



**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES**
(Company No. 297089 M)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED FINANCIAL STATEMENTS
31 MARCH 2010**

Domiciled in Malaysia
Principal place of business :
Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES**

(Company No. 297089 M)

(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2010

	Note	Group		Bank	
		Mar 2010 RM'000	Dec 2009 RM'000	Mar 2010 RM'000	Dec 2009 RM'000
ASSETS					
Cash and short term funds	1	8,458,618	10,713,979	8,458,598	10,713,959
Deposits and placements with banks and other financial institutions	2	3,409,829	1,328,452	3,409,829	1,328,452
Securities purchased under resale agreements		116,075	-	116,075	-
Securities held for trading	3	2,394,270	2,326,772	2,394,270	2,326,772
Securities available-for-sale	4	4,071,883	5,352,684	4,071,883	5,352,684
Securities held-to-maturity	5	-	7,499	-	7,499
Loans, advances and financing	6	18,830,137	18,497,072	18,830,137	18,497,072
Other assets	8	1,089,209	1,066,002	1,089,209	1,066,002
Statutory deposits with Bank Negara Malaysia	9	7,775	5,200	7,775	5,200
Deferred tax assets		61,040	37,463	61,040	37,463
Investment in subsidiary companies		-	-	20	20
Property, plant and equipment		105,301	62,664	105,301	62,664
TOTAL ASSETS		38,544,136	39,397,787	38,544,136	39,397,787
LIABILITIES AND SHAREHOLDERS' FUNDS					
Deposits from customers	10	29,661,374	29,829,083	29,661,374	29,829,083
Deposits and placements of banks and other financial institutions	11	2,625,160	3,694,910	2,625,160	3,694,910
Bills and acceptances payable		73,753	48,010	73,753	48,010
Other liabilities	12	2,392,503	2,150,482	2,392,503	2,150,482
Subordinated loan		400,000	400,000	400,000	400,000
TOTAL LIABILITIES		35,152,789	36,122,485	35,152,789	36,122,485
SHARE CAPITAL	13	121,697	121,697	121,697	121,697
RESERVES	14	3,269,650	3,153,605	3,269,650	3,153,605
SHAREHOLDERS' FUNDS		3,391,347	3,275,302	3,391,347	3,275,302
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		38,544,137	39,397,787	38,544,137	39,397,787
OFF-BALANCE SHEET EXPOSURES	20	99,214,463	84,500,577	99,214,463	84,500,577

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2009 and the accompanying notes on page 6 to 50 attached to the unaudited condensed interim financial statements.

CITIBANK BERHAD
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(Company No. 297089 M)
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UNAUDITED INCOME STATEMENTS OF THE GROUP AND BANK
FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2010

	Note	Group and Bank	
		Mar 2010 RM'000	Mar 2009 RM'000
Revenue		536,724	589,872
Interest income	15	384,876	453,087
Interest expense	16	(87,895)	(148,244)
Net interest income		<u>296,982</u>	<u>304,843</u>
<i>Net Islamic banking operating income</i>		6,496	29,791
Other operating income	17	145,351	106,994
Operating income		<u>448,829</u>	<u>441,628</u>
Other operating expenses	18	(167,040)	(188,544)
Profit before provision		<u>281,790</u>	<u>253,084</u>
Allowance for impairment on loans, advances and financing	19	(47,573)	(39,118)
Profit before taxation		<u>234,216</u>	<u>213,966</u>
Taxation		(45,247)	(40,373)
Profit after taxation		<u><u>188,968</u></u>	<u><u>173,592</u></u>
Earnings per share - basic (sen)		<u><u>621</u></u>	<u><u>571</u></u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2009 and the accompanying notes on page 6 to 50 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD
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(Company No. 297089 M)
(Incorporated in Malaysia)**

**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME OF THE GROUP AND BANK
FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2010**

	Group and Bank	
	Mar 2010 RM'000	Mar 2009 RM'000
Profit for the period	188,968	173,592
<u>Other comprehensive loss:</u>		
Net loss on revaluation of securities available-for-sale	(24,615)	(11,374)
Income tax relating to components of other comprehensive income	6,139	3,734
Other comprehensive loss for the period, net of tax	<u>(18,476)</u>	<u>(7,641)</u>
Total comprehensive income for the period	<u>170,492</u>	<u>165,952</u>
Total comprehensive income for the period attributable to Equity holders	<u>170,492</u>	<u>165,952</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2009 and the accompanying notes on page 6 to 50 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

Group and Bank	← Non-Distributable			→ Distributable			Total RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Fair value Reserve RM'000	Retained Profits RM'000	Total Reserve RM'000	
At 1 January 2009	121,697	380,303	121,697	63,578	2,667,900	3,233,478	3,355,175
Net profit for the period	-	-	-	-	173,592	173,592	173,592
Other comprehensive income	-	-	-	(7,641)	-	(7,641)	(7,641)
At 31 March 2009	<u>121,697</u>	<u>380,303</u>	<u>121,697</u>	<u>55,937</u>	<u>2,841,492</u>	<u>3,399,430</u>	<u>3,521,126</u>
At 1 January 2010							
- as previously stated	121,697	380,303	121,697	9,480	2,642,125	3,153,605	3,275,302
- effect of adopting FRS 139	-	-	-	-	(54,446)	(54,446)	(54,446)
	<u>121,697</u>	<u>380,303</u>	<u>121,697</u>	<u>9,480</u>	<u>2,587,679</u>	<u>3,099,159</u>	<u>3,220,856</u>
Net profit for the period	-	-	-	-	188,968	188,968	188,968
Other comprehensive income	-	-	-	(18,476)	-	(18,476)	(18,476)
At 31 March 2010	<u>121,697</u>	<u>380,303</u>	<u>121,697</u>	<u>(8,996)</u>	<u>2,776,646</u>	<u>3,269,650</u>	<u>3,391,347</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2009 and the accompanying notes on page 6 to 50 attached to the unaudited condensed interim financial statements.

CITIBANK BERHAD
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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE
FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2010**

	Group and Bank	
	Mar 2010 RM'000	Mar 2009 RM'000
Profit before tax expenses	234,216	213,966
Adjustments for non cash items	21,323	52,542
Operating profit before changes in working capital	255,539	266,508
Changes in working capital :		
Net changes in operating assets	(2,799,892)	1,389,900
Net changes in operating liabilities	(945,281)	881,399
Taxes paid	(54,212)	(54,212)
Net cash (used in) / generated from operating activities	(3,543,847)	2,483,595
Net cash generated from investing activities	1,288,487	(340,708)
Net change in cash and cash equivalents	(2,255,361)	2,142,887
Cash and cash equivalents at beginning of the year	10,713,959	12,384,405
Cash and cash equivalents at end of the period	8,458,598	14,527,292

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2009 and the accompanying notes on page 6 to 50 attached to the unaudited condensed interim financial statements.

