

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

**UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**31 MARCH 2008**

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 BALANCE SHEET AT 31 MARCH 2008**

|  | Note | Group                 |                       | Bank                  |                       |
|--|------|-----------------------|-----------------------|-----------------------|-----------------------|
|  |      | Mar<br>2008<br>RM'000 | Dec<br>2007<br>RM'000 | Mar<br>2008<br>RM'000 | Dec<br>2007<br>RM'000 |
| <b>ASSETS</b>  |      |                       |                       |                       |                       |
| Cash and short term funds  | 1    | 16,324,809            | 16,744,282            | 16,324,789            | 16,744,262            |
| Deposits and placements with banks<br>and other financial institutions | 2    | 2,570,992             | 1,595,176             | 2,570,992             | 1,595,176             |
| Securities purchased under resale<br>agreements                        |      | 1,200,110             | 445,469               | 1,200,110             | 445,469               |
| Securities held for trading  | 3    | 1,280,857             | 1,352,741             | 1,280,857             | 1,352,741             |
| Securities available-for-sale  | 4    | 2,932,080             | 2,897,591             | 2,932,080             | 2,897,591             |
| Securities held-to-maturity  | 5    | 7,499                 | 7,499                 | 7,499                 | 7,499                 |
| Loans, advances and financing  | 6    | 20,580,640            | 20,504,213            | 20,580,640            | 20,504,213            |
| Other assets   | 8    | 1,441,210             | 1,234,322             | 1,441,210             | 1,234,322             |
| Statutory deposits with Bank<br>Negara Malaysia                        |      | 675,759               | 845,408               | 675,759               | 845,408               |
| Deferred tax assets  |      | 46,834                | 48,334                | 46,834                | 48,334                |
| Investment in subsidiary companies                                     |      | -                     | -                     | 20                    | 20                    |
| Property, plant and equipment  |      | 67,190                | 72,227                | 67,190                | 72,227                |
| <b>TOTAL ASSETS</b>  |      | <b>47,127,980</b>     | <b>45,747,262</b>     | <b>47,127,980</b>     | <b>45,747,262</b>     |
| <b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>                             |      |                       |                       |                       |                       |
| <b>FUNDS</b>   |      |                       |                       |                       |                       |
| Deposits from customers  | 9    | 29,224,686            | 28,865,054            | 29,224,686            | 28,865,054            |
| Deposits and placements of banks<br>and other financial institutions   | 10   | 11,903,881            | 11,105,095            | 11,903,881            | 11,105,095            |
| Bills and acceptances payable  |      | 24,953                | 97,054                | 24,953                | 97,054                |
| Recourse obligations on loans<br>sold to Cagamas                       |      | 374,056               | 423,529               | 374,056               | 423,529               |
| Other liabilities  | 11   | 2,466,283             | 2,340,106             | 2,466,283             | 2,340,106             |
| Subordinated loan  |      | 400,000               | 400,000               | 400,000               | 400,000               |
| <b>TOTAL LIABILITIES</b>   |      | <b>44,393,859</b>     | <b>43,230,838</b>     | <b>44,393,859</b>     | <b>43,230,838</b>     |
| <b>SHARE CAPITAL</b>   | 12   | 121,697               | 121,697               | 121,697               | 121,697               |
| <b>RESERVES</b>  | 13   | 2,612,424             | 2,394,727             | 2,612,424             | 2,394,727             |
| <b>SHAREHOLDERS' FUNDS</b>   |      | <b>2,734,121</b>      | <b>2,516,424</b>      | <b>2,734,121</b>      | <b>2,516,424</b>      |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>                       |      | <b>47,127,980</b>     | <b>45,747,262</b>     | <b>47,127,980</b>     | <b>45,747,262</b>     |
| <b>COMMITMENTS AND CONTINGENCIES</b>                                   | 30   | <b>102,016,284</b>    | <b>98,410,076</b>     | <b>102,016,284</b>    | <b>98,410,076</b>     |

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 2007 and the accompanying notes on page 5 to 36 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD**  
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**UNAUDITED INCOME STATEMENTS OF THE GROUP AND BANK**  
**FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2008**

|   | Note | Group and Bank        |                       |
|---|------|-----------------------|-----------------------|
|   |      | Mar<br>2008<br>RM'000 | Mar<br>2007<br>RM'000 |
| Revenue                                     |      | 771,482               | 668,364               |
| Interest income                             | 14   | 580,295               | 512,478               |
| Interest expense                            | 15   | (286,331)             | (228,848)             |
| Net interest income                         |      | <u>293,964</u>        | <u>283,630</u>        |
| <i>Net Islamic banking operating income</i> |      | 13,641                | 9,130                 |
| Other operating income                      | 16   | 177,546               | 146,756               |
| Operating income                            |      | <u>485,151</u>        | <u>439,516</u>        |
| Other operating expenses                    | 17   | (168,707)             | (177,524)             |
| Profit before provision                     |      | <u>316,444</u>        | <u>261,992</u>        |
| Allowance for losses on loan and financing  | 18   | (38,546)              | (34,859)              |
| Profit before taxation                      |      | <u>277,898</u>        | <u>227,133</u>        |
| Taxation                                    |      | (64,582)              | (70,138)              |
| Profit after taxation                       |      | <u><u>213,316</u></u> | <u><u>156,995</u></u> |
| Earnings per share - basic (sen)            |      | <u><u>701</u></u>     | <u><u>516</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 2007 and the accompanying notes on page 5 to 36 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 2008**

**Group and Bank**

|  | ← Non-Distributable →      |                            |                                |                            | Distributable                 |                            |                                |                 |
|--|----------------------------|----------------------------|--------------------------------|----------------------------|-------------------------------|----------------------------|--------------------------------|-----------------|
|  | Share<br>Capital<br>RM'000 | Share<br>Premium<br>RM'000 | Statutory<br>Reserve<br>RM'000 | Other<br>Reserve<br>RM'000 | Retained<br>Profits<br>RM'000 | Total<br>Reserve<br>RM'000 | Proposed<br>Dividend<br>RM'000 | Total<br>RM'000 |
| <b>At 1 January 2007</b>   | 121,697                    | 380,303                    | 121,697                        | 10,590                     | 1,304,099                     | 1,816,689                  | -                              | 1,938,386       |
| Net profit for the year  | -                          | -                          | -                              | -                          | 591,401                       | 591,401                    | -                              | 591,401         |
| Unrealised net gain/loss<br>on revaluation of securities<br>available for sale | -                          | -                          | -                              | (13,363)                   | -                             | (13,363)                   | -                              | (13,363)        |
| <b>At 31 December 2007</b>   | 121,697                    | 380,303                    | 121,697                        | (2,773)                    | 1,895,500                     | 2,394,727                  | -                              | 2,516,424       |
| <b>At 1 January 2008</b>   | 121,697                    | 380,303                    | 121,697                        | (2,773)                    | 1,895,500                     | 2,394,727                  | -                              | 2,516,424       |
| Net profit for the year  | -                          | -                          | -                              | -                          | 213,316                       | 213,316                    | -                              | 213,316         |
| Unrealised net gain/loss<br>on revaluation of securities<br>available for sale | -                          | -                          | -                              | 4,381                      | -                             | 4,381                      | -                              | 4,381           |
| <b>At 31 March 2008</b>  | 121,697                    | 380,303                    | 121,697                        | 1,608                      | 2,108,816                     | 2,612,424                  | -                              | 2,734,121       |

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 2007 and the accompanying notes on page 5 to 36 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD**  
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**UNAUDITED CONDENSED CASH FLOW STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED THREE MONTHS ENDED 31 MARCH 2008**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Mar<br/>2007<br/>RM'000</b> |
| Profit before tax expenses                               | 277,898                        | 227,133                        |
| Adjustments for non cash items                           | (137,722)                      | 46,421                         |
| Operating profit before changes in working capital       | 140,176                        | 273,554                        |
| Changes in working capital :                             |                                |                                |
| Net changes in operating assets                          | (1,652,380)                    | (1,783,116)                    |
| Net changes in operating liabilities                     | 1,113,235                      | 264,146                        |
| Taxes paid   | (14,793)                       | (57,019)                       |
| Net cash generated from operating activities             | (413,763)                      | (1,302,435)                    |
| Net cash generated (used in) / from investing activities | (5,710)                        | 878,000                        |
| Net change in cash and cash equivalents                  | (419,473)                      | (424,435)                      |
| Cash and cash equivalents at beginning of the year       | 16,744,262                     | 5,528,068                      |
| Cash and cash equivalents at end of the period           | 16,324,789                     | 5,103,633                      |

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 2007 and the accompanying notes on page 5 to 36 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD  
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A Explanatory Notes Pursuant to Revised Guidelines on Financial Reporting for Licensed Institutions (BNM/GP8)  
Issued by Bank Negara Malaysia

**A1 Basis of preparation**

The unaudited condensed financial statements for the financial period three months ended 31 March 2008 have been prepared in accordance with the revised GP8 Guidelines issued by Bank Negara Malaysia on 5 October 2004.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. The explanatory notes attached in the unaudited condensed 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 2007.

**A2 Auditor's Report on preceeding Annual Financial Statement**

The audit report on the audited financial statements for the financial year ended 31 December 2007 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 3 months ended 31 March 2008.

**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 3 months ended 31 March 2008.

**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 3 months ended 31 March 2008.

**A7 Dividend**

There were no dividends paid since the end of the previous financial year.

**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 3 months ended 31 March 2008.

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**B Review of performance and current year prospects**

**B1 Performance Review**

The Bank's top line revenue for the three months financial period ended 31 March 2008 was RM771 million and pre-tax profit was RM278 million. This represents total growth of 15% and 22% respectively compared to previous preceding period. Annualised net income on average equity stood at 33% and annualised net income on total assets improved from 1.4% to 1.8% compared to the same period in 2007.

