

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, 2015

	Note	(Un-audited) September 30, 2015	(Audited) December 31, 2014
(Rupees in '000)			
<b>ASSETS</b>			
Cash and balances with treasury banks		5,034,177	4,267,790
Balances with other banks	9	803,402	170,697
Lendings to financial institutions	10	10,145,158	2,826,481
Investments - net	11	43,711,229	39,326,537
Advances - net	12	20,840,505	28,195,590
Fixed assets	13	435,685	355,154
Deferred tax assets - net		266,211	233,885
Other assets		2,782,915	5,877,838
		<b>84,019,282</b>	<b>81,253,972</b>
<b>LIABILITIES</b>			
Bills payable		1,801,185	1,564,744
Borrowings from financial institutions	14	7,871,248	14,012,805
Deposits and other accounts	15	53,440,656	48,143,989
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		7,540,669	6,998,405
		<b>70,653,758</b>	<b>70,719,943</b>
<b>NET ASSETS</b>		<b>13,365,524</b>	<b>10,534,029</b>
<b>REPRESENTED BY</b>			
Head office capital account		6,812,671	6,812,671
Reserves		156,327	156,327
Unremitted profit		6,213,639	3,056,648
		<b>13,182,637</b>	<b>10,025,646</b>
Surplus on revaluation of assets - net of tax		182,887	508,383
		<b>13,365,524</b>	<b>10,534,029</b>

**CONTINGENCIES AND COMMITMENTS**

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

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

**ADAMJEE YAKOUB**  
Chief Financial Officer

Citibank, N.A. - Pakistan Branches  
(Incorporated In The U.S.A. The Liability of Members Being Limited)  
Condensed Interim Profit And Loss Account (Un-Audited)  
For the quarter and nine months ended September 30, 2015

	Nine months ended		Quarter ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	(Rupees in '000)		(Rupees in '000)	
Mark-up / return / interest earned	4,797,405	5,101,585	1,447,758	1,706,681
Mark-up / return / interest expensed	1,764,560	2,164,952	555,149	630,332
Net mark-up / return / interest income	3,032,845	2,936,633	892,609	1,076,349
Reversal of provision against loans and advances - net	(144,764)	(81,090)	(25,792)	(9,992)
Bad debts written off directly	-	-	-	-
Reversal of provision against off-balance sheet obligations - net	-	-	-	-
	(144,764)	(81,090)	(25,792)	(9,992)
Net mark-up / interest income after provisions	3,177,609	3,017,723	918,401	1,086,341
<b>NON MARK-UP / INTEREST INCOME</b>				
Fee, commission and brokerage income	325,732	317,803	110,352	107,001
Income from dealing in foreign currencies	945,420	1,295,114	341,479	641,998
Gain / (loss) on sale of securities	2,099,054	(90,587)	169,032	(105,602)
Unrealised (loss) / gain on revaluation of investments classified as held-for-trading	(346,792)	(1,780)	13,925	32,467
Other income / (loss)	252,972	(474,674)	(45,538)	(177,962)
Total non mark-up / interest income - net	3,276,386	1,045,876	589,250	497,902
	6,453,995	4,063,599	1,507,651	1,584,243
<b>NON MARK-UP / INTEREST EXPENSE</b>				
Administrative expenses	1,401,672	1,138,583	639,115	465,177
Reversal against appreciation / diminution in the value of non-banking assets - net	(792)	-	-	-
Operating fixed assets written off	-	346	-	136
Other charges	100,791	36,794	18,512	27,953
Total non mark-up / interest expenses - net	1,501,671	1,175,723	657,627	493,266
	4,952,324	2,887,876	850,024	1,090,977
<b>PROFIT BEFORE TAXATION</b>				
Taxation				
- Current	1,537,548	842,896	244,972	324,915
- Prior years	80,000	-	-	-
- Deferred	155,136	66,339	42,692	58,438
	1,772,684	909,235	287,664	383,353
Profit after taxation	3,179,640	1,978,641	562,360	707,624

