

CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
ISLAMIC BANKING OPERATIONS
(Company No. 297089 M)
(Incorporated in Malaysia)
UNAUDITED BALANCE SHEET AT 30 JUNE 2006

		Group		Bank	
		JUNE 2006 RM'000	DEC 2005 RM'000	JUNE 2006 RM'000	DEC 2005 RM'000
ASSETS					
Cash and short term funds	(a)	96,244	1,851	96,244	1,851
Deposits and placements with banks and other financial institutions	(b)	-	37,000	-	37,000
Securities available-for-sale	(c)	473,961	715,487	473,961	715,487
Securities held-to-maturity	(d)	-	100,000	-	100,000
Loans, advances and financing	(e)	224,210	208,065	224,210	208,065
Other assets		34,571	12,586	34,571	12,586
TOTAL ASSETS		<u>828,986</u>	<u>1,074,989</u>	<u>828,986</u>	<u>1,074,989</u>
LIABILITIES AND SHAREHOLDERS' FUNDS					
Deposits from customers	(f)	560,074	533,655	560,074	533,655
Deposits and placements of banks and other financial institutions	(g)	-	400,000	-	400,000
Defferred Tax liabilities		2,022	3,184	2,022	3,184
Other liabilities	(h)	204,796	79,144	204,796	79,144
TOTAL LIABILITIES		<u>766,892</u>	<u>1,015,983</u>	<u>766,892</u>	<u>1,015,983</u>
SHARE CAPITAL		20,000	20,000	20,000	20,000
RESERVES	(i)	42,094	39,006	42,094	39,006
PROPOSED DIVIDEND					
SHAREHOLDERS' FUNDS		<u>62,094</u>	<u>59,006</u>	<u>62,094</u>	<u>59,006</u>
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		<u>828,986</u>	<u>1,074,989</u>	<u>828,986</u>	<u>1,074,989</u>

CITIBANK BERHAD
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ISLAMIC BANKING OPERATIONS
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UNAUDITED PROFIT AND LOSS ACCOUNT OF THE GROUP AND BANK
FOR THE FINANCIAL PERIOD ENDING 30 JUNE 2006

	Notes	Group and Bank	
		June 2006 RM'000	June 2005 RM'000
Revenue		18,990	18,905
Income derived from funds allocated	(j)	18,958	19,200
Income attributable to depositors	(k)	(10,770)	(7,976)
Net income derived from investment of depositors' funds		8,188	11,224
Transfer to profit equalisation reserve		(217)	(1,600)
		7,971	9,624
Other income	(l)	32	(295)
		8,003	9,329
Allowances for losses on financing	(n)	(322)	(537)
		7,681	8,792
Other operating expenses	(m)	(174)	(574)
Profit before taxation		7,507	8,218
Taxation		(2,231)	-
Profit after taxation		5,276	8,218

**CITIBANK BERHAD
AND ITS SUBSIDIARIES
ISLAMIC BANKING OPERATIONS**

(Company No. 297089)

(Incorporated in Malaysia)

Statement Of Changes In Equity For The Period Ended 30 June 2006

Group and Bank

	Capital Funds RM'000	Other Reserve RM'000	Retained Profits RM'000	Total Total RM'000
At 1 January 2005	20,000	2,786	28,536	51,322
Profit after taxation	-	-	10,158	10,158
Unrealised net gain/loss on revaluation of securities available for sale	-	(2,353)	-	(2,353)
Deferred tax on mark-to-market securities	-	(121)	-	(121)
At 31 December 2005	<u>20,000</u>	<u>312</u>	<u>38,694</u>	<u>59,006</u>
At 1 January 2006	20,000	312	38,694	59,006
Profit after taxation	-	-	5,276	5,276
Unrealised net gain/loss on revaluation of securities available for sale	-	(1,458)	-	(1,458)
Deferred tax on mark-to-market securities	-	(730)	-	(730)
At 30 June 2006	<u>20,000</u>	<u>(1,876)</u>	<u>43,970</u>	<u>62,094</u>

CITIBANK BERHAD

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a CASH AND SHORT TERM FUNDS

	Group and Bank	
	June 2006 RM'000	Dec 2005 RM'000
Cash and balances with banks and other financial institutions	3,244	1,632
Money at call and deposit placements maturing within one month	93,000	219
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	96,244	1,851
	<hr/> <hr/>	<hr/> <hr/>

b DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL
INSTITUTIONS

	Group and Bank	
	June 2006 RM'000	Dec 2005 RM'000
Bank Negara Malaysia	-	37,000
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c SECURITIES AVAILABLE-FOR-SALE