Overall, higher pre-tax profit was mainly attributed to an increase of 21% or RM31 million in other operating income. The main contributor was profit from sales of securities available-for-sale of RM16 million and net gain from trading activities of RM17 million. The increase of RM10 million in net interest income also added to the stronger pre-tax profit performance for the first quarter of 2008.

Other operating expenses and overheads for the first three months of the year closed at RM169 million, down by approximately 5% relative to RM178 million in previous preceding period. Cost to income ratio improved to 34.8% compared to 40.4% in the corresponding period in 2007, reflecting the continuous effort of the Bank's strong cost management focus.

Islamic banking operating income posted an increase of 49.4% or RM 4.5 million over the previous preceding period. This was mainly derived from fee income charged for services rendered.

The Bank's total assets stood at RM47 billion as of 31 March 2008, an increase of 3% over the last three months. The assets growth was mainly due to an increase of 61% in deposits and placements with banks and other financial institutions and an increase of 169% in securities held under securities purchased under resale agreement. The funds were mainly sourced from deposits and placements from customers and other financial institutions.

**B2 Prospects for 2008**

A challenging year is anticipated where many in the market are discussing a looming economic slowdown. Despite greater volatility in domestic capital markets, global financial turmoil has shown limited impact on our business.

The Bank will continue to focus on retail banking and commercial business segments and capitalise on its established brand name and global network to bring in new products and services to meet the diverse investment needs of the Bank's customers.

**(1) Cash and short term funds**

|  | <b>Group</b>                   |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Cash and balances with banks and other financial institutions  | 36,646                         | 37,001                         |
| Money at call and deposit placements maturing within one month | 16,288,163                     | 16,707,281                     |
|  | <u>16,324,809</u>              | <u>16,744,282</u>              |
|  | <b>Bank</b>                    |                                |
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Cash and balances with banks and other financial institutions  | 36,626                         | 36,981                         |
| Money at call and deposit placements maturing within one month | 16,288,163                     | 16,707,281                     |
|  | <u>16,324,789</u>              | <u>16,744,262</u>              |

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

|                      | <b>Group and Bank</b>          |                                |
|----------------------|--------------------------------|--------------------------------|
|                      | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Bank Negara Malaysia | -                              | -                              |
| Licensed banks       | 2,570,992                      | 1,595,176                      |
|                      | <u>2,570,992</u>               | <u>1,595,176</u>               |

**(3) Securities held for trading**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| At fair value                          |                                |                                |
| Malaysian Government Treasury Bills    | 88,988                         | 103,841                        |
| Malaysian Government Stock             | 805,233                        | 591,498                        |
| Malaysian Government Investment Issues | 72,960                         | 64,630                         |
| BNM Bills/Notes                        | 140,897                        | 284,084                        |
| Cagamas Notes /Bonds                   | 998                            | 35,871                         |
| Khazanah Bonds                         | -                              | -                              |
| Commercial Paper                       | -                              | -                              |
| Private Debt Securities                | 171,782                        | 272,817                        |
|  | <u>1,280,857</u>               | <u>1,352,741</u>               |



**(4) Securities available for sale**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| At fair value  |                                |                                |
| Malaysian Government Treasury Bills/<br>Government Stock | 2,414,652                      | 2,156,074                      |
| Bank Negara Malaysia bills                               | 100,020                        | 199,950                        |
| Malaysian Government Investment Issue:<br>Khazanah Bonds | 119,946                        | 208,169                        |
| Private Debt Securities/FNMA                             | 195,456                        | 197,663                        |
| Yankee Bonds/US bonds                                    | 102,006                        | 102,215                        |
|  | -                              | 33,520                         |
|  | <u>2,932,080</u>               | <u>2,897,591</u>               |

**(5) Securities held to maturity**

|                                 | <b>Group and Bank</b>          |                                |
|---------------------------------|--------------------------------|--------------------------------|
|                                 | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| At amortised cost               |                                |                                |
| Unquoted securities:-<br>Shares | <u>7,499</u>                   | <u>7,499</u>                   |

**(6) Loans, Advances and Financing**

**(i) By type**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Overdrafts   | 1,323,421                      | 1,382,880                      |
| Term loans and financing                           |                                |                                |
| -Housing loans/financing                           | 11,231,389                     | 11,330,669                     |
| -Hire Purchase receivables                         | 29,546                         | 29,896                         |
| -Lease Receivables                                 | 17,730                         | 20,054                         |
| -Other term loans / financing                      | 1,507,869                      | 1,481,029                      |
| Bills receivable                                   | 623,339                        | 440,139                        |
| Trust receipts                                     | 38,494                         | 49,386                         |
| Claims on customers under acceptance credits       | 779,082                        | 877,952                        |
| Staff loans  | 104,549                        | 105,962                        |
| Credit cards receivables                           | 4,069,019                      | 4,157,262                      |
| Revolving credit                                   | 1,439,693                      | 1,183,256                      |
| Other loans  | 155,864                        | 171,841                        |
|  | <hr/>                          | <hr/>                          |
| Unearned interest and income                       | 21,319,995<br>(67,321)         | 21,230,326<br>(69,852)         |
|  | <hr/>                          | <hr/>                          |
| Gross loans, advances and financing                | 21,252,674                     | 21,160,474                     |
| Allowance for bad and doubtful debts and financing |                                |                                |
| - general  | (313,243)                      | (314,312)                      |
| - specific   | (358,791)                      | (341,949)                      |
|  | <hr/>                          | <hr/>                          |
| Net loans, advances and financing                  | <u>20,580,640</u>              | <u>20,504,213</u>              |

**(ii) By type of customer**

|                                     | <b>Group and Bank</b>          |                                |
|-------------------------------------|--------------------------------|--------------------------------|
|                                     | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Domestic non financial institutions |                                |                                |
| -Stockbroking companies             | -                              | -                              |
| -Others                             | 259,500                        | 232,230                        |
| Domestic business enterprises       |                                |                                |
| -Small and medium enterprises       | 644,879                        | 603,600                        |
| -Others                             | 2,989,477                      | 2,743,961                      |
| Individuals                         | 17,327,106                     | 17,548,554                     |
| Foreign entities                    | 31,712                         | 32,129                         |
|                                     | <hr/>                          | <hr/>                          |
|                                     | <u>21,252,674</u>              | <u>21,160,474</u>              |

**(6) Loans, Advances and Financing (continued)**

**(iii) By interest/profit rate sensitivity**

|                                 | <b>Group and Bank</b>          |                                |
|---------------------------------|--------------------------------|--------------------------------|
|                                 | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Fixed rate                      |                                |                                |
| Housing loans/financing         | 595,431                        | 590,624                        |
| Hire Purchase receivables       | 29,546                         | 29,896                         |
| Other fixed rate loan/financing | 7,782,935                      | 7,485,674                      |
| Variable rate                   |                                |                                |
| BLR plus                        | 12,425,758                     | 12,586,561                     |
| Cost plus                       | 419,004                        | 467,719                        |
|                                 | 21,252,674                     | 21,160,474                     |
|                                 | 21,252,674                     | 21,160,474                     |

**(iv) By sector**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Primary agriculture                              | 354,051                        | 343,068                        |
| Mining & quarrying                               | 4,942                          | 4,567                          |
| Manufacturing(incl agro-based)                   | 1,482,321                      | 1,240,292                      |
| Electricity, gas, water                          | 95,538                         | 116,408                        |
| Construction                                     | 33,997                         | 48,248                         |
| Wholesale, retail trade, restaurants, hotels     | 732,433                        | 734,769                        |
| Transport, storage & communication               | 330,977                        | 338,404                        |
| Fin, insurance, real estate & bussiness services | 609,169                        | 535,297                        |
| Education, health & others                       | 31,344                         | 29,884                         |
| Household  |                                |                                |
| - Consumption Credit                             | 4,772,163                      | 4,903,991                      |
| - Residential                                    | 11,910,878                     | 11,956,871                     |
| - Non Residential                                | 439,130                        | 469,048                        |
| - Purchase of Securities                         | 204,935                        | 218,644                        |
| Other sectors                                    | 250,796                        | 220,983                        |
|  | 21,252,674                     | 21,160,474                     |
|  | 21,252,674                     | 21,160,474                     |

**(iv) By purpose**

|   | <b>Group and Bank</b>          |                                |
|---|--------------------------------|--------------------------------|
|   | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Purchase of securities                    | 205,108                        | 220,688                        |
| Purchase of landed property               | 12,544,296                     | 12,480,829                     |
| Purchase fixed assets ex. land & building | 54,681                         | 59,410                         |
| Personal usage                            | 741,292                        | 776,465                        |
| Credit cards                              | 4,069,019                      | 4,157,262                      |
| Construction                              | 1,645                          | 20,720                         |
| Working capital                           | 3,577,293                      | 3,418,433                      |
| Other purpose                             | 59,340                         | 26,667                         |
|   | 21,252,674                     | 21,160,474                     |
|   | 21,252,674                     | 21,160,474                     |

**(7) Non-performing loans / financing (NPL/NPF)**

**(i) Movements in the non-performing loans, advances and financing (NPL) are as follows:-**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| At 1 January   | 689,920                        | 622,496                        |
| Classified as non-performing during the year                               | 128,993                        | 529,561                        |
| Reclassified as performing during the year                                 | (29,689)                       | (159,118)                      |
| Amount recovered   | (43,734)                       | (135,286)                      |
| Amount recovered from debt conversion                                      | -                              | -                              |
| Amount written off   | (36,232)                       | (167,733)                      |
|  | <hr/>                          | <hr/>                          |
| At 31 March / 31 December  | 709,258                        | 689,920                        |
| Specific allowance   | (358,791)                      | (341,949)                      |
|  | <hr/>                          | <hr/>                          |
| Net non performing loans, advances and financing                           | <u>350,467</u>                 | <u>347,971</u>                 |
|  |                                |                                |
| Ratio of net non-performing loans and financing to net loans and financing | 1.68%                          | 1.67%                          |

