



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

UNAUDITED CONDENSED FINANCIAL STATEMENTS
31 MARCH 2009

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 2009

	Note	Group		Bank	
		Mar 2009 RM'000	Dec 2008 RM'000	Mar 2009 RM'000	Dec 2008 RM'000
ASSETS					
Cash and short term funds	1	14,527,313	12,384,425	14,527,293	12,384,405
Deposits and placements with banks and other financial institutions	2	2,749,196	2,655,452	2,749,196	2,655,452
Securities purchased under resale agreements		459,603	125,771	459,603	125,771
Securities held for trading	3	2,710,170	3,183,108	2,710,170	3,183,108
Securities available-for-sale	4	5,624,542	5,291,218	5,624,542	5,291,218
Securities held-to-maturity	5	7,499	7,499	7,499	7,499
Loans, advances and financing	6	19,172,563	19,848,830	19,172,563	19,848,830
Other assets	8	1,679,712	2,054,554	1,679,712	2,054,554
Statutory deposits with Bank Negara Malaysia		156,983	508,292	156,983	508,292
Deferred tax assets		28,342	22,503	28,342	22,503
Investment in subsidiary companies		-	-	20	20
Property, plant and equipment		52,345	54,834	52,345	54,834
TOTAL ASSETS		47,168,269	46,136,486	47,168,269	46,136,486
LIABILITIES AND SHAREHOLDERS' FUNDS					
Deposits from customers	9	29,902,668	29,589,640	29,902,668	29,589,640
Deposits and placements of banks and other financial institutions	10	10,817,306	9,602,856	10,817,306	9,602,856
Bills and acceptances payable		11,244	42,269	11,244	42,269
Other liabilities	11	2,515,923	3,146,546	2,515,923	3,146,546
Subordinated loan		400,000	400,000	400,000	400,000
TOTAL LIABILITIES		43,647,141	42,781,311	43,647,141	42,781,311
SHARE CAPITAL	12	121,697	121,697	121,697	121,697
RESERVES	13	3,399,431	3,233,478	3,399,431	3,233,478
SHAREHOLDERS' FUNDS		3,521,128	3,355,175	3,521,128	3,355,175
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		47,168,268	46,136,486	47,168,269	46,136,486
COMMITMENTS AND CONTINGENCIES	30	94,429,125	101,261,649	94,429,125	101,261,649

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 2008 and the accompanying notes on page 5 to 38 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 2009

		Group and Bank	
		Mar 2009	Mar 2008
	Note	RM'000	RM'000
Revenue		589,872	771,482
Interest income	14	453,087	580,295
Interest expense	15	(148,244)	(286,331)
Net interest income		304,843	293,964
<i>Net Islamic banking operating income</i>		29,791	13,641
Other operating income	16	106,994	177,546
Operating income		441,628	485,151
Other operating expenses	17	(188,544)	(168,707)
Profit before provision		253,084	316,444
Allowance for losses on loan and financing	18	(39,118)	(38,546)
Profit before taxation		213,966	277,898
Taxation		(40,373)	(64,582)
Profit after taxation		173,592	213,316
Earnings per share - basic (sen)		571	701

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 2008 and the accompanying notes on page 5 to 38 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 2009**

Group and Bank

	← Non-Distributable		→ Distributable					Proposed Dividend RM'000	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Total Reserve RM'000			
At 1 January 2008	121,697	380,303	121,697	(2,773)	1,895,500	2,394,727	-	2,516,424	
Net profit for the year	-	-	-	-	772,400	772,400	-	772,400	
Unrealised net gain/loss on revaluation of securities available for sale	-	-	-	66,351	-	66,351	-	66,351	
At 31 December 2008	<u>121,697</u>	<u>380,303</u>	<u>121,697</u>	<u>63,578</u>	<u>2,667,900</u>	<u>3,233,478</u>	-	<u>3,355,175</u>	
At 1 January 2009	121,697	380,303	121,697	63,578	2,667,900	3,233,478	-	3,355,175	
Net profit for the year	-	-	-	-	173,592	173,592	-	173,592	
Unrealised net gain/loss on revaluation of securities available for sale	-	-	-	(7,641)	-	(7,641)	-	(7,641)	
At 31 March 2009	<u>121,697</u>	<u>380,303</u>	<u>121,697</u>	<u>55,937</u>	<u>2,841,492</u>	<u>3,399,429</u>	-	<u>3,521,126</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 2008 and the accompanying notes on page 5 to 38 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 2009**

	Group and Bank	
	Mar 2009 RM'000	Mar 2008 RM'000
Profit before tax expenses	213,966	277,898
Adjustments for non cash items	52,542	(137,722)
Operating profit before changes in working capital	266,508	140,176
Changes in working capital :		
Net changes in operating assets	1,389,900	(1,652,380)
Net changes in operating liabilities	881,399	1,113,235
Taxes paid	(54,212)	(14,793)
Net cash (used in) / generated from operating activities	2,483,595	(413,762)
Net cash generated from investing activities	(340,708)	(5,710)
Net change in cash and cash equivalents	2,142,887	(419,472)
Cash and cash equivalents at beginning of the year	12,384,405	16,744,262
Cash and cash equivalents at end of the period	14,527,292	16,324,790

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 2008 and the accompanying notes on page 5 to 38 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 3 months ended 31 March 2009 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 2008. 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 2008.

