

**CITIBANK BERHAD  
AND ITS SUBSIDIARY COMPANIES  
ISLAMIC BANKING OPERATIONS  
(Company No. 297089 M)  
(Incorporated in Malaysia)  
UNAUDITED BALANCE SHEET AT 30 June 2007**

		<b>Group</b>	
		JUNE 2007 RM'000	DEC 2006 RM'000
<b>ASSETS</b>			
Cash and short term funds	(a)	141,620	194
Deposits and placements with financial institutions	(b)	111,520	821,000
Securities held for trading	(c)	49,892	49,371
Securities available-for-sale	(d)	194,621	629,773
Financing, advances and other loans	(e)	249,182	203,908
Deferred tax assets		4,915	3,701
Other assets		49,658	54,859
Fixed Assets		12	-
<b>TOTAL ASSETS</b>		<b>801,420</b>	<b>1,762,806</b>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>			
Deposits from customers	(f)	528,945	447,846
Deposits and placements of banks and other financial institutions	(g)	9,890	354,065
Other liabilities	(h)	159,183	870,043
<b>TOTAL LIABILITIES</b>		<b>698,018</b>	<b>1,671,954</b>
<b>ISLAMIC BANKING FUNDS RESERVES</b>		20,000 83,402	20,000 70,852
<b>SHAREHOLDERS' FUNDS</b>	(i)	<b>103,402</b>	<b>90,852</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>801,420</b>	<b>1,762,806</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		<b>953,773</b>	<b>817,416</b>

CITIBANK BERHAD  
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UNAUDITED INCOME STATEMENT  
FOR THE FINANCIAL PERIOD ENDING 30 JUNE 2007

		Group	
	Notes	June 2007 RM'000	June 2006 RM'000
Income derived from Investment of depositors' funds and others	(j)	22,035	18,958
Allowance for losses on financing	(n)	(598)	(322)
Transfer to profit equalisation reserve		(901)	(217)
		<hr/>	<hr/>
Total distribution income		20,536	18,419
Income attributable to depositors	(k)	(7,585)	(10,770)
		<hr/>	<hr/>
Income attributable to bank		12,951	7,649
		<hr/>	<hr/>
Income derived from investment of Islamic banking capital funds	(l)	11,905	32
		<hr/>	<hr/>
Total net Income		24,856	7,681
		<hr/>	<hr/>
Other operating expenses	(m)	(1,832)	(174)
		<hr/>	<hr/>
Profit before taxation		23,024	7,507
		<hr/>	<hr/>
Taxation		(6,887)	(2,231)
		<hr/>	<hr/>
Profit after taxation		16,137	5,276
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**CITIBANK BERHAD**  
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**Statement Of Changes In Equity For The Period Ended 30 June 2007**

**Group and Bank**

	<b>Islamic Banking Funds RM'000</b>	<b>Other Reserve RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total Total RM'000</b>
<b>At 1 January 2006</b>	20,000	312	38,694	59,006
Profit after taxation	-	-	28,117	28,117
Unrealised net loss on revaluation of securities available-for-sale	-	3,729	-	3,729
<b>At 31 December 2006</b>	<u>20,000</u>	<u>4,041</u>	<u>66,811</u>	<u>90,852</u>
<b>At 1 January 2007</b>	20,000	4,041	66,811	90,852
Profit after taxation	-	-	16,137	16,137
Unrealised net loss on revaluation of securities available-for-sale	-	(3,587)	-	(3,587)
<b>At 30 June 2007</b>	<u>20,000</u>	<u>454</u>	<u>82,948</u>	<u>103,402</u>

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## (a) CASH AND SHORT TERM FUNDS

	<b>Group and Bank</b>	
	JUNE 2007 RM'000	DEC 2006 RM'000
Cash and balances with banks and other financial institutions	620	12
Money at call and deposit placements maturing within one month	141,000	182
	<u>141,620</u>	<u>194</u>

## (b) DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	<b>Group and Bank</b>	
	JUNE 2007 RM'000	DEC 2006 RM'000
Bank Negara Malaysia	111,520	821,000

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## (c) SECURITIES HELD FOR TRADING

	<b>Group and Bank</b>	
	JUNE	DEC
	2007	2006
At fair value		
BNM Bills/Notes	49,892	49,371
	<u>49,892</u>	<u>49,371</u>

## (d) SECURITIES AVAILABLE-FOR-SALE

	<b>Group and Bank</b>	
	JUNE	DEC
	2007	2006
At fair value		
Malaysian Government Treasury Bills/Securities	-	150,855
Malaysian Government Investment Issues	-	147,018
Cagamas Bonds	-	149,845
Khazanah Bonds	154,461	126,243
Private Debt Securities	40,160	55,812
	<u>194,621</u>	<u>629,773</u>

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## (e) FINANCING, ADVANCES AND OTHER LOANS