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A Explanatory Notes Pursuant to Revised Guidelines on Financial Reporting for Banking Institutions (BNM/RH/GL 001-31) Issued by Bank Negara Malaysia.

A1 Basis of preparation

The unaudited interim financial statements for the financial period 3 months ended 31 March 2010 have been prepared in accordance with the revised Guidelines on Financial Reporting issued by Bank Negara Malaysia ("BNM") on 5 February 2010.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009. The explanatory notes attached in the unaudited interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 31 December 2009.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2009, except for the full adoption of Financial Reporting Standards ("FRS") 139, Financial Instruments: Recognition and Measurement and amendments to FRS 139, Financial Instruments: Recognition and Measurement and the revised policy on Classification and Impairment Provisions for Loans/Financing issued by BNM on 8 January 2010. The impact of the full adoption of FRS 139, its related amendments and the revised policy on Classification and Impairment Provisions for Loans/Financing is disclosed in Note 22.

The adoption of FRS101-Presentation of Financial Statements, which was effective 1 January 2010 did not impact the financial results of the Bank as the changes introduced are presentation in nature. As a result of the adoption, the income statement have been re-presented as two separate statement i.e an income statement displaying components of profit or loss and a statement of comprehensive income.

The adoption of other accounting standards during the period did not have a material impact on the unaudited interim financial statements for the financial period three months ended 31 March 2010.

A2 Auditor's Report on preceeding Annual Financial Statement

The audit report on the audited financial statements for the financial year ended 31 December 2009 was not subject to any qualification.

A3 Seasonality or Cyclical factors

The business operations of the Bank are not subject to material seasonal or cyclical fluctuations.

A4 Unusual items due to their nature, size or incidence

There were no unusual item affecting assets, liabilities, equity, net income or cash flows of the Bank for the financial period three months ended 31 March 2010

A5 Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the bank for the financial period three months ended 31 March 2010.

A6 Issuance and repayment of Debt and Equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period three months ended 31 March 2010.

A7 Dividend

The final ordinary dividends proposed in respect of the year ended 31 December 2009 of RM250 million is pending approval from the shareholders and therefore is not reflected in the interim financial statements.

A8 Significant events subsequence to the Balance Sheet date

There were no material events subsequent to the Balance Sheet date that require disclosure or adjustments to the unaudited condensed interim financial statements.

A9 Changes in the composition of the Group

There were no changes in the composition of the Group for the financial period three months ended 31 March 2010.

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B Review of performance and current year prospects

B1 Performance Review

Citibank registered a pre-tax profit of RM234 million and revenue of RM537 million for the first three months ended 31 March, 2010. Quarter-on-quarter, the results increased by 9% and decreased by 9% respectively. The increase in profits this quarter was largely due to increase in other operating income.

The bank's annualized net income on average equity stood at 23%. Annualized net income on total assets increased marginally to 1.95% from 1.47% compared to the same period in 2009.

Net Interest Income dropped by 3% while the other operating income in the first quarter of 2010 showed a 2% increase compared with the same period in 2009.

Meanwhile, Islamic banking profit before tax was down by 78% to RM6 million.

Other operating expenses for the first three months of the year closed at RM167 million, an increase of 11% against the preceding period, due to an increase in marketing activities, administration and general expenses.

The Bank's total assets dropped 2% to RM39 billion as of 31 March 2010, due to a 21% decrease in cash and short term funds, the increase was however mitigated by an increase of 157% of Deposits and placements with banks and other financial institutions.

B2 Prospects for the 2010

The recently announced New Economic Model (NEM) showcases an important mindset change that could be the catalyst for further changes to the country's economy. Some of the highlights of the NEM include fiscal reforms, human capital, affirmative action policy, divestment and privatisation, public-private cooperation, diversification of the Employee Provident Fund' portfolio overseas, liberalisation and increasing private sector activities, targeted sectors for national key economic activities and sustaining non-renewable resources.

These initiatives are based on needs as private investments need to be revived, and there is a need to see growth in productivity as well as create efficiencies in affirmative action policies.

Citibank Berhad continues to be well positioned to further grow our business as Malaysia aims to reach its objective of a high income economy and developed nation status.

(1) Cash and short term funds

	Group	
	Mar 2010 RM'000	Dec 2009 RM'000
Cash and balances with banks and other financial institutions	48,680	52,423
Money at call and deposit placements maturing within one month	8,409,938	10,661,556
	<u>8,458,618</u>	<u>10,713,979</u>

	Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Cash and balances with banks and other financial institutions	48,660	52,403
Money at call and deposit placements maturing within one month	8,409,938	10,661,556
	<u>8,458,598</u>	<u>10,713,959</u>

(2) Deposits and placements with banks and other financial institutions

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Licensed banks	3,409,829	1,328,452
	3,409,829	1,328,452
	3,409,829	1,328,452

(3) Securities held for trading

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
At fair value		
Malaysian Government Treasury Bills	116,351	281,595
Malaysian Government Stock	992,152	1,164,350
Malaysian Government Investment Issues	167,283	215,473
BNM Bills/Notes	1,082,951	645,303
Commerical papers	25,297	-
Private Debt Securities	10,237	20,051
	2,394,270	2,326,772
	2,394,270	2,326,772

(4) Securities available for sale

	Group and Bank	
	Mar	Dec
	2010	2009
	RM'000	RM'000
At fair value		
Malaysian Government Treasury Bills/ Government Stock	2,790,298	4,358,871
Malaysian Government Investment Issues	739,381	496,914
Khazanah Bonds	-	74,940
Yankee Bonds/US bonds	483,970	371,157
Multilateral Financial Institutions	50,735	50,802
Unquoted securities	7,499	-
	<u>4,071,883</u>	<u>5,352,684</u>

(5) Securities held to maturity

	Group and Bank	
	Mar	Dec
	2010	2009
	RM'000	RM'000
At amortised cost		
Unquoted securities:-		
Shares	-	7,499
	<u>-</u>	<u>7,499</u>

(6) Loans, Advances and Financing

(i) By type

	Group and Bank	
	Mar	Dec
	2010	2009
	RM'000	RM'000
Overdrafts	965,233	1,485,375
Term loans and financing		
-Housing loans/financing	10,498,606	9,779,054
-Hire Purchase receivables	7,662	13,255
-Lease Receivables	6,971	8,262
-Other term loans / financing	677,423	1,485,128
Bills receivable	226,037	170,880
Trust receipts	16,253	11,585
Claims on customers under acceptance credits	862,471	624,449
Staff loans	101,652	96,164
Share Margin Financing	175,152	169,573
Credit cards receivables	4,741,424	4,696,169
Revolving credit	1,134,746	626,413
Other loans	97,255	94,911
	<u>19,510,885</u>	<u>19,261,218</u>
Unearned interest and income	(46,538)	(47,458)
Gross loans, advances and financing	<u>19,464,347</u>	<u>19,213,760</u>
Allowance for impaired loans		
- collective assessment	(286,754)	-
- individual assessment	(347,456)	-
- general	-	(283,115)
- specific	-	(433,573)
	<u>-</u>	<u>(716,643)</u>
Net loans, advances and financing	<u>18,830,137</u>	<u>18,497,072</u>

