

**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, 2013**

	(Un-audited)	(Audited)
Note	September 30, 2013	December 31, 2012
	Restated	
	(Rupees in '000)	
<b>ASSETS</b>		
Cash and balances with treasury banks	4,790,684	6,770,561
Balances with other banks	9 414,721	6,035,738
Lendings to financial institutions	10 10,833,932	14,913,193
Investments - net	11 32,019,695	31,339,172
Advances - net	12 10,682,071	18,255,682
Fixed assets	13 182,503	366,664
Deferred tax assets - net	2,675,854	3,247,843
Other assets	4,201,493	4,267,364
	65,800,953	85,196,217
<b>LIABILITIES</b>		
Bills payable	2,583,455	2,185,724
Borrowings from financial institutions	14 2,980,005	141,666
Deposits and other accounts	15 44,098,013	64,293,565
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	7,291,158	9,583,676
	56,952,631	76,204,631
<b>NET ASSETS</b>	8,848,322	8,991,586
<b>REPRESENTED BY</b>		
Head office capital account	6,812,671	6,812,671
Reserves	154,932	154,932
Unremitted profit	1,969,515	2,007,471
	8,937,118	8,975,074
(Deficit) / surplus on revaluation of securities - net of tax	(88,796)	16,512
	8,848,322	8,991,586
<b>CONTINGENCIES AND COMMITMENTS</b>	16	

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

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

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**ADAMJEE YAKOOB**  
 Chief Financial Officer

**CITIBANK, N.A. - PAKISTAN BRANCHES**  
(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2013**

Note	Nine months ended		Quarter ended	
	September 30, 2013	September 30, 2012 Restated	September 30, 2013	September 30, 2012 Restated
	(Rupees in '000)		(Rupees in '000)	
Mark-up / return / interest earned	3,541,269	6,535,792	1,116,355	2,105,429
Mark-up / return / interest expensed	1,570,089	2,391,571	533,124	766,893
Net mark-up / return / interest income	1,971,180	4,144,221	583,231	1,338,536
(Reversal) / provision against advances - net	(651,914)	25,115	(70,077)	52,986
Provision against off-balance sheet obligations - net	14,544	-	14,544	-
Bad debts written off directly	2,348	14,211	(395)	3,019
	(635,022)	39,326	(55,928)	56,005
Net mark-up / interest income after provisions	2,606,202	4,104,895	639,159	1,282,531
<b>NON MARK-UP / INTEREST INCOME</b>				
Fee, commission and brokerage income	301,518	471,308	110,225	119,649
Income from dealing in foreign currencies	1,313,623	1,450,324	428,199	483,818
Dividend income	-	-	-	-
Gain / (loss) on sale of securities	91,363	591,350	(142,838)	656,827
Unrealised gain / (loss) on revaluation of investments classified as held for trading	-	357,729	115,729	129,495
Other income / (cost)	(20,415)	(970,274)	(97,513)	(285,644)
Total non mark-up / interest income	1,686,089	1,900,437	413,802	1,104,145
	4,292,291	6,005,332	1,052,961	2,386,676
<b>NON MARK-UP / INTEREST EXPENSES</b>				
Administrative expenses	2,029,580	2,695,260	545,979	876,842
Reversal of provision for diminution in the value of non-banking assets	(231)	(2,029)	(23)	(1,624)
Operating fixed assets written off	661	-	-	-
Other charges	40,897	72,653	6,632	30,741
Total non mark-up / interest expenses - net	2,070,907	2,765,884	552,588	905,959
<b>PROFIT BEFORE TAXATION</b>	2,221,384	3,239,448	500,373	1,480,717
Taxation				
- Current	236,045	1,158,446	198,067	454,779
- Prior years	(28,638)	(557,327)	(28,638)	(405,691)
- Deferred	628,692	677,062	1,572	642,974
	836,099	1,278,181	171,001	692,062
<b>PROFIT AFTER TAXATION</b>	1,385,285	1,961,267	329,372	788,655

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 AND NINE MONTHS ENDED SEPTEMBER 30, 2013**