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)  
Condensed Interim Statement of Comprehensive Income (Un-Audited)  
For the quarter and nine months ended September 30, 2015

	Nine months ended		Quarter ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	(Rupees in '000)		(Rupees in '000)	
Profit for the period after taxation	3,179,640	1,978,641	562,360	707,624
<b>Items that will not be reclassified to profit and loss account</b>				
<b>Components of comprehensive income reflected in equity</b>				
- Remeasurements of defined benefit plan (loss) / gain	(34,844)	(31,733)	(16,003)	(15,237)
- Deferred tax asset / (liability) on remeasurements of defined benefit plan	12,195	11,107	5,601	5,333
	(22,649)	(20,626)	(10,402)	(9,904)
<b>Comprehensive income transferred to statement of changes in equity</b>	<b>3,156,991</b>	<b>1,958,015</b>	<b>551,958</b>	<b>697,720</b>
<b>Items that may be reclassified subsequently to profit and loss account</b>				
<b>Components of comprehensive income not reflected in equity</b>				
- Surplus / (Deficit) on revaluation of available for sale securities	(500,763)	29,483	71,283	74,000
- Deferred tax (liability) / asset on revaluation of available for sale securities	175,267	(10,319)	(24,949)	(25,900)
	(325,496)	19,164	46,334	48,100
<b>Total comprehensive income for the period</b>	<b>2,831,495</b>	<b>1,977,179</b>	<b>598,292</b>	<b>745,820</b>

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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, 2015

	<b>Nine months ended</b>	
	<b>September 30, 2015</b>	<b>September 30, 2014</b>
	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,952,324	2,887,876
<b>Adjustments for:</b>		
Depreciation	51,623	59,156
Amortisation	164	2,846
Reversal of provision against loans and advances - net (Reversal) / provision against appreciation / diminution in the value of non-banking assets - net	(144,764)	(81,090)
Unrealised loss on revaluation of investments classified as held-for-trading	(792)	-
Bad debts written off directly	346,792	1,780
Charge for defined benefit plan	-	-
Operating fixed assets written off	32,519	26,586
Gain on disposals of fixed assets	-	346
	(3,128)	(12,340)
	<u>282,414</u>	<u>(2,716)</u>
	5,234,738	2,885,160
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(7,318,677)	(2,508,641)
Held-for-trading securities	(369,384)	(7,013,896)
Advances	7,499,849	1,462,710
Other assets	1,894,019	(939,499)
	<u>1,705,807</u>	<u>(8,999,326)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Bills payable	236,441	577,880
Borrowings from financial institutions	(5,697,757)	6,797,558
Deposits and other accounts	5,296,667	11,596,563
Other liabilities (excluding current taxation, Head office expenses and payable to defined benefit plan)	493,244	(95,910)
	<u>328,595</u>	<u>18,876,091</u>
	7,269,140	12,761,925
Contribution to gratuity fund	(44,312)	(16,222)
Income tax paid	(389,884)	(236,475)
<b>Net cash generated from operating activities</b>	<u>6,834,944</u>	<u>12,509,228</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net investments in available-for-sale securities	(4,862,863)	(10,050,989)
Investments in fixed assets	(137,711)	(157,123)
Sale proceeds from disposal of fixed assets	8,521	23,487
<b>Net cash used in investing activities</b>	<u>(4,992,053)</u>	<u>(10,184,625)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit repatriated to Head Office during the period	-	(1,650,374)
Remittances made during the period on account of head office expenses	-	(335,770)
<b>Net cash used in financing activities</b>	<u>-</u>	<u>(1,986,144)</u>
<b>(Decrease) / increase in cash and cash equivalents</b>	<u>1,842,891</u>	<u>338,459</u>
Cash and cash equivalents at the beginning of the period	3,961,816	4,583,730
<b>Cash and cash equivalents at end of the period</b>	<u>5,804,707</u>	<u>4,922,189</u>

