

Citibank, N.A. Bangkok Branch

Annual financial statements

and

Audit Report of Certified Public Accountant

For the years ended

31 December 2011 and 2010



KPMG Phoomchai Audit Ltd.

Empire Tower, 50th-51st Floors
195 South Sathorn Road
Bangkok 10120, Thailand

บริษัท เคพีเอ็มจี ภูมิภาคไทย สอบบัญชี จำกัด

ชั้น 50-51 เซ็นทรัลพลาซ่า
195 ถนนสาทรใต้
กรุงเทพฯ 10120
Tel: +66 2677 2000
Fax: +66 2677 2222
www.kpmg.co.th

Audit Report of Certified Public Accountant

To the Management of Citibank, N.A. Bangkok Branch

I have audited the accompanying statements of financial position as at 31 December 2011 and 2010, the related statements of comprehensive income, changes in accounts with head office and other branches of the same juristic person and cash flows for the years then ended of Citibank, N.A. Bangkok Branch. The Bangkok Branch is a segment of Citibank, N.A. and is not a separately incorporated legal entity. The accompanying financial statements have been prepared from the records of the Bangkok Branch and reflect only transactions recorded locally. The Bangkok Branch's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets used in, and liabilities arising out of, Citibank, N.A., Bangkok Branch's operations in Thailand as at 31 December 2011 and 2010, the results of its operations and its cash flows in Thailand for the years then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion, I draw attention to the following notes to these financial statements:

- (1) As explained in notes 4 (d) and 4 (e) to the accompanying financial statements, from 1 January 2011 the Bangkok Branch has changed its accounting policy for troubled debt restructuring, applying the requirements of TAS 104, "Accounting for Troubled Debt Restructuring" for personnel loans and credit card receivables and accounting policy for investments in securities from settlement date method to trade date method. I have audited the adjustments that were applied to the restatements of 2010 financial statements and in my opinion these adjustments are appropriate and have been properly applied.
- (2) As explained in notes 2 and 4 to the accompanying financial statements, with effect from 1 January 2011 the Bangkok Branch has adopted certain new and revised financial reporting standards and complied with the relevant Bank of Thailand's notification with regard to the presentation of the financial statements. The financial statements for the year ended 31 December 2010, have been restated accordingly.

(Pantip Gulsantithamrong)
Certified Public Accountant
Registration No. 4208

KPMG Phoomchai Audit Ltd.
Bangkok
27 April 2012

Citibank, N.A. Bangkok Branch

Statements of financial position

As at 31 December 2011 and 2010

Assets	<i>Note</i>	2011	2010 (Restated)
		<i>(in thousand Baht)</i>	
Cash		211,709	229,862
Interbank and money market items, net	6.4, 6.33	21,276,812	25,791,274
Derivative assets	6.5	22,279,015	27,665,154
Investments, net	6.6, 6.8, 6.21	82,364,883	74,296,302
Loans to customers and accrued interest receivables, net	6.7, 6.8, 6.9, 6.33		
Loans to customers		74,503,451	77,022,010
Accrued interest receivables		143,673	147,995
Total loans to customers and accrued interest receivable		<u>74,647,124</u>	<u>77,170,005</u>
<i>Less</i> deferred revenue		(19,241)	(30,316)
<i>Less</i> allowance for doubtful accounts	6.10	(2,591,667)	(2,771,531)
<i>Less</i> revaluation allowance for debt restructuring	6.11	<u>(757,246)</u>	<u>(1,135,543)</u>
Total loans to customers and accrued interest receivables, net		<u>71,278,970</u>	<u>73,232,615</u>
Leasehold improvements and equipment, net	6.12	967,012	1,053,037
Deferred tax assets, net	6.13, 6.32	198,571	500,295
Other assets, net	6.14, 6.33	<u>4,804,780</u>	<u>7,516,265</u>
Total assets		<u><u>203,381,752</u></u>	<u><u>210,284,804</u></u>

The accompanying notes are an integral part of these financial statements.

Citibank, N.A. Bangkok Branch

Statements of financial position

As at 31 December 2011 and 2010

Liabilities and accounts with head office and other branches of the same juristic person	<i>Note</i>	2011	2010 (Restated)
<i>(in thousand Baht)</i>			
Liabilities			
Deposits	6.15, 6.33	118,313,033	110,247,606
Interbank and money market items	6.16, 6.33	9,084,679	12,821,548
Liabilities payable on demand		4,185,410	5,260,721
Financial liabilities designated at fair value through profit and loss	6.17	3,119,482	2,786,871
Derivative liabilities	6.5	22,899,371	30,982,022
Debt issued and borrowings	6.18	11,369,425	12,720,901
Employee benefit obligations	6.19	368,374	314,928
Accrued expenses	6.33	2,868,567	2,261,747
Other liabilities	6.20, 6.33	5,768,183	8,802,502
Total liabilities		177,976,524	186,198,846
Accounts with head office and other branches of the same juristic person's equity			
Funds brought in to maintain assets under the Act	6.3	17,753,450	17,753,450
Net balance of inter-office accounts with head office and other branches of the same juristic person	6.3, 6.33	1,369,670	1,643,733
Other components of equity of head office and other branches	6.6	(208,616)	(386,613)
Retained earnings		6,490,724	5,075,388
Total accounts with head office and other branches of the same juristic person's equity, net		25,405,228	24,085,958
Total liabilities and accounts with head office and other branches of the same juristic person's equity		203,381,752	210,284,804

The accompanying notes are an integral part of these financial statements.

Citibank, N.A. Bangkok Branch
Statements of comprehensive income
For the years ended 31 December 2011 and 2010

	<i>Note</i>	2011	2010 (Restated)
<i>(in thousand Baht)</i>			
Interest income	6.24, 6.33	11,007,852	10,356,769
Interest expense	6.25, 6.33	2,101,618	1,635,481
Net interest income		8,906,234	8,721,288
Fees and service income	6.26, 6.33	4,282,127	4,000,834
Fees and service expenses	6.26, 6.33	1,650,968	1,645,241
Net fees and service income		2,631,159	2,355,593
Gains on trading and foreign exchange transactions	6.27	1,660,671	1,201,768
Gain from financial liabilities designated at fair value		29,090	14,949
Net gains from investment	6.28	136,350	103,846
Other operating income		1,131,422	973,640
Total operating income, net		14,494,926	13,371,084
Other operating expenses			
Employee expenses	6.29	2,558,902	2,267,527
Premises and equipment expenses	6.12, 6.33	688,278	729,832
Taxes and duties		474,368	465,120
Expenses allocated from head office	6.33	495,292	379,134
Others	6.30, 6.33	2,842,068	2,853,743
Total other operating expenses		7,058,908	6,695,356
Impairment loss on loans	6.31	1,598,228	2,526,937
Operating profit before income tax expense		5,837,790	4,148,791
Income tax expense	6.32	2,037,454	1,096,767
Net profit		3,800,336	3,052,024
Other comprehensive income			
Gains (losses) on remeasuring available-for-sale investments	6.6	306,472	(292,226)
Actuarial losses on defined benefit plans	6.19	(15,277)	(4,858)
Income tax relating to other comprehensive income	6.32	(113,198)	89,126
Total other comprehensive income, net of tax		177,997	(207,958)
Total comprehensive income		3,978,333	2,844,066

The accompanying notes are an integral part of these financial statements.

Citibank, N.A. Bangkok Branch

Statements of accounts with equity of head office and other branches of the same juristic person
For the years ended 31 December 2011 and 2010 (Restated)

		Funds brought into maintenance of assets	Net balance of inter-office accounts with head office and other branches of the same juristic person	Revaluation surplus (deficit) on investments <i>(in thousand Baht)</i>	Actuarial losses on defined benefit plans	Retained earnings	Total
		17,753,450	1,516,036	(11,899)	(166,756)	6,278,825	25,369,656
		-	-	-	-	(968,083)	(968,083)
	Balance at 1 January 2010 - as reported						
	Impact of changes in accounting policies						
	Balance at 1 January 2010 - restated	17,753,450	1,516,036	(11,899)	(166,756)	5,310,742	24,401,573
	Net profit for the year - restated	-	-	-	-	3,052,024	3,052,024
	Other comprehensive income, net of tax						
	Losses on remeasuring available-for-sale investments	-	-	(204,558)	-	-	(204,558)
	Actuarial losses on defined benefit plans	-	-	-	(3,400)	-	(3,400)
	Net balance of inter-office accounts with head office and other branches of the same juristic person	-	127,697	-	-	-	127,697
	Profit remitted to head office	-	-	-	-	(2,958,640)	(2,958,640)
	Income tax on remitted profits	-	-	-	-	(328,738)	(328,738)
	Balance at 31 December 2010 - restated	17,753,450	1,643,733	(216,457)	(170,156)	5,075,388	24,085,958
		17,753,450	1,643,733	(216,457)	(170,156)	4,780,365	23,790,935
	Balance at 1 January 2011 - as reported						
	Impact of changes in accounting policies	-	-	-	-	295,023	295,023
	Balance at 1 January 2011 - restated	17,753,450	1,643,733	(216,457)	(170,156)	5,075,388	24,085,958
	Net profit for the year	-	-	-	-	3,800,336	3,800,336
	Other comprehensive income, net of tax						
	Gains on remeasuring available-for-sale investments	-	-	214,337	-	-	214,337
	Actuarial losses on defined benefit plans	-	-	-	(36,340)	-	(36,340)
	Net balance of inter-office accounts with head office and other branches of the same juristic person	-	(274,063)	-	-	-	(274,063)
	Profit remitted to head office	-	-	-	-	(2,146,500)	(2,146,500)
	Income tax on remitted profits	-	-	-	-	(238,500)	(238,500)
	Balance as at 31 December 2011	17,753,450	1,369,670	(2,120)	(206,496)	6,490,724	25,405,228

The accompanying notes are an integral part of these financial statements.

Citibank, N.A. Bangkok Branch

Statements of cash flows

For the years ended 31 December 2011 and 2010

	2011	2010 (Restated)
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Profit from operations before income tax expense	5,837,790	4,148,791
<i>Adjustments to reconcile net profit to net cash provided by operating activities</i>		
Depreciation and amortization	217,804	253,835
Loss on revaluation and impairment of securities (reversal)	(360,355)	18,798
Impairment loss on loans	(1,274,776)	(1,495,868)
Unrealized losses on forward and derivatives contracts-net	(2,696,512)	(3,216,160)
Fixed assets written off	7,788	74,944
Loss (gain) on translation of foreign currencies	41,958	(259,920)
Gain on sales of fixed assets	-	(1,011)
Decrease (increase) in deferred income tax	113,197	(89,125)
Net interest income	(8,906,234)	(8,721,288)
Interest paid	(1,554,618)	(1,143,230)
Interest received	10,859,713	9,911,663
Income tax paid	(1,341,664)	(1,360,446)
Net losses from operations before changes in operating assets and liabilities	944,091	(1,879,017)
<i>(Increase) decrease in operating assets</i>		
Interbank and money market items	4,739,357	8,468,534
Investments in securities held for trading	(8,100,157)	(1,100,753)
Loans to customer	3,232,186	(6,089,455)
Other assets	2,777,964	(7,944,071)
<i>Increase (decrease) in operating liabilities</i>		
Deposits	7,876,788	6,967,606
Interbank and money market items	(3,736,869)	4,586,929
Financial liabilities designated at fair value through profit and loss	332,611	625,161
Liabilities payable on demand	(1,075,310)	912,543
Short-term borrowings	(1,250,887)	2,777,503
Other liabilities	(3,470,733)	15,183,439
Net cash provided by operating activities	2,269,041	22,508,419

The accompanying notes are an integral part of these financial statements.