(6) Loans, Advances and Financing (continued)

(ii) By interest/profit rate sensitivity

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Fixed rate		
Housing loans/financing	970,651	900,595
Hire Purchase receivables	14,633	8,792
Other fixed rate loan/financing	7,394,187	7,193,540
Variable rate		
BLR plus	10,617,384	10,655,441
Cost plus	467,492	455,392
	<hr/>	<hr/>
	<u>19,464,347</u>	<u>19,213,760</u>

(iii) By sector

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Primary agriculture	103,959	56,023
Mining & quarrying	7,064	4,176
Manufacturing(incl agriculture based)	1,097,012	917,639
Electricity, gas, water	22,559	40,520
Construction	40,458	38,069
Wholesale, retail trade, restaurants, hotels	803,601	549,779
Transport, storage & communication	134,540	137,208
Finance, insurance, real estate & business services	839,672	632,422
Education, health & others	26,806	35,061
Household		
- consumption credit	5,301,085	5,616,739
- residential	10,272,617	10,378,013
- purchase of securities	175,982	170,427
- others	320,539	315,413
Other purposes	318,453	322,271
	<hr/>	<hr/>
	<u>19,464,347</u>	<u>19,213,760</u>

(6) Loans, Advances and Financing (continued)
(iv) Residual contractual maturity

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Up to 1 year	8,171,057	8,055,264
One to five years	639,679	716,589
Above 5 years	10,653,611	10,441,907
	<u>19,464,347</u>	<u>19,213,760</u>

(v) By geographical distribution

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Malaysia	<u>19,464,347</u>	<u>19,213,760</u>

(7) Impaired Loans

(i) Movements in impaired loans, advances and financing are as follows:-

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
At 1 January	669,819	634,146
Adjustment due to adoption of FRS 139	(178,503)	0
Classified as impaired during the period/year	181,580	608,837
Reclassified as non impaired during the period/year	(90,117)	(308,748)
Amount recovered	(20,411)	(80,348)
Amount written off	(57,806)	(184,068)
At 31 March / 31 December	504,562	669,819
Individual assessment	(347,456)	-
Specific allowance	-	(433,573)
Net impaired loans, advances and financing	157,106	236,246
Ratio of net non-impaired loans and financing to net loans and financing less individual assessment	0.82%	1.26%

(7) Impaired Loans (continued)

(ii) Movements in the allowance for impaired loans, advances and financing are as follows:-

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
<u>Collective assessment</u>		
At 1 January		
- as previously stated	-	-
- effect of adopting FRS 139	280,583	-
	<u>280,583</u>	<u>-</u>
Allowance made during the period/year	6,171	-
	<u>6,171</u>	<u>-</u>
At 31 March / 31 December	<u>286,754</u>	<u>-</u>
<u>General allowance</u>		
At 1 January		
- as previously stated	283,115	303,205
- effect of adopting FRS 139	(283,115)	-
	<u>-</u>	<u>303,205</u>
Allowance made during the period/year	-	(20,090)
	<u>-</u>	<u>(20,090)</u>
At 31 March / 31 December	<u>-</u>	<u>283,115</u>
As % of gross loans, advances and financing less individual assessment	1.50%	1.51%

(7) Impaired Loans (continued)

**(ii) Movements in the allowance for impaired loans, advances and financing
are as follows:-**

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
<u>Individual assessment</u>		
At 1 January		
- as previously stated	-	-
- effect of adopting FRS 139	332,889	-
	<u>332,889</u>	<u>-</u>
Allowance made during the period	30,239	-
Amount written back	(2,016)	-
Amount written off	(13,656)	-
	<u>347,456</u>	<u>-</u>
At 31 March / 31 December	<u>347,456</u>	<u>-</u>
<u>Specific assessment</u>		
At 1 January		
- as previously stated	433,573	384,167
- effect of adopting FRS 139	(433,573)	-
	<u>-</u>	<u>384,167</u>
Allowance made during the period	-	296,150
Amount recovered	-	(64,136)
Amount written off	-	(182,608)
	<u>-</u>	<u>433,573</u>
At 31 March / 31 December	<u>-</u>	<u>433,573</u>

(7) Impaired loans (continued)

(iii) Impaired loans by sector are as follows :-

	Group and Bank	
	Mar	Dec
	2010	2009
	RM'000	RM'000
Mining & quarrying	150	149
Manufacturing(incl agriculture based)	43,093	44,236
Construction	15,102	14,783
Wholesale, retail trade, restaurants, hotels	20,395	22,610
Transport, storage & communication	725	750
Finance, insurance, real estate & business services	28,088	27,610
Household		
- consumption credit	79,030	245,852
- residential	270,754	267,683
- purchase of securities	20,975	21,035
- others	26,250	25,111
	<hr/>	<hr/>
	<u>504,562</u>	<u>669,819</u>

(iv) Impaired loans by geographical distribution are as follows :-

	Group and Bank	
	Mar	Dec
	2010	2009
	RM'000	RM'000
Malaysia	<u>504,562</u>	<u>669,819</u>

(8) Other assets

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Interest/Income receivable	47,618	73,128
Other debtors, deposits and prepayments	114,432	217,472
Derivatives (note 21)	927,159	775,402
	1,089,209	1,066,002

(9) Statutory deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia (“BNM”) in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act 1958 (revised - 1994) to satisfy the Statutory Reserve Requirement (“SRR”), the amount of which is determined as a set percentage of total eligible liabilities.

Based on the revised SRR guideline issued by BNM, the SRR rate was revised to 1% effective on 1 March 2009 (2008: 3.5%). In accordance with BNM’s circular titled “Regulatory Treatment related to the Statutory Reserve Requirement Incentive for Principal Dealers and Islamic Principal Dealers” issued on 10 July 2009, the Bank being a principal dealer appointed by BNM, is allowed to utilise Malaysia Government Securities (“MGS”) holdings to meet the SRR. As at 31 March 2010, MGS of the Group and the Bank with nominal amount of RM130 million (2009: RM130 million) are utilised for SRR determination purposes. These securities are classified under securities available-for-sale (Note 4).