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Citibank, N.A. - Pakistan Branches  
(Incorporated In The U.S.A. The Liability of Members Being Limited)  
Condensed Interim Statement of Changes in Equity (Un-Audited)  
For the quarter and nine months ended September 30, 2015

	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, 2014	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
<b>Other comprehensive income for the nine months ended September 30, 2014</b>				
Remeasurements of defined benefit plan	-	(31,733)	-	(31,733)
Tax on remeasurements of defined benefit plan	-	11,107	-	11,107
	-	(20,626)	-	(20,626)
<b>Transactions with owners</b>				
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	6,812,671	1,958,015	161,613	8,932,299
Profit for the quarter ended December 31, 2014	-	1,111,920	-	1,111,920
<b>Other comprehensive income for the period October 2014 to December 2014</b>				
Remeasurements of defined benefit plan	-	(20,441)	-	(20,441)
Tax on remeasurements of defined benefit plan	-	7,154	-	7,154
	-	(13,287)	-	(13,287)
<b>Transactions with owners</b>				
Contribution by the ultimate holding company in respect of share based payments	-	-	8,274	8,274
Recharged balance payable to the ultimate holding company for share based payments	-	-	(8,274)	(8,274)
Effect of re-measurement of cost under share based payment - net of tax	-	-	(5,286)	(5,286)
	-	-	(5,286)	(5,286)
Profit remittance made to head office	-	-	-	-
Balance as at December 31, 2014	6,812,671	3,056,648	156,327	10,025,646
Profit for the nine months ended September 30, 2015	-	3,179,640	-	3,179,640
<b>Other comprehensive income for the nine months ended September 30, 2015</b>				
Remeasurements of defined benefit plan	-	(34,844)	-	(34,844)
Tax on remeasurements of defined benefit plan	-	12,195	-	12,195
	-	(22,649)	-	(22,649)
<b>Transactions with owners</b>				
Contribution by the ultimate holding company in respect of share based payments	-	-	6,522	6,522
Recharged balance payable to the ultimate holding company for share based payments	-	-	(6,522)	(6,522)
	-	-	-	-
<b>Balance as at September 30, 2015</b>	<b>6,812,671</b>	<b>6,213,639</b>	<b>156,327</b>	<b>13,182,637</b>

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, 2015

## 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:

	<b>Long-term senior debt</b>	<b>Short-term debt</b>
Citigroup Inc.	Baa1	P-2
Citibank, N.A.	A1	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, 2014: 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
- 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, 2014.

**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

#### **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

#### **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, 2014.

#### **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, 2014.

#### **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, 2014

9. BALANCES WITH OTHER BANKS	(Un-audited)	(Audited)
	September 30, 2015	December 31, 2014
	(Rupees in '000)	
In Pakistan		
- Current accounts	35,635	31,965
Outside Pakistan		
- Current accounts	767,767	138,732
	<u>803,402</u>	<u>170,697</u>

#### 10. LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse Repo)	<u>10,145,158</u>	<u>2,826,481</u>
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#### 11. INVESTMENTS - NET

Note	September 30, 2015 (Un-audited)			December 31, 2014 (Audited)		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
Investments by type ----- (Rupees in '000) -----						
<b>Held-for-trading securities</b>						
Market treasury bills	7,949,401	-	7,949,401	2,044,064	-	2,044,064
Pakistan Investment Bonds	3,815,121	-	3,815,121	9,351,074	-	9,351,074
	<u>11,764,522</u>	-	<u>11,764,522</u>	11,395,138	-	11,395,138
<b>Available-for-sale securities</b>						
Market treasury bills	6,430,153	-	6,430,153	923,887	-	923,887
Pakistan Investment Bonds	25,220,432	-	25,220,432	20,410,813	5,453,022	25,863,835
Fully paid-up ordinary shares	2,000	-	2,000	2,000	-	2,000
Unlisted term finance certificates 11.1	-	-	-	-	-	-
	<u>31,652,585</u>	-	<u>31,652,585</u>	21,336,700	5,453,022	26,789,722
<b>Investments at cost</b>	<u>43,417,107</u>	-	<u>43,417,107</u>	32,731,838	5,453,022	38,184,860
Less: Provision for diminution in the value of investments	2,000	-	2,000	2,000	-	2,000
<b>Investments - net of provisions</b>	<u>43,415,107</u>	-	<u>43,415,107</u>	32,729,838	5,453,022	38,182,860
Surplus on revaluation of held-for-trading securities - net	14,758	-	14,758	361,550	-	361,550
Surplus on revaluation of available-for-sale securities - net	281,364	-	281,364	595,526	186,601	782,127
<b>Investments at market value</b>	<u>43,711,229</u>	-	<u>43,711,229</u>	33,686,914	5,639,623	39,326,537