**(ii) Movements in the allowance for bad and doubtful debts (and financing) accounts are as follows :**

|   | <b>Group and Bank</b>          |                                |
|---|--------------------------------|--------------------------------|
|   | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| <u>General allowance</u>  |                                |                                |
| At 1 January  | 314,312                        | 310,010                        |
| Allowance made during the year                                      | (1,069)                        | 4,302                          |
|   | <hr/>                          | <hr/>                          |
| At 31 March / 31 December   | <u>313,243</u>                 | <u>314,312</u>                 |
|   |                                |                                |
| As % of gross loans, advances and financing less specific allowance | 1.5%                           | 1.5%                           |
| <u>Specific allowance</u>   |                                |                                |
| At 1 January  | 341,949                        | 319,726                        |
| Allowance made during the year                                      | 67,133                         | 245,078                        |
| Amount recovered  | (15,580)                       | (72,073)                       |
| Amount written off  | (34,711)                       | (150,782)                      |
|   | <hr/>                          | <hr/>                          |
| At 31 March / 31 December   | <u>358,791</u>                 | <u>341,949</u>                 |

**(7) Non-performing loans / financing (NPL/NPF) (continued)**

**(iii) NPL/ NPF by sector are as follows :-**

|                                       | <b>Group and Bank</b> |                |
|---------------------------------------|-----------------------|----------------|
|                                       | <b>Mar</b>            | <b>Dec</b>     |
|                                       | <b>2008</b>           | <b>2007</b>    |
|                                       | <b>RM'000</b>         | <b>RM'000</b>  |
| Primary Agriculture                   | 11                    | 11             |
| Manufacturing                         | 43,865                | 45,388         |
| Construction                          | 16,305                | 16,505         |
| Wholesale, Retail Trade, Restaurants, | 23,968                | 23,235         |
| Mining and Quarrying                  | 187                   | 191            |
| Transport, Storage and Communication  | 2,326                 | 2,898          |
| Finance, Ins, Real Estate, Business   | 31,308                | 30,956         |
| Household                             |                       |                |
| - Consumption Credit                  | 188,965               | 185,911        |
| - Residential                         | 340,319               | 325,027        |
| - Non Residential                     | 38,726                | 35,992         |
| - Purchase of Securities              | 23,278                | 23,806         |
|                                       | <hr/>                 | <hr/>          |
|                                       | <u>709,258</u>        | <u>689,920</u> |

**(8) Other assets**

|   | <b>Group and Bank</b> |                  |
|---|-----------------------|------------------|
|   | <b>Mar</b>            | <b>Dec</b>       |
|   | <b>2008</b>           | <b>2007</b>      |
|   | <b>RM'000</b>         | <b>RM'000</b>    |
| Interest/Income receivable              | 82,933                | 83,299           |
| Other debtors, deposits and prepayments | 131,132               | 292,394          |
| Derivatives (note 19)                   | 1,227,145             | 858,629          |
|   | <hr/>                 | <hr/>            |
|   | <u>1,441,210</u>      | <u>1,234,322</u> |

**(9) Deposits from customers**

**(i) By type of deposit**

|                                   | <b>Group and Bank</b> |                   |
|-----------------------------------|-----------------------|-------------------|
|                                   | <b>Mar</b>            | <b>Dec</b>        |
|                                   | <b>2008</b>           | <b>2007</b>       |
|                                   | <b>RM'000</b>         | <b>RM'000</b>     |
| Demand deposits                   | 10,630,489            | 10,321,480        |
| Saving deposits                   | 1,419,143             | 1,384,797         |
| Fixed deposits                    | 12,834,834            | 15,030,145        |
| Other deposits                    | 3,703,050             | 1,778,639         |
| Negotiable Instruments of Deposit | 617,500               | 331,100           |
| Others - cash collateral          | 19,670                | 18,893            |
|                                   | <hr/>                 | <hr/>             |
|                                   | <u>29,224,686</u>     | <u>28,865,054</u> |

**(9) Deposits from customers (continued)**

**(ii) By type of customers**

|                                 | <b>Group and Bank</b>          |                                |
|---------------------------------|--------------------------------|--------------------------------|
|                                 | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Federal and state governments   | -                              | -                              |
| Government and statutory bodies | 51,685                         | 54,801                         |
| Business enterprise             | 14,044,919                     | 13,592,857                     |
| Individuals                     | 13,733,044                     | 14,058,991                     |
| Others                          | 1,395,038                      | 1,158,405                      |
|                                 | <u>29,224,686</u>              | <u>28,865,054</u>              |

**(10) Deposits and placements of banks and other financial institutions**

|                              | <b>Group and Bank</b>          |                                |
|------------------------------|--------------------------------|--------------------------------|
|                              | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Licensed banks               | 11,526,620                     | 11,105,095                     |
| Bank Negara Malaysia         | 208,761                        | -                              |
| Other financial institutions | 168,500                        | -                              |
|                              | <u>11,903,881</u>              | <u>11,105,095</u>              |

**(11) Other liabilities**

|                                   | <b>Group and Bank</b>          |                                |
|-----------------------------------|--------------------------------|--------------------------------|
|                                   | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Interest/Profit payable           | 132,089                        | 144,093                        |
| Other creditors and accruals      | 981,329                        | 1,355,687                      |
| Provision for retirement benefits | 3,077                          | 3,151                          |
| Profit Equalisation Reserve       | 12                             | 1,829                          |
| Taxation                          | 95,723                         | 46,006                         |
| Derivatives (Note 19)             | 1,254,052                      | 789,340                        |
|                                   | <u>2,466,283</u>               | <u>2,340,106</u>               |

**(12) Share capital**

|                                | <b>Group and Bank</b> |                     |
|--------------------------------|-----------------------|---------------------|
|                                | <b>Mar<br/>2008</b>   | <b>Dec<br/>2007</b> |
| Authorised:-                   |                       |                     |
| Ordinary shares of RM1.00 each | <u>500,000,000</u>    | <u>500,000,000</u>  |
| Issued and fully paid          | <u>121,696,972</u>    | <u>121,696,972</u>  |

**(13) Reserves**

|                   | <b>Group and Bank</b>          |                                |
|-------------------|--------------------------------|--------------------------------|
|                   | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Share premium     | 380,303                        | 380,303                        |
| Statutory reserve | 121,697                        | 121,697                        |
| Other Reserve     | 1,608                          | (2,773)                        |
| Retained profits  | 2,108,816                      | 1,895,500                      |
|                   | <hr/>                          | <hr/>                          |
|                   | <u>2,612,424</u>               | <u>2,394,727</u>               |

**(14) Interest income**

|   | <b>Group and Bank</b>          |                                |
|---|--------------------------------|--------------------------------|
|   | <b>Mar<br/>2008<br/>RM'000</b> | <b>Mar<br/>2007<br/>RM'000</b> |
| Loans and advances  |                                |                                |
| - Interest income other than recoveries from NPLs                   | 367,351                        | 362,748                        |
| - Recoveries from NPLs  | 3,464                          | 6,947                          |
| Money at call and deposit placements<br>with financial institutions | 158,316                        | 65,805                         |
| Securities held-for-trading   | 12,613                         | 21,113                         |
| Securities available-for-sale                                       | 28,775                         | 40,673                         |
| Securities held-to-maturity   | 16                             | -                              |
| Securities purchased under resale<br>agreements                     | 7,432                          | 16,604                         |
|   | <hr/>                          | <hr/>                          |
|   | 577,967                        | 513,890                        |
| Less amortisation of premium/accretion of<br>discounts              | <hr/>                          | <hr/>                          |
|   | 2,327                          | (1,412)                        |
|   | <hr/>                          | <hr/>                          |
|   | <u>580,295</u>                 | <u>512,478</u>                 |

**(15) Interest expense**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Mar<br/>2007<br/>RM'000</b> |
| Deposits and placements of banks and other<br>financial institutions | 100,223                        | 27,804                         |
| Deposits from customers  | 170,971                        | 156,086                        |
| Loans sold to Cagamas  | 3,569                          | 6,817                          |
| Others   | 11,568                         | 38,141                         |
|  | <hr/>                          | <hr/>                          |
|  | 286,331                        | 228,848                        |
|  | <hr/>                          | <hr/>                          |
|  | <u>286,331</u>                 | <u>228,848</u>                 |

**(16) Other operating income**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Mar<br/>2007<br/>RM'000</b> |
| Fee income:                                      |                                |                                |
| Commission                                       | 36,834                         | 41,422                         |
| Service charges and fees                         | 100                            | 83                             |
| Guarantee fees                                   | 2,348                          | 1,947                          |
| Bankcard fees                                    | 36,448                         | 34,497                         |
| Insurance premium and referral                   | 4,840                          | 5,313                          |
| Other fee income                                 | 3,542                          | 3,240                          |
|  | <u>84,112</u>                  | <u>86,502</u>                  |
| Income from securities:                          |                                |                                |
| Unrealised gain from securities held-for-trading | 3,991                          | 5,662                          |
| Net gain from sales of securities                |                                |                                |
| - securities held for trading                    | 16,688                         | 15,041                         |
| - securities available for sale                  | 22,272                         | 6,284                          |
| Gross dividends from securities held to maturity | 277                            | -                              |
|  | <u>43,228</u>                  | <u>26,987</u>                  |
| Other income:                                    |                                |                                |
| Foreign exchange profit                          |                                |                                |
| - net unrealised gain                            | 48,070                         | 96,607                         |
| - net realised gain / (loss)                     | 10,804                         | (36,685)                       |
| Loss from derivatives                            | (8,547)                        | (26,655)                       |
| Loss on disposal of of fixed assets              | (121)                          | -                              |
|  | <u>50,206</u>                  | <u>33,267</u>                  |
| Total other operating income                     | <u><u>177,546</u></u>          | <u><u>146,756</u></u>          |