A2 Auditor's Report on preceeding Annual Financial Statement

The audit report on the audited financial statements for the financial year ended 31 December 2008 was not subject to any qualification.

A3 Seasonality or Cyclical factors

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

A4 Unusual items due to their nature, size or incidence

There were no unusual item affecting assets, liabilities, equity, net income or cash flows of the Bank for the financial period three months ended 31 March 2009.

A5 Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the bank for the financial period three months ended 31 March 2009.

A6 Issuance and repayment of Debt and Equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period three months ended 31 March 2009.

A7 Dividend

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

The final ordinary dividends recommended by the Directors in respect of the year ended 31 December 2008 is RM4.38 per ordinary share respectively less tax at 25% totaling RM400 million. The financial statements for the current financial year do not reflect this proposed dividend

A8 Significant events subsequence to the Balance Sheet date

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

A9 Changes in the composition of the Group

There were no changes in the composition of the Group for the financial period three months ended 31 March 2009.

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

B1 Performance Review

Citibank registered a pre-tax profit of RM214 million and revenue of RM590 million for the first three months ended 31 March, 2009. Quarter-on-quarter, the results were down 23% and 24% respectively.

The bank's annualized net income on average equity stood at 20%. Annualized net income on total assets reduced marginally to 1.47% from 1.81% compared to the same period in 2008

Net Interest Income improved 4% against the preceding period. This was offset by a 9% reduction in other operating income in the first quarter of 2009 compared with the same period in 2008, which experienced exceptional trading and foreign exchange gains.

Meanwhile, Islamic banking operating income posted a healthy 118% increase or RM16 million over the same period in 2008. This was derived mainly from gains from the disposal of Available for Sale during the period.

Other operating expenses for the first three months of the year closed at RM189 million, up 12% against the preceding period, due to an increase in marketing activities, administration and general expenses.

The Bank's total assets climbed 2% to RM47 billion as of 31 March 2009, due to a 17% rise in short term funds against the previous three months. The increase was mitigated by a 15% decrease in Securities Held for Trading and 3% in Loans, Advances and Financing.

B2 Prospects for 2009

According to recent statements made by Bank Negara on March 10, 2009 and November 04, 2008, the implementation of the fiscal stimulus measures coupled with the front-loaded 150bps cuts in policy rates are expected to be sufficient in providing support to domestic economic growth and help the economy recover in the second half of the year. There are already some signs that decline in economic activity has moderated somewhat as indicated by improving trade and production figures both locally and in some neighbouring counterparts, coupled with the improvement of some foreign indicators.

Citibank Berhad welcomes the recent announcement by the Government to further liberalise the financial sector. The measures proposed are timely as they will attract foreign investment and participation as well as specialized talent and skill-sets, to help advance the industry domestically and raise the profile of Malaysia as an international banking hub.

While 2009 will likely remain a challenging year, we believe that as the economic environment begins to recover, we will be well positioned to continue to further grow our retail banking and commercial business segments.

(1) Cash and short term funds

	Group	
	Mar 2009 RM'000	Dec 2008 RM'000
Cash and balances with banks and other financial institutions	93,045	92,684
Money at call and deposit placements maturing within one month	14,434,268	12,291,741
	14,527,313	12,384,425
	14,527,313	12,384,425

	Bank	
	Mar 2009 RM'000	Dec 2008 RM'000
Cash and balances with banks and other financial institutions	93,025	92,664
Money at call and deposit placements maturing within one month	14,434,268	12,291,741
	14,527,293	12,384,405
	14,527,293	12,384,405

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

	Group and Bank	
	Mar 2009 RM'000	Dec 2008 RM'000
Licensed banks	2,749,196	2,655,452
	2,749,196	2,655,452
	2,749,196	2,655,452

(3) Securities held for trading

	Group and Bank	
	Mar 2009 RM'000	Dec 2008 RM'000
At fair value		
Malaysian Government Treasury Bills	102,454	76,675
Malaysian Government Stock	1,604,020	1,435,639
Malaysian Government Investment Issues	19,448	3,050
BNM Bills/Notes	819,556	1,505,284
Cagamas Notes /Bonds	1,014	1,008
Commerical papers	3,054	2,025
Khazanah bond	24,755	3,753
Private Debt Securities	135,869	155,674
	2,710,170	3,183,108
	2,710,170	3,183,108

CITIBANK BERHAD
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(4) Securities available for sale