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.

12. ADVANCES - NET	(Un-audited)	(Audited)
	September 30, 2015	December 31, 2014
	(Rupees in '000)	
Loans, cash credits, running finances etc. - In Pakistan	23,166,938	30,458,361
Bills discounted and purchased (excluding Market treasury bills)		
Payable in Pakistan	767,387	1,152,954
Payable outside Pakistan	7,490	9,768
	<u>774,877</u>	<u>1,162,722</u>
Advances - gross	<u>23,941,815</u>	31,621,083
Provision against advances		
- Specific	12.1 (3,101,113)	(3,425,347)
- General	12.2 (197)	(146)
	<u>(3,101,310)</u>	<u>(3,425,493)</u>
Advances - net of provision	<u>20,840,505</u>	<u>28,195,590</u>



- 12.1 Advances include Rs. 3,101.113 million (December 31, 2014: Rs. 3,425.347 million) which have been placed under non-performing status as detailed below:

Category of classification	September 30, 2015 (Un-audited)				
	Classified Advances			Provision required	Provision held
Domestic	Overseas	Total	(Rupees in '000)		
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	<b>3,101,113</b>	-	<b>3,101,113</b>	<b>3,101,113</b>	<b>3,101,113</b>
	<b>3,101,113</b>	-	<b>3,101,113</b>	<b>3,101,113</b>	<b>3,101,113</b>

  

	December 31, 2014 (Audited)				
	Classified Advances			Provision required	Provision held
Domestic	Overseas	Total	(Rupees in '000)		
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	<b>3,425,347</b>	-	<b>3,425,347</b>	<b>3,425,347</b>	<b>3,425,347</b>
	<b>3,425,347</b>	-	<b>3,425,347</b>	<b>3,425,347</b>	<b>3,425,347</b>

- 12.2 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, 2015	December 31, 2014
(Rupees in '000)			
Capital work-in-progress		<b>189,532</b>	57,488
Property and equipment	13.1 & 13.2	<b>246,153</b>	297,501
Intangible assets		-	165
		<b>435,685</b>	<b>355,154</b>

- 13.1 Additions to property and equipment are Rs. 5,666 thousand (September 30, 2014: Rs. 46,614 thousand).

	(Un-audited)	
	Nine months ended	
	September 30, 2015	September 30, 2014
(Rupees in '000)		
Electrical and office equipment	<b>5,666</b>	46,614
	<b>5,666</b>	<b>46,614</b>

