

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, 2014

	Note	(Un-audited) September 30, 2014	(Audited) December 31, 2013
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		4,193,774	3,991,465
Balances with other banks	9	762,165	602,119
Lendings to financial institutions	10	11,710,985	9,202,344
Investments - net	11	42,332,433	25,239,845
Advances - net	12	12,174,967	13,556,587
Fixed assets	13	237,475	153,846
Deferred tax assets - net		620,307	685,858
Other assets		7,393,824	6,454,325
		<u>79,425,930</u>	<u>59,886,389</u>
LIABILITIES			
Bills payable		1,862,836	1,284,956
Borrowings from financial institutions	14	7,731,308	909,854
Deposits and other accounts	15	52,533,059	40,936,496
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		8,414,537	8,197,699
		<u>70,541,740</u>	<u>51,329,005</u>
NET ASSETS		<u><u>8,884,190</u></u>	<u><u>8,557,384</u></u>
REPRESENTED BY			
Head office capital account		6,812,671	6,812,671
Reserves		161,613	161,613
Unremitted profit		1,958,015	1,650,374
		<u>8,932,299</u>	<u>8,624,658</u>
Deficit on revaluation of assets - net of tax		(48,109)	(67,274)
		<u><u>8,884,190</u></u>	<u><u>8,557,384</u></u>

CONTINGENCIES AND COMMITMENTS

16

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

NADEEM LODHI
Managing Director and Citi Country Officer

ADAMJEE YAKOOB
Chief Financial Officer

CITIBANK, N.A. - PAKISTAN BRANCHES
(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2014

Note	Nine months ended		Quarter ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	(Rupees in '000)		(Rupees in '000)	
Mark-up / return / interest earned	5,101,585	3,578,168	1,706,681	1,153,254
Mark-up / return / interest expensed	2,164,952	1,570,089	630,332	533,124
Net mark-up / return / interest income	2,936,633	2,008,079	1,076,349	620,130
Reversal of provision against loans and advances - net	(81,090)	(651,914)	(9,992)	(70,077)
Bad debts written off directly	-	2,348	-	(395)
Provision against off-balance sheet obligations - net	-	14,544	-	14,544
	(81,090)	(635,022)	(9,992)	(55,928)
Net mark-up / interest income after provisions	3,017,723	2,643,101	1,086,341	676,058
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	317,803	301,518	107,001	110,225
Income from dealing in foreign currencies	1,295,114	1,313,623	641,998	428,199
Gain / (loss) on sale of securities	(90,587)	91,363	(105,602)	(142,838)
Unrealised (loss) / gain on revaluation of investments classified as held-for-trading	(1,780)	(36,899)	32,467	78,830
Other (loss) / income	(474,674)	(20,415)	(177,962)	(97,513)
Total non mark-up / interest income - net	1,045,876	1,649,190	497,902	376,903
	4,063,599	4,292,291	1,584,243	1,052,961
NON MARK-UP / INTEREST EXPENSE				
Administrative expenses	1,138,583	2,044,929	465,177	551,095
Reversal against appreciation / diminution in the value of non-banking assets - net	-	(231)	-	(23)
Operating fixed assets written off	346	661	136	-
Other charges	36,794	40,897	27,953	6,632
Total non mark-up / interest expenses - net	1,175,723	2,086,256	493,266	557,704
	2,887,876	2,206,035	1,090,977	495,257
PROFIT BEFORE TAXATION				
Taxation				
- Current	842,896	236,045	324,915	198,067
- Prior years	-	(28,638)	-	(28,638)
- Deferred	66,339	628,692	58,438	1,572
	909,235	836,099	383,353	171,001
Profit after taxation	1,978,641	1,369,936	707,624	324,256