**(17) Other operating expenses**

|   | <b>Group and Bank</b> |                     |
|---|-----------------------|---------------------|
|   | <b>Mar<br/>2008</b>   | <b>Mar<br/>2007</b> |
|   | <b>RM'000</b>         | <b>RM'000</b>       |
| Personnel costs                             |                       |                     |
| -Salaries, allowances and bonuses           | 40,780                | 44,810              |
| -Employees provident fund                   | 7,983                 | 6,846               |
| -Staff benefit and other compensation       | 30,676                | 32,276              |
| -Others                                     | 3,387                 | 4,917               |
|   | <u>82,827</u>         | <u>88,849</u>       |
| Establishment costs                         |                       |                     |
| -Depreciation                               | 6,203                 | 6,994               |
| -Rental of premises                         | 5,586                 | 5,798               |
| -Hire of equipment                          | 487                   | 926                 |
| -Utility                                    | 1,372                 | 1,413               |
| -Others                                     | 985                   | 1,446               |
|   | <u>14,633</u>         | <u>16,577</u>       |
| Marketing expenses                          |                       |                     |
| -Advertisement and promotional expenses     | 12,341                | 13,969              |
| -Others                                     | 372                   | 552                 |
|   | <u>12,713</u>         | <u>14,521</u>       |
| Administration and general expenses         |                       |                     |
| -Processing cost                            | 23,145                | 33,952              |
| -Auditors' remuneration                     | 31                    | 79                  |
| -Write off of property, plant and equipment | -                     | 20                  |
| -Stationery and supplies                    | 2,814                 | 1,739               |
| -Communication expenses                     | 3,359                 | 2,386               |
| -Maintenance of office equipment etc        | 4,733                 | 3,860               |
| -Others                                     | 24,451                | 15,542              |
|   | <u>58,533</u>         | <u>57,577</u>       |
|   |                       |                     |
| Total other operating expense               | <u>168,707</u>        | <u>177,524</u>      |

**(18) Allowance for losses on loans and financing**

|  | <b>Group and Bank</b> |                     |
|--|-----------------------|---------------------|
|  | <b>Mar<br/>2008</b>   | <b>Mar<br/>2007</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>       |
| Allowance for bad and doubtful debts on loans and financing :- |                       |                     |
| Specific allowance   |                       |                     |
| - made in the financial year                                   | 67,133                | 25,433              |
| - written back   | (15,580)              | (13,960)            |
| General allowance  |                       |                     |
| - (written back)/made during the year                          | (1,070)               | 5,347               |
| Bad debts on loan and financing                                |                       |                     |
| - written back   | (13,461)              | (7,618)             |
| - written off  | 1,524                 | 25,657              |
|  | <u>38,546</u>         | <u>34,859</u>       |

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**(19) Commitment and contingencies**

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies constitute the following:-

|   | <b>Mar 2008</b>               |  |                                      | <b>Dec 2007</b>               |  |                                      |
|---|-------------------------------|--|--------------------------------------|-------------------------------|--|--------------------------------------|
|   | Principal<br>Amount<br>RM'000 | Credit<br>Equivalent<br>Amount<br>RM'000 | Risk<br>weighted<br>amount<br>RM'000 | Principal<br>Amount<br>RM'000 | Credit<br>Equivalent<br>Amount<br>RM'000 | Risk<br>weighted<br>amount<br>RM'000 |
| Direct credit substitute  | 1,594,358                     | 1,594,358                                | 1,493,221                            | 1,576,209                     | 1,576,209                                | 1,525,007                            |
| Transaction -related contingent items                                   | 747,377                       | 373,689                                  | 341,638                              | 651,455                       | 325,728                                  | 325,728                              |
| Short-term self liquidating trade-<br>related contingencies             | 236,395                       | 47,279                                   | 36,621                               | 432,355                       | 86,471                                   | 55,571                               |
| Other assets sold with recourse<br>and commitment with certain drawdown | 1,144,143                     | 1,144,143                                | 436,347                              | 1,891,342                     | 1,891,342                                | 394,113                              |
| Irrevocable commitments to extend credit                                |                               |  |                                      |                               |  |                                      |
| - maturity not exceeding one year                                       | 18,647,627                    | 2,997,581                                | 2,377,876                            | 17,855,237                    | -  | -                                    |
| - maturity exceeding one year   | 1,250,630                     | 625,315                                  | 485,518                              | 1,347,766                     | 673,883                                  | 657,966                              |
| Foreign exchange related contracts:                                     |                               |  |                                      |                               |  |                                      |
| -Less than one year   | 34,295,357                    | 830,364                                  | 470,932                              | 29,804,183                    | 417,355                                  | 121,441                              |
| -One year to less than 5 years  | 5,794,326                     | 1,046,761                                | 821,776                              | 4,332,829                     | 403,544                                  | 155,007                              |
| -5 years and above  | 603,824                       | 107,498                                  | 107,498                              | 623,500                       | 105,995                                  | 23,239                               |
| Interest rate related contracts:  |                               |  |                                      |                               |  |                                      |
| - Less than one year  | 5,712,328                     | 92,329                                   | 26,681                               | 4,479,789                     | 6,347                                    | 1,313                                |
| - One year to less than 5 years   | 27,278,465                    | 556,468                                  | 127,913                              | 29,675,418                    | 338,146                                  | 68,920                               |
| - 5 years and above   | 3,664,023                     | 346,037                                  | 76,938                               | 4,561,970                     | 353,213                                  | 79,683                               |
| Equity related contracts  | 582,268                       | 69,432                                   | 13,886                               | 574,558                       | 17,237                                   | 3,447                                |
| Others  | 465,163                       | 15,312                                   | 10,143                               | 603,465                       | 13,854                                   | 4,110                                |
| <b>Total</b>  | <b>102,016,284</b>            | <b>9,846,566</b>                         | <b>6,826,988</b>                     | <b>98,410,076</b>             | <b>6,209,324</b>                         | <b>3,415,545</b>                     |

With effect from 1 January 2008, the credit equivalent amount and risk weighted amount are arrived at using the credit conversion factors as defined in Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework, Standardised Approach (Basel II).

Foreign exchange related contracts, interest rate related contracts and equity related contracts are off balance sheet derivative instruments whose value changes in response to changes in prices or rates of the underlying instruments. Table below shows the Group's and the Bank's derivative financial instruments as at the balance sheet date. The contractual or underlying principal amount of these derivative financial instruments and their corresponding gross positive (derivative financial asset) and gross negative (derivative financial liability) fair values as at balance sheet date are as below.

|                                     | <b>Mar 2008</b>              |                                  |                                  | <b>Dec 2007</b>              |                                  |                                  |
|-------------------------------------|------------------------------|----------------------------------|----------------------------------|------------------------------|----------------------------------|----------------------------------|
|                                     | Contract<br>amount<br>RM'000 | Positive<br>fair value<br>RM'000 | Negative<br>fair value<br>RM'000 | Contract<br>amount<br>RM'000 | Positive<br>fair value<br>RM'000 | Negative<br>fair value<br>RM'000 |
| Foreign exchange related contracts: |                              |                                  |                                  |                              |                                  |                                  |
| -Forward contracts                  | 30,021,458                   | 297,424                          | 361,935                          | 27,877,861                   | 264,974                          | 245,756                          |
| -Cross currency interest rate swaps | 5,509,409                    | 380,719                          | 264,190                          | 5,282,498                    | 255,461                          | 138,331                          |
| -Options                            | 5,162,640                    | 243,660                          | 230,975                          | 1,600,153                    | 119,460                          | 117,481                          |
| Interest rate contracts             |                              |                                  |                                  |                              |                                  |                                  |
| -Futures                            | 11,899,000                   | -                                | -                                | 15,791,406                   | -                                | -                                |
| -Swaps                              | 24,737,311                   | 281,594                          | 373,892                          | 22,911,521                   | 173,901                          | 241,924                          |
| -Options                            | 18,505                       | 897                              | 170                              | 14,250                       | 50                               | 1,035                            |
| Equity related contracts            | 582,268                      | 22,851                           | 22,890                           | 574,558                      | 44,783                           | 44,813                           |
|                                     | <b>77,930,591</b>            | <b>1,227,145</b>                 | <b>1,254,052</b>                 | <b>74,052,247</b>            | <b>858,629</b>                   | <b>789,340</b>                   |
|                                     |                              | Note 8                           | Note 11                          |                              | Note 8                           | Note 11                          |

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**(20) Capital adequacy**

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

|  | <b>Bank</b>                    |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| <b>Tier I capital</b>                                      |                                |                                |
| Paid-up share capital                                      | 121,697                        | 121,697                        |
| Share premium  | 380,303                        | 380,303                        |
| Retained earnings  | 1,895,500                      | 1,895,500                      |
| Other reserves   | 118,924                        | 118,924                        |
|  | 2,516,424                      | 2,516,424                      |
| Less : Deferred tax assets                                 | (48,334)                       | (48,334)                       |
| <b>Total Tier-I capital</b>                                | <b>2,468,090</b>               | <b>2,468,090</b>               |
| <b>Tier II capital</b>                                     |                                |                                |
| Subordinated loans   | 400,000                        | 400,000                        |
| General allowance for bad and doubtful debts and financing | 314,312                        | 314,312                        |
| <b>Total Tier II capital</b>                               | <b>714,312</b>                 | <b>714,312</b>                 |
| <b>Total Capital</b>                                       | 3,182,402                      | 3,182,402                      |
| Less: Investments in subsidiaries                          | (20)                           | (20)                           |
| <b>Capital base</b>  | <b>3,182,382</b>               | <b>3,182,382</b>               |
| Core capital ratio   | 8.61%                          | 10.06%                         |
| Risk weighted capital ratio                                | 11.10%                         | 12.97%                         |