	Group and Bank	
	Mar 2009	Dec 2008
	RM'000	RM'000
At fair value		
Malaysian Government Treasury Bills/ Government Stock	4,793,619	3,449,613
Bank Negara Malaysia bills	100,320	793,572
Malaysian Government Investment Issues	517,600	635,543
Khazanah Bonds	68,768	140,389
Private Debt Securities	1,859	41,866
Yankee Bonds/US bonds	91,221	179,618
Multilateral Financial Institutions	51,155	50,616
	<hr/>	<hr/>
	<u>5,624,542</u>	<u>5,291,218</u>

(5) Securities held to maturity

	Group and Bank	
	Mar 2009	Dec 2008
	RM'000	RM'000
At amortised cost		
Unquoted securities:- Shares	<hr/>	<hr/>
	<u>7,499</u>	<u>7,499</u>

(6) Loans, Advances and Financing

(i) By type

	Group and Bank	
	Mar 2009	Dec 2008
	RM'000	RM'000
Overdrafts	1,090,018	1,087,949
Term loans and financing		
-Housing loans/financing	10,593,615	10,821,081
-Hire Purchase receivables	14,322	17,187
-Lease Receivables	13,848	12,337
-Other term loans / financing	1,430,806	1,436,360
Bills receivable	312,014	387,469
Trust receipts	19,869	26,840
Claims on customers under acceptance credits	490,611	710,154
Staff loans	100,750	101,094
Share Margin Financing	128,438	140,695
Credit cards receivables	4,460,013	4,582,263
Revolving credit	1,018,040	1,047,070
Other loans	257,704	231,158
	<hr/>	<hr/>
Unearned interest and income	19,930,048 (56,474)	20,601,660 (65,458)
	<hr/>	<hr/>
Gross loans, advances and financing	19,873,574	20,536,202
Allowance for bad and doubtful debts and financing		
- general	(291,968)	(303,205)
- specific	(409,043)	(384,167)
	<hr/>	<hr/>
Net loans, advances and financing	<u>19,172,563</u>	<u>19,848,830</u>

(ii) By type of customer

	Group and Bank	
	Mar 2009	Dec 2008
	RM'000	RM'000
Domestic non financial institutions		
-Others	217,217	180,725
Domestic business enterprises		
-Small and medium enterprises	640,239	544,508
-Others	1,874,315	2,327,833
Individuals	16,985,002	17,347,185
Foreign entities	156,801	135,951
	<hr/>	<hr/>
	<u>19,873,574</u>	<u>20,536,202</u>

(6) Loans, Advances and Financing (continued)

(iii) By interest/profit rate sensitivity

	Group and Bank	
	Mar 2009	Dec 2008
	RM'000	RM'000
Fixed rate		
Housing loans/financing	872,112	464,114
Hire Purchase receivables	14,322	17,187
Other fixed rate loan/financing	7,279,146	7,666,696
Variable rate		
BLR plus	11,366,098	12,013,438
Cost plus	341,896	374,767
	<hr/>	<hr/>
	19,873,574	20,536,202
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(iv) By sector

	Group and Bank	
	Mar 2009	Dec 2008
	RM'000	RM'000
Primary agriculture	12,344	47,289
Mining & quarrying	6,087	12,327
Manufacturing (incl agriculture based)	1,198,650	1,343,788
Electricity, gas, water	62,577	84,996
Construction	38,113	37,008
Wholesale, retail trade, restaurants, hotels	587,937	665,716
Transport, storage & communication	130,075	149,504
Finance, insurance, real estate & business services	553,254	577,807
Education, health & others	32,588	22,499
Household		
- consumption credit	5,329,118	5,434,155
- residential	11,187,076	11,412,109
- purchase of securities	127,478	139,871
- others	341,330	361,049
Other purposes	266,947	248,083
	<hr/>	<hr/>
	19,873,574	20,536,202
	<hr/> <hr/>	<hr/> <hr/>

(iv) By purpose

	Group and Bank	
	Mar 2009	Dec 2008
	RM'000	RM'000
Purchase of securities	128,438	140,695
Purchase of landed property	11,860,274	12,085,395
Purchase fixed assets excluding land & building	28,170	73,911
Personal usage	909,618	895,248
Credit card	4,460,013	4,582,263
Construction	34,425	45,813
Working capital	2,449,344	2,699,553
Other purposes	3,292	13,323
	<hr/>	<hr/>
	19,873,574	20,536,202
	<hr/> <hr/>	<hr/> <hr/>

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

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

	Group and Bank	
	Mar 2009 RM'000	Dec 2008 RM'000
At 1 January	634,146	689,920
Classified as non-performing during the year	172,154	501,420
Reclassified as performing during the year	(43,320)	(232,064)
Amount recovered	(36,519)	(181,930)
Amount recovered from debt conversion	-	-
Amount written off	(40,028)	(143,200)
	<hr/>	<hr/>
At 31 March / 31 December	686,433	634,146
Specific allowance	(409,043)	(384,167)
	<hr/>	<hr/>
Net non performing loans, advances and financing	<u>277,390</u>	<u>249,979</u>
	<hr/>	<hr/>
Ratio of net non-performing loans and financing to net loans and financing	1.43%	1.24%