Citibank, N.A. Bangkok Branch

Statements of cash flows

For the years ended 31 December 2011 and 2010

	2011	2010 (Restated)
		(in Baht)
<i>Cash flows from investing activities</i>		
Decrease (increase) in available-for-sale securities	606,269	(18,329,813)
Purchases of equipment	(139,567)	(683,298)
Proceeds from sales of equipment	-	4,055
Net cash provided by (used in) investing activities	466,702	(19,009,056)
<i>Cash flows from financing activities</i>		
Decrease from long-term borrowings	(93,596)	(270,182)
Profit remittance	(2,146,500)	(2,958,640)
Income tax on remitted profits	(238,500)	(328,738)
Increase (decrease) in net balance of inter-office accounts with head office and other branches of the same juristic person	(275,300)	126,461
Net cash used in financing activities	(2,753,896)	(3,431,099)
Net (decrease) increase in cash	(18,153)	68,264
Cash at the beginning of year	229,862	161,598
Cash at the end of year	211,709	229,862

The accompanying notes are an integral part of these financial statements.

Citibank, N.A. Bangkok Branch
Notes to the financial statements
For the years ended 31 December 2011 and 2010

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Impact of severe flooding in Thailand
4	Changes in accounting policies
5	Significant accounting policies
6	Supplementary information
7	Contingent liabilities
8	Thai Financial Reporting Standards (TFRS) not yet adopted
9	Reclassification of accounts

Citibank, N.A. Bangkok Branch
Notes to the financial statements
For the years ended 31 December 2011 and 2010

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the management on 27 April 2012.

1 General information

Citibank, N.A. Bangkok Branch (“the Bank”) was granted a licence by the Ministry of Finance to carry out domestic banking business. The Bank was granted a license to undertake its commercial banking business in September 1985.

The address of the Bank’s registered office is 399, Interchange 21 Building Sukhumvit Road Klongtoey Nua, Wattana, Bangkok.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and present as prescribed by the Bank of Thailand (“BoT”) notification number Sor Nor Sor 11/2553, directive dated 3 December 2010, regarding the “Preparation and announcement of the Financial statements of commercial banks and holding companies which are parent company of group of companies offering financial services”.

During 2010 and 2011, the FAP issued the following new and revised TFRS relevant to the Bank’s operations and effective for accounting periods beginning on or after 1 January 2011:

TFRS	Topic
TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events After the Reporting Period
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19 (revised 2009)	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs

Citibank, N.A. Bangkok Branch
Notes to the financial statements
For the years ended 31 December 2011 and 2010

TFRS	Topic
TAS 24 (revised 2009)	Related Party Disclosures
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TFRS 2	Share-based Payment
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
FAP's announcement 17/2554	Transitional Procedures for Other Long-term Employee Benefits

The adoption of these new and revised TFRS has resulted in changes in the Bank's accounting policies. The effects of these changes are disclosed in note 4.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in Note 8.

(b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- derivative financial instruments are measured at fair value
- trading and available-for-sale financial assets are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value

(c) *Presentation currency*

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest Baht unless otherwise stated.

(d) *Use of estimates and judgements*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Citibank, N.A. Bangkok Branch
Notes to the financial statements
For the years ended 31 December 2011 and 2010

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognized in the financial statements is included in the following notes:

Note 3	Impact of severe flooding in Thailand
Note 5.5	Troubled debt restructuring
Note 5.16	Income tax and deferred tax
Note 6.1	Risk management
Note 6.2	Fair value of financial instruments
Note 6.5	Derivatives
Note 6.6	Investments, net
Note 6.10	Allowance for doubtful accounts
Note 6.12	Leasehold improvements and equipment, net
Note 6.19	Employee benefit obligations

3 Impact of severe flooding in Thailand

Due to the recent flooding in Thailand, the Bank of Thailand has implemented measures requesting banks to provide support to their impacted customers. Such measures are set out in Circular ForNorSor. (23) Wor. 1564/2554, dated 19 October 2011.

Customers granted relief under the measures referred to above have loan outstanding balances as of 31 December 2011 amounting to Baht 1,387 million.

The Bank continues to monitor the underlying performance of flood affected customers, and set up allowance for doubtful accounts where considered necessary.

Managements of the Bank has performed an assessment of recoverability and provided an allowance for doubtful accounts to account for an impairment loss arising. The amount is not, however material to the financial statements of the Bank.

4 Changes in accounting policies

(a) Overview

From 1 January 2011, consequent to the adoption of new and revised TFRS as set out in note 2, the Bank has changed its accounting policies in the following areas:

- Presentation of financial statements
- Accounting for share-based payments
- Related party disclosures
- Accounting for investments in securities
- Accounting for troubled debt restructuring

The changes as mentioned above have not had a significant impact on the Bank's financial statements, except for related party disclosures included in note 6.33. In addition, the Bank has applied TAS 104, "Accounting for Troubled Debt Restructuring" Before 31 December 2011, restructured debt was accounted for under FAS 114 issued by the FASB.

Citibank, N.A. Bangkok Branch
Notes to the financial statements
For the years ended 31 December 2011 and 2010

Accordingly, the changes required have been applied retrospectively to the earliest period presented. The impact on to the current and prior year financial statements is shown under note 4e.

(b) *Presentation of financial statements*

From 1 January 2011, the Bank has adopted TAS 1 (Revised 2009) Presentation of Financial Statements. Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in accounts with head office and other branches of the same juristic person; accounts with head office and other branches of the same juristic person
- Statement of cash flows; and
- Notes to the financial statements.

As a result, the Bank presents all owner changes of the same juristic person in the statement of changes in accounts with head office and other branches of the same juristic person and all non-owner changes of the same juristic person in the statement of comprehensive income. Previously, all such changes were included in accounts with head office and other branches of the same juristic person.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit.

(c) *Accounting for share based payment*

From 1 January 2011, the bank has adopted TFRS 2 Share-based Payment.

Under TFRS 2, share-based payment awards granted to employees are recognized as personnel expenses. The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

However, the Bank has previously adopted the requirements of Statement of Financial Accounting Standard no. 123R "Share-based Payment" issued by the FASB. Therefore, the adoption of TFRS 2 has no impact on profit for the year ended 31 December 2011 and 2010.

(d) *Accounting for investments in securities*

From 1 January 2011, the Bank has changed its accounting policy for recognition and derecognition of investments in securities in the financial statements from the settlement date method to the trade date method. The change in accounting policy has been applied retrospectively on the Bank's 2010 financial statements for comparative purposes, have been restated accordingly.

Citibank, N.A. Bangkok Branch
Notes to the financial statements
For the years ended 31 December 2011 and 2010

	2010 (Restated) (in Baht)
<i>Statement of financial position as at 31 December</i>	
Increase in other assets	6,021,065,178
Decrease in trading investments, net	(25,125)
Increase in other liabilities	(6,021,040,053)
Increase in retained earnings	-

(e) Accounting for troubled debt restructuring

Personnel loans and credit card receivables

The impact on the 2011 and 2010 financial statements in application of TAS 104 was as follows;

	Note	2011	2010 (Restated) (in Baht)
<i>Statement of financial position as at 31 December</i>			
Increase in revaluation allowance for debt restructuring		(273,655,063)	(673,060,060)
(Decrease) in retained earnings		(273,655,063)	(673,060,060)
<i>Statement of comprehensive income for the year ended 31 December</i>			
(Increase) decrease in loss from troubled debt restructuring		131,057,373	(58,419,309)
Increase in interest income	6.9	268,347,624	353,442,383
Increase in net profit		399,404,997	295,023,074

5 Significant accounting policies

5.1 Income recognition

Interest and discount income on loans is recognized on an accruals basis, except where interest payments are in arrears for more than 90 days and interest from receivables under troubled debt restructuring agreements, in which case it is recognized on a cash basis. In addition, interest accrued in arrears which is for 90 days is reversed against interest income.

Interest income on deposits and investment in securities is recognized on an accruals basis. Interest income from investment in receivables is recognized by using the effective yield method.

Discounts received on bills of exchange are recognized on a straight-line basis over the period to maturity.

5.2 Expense recognition

Expenses are recognized on an accruals basis.

5.3 Investments

Classification of investments

The Bank classifies its investments in securities as trading investments, available for sale investments, held to maturity investments and general investments.

Citibank, N.A. Bangkok Branch
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Trading securities are those investments that management acquires with the intention of holding these investments for a short period of time in order to take advantage of anticipated changes in the underlying market values. Trading securities are stated at fair value. Changes in fair value are recognized in profit or loss as net trading income. Interest income on trading securities is recognized using the accrual basis of accounting.

Debt securities that the Bank has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortized cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortized using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognized directly in the other comprehensive income. Impairment losses and foreign exchange differences are recognized in profit or loss. When these investments are derecognized, the cumulative gain or loss previously recognized directly in a separate component of the head office account is recognized in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognized in profit or loss.

Equity securities which are not marketable are classified as general investments and stated at cost less impairment loss.

The fair value of the financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in a separate component of the head office account is recognized in profit or loss.

If the Bank disposes of part of its holding of a particular investment, the declined cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Investments in receivables

Investments in receivables are stated at acquisition cost less provision for impairment (if any).

5.4 Loans to customers

Loans to customers, except bank overdrafts, are shown exclusive of accrued interest receivable. Unearned discounts are presented as a reduction in loan.

5.5 Troubled debt restructuring

The Bank records transferred assets or equity interests received at the lower of fair value of the assets net of estimated selling expenses or total amount of loans (including both principal and accrued interest receivable) as at the restructuring date.

Citibank, N.A. Bangkok Branch
Notes to the financial statements
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Personnel loans and credit card receivables

Where troubled debt restructuring of loans involves modification of the terms of the remaining loans, the fair value of the investment in loans after restructuring is calculated based on the expected future cash flows discounted by the financial cost rate of the bank to be paid to possess the restructured debts throughout the agreement period. However, in the event that the financial cost rate of the bank is lower than the interest rate specified by new terms, the bank shall use the interest rate specified by new terms as discount rate to prevent postponement of recognition of some losses from the debt restructuring in the present period and compensation by a future decrease in interest income.

Losses on troubled debt restructuring are recognized in profit or loss.

5.6 Allowance for doubtful accounts

The Bank provides allowance for doubtful accounts equal to the estimated losses that may be incurred in the collection of loans and receivables. The estimated losses are based on collection experience and a review of the current status of the existing loans and receivables. For corporate loans, the allowance is determined on a case by case basis while the allowance for retail loans is determined on the basis of portfolios with similar risk characteristics.

The BoT has guidelines for establishing a minimum level of allowance for doubtful accounts, which is primarily determined by applying specified percentages to the different classifications of financing in conjunction with the consideration of collateral valuation. Financing classifications are based principally on the period that a financing is past due. The Bank has set up the allowance for doubtful accounts by applying the minimum requirements of the BoT regulations.

With reference to the BoT's directive, the Bank has classified its loan portfolios into six categories, primarily based on the non-accrual period. For loans classified as pass and special-mention, the calculation of allowances for doubtful accounts is based on the regulatory minimum percentage requirement, taking into consideration the collateral value, where the collateral type and date of the latest appraisal are qualifying factors. For loans classified as substandard, doubtful and doubtful of loss, the allowance on these accounts is set at 100 percent of the difference between the outstanding book value of the debt and the present value of future cash flows expected to be received or the expected proceeds from the disposal of collateral or collective approach in accordance with BoT criteria.