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, 2015	September 30, 2014
	(Rupees in '000)	
Furniture and fixtures	22	431
Electrical and office equipment	-	13
Vehicles	5,371	10,970
Intangibles	-	79
	<u>5,393</u>	<u>11,493</u>
	(Un-audited) September 30, 2015	(Audited) December 31, 2014
	(Rupees in '000)	
<b>14. BORROWINGS FROM FINANCIAL INSTITUTIONS</b>		
In Pakistan	-	8,511,979
Outside Pakistan	7,871,248	5,500,826
	<u>7,871,248</u>	<u>14,012,805</u>
<b>14.1 Particulars of borrowings from financial institutions</b>		
In local currency	-	8,511,979
In foreign currency	7,871,248	5,500,826
	<u>7,871,248</u>	<u>14,012,805</u>
<b>14.2 Details of borrowings from financial institutions</b>		
<b>Secured</b>		
Repurchase agreement borrowings	-	5,511,979
<b>Unsecured</b>		
Call borrowings	7,838,377	8,024,155
Overdrawn accounts	32,871	476,671
	7,871,248	8,500,826
	<u>7,871,248</u>	<u>14,012,805</u>
<b>15. DEPOSITS AND OTHER ACCOUNTS</b>		
<b>Customers</b>		
Fixed deposits	12,507,320	10,270,188
Savings deposits	30,760,122	21,376,055
Current accounts - non-remunerative	8,936,516	15,157,452
Other deposits	60,701	58,522
	<u>52,264,659</u>	<u>46,862,217</u>
<b>Financial institutions</b>		
Remunerative deposits	-	-
Non-remunerative deposits	1,175,997	1,281,772
	<u>1,175,997</u>	<u>1,281,772</u>
	<u>53,440,656</u>	<u>48,143,989</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.

	<b>(Un-audited)</b> <b>September</b> <b>30, 2015</b>	<b>(Audited)</b> <b>December</b> <b>31, 2014</b>
	<b>(Rupees in '000)</b>	
(i) Government of Pakistan	<b>202</b>	202
(ii) Banking companies and other financial institutions	<b>3,416,714</b>	-
	<b><u>3,416,916</u></b>	<b><u>202</u></b>

### 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.

	<b>(Un-audited)</b> <b>September</b> <b>30, 2015</b>	<b>(Audited)</b> <b>December</b> <b>31, 2014</b>
	<b>(Rupees in '000)</b>	
(i) Government of Pakistan	<b>1,487,455</b>	777,224
(ii) Banking companies and other financial institutions	<b>87,428</b>	91,526
(iii) Others	<b>2,167,884</b>	2,763,529
	<b><u>3,742,767</u></b>	<b><u>3,632,279</u></b>

### 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.

	<i>Note</i>	<b>(Un-audited)</b> <b>September</b> <b>30, 2015</b>	<b>(Audited)</b> <b>December</b> <b>31, 2014</b>
		<b>(Rupees in '000)</b>	
Letters of credit / acceptances		<b><u>10,610,160</u></b>	<b><u>12,075,304</u></b>

### 16.4 Other contingencies

Claims not acknowledged as debts		<b><u>162,136</u></b>	<b><u>156,462</u></b>
	<i>16.4.1</i>	<b><u>162,136</u></b>	<b><u>156,462</u></b>

**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.

	<b>(Un-audited)</b> <b>September</b> <b>30, 2015</b>	<b>(Audited)</b> <b>December</b> <b>31, 2014</b>
	<b>(Rupees in '000)</b>	
<b>16.5 Commitments in respect of forward transactions</b>		
Forward agreement lending (reverse repos)	<u>10,146,890</u>	<u>2,827,949</u>
Forward agreement borrowings (repos)	<u>-</u>	<u>5,525,192</u>
Forward borrowing	<u>-</u>	<u>2,500,000</u>
Forward sale of government securities	<u>1,138,462</u>	<u>-</u>
Uncancellable commitments to extend credit	<u>749,517</u>	<u>1,204,640</u>

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

Purchase	<u>74,279,162</u>	<u>66,463,402</u>
Sale	<u>67,430,003</u>	<u>54,211,719</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)</b> <b>September</b> <b>30, 2015</b>	<b>(Audited)</b> <b>December</b> <b>31, 2014</b>
	<b>(Rupees in '000)</b>	
<b>16.7 Other commitments</b>		
Cross currency and interest rate derivative contracts (notional amount)	<u>244,900</u>	<u>6,054,208</u>
<b>16.8 Commitments in respect of capital expenditure</b>	<u>115,447</u>	<u>184,516</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.