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

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, 2014

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>September 30,</u> <u>2014</u>	<u>September 30,</u> <u>2013</u>	<u>September 30,</u> <u>2014</u>	<u>September 30,</u> <u>2013</u>
	(Rupees in '000)		(Rupees in '000)	
Profit for the period after taxation	1,978,641	1,369,936	707,624	324,256
Items that will not be reclassified to profit and loss account				
Components of comprehensive income reflected in equity				
- Remeasurements of defined benefit plan (loss) / gain	(31,733)	23,614	(15,237)	7,872
- Deferred tax asset / (liability) on remeasurements of defined benefit plan	11,107	(8,265)	5,333	(2,755)
	<u>(20,626)</u>	<u>15,349</u>	<u>(9,904)</u>	<u>5,117</u>
Comprehensive income transferred to statement of changes in equity	1,958,015	1,385,285	697,720	329,373
Items that may be reclassified subsequently to profit and loss account				
Components of comprehensive income not reflected in equity				
- Surplus / (Deficit) on revaluation of available for sale securities	29,483	(162,012)	74,000	(249,629)
- Deferred tax (liability) / asset on revaluation of available for sale securities	(10,319)	56,704	(25,900)	87,370
	<u>19,164</u>	<u>(105,308)</u>	<u>48,100</u>	<u>(162,259)</u>
Total comprehensive income for the period	<u>1,977,179</u>	<u>1,279,977</u>	<u>745,820</u>	<u>167,114</u>

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NADEEM LODHI
Managing Director and Citi Country Officer

ADAMJEE YAKOOB
Chief Financial Officer

CITIBANK, N.A. - PAKISTAN BRANCHES
(INCORPORATED IN THE U.S.A. THE LIABILITY OF MEMBERS BEING LIMITED)
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

	Nine months ended	
	September 30, 2014	September 30, 2013
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,887,876	2,206,035
Adjustments for :		
Depreciation	59,156	115,087
Amortisation	2,846	21,371
Reversal against advances - net	(81,090)	(651,914)
(Reversal) / provision against appreciation / diminution in the value of non-banking assets - net	-	(231)
Unrealised loss on revaluation of investments classified as held-for-trading	1,780	-
Bad debts written off directly	-	2,348
Charge for defined benefit plan	26,586	(659)
Operating fixed assets written off	346	661
Provision against off-balance sheet obligations	-	14,544
Gain on disposals of fixed assets	(12,340)	(14,305)
	<u>(2,716)</u>	<u>(513,098)</u>
	2,885,160	1,692,937
(Increase) / decrease in operating assets		
Lendings to financial institutions	(2,508,641)	4,079,261
Held-for-trading securities	(7,013,896)	(920,558)
Advances	1,462,710	8,223,177
Other assets	(939,499)	114,314
	<u>(8,999,326)</u>	<u>11,496,194</u>
Increase / (decrease) in operating liabilities		
Bills payable	577,880	397,731
Borrowings from financial institutions	6,797,558	2,519,140
Deposits and other accounts	11,596,563	(20,195,552)
Other liabilities (excluding current taxation, Head office expenses and payable to defined benefit plan)	(95,910)	(2,108,042)
	<u>18,876,091</u>	<u>(19,386,723)</u>
	12,761,925	(6,197,592)
Contribution to gratuity fund	(16,222)	(34,284)
Income tax paid	(236,475)	(53,009)
Net cash used in operating activities	<u>12,509,228</u>	<u>(6,284,885)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(10,050,989)	78,023
Investments in fixed assets	(157,123)	(30,896)
Sale proceeds from disposal of fixed assets	23,487	49,448
Net cash generated from investing activities	<u>(10,184,625)</u>	<u>96,575</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit repatriated to Head Office during the period	(1,650,374)	(1,423,241)
Remittances made during the period on account of head office expenses	(335,770)	(308,542)
Net cash used in financing activities	<u>(1,986,144)</u>	<u>(1,731,783)</u>
Increase / (decrease) in cash and cash equivalents	<u>338,459</u>	<u>(7,920,093)</u>
Cash and cash equivalents at the beginning of the period	4,583,730	12,789,878
Cash and cash equivalents at end of the period	<u>4,922,189</u>	<u>4,869,785</u>

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ADAMJEE YAKOOB
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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, 2014