The allowance for doubtful accounts is charged as an expense in each accounting year. Bad debts written off or recovered are recorded as charges or credits, respectively, to the allowance for doubtful accounts.

5.7 Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in profit or loss.

The Bank records forward exchange and currency swap contract transactions as off-financial reporting items and calculates gains or losses on remeasurement by adjusting to market value.

Gains or losses on forward exchange and currency swap contracts are reflected in the statement of income.

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5.8 *Derivative financial instruments*

Derivative financial instruments primarily comprise interest rate swaps and forward exchange contracts and are used to manage exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Derivative financial instruments are not used for speculative purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognized initially at fair value; attributable transaction income costs are recognized in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognized in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see accounting policy 5.9 and 5.10).

The fair value of interest rate swaps is the estimated amount that the Bank would receive or pay to terminate the swap at the reporting date, taking into account current interest rates.

The fair value of forward exchange contracts is their quoted market price at the reporting date, being the present value of the quoted forward price.

All derivatives where fair value is positive and recorded as a “Derivative assets” and as “Derivative liabilities” where fair value is negative, in the statement of financial position.

5.9 *Deposit and borrowing transactions with embedded derivatives*

Deposit and borrowing transactions with embedded derivatives are carried at fair value, consistent with FASB 155 “Accounting for Certain Hybrid Financial Instruments” and FASB 159 “The Fair Value Option for Financial Assets and Financial Liabilities” issued by the Financial Accounting Standards Board of U.S.A. The Bank adopts FASB 155 for deposits and borrowings transactions with embedded derivatives that are not interest rate linked and FASB 159 for deposits and borrowings transactions with embedded derivatives that contain interest rate derivatives. The change in fair value is recognized in profit or loss.

5.10 *Hedging*

Fair value hedges

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risks.

Discontinuing hedge accounting

Hedge accounting is discontinued prospectively without retroactive adjustment, when the hedging instrument expires or is sold, terminated or exercised, or the hedge no longer qualifies for hedge accounting.

5.11 *Properties foreclosed*

Properties foreclosed represent immovable properties acquired from debtors, which are valued at the lower of net book value of loans receivable or estimated realizable value. Losses on impairment of assets are included in profit or loss.

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5.12 Leasehold improvements and equipment

Owned assets

Leasehold improvements and equipment are stated at cost less accumulated depreciation and amortization and impairment loss.

When major components of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses of disposal with the carrying amount of equipment are recognized net within other income in profit or loss.

Depreciation and amortization

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation and amortization are charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of the assets. The estimated useful lives are as follows:

Furniture, fixtures and equipment	2 - 10 years
Leasehold improvements	5 - 15 years
Vehicles	5 years

Leasehold improvements are amortized on a straight-line basis over the period of the lease term.

No depreciation is provided on assets under work in progress.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

5.13 Impairment

The carrying amounts of the Bank's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognized directly in the head office account and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognized directly in the head office accounts is recognized in profit or loss even though the financial asset has not been derecognized. The amount of the cumulative loss that is recognized in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in the profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities and receivables carried at amortized cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

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The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of non - financial assets is the greater of the assets' value in use and fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized.

For financial assets carried at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in the head office account.

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.14 Employee benefits

The Bank operates a number of employee benefit plans as follows:

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under cash bonus if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Pension and post-retirement benefits

The Bank provides pension and post-retirement benefits to eligible employees under the following arrangements.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan where the Bank pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. A defined contribution plan is as follows:

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- *Provident fund*

The Bank established a provident fund registered with the Ministry of Finance as a juristic entity under the provisions of the Provident Fund Act B.E. 2530. The fund is managed by a Fund Managers in accordance with the terms and conditions prescribed in Ministerial Regulation No.2 (B.E. 2532) issued under Provident Fund Act. B.E.2530. The employees are required to contribute to the fund at rates ranging from 3 - 10% of their basic salaries and the Bank contributes to the fund at the rate of upto 10% of the employees' basic salaries. The rights and rewards accruing to the employees under the provident fund are recorded and reported by the provident fund independently. The Bank has no obligation beyond making the required contribution to the provident fund and, therefore, the provident fund is not presented in the statement of financial position.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan (Legal Severance Payment Plan) other than a defined contribution plan. The Bank's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Bank's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. The Bank recognizes all actuarial gains and losses in other component of equity of head office and other branches.

Other Long-term employee benefit – Share-based payment

For cash share-based award transactions, the Company provides provisions for the share based payments program to allow the employees to acquire shares of a company in the group of its major shareholder. The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

5.15 Provisions

A provision is recognized if, as a result of past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provision for merchandise redemption

The Bank provides for merchandise redemption for local credit card customers in accordance with the "Citibank Rewards Program". The provision is calculated based on accumulated points that local credit card members earned from using their cards, estimating the percentage of points used for merchandise redemption and the cost of merchandise per one point. The estimate is derived from historical information. The Bank records expenses for merchandise redemption in the statement of comprehensive income and records the provision for merchandise redemption under liabilities in the statement of financial position.

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Asset retirement obligations

The Bank estimates and recognizes a liability for costs associated with the retirement or removal of an asset from service, regardless of the uncertainty of timing or whether performance will be required. For the Bank, this applies to certain real estate restoration activities in the office space, which are rented under lease agreements.

5.16 *Income tax and deferred tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except items recognized directly in equity of head office accounts or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Bank takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Bank believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Bank to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5.17 *Loan origination costs*

The Bank follows the Statement of Financial Accounting Standards No.91 of the Financial Accounting Standards Board of U.S.A, in deferring the incremental direct origination costs of certain loans, to be amortized over the maturities of the related loans.

5.18 *Cash and cash equivalents*

Cash and cash equivalents represent cash in hand and cash in process of collection.

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5.19 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position when the Bank has a legal, enforceable right to set off the recognized amounts and the transactions are intended to be settled on a net basis.

6 Supplementary information

6.1 Risk management

Financial instruments

The Bank is party to financial instruments in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in foreign exchange rates and interest rates. These financial instruments include commitments to extend credit, standby letters of credit, financial guarantees, options, forwards and swap contracts. These instruments involve, to varying degrees, elements of credit, foreign exchange and interest in excess of the amount recognized in the financial statements. The contract or notional amounts of those instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

The Bank does not engage in speculation with derivative financial instruments.

The Bank enters into options, forwards and swap contracts as part of its risk management strategy primarily to manage market risk arising from the Bank's underlying assets and liabilities and to offset risk created by its customers. The utilization of options, forwards and swap contracts for these purposes is governed by the Risk Management Committee's approved guidelines and monitored by a risk manager.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Bank. The Bank has adopted a policy of dealing with credit worthy counterparts and obtaining sufficient collateral or other security, where appropriate, as a means of mitigating the risk of financial losses from defaults.

In respect of recognized financial assets, the carrying amount of the assets recorded in the statements of financial position, net of allowance for doubtful accounts, represents the Bank's exposure to credit loss.

The Bank's exposure to credit loss in case of non-performance by a counterparty to the financial instruments is represented by the contractual notional amount of those instruments.

Credit risk also arises from the possibility that a counterparty to off-financial reporting financial instruments will not adhere to the terms of the contract with the Bank when settlement becomes due.

Off-financial reporting financial instruments classified by type and at regulatory credit equivalents values as at 31 December 2011 and 2010 were as follows:

	2011	2010
	<i>(in million Baht)</i>	
Forward exchange contracts	7,494.28	7,466.80
Forward interest rate contracts	4,443.87	4,051.83
Commodity option	4,356.37	1,136.44
Equity option	81.76	71.45
Credit default swap	329.59	323.36

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Liquidity risk

Liquidity risk is the risk the Bank will be unable to meet its obligations as they fall due because of an inability to liquidate assets or obtain funding in a timely manner on a recoverable cost which could result in losses.

The Bank manages its liquidity position under the Bank of Thailand's liquidity reserve regulations and other applicable regulations. The Treasury Department is responsible for managing the Bank's liquidity position by providing short-term and long-term funding sources as well as investing in highly liquid assets in both domestic and foreign currencies. The Bank also ensures that its liquidity position is suitable and sufficient for the current and foreseeable market conditions. The Assets and Liabilities Management Subcommittee supervises management of liquidity risk.

Liquidity risk management ensures the protection of the Bank's solvency and the ability to support asset portfolios with funding of appropriate term and at reasonable cost.

The Bank monitors liquidity risk for each currency. An internal system used for cash flow monitoring captures future expected cash flows, both by day and by currency. The monitoring process also includes the ongoing assessment of the ability to sell liquid assets, mostly trading securities.

Details of the maturities of financial assets and liabilities have been provided in the relevant notes to the financial statements.

Foreign currency risk

Foreign exchange rate risk is the risk that occurs from changes in exchange rates which may affect the value of the Bank's financial instruments. The Bank is exposed to foreign exchange risk through transactions in foreign currencies and through the translation of assets and liabilities denominated in foreign currencies into Thai Baht at each reporting date. Details in respect of these significant exposures are mentioned in notes 6.4, 6.7, 6.15, 6.16 and 6.18.

Interest rate risk

Interest rate risk arises from the potential for a change in interest rates to have an adverse effect on the net interest earnings of the Bank in the current reporting period, and in future years. Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and accounts with head office and other branches of the same juristic person, and in the mismatch in repricing dates of its assets and liabilities.

The Bank's exposure to interest rate risk based on contractual repricing dates or maturity dates, whichever dates were earlier, and effective weighted average interest rates, where applicable, was as follows:

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Period to earlier of contractual repricing date or maturity

2011

	Call	3 months or less	Over 3-12 months	Over 1-5 years	Over 5 years (in Baht)	Non-interest bearing	Non-accrual Loans	Total	Average interest rate per annum (%)
Financial assets									
Cash	211,709,317	-	-	-	-	-	-	211,709,317	-
Interbank and money market items (before allowance for doubtful accounts)	8,095,720	17,765,704,129	114,893,180	-	-	3,497,938,152	-	21,386,631,181	3.21
Investments, net	-	7,085,579,905	41,087,386,773	33,632,093,344	559,607,566	215,415	-	82,364,883,003	2.44
Loans to customers (less deferred revenue)	122,429,428	21,348,556,010	49,226,855,566	1,536,698,266	50,605,708	-	2,199,064,692	74,484,209,670	11.45
Total financial assets	342,234,465	46,199,840,044	90,429,135,519	35,168,791,610	610,213,274	3,498,153,567	2,199,064,692	178,447,433,171	
Financial liabilities									
Deposits	89,526,103,008	14,717,136,025	4,895,751,731	1,033,711,527	-	8,140,330,632	-	118,313,032,923	1.07
Interbank and money market items	5,393,666,437	1,400,000,000	-	-	-	2,291,012,399	-	9,084,678,836	3.19
Liabilities payable on demand	4,185,410,368	-	-	-	-	-	-	4,185,410,368	-
Financial liabilities designated at fair value through profit and loss	-	571,817,673	2,258,856,897	288,807,691	-	-	-	3,119,482,261	3.02
Debt issued and borrowings	-	6,190,706,900	5,158,896,000	19,822,000	-	-	-	11,369,424,900	2.71
Total financial liabilities	99,105,179,813	22,879,660,598	12,313,504,628	1,342,341,218	-	10,431,343,031	-	146,072,029,288	
On-financial reporting items	(98,762,945,348)	23,320,179,446	78,115,630,891	33,826,450,392	610,213,274	(6,933,189,464)	2,199,064,692	32,375,403,883	