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

	Group and Bank	
	Mar 2009 RM'000	Dec 2008 RM'000
<u>General allowance</u>		
At 1 January	303,205	314,312
Allowance made during the year	(11,237)	(11,107)
	<hr/>	<hr/>
At 31 March / 31 December	<u>291,968</u>	<u>303,205</u>
	<hr/>	<hr/>
As % of gross loans, advances and financing less specific allowance	1.5%	1.5%
<u>Specific allowance</u>		
At 1 January	384,167	341,949
Allowance made during the year	85,667	248,190
Amount recovered	(45,419)	(66,009)
Amount written off	(15,372)	(139,963)
	<hr/>	<hr/>
At 31 March / 31 December	<u>409,043</u>	<u>384,167</u>
	<hr/>	<hr/>

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

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

	Group and Bank	
	Mar 2009	Dec 2008
	RM'000	RM'000
Primary agriculture	11 #	11
Mining & quarrying	170	174
Manufacturing(incl agriculture based)	43,944	43,582
Construction	15,298	15,542
Wholesale, retail trade, restaurants, hotels	23,096	21,327
Transport, storage & communication	1,035	1,111
Finance, insurance, real estate & business services	26,011	28,362
Household		
- consumption credit	239,281	210,492
- residential	289,383	265,771
- purchase of securities	21,365	21,545
- others	26,839	26,229
	<hr/>	<hr/>
	686,433	634,146
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(8) Other assets

	Group and Bank	
	Mar 2009	Dec 2008
	RM'000	RM'000
Interest/Income receivable	104,641	99,924
Other debtors, deposits and prepayments	279,765	246,312
Derivatives (note 19)	1,295,306	1,708,318
	<hr/>	<hr/>
	1,679,712	2,054,554
	<hr/> <hr/>	<hr/> <hr/>

(9) Deposits from customers

(i) By type of deposit

	Group and Bank	
	Mar 2009	Dec 2008
	RM'000	RM'000
Demand deposits	9,003,431	9,070,826
Saving deposits	1,441,002	1,362,883
Fixed deposits	10,831,294	11,815,011
Other deposits	6,285,506	4,891,179
Negotiable Instruments of Deposit	2,289,450	2,423,850
Others - cash collateral	51,985	25,891
	<hr/>	<hr/>
	29,902,668	29,589,640
	<hr/> <hr/>	<hr/> <hr/>

(9) Deposits from customers (continued)

(ii) By type of customers

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Federal and state governments	-	-
Government and statutory bodies	29,685	764,542
Business enterprise	11,374,436	10,375,579
Individuals	12,229,082	12,722,835
Others	6,269,465	5,726,684
	<u>29,902,668</u>	<u>29,589,640</u>

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

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Licensed banks	10,510,463	9,539,550
Other financial institutions	306,843	63,306.45
	<u>10,817,306</u>	<u>9,602,856</u>

(11) Other liabilities

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Interest/Profit payable	118,948	129,234
Other creditors and accruals	944,777	1,151,609
Provision for retirement benefits	3,149	3,077
Profit Equalisation Reserve	1,206	1,025
Taxation	113,138	142,943
Derivatives (Note 19)	1,334,705	1,718,658
	<u>2,515,923</u>	<u>3,146,546</u>

(12) Share capital

	Group and Bank			
	Amount		Number of shares	
	Mar	Dec	Mar	Dec
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	Number of shares
				Dec
				2008
				RM'000
Ordinary shares of RM1 each				
Authorised	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid	<u>121,697</u>	<u>121,697</u>	<u>121,697</u>	<u>121,697</u>

(13) Reserves

	Group and Bank	
	Mar 2009	Dec 2008
	RM'000	RM'000
Share premium	380,303	380,303
Statutory reserve	121,697	121,697
Other Reserve	55,937	63,578
Retained profits	2,841,494	2,667,901
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	3,399,431	3,233,478
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(14) Interest income

	Group and Bank	
	Mar 2009	Mar 2008
	RM'000	RM'000
Loans and advances		
- Interest income other than recoveries from NPLs	340,660	367,351
- Recoveries from NPLs	1,677	3,464
Money at call and deposit placements		
with financial institutions	52,925	158,316
Securities held-for-trading	15,993	12,613
Securities available-for-sale	37,385	28,775
Securities held-to-maturity	-	16
Securities purchased under resale agreements	936	7,432
	<hr/>	<hr/>
	449,576	577,967
Amortisation of premium/accretion of discounts	<hr/>	<hr/>
	3,511	2,327
	<hr/> <hr/>	<hr/> <hr/>
	453,087	580,295

(15) Interest expense

	Group and Bank	
	Mar 2009	Mar 2008
	RM'000	RM'000
Deposits and placements of banks and other financial institutions	18,994	100,223
Deposits from customers	112,505	170,971
Loans sold to Cagamas	-	3,569
Others	16,745	11,568
	<hr/>	<hr/>
	148,244	286,331
	<hr/> <hr/>	<hr/> <hr/>