	<b>Group and Bank</b>	
	JUNE	DEC
	2007	2006
	RM'000	RM'000
Overdrafts	66,742	-
Term loans		
-Housing financing	144,349	143,017
-Hire Purchase receivables	45,367	61,007
-Lease Receivable	27,726	31,983
Other loans	42,941	51,529
	<hr/>	<hr/>
	324,487	287,536
Unearned income	(68,775)	(75,061)
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Gross financing, advances and other loans	258,350	212,475
Allowance for bad and doubtful financing		
- general	(3,795)	(3,099)
- specific	(5,373)	(5,468)
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Total net financing, advances and other loans	<u>249,182</u>	<u>203,908</u>

## (e (i)) By type of customer

	<b>Group and Bank</b>	
	JUNE	DEC
	2007	2006
	RM'000	RM'000
Domestic business enterprises		
-small enterprise	98,690	42,626
-others	79,020	95,395
Individuals	80,640	74,454
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	<u>258,350</u>	<u>212,475</u>

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(e (ii)) By profit rate sensitivity

	<b>Group and Bank</b>	
	JUNE 2007 RM'000	DEC 2006 RM'000
Fixed rate		
Housing financing	80,640	74,454
Hire Purchase receivable	42,782	57,538
Other fixed rate financing	68,186	80,483
Variable rate		
Cost plus	66,742	-
	<hr/>	<hr/>
	<b>258,350</b>	<b>212,475</b>

(e (iii)) By sector

	<b>Group and Bank</b>	
	JUNE 2007 RM'000	DEC 2006 RM'000
Mining and quarrying	388	798
Manufacturing	104,020	49,225
Purchase of landed property		
- Residential	80,640	74,454
Wholesale, retail trade and restaurant & hotel	2,604	3,181
Transport, storage and communication	67,667	78,730
Finance, insurance and business services	3,032	6,087
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	<b>258,350</b>	<b>212,475</b>

**CITIBANK BERHAD**

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(e (iv)) Non-performing Financing by sector

	<b>Group and Bank</b>	
	JUNE	DEC
	2007	2006
	RM'000	RM'000
Manufacturing	3,973	4,632
Purchase of landed property		
- Residential	147	-
Wholesale, retail trade and restaurant & hotel	461	438
Transport, storage and communication	3,514	500
Finance, insurance and business services	2,026	1,035
	<u>10,121</u>	<u>6,605</u>

(e(v)) Movements in the non-performing financing (NPF) are as follows :-

	<b>Group and Bank</b>	
	JUNE	DEC
	2007	2006
	RM'000	RM'000
Balance at 1 January	6,605	6,301
Non-performing during the period	4,682	304
Recoveries	(1,166)	-
	<u>10,121</u>	<u>6,605</u>
At end of the period/year	10,121	6,605
Specific allowance	(5,373)	(5,468)
	<u>4,748</u>	<u>1,137</u>
Net non performing financing, advances and other loans	<u>4,748</u>	<u>1,137</u>
Ratio of net non-performing financing and other loans to total net financing and others	1.88%	0.55%



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

	<b>Group and Bank</b>	
	JUNE 2007 RM'000	DEC 2006 RM'000
<u>General Allowance</u>		
Balance at 1 January	3,099	3,169
Allowance made during the year	696	(70)
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Balance at 30 June/December	<u>3,795</u>	<u>3,099</u>
Percentage of gross financing, advances and other loans less specific allowance	1.50%	1.50%

	<b>Group and Bank</b>	
	JUNE 2007 RM'000	DEC 2006 RM'000
<u>Specific Allowance</u>		
Balance at 1 January	5,468	5,256
Allowance made during the period/year	3	214
Amount recovered	(98)	-
Amount written off	-	(2)
	<hr/>	<hr/>
Balance at 30 June/December	<u>5,373</u>	<u>5,468</u>

**CITIBANK BERHAD**

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## (f) DEPOSITS FROM CUSTOMERS

## (i) By type of deposit

	<b>Group and Bank</b>	
	JUNE 2007 RM'000	DEC 2006 RM'000
Non-Mudharabah Fund		
Demand deposits	93,857	299,437
Saving deposits	3,035	8,275
Negotiable Instruments of Deposits	-	32,400
Mudharabah fund	432,052	107,734
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	<b>528,945</b>	<b>447,846</b>

## (ii) By type of customers

	<b>Group and Bank</b>	
	JUNE 2007 RM'000	DEC 2006 RM'000
Business enterprise	432,145	410,059
Individuals	77,119	37,787
Others	19,680	-
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	<b>528,945</b>	<b>447,846</b>

**CITIBANK BERHAD**

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**(g) DEPOSITS AND PLACEMENTS OF BANKS AND  
OTHER FINANCIAL INSTITUTIONS**

	<b>Group and Bank</b>	
	<b>JUNE</b>	<b>Dec</b>
	<b>2007</b>	<b>2006</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	-	354,065
Bank Negara Malaysia	9,890	-
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	<b>9,890</b>	<b>354,065</b>
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**(h) OTHER LIABILITIES**

	<b>Group and Bank</b>	
	<b>JUNE</b>	<b>Dec</b>
	<b>2007</b>	<b>2006</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit payable	1,330	605
Other creditors and accruals	140,650	852,973
Profit Equalisation Reserve	17,203	16,302
Taxation	-	163
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	<b>159,183</b>	<b>870,043</b>
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**(i) SHAREHOLDERS' FUNDS**