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	2010						Average interest rate per annum (%)
	Call	3 months or less	Over 3-12 months	Over 1-5 years	Over 5 years (in Baht)	Non-accrual loans	Total
Financial assets							
Cash	229,862,080	-	-	-	-	-	229,862,080
Interbank and money market items (before allowance for doubtful accounts)	8,823,995	20,088,543,006	1,422,888,921	-	-	-	25,913,299,942
Investments, net	-	19,222,724,384	16,455,814,025	37,636,553,749	980,988,015	-	74,296,302,173
Loans to customers (less deferred revenue)	129,604,162	21,707,420,186	49,196,236,477	3,374,867,097	18,289,012	2,565,277,557	76,991,694,491
Total financial assets	368,290,237	61,018,687,576	67,074,939,423	41,011,420,846	999,277,027	2,565,277,557	177,431,158,686
Financial liabilities							
Deposits	76,039,275,857	14,576,347,478	10,297,353,266	1,707,251,030	-	-	110,247,606,473
Interbank and money market items	6,104,317,114	-	1,400,000,000	-	-	-	12,821,547,565
Liabilities payable on demand	5,260,720,696	-	-	-	-	-	5,260,720,696
Financial liabilities designated at fair value through profit and loss	-	406,559,459	1,321,501,407	1,058,810,170	-	-	2,786,871,036
Debt issued and borrowings	-	7,258,184,258	5,349,299,000	113,418,000	-	-	12,720,901,258
Total financial liabilities	87,404,313,667	22,241,091,195	18,368,153,673	2,879,479,200	-	-	143,837,647,028
On-financial reporting items	(87,036,023,430)	38,777,596,381	48,706,785,750	38,131,941,646	999,277,027	2,565,277,557	33,593,511,658

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6.2 Fair value of financial instruments

The fair values of financial instruments have been estimated by the Bank using available market information and appropriate valuation methodologies.

The carrying value and estimated fair values of financial instruments as at 31 December 2011 and 2010 were as follows:

	2011		2010	
	Carrying value	Fair value	Carrying value	Fair value
	(in Baht)			
Financial assets				
Cash	211,709,317	211,709,317	229,862,080	229,862,080
Interbank and money market items, net	21,276,811,763	21,276,811,763	25,791,273,839	25,791,273,839
Derivative assets	22,279,014,725	22,279,014,725	27,665,153,917	27,665,153,917
Investments, net	82,364,883,003	82,364,883,003	74,296,302,173	74,296,302,173
Loans to customers and accrued interest receivable, net	71,278,969,817	71,278,969,817	73,232,614,908	73,232,614,908
Financial liabilities				
Deposits	118,313,032,923	118,313,032,923	110,247,606,473	110,247,606,473
Interbank and money market items	9,084,678,836	9,084,678,836	12,821,547,565	12,821,547,565
Liabilities payable on demand	4,185,410,368	4,185,410,368	5,260,720,696	5,260,720,696
Financial Liabilities designated at fair value	3,119,482,261	3,119,482,261	2,786,871,036	2,786,871,036
Derivatives liabilities	22,899,371,063	22,899,371,063	30,982,022,369	30,982,022,369
Debt issued and borrowings	11,369,424,900	11,369,424,900	12,720,901,258	12,720,901,258

Methods and assumptions in estimating market value or fair value of financial instruments

The fair value represents the amount for which an asset could be exchanged or a liability settled in an arm's length transaction between knowledgeable and willing parties. Quoted market prices are used as the measure of fair value where available. Where quoted market prices are not available, fair values are based on present value estimates or other methods of valuation.

On-financial reporting financial instruments

The fair values of cash, interbank and money market items (assets and liabilities), deposits, liabilities payable on demand and borrowings approximate the carrying values at which they are stated in the statement of financial position. As these predominantly carry market variable rates of interest and are short term.

Derivatives, investments and financial liabilities designated at fair value are stated according to the Bank's accounting policies mentioned in Note 5.

The fair values of loans to customers and accrued interest receivables are considered to be materially consistent with carrying values as the majority of loans are at market variable rates of interest, and the allowance for doubtful debts is considered to materially reflect the credit risk inherent in the portfolio at the statement of financial position date.

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Off-financial reporting financial instruments

Unrecognized financial instruments are presented in a class or classes separate from recognized items and are offset only to the extent that they meet the offsetting criteria.

The fair value of off-financial reporting financial instruments is normally determined by estimating the amount that would be paid or received to terminate the contract or replace them at their current market rates, net of estimated transaction costs.

6.3 Assets maintained in Thailand and Capital Funds

The assets maintained in Thailand under Section 32 of the Financial Institution Business Act, B.E. 2551 at 31 December 2011 and 2010 were as follows:

	2011	2010
	<i>(in Baht)</i>	
Government bonds	<u>17,753,449,882</u>	<u>17,753,449,882</u>
Total	<u>17,753,449,882</u>	<u>17,753,449,882</u>

Capital funds

As at 31 December 2011 and 2010, the capital structure according to Section 32 of the Financial Institutions Business Act, B.E. 2551, can be summarized as follow:

	2011	2010
	<i>(in Baht)</i>	
Assets maintained under Section 32	<u>17,753,449,882</u>	<u>17,753,449,882</u>
Sum of net capital for maintenance of assets under Section 32 and net balance of inter-office accounts		
Capital for maintenance of assets under Section 32	17,753,449,882	17,753,449,882
Net balance of inter-office accounts with head office and other branches of the same juristic person	<u>1,369,669,725</u>	<u>1,643,733,295</u>
Total	<u>19,123,119,607</u>	<u>19,397,183,177</u>
Capital Adequacy Ratio (%)	14.10	13.32

As at 31 December 2011 and 2010, the Bank adopted the Standardized Approach for credit risk and operational risk and the Hybrid Approach between Standardized and Internal Models for market risk as approved by the Bank of Thailand and in accordance with the Bank of Thailand notification to calculate minimum capital requirements.

As at 31 December 2011 and 2010, the Bank met the minimum capital ratio requirements set down by the Bank of Thailand for total capital of 7.5%.

In accordance with the Bank of Thailand Notification No. Sor.Nor.Sor. 25/2552 dated 14 December 2009, Re: "Public Disclosure of Capital Maintenance for Commercial Banks", the Bank intends to disclose Capital Maintenance information as of 31 December 2011 within 4 months after the year end date as indicated in the notification through the Bank's website www.citibank.co.th.

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6.4 Interbank and money market items, net (assets)

	At call	2011 Term (in Baht)	Total
1. Domestic items			
Bank of Thailand	2,219,824,160	-	2,219,824,160
Commercial banks	1,247,957,475	9,914,914,898	11,162,872,373
Total	3,467,781,635	9,914,914,898	13,382,696,533
Add accrued interest receivable	-	7,627,973	7,627,973
Less allowance for doubtful accounts	-	(109,149,149)	(109,149,149)
Total domestic items, net	3,467,781,635	9,813,393,722	13,281,175,357
2. Foreign items			
US Dollar	-	7,512,636,644	7,512,636,644
Japanese Yen	33,283,929	-	33,283,929
Euro	-	377,451,749	377,451,749
Other currencies	4,968,308	67,613,815	72,582,123
Total	38,252,237	7,957,702,208	7,995,954,445
Add accrued interest receivable	-	352,230	352,230
Less allowance for doubtful accounts	-	(670,269)	(670,269)
Total foreign items, net	38,252,237	7,957,384,169	7,995,636,406
Total interbank and money markets items, net	3,506,033,872	17,770,777,891	21,276,811,763
	At call	2010 Term (in Baht)	Total
1. Domestic items			
Bank of Thailand	3,135,963,243	500,000,000	3,635,963,243
Commercial banks	1,259,165,941	11,144,215,537	12,403,381,478
Total	4,395,129,184	11,644,215,537	16,039,344,721
Add accrued interest receivable	-	4,012,384	4,012,384
Less allowance for doubtful accounts	-	(121,442,155)	(121,442,155)
Total domestic items, net	4,395,129,184	11,526,785,766	15,921,914,950
2. Foreign items			
US Dollar	-	8,502,666,600	8,502,666,600
Japanese Yen	703,715	58,394,810	59,098,525
Euro	-	878,665,634	878,665,634
Other currencies	6,035,116	421,054,348	427,089,464
Total	6,738,831	9,860,781,392	9,867,520,223
Add accrued interest receivable	-	2,422,614	2,422,614
Less allowance for doubtful accounts	-	(583,948)	(583,948)
Total foreign items, net	6,738,831	9,862,620,058	9,869,358,889
Total interbank and money markets items, net	4,401,868,015	21,389,405,824	25,791,273,839

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6.5 Derivatives

As at 31 December 2011 and 2010, the fair value and notional amount of derivatives classified by type of risk are as follows;

Type of risk	Fair value		2011		Total
	Assets	Liabilities	Up to 1 year	Notional amount	
			(in Baht)	Over 1 year	
Forward exchange contracts	10,242,368,193	10,754,274,176	529,500,096,895	50,433,696,843	579,933,793,738
Forward interest rate contracts	10,724,824,313	10,889,670,666	423,062,210,748	722,182,197,599	1,145,244,408,347
Commodity option	1,254,004,224	1,252,090,879	42,760,433,994	1,805,473,524	44,565,907,518
Credit default swap	19,174,255	3,335,342	3,295,903,553	-	3,295,903,553
Equity option	38,643,741	-	938,705,331	317,945,322	1,256,650,653
Total	22,279,014,726	22,899,371,063	999,557,350,521	774,739,313,288	1,774,296,663,809

Type of risk	Fair value		2010		Total
	Assets	Liabilities	Up to 1 year	Notional amount	
			(in Baht)	Over 1 year	
Forward exchange contracts	12,851,897,348	15,997,753,727	537,549,615,485	52,859,937,858	590,409,553,343
Forward interest rate contracts	12,241,517,285	12,453,521,813	329,917,839,570	631,360,488,426	961,278,327,996
Commodity option	2,521,796,142	2,521,796,142	12,212,549,476	-	12,212,549,476
Credit default swap	47,692,535	8,950,688	192,000,000	3,041,563,529	3,233,563,529
Equity option	2,250,607	-	-	893,092,910	893,092,910
Total	27,665,153,917	30,982,022,370	879,872,004,531	688,155,082,723	1,568,027,087,254

Proportion of the notional of derivative transactions classified by counterparties:

Counterparties	2011	2010
	%	
Financial institution	88.55	90.07
Company - other	11.45	9.93
Total	100.00	100.00

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6.6 Investments, net

1. Classification of investment in securities

	2011 Fair value	2010 Fair value
	<i>(in Baht)</i>	
1. Trading securities		
Government and state enterprise securities	12,855,362,057	3,640,220,566
Private debt instruments	-	1,114,984,490
Unrealized gains (losses) on revaluation of investments	6,040,433	(47,849,727)
Total securities held for trading, net	<u>12,861,402,490</u>	<u>4,707,355,329</u>
2. Available-for-sale securities		
Government and state enterprise securities	69,506,017,993	69,897,306,482
Unrealized losses on revaluation of investments	(2,752,895)	(309,224,621)
Total available-for-sale securities-net	<u>69,503,265,098</u>	<u>69,588,081,861</u>
3. Held-to-maturity debt instruments		
Less allowance for impairment	2,034,054	2,947,087
Total held-to-maturity debt instruments, net	<u>(2,034,054)</u>	<u>(2,304,104)</u>
	<u>-</u>	<u>642,983</u>
4. General investments		
Non-marketable equity securities	1,000,000	1,000,000
Less allowance for impairment	(784,585)	(778,000)
Total general investments, net	<u>215,415</u>	<u>222,000</u>
Total investments, net	<u>82,364,883,003</u>	<u>74,296,302,173</u>