(16) Other operating income

	Group and Bank	
	Mar 2009	Mar 2008
	RM'000	RM'000
Fee income:		
Commission	36,003	36,834
Service charges and fees	125	100
Guarantee fees	2,503	2,348
Bankcard fees	46,958	36,448
Insurance premium and referral	3,371	4,840
Other fee income	1,959	3,542
	<u>90,919</u>	<u>84,112</u>
Income from securities:		
Unrealised loss/gain from securities held-for-trading	(21,257)	3,991
Net gain from sales of securities		
- securities held for trading	6,935	16,688
- securities available for sale	17,175	22,272
Gross dividends from securities held to maturity	0	277
	<u>2,853</u>	<u>43,228</u>
Other income:		
Foreign exchange profit		
- unrealised gain	68,509	48,070
- realised gain	5,846	10,804
Loss from derivatives	(60,743)	(8,547)
Loss on disposal of fixed assets	(389)	-121
	<u>13,223</u>	<u>50,206</u>
Total other operating income	<u><u>106,994</u></u>	<u><u>177,546</u></u>

(17) Other operating expenses

	Group and Bank	
	Mar 2009 RM'000	Mar 2008 RM'000
Personnel costs		
-Salaries, allowances and bonuses	45,378	40,780
-Contribution to Employees provident fund	7,559	7,983
-Staff benefits and other compensations	23,905	30,676
-Others	527	3,387
	<u>77,369</u>	<u>82,827</u>
Establishment costs		
-Depreciation	5,999	6,203
-Rental of premises	0	5,586
-Hire of equipment	601	487
-Utilities	1,153	1,372
-Others	6,479	985
	<u>14,232</u>	<u>14,633</u>
Marketing expenses		
-Advertisement and promotional expenses	20,474	12,341
-Others	132	372
	<u>20,606</u>	<u>12,713</u>
Administration and general expenses		
-Processing cost	41,070	23,145
-Auditors' remuneration	10	31
-Stationeries and supplies	1,427	2,814
-Communication expenses	6,410	3,359
-Maintenance of office equipment	7,491	4,733
-Others	19,929	24,451
	<u>76,337</u>	<u>58,533</u>
Total other operating expense	<u>188,544</u>	<u>168,707</u>

(18) Allowance for losses on loans and financing

	Group and Bank	
	Mar 2009 RM'000	Mar 2008 RM'000
Allowance for bad and doubtful debts on loans and financing :-		
Specific allowance		
- made in the financial year	85,667	67,133
- written back	(15,372)	(15,580)
General allowance		
- reversal during the year	(11,237)	(1,070)
Bad debts on loan and financing		
- written back	(19,979)	(13,461)
- written off	39	1,524
	<u>39,118</u>	<u>38,546</u>

(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:-

	Mar 2009			Dec 2008		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk weighted amount RM'000	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk weighted amount RM'000
Direct credit substitute	1,402,246	1,402,246	1,326,682	1,445,815	1,445,815	1,360,653
Transaction -related contingent items	537,553	268,777	237,980	573,391	286,695	246,990
Short-term self liquidating trade-related contingencies	291,571	58,314	41,869	263,063	52,613	43,754
Other assets sold with recourse and commitment with certain drawdown	319,432	319,432	137,107	49,928	49,928	49,878
Irrevocable commitments to extend credit						
- maturity not exceeding one year	21,770,723	3,231,582	2,425,784	21,221,353	3,504,060	2,707,422
- maturity exceeding one year	515,456	257,728	179,001	1,077,602	538,801	426,885
Foreign exchange related contracts:						
-Less than one year	22,117,405	801,191	541,888	27,705,688	1,167,916	728,540
-One year to less than 5 years	5,031,512	564,672	361,772	5,557,995	763,695	502,245
-5 years and above	683,412	198,832	198,832	651,912	138,942	138,942
Interest rate related contracts:						
- Less than one year	4,885,185	46,061	18,433	5,633,403	45,962	17,287
- One year to less than 5 years	31,754,808	813,778	246,488	32,090,420	823,964	245,357
- 5 years and above	3,640,314	408,935	145,455	3,589,342	453,853	165,861
Equity related contracts	1,268,891	119,245	65,830	1,195,443	116,344	64,041
Others	210,617	35,263	33,188	206,294	33,036	33,036
Total	94,429,125	8,526,056	5,960,309	101,261,649	9,421,624	6,730,891

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).

(19) Commitment and contingencies (continued)

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.