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>September 30,</u> <u>2013</u>	<u>September 30,</u> <u>2012</u> <u>Restated</u> <u>(Rupees in '000)</u>	<u>September 30,</u> <u>2013</u>	<u>September 30,</u> <u>2012</u> <u>Restated</u> <u>(Rupees in '000)</u>
Profit for the period after taxation	1,385,285	1,961,267	329,372	788,655
Effect of change in accounting policy with respect to actuarial gains and losses - net of tax referred in note 6.1	-	(17,167)	-	(5,722)
<b>Comprehensive income transferred to statement of changes in equity - restated</b>	<b><u>1,385,285</u></b>	<b><u>1,944,100</u></b>	<b><u>329,372</u></b>	<b><u>782,933</u></b>
<b>Components of comprehensive income not reflected in equity</b>				
(Deficit) / surplus on revaluation of available for sale securities - net of tax	(105,308)	299,929	(162,259)	290,268
<b>Total comprehensive income for the period</b>	<b><u>1,279,977</u></b>	<b><u>2,244,029</u></b>	<b><u>167,113</u></b>	<b><u>1,073,201</u></b>

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Managing Director and Citi Country Officer

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**ADAMJEE YAKOOB**  
Chief Financial Officer

**CITIBANK, N.A. - PAKISTAN BRANCHES**  
**(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013**

	<b>Nine months ended</b>	
	<b>September 30, 2013</b>	<b>September 30, 2012 Restated</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,221,384	3,239,448
<b>Adjustments for :</b>		
Depreciation	115,087	238,992
Amortisation	21,371	36,591
Provision against advances - net	(651,914)	25,115
Reversal of provision for diminution in the value of non-banking assets - net	(231)	(2,029)
Unrealised (gain) / loss on revaluation of held-for-trading securities	-	(357,729)
Bad debts written off directly	2,348	14,211
Charge for defined benefit plan	(659)	(14,269)
Operating fixed assets written off	661	-
Provision against off-balance sheet obligations	14,544	-
Gain on disposals of fixed assets	(14,305)	(30,535)
	<u>(513,098)</u>	<u>(89,653)</u>
	1,708,286	3,149,795
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	4,079,261	(1,476,109)
Held-for-trading securities	(920,558)	14,023,370
Advances	8,223,177	(1,289,309)
Other assets	94,354	(473,026)
	11,476,234	10,784,926
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	397,731	(19,744)
Borrowings from financial institutions	2,519,140	(10,894,365)
Deposits and other accounts	(20,195,552)	(1,068,409)
Other liabilities (excluding current taxation, Head Office expenses and payable to defined benefit plan)	(2,103,431)	1,324,480
	<u>(19,382,112)</u>	<u>(10,658,038)</u>
	(6,197,592)	3,276,683
Contribution to gratuity fund	(34,284)	(44,681)
Income tax paid	(53,009)	(3,057,728)
<b>Net cash used in operating activities</b>	<u>(6,284,885)</u>	<u>174,274</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	78,023	4,637,602
Investments in fixed assets	(30,896)	(100,601)
Sale proceeds from disposal of fixed assets	49,448	57,726
<b>Net cash generated from investing activities</b>	96,575	4,594,727
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Head office expense remittance made during the period	(308,542)	(296,403)
Profit remittance made during the period	(1,423,241)	(1,571,954)
<b>Net cash used in financing activities</b>	<u>(1,731,783)</u>	<u>(1,868,357)</u>
<b>(Decrease) / increase in cash and cash equivalents</b>	<u>(7,920,093)</u>	<u>2,900,644</u>
Cash and cash equivalents at the beginning of the period	12,789,878	8,081,368
<b>Cash and cash equivalents at end of the period</b>	<u><u>4,869,785</u></u>	<u><u>10,982,012</u></u>

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

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**ADAMJEE YAKOOB**  
**Chief Financial Officer**