10) Deposits from customers

(i) By type of deposit

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Demand deposits	8,785,459	8,336,980
Saving deposits	812,912	1,739,611
Fixed deposits	9,484,912	9,753,741
Other deposits	10,473,100	9,889,297
Negotiable Instruments of Deposit	92,268	93,720
Others - cash collateral	12,722	15,734
	29,661,374	29,829,083

10) Deposits from customers (continued)
(ii) By type of customers

	Group and Bank	
	Mar	Dec
	2010	2009
	RM'000	RM'000
Government and statutory bodies	29,151	49,715
Business enterprise	16,421,347	14,611,909
Individuals	9,848,679	11,349,112
Others	3,362,197	3,818,346
	<u>29,661,374</u>	<u>29,829,083</u>

(iii) Maturity structure of fixed deposits, other deposits and negotiable instruments of deposit are as follows:-

	Group and Bank	
	Mar	Dec
	2010	2009
	RM'000	RM'000
Due within six months	16,539,358	13,733,774
Six months to one year	2,322,547	4,774,991
One year to three years	916,725	989,722
Three years to five years	261,389	227,007
Over five years	10,261	11,264
	<u>20,050,280</u>	<u>19,736,758</u>

11) Deposits and placements of banks and other financial institutions

	Group and Bank	
	Mar	Dec
	2010	2009
	RM'000	RM'000
Licensed banks	2,487,094	3,694,896
Other financial institutions	66,577	14
Bank Negara Malaysia	71,488	0
	<u>2,625,160</u>	<u>3,694,910</u>

12) Other liabilities

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Interest/Profit payable	55,869	66,534
Other creditors and accruals	1,221,622	1,233,536
Provision for retirement benefits	187	284
Profit Equalisation Reserve	570	23
Taxation	74,650	66,364
Derivatives (Note 21)	1,039,605	783,740
	<u>2,392,503</u>	<u>2,150,482</u>

13) Share capital

	Group and Bank			
	Amount Mar 2010 RM'000	Number of shares Mar 2010 '000	Amount Dec 2009 RM'000	Number of shares Dec 2009 '000
Ordinary shares of RM1 each				
Authorised	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid	<u>121,697</u>	<u>121,697</u>	<u>121,697</u>	<u>121,697</u>

14) Reserves

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Share premium	380,303	380,303
Statutory reserve	121,697	121,697
Other Reserve	(8,996)	9,480
Retained profits	2,776,646	2,642,125
	<u>3,269,650</u>	<u>3,153,605</u>

(15 Interest income

	Group and Bank	
	Mar 2010 RM'000	Mar 2009 RM'000
Loans and advances		
- Interest income other than recoveries from impaired loans	296,330	340,660
- Recoveries from impaired loans	7,392	1,677
Money at call and deposit placements with financial institutions	37,935	52,925
Securities held-for-trading	11,600	15,993
Securities available-for-sale	31,098	37,385
Securities purchased under resale agreements	502	936
	<u>384,857</u>	<u>449,575</u>
Amortisation of premium/accretion of discounts	<u>20</u>	<u>3,511</u>
	<u><u>384,876</u></u>	<u><u>453,087</u></u>

(16 Interest expense

	Group and Bank	
	Mar 2010 RM'000	Mar 2009 RM'000
Deposits and placements of banks and other financial institutions	6,170	18,994
Deposits from customers	81,247	112,505
Others	477	16,745
	<u>87,895</u>	<u>148,244</u>

(17 Other operating income

	Group and Bank	
	Mar 2010 RM'000	Mar 2009 RM'000
Fee income:		
Commission	45,981	36,003
Service charges and fees	87	125
Guarantee fees	2,342	2,503
Bankcard fees	41,393	46,958
Insurance premium and referral	4,358	3,371
Other fee income	3,375	1,959
	<u>97,536</u>	<u>90,919</u>
Income from securities:		
Unrealised loss/gain from securities held-for-trading	(2,045)	(21,257)
Net gain from sales of securities		
- securities held for trading	844	6,935
- securities available for sale	17,737	17,175
	<u>16,536</u>	<u>2,853</u>
Other income:		
Foreign exchange profit		
- unrealised gain	8,315	68,509
- realised loss / gain	(4,791)	5,846
Gain / (Loss) from derivatives	27,753	(60,743)
Gain/ (Loss) on disposal of of fixed assets	2	(389)
	<u>31,279</u>	<u>13,223</u>
Total other operating income	<u>145,351</u>	<u>106,994</u>

(18 Other operating expenses)

	Group and Bank	
	Mar 2010 RM'000	Mar 2009 RM'000
Personnel costs		
-Salaries, allowances and bonuses	49,594	45,378
-Contribution to Employees provident fund	7,659	7,559
-Staff benefits and other compensations	22,349	23,905
-Others	1,203	527
	<u>80,805</u>	<u>77,369</u>
Establishment costs		
-Depreciation	7,285	5,999
-Rental of premises	1,989	-
-Hire of equipment	4,013	601
-Utilities	1,071	1,153
-Others	3,604	6,479
	<u>17,962</u>	<u>14,232</u>
Marketing expenses		
-Advertisement and promotional expenses	12,623	20,474
-Others	568	131
	<u>13,192</u>	<u>20,606</u>
Administration and general expenses		
-Processing cost	19,278	41,070
-Auditors' remuneration	(64)	10
-Stationeries and supplies	1,649	1,427
-Communication expenses	2,353	6,410
-Maintenance of office equipment	1,569	7,491
-Others	30,296	19,929
	<u>55,081</u>	<u>76,337</u>
Total other operating expense	<u>167,040</u>	<u>188,544</u>

(19 Allowance for Impairment on loans and financing)

	Group and Bank	
	Mar 2010 RM'000	Mar 2009 RM'000
Allowance for impaired loans and financing;		
<u>Individual assessment</u>		
- made in the financial period	30,239	-
- written back	(2,016)	-
<u>Specific allowance</u>		
- made in the financial period	-	85,667
- written back	-	(15,372)
<u>Collective assessment</u>		
- made in the financial period	6,171	-
<u>General allowance</u>		
- reversal during the period	-	(11,237)
<u>Impaired loans and financing</u>		
- written back	(15,059)	(19,979)
- written off	28,238	39
	47,573	39,118

**CITIBANK BERHAD
AND ITS SUBSIDIARIES
Company No. 297089 M**

(20) Capital adequacy

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

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Computation of Total Risk Weighted Assets (RWA)		
Total Credit RWA	20,233,691	19,769,887
Total Market RWA	2,040,767	1,948,704
Total Operational RWA	3,369,553	3,361,169
Total Risk Weighted Assets	25,644,011	25,079,760
Computation of Capital Ratios		
Tier I Capital	3,153,327	3,225,210
Capital Base	3,840,061	3,908,305
Before deducting proposed dividends		
Core capital ratio	12.30%	12.86%
Risk weighted capital ratio	14.97%	15.58%
After deducting proposed dividends:		
Core capital ratio	11.32%	11.86%
Risk weighted capital ratio	14.00%	14.59%

* In arriving at the capital base used in the ratio calculations of the Bank, the proposed dividends were not deducted

With effect from 1 January 2008, the capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework (RWCAF-Basel II). The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. Disclosures are in line with the requirements of the Basel II Pillar 3 Guideline issued by Bank Negara Malaysia on 05 February 2010. The minimum regulatory capital adequacy requirement is 8% for the risk-weighted capital ratio.