	Mar 2009			Dec 2008		
	Contract amount RM'000	Positive fair value RM'000	Negative fair value RM'000	Contract amount RM'000	Positive fair value RM'000	Negative fair value RM'000
Foreign exchange related contracts:						
-Spot/Forward contracts	19,136,219	346,220	312,144	24,600,942	604,114	564,053
-Cross currency interest rate swaps	7,155,654	245,737	215,408	7,376,158	358,947	300,750
-Options	1,658,144	83,117	15,204	1,938,495	87,651	32,457
Interest rate contracts						
-Futures	14,871,000	-	-	14,646,000	-	-
-Swaps	26,392,032	598,329	753,405	26,649,815	634,162	775,440
-Options	17,275	19	348	17,350	7	41
Equity related contracts	1,268,891	11,895	15,209	1,195,443	15,156	20,361
Others	210,617	9,989	22,988	206,294	8,281	25,556
	<u>70,709,831</u>	<u>1,295,306</u>	<u>1,334,705</u>	<u>76,630,496</u>	<u>1,708,318</u>	<u>1,718,658</u>
		Note 8	Note 11		Note 8	Note 11

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

(20) Capital adequacy

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

	Group and Bank	
	Mar 2009 RM'000	Dec 2008 RM'000
Computation of Total Risk Weighted Assets (RWA)		
Total Credit RWA	21,306,376	22,366,355
Total Market RWA	2,837,082	3,249,462
Total Operational RWA	3,213,410	3,170,405
Total Risk Weighted Assets	27,356,868	28,786,222
Computation of Capital Ratios		
Tier 1 Capital	3,246,735	3,246,735
Capital Base	3,949,920	3,949,920
Before deducting proposed dividends		
Core capital ratio	11.87%	11.28%
Risk weighted capital ratio	14.44%	13.72%
After deducting proposed dividends:		
Core capital ratio	10.41%	9.89%
Risk weighted capital ratio	12.98%	12.33%

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

With effect from 1 January 2008, the capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework (RWCAF-Basel II). The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. Disclosures are in line with the requirements of the Basel II Pillar 3 Concept Paper issued by Bank Negara Malaysia on 3 December 2008. Bank Negara Malaysia allows banking institutions and other market participants until 31 March 2009 to provide feedback on the concept paper. The minimum regulatory capital adequacy requirement is 8% for the risk-weighted capital ratio.

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

	Group and Bank	
	Mar 2009 RM'000	Dec 2008 RM'000
(b) The components of Tier I and Tier II Capital are as		
Tier I Capital		
Paid up ordinary share capital	121,697	121,697
Share premium	380,303	380,303
Retained earnings	2,667,900	2,667,900
Other Reserves	121,697	121,697
Less: Deferred Tax Assets	(44,862)	(44,862)
Total Tier I capital (Core Capital)	3,246,735	3,246,735
Tier II Capital		
General allowance for bad and doubtful debts and financing	303,205	303,205
Maximum allowable subordinated debt capital	400,000	400,000
Total Tier II Capital	703,205	703,205
Total Eligible Tier 2	703,205	703,205
Less: Investment in Subsidiaries	(20)	(20)
Capital Base	3,949,920	3,949,920

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

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.

Group	Up to	> 1 - 3	> 3 - 12	> 1 - 5	over 5	Non-interest	Trading	Total	Effective interest
Mar 2009	1 mth	months	months	years	years	sensitive			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS									
Cash and short term funds	14,366,154	-	-	-	-	161,159	-	14,527,313	1.35%
Deposits and placements with banks and other financial institutions	-	667,573	1,284,536	795,022	2,066	-	-	2,749,196	2.65%
Securities purchased under resale agreements	444,640	14,963	-	-	-	-	-	459,603	1.28%
Securities held for trading	-	-	-	-	-	-	2,710,170	2,710,170	2.50%
Securities available-for-sale	29,942	-	426,961	5,033,640	134,000	-	-	5,624,543	3.17%
Securities held-to-maturity	-	-	-	-	-	7,499	-	7,499	
Loans, advances and financing									
- performing	13,560,879	894,590	745,243	3,090,428	941,194	72,390	-	19,304,724	7.12%
- non-performing	-	-	-	-	-	(132,161)	-	(132,161)	
Other asset	-	-	-	-	-	1,679,712	-	1,679,712	
Statutory deposits with BNM	-	-	-	-	-	156,983	-	156,983	
Deferred tax assets	-	-	-	-	-	28,342	-	28,342	
Property, plant and equipment	-	-	-	-	-	52,345	-	52,345	
TOTAL ASSETS	28,401,615	1,577,126	2,456,740	8,919,090	1,077,260	2,026,270	2,710,170	47,168,270	
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	20,247,314	3,487,166	4,616,486	1,164,638	40,000	347,064	-	29,902,668	1.74%
Deposits and placements of banks and other financial institutions	10,184,315	16,395	580,818	35,778	-	-	-	10,817,306	0.74%
Bills and acceptance payable	-	-	-	-	-	11,244	-	11,244	
Other liabilities	-	-	-	-	-	2,515,923	-	2,515,923	
Subordinated loan	-	-	-	-	400,000	-	-	400,000	4.32%
Total Liabilities	30,431,629	3,503,561	5,197,304	1,200,416	440,000	2,874,231	-	43,647,141	
Shareholders' equity	-	-	-	-	-	3,521,128	-	3,521,128	
Total Liabilities and Shareholders' equity	30,431,629	3,503,561	5,197,304	1,200,416	440,000	6,395,359	-	47,168,269	
On-balance Sheet interest sensitivity gap	(2,030,016)	(1,926,435)	(2,740,563)	7,697,454	637,260	(4,347,870)	2,710,170		
Off-balance Sheet interest sensitivity gap	(40,669)	(2,623,229)	1,402,967	1,250,368	41,980	-	-		
	(2,070,685)	(4,549,664)	(1,337,596)	8,947,822	679,240	(4,347,870)	2,710,170		