	Group and Bank	
	June 2006 RM'000	Dec 2005 RM'000
At fair value		
Malaysian Government Treasury Bills/Govt Stock	98,410	126,632
Malaysian Government Investment Issues	4,643	4,641
Cagamas Bonds	99,272	69,585
Khazanah Bonds	145,738	307,143
Private Debt Securities	125,898	207,486
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	473,961	715,487
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d SECURITIES HELD-TO-MATURITY

	Group and Bank	
	June 2006 RM'000	Dec 2005 RM'000
At amortised cost		
Negotiable Instruments of Deposit	-	100,000

e LOANS, ADVANCES AND FINANCING

	Group and Bank	
	June 2006 RM'000	Dec 2005 RM'000
Overdrafts		
Term loans		
-Housing loans/financing	90,902	66,675
-Hire Purchase receivables	71,756	77,809
-Lease Receivable	34,823	41,339
Other loans	83,518	68,706
	<u>280,999</u>	<u>254,529</u>
Unearned income	(48,042)	(38,039)
	<u>232,957</u>	<u>216,490</u>
Gross loans, advances and financing		
Provision for bad and doubtful debts and financing		
- specific	(5,333)	(5,256)
- general	(3,414)	(3,169)
	<u>224,210</u>	<u>208,065</u>

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e(i) By type of customer

	Group and Bank	
	June 2006 RM'000	Dec 2005 RM'000
Domestic business enterprises	67,911	94,480
-small enterprise	74,144	85,017
Individuals	90,902	36,993
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	232,957	216,490
	<hr/> <hr/>	<hr/> <hr/>

e(ii) By profit rate sensitivity

	Group and Bank	
	June 2006 RM'000	Dec 2005 RM'000
Fixed rate		
Housing loans/financing	90,902	36,995
Hire Purchase receivable	71,756	72,437
Other fixed rate loan/financing	70,299	107,058
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	232,957	216,490
	<hr/> <hr/>	<hr/> <hr/>

CITIBANK BERHAD

Company No. 297089 M

e(iii) By sector

	Group and Bank	
	June 2006 RM'000	Dec 2005 RM'000
Agriculture		
Mining and quarrying	1,345	1,944
Manufacturing	84,989	65,068
Purchase of landed property		
- Residential	50,312	36,995
Wholesale, retail trade and restaurant & hotel	3,093	3,177
Transport, storage and communication	86,146	99,899
Finance, insurance and business services	2,308	8,003
Others	4,764	1,404
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	232,957	216,490
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e(iv) Non-performing loans by sector

	Group and Bank	
	Mar 2006 RM'000	Dec 2005 RM'000
Manufacturing	5,114	5,124
Transport, storage and communication	88	124
Finance, insurance and business services	1,053	1,053
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	6,255	6,301
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CITIBANK BERHAD

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e(v) Movements in the non-performing loans and financing (NPL) are as follows :-

	Group and Bank	
	June 2006 RM'000	Dec 2005 RM'000
Balance at 1 January	6,301	5,572
Non-performing during the period	203	1,936
Recoveries	(249)	(1,207)
	<hr/>	<hr/>
At end of the period/year	6,255	6,301
Specific provision	(5,333)	(5,256)
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Net non performing loans, advances and financing	922	1,045
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Ratio of net non-performing loans and financing to net loans and financing	0.41%	0.49%

e(vi) Movements in the provision for bad and doubtful debts (and financing) accounts are as follows:-

	Group and Bank	
	June 2006 RM'000	Dec 2005 RM'000
<u>General Provision</u>		
Balance at 1 January	3,169	3,293
Provisions made during the year	245	(124)
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Balance at 30 June/ 31 December	3,414	3,169
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Percentage of gross loans, advances and financing less specific provision	1.50%	1.50%

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Group and Bank

	June 2006 RM'000	Dec 2005 RM'000
<u>Specific provision</u>		
Balance at 1 January	5,256	4,531
Provisions made during the period/year	77	725
Amount written off		-
	<hr/>	<hr/>
Balance at 30 June/ 31 December	5,333	5,256
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f DEPOSITS FROM CUSTOMERS

(i) By type of deposit

Group and Bank

	June 2006 RM'000	Dec 2005 RM'000
Demand deposits	91,509	22,538
Saving deposits	4,026	10,265
Fixed deposits	405,539	500,852
Certificate of Deposits sold	59,000	-
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	560,074	533,655
	<hr/> <hr/>	<hr/> <hr/>