**CITIBANK, N.A. - PAKISTAN BRANCHES**  
**(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013**

	Head office capital account	Unremitted profit	Share based payment contribution reserve by the ultimate holding company	Total
	----- (Rupees in '000) -----			
<b>Balance as at January 1, 2012</b>	6,812,671	3,957,548	149,286	10,919,505
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses - net of tax - referred in note 6.1	-	(76,338)	-	(76,338)
<b>Balance as at January 1, 2012 - as restated</b>	<u>6,812,671</u>	<u>3,881,210</u>	<u>149,286</u>	<u>10,843,167</u>
Profit for the nine months ended September 30, 2012	-	1,961,267	-	1,961,267
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses - net of tax - referred in note 6.1	-	(17,167)	-	(17,167)
<b>Transactions with owners</b>				
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	-	-	-	-
Balance as at September 30, 2012 - restated	<u>6,812,671</u>	<u>5,825,310</u>	<u>149,286</u>	<u>12,787,267</u>
Loss after tax for the three months ended December 31, 2012 - restated	-	(484,125)	-	(484,125)
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses - net of tax - referred in note 6.1		(5,723)		(5,723)
<b>Transactions with owners</b>				
Contribution by the ultimate holding company in respect of share based payments	-	-	27,227	27,227
Recharged balance payable to the ultimate holding company for share based payments	-	-	(27,227)	(27,227)
Effect of re-measurement of cost under share based payment - net of tax	-	-	5,646	5,646
Profit remittance made to head office	-	(3,327,991)	-	(3,327,991)
Balance as at December 31, 2012 - restated	<u>6,812,671</u>	<u>2,007,471</u>	<u>154,932</u>	<u>8,975,074</u>
Profit for the nine months ended September 30, 2013	-	1,385,285	-	1,385,285
<b>Transactions with owners</b>				
Contribution by the ultimate holding company in respect of share based payments	-	-	24,017	24,017
Recharged balance payable to the ultimate holding company for share based payments	-	-	(24,017)	(24,017)
Profit remittance made to head office	-	(1,423,241)	-	(1,423,241)
<b>Balance as at September 30, 2013</b>	<u><u>6,812,671</u></u>	<u><u>1,969,515</u></u>	<u><u>154,932</u></u>	<u><u>8,937,118</u></u>

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

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

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**ADAMJEE YAKOOB**  
 Chief Financial Officer

**CITIBANK, N.A. - PAKISTAN BRANCHES****(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)****NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2013****1 STATUS AND NATURE OF BUSINESS**

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

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

	<u>Long-term senior debt</u>	<u>Short-term debt</u>
Citigroup Inc.	Baa2	P-2
Citibank, N.A.	A3	P-2

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

**2 BASIS OF PRESENTATION**

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

**3 STATEMENT OF COMPLIANCE**

- 3.1** This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the directives issued by State Bank of Pakistan (SBP). In case the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the directives issued by SBP prevail.
- 3.2** The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has also deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 3.3** The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and this condensed interim financial information should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2012.
- 3.4** SBP vide its BSD Circular No. 07 dated April 20, 2010 has clarified that for the purpose of preparation of financial statements in accordance with International Accounting Standard - 1 (Revised), 'Presentation of Financial Statements', two statement approach shall be adopted i.e. separate 'Profit and Loss Account' and 'Statement of Comprehensive Income' shall be presented, and Balance Sheet shall be renamed as 'Statement of Financial Position'. Furthermore, the Surplus / (Deficit) on Revaluation of Available-for-sale (AFS) Securities only, may be included in the 'Statement of Comprehensive Income'. However, it should continue to be shown separately in the statement of financial position below equity. Accordingly, the above requirements have been adopted in the preparation of this condensed interim financial information.

#### 4. BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except that certain investments and derivative financial instruments have been marked to market and are carried at fair value. 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, 2012 except for the change as described in note 6.1.

##### 6.1 Change in accounting policy - Staff retirement benefits

IAS 19 (revised) 'Employee benefits' effective for annual periods beginning on or after January 1, 2013 amends the accounting for employee benefits. The standard requires immediate recognition of past service cost and also replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year.

Further, a new term "remeasurements" has been introduced. This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost. The standard requires "remeasurements" to be recognised in the Statement of Financial Position immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

Following the application of IAS 19 (revised), the Bank's policy for staff retirement benefits - Defined benefit plan stands amended as follows:

##### 6.1.1 Staff retirement benefits

###### Defined benefit plans

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

##### 6.1.2 Effects of change in accounting policy

This change in accounting policy has been accounted for retrospectively in accordance with International Accounting Standard - 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', and comparative figures have been restated.

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

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

9 Months ended September 30, 2013	3 Months ended December 31, 2012	9 Months ended September 30, 2012	Prior to December 31, 2011
------(Rupees in '000)-----			

#### Effect on profit and loss account

Net increase / (decrease) in profit before tax	-	20,731	62,194	-
Net increase / (decrease) in tax expenses	-	(7,256)	(21,768)	-
	<u>-</u>	<u>13,475</u>	<u>40,426</u>	<u>-</u>

#### Effect on other comprehensive income

Amortisation of actuarial gains / losses reclassified to other comprehensive income	-	(20,731)	(62,194)	-
Net (expense) / income recognised in other comprehensive income	-	11,927	35,782	(117,443)
Net decrease in deferred tax liability	-	3,081	9,245	41,105
	<u>-</u>	<u>(5,723)</u>	<u>(17,167)</u>	<u>(76,338)</u>

### 7 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The significant judgments made by management and the key sources of estimates used in the preparation of this condensed interim financial information are the same as those applied to the annual financial statements for the year ended December 31, 2012.