2. Net unrealized gains (losses) on revaluation of investments in available-for-sale securities

	2011	2010
	<i>(in Baht)</i>	
Unrealized gains on revaluation of investments in debt instruments	167,926,876	5,391,529
Unrealized losses on revaluation of investments in debt Instruments	(170,679,771)	(314,616,150)
Deferred tax charged on net unrealized gains (losses) on revaluation of investment	633,166	92,767,387
Total	<u>(2,119,729)</u>	<u>(216,457,234)</u>

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3. Debt instruments classified by the remaining contractual maturity period

	2011			Total
	Maturity date			
	Within 1 year	Over 1 - 5 years	Over 5 - 10 years	
	<i>(in Baht)</i>			
Available-for-sale securities				
Government and state enterprise bonds	38,221,090,962	31,284,927,031	-	69,506,017,993
Total	38,221,090,962	31,284,927,031	-	69,506,017,993
Unrealized gains (losses) on revaluation of investments	(30,225,721)	27,472,826	-	(2,752,895)
Total	38,190,865,241	31,312,399,857	-	69,503,265,098
	2010			Total
	Maturity date			
	Within 1 year	Over 1 - 5 years	Over 5 - 10 years	
	<i>(in Baht)</i>			
Available-for-sale securities				
Government and state enterprise bonds	35,728,054,886	33,358,573,524	810,678,072	69,897,306,482
Total	35,728,054,886	33,358,573,524	810,678,072	69,897,306,482
Unrealized losses on revaluation of investments	(51,113,766)	(251,990,300)	(6,120,555)	(309,224,621)
Total	35,676,941,120	33,106,583,224	804,557,517	69,588,081,861

Trading securities have contractual maturity of 2 to 3 years. However these are expected to be liquidated on a short term basis.

6.7 *Loans to customers and accrued interest receivable, net*

1. Classified by type of loans

	2011	2010
	<i>(in Baht)</i>	
Overdrafts	853,536,049	674,417,530
Loans	71,935,560,904	74,824,226,625
Bills	1,714,353,925	1,523,366,268
Less deferred revenue	(19,241,208)	(30,315,932)
Total loans to customers, net	74,484,209,670	76,991,694,491
Add accrued interest receivable	143,672,719	147,994,587
Total loans to customers and accrued interest receivables, net	74,627,882,389	77,139,689,078
Less allowance for doubtful accounts		
- allowance established at BoT regulations	(3,221,875,611)	(3,622,987,487)
- allowance established in excess	(127,036,959)	(284,086,784)
Total	71,278,969,819	73,232,614,807

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2. Classified by remaining period of contracts

	2011	2010
	<i>(in Baht)</i>	
Within 1 year	66,586,386,242	74,304,962,442
Over 1 year	7,897,823,428	2,686,732,049
Total	<u>74,484,209,670</u>	<u>76,991,694,491</u>

3. Classified by currency and residency of debtors

	Domestic	2011 Overseas <i>(in Baht)</i>	Total
Baht	72,538,871,559	3,425	72,538,874,984
US Dollar	1,338,898,429	55,700,623	1,394,599,052
Other currencies	300,092,971	250,642,663	550,735,634
Total	<u>74,177,862,959</u>	<u>306,346,711</u>	<u>74,484,209,670</u>

	Domestic	2010 Overseas <i>(in Baht)</i>	Total
Baht	76,113,309,565	-	76,113,309,565
US Dollar	444,779,603	129,572,504	574,352,107
Other currencies	97,226,372	206,806,447	304,032,819
Total	<u>76,655,315,540</u>	<u>336,378,951</u>	<u>76,991,694,491</u>

4. Classified by type of business and loan classification

	2011					
	Pass	Special mention	Substandard	Doubtful	Doubtful of loss	Total
	<i>(in Baht)</i>					
Agriculture and Mining	633,824,000	-	-	-	-	633,824,000
Manufacturing and commerce	13,336,156,115	4,006,865,225	3,187,564	177,439,968	718,928,729	18,242,577,601
Property development and construction	277,870,503	-	-	-	19,450,315	297,320,818
Infrastructure and services	1,080,731,687	698,091	2,533,958	-	13,413,478	1,097,377,214
Housing loans	56,012,659	485,602	33,076	443,856	840,523	57,815,716
*Others	<u>51,619,383,292</u>	<u>1,273,117,802</u>	<u>988,995,544</u>	<u>102,377,921</u>	<u>171,419,762</u>	<u>54,155,294,321</u>
Total	<u>67,003,978,256</u>	<u>5,281,166,720</u>	<u>994,750,142</u>	<u>280,261,745</u>	<u>924,052,807</u>	<u>74,484,209,670</u>

* Others predominantly consist of credit cards and other retail lendings.

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	2010					Total
	Pass	Special mention	Substandard	Doubtful	Doubtful of loss	
	(in Baht)					
Manufacturing and commerce	9,300,352,875	2,045,616,447	68,081,266	200,834,636	726,034,611	12,340,919,835
Property development and construction	176,248,409	278,750	-	368,602	19,480,739	196,376,500
Infrastructure and services	982,659,103	7,045,959	147,506	-	13,661,421	1,003,513,989
Housing loans	28,360,122	986,035	79,198	224,968	1,173,771	30,824,094
* Others	<u>60,484,616,640</u>	<u>1,400,252,594</u>	<u>1,184,940,241</u>	<u>167,108,843</u>	<u>183,141,755</u>	<u>63,420,060,073</u>
Total	<u>70,972,237,149</u>	<u>3,454,179,785</u>	<u>1,253,248,211</u>	<u>368,537,049</u>	<u>943,492,297</u>	<u>76,991,694,491</u>

* Others predominantly consist of credit cards and other retail lendings.

5. Classified by loan classification

	2011			
	Loans to customers and accrued interest receivables	Debts after collateral / cash flow from debtors or sale of collateral	% Allowance set up by BoT	Provision as per BoT
	(in Baht)			
Pass	67,131,261,349	65,786,276,695	1%	1,051,789,192
Special mention	5,297,556,346	5,163,970,312	2%	250,905,280
Substandard	994,750,142	642,141,482	100%	739,830,329
Doubtful	280,261,745	228,155,433	100%	281,721,351
Doubtful of loss	924,052,807	897,372,779	100%	897,629,459
Total				<u>3,221,875,611</u>
Allowance in excess of BoT's minimum requirements				127,036,959
Total	<u>74,627,882,389</u>	<u>72,717,916,701</u>		<u>3,348,912,570</u>

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		2010		
	Loans to customers and accrued interest receivables	Debts after collateral / cash flow from debtors or sale of collateral (in Baht)	% Allowance set up by BoT	Provision as per BoT
Pass	71,111,052,176	69,621,926,192	1%	1,299,536,231
Special mention	3,462,477,387	3,352,523,738	2%	289,116,163
Substandard	1,254,130,168	905,020,813	100%	818,707,112
Doubtful	368,537,050	367,893,879	100%	300,767,380
Doubtful of loss	943,492,297	915,297,000	100%	914,860,601
Total				3,622,987,487
Allowance in excess of BoT's minimum requirements				284,086,784
Total	77,139,689,078	75,162,661,622		3,907,074,271

Unearned interest is as follows:

	2011	2010
	(in Baht)	
Unearned interest	19,241,208	30,315,932

Non-performing loans

As of 31 December 2011 and 2010 non-performing loans net (including financial institutions) based on the BoT notification are as follows:

	2011	2010
	(in Baht)	
Non-performing loans, net	417,113,245	376,668,020
Total loans used for NPL net ratio calculation ⁽¹⁾	80,973,906,022	84,838,264,625
Percentage of total loans ⁽²⁾	0.52	0.44

(1) Total loans used for NPL ratio calculation are loans to customers as presented in the statements of financial position and loans to financial institutions as included in inter-bank and money market items after allowance for doubtful accounts of non-performing loans.

(2) The ratio of NPL net to total loans after allowance for doubtful accounts of non - performing loans.

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As of 31 December 2011 and 2010 the Bank has non-performing loans (including financial institutions) as follows:

	2011	2010
	<i>(in Baht)</i>	
Non-performing loans	2,199,064,693	2,565,277,557
Total loans used for ratio calculation ⁽¹⁾	84,432,638,011	88,194,304,839
Percentage of total loans ⁽²⁾	2.60	2.91

(1) Total loans used for NPL ratio calculation are loans to customers as presented in the statement of financial position and loans to financial institutions as included in inter-bank and money market items.

(2) The ratio of NPL Gross to total loans before allowance for doubtful accounts of non-performing loans.

6.8 Classified assets

As of 31 December 2011 and 2010, assets of the Bank, classified as investments, loans to customers and accrued interest receivables (including financial institutions), and other assets, were categorized by quality in compliance with the BoT's regulations, taking into account analyses of each loan and appraisal of the financial standing of each borrower, as follows:

	Investments	2011 Loans to customers and accrued interest receivables <i>(in Baht)</i>	Total
Pass	-	76,053,626,412	76,053,626,412
Special mention	-	6,331,443,750	6,331,443,750
Sub-standard	-	994,750,140	994,750,140
Doubtful	-	280,261,745	280,261,745
Doubtful of loss	182,705,218	924,052,807	1,106,758,025
Total	182,705,218	84,584,134,854	84,766,840,072

	Investments	2010 Loans to customers and accrued interest receivables <i>(in Baht)</i>	Total
Pass	-	81,317,541,264	81,317,541,264
Special mention	-	4,462,584,510	4,462,584,510
Sub-standard	-	1,254,130,168	1,254,130,168
Doubtful	-	368,537,049	368,537,049
Doubtful of loss	365,607,424	943,492,297	1,309,099,721
Total	365,607,424	88,346,285,288	88,711,892,712

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6.9 Troubled debt restructuring

For the years ended 31 December 2011 and 2010, the bank engaged in debt restructuring contracts as follows;

	2011		2010	
	Cases	Total Outstanding Debt Before Restructuring	Cases	Total Outstanding Debt Before Restructuring
Debt restructuring contracts that incurred losses	8,342	835,233,560	12,815	1,245,721,186
Total	8,342	835,233,560	12,815	1,245,721,186

(in Baht)

Losses on debt restructuring for the year ended 31 December 2011 and 2010 were as follows:

Types of Restructuring	Cases*	2011 Outstanding debt		Loss on debt restructuring
		Before restructuring	After restructuring	
Changes of repayment conditions	8,342	835,233,560	669,416,818	172,802,055
Total	8,342	835,233,560	669,416,818	172,802,055

Types of Restructuring	Cases*	2010 Outstanding debt		Loss on debt restructuring
		Before restructuring	After restructuring	
Changes of repayment conditions	12,815	1,245,721,186	1,004,292,181	368,082,760
Total	12,815	1,245,721,186	1,004,292,181	368,082,760

*incurred during the year

As at 31 December 2011 and 2010, the Bank has balances of restructured loans as follows;

	2011		2010	
	Cases	Total Outstanding Debt Before Restructuring	Cases	Total Outstanding Debt Before Restructuring
Restructured loans which are classified as NPL		451,813,407		591,096,183
Restructured loans which are not classified as NPL		1,581,378,605		2,007,457,065
Total	36,728	2,033,192,012	41,772	2,598,553,248

(in Baht)