(ii) By type of customers

Group and Bank

	June 2006 RM'000	Dec 2005 RM'000
Business enterprise	547,798	513,409
Individuals	12,276	20,246
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	560,074	533,655
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CITIBANK BERHAD

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g DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank	
	June 2006 RM'000	Dec 2005 RM'000
Licensed banks	-	150,000
Merchant Bank	-	-
Licensed finance companies	-	250,000
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	-	400,000
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h OTHER LIABILITIES

	Group and Bank	
	June 2006 RM'000	Dec 2005 RM'000
Profit payable	1,861	1,162
Other creditors and accruals	188,917	65,963
Profit Equalisation Reserve	7,347	7,131
Tax provision	6,671	4,888
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	204,796	79,144
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I ISLAMIC BANKING FUND

	Group and Bank	
	June 2006 RM RM'000	Dec 2005 RM RM'000
Funds allocated	20,000	20,000
Other Reserves	(1,876)	312
Retained profit	43,970	38,694
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	62,094	59,006
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(j) PROFIT INCOME

	Group and Bank	
	June 2006 RM'000	June 2005 RM'000
Loans and advances		
- Interest income other than recoveries from NPL	6,003	6,884
- Recoveries from NPL	2	1
Money at call and deposit placements with financial institutions	1,965	1,722
Securities held-for-trading	-	1,202
Securities available for sale	6,610	6,496
Securities held-to maturity	1,376	-
	<hr/>	<hr/>
	15,956	16,305
Accretion of discounts less amortisation of premium	3,002	2,895
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	<u>18,958</u>	<u>19,200</u>

(k) PROFIT PAYABLE

	Group and Bank	
	June 2006 RM'000	June 2005 RM'000
Deposits and placements of banks and other financial institutions	3,906	3,650
Deposits from other customers	6,680	4,326
Others	184	-
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	<u>10,770</u>	<u>7,976</u>

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(l) OTHER OPERATING INCOME

	Group and Bank	
	June 2006 RM'000	June 2005 RM'000
Fee income:		
Commission	31	35
Other fee income	1	44
	<u>32</u>	<u>79</u>
Investment income:		
Unrealised profit from securities held for trading	-	(462)
Realised gain from sales of securities available for sale	-	88
	<u>-</u>	<u>(374)</u>
	<u>32</u>	<u>(295)</u>

(m) OVERHEAD EXPENSES

	Group and Bank	
	June 2006 RM'000	June 2005 RM'000
Personnel costs	122	455
Establishment costs	41	62
Marketing expenses	-	6
Administration and general expenses	11	51
	<u>174</u>	<u>574</u>

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(n) LOAN AND FINANCING LOSS AND PROVISION

	Group and Bank	
	June	June
	2006	2005
	RM'000	RM'000
Allowance for bad and doubtful debts and financing :-		
Specific allowance		
- made in the financial period	77	463
General allowance	245	74
	<hr/>	<hr/>
	<u>322</u>	<u>537</u>

ISLAMIC BANKING OPERATIONS
CITIBANK BERHAD
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CAPITAL ADEQUACY

The capital adequacy ratios of the Bank are as follows:-

	Group and Bank	
	June 2006 RM'000	Dec 2005 RM'000
Tier I capital		
Paid-up share capital	20,000	20,000
Retained profits	38,694	38,694
Other reserves	312	312
Total Tier-I capital	<u>59,006</u>	<u>59,006</u>
Tier-II capital		
General provision for bad and doubtful debts	3,169	3,169
Total capital	<u>62,175</u>	<u>62,175</u>
Less: Investments in subsidiaries	-	-
Capital base	<u><u>62,175</u></u>	<u><u>62,175</u></u>

Breakdown of risk-weighted assets in the various categories of risk-weights:-

	Group and Bank			
	June 2006 Principal RM'000	June 2006 Risk weighted RM'000	Dec 2005 Principal RM'000	Dec 2005 Risk weighted RM'000
0% Risk Weightage	347,174	-	475,635	-
10% Risk Weightage	-	-	-	-
20% Risk Weightage	99,272	19,854	169,585	33,917
50% Risk Weightage	50,312	25,156	36,468	18,234
100% Risk Weightage	332,066	332,066	393,192	393,192
Total credit risk weighted assets	<u>828,824</u>	<u>377,076</u>	<u>1,074,880</u>	<u>445,343</u>
Total Risk Weighted Assets		<u><u>377,076</u></u>		<u><u>445,343</u></u>
Core capital ratio		15.65%		13.25%
Risk weighted capital ratio		16.49%		13.96%