	Head office capital account	Unremitted profit	Share based payment contribution reserve by the ultimate holding company	Total
	(Rupees in '000)			
Balance as at January 1, 2013 - Restated	6,812,671	2,007,471	154,932	8,975,074
Profit for the nine months ended September 30, 2013	-	1,369,936	-	1,369,936
Other comprehensive income for the nine months ended September 30, 2013				
Remeasurements of defined benefit plan	-	23,613	-	23,613
Tax on remeasurements of defined benefit plan	-	(8,264)	-	(8,264)
	-	15,349	-	15,349
Transactions with owners				
Contribution by the ultimate holding company in respect of share based payments	-	-	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)
Balance as at September 30, 2013	6,812,671	1,969,515	154,932	8,937,118
Profit for the quarter ended December 31, 2013	-	305,300	-	305,300
Other comprehensive income for the period October 2013 to December 2013				
Remeasurements of defined benefit plan	-	7,871	-	7,871
Tax on remeasurements of defined benefit plan	-	(2,755)	-	(2,755)
	-	5,116	-	5,116
Transactions with owners				
Contribution by the ultimate holding company in respect of share based payments	-	-	10,973	10,973
Recharged balance payable to the ultimate holding company for share based payments	-	-	(10,973)	(10,973)
Effect of re-measurement of cost under share based payment - net of tax	-	-	6,681	6,681
	-	-	6,681	6,681
Profit remittance made to head office	-	(629,557)	-	(629,557)
Balance as at December 31, 2013	6,812,671	1,650,374	161,613	8,624,658
Profit for the nine months ended September 30, 2014	-	1,978,641	-	1,978,641
Other comprehensive income for the nine months ended September 30, 2014				
Remeasurements of defined benefit plan	-	(31,733)	-	(31,733)
Tax on remeasurements of defined benefit plan	-	11,107	-	11,107
	-	(20,626)	-	(20,626)
Transactions with owners				
Contribution by the ultimate holding company in respect of share based payments	-	-	7,518	7,518
Recharged balance payable to the ultimate holding company for share based payments	-	-	(7,518)	(7,518)
Profit remittance made to head office	-	(1,650,374)	-	(1,650,374)
Balance as at September 30, 2014	<u>6,812,671</u>	<u>1,958,015</u>	<u>161,613</u>	<u>8,932,299</u>

The annexed notes 1 to 21 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, 2014

1 STATUS AND NATURE OF BUSINESS

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

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

	<u>Long-term senior debt</u>	<u>Short-term debt</u>
Citigroup Inc.	Baa2	P-2
Citibank, N.A.	A2	P-1

The Bank is engaged in banking activities permissible under the Banking Companies Ordinance, 1962. Its principal office is at AWT Plaza, I. I. Chundrigar Road, Karachi. The Bank operates through **3 branches** (December 31, 2013: 3 branches) in Pakistan.

2 BASIS OF PRESENTATION

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

3 STATEMENT OF COMPLIANCE

- 3.1** This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the directives issued by State Bank of Pakistan (SBP). In case the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and the directives issued by SBP prevail.
- 3.2** The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has also deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' through its notification S.R.O. 411(I)/2008 dated April 28, 2008. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 3.3** The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and this condensed interim financial information should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2013.
- 3.4** SBP vide its BSD Circular No. 07 dated April 20, 2010 has clarified that for the purpose of preparation of financial statements in accordance with International Accounting Standard - 1 (Revised), 'Presentation of Financial Statements', two statement approach shall be adopted i.e. separate 'Profit and Loss Account' and 'Statement of Comprehensive Income' shall be presented, and Balance Sheet shall be renamed as 'Statement of Financial Position'. Furthermore, the Surplus / (Deficit) on Revaluation of Available-for-sale (AFS) Securities only, may be included in the 'Statement of Comprehensive Income'. However, it should continue to be shown separately in the statement of financial position below equity. Accordingly, the above requirements have been adopted in the preparation of this condensed interim financial information.

4. BASIS OF MEASUREMENT

This condensed interim financial information has been prepared under the historical cost convention except that certain investments and derivative financial instruments have been marked to market and are carried at fair value. In addition, obligation in respect of staff retirement benefit is carried at present value.

5. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in this condensed interim financial information are measured using the currency of the primary economic environment in which the Bank operates. This condensed interim financial information is presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2013.

7 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The significant judgments made by management and the key sources of estimates used in the preparation of this condensed interim financial information are the same as those applied to the annual financial statements for the year ended December 31, 2013.

8 FINANCIAL RISK MANAGEMENT

The Bank's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2013.