### 8 FINANCIAL RISK MANAGEMENT

The Bank's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2012.

### 9 BALANCES WITH OTHER BANKS

	(Un-audited) September 30, 2013	(Audited) December 31, 2012
In Pakistan		
- Current accounts	17,190	35,189
Outside Pakistan		
- Current accounts	397,531	6,000,549
	<u>414,721</u>	<u>6,035,738</u>

### 10 LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse Repo)	<u>10,833,932</u>	<u>14,913,193</u>
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## 11 INVESTMENTS - NET

Note	September 30, 2013 (Un-audited)			December 31, 2012 (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>						
	4,419,144	-	4,419,144	788,342	-	788,342
	198,754	-	198,754	2,908,998	-	2,908,998
	4,617,898	-	4,617,898	3,697,340	-	3,697,340
<b>Available-for-sale securities</b>						
	24,207,383	-	24,207,383	18,550,975	-	18,550,975
	3,358,574	-	3,358,574	9,056,106	-	9,056,106
	2,000	-	2,000	2,000	-	2,000
11.1	-	-	-	-	-	-
	27,567,957	-	27,567,957	27,609,081	-	27,609,081
<b>Investments at cost</b>						
	32,185,855	-	32,185,855	31,306,421	-	31,306,421
Less: Provision for diminution in the value of investments						
	2,000	-	2,000	2,000	-	2,000
<b>Investments - net of provisions</b>						
	32,183,855	-	32,183,855	31,304,421	-	31,304,421
(Deficit) / surplus on revaluation of held-for-trading securities - net						
	(27,551)	-	(27,551)	9,348	-	9,348
(Deficit) / surplus on revaluation of available-for-sale securities - net						
	(136,609)	-	(136,609)	25,403	-	25,403
<b>Investments at market value</b>						
	32,019,695	-	32,019,695	31,339,172	-	31,339,172

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

	Note	(Un-audited)	(Audited)
		September 30, 2013	December 31, 2012
(Rupees in '000)			
12	<b>ADVANCES - NET</b>		
	Loans, cash credits, running finances etc. - In Pakistan	13,468,605	23,032,953
	Bills discounted and purchased (excluding Market treasury bills)		
	Payable in Pakistan	790,010	901,664
	Payable outside Pakistan	18,974	507,063
		808,984	1,408,727
	Advances - gross	14,277,589	24,441,680
	Provision against advances		
	- Specific	12.2	(3,595,396)
	- General	12.3	(122)
			(3,595,518)
	Advances - net of provision	10,682,071	18,255,682

- 12.1 Advances include Rs 3,621.120 million (December 31, 2012: Rs 6,207.490 million) which have been placed under non-performing status as detailed below:

**12.2 Category of classification**

	<b>September 30, 2013 (Un-audited)</b>				
	<b>Domestic</b>	<b>Overseas</b>	<b>Total</b>	<b>Provision required</b>	<b>Provision held</b>
	----- (Rupees in '000) -----				
Substandard	7,930	-	7,930	1,983	1,983
Doubtful	66,365	-	66,365	46,594	46,594
Loss	3,546,825	-	3,546,825	3,546,819	3,546,819
	<u>3,621,120</u>	<u>-</u>	<u>3,621,120</u>	<u>3,595,396</u>	<u>3,595,396</u>

  

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

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

**12.4** During the nine months ended September 30, 2013, the Bank sold its consumer asset portfolio, comprising of Auto Loans, Personal Loans and Credit Cards after obtaining all regulatory approvals. For details refer note 18.2.