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The Bank recognised interest income from debt restructuring for the years ended 31 December 2011 and 2010 as follows;

	Note	2011 (in Baht)	2010
Debt restructuring contacts that incurred losses	4(e)	268,347,624	353,442,383
Total		268,347,624	353,442,383

6.10 Allowance for doubtful accounts

	2011						Total
	Pass	Special mention	Sub standard	Doubtful (in Baht)	Doubtful of loss	Excess of allowance over minimum requirement	
Balance at beginning of the year	680,338,554	55,720,495	624,482,515	233,726,725	893,176,477	284,086,784	2,771,531,550
Doubtful accounts	(35,285,584)	38,751,684	(16,769,066)	4,232,803	1,362,752,924	(157,049,824)	1,196,632,937
Recovery	-	-	-	-	(49,414,054)	-	(49,414,054)
Bad debts written off	-	-	-	-	(1,327,083,779)	-	(1,327,083,779)
Balance at the end of the year	645,052,970	94,472,179	607,713,449	237,959,528	879,431,568	127,036,960	2,591,666,654

	2010						Total
	Pass	Special mention	Sub standard	Doubtful (in Baht)	Doubtful of loss	Excess of allowance over minimum requirement	
Balance at beginning of the year	572,548,100	112,471,710	574,128,832	290,000,788	1,601,687,249	235,189,499	3,386,026,178
Doubtful accounts	107,790,454	(56,751,215)	50,353,683	(56,274,063)	1,511,997,305	48,897,285	1,606,013,449
Recovery	-	-	-	-	(52,741,823)	-	(52,741,823)
Bad debts written off	-	-	-	-	(2,167,766,254)	-	(2,167,766,254)
Balance at the end of the year	680,338,554	55,720,495	624,482,515	233,726,725	893,176,477	284,086,784	2,771,531,550

6.11 Revaluation allowance for debt restructuring

	2011	2010 (Restated)
	(in Baht)	
Balance at beginning of the year	1,135,542,722	1,471,540,895
(Decrease) increase	(131,057,373)	58,419,309
Amortization of interest income	(268,347,624)	(353,442,383)
Others	21,108,191	(40,975,099)
Total	757,245,916	1,135,542,722

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6.12 Leasehold improvements and equipment, net

Net book value as of	For the year ended 31 December 2011							Net book value as of			
	1 January 2011	Beginning balance	Changes in cost during the year	Ending balance	Beginning balance	Changes in accumulated depreciation during the year	Ending balance		31 December 2011		
			Additions	Transfer in (out)	Disposal /write-off		Depreciation	Transfer in (out)	Disposal /write-off		
Furniture, fixtures and equipment	715,758,883	1,679,499,747	80,473,985	7,042,280	(346,347,026)	1,420,668,986	178,317,216	-	(346,082,154)	795,975,926	624,693,060
Leasehold improvements	309,532,000	355,209,480	55,984,278	123,568	(13,821,811)	397,495,515	36,698,900	-	(11,272,659)	71,103,721	326,391,794
Vehicles	12,055,881	18,434,136	-	-	-	18,434,136	2,788,179	-	-	9,166,434	9,267,702
Work in progress	15,690,258	15,690,258	3,108,299	(7,165,848)	(4,973,657)	6,659,052	-	-	-	-	6,659,052
Total	1,053,037,022	2,068,833,621	139,566,562	-	(365,142,494)	1,843,257,689	217,804,295	-	(357,354,813)	876,246,081	967,011,608

Depreciation for the year ended 31 December 2011, included in profit or loss, amounted to Baht 217.80 million.

As at 31 December 2011, equipment with original cost of Baht 427.55 million, which is fully depreciated, was still in use.

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	Net book value as of 1 January 2010	Changes in cost during the year				Changes in accumulated depreciation during the year				Net book value as of 31 December 2010
		Additions	Transfer in (out)	Disposal /write-off	Ending balance <i>(in Baht)</i>	Beginning balance	Transfer in (out)	Disposal /write-off	Ending balance	
Furniture, fixtures and equipment	573,846,647	332,627,533	20,340,456	(509,873,534)	1,679,499,747	1,262,558,645	179,383,366	(478,201,147)	963,740,864	715,758,883
Leasehold improvements	22,028,806	15,899,138	312,969,488	(397,838,010)	355,209,480	402,150,058	40,410,544	(396,883,122)	45,677,480	309,532,000
Vehicles	15,262,503	-	-	(1,699,242)	18,434,136	4,870,875	2,866,774	(1,359,394)	6,378,255	12,055,881
Work in progress	59,248,862	334,771,445	(333,309,944)	(45,020,105)	15,690,258	-	-	-	-	15,690,258
Total	670,386,818	683,298,116	-	(954,430,891)	2,068,833,621	1,669,579,578	222,660,684	(876,443,663)	1,015,796,599	1,053,037,022

Depreciation for the year ended 31 December 2010, included in profit or loss, amounted to Baht 222.66 million.

As at 31 December 2010, equipment with original cost of Baht 675.54 million, which is fully depreciated, was still in use.

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6.13 Deferred tax assets

	Assets		Liabilities	
	2011	2010	2011	2010
	<i>(in Baht)</i>			
Total	262,095,209	560,067,496	(34,336,420)	(18,537,564)
Set off of tax	(34,336,420)	(18,537,564)	34,336,420	18,537,564
Less allowance for impairment	(29,187,607)	(41,235,202)	-	-
Net deferred tax assets	198,571,182	500,294,730	-	-

Movements in deferred tax assets and liabilities (before allowance for impairment) during the year are as follows:

	At 1 January 2011	(Charged) / credited to:		At 31 December 2011
		Profit or loss (Note 6.32)	Other comprehensive income	
	<i>(in Baht)</i>			
Deferred tax assets				
Equipment	12,196,855	(12,196,855)	-	-
Interest expense	188,209,946	(134,858,334)	-	53,351,612
Allowance for doubtful accounts	12,839,784	(12,020,485)	-	819,299
Personnel expenses	240,092,882	(11,919,128)	(21,063,077)	207,110,677
Marketable securities	13,727,242	(13,727,242)	-	-
Unrealized loss on revaluation of available-for-sale securities	92,767,386	-	(92,134,221)	633,165
Others	233,401	(52,945)	-	180,456
Total	560,067,496	(184,774,989)	(113,197,298)	262,095,209
Deferred tax liabilities				
Equipment	-	19,052,319	-	19,052,319
Leasing	18,537,564	(15,672,983)	-	2,864,581
Marketable securities	-	12,419,520	-	12,419,520
Total	18,537,564	15,798,856	-	34,336,420
Net	541,529,932	(200,573,845)	(113,197,298)	227,758,789

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	At 1 January 2010	(Charged) / credited to:		At 31 December 2010
		Profit or loss (Note 6.32)	Other comprehensive income	
<i>(in Baht)</i>				
Deferred tax assets				
Equipment	61,676,475	(49,479,620)	-	12,196,855
Interest expense	197,302,370	(9,092,424)	-	188,209,946
Allowance for doubtful accounts	13,449,387	(609,603)	-	12,839,784
Personnel expenses	204,522,405	34,113,118	1,457,359	240,092,882
Marketable securities	(3,720,867)	17,448,109	-	13,727,242
Unrealized gain on revaluation of available-for-sale securities	5,099,529	-	87,667,857	92,767,386
Others	230,101	3,300	-	233,401
Total	478,559,400	(7,617,120)	89,125,216	560,067,496
Deferred tax liabilities				
Leasing	46,114,929	(27,577,365)	-	18,537,564
Total	46,114,929	(27,577,365)	-	18,537,564
Net	432,444,471	19,960,245	89,125,216	541,529,932

6.14 Other assets

	2011	2010
<i>(in Baht)</i>		
Prepaid expenses and deferred expenses	272,853,004	291,056,958
Other accounts receivable	3,930,279,412	6,818,251,587
Accrued income	477,094,791	324,102,168
Refundable deposits	24,161,844	16,348,416
Refundable from Revenue Department	1,630,336	4,539,935
Others	98,760,506	61,965,893
Total	4,804,779,893	7,516,264,957

6.15 Deposits

1. Classified by type of deposits

	2011	2010
<i>(in Baht)</i>		
Current	8,140,330,632	7,627,378,842
Savings	89,526,103,008	76,039,275,857
Term		
Less than 6 months	12,255,829,078	8,664,942,474
More than 6 months but less than 1 year	4,546,253,186	12,021,645,167
1 year and over	3,844,517,019	5,894,364,133
Total	118,313,032,923	110,247,606,473

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2 Classified by remaining period of contracts

	2011	2010
	<i>(in Baht)</i>	
Within 1 year	117,279,321,396	108,540,355,443
Over 1 year	1,033,711,527	1,707,251,030
Total	<u>118,313,032,923</u>	<u>110,247,606,473</u>

3. Classified by currency and residency of depositors

	Domestic	2011 Overseas <i>(in Baht)</i>	Total
Baht	100,625,511,176	4,311,089,781	104,936,600,957
US Dollar	12,414,259,874	407,780,690	12,822,040,564
Other currencies	545,144,589	9,246,813	554,391,402
Total	<u>113,584,915,639</u>	<u>4,728,117,284</u>	<u>118,313,032,923</u>

	Domestic	2010 Overseas <i>(in Baht)</i>	Total
Baht	97,411,085,730	4,259,277,750	101,670,363,480
US Dollar	6,935,135,302	274,053,595	7,209,188,897
Other currencies	1,366,358,211	1,695,885	1,368,054,096
Total	<u>105,712,579,243</u>	<u>4,535,027,230</u>	<u>110,247,606,473</u>

6.16 *Interbank and money market items (liabilities)*

	At call	2011 Term <i>(in Baht)</i>	Total
1. Domestic items			
Commercial banks	1,443,098	-	1,443,098
Other financial institutions*	5,258,099,925	1,400,000,000	6,658,099,925
Total domestic items	<u>5,259,543,023</u>	<u>1,400,000,000</u>	<u>6,659,543,023</u>
2. Foreign items			
Baht	2,421,923,813	-	2,421,923,813
US Dollar	3,212,000	-	3,212,000
Total foreign items	<u>2,425,135,813</u>	<u>-</u>	<u>2,425,135,813</u>
Total interbank and money market items	<u>7,684,678,836</u>	<u>1,400,000,000</u>	<u>9,084,678,836</u>

* Other financial institutions mean financial institutions which operate under the Interest on Loans of Finance Institution Act and apart from those listed above such as Finance company, Securities company, Credit foncier companies, Life insurance companies, cooperatives, the Federation of Savings and Credit Cooperatives of Thailand Limited and Credit Union League.

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	At call	2010 Term (in Baht)	Total
1. Domestic items			
Commercial banks	387,107	-	387,107
Other financial institutions*	6,087,616,409	1,400,000,000	7,487,616,409
Total domestic items	6,088,003,516	1,400,000,000	7,488,003,516
2. Foreign items			
Baht	5,329,671,293	-	5,329,671,293
US Dollar	3,033,423	-	3,033,423
Others	839,333	-	839,333
Total foreign items	5,333,544,049	-	5,333,544,049
Total interbank and money market items	11,421,547,565	1,400,000,000	12,821,547,565

* Other financial institutions mean financial institutions which operate under the Interest on Loans of Finance Institution Act and apart from those listed above such as Finance company, Securities company, Credit foncier companies, Life insurance companies, cooperatives, the Federation of Savings and Credit Cooperatives of Thailand Limited and Credit Union League.