(b) The components of Tier I and Tier II Capital are as

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Tier I Capital		
Paid up ordinary share capital	121,697	121,697
Share premium	380,303	380,303
Retained earnings	2,587,679	2,642,125
Other Reserves	121,697	121,697
Less: Deferred Tax Assets	(58,049)	(40,612)
Total Tier I capital (Core Capital)	3,153,327	3,225,210
Tier II Capital		
Collective assessment allowance for impaired loans and financing	286,754	-
General allowance for bad and doubtful debts and financing	-	283,115
Maximum allowable subordinated debt capital	400,000	400,000
Total Tier II Capital	686,754	683,115
Total Eligible Tier 2	686,754	683,115
Less: Investment in Subsidiaries	(20)	(20)
Capital Base	3,840,061	3,908,305

**CITIBANK BERHAD
AND ITS SUBSIDIARIES
Company No. 297089 M**

(20) Capital adequacy

(c) The Off-Balance Sheet Exposures and their related counterparty credit risk of the Group and the Bank are as follows:

Mar 2010 Group and Bank	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item				
Direct credit substitutes	1,381,411	-	1,381,411	1,095,512
Transaction related contingent items	513,580	-	256,790	223,057
Short term self liquidating trade related contingencies	374,823	-	74,965	60,149
Forward asset purchases	2,213,413	-	2,213,413	404,623
Foreign exchange related contracts:				
One year or less	22,008,430	275,536	968,304	393,530
Over one year to five years	5,086,341	295,102	761,110	580,894
Over five years	-	-	-	-
Interest/Profit rate related contracts:				
One year or less	18,276,146	29,663	40,016	12,233
Over one year to five years	21,813,560	219,604	617,873	256,011
Over five years	2,453,813	84,996	245,042	79,551
Equity related contracts:				
One year or less	427,479	2,618	28,267	6,766
Over one year to five years	607,155	11,341	59,913	35,424
Over five years	-	-	-	-
Debt security contracts and other commodity contracts:				
One year or less	337,423	890	10,735	6,277
Over one year to five years	244,454	7,410	35,338	33,363
Over five years	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	375,410	-	187,705	107,307
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	5,588,854	-	-	-
Unutilised credit card lines	17,512,169	-	3,502,434	2,629,572
Total	99,214,463	927,159	10,383,315	5,924,269

Note 8

20 Capital adequacy (continued)

(d) The Off-Balance Sheet Exposures and their related counterparty credit risk of the Group and the Bank are as follows: (continued)

December 2009 Group and Bank	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item				
Direct credit substitutes	1,821,604	-	1,821,604	1,690,919
Transaction related contingent items	527,371	-	263,686	231,439
Short term self liquidating trade related contingencies	212,094	-	42,419	39,597
Forward asset purchases	107,311	-	107,311	56,458
Foreign exchange related contracts:				
One year or less	14,039,888	140,774	358,506	267,549
Over one year to five years	4,700,921	233,399	660,627	490,040
Over five years	-	-	-	-
Interest/Profit rate related contracts:				
One year or less	6,923,694	37,429	46,530	15,320
Over one year to five years	28,563,526	248,163	670,379	269,529
Over five years	2,474,306	89,586	255,336	83,166
Equity related contracts:				
One year or less	463,128	-	29,550	13,559
Over one year to five years	582,463	18,164	63,443	37,776
Over five years	-	-	-	-
Debt security contracts and other commodity contracts:				
One year or less	373,940	-	-	-
Over one year to five years	195,890	7,887	34,082	34,811
Over five years	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	449,442	-	224,721	149,793
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	5,697,541	-	-	-
Unutilised credit card lines	17,367,458	-	3,473,492	2,607,145
Total	84,500,577	775,402	8,051,686	5,987,101

Note 8

(21) Derivative financial instruments

	<-----31 March 2010----->			<-----31 Dec 2009 ---->		
	Contract Amount RM'000	Positive fair value RM'000	Negative fair value RM'000	Contract amount RM'000	Positive fair value RM'000	Negative fair value RM'000
Foreign exchange related contracts:						
- Forwards	38,046,729	209,880	354,877	23,665,292	103,489	92,287
- Cross currency interest rate swaps	6,790,166	347,713	207,765	12,840,992	261,250	176,439
- Options	2,484,769	13,045	9,416	788,872	9,434	3,366
Interest rate contracts:						
- Futures	32,086,550	-	-	14,421,398	-	-
- Swaps	27,556,430	331,199	437,555	54,584,009	375,161	483,352
- Options	896,967	3,064	3,052	671,050	17	11
Equity related contracts	1,356,831	13,959	14,840	1,396,582	18,164	18,404
Others	1,332,722	8,299	12,100	782,511	7,887	9,881
	110,551,164	927,159	1,039,605	109,150,706	775,402	783,740
		Note 8	Note 12		Note 8	Note 12

22 Change in Accounting Policies

The full adoption of FRS 139, Financial Instruments: Recognition and Measurement and its related amendments, and the revised policy and guideline issued by BNM on Classification and Impairment Provisions for Loans/Financing and Guidelines on Financial Reporting issued on 8 January 2010 and 5 February 2010 respectively, resulted in the following material changes in accounting policies:-

a) Impairment of Loans, Advances and Financing

Prior to adoption to FRS 139, allowances for impaired loans and advances (previously referred to as allowances for bad and doubtful debts and financing) were computed in conformity with BNM's Revised "Guidelines on the Suspension of Interest on Non-Performing Loans and Provision for Bad and Doubtful Debts, BNM/GP3"

Upon adoption of FRS 139, the Bank will assess at each reporting period whether there is objective evidence of impairment on loans, advances and financing. Loans, advances and financing are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the loan, and that the loss event has an impact on the future cash flows on the assets that can be estimated reliably. Individually significant loans are assessed for specific impairment and loans that are not individually significant are assessed for impairment by grouping loans with similar risk characteristics.