	<b>Note</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
		<b>September 30, 2013</b>	<b>December 31, 2012</b>
		(Rupees in '000)	

**13 FIXED ASSETS**

Capital work-in-progress		500	12,383
Property and equipment	13.1 & 13.2	177,358	287,443
Intangible assets		4,645	66,838
		<u>182,503</u>	<u>366,664</u>

<b>(Un-audited)</b>	
<b>Nine months ended</b>	
<b>September 30, 2013</b>	<b>September 30, 2012</b>
(Rupees in '000)	

**13.1** The following additions / transfer from CWIP were made at cost during the period:

- Furniture and fixtures	5,998	46,162
- Electrical and office equipment	6,073	50,753
- Vehicles	30,708	11,429
- Intangibles	-	1,180
	<u>42,779</u>	<u>109,524</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, 2013</b>	<b>September 30, 2012</b>	
(Rupees in '000)		
- Furniture and fixtures	647	1,930
- Electrical and office equipment	700	4,171
- Vehicles	33,796	21,090
	<u>35,143</u>	<u>27,191</u>

	(Un-audited) September 30, 2013	(Audited) December 31, 2012
	(Rupees in '000)	
<b>14 BORROWINGS FROM FINANCIAL INSTITUTIONS</b>		
In Pakistan	31,728	141,666
Outside Pakistan	2,948,277	-
	<u>2,980,005</u>	<u>141,666</u>
<b>14.1 Particulars of borrowings from financial institutions</b>		
In local currency	31,728	141,666
In foreign currency	2,948,277	-
	<u>2,980,005</u>	<u>141,666</u>
<b>14.2 Details of borrowings from financial institutions</b>		
<b>Secured</b>		
Borrowings from the State Bank of Pakistan under Long Term Financing - Export Oriented Projects scheme (LTF-EOP)	-	25,245
<b>Unsecured</b>		
Call borrowings	2,644,385	100,000
Overdrawn accounts	335,620	16,421
	<u>2,980,005</u>	<u>116,421</u>
	<u>2,980,005</u>	<u>141,666</u>
<b>15 DEPOSITS AND OTHER ACCOUNTS</b>		
<b>Customers</b>		
Fixed deposits	15,386,305	16,089,264
Savings deposits	16,393,763	21,680,362
Current accounts - non-remunerative	10,407,895	24,564,881
Other deposits	64,173	73,541
	42,252,136	62,408,048
<b>Financial institutions</b>		
Remunerative deposits	-	260,930
Non-remunerative deposits	1,845,878	1,624,587
	1,845,878	1,885,517
	<u>44,098,014</u>	<u>64,293,565</u>
<b>16 CONTINGENCIES AND COMMITMENTS</b>		
<b>16.1 Direct credit substitutes</b>		
Includes general guarantees of indebtedness, guarantees and standby letters of credit serving as financial guarantees for loans and securities.		
	(Un-audited) September 30, 2013	(Audited) December 31, 2012
	(Rupees in '000)	
(i) Government	202	69,173
(ii) Others	6,001,860	72,821
	<u>6,002,062</u>	<u>141,994</u>
<b>16.2 Transaction-related contingent liabilities</b>		
Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions.		

	(Un-audited) September 30, 2013	(Audited) December 31, 2012
	(Rupees in '000)	
(i) Government	675,077	820,758
(ii) Banking companies and other financial institutions	90,205	67,670
(iii) Others	2,337,951	5,727,832
	<u>3,103,233</u>	<u>6,616,260</u>

### 16.3 Trade-related contingent liabilities

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

	(Un-audited) September 30, 2013	(Audited) December 31, 2012
	(Rupees in '000)	
Letters of credit	<u>8,461,411</u>	<u>10,187,301</u>

### 16.4 Other contingencies

Indemnity issued	14,544	15,484
Claims not acknowledged as debts	148,828	136,321
	<u>163,372</u>	<u>151,805</u>

16.4.1

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) September 30, 2013	(Audited) December 31, 2012
	(Rupees in '000)	
<b>16.5 Commitments in respect of forward transactions</b>		
Forward agreement lending (reverse repos)	<u>10,840,301</u>	<u>14,927,891</u>
Forward agreement borrowings (repos)	<u>-</u>	<u>-</u>
Forward purchase contracts of government securities	<u>537,827</u>	<u>-</u>
Forward sale contracts of government securities	<u>-</u>	<u>-</u>
Uncancellable commitments to extend credit	<u>3,576,889</u>	<u>1,716,579</u>

### 16.6 Commitments in respect of forward foreign exchange contracts

Purchase	<u>87,560,794</u>	<u>58,284,081</u>
Sale	<u>69,212,487</u>	<u>36,487,833</u>

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

	(Un-audited) September 30, 2013	(Audited) December 31, 2012
	(Rupees in '000)	
<b>16.7 Other commitments</b>		
Cross currency and interest rate derivative contracts (notional amount)	<u>17,239,544</u>	<u>31,228,364</u>
Foreign currency options	<u>-</u>	<u>7,223,828</u>

