b>Nine months ended</b>	
	<b>September 30, 2012</b>	<b>September 30, 2011</b>
----- (Rupees in '000) -----		
<b>13.2</b> The written down value of fixed assets disposed of during the period were as follows:		
- Furniture and fixtures	1,930	-
- Electrical and office equipment	4,171	342
- Vehicles	21,090	11,089
	<u>27,191</u>	<u>11,431</u>

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

	<b>(Un-audited)</b>	
	<b>Nine months ended</b>	
	<b>September 30, 2012</b>	<b>September 30, 2011</b>
----- (Rupees in '000) -----		
- Furniture and fixtures	1,930	-
- Electrical and office equipment	4,171	342
- Vehicles	21,090	11,089
	<u>27,191</u>	<u>11,431</u>

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

It includes gain on revaluation of forward foreign exchange contracts, foreign currency options and derivatives as at September 30, 2012 amounting to Rs 790.299 million (December 31, 2011: Rs 2,164.818 million).

**14.2 Assets held for sale**

As more fully explained in note 12.4 to this condensed interim financial information, other assets also include assets held for sale amounting to Rs. 30.911 million which represent mark-up receivable on advances classified as "assets held for sale."

	(Un-audited) September 30, 2012	(Audited) December 31, 2011
	(Rupees in '000)	
<b>15 BORROWINGS FROM FINANCIAL INSTITUTIONS</b>		
In Pakistan	281,134	7,633,273
Outside Pakistan	-	3,597,828
	<u>281,134</u>	<u>11,231,101</u>
<b>15.1 Particulars of borrowings from financial institutions</b>		
In local currency	281,134	7,633,273
In foreign currency	-	3,597,828
	<u>281,134</u>	<u>11,231,101</u>
<b>15.2 Details of borrowings from financial institutions</b>		
<b>Secured</b>		
Borrowings from the State Bank of Pakistan under		
- Export refinance scheme	-	1,080,060
- Long Term Financing - Export Oriented Projects scheme (LTF-EOP)	27,770	35,345
Repurchase agreement borrowings	-	6,358,902
	27,770	7,474,307
<b>Unsecured</b>		
Call borrowings	250,000	3,697,828
Overdrawn accounts	3,364	58,966
	253,364	3,756,794
	<u>281,134</u>	<u>11,231,101</u>

**16 OTHER LIABILITIES**

**16.1** It includes loss on revaluation of forward foreign exchange contracts, foreign currency options and derivatives as at September 30, 2012 amounting to Rs 5,197.321 million (December 31, 2011: Rs 7,719.976 million).

**16.2 Assets held for sale**

As more fully explained in note 12.4 to this condensed interim financial information, other liabilities also include liabilities pertaining to assets held for sale amounting to Rs. 146.334 million.

**17 CONTINGENCIES AND COMMITMENTS****17.1 Direct credit substitutes**

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

	(Un-audited) September 30, 2012	(Audited) December 31, 2011
	(Rupees in '000)	
(i) Government	114,353	90,662
(ii) Banking companies and other financial institutions	-	-
(iii) Others	162,500	92,839
	<u>276,853</u>	<u>183,501</u>

**17.2 Transaction-related contingent liabilities**

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

	<b>(Un-audited) September 30, 2012</b>	<b>(Audited) December 31, 2011</b>
	<b>(Rupees in '000)</b>	
(i) Government	562,235	895,793
(ii) Banking companies and other financial institutions	69,193	103,165
(iii) Others	5,547,448	1,790,825
	<u>6,178,876</u>	<u>2,789,783</u>

**17.3 Trade-related contingent liabilities**

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

	<b>(Un-audited) September 30, 2012</b>	<b>(Audited) December 31, 2011</b>
	<b>(Rupees in '000)</b>	
Letters of credit / acceptances	<u>16,917,863</u>	<u>20,245,338</u>

**17.4 Other contingencies**

Indemnity issued	15,484	15,484
Claims not acknowledged as debts	142,046	282,818
	<u>17.4.1 157,530</u>	<u>298,302</u>

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

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

	<b>(Un-audited) September 30, 2012</b>	<b>(Audited) December 31, 2011</b>
	<b>(Rupees in '000)</b>	
<b>17.5 Commitments in respect of forward transactions</b>		
Forward agreement lending (reverse repos)	<u>2,817,565</u>	<u>1,340,776</u>
Forward agreement borrowings (repos)	<u>-</u>	<u>6,369,027</u>
Forward purchase contracts of government securities	<u>912,044</u>	<u>-</u>
Uncancellable commitments to extend credit	<u>1,902,595</u>	<u>5,700,444</u>

**17.6 Commitments in respect of forward foreign exchange contracts**

Purchase	<u>71,216,814</u>	<u>124,445,528</u>
Sale	<u>43,987,948</u>	<u>76,128,440</u>

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

	<b>(Un-audited) September 30, 2012</b>	<b>(Audited) December 31, 2011</b>
	<b>(Rupees in '000)</b>	
<b>17.7 Other commitments</b>		
Cross currency and interest rate derivative contracts (notional amount)	<u>31,761,429</u>	<u>50,262,515</u>
Foreign currency options	<u>697,305</u>	<u>6,433,560</u>

**18 INCOME FROM DEALING IN FOREIGN CURRENCIES**

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

**19 OTHER INCOME**

This is net of funding cost of FX swaps amounting to Rs 964 million (September 30, 2011: Rs 1,263 million).