In the amendments to FRS 139, the Malaysian Accounting Standards Board ("MASB") has included an additional transitional arrangement for entities in the financial sector, whereby BNM may prescribe an alternative basis for collective assessment of impairment by banking institutions which is prescribed in BNM's policy on Classification and Impairment Provisions for Loans/Financing issued on 8 January 2010. In the transitional provision as prescribed in the guidelines, banking institutions are required to maintain collective impairment provisions of at least 1.5% of total outstanding loans, net of individual impairment provisions. The Bank has applied this transitional provision in arriving at its collective impairment provision.

b) Securities held-to maturity

Securities that were previously classified as held-to-maturity relating to unquoted shares in organization set up for socio economic purposes and equity instruments received as a result of loan restructuring or loan conversion was reclassified to securities available-for-sale. This would not be subject to the 'tainting rules' when the requirements under FRS139 are first applied as allowed under the Guidelines on Financial Reporting for Banking Institutions issued by BNM on 5 February 2010

(c) Interest recognition

Under FRS 139, interest income and expense is recognised in the income statement using the effective interest method for financial assets and liabilities that are carried at amortised cost. Upon full adoption of FRS 139, interest on financial assets and liabilities carried at amortised cost is recognised in the income statement using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts and payments through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

The changes in accounting policies have been accounted for prospectively, in line with the transitional arrangements. Adjustments to the carrying values of financial assets and financial liabilities affecting the income statement as at the beginning of the current financial period is adjusted to opening retained profits as disclosed below:-

Effects on retained profits	Group and Bank
	RM'000
At 1 January 2010, as previously stated	2,642,125
Effects of adoption of FRS 139	(54,446)
At 1 January 2010, as restated	<u>2,587,679</u>

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
ISLAMIC BANKING OPERATIONS
(Company No. 297089 M)
(Incorporated in Malaysia)
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2010**

		Group and Bank	
		Mar 2010 RM'000	Dec 2009 RM'000
Assets			
Cash and short term funds	(a)	72,181	878,460
Securities held-for-trading	(b)	112,019	65,397
Securities available-for-sale	(c)	426,113	401,371
Financing, advances and other loans	(d)	528,429	527,007
Deferred tax assets		188	1,718
Other assets	(f)	129,866	91,716
		<hr/>	<hr/>
Total assets		<u>1,268,797</u>	<u>1,965,669</u>
Liabilities			
Deposits from customers	(g)	781,666	1,632,416
Deposits and placements of banks and other financial institutions	(h)	99,000	-
Bills and acceptances payable		500	-
Other liabilities	(i)	203,944	151,041
		<hr/>	<hr/>
Total liabilities		<u>1,085,110</u>	<u>1,783,457</u>
Islamic banking funds	(j)	183,686	182,212
		<hr/>	<hr/>
Total liabilities and Islamic banking funds		<u>1,268,797</u>	<u>1,965,669</u>
Off-Balance Sheet Exposures	(k)	<u>2,601,163</u>	<u>2,920,577</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2009 and the accompanying notes on page 34 to 50 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
ISLAMIC BANKING OPERATION
(Company No. 297089 M)
(Incorporated in Malaysia)**

**UNAUDITED INCOME STATEMENTS OF THE GROUP AND BANK
FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2010**

	Group and Bank	
	Mar 2010	Mar 2009
	RM'000	RM'000
Income derived from investments of depositors' funds and others	(l) 9,939	11,926
Allowances for losses on financing	(m) 162	(669)
Transfer from / (to) Profit Equalisation Reserve	(n) <u>(547)</u>	<u>(181)</u>
Total attributable income	9,555	11,076
Income attributable to depositors	(o) <u>(2,730)</u>	<u>(4,788)</u>
Total attributable to the Bank	6,825	6,288
Income derived from investment of Islamic Banking Capital funds	(p) <u>(167)</u>	<u>22,834</u>
Total net income	6,658	29,122
Other operating expenses	(r) (337)	(1,948)
Profit Before Taxation	<u>6,321</u>	<u>27,174</u>
Taxation	(1,443)	(6,945)
Profit after taxation	<u><u>4,879</u></u>	<u><u>20,229</u></u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2009 and the accompanying notes on page 34 to 50 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
ISLAMIC BANKING OPERATION
(Company No. 297089 M)
(Incorporated in Malaysia)**

**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME OF THE GROUP AND BANK
FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2010**

	Group and Bank	
	Mar 2010 RM'000	Mar 2009 RM'000
Profit for the period	4,879	20,229
<u>Other comprehensive loss:</u>		
Net loss on revaluation of securities available-for-sale	(1,798)	(17,247)
Income tax relating to components of other comprehensive income	449	4,565
Other comprehensive loss for the period, net of tax	<u>(1,348)</u>	<u>(12,682)</u>
Total comprehensive income for the period	<u><u>3,530</u></u>	<u><u>7,547</u></u>
Total comprehensive income for the period attributable to Equity holders	<u><u>3,530</u></u>	<u><u>7,547</u></u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2009 and the accompanying notes on page 34 to 50 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD
AND ITS SUBSIDIARIES
ISLAMIC BANKING OPERATION
(Company No. 297089)
(Incorporated in Malaysia)**

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

	Group and Bank			
	Capital Funds RM'000	Other Reserve RM'000	Profit RM'000	Total RM'000
At 1 January 2009	20,000	18,485	124,723	163,208
Profit after taxation	-	-	20,229	20,229
Other comprehensive income	-	(12,682)	-	(12,682)
At 31 March 2010	<u>20,000</u>	<u>5,803</u>	<u>144,952</u>	<u>170,755</u>
At 1 January 2010				
- as previously stated	20,000	885	161,327	182,212
- effect of adopting FRS 139	-	-	(2,057)	(2,057)
	<u>20,000</u>	<u>885</u>	<u>159,270</u>	<u>180,155</u>
Profit after taxation	-	-	4,879	4,879
Other comprehensive income	-	(1,348)	-	(1,348)
At 31 March 2010	<u>20,000</u>	<u>(463)</u>	<u>164,149</u>	<u>183,686</u>

Note (k)

(a) Cash and short term funds

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Cash and balances with banks and other financial institutions	4,361	4,460
Money at call and deposit placements maturing within one month	<u>67,820</u>	<u>874,000</u>
	<u>72,181</u>	<u>878,460</u>

(b) Securities held for trading

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
At fair value		
Bank Negara Malaysia Islamic Bills	14,821	65,397
Malaysian Government Treasury Bills	<u>97,198</u>	<u>-</u>
	<u>112,019</u>	<u>65,397</u>

(c) Securities available for sale

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
At fair value		
Malaysian Government Investment Issues	426,113	326,431
Islamic Khazanah Bonds	<u>-</u>	<u>74,940</u>
	<u>426,113</u>	<u>401,371</u>

(d) Financing, Advances and other loans

(i) By type

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Term financing		
-House loans/financing	566,125	564,069
-Hire purchase receivables	7,662	8,868
-Lease receivables	5,633	6,722
-Other term loans / financing	111	-
- Claims on customers under acceptance credits	500	-
	<u>580,031</u>	<u>579,659</u>
Unearned income	(37,123)	(39,880)
	<u>542,908</u>	<u>539,779</u>
Allowance for impaired financing, advances and other loans		
- collective assessment	(8,047)	-
- individual assessment	(6,432)	-
- general	-	(8,029)
- specific	-	(4,743)
	<u>528,429</u>	<u>527,007</u>