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

|                                   | <b>Bank</b>                 |                                 |                             |                                 |
|-----------------------------------|-----------------------------|---------------------------------|-----------------------------|---------------------------------|
|                                   | <b>Mar 2008</b>             |                                 | <b>Dec 2007</b>             |                                 |
|                                   | <b>Principal<br/>RM'000</b> | <b>Risk weighted<br/>RM'000</b> | <b>Principal<br/>RM'000</b> | <b>Risk weighted<br/>RM'000</b> |
| 0%                                | 6,516,955                   | -                               | 6,406,411                   | -                               |
| 10%                               | -                           | -                               | -                           | -                               |
| 20%                               | 18,986,053                  | 3,797,211                       | 19,361,828                  | 3,872,366                       |
| 35%                               | 8,589,360                   | 3,006,276                       |                             |                                 |
| 50%                               | 2,751,469                   | 1,375,735                       | 12,534,592                  | 6,267,296                       |
| 75%                               | 9,086,240                   | 6,814,680                       | -                           | -                               |
| 100%                              | 8,157,396                   | 8,157,396                       | 12,918,282                  | 12,918,282                      |
| 150%                              | 242,997                     | 364,496                         | -                           | -                               |
| Total credit risk weighted assets | 54,330,470                  | 23,515,793                      | 51,221,113                  | 23,057,944                      |
| Market risk adjusted assets       |                             | 2,233,164                       |                             | 1,483,005                       |
| Operational Risk adjusted assets  |                             | 2,930,251                       |                             | -                               |
| Total Risk Weighted Assets        |                             | 28,679,208                      |                             | 24,540,949                      |

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**Interest/profit rate risk**

The group and the Bank are exposed to various risks associated with the effects of the fluctuations in the prevailing market interest rates on its financial positions and cash flows. The following table indicated the effective interest rate at the Balance Sheet date and the periods in which the financial instruments reprice or mature whichever is earlier.

| <b>Group</b>  | Up to             | > 1 - 3            | > 3 - 12         | > 1 - 5          | over 5           | Non-interest       | Trading          | Total             | Effective interest |
|---|-------------------|--------------------|------------------|------------------|------------------|--------------------|------------------|-------------------|--------------------|
| <b>2008</b>   | 1 mth             | months             | months           | years            | years            | sensitive          |                  |                   |                    |
|   | RM'000            | RM'000             | RM'000           | RM'000           | RM'000           | RM'000             | RM'000           | RM'000            | %                  |
| <b><u>ASSETS</u></b>  |                   |                    |                  |                  |                  |                    |                  |                   |                    |
| Cash and short term funds   | 15,939,690        | -                  | -                | -                | -                | 385,119            | -                | 16,324,809        | 3.57%              |
| Deposits and placements with banks and other financial institutions | -                 | 870,785            | 1,189,606        | 510,602          | -                | -                  | -                | 2,570,992         | 3.94%              |
| Securities purchased under resale agreements                        | 740,222           | 459,888            | -                | -                | -                | -                  | -                | 1,200,110         | 3.61%              |
| Securities held for trading   | -                 | -                  | -                | -                | -                | -                  | 1,280,857        | 1,280,857         | 4.67%              |
| Securities available-for-sale                                       | -                 | 59,562             | 272,214          | 1,853,069        | 747,235          | -                  | -                | 2,932,080         | 3.94%              |
| Securities held-to-maturity   | -                 | -                  | -                | -                | -                | 7,499              | -                | 7,499             | 0.00%              |
| Loans, advances and financing                                       |                   |                    |                  |                  |                  |                    |                  |                   |                    |
| - performing  | 13,761,794        | 1,173,265          | 1,096,019        | 2,997,345        | 1,636,955        | 41,276             | -                | 20,706,654        | 7.28%              |
| - non-performing *  | -                 | -                  | -                | -                | -                | (126,015)          | -                | (126,015)         |                    |
| Other asset   | -                 | -                  | -                | -                | -                | 1,441,210          | -                | 1,441,210         |                    |
| Statutory deposits with BNM   | -                 | -                  | -                | -                | -                | 675,759            | -                | 675,759           |                    |
| Deferred tax  | -                 | -                  | -                | -                | -                | 46,834             | -                | 46,834            |                    |
| Property, plant and equipment                                       | -                 | -                  | -                | -                | -                | 67,190             | -                | 67,190            |                    |
| <b>TOTAL ASSETS</b>   | <b>30,441,706</b> | <b>2,563,500</b>   | <b>2,557,839</b> | <b>5,361,016</b> | <b>2,384,190</b> | <b>2,538,873</b>   | <b>1,280,857</b> | <b>47,127,980</b> |                    |
| <b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>                  |                   |                    |                  |                  |                  |                    |                  |                   |                    |
| Deposits from customers   | 14,762,503        | 2,629,875          | 5,185,943        | 1,382,952        | 40,000           | 5,223,413          | -                | 29,224,686        | 2.53%              |
| Deposits and placements of banks and other financial institutions   | 10,427,785        | 1,441,919          | 2,824            | 31,352           | -                | -                  | -                | 11,903,881        | 3.49%              |
| Obligation on securities sold under repurchase agreements           | -                 | -                  | -                | -                | -                | -                  | -                | -                 |                    |
| Bills and acceptance payable  | -                 | -                  | -                | -                | -                | 24,953             | -                | 24,953            |                    |
| Recourse obligation on loans sold to Cagamas                        | 200,013           | -                  | 174,043          | -                | -                | -                  | -                | 374,056           | 3.58%              |
| Other liabilities   | -                 | -                  | -                | -                | -                | 2,466,283          | -                | 2,466,283         |                    |
| Subordinated loan   | -                 | -                  | -                | -                | 400,000          | -                  | -                | 400,000           | 4.60%              |
| <b>Total Liabilities</b>  | <b>25,390,301</b> | <b>4,071,794</b>   | <b>5,362,810</b> | <b>1,414,304</b> | <b>440,000</b>   | <b>7,714,649</b>   | <b>-</b>         | <b>44,393,859</b> |                    |
| Shareholders' equity  | -                 | -                  | -                | -                | -                | 2,734,121          | -                | 2,734,121         |                    |
| <b>Total Liabilities and Shareholders' equity</b>                   | <b>25,390,301</b> | <b>4,071,794</b>   | <b>5,362,810</b> | <b>1,414,304</b> | <b>440,000</b>   | <b>10,448,770</b>  | <b>-</b>         | <b>47,127,980</b> |                    |
| On Balance Sheet interest sensitivity gap                           | 5,051,405         | (1,508,294)        | (2,804,971)      | 3,946,711        | 1,944,190        | (7,909,898)        | 1,280,857        |                   |                    |
| Off Balance Sheet interest sensitivity gap                          | (545,172)         | (4,080,880)        | 5,149,259        | (80,297)         | (390,581)        | -                  | -                |                   |                    |
|   | <b>4,506,233</b>  | <b>(5,589,174)</b> | <b>2,344,288</b> | <b>3,866,414</b> | <b>1,553,609</b> | <b>(7,909,898)</b> | <b>1,280,857</b> |                   |                    |