6.17 Financial liabilities designated at fair value through profit or loss

Financial liabilities designated at fair value as of 31 December 2011 and 2010 consisted of:

	2011	2010
	<i>(in Baht)</i>	
Borrowings	3,119,482,261	2,786,871,036

Proportion of transactions classified by the contract parties based on the amount of the contract as of 31 December 2011 and 2010 consisted of:

	2011	2010
Counterparties	Proportion (%)	
Financial institutions	96	93
Outsiders	4	7
Total	100	100

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6.18 Debt issued and borrowings

	Maturity	2011	2010
		<i>(in Baht)</i>	
Domestic			
Structured deposits	Within 1 year	718,370,000	1,340,000,000
Bills of exchange	Within 1 year	10,629,232,900	11,267,483,258
Bills of exchange	After 1 year	19,822,000	113,418,000
Total – domestic		11,367,424,900	12,720,901,258
Foreign			
Bills of exchange	Within 1 year	2,000,000	-
Total – foreign		2,000,000	-
Total – debt issued and borrowings		11,369,424,900	12,720,901,258

At 31 December 2011, borrowings are structured deposits and bills of exchange issued by the Bank in Thai Baht have interest rates between 2%-4.30% per annum (2010: 0.65%-2.75% per annum).

6.19 Employee benefit obligations

	2011	2010
	<i>(in Baht)</i>	
Statement of financial position obligation for:		
Defined benefit plan		
- Post-employment benefits (Legal Severance Payment Plan)	368,374,456	314,928,370
- Other long-term employee benefit*	50,104,418	41,922,661
Total	418,478,874	356,851,031

*Other long-term employee benefit is included under other liabilities in the statement of financial position.

	2011	2010
	<i>(in Baht)</i>	
Statement of comprehensive income:		
Recognized in profit and loss		
Defined benefit plan		
- Post-employment benefits (Legal Severance Payment Plan)	38,454,454	38,445,310
- Other long-term employee benefit	1,075,521	1,188,091
Recognized in other component of equity		
Actuarial losses recognized in the year (note 6.32)	15,276,608	4,857,861
Total	54,806,583	44,491,262

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Movement in the present value of defined benefit obligations – post-employment benefits (Legal Severance Payment Plan):

	2011	2010
	<i>(in Baht)</i>	
Defined benefit obligations at 1 January	314,928,370	271,625,199
Current service cost	25,344,634	23,505,924
Interest cost	13,109,820	14,939,386
Actuarial losses in other comprehensive income	15,276,608	4,857,861
Benefits paid	<u>(284,976)</u>	<u>-</u>
Defined benefit obligations at 31 December	<u>368,374,456</u>	<u>314,928,370</u>

Movement in the present value of defined benefit plan – other long-term employee benefit:

	2011	2010
	<i>(in Baht)</i>	
Beginning balance	41,922,661	38,082,245
Provision made for the year	<u>8,181,757</u>	<u>3,840,416</u>
Ending balance	<u>50,104,418</u>	<u>41,922,661</u>

Recognized in personnel expense in the statement of comprehensive income:

	2011	2010
	<i>(in Baht)</i>	
Current service cost	25,344,634	23,505,924
Interest cost	<u>13,109,820</u>	<u>14,939,386</u>
Total	<u>38,454,454</u>	<u>38,445,310</u>

Actuarial loss recognized in other comprehensive income:

	2011	2010
	<i>(in Baht)</i>	
At 1 January	170,156,748	166,756,247
Recognized during the year	<u>36,340,000</u>	<u>3,400,501</u>
At 31 December	<u>206,496,748</u>	<u>170,156,748</u>

Principal actuarial assumptions

	2011	2010
Discount rate (%)	4.50	4.25
Future salary increase (%)	4-7	4-7
Retirement age (years old)	55-60	55-60

Assumptions regarding future mortality are based on published statistics and Thailand Mortality Ordinary 2008 (2010: TMO 1997).

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6.20 Other liabilities

	2011	2010
	<i>(in Baht)</i>	
Other accounts payable	5,255,466,237	8,146,964,682
Unearned income	191,164,658	165,255,649
Withholding tax payable	38,921,090	47,910,757
VAT payable	75,107,119	76,993,183
Deposits and guarantees	1,122,500	1,199,500
Asset retirement obligations	15,648,637	15,648,637
Margin Call	34,820,434	203,371,000
Others	155,932,400	145,158,636
Total	<u>5,768,183,075</u>	<u>8,802,502,044</u>

6.21 Assets pledged as collateral

	2011	2010
	<i>(in Baht)</i>	
Government bonds (at face value)	<u>16,200,000</u>	<u>386,200,000</u>

6.22 Lease and service commitments

Lease and service agreement

At 31 December 2011, the Bank had 2-15 years term lease and service agreements in respect of office premises and utilities. Under the terms of the above leases, the Bank has committed to pay annual rental and service fees as follows:

For the year	Lease expense <i>(in million Baht)</i>
2012	19.42

At 31 December 2011, the Bank had 12 year lease and service agreements in respect of new office premises and utilities. Under the terms of the above agreements, the Bank has committed to pay annual rental and service fees as follows:

For the year	Lease expense <i>(in million Baht)</i>
2012	156.47
2013-2015	526.73
2016-2018	547.49
2019-2020	561.66

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6.23 Contingencies and commitments

1. Off financial reporting items - contingencies

As at 31 December 2011 and 2010, contingencies of the Bank are as follows:

	2011	2010
	<i>(in Baht)</i>	
Loan guarantees	524,682,175	499,365,549
Other guarantees	9,179,403,205	8,450,815,739
Liabilities under unmatured import bills	2,238,449,378	655,895,380
Letters of credit	1,524,687,297	609,991,481
Unused credit lines of overdraft	10,454,163,161	8,367,312,977
Total	<u>23,921,385,216</u>	<u>18,583,381,126</u>

2. Capital commitments

As at 31 December 2011 and 2010, the Bank had the following outstanding capital commitments approved and contracted but not provided for in the statements of position:

	2011	2010
	<i>(in Baht)</i>	
Capital commitments with non-related parties		
Contracted but not provided for		
Furniture, fixtures and office equipment	3,509,127	64,469,563
Total	<u>3,509,127</u>	<u>64,469,563</u>

6.24 Interest income

	2011	2010
	<i>(in Baht)</i>	
		(Restated)
Loans	8,224,854,481	8,356,957,371
Interbank and money market items	1,210,002,727	568,870,760
Hire purchase	12,398,081	31,446,011
Investments	1,560,596,421	1,399,495,352
Total	<u>11,007,851,710</u>	<u>10,356,769,494</u>

6.25 Interest expense

	2011	2010
	<i>(in Baht)</i>	
Deposits	1,093,790,016	851,541,941
Interbank and money market items	253,905,297	112,108,507
Debt issued and borrowings	307,521,421	206,361,298
Contribution to Deposit Protection Agency	446,401,366	465,469,602
Total	<u>2,101,618,100</u>	<u>1,635,481,348</u>

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6.26 Fees and service income, net

	2011	2010
	<i>(in Baht)</i>	
Fees and service income		
Acceptances, aval and guarantees	72,037,505	69,371,690
Others	4,210,089,115	3,931,462,364
Total fees and service income	<u>4,282,126,620</u>	<u>4,000,834,054</u>
Fees and service expense	<u>(1,650,967,934)</u>	<u>(1,645,241,686)</u>
Fees and service income, net	<u>2,631,158,686</u>	<u>2,355,592,368</u>

6.27 Gains on trading and foreign exchange transactions

	2011	2010
	<i>(in Baht)</i>	
Foreign exchange currency and foreign currency related derivatives	1,800,134,900	1,645,797,497
Interest rate related derivatives	(108,083,619)	(408,469,447)
Equity securities	(9,276,866)	(4,593,566)
Others	(22,102,985)	(30,966,646)
Total	<u>1,660,671,430</u>	<u>1,201,767,838</u>

6.28 Net gains from investment

	2011	2010
	<i>(in Baht)</i>	
Gain from sale of available for sale investment	53,079,367	134,012,213
Gain (loss) from sale of trading securities	29,279,212	(11,511,095)
MTM on trading securities	53,997,913	(18,643,963)
Valuation on general investment	(6,585)	(11,000)
Total	<u>136,349,907</u>	<u>103,846,155</u>

6.29 Employee expenses

	<i>Note</i>	2011	2010
		<i>(in Baht)</i>	
Wages, salaries and bonus		1,908,377,664	1,663,808,421
Post employment benefit - defined benefit plans	6.19	38,454,454	38,445,310
Post employment benefit - defined contribution plans		113,564,128	99,835,135
Others		498,505,821	465,438,580
Total		<u>2,558,902,067</u>	<u>2,267,527,446</u>

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6.30 Other expenses

	2011	2010
	<i>(in Baht)</i>	
Sales and marketing expenses	1,316,285,849	1,493,589,701
Amortization for acquisition cost	348,802,710	273,797,775
Others	1,176,979,755	1,086,355,300
Total	<u>2,842,068,314</u>	<u>2,853,742,776</u>

6.31 Impairment loss on loans

	2011	2010
	<i>(in Baht)</i>	
Bad debts and doubtful accounts	1,271,670,284	1,904,257,198
Loss on troubled debt restructuring	326,558,156	622,679,599
Total	<u>1,598,228,440</u>	<u>2,526,936,797</u>

6.32 Income tax

	<i>Note</i>	2011	2010
		<i>(in Baht)</i>	
<i>Current tax expense</i>			
Current year		1,854,250,492	1,134,890,323
Adjustments for prior year		(5,323,007)	-
		<u>1,848,927,485</u>	<u>1,134,890,323</u>
<i>Deferred tax expense</i>			
Movements in temporary differences	6.13	148,330,439	(19,960,245)
Allowance for impairment		(12,047,595)	(18,163,382)
Income tax rate reduction		52,243,407	-
Total		<u>2,037,453,736</u>	<u>1,096,766,696</u>

	Before tax	2011 Tax (expense) benefit	Net of tax	Before tax	2010 Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Available-for-sale financial assets	306,472	(92,135)	214,337	(292,226)	87,668	(204,558)
Defined benefit plan actuarial gains (losses)	(15,277)	(21,063)	(36,340)	(4,858)	1,458	(3,400)
Total	<u>291,195</u>	<u>(113,198)</u>	<u>177,997</u>	<u>(297,084)</u>	<u>89,126</u>	<u>(207,958)</u>

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<i>Reconciliation of effective tax rate</i>	2011		2010	
	<i>Rate</i> (%)	<i>(in Baht)</i>	<i>Rate</i> (%)	<i>(in Baht)</i>
Profit before tax		5,837,788,418		4,148,790,773
Income tax using the Thai corporation tax rate	30	1,751,336,525	30	1,244,637,232
Income tax reduction – deferred	0.89	52,243,407	-	-
Expenses not deductible for tax purposes	1.76	102,913,967	(0.51)	(21,239,986)
Movements in temporary differences	2.54	148,330,439	(0.48)	(19,960,245)
Adjustments for prior year	(0.09)	(5,323,007)	(2.13)	(88,506,923)
Allowance for impairments	(0.21)	(12,047,595)	(0.44)	(18,163,382)
Total	34.89	2,037,453,736	26.44	1,096,766,696

Income tax rate reduction

On 11 October 2011, the Cabinet passed a resolution regarding tax measures to increase Thailand's competitiveness and approved the reduction of the corporate income tax rate from 30% to 23% of net taxable profit for the accounting period 2012 which ends on or after 31 December 2012 and to 20% of net taxable profit for the accounting period which begins on or after 1 January 2013 and onwards.