9 BALANCES WITH OTHER BANKS

In Pakistan
- Current accounts

15,900 17,268

Outside Pakistan
- Current accounts

746,265 584,851

762,165 602,119

10 LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse Repo)

11,710,985 9,202,344

(Un-audited) (Audited)
September December
30, 2014 31, 2013
(Rupees in '000)

11 INVESTMENTS - NET

Note	September 30, 2014 (Un-audited)			December 31, 2013 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
------(Rupees in '000)-----						
Investments by type						
Held-for-trading securities						
	1,674,625	-	1,674,625	502,123	-	502,123
	10,081,514	-	10,081,514	4,240,120	-	4,240,120
	11,756,139	-	11,756,139	4,742,243	-	4,742,243
Available-for-sale securities						
	3,515,162	-	3,515,162	12,205,710	-	12,205,710
	27,128,944	-	27,128,944	8,387,407	-	8,387,407
	2,000	-	2,000	2,000	-	2,000
11.1	-	-	-	-	-	-
	30,646,106	-	30,646,106	20,595,117	-	20,595,117
Investments at cost						
	42,402,245	-	42,402,245	25,337,360	-	25,337,360
	2,000	-	2,000	2,000	-	2,000
Investments - net of provisions						
	42,400,245	-	42,400,245	25,335,360	-	25,335,360
	6,202	-	6,202	7,982	-	7,982
	(74,014)	-	(74,014)	(103,497)	-	(103,497)
Investments at market value						
	42,332,433	-	42,332,433	25,239,845	-	25,239,845

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

Note	(Un-audited)	(Audited)
	September 30, 2014	December 31, 2013
(Rupees in '000)		
12	ADVANCES - NET	
	Loans, cash credits, running finances etc. - In Pakistan	14,782,044 15,900,839
	Bills discounted and purchased (excluding Market treasury bills)	
	Payable in Pakistan	824,030 696,603
	Payable outside Pakistan	14,235 501,140
		838,265 1,197,743
	Advances - gross	15,620,309 17,098,582
	Provision against advances	
	- Specific	12.2 (3,445,195) (3,541,861)
	- General	12.3 (147) (134)
		(3,445,342) (3,541,995)
	Advances - net of provision	12,174,967 13,556,587

12.1 Advances include Rs. 3,578.726 million (December 31, 2013: Rs. 3,548.054 million) which have been placed under non-performing status as detailed below:

12.2 Category of classification

	September 30, 2014 (Un-audited)				
	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
	(Rupees in '000)				
Substandard	132,906	-	132,906	-	-
Doubtful	1,248	-	1,248	624	624
Loss	3,444,572	-	3,444,572	3,444,572	3,444,572
	<u>3,578,726</u>	<u>-</u>	<u>3,578,726</u>	<u>3,445,196</u>	<u>3,445,196</u>

	December 31, 2013 (Audited)				
	Classified Advances			Provision required	Provision held
	Domestic	Overseas	Total		
	(Rupees in '000)				
Substandard	2,389	-	2,389	597	597
Doubtful	21,567	-	21,567	17,166	17,166
Loss	3,524,098	-	3,524,098	3,524,098	3,524,098
	<u>3,548,054</u>	<u>-</u>	<u>3,548,054</u>	<u>3,541,861</u>	<u>3,541,861</u>

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

13	FIXED ASSETS	Note	(Un-audited)	(Audited)
			September 30, 2014	December 31, 2013
			(Rupees in '000)	
	Capital work-in-progress		111,009	500
	Property and equipment	13.1 & 13.2	125,776	149,730
	Intangible assets		690	3,616
			<u>237,475</u>	<u>153,846</u>

- 13.1 Additions to fixed assets are Rs. 46,614 thousand (September 30, 2013: 42,779 thousand).