(ii) By contract

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Bai' Bithamin Ajil	47,901	50,710
Ijarah Muntahia Bittamilik	13,404	15,590
Diminishing Musharakah	481,603	473,479
	<u>542,908</u>	<u>539,779</u>

(d) Financing, Advances and other loans (continued)

(iii) By profit rate sensitivity

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Fixed rate		
-House loans/financing	529,504	524,189
-Hire purchase receivables	13,295	8,791
-Other fixed rate loan/financing	109	6,799
	<hr/>	<hr/>
	<u>542,908</u>	<u>539,779</u>

(iv) By sector

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Manufacturing(including agriculture based)	9,306	10,540
Wholesale, retail trade, restaurants and hotels	188	223
Transport, storage and communication	3,703	4,238
Finance, insurance, real estate and bussiness services	207	589
Household-residential	526,506	521,161
Other sectors	2,998	3,028
	<hr/>	<hr/>
	<u>542,908</u>	<u>539,779</u>

(d) **Financing, Advances and other loans (continued)**

(v) **Residual contractual maturity**

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Up to 1 year	5,113	4,883
One to five years	13,348	13,205
Above 5 years	524,447	521,691
	<u>542,908</u>	<u>539,779</u>

(vi) **By geographical distribution**

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Malaysia	<u>542,908</u>	<u>539,779</u>

(e) **Impaired financing, advances and other loans**

(i) **Movements in impaired financing, advances and other loans are as follows :-**

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
At 1 January	10,215	9,951
Classified as impaired during the period/year	3,157	2,635
Amount recovered	(1,539)	(758)
Amount written off		<u>(1,613)</u>
At 31 March / 31 December	<u>11,833</u>	<u>10,215</u>
Individual assessment	(6,432)	-
Specific allowance	-	<u>(4,743)</u>
Net impaired financing, advances and other loans	<u>5,401</u>	<u>5,472</u>
Ratio of net non-impaired loans and financing to net loans and financing less individual assessment	1.01%	1.02%

(e) Impaired financing, advances and other loans (continued)

(ii) Movements in the allowance for impaired financing, advances and other loans are as follows :-

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
<u>Collective assessment</u>		
At 1 January		
- as previously stated	-	-
- effect of adopting FRS 139	7,994	-
	<u>7,994</u>	<u>-</u>
Allowance made during the period/year	53	-
At 31 March / 31 December	<u>8,047</u>	<u>-</u>
<u>General allowance</u>		
At 1 January		
- as previously stated	8,029	6,374
- effect of adopting FRS 139	(8,029)	-
	<u>-</u>	<u>6,374</u>
Allowance made during the period/year	-	1,655
At 31 March / 31 December	<u>-</u>	<u>8,029</u>
As % of gross loans, advances and financing less individual assessment	1.50%	1.50%
<u>Individual assessment</u>		
At 1 January		
- as previously stated	-	-
- effect of adopting FRS 139	6,826	-
	<u>6,826</u>	<u>-</u>
Allowance made during the period/year	145	-
Amount recovered	(360)	-
Amount written off	(179)	-
At 31 March / 31 December	<u>6,432</u>	<u>-</u>

(e) Impaired financing, advances and other loans (continued)

(ii) Movements in the allowance for impaired financing, advances and other loans are as follows :-

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
<u>Specific allowance</u>		
At 1 January		
- as previously stated	4,743	5,595
- effect of adopting FRS 139	(4,743)	-
	<hr/>	<hr/>
Allowance made during the period/year	-	877
Amount written back	-	(116)
Amount written off	-	(1,613)
	<hr/>	<hr/>
At 31 March / 31 December	<hr/> <u>-</u>	<hr/> <u>4,743</u>

(iii) Impaired financing, advances and other loans by sector are as follows:-

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Manufacturing (including agriculture based)	4,234	4,275
Transport, storage and communication	28	28
Household-residential	7,571	5,912
	<hr/>	<hr/>
	<hr/> <u>11,833</u>	<hr/> <u>10,215</u>

(e) Impaired financing, advances and other loans (continued)

(iv) Impaired financing, advances and other loans by geographical distribution are as follows :-

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Malaysia	11,833	10,215

(f) Other assets

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Profit receivable	1,679	2,343
Other debtors, deposits and prepayments	8,711	8,492
Revaluation gain on profit rate undertaking contracts (Note 1)	119,476	80,881
	129,866	91,716

(g) Deposits from customers

(i) By type of deposit

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Non-Mudharabah Fund		
Demand deposits	356,365	858,562
Saving deposits	70,574	288,248
Other deposits	126,549	227,798
Mudharabah fund		
General investment deposits	228,179	257,808
	781,666	1,632,416

(ii) By type of customers

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Government and statutory bodies	102	374
Business enterprises	203,044	1,057,132
Individuals	318,355	307,163
Others	260,165	267,747
	<hr/>	<hr/>
	781,666	1,632,416

(h) Deposits and placements of banks and other financial institutions

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Licensed banks	<hr/>	<hr/>
	99,000	-

(i) Other liabilities

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Profit payable	157	217
Other creditors and accruals	83,741	69,920
Profit Equalisation Reserve (note n)	570	23
Revaluation loss on profit rate undertaking contracts (note l)	119,476	80,881
	<hr/>	<hr/>
	<u>203,944</u>	<u>151,041</u>

(j) Islamic Banking Fund

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Fund allocated	20,000	20,000
Fair value reserve	(463)	885
Retained earnings	164,149	161,327
	<hr/>	<hr/>
	<u>183,686</u>	<u>182,212</u>

**CITIBANK BERHAD
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(l) Income derived from investment of depositors' funds and others

	Group and Bank	
	Mar 2010	Mar 2009
	RM'000	RM'000
Income derived from investment of:		
(i) General investment deposits	8,841	9,918
(ii) Other deposits	1,098	2,008
	<hr/>	<hr/>
	<u>9,939</u>	<u>11,926</u>

(i) Income derived from investment of general investment deposits

	Group and Bank	
	Mar 2010	Mar 2009
	RM'000	RM'000
Finance income and hibah		
Financing, advances and other loans	4,226	4,008
Money at call and placements with financial institutions	1,116	1,263
Income from securities available-for-sale	2,880	3,674
	<hr/>	<hr/>
	8,222	8,945
Accretion of discount less amortisation of premium	<hr/> 414	<hr/> 861
Total finance income and hibah	<hr/> <u>8,636</u>	<hr/> <u>9,806</u>
Other operating income		
Fee income	204	112
	<hr/>	<hr/>
Income from general investment deposits	<u>8,841</u>	<u>9,918</u>