### 17 INCOME FROM DEALING IN FOREIGN CURRENCIES

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

18	OTHER INCOME / COST	Note	(Un-audited)	
			September 30, 2013	September 30, 2012
			(Rupees in '000)	
	Loss from interest rate derivative contracts	18.1	(320,214)	(1,111,264)
	Net profit on sale of property and equipment		14,305	30,535
	Credit losses recovered		4,337	76,815
	Gain on sale of consumer assets portfolio	18.2	287,504	-
	Others		(6,347)	33,640
			<u>(20,415)</u>	<u>(970,274)</u>

18.1 This is net of funding cost of FX swaps amounting to Rs 227 million (September 30, 2012: Rs 964 million).

18.2 During the nine months ended September 30, 2013, the Bank sold its consumer assets portfolio comprising of Auto Loans, Personal Loans and Credit Cards to Habib Bank Limited as part of its restructuring initiatives after obtaining necessary approvals from regulatory authorities. Details of the transaction are as under:

	September 30, 2013 Rupees in '000
Gross advances	3,577,266
Specific provision	(1,801,911)
Other assets	24,108
Other liabilities	(126,055)
Carrying value of portfolio	1,673,408
Sale consideration	1,960,912
Gain on sale	<u>287,504</u>

## 19 RELATED PARTY TRANSACTIONS

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

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

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

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

	Balance as at December 31, 2012	Net placements / disbursements / deposits / transfers	Net settlements / repayments / withdrawals / transfers	Balance as at September 30, 2013
----- (Rupees in '000) -----				
<b>Advances</b>				
Key management personnel	114	332	(446)	-
<b>Deposits</b>				
Associated undertakings	662,044	653,036	(819,863)	495,217
Key management personnel	14,852	47,790	(62,642)	-
Staff retirement benefit funds	63,597	309,372	(360,976)	11,993

	(Un-audited) September 30, 2013	(Audited) December 31, 2012
(Rupees in '000)		
Nostro balances / placements with Citibank branches outside Pakistan	382,303	5,997,220
Call Borrowing	2,644,385	-
Unremitted head office expenses	765,122	798,012
Interest / Fee receivable from associated undertakings	-	2,001
Payable for expenses and share based payment	269,469	229,760
Payable to defined benefit plan	209,246	244,190
Bank overdraft	303,892	-
Commitments in respect of forward exchange contracts		
Purchase	4,787,521	3,276,381
Sale	4,723,921	3,268,381
Interest rate swap - Notional principal	3,649,251	7,295,059
Foreign currency options - Notional principal	-	3,611,914

	(Un-audited)	
	Nine months ended	
	September 30, 2013	September 30, 2012
	(Rupees in '000)	
<b>19.2 Contribution to staff retirement benefit funds</b>	59,521	80,052
<b>19.3 Income / expense for the period</b>		
Mark-up / return / interest earned	5,484	7,777
Mark-up / return / interest expensed	1,526	2,246
Other income	11,825	4,423
Regional expenses for support services	265,425	285,177
Head office expenses	275,652	241,378
Remuneration paid to key management personnel	56,477	49,334
Sale of fixed assets	-	275

## 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 nine months ended September 30, 2013 (Un-audited)			
	Trading and sales	Retail banking	Corporate banking	Total
	(Rupees in '000)			
Total income	1,937,193	575,103	2,715,062	5,227,358
Total expenses	986,471	835,363	2,020,239	3,842,073
Net income / (loss)	950,722	(260,260)	694,823	1,385,285
Segment return on net assets (ROA) (%)**	2.66%	-83.12%	5.24%	2.81%
Segment cost of funds (%)***	8.93%	1.79%	4.68%	4.69%

	As at September 30, 2013 (Un-audited)			
	Trading and sales	Retail banking	Corporate banking	Total
	(Rupees in '000)			
Segment assets (gross)	47,681,889	529,399	21,177,650	69,388,938
Segment non-performing loans	-	99,503	3,521,617	3,621,120
Segment provision required*	-	111,930	3,496,015	3,607,945
Segment liabilities	7,740,816	494,145	48,697,710	56,932,671