	(Un-audited)	
	Nine months ended	
	September 30, 2014	September 30, 2013
	(Rupees in '000)	
- Furniture and fixtures	-	5,998
- Electrical and office equipment	46,614	6,073
- Vehicles	-	30,708
	<u>46,614</u>	<u>42,779</u>

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

	(Un-audited)	
	Nine months ended	
	September 30, 2014	September 30, 2013
	(Rupees in '000)	
- Furniture and fixtures	431	647
- Electrical and office equipment	13	700
- Vehicles	10,970	33,796
- Intangibles	79	-
	<u>11,493</u>	<u>35,143</u>

	(Un-audited) September 30, 2014	(Audited) December 31, 2013
	(Rupees in '000)	
14 BORROWINGS FROM FINANCIAL INSTITUTIONS		
In Pakistan	33,750	900,000
Outside Pakistan	7,697,558	9,854
	<u>7,731,308</u>	<u>909,854</u>
14.1 Particulars of borrowings from financial institutions		
In local currency	33,750	900,000
In foreign currency	7,697,558	9,854
	<u>7,731,308</u>	<u>909,854</u>
14.2 Details of borrowings from financial institutions		
Secured		
Repurchase agreement borrowings	-	-
Unsecured		
Call borrowings	7,697,558	900,000
Overdrawn accounts	33,750	9,854
	<u>7,731,308</u>	<u>909,854</u>
	<u>7,731,308</u>	<u>909,854</u>
15 DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	16,539,416	14,245,554
Savings deposits	20,261,152	14,517,387
Current accounts - non-remunerative	14,160,682	10,870,501
Other deposits	58,878	161,135
	51,020,128	39,794,577
Financial institutions		
Remunerative deposits	-	-
Non-remunerative deposits	1,512,930	1,141,919
	1,512,930	1,141,919
	<u>52,533,058</u>	<u>40,936,496</u>
16 CONTINGENCIES AND COMMITMENTS		
16.1 Direct credit substitutes		
Includes general guarantees of indebtedness, guarantees and standby letters of credit serving as financial guarantees for loans and securities.		
	(Un-audited) September 30, 2014	(Audited) December 31, 2013
	(Rupees in '000)	
(i) Government of Pakistan	202	202
(ii) Others	-	6,001,860
	<u>202</u>	<u>6,002,062</u>

16.2 Transaction-related contingent liabilities

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

	(Un-audited) September 30, 2014	(Audited) December 31, 2013
	(Rupees in '000)	
(i) Government of Pakistan	414,879	678,567
(ii) Banking companies and other financial institutions	92,150	87,875
(iii) Others	3,033,672	2,623,885
	<u>3,540,701</u>	<u>3,390,327</u>

16.3 Trade-related contingent liabilities

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

	Note	(Un-audited) September 30, 2014	(Audited) December 31, 2013
		(Rupees in '000)	
Letters of credit / acceptances		<u>10,345,578</u>	<u>6,154,814</u>

16.4 Other contingencies

Claims not acknowledged as debts		<u>159,474</u>	<u>147,792</u>
	16.4.1	<u>159,474</u>	<u>147,792</u>

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

16.4.2 The State Bank of Pakistan (SBP) by its letter dated March 25, 2011 asked the Bank to take measures to fully comply with the SBP's guidelines relating to returns on a specific portfolio of its foreign currency deposits. Based on legal advice, the Bank maintains that it has fully complied with such requirements and has also taken up the matter with the SBP. Management is confident that this matter will be resolved in the Bank's favour. The possible financial impact, if any, has not been determined as it involves data relating to past several years.

	(Un-audited) September 30, 2014	(Audited) December 31, 2013
	(Rupees in '000)	
16.5 Commitments in respect of forward transactions		
Forward agreement lending (reverse repos)	<u>11,727,953</u>	<u>9,215,819</u>
Forward agreement borrowings (repos)	<u>-</u>	<u>-</u>
Forward purchase contracts of government securities	<u>-</u>	<u>489,805</u>
Uncancellable commitments to extend credit	<u>887,065</u>	<u>3,262,011</u>

16.6 Commitments in respect of forward foreign exchange contracts

Purchase	<u>92,988,413</u>	<u>119,788,695</u>
Sale	<u>75,318,018</u>	<u>107,166,379</u>

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

	(Un-audited) September 30, 2014	(Audited) December 31, 2013
	(Rupees in '000)	
16.7 Other commitments		
Cross currency derivative contracts (notional amount)	<u>6,675,325</u>	<u>16,423,814</u>
Foreign currency options	<u>1,684,440</u>	<u>-</u>
16.8 Commitments in respect of capital expenditure	<u>365,199</u>	<u>33,933</u>