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

Interest/profit rate risk

Group	Up to	> 1 - 3	> 3 - 12	> 1 - 5	over 5	Non-interest	Trading	Total	Effective interest
Dec 2008	1 mth	months	months	years	years	sensitive			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS									
Cash and short term funds	12,193,820	-	-	-	-	190,605	-	12,384,426	3.03%
Deposits and placements with banks and other financial institutions	-	431,828	1,484,628	736,030	2,966	-	-	2,655,451	3.80%
Securities purchased under resale agreements	116,675	9,096	-	-	-	-	-	125,771	3.61%
Securities held for trading	-	-	-	-	-	-	3,183,108	3,183,108	3.01%
Securities available-for-sale	40,000	20,147	858,489	3,880,246	492,336	-	-	5,291,218	3.62%
Securities held-to-maturity	-	-	-	-	-	7,499	-	7,499	-
Loans, advances and financing									
- performing	13,866,550	800,907	1,099,671	3,206,768	972,914	(347,960)	-	19,598,850	7.40%
- non-performing	-	-	-	-	-	249,979	-	249,979	-
Other asset						2,054,555		2,054,555	
Statutory deposits with BNM						508,293		508,293	
Deferred tax						22,502		22,502	
Property, plant and equipment						54,834		54,834	
TOTAL ASSETS	27,479,022	4,704,766	11,265,832	9,291,260	4,208,524	5,923,416	49,319,595	46,136,487	
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	19,999,271	3,149,852	5,190,617	1,209,900	40,000	-	-	29,589,641	2.29%
Deposits and placements of banks and other financial institutions	8,557,080	337,288	533,279	34,026	-	141,183	-	9,602,856	2.77%
Bills and acceptance payable	-	-	-	-	-	42,269	-	42,269	-
Other liabilities						3,146,545		3,146,545	
Subordinated loan	-	-	-	-	400,000	-	-	400,000	4.63%
Total Liabilities	28,556,351	3,487,140	5,723,896	1,243,926	440,000	3,329,998	-	42,781,311	
Shareholders' equity	-	-	-	-	-	3,355,175	-	3,355,175	
Total Liabilities and Shareholders' equity	28,556,351	3,487,140	5,723,896	1,243,926	440,000	6,685,173	-	46,136,487	
On-balance Sheet interest sensitivity gap	(2,339,306)	(2,225,162)	(2,281,108)	6,579,118	1,028,217	(3,944,866)	3,183,108		
Off-balance Sheet interest sensitivity gap	705,984	2,445,069	(4,319,761)	1,223,223	7,509	-	-		
	(1,633,322)	219,907	(6,600,869)	7,802,341	1,035,725	(3,944,866)	3,183,108		

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
ISLAMIC BANKING OPERATIONS
(Company No. 297089 M)
(Incorporated in Malaysia)
UNAUDITED BALANCE SHEET AT 31 MARCH 2009**

		Group and Bank	
		Mar 2009 RM'000	Dec 2008 RM'000
Assets			
Cash and short term funds	(a)	2,879	3,191
Deposits and placements with banks and other financial institutions	(b)	130,000	19,000
Securities held-for-trading	(c)	380,278	75,004
Securities available-for-sale	(d)	413,954	775,932
Financing, advances and other loans	(e)	468,501	418,416
Deferred tax assets		78	-
Other assets	(g)	50,513	127,110
		<hr/>	<hr/>
Total assets		<u>1,446,203</u>	<u>1,418,653</u>
Liabilities			
Deposits from customers	(h)	1,134,524	845,246
Deposits and placements of banks and other financial institutions	(i)	82,678	-
Deferred tax liabilities		-	4,599
Other liabilities	(j)	58,246	405,600
		<hr/>	<hr/>
Total liabilities		<u>1,275,448</u>	<u>1,255,445</u>
Islamic banking funds	(k)	170,755	163,208
		<hr/>	<hr/>
Total liabilities and Islamic banking funds		<u>1,446,203</u>	<u>1,418,653</u>
Commitments and contingencies		<u>2,936,659</u>	<u>2,735,568</u>