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

Interest/profit rate risk

| <b>Group</b>  | Up to             | > 1 - 3            | > 3 - 12         | > 1 - 5          | over 5           | Non-interest       | Trading          | Total             | Effective interest |
|---|-------------------|--------------------|------------------|------------------|------------------|--------------------|------------------|-------------------|--------------------|
| <b>2007</b>   | 1 mth             | months             | months           | years            | years            | sensitive          |                  |                   |                    |
|   | RM'000            | RM'000             | RM'000           | RM'000           | RM'000           | RM'000             | RM'000           | RM'000            | %                  |
| <b><u>ASSETS</u></b>  |                   |                    |                  |                  |                  |                    |                  |                   |                    |
| Cash and short term funds   | 16,707,281        | -                  | -                | -                | -                | 37,001             | -                | 16,744,282        | 4.31%              |
| Deposits and placements with banks and other financial institutions | -                 | 392,467            | 821,314          | 381,395          | -                | -                  | -                | 1,595,176         | 4.72%              |
| Securities purchased under resale agreements                        | 255,032           | 190,437            | -                | -                | -                | -                  | -                | 445,469           | 3.51%              |
| Securities held for trading   | -                 | -                  | -                | -                | -                | -                  | 1,352,741        | 1,352,741         | 3.89%              |
| Securities available-for-sale                                       | 134,997           | 225,863            | 266,781          | 1,985,109        | 284,841          | -                  | -                | 2,897,591         | 3.61%              |
| Securities held-to-maturity   | -                 | -                  | -                | -                | -                | 7,499              | -                | 7,499             | 0.00%              |
| Loans, advances and financing                                       |                   |                    |                  |                  |                  |                    |                  |                   |                    |
| - performing  | 14,248,686        | 1,121,209          | 1,124,115        | 3,006,663        | 1,004,311        | (348,742)          | -                | 20,156,242        | 7.84%              |
| - non-performing *  | -                 | -                  | -                | -                | -                | 347,971            | -                | 347,971           |                    |
| Other asset   | -                 | -                  | -                | -                | -                | 1,234,322          | -                | 1,234,322         |                    |
| Statutory deposits with BNM   | -                 | -                  | -                | -                | -                | 845,408            | -                | 845,408           |                    |
| Deferred tax  | -                 | -                  | -                | -                | -                | 48,334             | -                | 48,334            |                    |
| Property, plant and equipment                                       | -                 | -                  | -                | -                | -                | 72,227             | -                | 72,227            |                    |
| <b>TOTAL ASSETS</b>   | <b>31,345,996</b> | <b>1,929,976</b>   | <b>2,212,210</b> | <b>5,373,167</b> | <b>1,289,152</b> | <b>2,244,020</b>   | <b>1,352,741</b> | <b>45,747,262</b> |                    |
| <b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>                  |                   |                    |                  |                  |                  |                    |                  |                   |                    |
| Deposits from customers   | 14,661,830        | 2,812,691          | 5,358,013        | 1,198,100        | 79,775           | 4,754,645          | -                | 28,865,054        | 3.37%              |
| Deposits and placements of banks and other financial institutions   | 10,812,777        | 324                | 259,547          | 32,447           | -                | -                  | -                | 11,105,095        | 4.51%              |
| Obligation on securities sold under repurchase agreements           | -                 | -                  | -                | -                | -                | -                  | -                | -                 |                    |
| Bills and acceptance payable  | -                 | -                  | -                | -                | -                | 97,054             | -                | 97,054            |                    |
| Recourse obligation on loans sold to Cagamas                        | -                 | 47,209             | 376,320          | -                | -                | -                  | -                | 423,529           | 3.62%              |
| Other liabilities   | -                 | -                  | -                | -                | -                | 2,340,106          | -                | 2,340,106         |                    |
| Subordinated loan   | -                 | -                  | -                | -                | 400,000          | -                  | -                | 400,000           | 4.66%              |
| <b>Total Liabilities</b>  | <b>25,474,607</b> | <b>2,860,224</b>   | <b>5,993,880</b> | <b>1,230,547</b> | <b>479,775</b>   | <b>7,191,805</b>   | <b>-</b>         | <b>43,230,838</b> |                    |
| Shareholders' equity  | -                 | -                  | -                | -                | -                | 2,516,424          | -                | 2,516,424         |                    |
| <b>Total Liabilities and Shareholders' equity</b>                   | <b>25,474,607</b> | <b>2,860,224</b>   | <b>5,993,880</b> | <b>1,230,547</b> | <b>479,775</b>   | <b>9,708,229</b>   | <b>-</b>         | <b>45,747,262</b> |                    |
| On Balance Sheet interest sensitivity gap                           | 5,871,389         | (930,248)          | (3,781,670)      | 4,142,620        | 809,377          | (7,464,209)        | 1,352,741        |                   |                    |
| Off Balance Sheet interest sensitivity gap                          | 634,780           | (5,147,102)        | 5,507,990        | (245,442)        | (690,334)        | -                  | -                |                   |                    |
|   | <b>6,506,169</b>  | <b>(6,077,350)</b> | <b>1,726,320</b> | <b>3,897,178</b> | <b>119,043</b>   | <b>(7,464,209)</b> | <b>1,352,741</b> |                   |                    |

**CITIBANK BERHAD  
AND ITS SUBSIDIARY COMPANIES  
ISLAMIC BANKING OPERATIONS  
(Company No. 297089 M)  
(Incorporated in Malaysia)  
UNAUDITED BALANCE SHEET AT 31 MARCH 2008**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| <b>Assets</b>  |                                |                                |
| Cash and short term funds  | (a) 14,740                     | 954                            |
| Deposits and placements with banks<br>and other financial institutions | (b) 715,000                    | 806,000                        |
| Securities held-for-trading  | (c) 84,677                     | 16                             |
| Securities available-for-sale  | (d) 300,391                    | 301,733                        |
| Financing, advances and other loans                                    | (e) 216,701                    | 175,497                        |
| Deferred tax assets  | 895                            | 1,505                          |
| Other assets   | (g) 254,342                    | 112,048                        |
|  | <hr/>                          | <hr/>                          |
| <b>Total assets</b>  | <b><u>1,586,746</u></b>        | <b><u>1,397,753</u></b>        |
| <b>Liabilities</b>   |                                |                                |
| Deposits from customers  | (h) 1,080,721                  | 1,096,093                      |
| Deposits and placements of banks<br>and other financial institutions   | (i) 13,581                     | -                              |
| Bills and acceptances payable  | 2,704                          | -                              |
| Other liabilities  | (j) 365,084                    | 187,514                        |
|  | <hr/>                          | <hr/>                          |
| <b>Total liabilities</b>   | <b><u>1,462,090</u></b>        | <b><u>1,283,607</u></b>        |
| Islamic banking funds  | (k) 124,656                    | 114,146                        |
|  | <hr/>                          | <hr/>                          |
| <b>Total liabilities and Islamic banking funds</b>                     | <b><u>1,586,747</u></b>        | <b><u>1,397,753</u></b>        |
| <b>Commitments and contingencies</b>                                   | <b><u>1,498,128</u></b>        | <b><u>1,318,179</u></b>        |

**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 2008**

|   |     | <b>Group and Bank</b>          |                                |
|---|-----|--------------------------------|--------------------------------|
|   |     | <b>Mar<br/>2008<br/>RM'000</b> | <b>Mar<br/>2007<br/>RM'000</b> |
| Income derived from investments of depositors' funds and others | (l) | 13,119                         | 16,596                         |
| Allowances for losses on financing                              | (m) | (687)                          | 210                            |
| Transfer from / (to) profit equalisation reserve                | (n) | <u>1,817</u>                   | <u>(4,569)</u>                 |
| Total attributable income                                       |     | 14,249                         | 12,237                         |
| Income attributable to depositors                               | (o) | <u>(5,875)</u>                 | <u>(3,474)</u>                 |
| Total attributable to the Bank                                  |     | 8,374                          | 8,763                          |
| Income derived from investment of Banking Capital funds         | (p) | <u>4,580</u>                   | <u>577</u>                     |
| Total net income  |     | 12,954                         | 9,340                          |
| Other operating expenses  | (q) | (1,185)                        | (469)                          |
| Profit Before Taxation  |     | <u>11,769</u>                  | <u>8,871</u>                   |
| Taxation  |     | (2,608)                        | (2,304)                        |
| Profit after taxation   |     | <u><u>9,161</u></u>            | <u><u>6,567</u></u>            |

**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 2008**

|  | <b>Group and Bank</b>               |                                     |                          |                         |
|--|-------------------------------------|-------------------------------------|--------------------------|-------------------------|
|  | <b>Capital<br/>Funds<br/>RM'000</b> | <b>Other<br/>Reserve<br/>RM'000</b> | <b>Profit<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
| <b>At 1 January 2007</b>   | 20,000                              | 4,041                               | 66,811                   | 90,852                  |
| Profit after taxation  | -                                   | -                                   | 28,726                   | 28,726                  |
| Unrealised net gain/loss<br>on revaluation of securities<br>available for sale | -                                   | (5,432)                             | -                        | (5,432)                 |
| <b>At 31 December 2007</b>   | <u>20,000</u>                       | <u>(1,391)</u>                      | <u>95,537</u>            | <u>114,146</u>          |
| <b>At 1 January 2008</b>   | 20,000                              | (1,391)                             | 95,537                   | 114,146                 |
| Profit after taxation  | -                                   | -                                   | 9,161                    | 9,161                   |
| Unrealised net gain/loss<br>on revaluation of securities<br>available for sale | -                                   | 1,349                               | -                        | 1,349                   |
| <b>At 31 March 2008</b>  | <u>20,000</u>                       | <u>(42)</u>                         | <u>104,698</u>           | <u>124,656</u>          |

Note (k)



**(a) Cash and short term funds**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Cash and balances with banks and other financial institutions  | 1,853                          | 954                            |
| Money at call and deposit placements maturing within one month | 12,887                         | -                              |
|  | <u>14,740</u>                  | <u>954</u>                     |

**(b) Deposits and placements with banks and other financial institutions**

|                      | <b>Group and Bank</b>          |                                |
|----------------------|--------------------------------|--------------------------------|
|                      | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Bank Negara Malaysia | <u>715,000</u>                 | <u>806,000</u>                 |

**(c) Securities held for trading**

|               | <b>Group and Bank</b>          |                                |
|---------------|--------------------------------|--------------------------------|
|               | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| At fair value |                                |                                |
| BNM Bills     | <u>84,677</u>                  | <u>16</u>                      |

**(d) Securities available for sale**

|   | <b>Group and Bank</b>          |                                |
|---|--------------------------------|--------------------------------|
|   | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| At fair value                               |                                |                                |
| Malaysian Government Islamic Treasury Bills | 40,032                         | -                              |
| Malaysian Government Investment Issues      | 64,903                         | 104,070                        |
| Islamic Khazanah Bonds                      | 195,456                        | 197,663                        |
|   | <u>300,391</u>                 | <u>301,733</u>                 |

**(e) Financing, Advances and other loans**

**(i) By type**

|   | <b>Group and Bank</b> |                |
|---|-----------------------|----------------|
|   | <b>Mar</b>            | <b>Dec</b>     |
|   | <b>2008</b>           | <b>2007</b>    |
|   | <b>RM'000</b>         | <b>RM'000</b>  |
| Term financing                                |                       |                |
| -House financing                              | 241,917               | 194,821        |
| -Hire purchase receivables                    | 29,546                | 29,896         |
| -Lease receivables                            | 17,730                | 20,054         |
| -Bill receivables                             | 2,753                 | -              |
|   | <hr/>                 | <hr/>          |
|   | 291,946               | 244,771        |
| Unearned income                               | (67,321)              | (61,224)       |
|   | <hr/>                 | <hr/>          |
|   | 224,625               | 183,547        |
| Allowance for bad and doubtful financing      |                       |                |
| - general                                     | (3,288)               | (2,683)        |
| - specific                                    | (5,382)               | (5,367)        |
|   | <hr/>                 | <hr/>          |
| Total net financing, advances and other loans | <u>215,955</u>        | <u>175,497</u> |