**20 RELATED PARTY TRANSACTIONS**

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

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

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

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

	Balance as at December 31, 2011	Net placements / disbursements / deposits / transfers	Net settlements / repayments / withdrawals / transfers	Balance as at September 30, 2012
----- (Rupees in '000) -----				
<b>Advances</b>				
Key management personnel	260	1,134	(1,223)	171
<b>Deposits</b>				
Associated undertakings	611,279	4,260,060	(4,501,408)	369,931
Key management personnel	12,158	57,802	(57,651)	12,309
Staff retirement benefit funds	16,480	329,348	(231,216)	114,612
			<b>(Un-audited)</b>	<b>(Audited)</b>
			<b>September</b>	<b>December</b>
			<b>30, 2012</b>	<b>31, 2011</b>
			<b>(Rupees in '000)</b>	
Nostro balances / placements with Citibank branches outside Pakistan			4,276,110	1,070,518
Call Borrowing			-	3,597,828
Unremitted head office expenses			718,709	773,734
Payable for expenses and share based payment			231,406	217,485
Payable to defined benefit plan			101,291	99,244
Commitments in respect of forward exchange contracts				
Purchase			5,222,752	18,755,714
Sale			5,222,752	18,502,714
Interest rate swap - Notional principal			7,119,407	10,405,082
Foreign currency options - Notional principal			348,653	3,216,780
			<b>(Un-audited)</b>	
			<b>Half year ended</b>	
			<b>September</b>	<b>September</b>
			<b>30, 2012</b>	<b>30, 2011</b>
			<b>(Rupees in '000)</b>	
<b>20.2 Income / expense for the period</b>				
Mark-up / return / interest earned			7,777	2,858
Mark-up / return / interest expensed			2,246	1,061
Other income			4,423	3,899
Regional expenses for support services			285,177	187,793
Head office expenses			241,378	331,920
Remuneration paid to key management personnel			49,334	48,786
Contribution to staff retirement benefit funds			80,052	66,421
Sale of fixed assets			275	-

**21 SEGMENT INFORMATION**

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

	For the nine months ended September 30, 2012 (un-audited)			
	Trading and sales	Retail banking	Corporate banking	Total
	----- (Rupees in '000) -----			
Total income	3,514,218	1,717,976	3,204,035	8,436,229
Total expenses	2,066,104	2,487,903	1,961,381	6,515,388
Net income / (loss)	1,448,114	(769,927)	1,242,654	1,920,841
Segment return on net assets (ROA) (%)**	3.43%	-14.22%	8.03%	3.05%
Segment cost of funds (%)***	7.56%	3.55%	5.62%	4.84%

	As at September 30, 2012 (Un-audited)			
	Trading and sales	Retail banking	Corporate banking	Total
	----- (Rupees in '000) -----			
Segment assets (gross)	56,466,284	9,314,744	23,958,324	89,739,352
Segment non-performing loans	-	1,986,766	3,420,818	5,407,584
Segment provision required*	248,090	2,097,946	3,326,879	5,672,915
Segment liabilities	6,611,195	27,066,232	38,973,826	72,651,253

	For the nine months ended September 30, 2011 (un-audited)			
	Trading and sales	Retail banking	Corporate banking	Total
	----- (Rupees in '000) -----			
Total income	3,526,060	2,340,710	3,529,110	9,395,880
Total expenses	1,974,187	2,737,484	2,991,785	7,703,456
Net income / (loss)	1,551,873	(396,774)	537,325	1,692,424
Segment return on net assets (ROA) (%)**	2.98%	-5.19%	4.29%	2.34%
Segment cost of funds (%)***	8.03%	4.85%	7.25%	6.33%

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

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

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

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

**22 NON - ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

During third quarter 2012, Bank has closed four of its branches. Further, consistent with its global strategy, the Bank will continue to examine businesses and or portfolios to achieve a more efficient utilization of capital in a manner that's economically rational.

**23 GENERAL**

**23.1** This condensed interim financial information was authorised for issue by the management of the Bank on October 25, 2012.

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

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

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**NADEEM LODHI**  
 Managing Director and Citi Country Officer

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**ANJUM HAI**  
 Chief Financial Officer