	<i>Note</i>	<b>(Un-audited)</b> <b>For the nine months ended</b>	
		<b>September</b> <b>30, 2015</b>	<b>September</b> <b>30, 2014</b>
		<b>(Rupees in '000)</b>	
<b>18. OTHER INCOME</b>			
Gain / (loss) from interest rate derivative contracts	<i>18.1</i>	<u>240,857</u>	<u>(491,922)</u>
Net profit on sale of property and equipment		<u>3,128</u>	<u>12,340</u>
Credit losses recovered		<u>583</u>	<u>544</u>
Others		<u>8,404</u>	<u>4,364</u>
		<u>252,972</u>	<u>(474,674)</u>

**18.1** This is net of funding cost of FX swaps amounting to Rs 195 million (September 30, 2014: Rs 421 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:

	<b>Balance as at December 31, 2014</b>	<b>Net placements / disbursements / deposits / transfers</b>	<b>Net settlements / repayments / withdrawals / transfers</b>	<b>Balance as at September 30, 2015</b>
----- (Rupees in '000) -----				
<b>Deposits</b>				
Associated undertakings	367,063	219,681	(164,967)	<b>421,777</b>
Staff retirement benefit funds	140,415	148,573	(287,351)	<b>1,637</b>
			<b>(Un-audited) September 30, 2015</b>	<b>(Audited) December 31, 2014</b>
			<b>(Rupees in '000)</b>	
Nostro balances / placements with Citibank				
Branches outside Pakistan			<b>766,679</b>	129,698
Call borrowings			<b>7,838,377</b>	5,024,155
Mark-up / return / interest payable			<b>128</b>	3,346
Overdrawn Nostro Accounts			<b>32,871</b>	476,671
Unremitted head office expenses			<b>739,760</b>	575,782
Payable for expenses and share based payment			<b>179,500</b>	171,281
Payable to defined benefit plan			<b>174,626</b>	151,574
Commitments in respect of forward exchange contracts				
Purchase			<b>11,894,296</b>	15,394,583
Sale			<b>11,839,296</b>	16,226,525
Counter guarantees to branches			<b>6,206,034</b>	2,348,587

	(Un-audited)	
	For the nine months ended	
	September 30, 2015	September 30, 2014
	(Rupees in '000)	
<b>19.2 Contribution to staff retirement benefit funds</b>	<b>62,424</b>	33,337
<b>19.3 Income / expense for the period</b>		
Mark-up / return / interest earned	2,890	2,130
Mark-up / return / interest expensed	6,172	6,255
Other income	17,023	31,662
Regional expenses for support services	28,266	(774)
Head office expenses	163,977	9,727
Remuneration paid to key management personnel	52,300	48,255

## 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, 2015 (Un-audited)		
	Trading and sales	Corporate & Retail banking	Total
	----- (Rupees in '000) -----		
Total income	4,022,048	4,051,743	8,073,791
Total expenses	1,667,137	3,227,014	4,894,151
Net income	2,354,911	824,729	3,179,640
Segment return on net assets (ROA) (%)**	5.28%	4.48%	5.05%
Segment cost of funds (%)***	3.35%	3.94%	3.90%

	As at September 30, 2015 (Un-audited)		
	Trading and sales	Corporate & Retail banking	Total
	----- (Rupees in '000) -----		
Segment assets (gross)	59,449,264	27,681,478	87,130,742
Segment non-performing loans	-	3,101,113	3,101,113
Segment provision required*	-	3,111,460	3,111,460
Segment liabilities	8,061,436	62,592,322	70,653,758

	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 December 31, 2014 (Audited)		
	Trading and sales	Corporate & Retail banking	Total
	----- (Rupees in '000) -----		
Segment assets (gross)	48,771,496	35,918,910	84,690,406
Segment non-performing loans	-	3,425,347	3,425,347
Segment provision required*	-	3,436,434	3,436,434
Segment liabilities	16,582,920	54,137,023	70,719,943

\* 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 22, 2015.

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

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

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