**(ii) By contract**

|                            | <b>Group and Bank</b> |               |
|----------------------------|-----------------------|---------------|
|                            | <b>Mar</b>            | <b>Dec</b>    |
|                            | <b>2008</b>           | <b>2007</b>   |
|                            | <b>RM'000</b>         | <b>RM'000</b> |
| Bai' Bithamin Ajil         | 71,560                | 73,835        |
| Ijarah Muntahia Bittamilik | 50,029                | 49,950        |
| Diminishing Musharakah     | 103,036               | 59,762        |
|                            | <hr/>                 | <hr/>         |
|                            | 224,625               | 183,547       |
|                            | <hr/>                 | <hr/>         |

**(iii) By type of customer**

|                               | <b>Group and Bank</b> |               |
|-------------------------------|-----------------------|---------------|
|                               | <b>Mar</b>            | <b>Dec</b>    |
|                               | <b>2008</b>           | <b>2007</b>   |
|                               | <b>RM'000</b>         | <b>RM'000</b> |
| Domestic business enterprises |                       |               |
| -Small and medium enterprises | 32,902                | 31,404        |
| -Others                       | 17,128                | 18,546        |
| Individuals                   | 174,595               | 133,597       |
|                               | <hr/>                 | <hr/>         |
|                               | 224,625               | 183,547       |
|                               | <hr/>                 | <hr/>         |

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

**(iv) By profit rate sensitivity**

|                                  | <b>Group and Bank</b>          |                                |
|----------------------------------|--------------------------------|--------------------------------|
|                                  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Fixed rate                       |                                |                                |
| -House financing                 | 174,596                        | 133,597                        |
| -Hire purchase receivables       | 29,546                         | 29,896                         |
| -Other fixed rate loan/financing | 20,483                         | 20,054                         |
|                                  | 224,625                        | 183,547                        |
|                                  | 224,625                        | 183,547                        |

**(v) By sector**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Mining & quarrying                                     | 124                            | 199                            |
| Manufacturing(including agriculture based)             | 25,877                         | 24,758                         |
| Wholesale, retail trade, restaurants and hotels        | 4,544                          | 2,051                          |
| Transport, storage and communication                   | 15,419                         | 18,505                         |
| Finance, insurance, real estate and bussiness services | 4,066                          | 4,437                          |
| Household  |                                |                                |
| - residential  | 174,595                        | 133,597                        |
|  | 224,625                        | 183,547                        |
|  | 224,625                        | 183,547                        |

**(vi) By purpose**

|   | <b>Group and Bank</b>          |                                |
|---|--------------------------------|--------------------------------|
|   | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Purchase of landed property                       | 174,596                        | 133,597                        |
| Purchase fixed assets excluding land and building | 47,276                         | 49,950                         |
| Working capital                                   | 2,753                          | -                              |
|   | 224,625                        | 183,547                        |
|   | 224,625                        | 183,547                        |

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

**(f) Non-performing loans (NPL)**

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

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| At 1 January   | 9,983                          | 6,605                          |
| Classified as non-performing during the year   | 473                            | 5,287                          |
| Reclassified as performing during the year   | (349)                          | -                              |
| Amount recovered   | (778)                          | (1,909)                        |
|  | <hr/>                          | <hr/>                          |
| At 31 March / 31 December  | 9,329                          | 9,983                          |
| Specific allowance   | (5,382)                        | (5,367)                        |
|  | <hr/>                          | <hr/>                          |
| Net non performing financing, advances and other loans   | <u>3,947</u>                   | <u>4,616</u>                   |
| Ratio of net non-performing financing, advances and other loans to total gross financing, advances and other loans less specific allowance | 1.80%                          | 2.59%                          |

**(ii) Movements in allowance for bad and doubtful financing are as follows:-**

|   | <b>Group and Bank</b>          |                                |
|---|--------------------------------|--------------------------------|
|   | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| <u>General allowance</u>                        |                                |                                |
| At 1 January                                    | 2,683                          | 3,099                          |
| (Written back)/Allowance made during the year   | 605                            | (416)                          |
|   | <hr/>                          | <hr/>                          |
| At 31 March / 31 December                       | <u>3,288</u>                   | <u>2,683</u>                   |
| As % of total financing less specific allowance | 1.50%                          | 1.51%                          |
| <u>Specific allowance</u>                       |                                |                                |
| At 1 January                                    | 5,367                          | 5,468                          |
| Allowance made during the year                  | 15                             | 14                             |
| Amount written back                             | -                              | (115)                          |
|   | <hr/>                          | <hr/>                          |
| At 31 March / 31 December                       | <u>5,382</u>                   | <u>5,367</u>                   |

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

**(f) Non-performing loans (NPL) (continued)**

**(iii) Non performing financing by sector**

|   | <b>Group and Bank</b>          |                                |
|---|--------------------------------|--------------------------------|
|   | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Manufacturing (including agriculture based)           | 4,812                          | 4,751                          |
| Wholesale, retail trade, restaurants and hotel        | 600                            | 636                            |
| Transport, storage and communication                  | 1,857                          | 2,467                          |
| Finance, insurance, real estate and business services | 1,035                          | 1,035                          |
| Household   |                                |                                |
| - residential   | 1,025                          | 1,094                          |
|   | <hr/>                          | <hr/>                          |
|   | <u>9,329</u>                   | <u>9,983</u>                   |

**(g) Other assets**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Profit receivable  | 247                            | 1,197                          |
| Other debtors, deposits and prepayments                        | 94,547                         | 15,998                         |
| Revaluation gain on profit rate undertaking contracts (Note t) | 159,548                        | 94,853                         |
|  | <hr/>                          | <hr/>                          |
|  | <u>254,342</u>                 | <u>112,048</u>                 |

**(h) Deposits from customers**

**(i) By type of deposit**

|                                   | <b>Group and Bank</b>          |                                |
|-----------------------------------|--------------------------------|--------------------------------|
|                                   | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| <b>Non-Mudharabah Fund</b>        |                                |                                |
| Demand deposits                   | 806,711                        | 834,138                        |
| Saving deposits                   | 133,488                        | 116,722                        |
| Negotiable Instruments of Deposit | -                              | -                              |
| Other deposits                    | 101,806                        | 100,521                        |
| <b>Mudharabah fund</b>            |                                |                                |
| General investment deposits       | 38,716                         | 44,712                         |
|                                   | <u>1,080,721</u>               | <u>1,096,093</u>               |

**(ii) By type of customers**

|                      | <b>Group and Bank</b>          |                                |
|----------------------|--------------------------------|--------------------------------|
|                      | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Business enterprises | 833,172                        | 960,029                        |
| Individuals          | 153,427                        | 136,063                        |
| Others               | 94,122                         | -                              |
|                      | <u>1,080,721</u>               | <u>1,096,093</u>               |

**(i) Deposits and placements of banks and other financial institutions**

|                      | <b>Group and Bank</b>          |                                |
|----------------------|--------------------------------|--------------------------------|
|                      | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Licensed banks       | -                              | -                              |
| Bank Negara Malaysia | 13,581                         | -                              |
|                      | <u>13,581</u>                  | <u>-</u>                       |

**(j) Other liabilities**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2007<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Profit payable   | 194                            | 247                            |
| Other creditors and accruals                                   | 202,433                        | 92,051                         |
| Profit Equalisation Reserve (note n)                           | 12                             | 1,829                          |
| Taxation   | 1,936                          | -                              |
| Revaluation loss on profit rate undertaking contracts (note t) | 160,509                        | 93,386                         |
|  | <u>365,084</u>                 | <u>187,514</u>                 |

**(k) Islamic Banking Fund**

|                   | <b>Group and Bank</b>          |                                |
|-------------------|--------------------------------|--------------------------------|
|                   | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| Fund allocated    | 20,000                         | 20,000                         |
| Other Reserve     | (42)                           | (1,391)                        |
| Retained earnings | 104,698                        | 95,537                         |
|                   | <u>124,656</u>                 | <u>114,146</u>                 |

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

|                                    | <b>Group and Bank</b>          |                                |
|------------------------------------|--------------------------------|--------------------------------|
|                                    | <b>Mar<br/>2008<br/>RM'000</b> | <b>Mar<br/>2007<br/>RM'000</b> |
| Income derived from investment of: |                                |                                |
| (i) General investment deposits    | 5,678                          | 10,315                         |
| (ii) Other deposits                | 7,441                          | 6,281                          |
|                                    | <u>13,119</u>                  | <u>16,596</u>                  |

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

**(i) Income derived from investment of general investment deposits**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Mar<br/>2007<br/>RM'000</b> |
| <b>Finance income and hibah</b>                    |                                |                                |
| Financing, advances and other loans                | 2,642                          | 2,647                          |
| Income from securities available-for-sale          | 868                            | 2,876                          |
| Income from securities available held-to-maturity  | -                              | -                              |
|  | <u>3,510</u>                   | <u>5,523</u>                   |
| Accretion of discount less amortisation of premium | 2,165                          | 1,189                          |
| Total finance income and hibah                     | <u>5,675</u>                   | <u>6,712</u>                   |
| <b>Other operating income</b>                      |                                |                                |
| Gain /(loss) from securities held-for-trading      | (3)                            | (14)                           |
| Gain from securities available-for-sale            | 5                              | 3,617                          |
|  | <u>3</u>                       | <u>3,603</u>                   |
|  | <u>5,678</u>                   | <u>10,315</u>                  |

**(ii) Income derived from investment of other deposits**

|                                 | <b>Group and Bank</b>          |                                |
|---------------------------------|--------------------------------|--------------------------------|
|                                 | <b>Mar<br/>2008<br/>RM'000</b> | <b>Mar<br/>2007<br/>RM'000</b> |
| <b>Finance income and hibah</b> |                                |                                |
| Money at call and placements    | 7,441                          | 6,281                          |
|                                 | <u>7,441</u>                   | <u>6,281</u>                   |