17 INCOME FROM DEALING IN FOREIGN CURRENCIES

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

18 OTHER INCOME	Note	(Un-audited)	
		September 30, 2014	September 30, 2013
		(Rupees in '000)	
Loss from interest rate derivative contracts	18.1	(491,922)	(320,214)
Net profit on sale of property and equipment		12,340	14,305
Credit losses recovered		544	4,337
Gain on sale of consumer assets portfolio		-	287,504
Others		4,364	(6,347)
		<u>(474,674)</u>	<u>(20,415)</u>

18.1 This is net of funding cost of FX swaps amounting to Rs 421 million (September 30, 2013: Rs 227 million).

19 RELATED PARTY TRANSACTIONS

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

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

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

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

	Balance as at December 31, 2013	Net placements / disbursements / deposits / transfers	Net settlements / repayments / withdrawals / transfers	Balance as at September 30, 2014
	------(Rupees in '000)-----			
Deposits				
Associated undertakings	524,941	387,364	(537,025)	375,280
Staff retirement benefit funds	77,561	590,597	(551,617)	116,541
			(Un-audited) September 30, 2014	(Audited) December 31, 2013
			(Rupees in '000)	
Nostro balances / placements with Citibank Branches outside Pakistan			741,967	556,003
Call borrowings			7,697,558	-
Markup / return / interest payable			874	651
Overdrawn Nostro Accounts			-	9,854
Unremitted head office expenses			526,425	852,468
Payable for expenses and share based payment			178,635	280,179
Payable to defined benefit plan			127,946	85,849
Commitments in respect of forward exchange contracts				
Purchase			19,788,158	6,451,536
Sale			20,607,855	6,451,536
Interest rate swap - Notional principal			-	3,633,699
Foreign currency options - Notional principal			842,220	-

	(Un-audited)	
	For the quarter ended	
	September 30, 2014	September 30, 2013
	(Rupees in '000)	
19.2 Contribution to staff retirement benefit funds	33,337	59,521
19.3 Income / expense for the period		
Mark-up / return / interest earned	2,130	5,484
Mark-up / return / interest expensed	6,255	1,526
Other income	31,662	11,825
Regional expenses for support services	(774)	265,425
Head office expenses	9,727	275,652
Remuneration paid to key management personnel	48,255	56,477

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, 2014 (Un-audited)		
	Trading and sales	Corporate & Retail banking	Total
	----- (Rupees in '000) -----		
Total income	2,446,455	3,701,006	6,147,461
Total expenses	1,169,248	2,999,572	4,168,820
Net income	1,277,207	701,434	1,978,641
Segment return on net assets (ROA) (%)**	2.74%	5.43%	3.32%
Segment cost of funds (%)***	5.40%	5.21%	5.23%

	As at September 30, 2014 (Un-audited)		
	Trading and sales	Corporate & Retail banking	Total
	----- (Rupees in '000) -----		
Segment assets (gross)	62,210,019	20,668,195	82,878,214
Segment non-performing loans	-	3,589,667	3,589,667
Segment provision required*	-	3,452,284	3,452,284
Segment liabilities	12,309,410	58,232,330	70,541,740

	For the nine months ended September 30, 2013 (Un-audited)		
	Trading and sales	Corporate & Retail banking	Total
	----- (Rupees in '000) -----		
Total income	1,937,193	3,290,165	5,227,358
Total expenses	986,471	2,870,951	3,857,422
Net income	950,722	419,214	1,369,936
Segment return on net assets (ROA) (%)**	2.66%	3.09%	2.81%
Segment cost of funds (%)***	8.93%	4.43%	4.69%

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

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

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

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

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

21 GENERAL

- 21.1** This condensed interim financial information was authorised for issue by the management of the Bank on October 23, 2014.
- 21.2** Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.
- 21.3** Corresponding figures have been reclassified, rearranged or additionally incorporated in this condensed interim financial information, wherever necessary, to facilitate comparison and to conform with changes in presentation in the current period. No significant reclassifications were made.

NADEEM LODHI
Managing Director and Citi Country Officer

ADAMJEE YAKOOB
Chief Financial Officer