	For the nine months ended September 30, 2012 (Un-audited) - restated			
	Trading and sales	Retail banking	Corporate banking	Total
	(Rupees in '000)			
Total income	3,136,852	2,092,136	3,207,241	8,436,229
Total expenses	1,527,204	2,467,690	2,480,068	6,474,962
Net income / (loss)	1,609,648	(375,554)	727,173	1,961,267
Segment return on net assets (ROA) (%)**	3.79%	-7.31%	4.63%	3.05%
Segment cost of funds (%)***	7.56%	3.55%	5.62%	4.84%

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

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

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

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

**21 GENERAL**

- 21.1** This condensed interim financial information was authorised for issue by the management of the Bank on October 29, 2013.
- 21.2** Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.
- 21.3** Corresponding figures have been reclassified, rearranged or additionally incorporated in this condensed interim financial information, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period. No significant reclassifications were made except as explained in note 6.1.

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

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**ADAMJEE YAKOOB**  
Chief Financial Officer

**CITIBANK, N.A. - PAKISTAN BRANCHES**  
**(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED SEPTEMBER 30, 2013**  
**Cash flow working**

Amount in '000

**Increase / Decrease in fixed assets**

<b>Operating fixed assets - closing</b>	182,503
Depreciation	115,087
Amortization	21,371
WDV written off	35,143
Operating fixed assets written off	661
<b>Operating fixed assets - opening</b>	<u>(366,664)</u>
	<b>(11,899)</b>

**Sales Proceed from disposal of Fixed Assets**

WDV of assets disposed off	35,143
Gain on disposal	14,305
	<b>49,448</b>

Cash and balances with treasury banks	6,770,561
Balances with other banks	6,035,738
Over drawn Nostro accounts	
<b>Opening cash and cash equivalent</b>	<b>12,806,299</b>

Cash and balances with treasury banks	4,790,684
Balances with other banks	414,721
Over drawn Nostro accounts	335,620
<b>Closing cash and cash equivalent</b>	<b>5,541,025</b>

**Tax paid during the period**

Deferred tax asset opening	-
Tax receivable opening	(1,988,269)
Deferred tax asset on AFS securities - opening	-
Tax charge for the period	207,407
<b>Subtotal</b>	<b>(1,780,862)</b>

Deferred tax asset closing	-
Advance tax- tax receivable closing	1,833,871
Deferred tax asset on AFS securities - closing	-
<b>Subtotal</b>	<b>1,833,871</b>
<b>Tax paid</b>	<b>53,009</b>



**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 HALF YEAR ENDED SEPTEMBER 30, 2013**

	30-Sep-13	31-Dec-12	Difference
	===== (Rupees in '000) =====		
<b>Lendings to financial institutions</b>	<b>10,833,932</b>	<b>14,913,193</b>	<b>(4,079,261)</b>
<b>Bills payable</b>	<b>2,583,455</b>	<b>2,185,724</b>	<b>397,731</b>
<b>Borrowings from financial institutions</b>			
Borrowings from financial institutions	2,980,005	141,666	2,519,140
Over drawn Nostro accounts	335,620	16,421	
<b>Sub-total</b>			
Deposits and other accounts	44,098,013	64,293,565	(20,195,552)
<b>Other Liabilities</b>			
Other liabilities	7,291,158	9,583,676	(2,292,518)
Less: Defined benefit plan	(209,246)	(244,189)	34,943
Less: Current tax liability	1,833,871	1,988,269	(154,398)
			(2,103,431)
Head office capital account	6,812,671	6,812,671	-
<b>Investments</b>	<b>32,019,695</b>	<b>31,339,172</b>	<b>(680,523)</b>
Held for trading	4,617,898	3,697,340	920,558
Deficit on revaluation of securities	(136,609)	25,403	(162,012)
Unrealised loss revaluation of HFT securities	-	-	-
<b>Total</b>			<b>78,023</b>
<b>Advances</b>			
Net Advances	10,682,071	18,255,682	(7,573,611)
Provision for the period	(651,914)		(651,914)
Bad debts written off directly	2,348		2,348
<b>Net increase in cashflow</b>			<b>(8,223,177)</b>
<b>Other asset</b>			
Other asset	4,201,493	4,267,364	(65,871)
Provision for diminution in the value of non-banking assets	(231)		(231)
Provision against off-balance sheet obligation	14,544		14,544
<b>Net increase in other assets</b>			<b>(51,558)</b>
Contribution to defined benefit plan	(209,246)	(244,189)	34,943
Charge for the year	(659)		(659)
<b>Contribution paid</b>			<b>34,284</b>
HO Expense remittance			308,542