**(m) Allowances for loss on financing**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Mar<br/>2007<br/>RM'000</b> |
| Allowance for bad and doubtful debts and financing:- |                                |                                |
| Specific allowance                                   |                                |                                |
| - made in the financial year                         | 27                             | 52                             |
| - written back in the financial year                 | -                              | (129)                          |
| General allowance                                    |                                |                                |
| - (written back)/made in the year                    | 659                            | (133)                          |
|  | <u>687</u>                     | <u>(210)</u>                   |



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**(n) Profit equalisation reserve**

The movement in profit equalisation reserve are as follows:

|                                | <b>Group and Bank</b>          |                                |
|--------------------------------|--------------------------------|--------------------------------|
|                                | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| At 1 January                   | 1,829                          | 16,302                         |
| Movement in the financial year | (1,817)                        | (14,473)                       |
|                                | <hr/>                          | <hr/>                          |
| At 31 March / 31 December      | <u>12</u>                      | <u>1,829</u>                   |

**(o) Income attributable to depositors**

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Mar<br/>2007<br/>RM'000</b> |
| Deposits from customers  |                                |                                |
| - Mudharabah funds   | 68                             | 193                            |
| - Non-Mudharabah funds   | 4,962                          | 1,418                          |
| Deposits and placements of banks and other<br>financial institutions |                                |                                |
| - Mudharabah funds   | 838                            | 1,601                          |
| Others   | 7                              | 262                            |
|  | <hr/>                          | <hr/>                          |
|  | <u>5,875</u>                   | <u>3,474</u>                   |

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

|  | <b>Group and Bank</b>          |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Mar<br/>2007<br/>RM'000</b> |
| <b>Finance income and hibah</b>                    |                                |                                |
| Financing, advances and other loans                | 212                            | 146                            |
| Income from securities available-for-sale          | 69                             | 151                            |
| Income from securities available held-to-maturity  | -                              | -                              |
|  | <u>281</u>                     | <u>297</u>                     |
| Accretion of discount less amortisation of premium | 173                            | 63                             |
| Total finance income and hibah                     | <u>454</u>                     | <u>360</u>                     |
| <b>Other operating income</b>                      |                                |                                |
| Gain /(loss) from securities held-for-trading      | -                              | (1)                            |
| Gain from securities available-for-sale            | -                              | 190                            |
| Fee income   | 7,962                          | 28                             |
| Income from trading activities                     | (3,836)                        | -                              |
|  | <u>4,126</u>                   | <u>217</u>                     |
|  | <u>4,580</u>                   | <u>577</u>                     |

**(q) Other operating expenses**

|                                     | <b>Group and Bank</b>          |                                |
|-------------------------------------|--------------------------------|--------------------------------|
|                                     | <b>Mar<br/>2008<br/>RM'000</b> | <b>Mar<br/>2007<br/>RM'000</b> |
| Personnel costs                     | 97                             | 78                             |
| Establishment costs                 | 7                              | 12                             |
| Marketing expenses                  | -                              | 1                              |
| Administration and general expenses | 1,081                          | 378                            |
|                                     | <u>1,185</u>                   | <u>469</u>                     |

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**(r) Income from Islamic banking operations**

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

|  |     | <b>Group and Bank</b> |               |
|--|-----|-----------------------|---------------|
|  |     | <b>Mar</b>            | <b>Mar</b>    |
|  |     | <b>2008</b>           | <b>2007</b>   |
|  |     | <b>RM'000</b>         | <b>RM'000</b> |
| Income derived from investment of depositors' funds and others | (l) | 13,119                | 16,596        |
| Profit Equalisation Reserve                                    | (n) | 1,817                 | (4,569)       |
| Income attributable to depositors                              | (o) | (5,875)               | (3,474)       |
| Income derived from investment of Islamic Banking Funds        | (p) | 4,580                 | 577           |
|  |     | <hr/>                 | <hr/>         |
|  |     | <u>13,641</u>         | <u>9,130</u>  |

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(s) **Capital adequacy**

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

|  | <b>Bank</b>                    |                                |
|--|--------------------------------|--------------------------------|
|  | <b>Mar<br/>2008<br/>RM'000</b> | <b>Dec<br/>2007<br/>RM'000</b> |
| <b>Tier 1 capital</b>                                      |                                |                                |
| Paid-up share capital                                      | 20,000                         | 20,000                         |
| Retained profits   | 95,537                         | 95,537                         |
| Other reserves   | (1,391)                        | (1,391)                        |
|  | 114,146                        | 114,146                        |
| Less: Deferred tax assets                                  | (1,505)                        | (1,505)                        |
| Total Tier-I capital                                       | 112,641                        | 112,641                        |
| <b>Tier-II capital</b>                                     |                                |                                |
| General allowance for bad and doubtful debts and financing | 2,683                          | 2,683                          |
|  | 115,324                        | 115,324                        |
| <b>Capital base</b>  |                                |                                |
| Core capital ratio   | 18.32%                         | 45.80%                         |
| Risk weighted capital ratio                                | 18.76%                         | 46.89%                         |

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

|                                   | <b>Bank</b>                 |                                 |                             |                                 |
|-----------------------------------|-----------------------------|---------------------------------|-----------------------------|---------------------------------|
|                                   | <b>Mar 2008</b>             |                                 | <b>Dec 2007</b>             |                                 |
|                                   | <b>Principal<br/>RM'000</b> | <b>Risk weighted<br/>RM'000</b> | <b>Principal<br/>RM'000</b> | <b>Risk weighted<br/>RM'000</b> |
| 0%                                | 822,035                     | -                               | 1,108,711                   | -                               |
| 10%                               | -                           | -                               | -                           | -                               |
| 20%                               | 195,456                     | 39,091                          | 9,390                       | 1,878                           |
| 35%                               | 164,902                     | 57,716                          | -                           | -                               |
| 50%                               | 67,549                      | 33,775                          | 268,707                     | 134,353                         |
| 75%                               | 14,643                      | 10,982                          | -                           | -                               |
| 100%                              | 389,842                     | 389,842                         | 109,734                     | 109,734                         |
| 150%                              | 2,367                       | 3,551                           | -                           | -                               |
| Total credit risk weighted assets | 1,656,794                   | 534,956                         | 1,496,542                   | 245,965                         |
| Market risk adjusted assets       |                             | 22,869                          |                             | -                               |
| Operational Risk adjusted assets  |                             | 56,929                          |                             | -                               |
| Total Risk Weighted Assets        |                             | 614,754                         |                             | 245,965                         |

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**(t) Commitment and contingencies**

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies constitute the following:

|  | <b>Mar 2008</b>               |  |                                      | <b>Dec 2007</b>               |  |                                      |
|--|-------------------------------|--|--------------------------------------|-------------------------------|--|--------------------------------------|
|  | Principal<br>Amount<br>RM'000 | Credit<br>Equivalent<br>Amount<br>RM'000 | Risk<br>weighted<br>amount<br>RM'000 | Principal<br>Amount<br>RM'000 | Credit<br>Equivalent<br>Amount<br>RM'000 | Risk<br>weighted<br>amount<br>RM'000 |
| Other assets sold with recourse<br>and commitment with certain<br>drawdown | 110,049                       | 110,049                                  | 110,049                              | 29,720                        | 29,720                                   | 29,720                               |
| Irrevocable commitments to<br>extend credit                                |                               |  |                                      |                               |  |                                      |
| - maturity not exceeding one year  | -                             | -  | -                                    | 12,332                        | -  | -                                    |
| - maturity exceeding one year  | 105,219                       | 52,609                                   | 19,168                               | 70,665                        | 35,333                                   | 35,333                               |
| Foreign exchange related contracts:  |                               |  |                                      |                               |  |                                      |
| -One year to less than 5 years   | 828,235                       | 240,208                                  | 240,208                              | 743,669                       | 81,804                                   | 40,902                               |
| Profit rate related contracts  | 454,625                       | 13,639                                   | 8,976                                | 461,793                       | 13,854                                   | 4,110                                |
| <b>Total</b>   | <b>1,498,128</b>              | <b>416,505</b>                           | <b>378,401</b>                       | <b>1,318,179</b>              | <b>160,711</b>                           | <b>110,065</b>                       |

With effect from 1 January 2008, the credit equivalent amount and risk weighted amount are arrived at using the credit conversion factors as defined in Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework, Standardised Approach (Basel II).

|   | <b>Mar 2008</b>              |                                     |                                     | <b>Dec 2007</b>              |                                     |                                     |
|---|------------------------------|-------------------------------------|-------------------------------------|------------------------------|-------------------------------------|-------------------------------------|
|   | Contract<br>amount<br>RM'000 | Positive<br>fair<br>value<br>RM'000 | Negative<br>fair<br>value<br>RM'000 | Contract<br>amount<br>RM'000 | Positive<br>fair<br>value<br>RM'000 | Negative<br>fair<br>value<br>RM'000 |
| Foreign exchange related contracts:                 |                              |                                     |                                     |                              |                                     |                                     |
| - Cross currency islamic<br>profit rate undertaking | 828,235                      | 149,102                             | 149,102                             | 743,669                      | 87,723                              | 87,723                              |
| Profit rate related contracts:                      |                              |                                     |                                     |                              |                                     |                                     |
| - Islamic profit rate undertaking                   | 454,625                      | 10,446                              | 11,407                              | 461,793                      | 7,130                               | 5,663                               |
|   | <b>1,282,860</b>             | <b>159,548</b>                      | <b>160,509</b>                      | <b>1,205,462</b>             | <b>94,853</b>                       | <b>93,386</b>                       |
|   |                              | Note (g)                            | Note (j)                            |                              | Note (g)                            | Note (j)                            |