In order to give effect to the above Cabinet resolution, the Government has issued a Royal Decree under the Revenue Code regarding the Reduction and Exemption in Income Taxes (No. 530) B.E. 2554 to reduce the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution.

Such announcement on the reduction of income tax rate has an impact on the measurement of deferred tax assets and deferred tax liabilities since Thai Accounting Standard No. 12 Income Taxes paragraph 47 states that deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Federation of Accounting Professions has considered this matter and has resolved that the substantively enacted tax rates which should be applied in measuring deferred tax assets and liabilities shall be the reduced rates as approved by the Cabinet; i.e. 23% shall be applied for the accounting period 2012 and 20% shall be applied for accounting periods 2013 onwards.

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6.33 Related parties

For the purposes of these financial statements, parties are considered to be related to the Bank if the Bank has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or entities that had joint executives and /or shareholders with the Bank, or where the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Citigroup Inc.	United States of America	Ultimate parent of the Group
Citibank Oversea Investment Corporation	United States of America	Parent, 99.99 % shareholding and subsidiary of Citigroup Inc.
Citibank N.A. New York	United States of America	Head office of the bank
Citicorp Securities (Thailand) Limited	Thailand	The same major shareholder which is Citibank Overseas Investment Corporation
Citicorp Leasing (Thailand) Ltd.	Thailand	The same major shareholder which is Citibank Overseas Investment Corporation
Citi Consumer Products (Thailand) Ltd.	Thailand	The same major shareholder which is Citibank Overseas Investment Corporation
B.E.S. Limited.	Thailand	The same major shareholder which is Citibank Overseas Investment Corporation
Citigroup Global Markets Limited	England	Subsidiaries of Citigroup Inc.
Citigroup Global Markets Inc.	United States of America	Subsidiaries of Citigroup Inc.
Citigroup Global Markets Financial Products LLC	United States of America	Company in subsidiaries of Citigroup Inc.
Citibank N.A. Hong Kong	United States of America	Subsidiaries of Citigroup Inc.
Citi (Nominees) Limited	United States of America	Subsidiaries of Citigroup Inc.

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibilities for planning, directing and controlling the activities of the entity, directly or indirectly including any director (whether executive or otherwise) of the Bank

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Income	
Loans	Market rate
Fees and service income	Market rate
Interest income	Market rate
Expense	
Fees and service income	Contractually agreed price
Rental expenses	Contractually agreed price
Other expenses	Contractually agreed price

Significant related parties transactions for the years ended 31 December 2011 and 2010 were as follows:

	2011	2010
	<i>(in Baht)</i>	
Related companies		
Interest income	235,477,336	200,435,825
- Citigroup N.A. New York	159,550,089	156,745,281
- Citicorp Leasing (Thailand) Limited	52,010,966	27,102,200
- Citicorp Consumer Products (Thailand) Limited	23,753,080	16,586,846
- Citigroup Global Market Inc.	163,201	1,242
- Citicorp Securities (Thailand) Limited	-	256
Fees and service income	332,621,898	289,407,754
- B.E.S. Co., Ltd.	141,473,672	104,915,598
- Citicorp Leasing (Thailand) Limited	82,538,212	110,145,618
- Citicorp Consumer Products (Thailand) Limited	78,953,441	38,933,608
- Citicorp Securities (Thailand) Limited	20,815,893	18,177,940
- Citigroup Global Market Inc.	7,954,068	5,255,609
- Citigroup N.A. New York	879,059	1,280,342
- Citigroup Inc.	4,200	4,200
- Citigroup Global Market Financial Product	3,353	233,073
- Bangkok e-Service Co., Ltd.	-	10,461,766
Other income	298,800	1,598,520
- Citicorp Consumer Products (Thailand)	298,800	1,598,520

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	2011	2010
	<i>(in Baht)</i>	
Interest expense	48,603,438	25,498,027
- Citicorp Securities (Thailand) Limited	36,797,607	17,803,473
- Citicorp Leasing (Thailand) Limited	7,800,233	4,244,719
- B.E.S. Co., Ltd.	2,544,792	1,227,320
- Citicorp Consumer Products (Thailand) Limited	1,160,854	1,197,796
- Bangkok e-Service Co., Ltd.	249,169	900,453
- Citigroup N.A. New York	50,783	124,266
Fees and services expenses	380,297,029	431,493,941
- Citicorp Consumer Products (Thailand)	371,970,097	424,816,647
- Citigroup N.A. New York	7,101,304	6,650,516
- Citigroup Global Market Financial Product	1,225,628	-
- Citigroup Global Market Inc.	-	26,778
Rental expense	-	11,172,629
- B.E.S. Co., Ltd.	-	12,330,533
- Citicorp Securities (Thailand) Limited	-	(1,157,904)
Other expenses	444,622,457	419,282,002
- B.E.S. Co., Ltd.	440,157,624	419,282,002
- Citicorp Leasing (Thailand) Limited	2,309,758	-
- Citicorp Securities (Thailand) Limited	2,152,071	-
- Citigroup Global Market Financial Product	1,504	-
- Citicorp Consumer Products (Thailand) Limited	1,500	-
Expense allocated from Head office	495,292,452	379,133,865
- Citibank N.A. New York	495,292,452	379,133,865
Profit remitted	2,385,000,315	3,287,377,320
- Citibank N.A. New York	2,385,000,315	3,287,377,320

Key management personnel compensation

The Bank's directors and management levels from manager or vice president upwards including other equivalent positions shall not be entitled to any other benefits than the normal benefits, for instance, salaries, directors' bonuses, post employment benefits and share based payments of a company in the group of its major shareholder as follows:

	2011	2010
	<i>(in Baht)</i>	
Key management personnel compensation		
Short-term employee benefits	253,935,891	209,171,934
Post-employment benefits	6,840,803	6,927,336
Other long-term benefits	47,472,769	11,011,841
Total key management personnel compensation	308,249,463	227,111,111

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Loans to key management personnel are as follows;

	2011	2010
	<i>(in Baht)</i>	
Loans		
Balance as at 31 December	2,593,045	3,713,232

Balances as at 31 December 2011 and 2010 with related parties were as follows:

	2011	2010
	<i>(in Baht)</i>	
Assets		
Loans (including money market items)	2,830,000,000	3,180,000,000
- Citicorp Leasing (Thailand) Limited	1,980,000,000	1,980,000,000
- Citicorp Consumer Products (Thailand) Limited	850,000,000	1,200,000,000
Accrued interest receivable	46,537,880	20,780,569
- Citicorp Leasing (Thailand) Limited	32,588,433	12,870,626
- Citicorp Consumer Products (Thailand) Limited	13,949,447	7,909,943
Other assets	1,141,681,752	1,108,110,560
- Citicorp Leasing (Thailand) Limited	529,304,133	27,918,622
- Citigroup Global Market Ltd.	460,207,187	955,128,870
- Citigroup Inc.	144,022,140	-
- B.E.S. Co., Ltd.	7,789,927	124,316,208
- Citicorp Consumer Products (Thailand) Limited	348,551	714,132
- Citigroup Global Market Inc.	9,814	32,728
Liabilities		
Deposits	3,455,656,788	3,048,728,329
- Citicorp Leasing (Thailand) Limited	1,659,255,844	1,526,316,197
- B.E.S. Co., Ltd.	649,336,023	362,276,053
- Citicorp Securities (Thailand) Limited	485,042,890	270,133,672
- Citigroup Global Market Ltd.	254,123,626	87,881,660
- Citicorp Consumer Products (Thailand) Limited	216,122,419	418,353,918
- Citigroup Global Market Financial Product	91,810,553	58,350,271
- Citigroup Global Market Inc.	52,100,214	54,952,271
- Citigroup Inc.	47,865,219	60,535,036
- Bangkok e-Service Co., Ltd.	-	209,929,251
Interbank and money market items	1,400,000,000	1,400,000,000
- Citicorp Securities (Thailand) Limited	1,400,000,000	1,400,000,000
Accrued interest expense	13,687,526	4,434,747
- Citicorp Securities (Thailand) Limited	11,751,915	3,903,553
- B.E.S. Co., Ltd.	1,017,310	350,723
- Citicorp Leasing (Thailand) Limited	918,301	180,471

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	2011	2010
	<i>(in Baht)</i>	
Other liabilities	1,918,452,494	2,512,090,092
- Citicorp Leasing (Thailand) Limited	746,381,561	37,723,938
- Citigroup Global Market Ltd.	575,764,572	1,479,320,935
- Citigroup Inc.	479,616,589	857,324,799
- Citicorp Consumer Products (Thailand) Limited	77,918,567	56,314,643
- B.E.S. Co., Ltd.	38,554,848	81,405,777
- Citigroup Global Market Inc.	216,357	-
Commitments	57,893,013,452	22,473,891,724
- Citicorp Leasing (Thailand) Limited	32,145,143,662	13,142,863,126
- Citigroup Inc.	12,951,607,894	9,131,138,927
- Citigroup Global Market Ltd.	12,592,116,035	70,061,112
- Citigroup Global Market Inc.	107,549,033	34,392,802
- Citicorp Consumer Products (Thailand) Limited	93,030,439	92,949,039
- B.E.S. Co., Ltd.	3,243,351	2,476,718
- Citicorp Securities (Thailand) Limited	323,038	10,000
Significant balances of inter-office accounts with head office and other branches of same juristic person	1,369,669,725	1,643,733,296
- Citibank N.A. New York	617,350,703	668,719,585
- Citibank N.A. Hong Kong	443,101,377	462,008,314
- Citibank (Nominees) Limited	181,638,676	86,450,031
- Others	127,578,969	426,555,366

As at 31 December 2011, loans to related parties were due to mature on 30 July 2013 (2010: 30 July 2013) and carried interest at 3.83%-3.84% per annum (2010: 1.51% - 1.55% per annum).

As at 31 December 2011, borrowings from related parties were due to mature on 10 January - 21 February 2012 (2010: 10 May - 11 May 2011) and carried interest at 3.25-3.50% per annum (2010: 1.6875% per annum).

Commitments to related parties comprise derivatives disclosed under note 6.5.

As at 31 December 2011, commitments with related parties were due to mature on 4 January 2012- 4 April 2017 (2010: 5 January 2011 - 31 December 2012).

7 Contingent liabilities

In 1998 a local financial institution sued the Bank to pay the net amount of certain forward contracts. The court of first instance found for the plaintiffs and ordered the bank to pay the plaintiff Baht 192.2 million, plus interest at 7.5% (not exceeding Baht 168 million). The case was referred to the Court of Appeal, who made a decision in favour of the Bank. Moreover the plaintiff has now been granted the right to appeal the case at the Supreme Court. The case is currently under the consideration of the Supreme Court and a ruling is expected in approximately 3 years. No provision has been records as management believe that the Bank has high chance to win in this case.

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8 Thai Financial Reporting Standards (TFRS) not yet adopted

The Bank has not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TFRS	Topic	Year effective
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates	2013

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the Bank's financial statements of those new standards. This standard is as follows:

TAS 21 (revised 2009) – The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Company's reported assets, liabilities and retained earnings.

9 Reclassification of accounts

Certain accounts in the 2010 financial statements have been reclassified to conform to the presentation in the 2011 financial statements. These reclassifications have principally been made in order to comply with new and revised TFRS and according to the Bank of Thailand (BoT) notification number Sor Nor Sor 11/2553, regarding "The preparation and announcement of the financial statements of commercial banks and holding companies which are parent company of group of companies offering financial services".