	<b>Group and Bank</b>	
	<b>JUNE</b>	<b>Dec</b>
	<b>2007</b>	<b>2006</b>
	<b>RM'000</b>	<b>RM'000</b>
Islamic banking funds	20,000	20,000
Other reserves	454	4,041
Retained profit	82,948	66,811
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	<b>103,402</b>	<b>90,852</b>
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**CITIBANK BERHAD**  
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(j) INCOME DERIVED FROM INVESTMENT OF GENERAL INVESTMENT DEPOSITS

	<b>Group and Bank</b>	
	June 2007 RM'000	June 2006 RM'000
<b>Finance income and hibah</b>		
Financing, advances and other loans		
- Finance income other than recoveries from NPL	5,468	6,003
- Written off/recoveries from NPL	(1)	2
Money at call and deposit placements		
with financial institutions	9,384	1,965
Securities available-for-sale	4,396	6,610
Securities held-to-maturity	-	1,376
	19,247	15,956
Accretion of discounts less amortisation of premium	2,788	3,002
	22,035	18,958
Total finance income and hibah	22,035	18,958

(k) INCOME ATTRIBUTABLE TO DEPOSITORS

	<b>Group and Bank</b>	
	RM'000	RM'000
Deposits and placements of banks and other financial institutions		
- Non-Mudharabah Fund	31	11
- Mudharabah fund	1,031	3,895
Deposits from other customers		
- Non-Mudharabah Fund	2,345	1,998
- Mudharabah fund	3,885	4,682
Others	293	184
	7,585	10,770
	7,585	10,770

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(l) INCOME DERIVED FROM INVESTMENT OF ISLAMIC BANKING CAPITAL FUNDS

Other operating income		
Commission	66	31
Service charges and fees	4	-
Other fee income	-	1
Profit/(loss) from securities held-for-trading		
- unrealised gain	7,727	-
- realised loss	(44)	-
Realised gain/(loss) from securities available-for-sale	4,152	-
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Total other operating income	<u>11,905</u>	<u>32</u>

(m) OVERHEAD EXPENSES

	Group and Bank	
	June 2007 RM'000	June 2006 RM'000
Personnel costs	243	122
Establishment costs	25	41
Marketing expenses	3	-
Administration and general expenses	1,561	11
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	<u>1,832</u>	<u>174</u>

(n) ALLOWANCE FOR LOSSES ON FINANCING

	Group and Bank	
	June 2007 RM'000	June 2006 RM'000
Allowance for bad and doubtful financing:-		
Specific allowance		
- made in the financial period	-	77
- written back	(98)	-
General allowance	696	245
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	<u>598</u>	<u>322</u>

**CITIBANK BERHAD**  
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COMMITMENT AND CONTIGENCIES

	<b>June 07</b>			<b>Dec 06</b>		
	Principal	Credit	Risk	Principal	Credit	Risk
	Amount	Equivalent	weighted	Amount	Equivalent	weighted
	RM'000	Amount	amount	RM'000	Amount	amount
		RM'000	RM'000		RM'000	RM'000
Irrevocable commitments to extend credit						
-maturity not exceeding one year	14,862	-	-	-	-	-
-maturity exceeding one year	5,964	2,982	2,982	24,942	12,471	12,471
Foreign exchange related contracts:						
-one year to less than 5 years	777,405	101,063	50,532	792,474	118,871	23,774
Profit related contracts:						
-One year to less than 5 years	155,542	6,222	3,111	-	-	-
Total	<u>953,773</u>	<u>110,267</u>	<u>56,624</u>	<u>817,416</u>	<u>131,342</u>	<u>36,245</u>

ISLAMIC BANKING OPERATIONS  
**CITIBANK BERHAD**  
 Company No. 297089 M

CAPITAL ADEQUACY

The capital adequacy ratios of the Islamic Banking Operations are as follows:-

	Group and Bank	
	June 2007 RM'000	Dec 2006 RM'000
<b>Tier 1 capital</b>		
Islamic Banking Funds	20,000	20,000
Retained Profit	66,811	66,811
Other reserves	4,041	4,041
Total Tier-I capital	<u>90,852</u>	<u>90,852</u>
<b>Tier-II capital</b>		
General allowance for bad and doubtful debts and financing	3,099	3,099
Total Tier-II capital	<u>3,099</u>	<u>3,099</u>
<b>Capital base</b>	<u>93,951</u>	<u>93,951</u>
Core capital ratio	20.76%	26.01%
Risk weighted capital ratio	21.47%	26.90%

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

	Group and Bank	
	June 2007 RM'000	Dec 2006 RM'000
0% Risk Weightage	386,143	1,289,514
10% Risk Weightage	-	-
20% Risk Weightage	-	99,925
50% Risk Weightage	187,925	74,454
100% Risk Weightage	343,700	292,087
Total Principal of Risk Weighted Assets	<u>917,768</u>	<u>1,755,980</u>
Total Risk Weighted Assets	<u>437,663</u>	<u>349,299</u>