(ii) Income derived from investment of other deposits

	Group and Bank	
	Mar 2010 RM'000	Mar 2009 RM'000
Finance income and hibah		
Financing, advances and other loans	525	811
Money at call and placements with financial institutions	139	256
Income from securities available-for-sale	358	744
	<hr/>	<hr/>
	1,022	1,811
Accretion of discount less amortisation of premium	51	174
Total finance income and hibah	<hr/>	<hr/>
	1,073	1,985
Other operating income		
Fee income	25	23
	<hr/>	<hr/>
Income from other deposits	<hr/>	<hr/>
	1,098	2,008

(m) Allowance for Impairment on financing, advances and other loans

	Group and Bank	
	Mar 2010 RM'000	Mar 2009 RM'000
Allowance for impaired financing, advances and other loans:		
<u>Individual assessment</u>		
- made in the financial period	145	-
- written back	(360)	-
<u>Specific allowance</u>		
- made in the financial period	-	15
- written back	-	(116)
<u>Collective assessment</u>		
- reversal during the period	53	-
<u>General allowance</u>		
- reversal during the period	-	770
<u>Impaired financing, advances and other loans</u>		
- written back		
- written off		
	<hr/>	<hr/>
	(162)	669

(n) Profit Equalisation Reserve

The movement in Profit Equalisation Reserve are as follows:

	Group and Bank	
	Mar	Mar
	2010	2009
	RM'000	RM'000
At 1 January	1,206	1,025
Movement in the financial period	547	181
	<hr/>	<hr/>
At 31 March / December	<u>1,753</u>	<u>1,206</u>

(o) Income attributable to depositors

	Group and Bank	
	Mar	Mar
	2010	2009
	RM'000	RM'000
Deposits from customers		
- Mudharabah funds	1,732	3,872
- Non-Mudharabah funds	876	898
Deposits and placements of banks and other financial institutions		
- Non-Mudharabah funds	4	11
Others	117	7
	<hr/>	<hr/>
	<u>2,729</u>	<u>4,788</u>

(p) **Income derived from investment of Islamic Banking Capital Funds**

	Group and Bank	
	Mar	Mar
	2010	2009
	RM'000	RM'000
Financing, advances and other loans	464	307
Money at call and placements with financial institutions	122	97
Income from securities available-for-sale	316	281
	<u>902</u>	<u>685</u>
Accretion of discount less amortisation of premium	45	66
Total finance income and hibah	<u>948</u>	<u>751</u>
Other operating income		
Gain /(loss) from securities held-for-trading	(108)	258
Gain from securities available-for-sale	975	22,471
Fee income	261	133
Loss from trading activities	(2,243)	(779)
	<u>(1,115)</u>	<u>22,083</u>
Income from Islamic Banking Capital Funds	<u>(167)</u>	<u>22,834</u>

(q) Income from Islamic banking operations

For consolidation with the conventional operations, income from Islamic banking operations comprises the following:

		Group and Bank	
		Mar	Mar
		2010	2009
		RM'000	RM'000
Income derived from investment of depositors' funds and others	(l)	9,939	11,926
Profit Equalisation Reserve	(n)	(547)	(181)
Income attributable to depositors	(o)	(2,729)	(4,788)
Income derived from investment of Islamic Banking Funds	(p)	(167)	22,834
		<hr/>	<hr/>
		6,496	29,791
		<hr/> <hr/>	<hr/> <hr/>

(r) Other operating expenses

		Group and Bank	
		Mar	Mar
		2010	2009
		RM'000	RM'000
Personnel costs		146	143
Establishment costs		0	17
Administration and general expenses		191	1,788
		<hr/>	<hr/>
		337	1,948
		<hr/> <hr/>	<hr/> <hr/>

**CITIBANK BERHAD
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(k) Capital adequacy

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

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
Computation of Total Risk Weighted Assets (RWA)		
Total Credit RWA	462,961	486,990
Total Market RWA	104,428	87,623
Total Operational RWA	79,234	82,549
Total Risk Weighted Assets	646,623	657,162
Computation of Capital Ratios		
Tier 1 Capital	179,237	179,315
Capital Base	187,284	187,344
Core capital ratio	<u>27.72%</u>	<u>27.29%</u>
Risk weighted capital ratio	<u>28.96%</u>	<u>28.51%</u>

With effect from 1 January 2008, the capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework (RWCAF-Basel II). The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. Disclosures are in line with the requirements of the Basel II Pillar 3 Guideline issued by Bank Negara Malaysia on 05 February 2010. The minimum regulatory capital adequacy requirement is 8% for the risk-weighted capital ratio.

The components of Tier I and Tier II Capital are as follows:

	Group and Bank	
	Mar 2010 RM'000	Dec 2009 RM'000
<u>Tier I Capital</u>		
Fund allocated	20,000	20,000
Retained earnings	159,270	161,327
Other Reserves	-	-
Less: Deferred Tax Assets	(34)	(2,012)
Total Tier I capital (Core Capital)	179,237	179,315
<u>Tier II Capital</u>		
Collective assessment allowance for impaired financing, advances and other loans	8,047	-
General allowance for bad and doubtful debts and financing	-	8,029
Capital Base	187,284	187,344

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(k) The Off-Balance Sheet Exposures and their related counterparty credit risk of the Group and the Bank are as follows:

March 2010 Group and Bank	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item				
Forward asset purchases	801	-	801	801
Foreign exchange related contracts:				
One year or less				
Over one year to five years	1,457,037	14,003	211,820	211,820
Over five years				
Interest/Profit rate related contracts:				
One year or less				
Over one year to five years	1,141,450	105,473	32,511	29,190
Over five years				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	1,359	-	680	337
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	516	-	-	-
Total	2,601,163	119,476	245,812	242,148

Note f

December 2009 Group and Bank	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item				
Forward asset purchases	31,602	-	31,602	31,602
Foreign exchange related contracts:				
One year or less				
Over one year to five years	1,724,295	67,825	198,164	198,164
Over five years				
Interest/Profit rate related contracts:				
One year or less				
Over one year to five years	1,106,075	12,056	8,152	8,152
Over five years				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	55,111	-	27,555	9,746
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	3,494	-	-	-
Total	2,920,577	79,881	265,473	247,664

Note f

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(l) Derivative financial instrutments

	<-----31 Mar 2010----->			<-----31 Dec 2009----->		
	Contract Amount RM'000	Positive fair value RM'000	Negative fair value RM'000	Contract amount RM'000	Positive fair value RM'000	Negative fair value RM'000
Foreign exchange related contracts						
- Cross currency Islamic profit rate of undertaking	3,019,607	105,533	105,533	3,198,236	67,825	67,825
Others						
- Islamic profit rate undertaking	2,282,900	13,942	13,942	2,212,150	13,056	13,056
	5,302,507	119,476	119,476	5,410,386	80,881	80,881
		Note (f)	Note (i)		Note (f)	Note (i)