**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 2009**

		Group and Bank	
		Mar 2009 RM'000	Mar 2008 RM'000
Income derived from investments of depositors' funds and others	(l)	11,926	10,493
Allowances for losses on financing	(m)	(669)	(686)
Transfer from / (to) Profit Equalisation Reserve	(n)	<u>(181)</u>	<u>1,817</u>
Total attributable income		11,076	11,624
Income attributable to depositors	(o)	<u>(4,788)</u>	<u>(5,875)</u>
Total attributable to the Bank		6,288	5,749
Income derived from investment of Islamic Banking Capital funds	(p)	<u>22,834</u>	<u>7,206</u>
Total net income		29,122	12,956
Other operating expenses	(r)	(1,948)	(1,185)
Profit Before Taxation		<u>27,174</u>	<u>11,771</u>
Taxation		(6,945)	(2,608)
Profit after taxation		<u><u>20,229</u></u>	<u><u>9,163</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 2009**

	Group and Bank			Total RM'000
	Capital Funds RM'000	Other Reserve RM'000	Profit RM'000	
At 1 January 2008	20,000	(1,391)	95,537	114,146
Profit after taxation	-	-	29,186	29,186
Unrealised net gain/loss on revaluation of securities available for sale	-	19,876	-	19,876
At 31 December 2008	<u>20,000</u>	<u>18,485</u>	<u>124,723</u>	<u>163,208</u>
At 1 January 2009	20,000	18,485	124,723	163,208
Profit after taxation	-	-	20,229	20,229
Unrealised net gain/loss on revaluation of securities available for sale	-	(12,682)	-	(12,682)
At 31 March 2009	<u>20,000</u>	<u>5,803</u>	<u>144,952</u>	<u>170,755</u>

Note (k)

CITIBANK BERHAD
AND ITS SUBSIDIARIES
 Company No. 297089 M

(a) Cash and short term funds

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Cash and balances with banks and other financial institutions	2,879	3,191
	2,879	3,191

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

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Bank Negara Malaysia	130,000	19,000
	130,000	19,000

(c) Securities held for trading

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
At fair value		
Bank Negara Malaysia Islamic Bills	380,278	75,004
	380,278	75,004

(d) Securities available for sale

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
At fair value		
Malaysian Government Investment Issues	345,186	635,543
Islamic Khazanah Bonds	68,768	140,389
	413,954	775,932
	413,954	775,932

(e) Financing, Advances and other loans

(i) By type

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Term financing		
-House loans/financing	502,249	451,518
-Hire purchase receivables	14,322	17,187
-Lease receivables	11,157	12,336
Claims on customers under acceptance credits	2,198	3,213
	<u>529,926</u>	<u>484,254</u>
Unearned income	(48,792)	(53,869)
	<u>481,134</u>	<u>430,385</u>
Allowance for bad and doubtful financing		
- general	(7,145)	(6,374)
- specific	(5,488)	(5,595)
	<u>468,501</u>	<u>418,416</u>

(ii) By contract

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Bai' Bithamin Ajil	61,917	64,804
Ijarah Muntahia Bittamilik	27,676	32,736
Diminishing Musharakah	391,541	332,845
	<u>481,134</u>	<u>430,385</u>

(iii) By type of customer

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Domestic business enterprises		
-Small and medium enterprises	20,975	23,354
-Others	10,257	12,113
Individuals	449,902	394,918
	<u>481,134</u>	<u>430,385</u>

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

(iv) By profit rate sensitivity

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Fixed rate		
-House loans/financing	453,458	397,649
-Hire purchase receivables	14,322	17,187
-Other fixed rate loan/financing	13,354	15,549
	<hr/>	<hr/>
	481,134	430,385
	<hr/> <hr/>	<hr/> <hr/>

(v) By sector

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Manufacturing(including agriculture based)	15,034	16,930
Wholesale, retail trade, restaurants and hotels	3,058	4,221
Transport, storage and communication	7,097	8,734
Finance, insurance, real estate and bussiness services	2,488	2,851
Household-residential	449,902	394,918
Other sectors	3,555	2,731
	<hr/>	<hr/>
	481,134	430,385
	<hr/> <hr/>	<hr/> <hr/>

(vi) By purpose

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Purchase of landed property	453,457	397,649
Purchase fixed assets excluding land and building	25,479	29,523
Working capital	2,198	3,213
	<hr/>	<hr/>
	481,134	430,385
	<hr/> <hr/>	<hr/> <hr/>

(f) Non-performing loans (NPL)

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

	Group and Bank	
	Mar 2009 RM'000	Dec 2008 RM'000
At 1 January	9,951	9,983
Classified as non-performing during the year	627	2,567
Reclassified as performing during the year	(687)	-
Amount recovered	(1,012)	(2,599)
	<hr/>	<hr/>
At 31 March / 31 December	8,879	9,951
Specific allowance	(5,488)	(5,595)
	<hr/>	<hr/>
Net non performing financing, advances and other loans	<u>3,391</u>	<u>4,356</u>
Ratio of net non-performing financing, advances and other loans to total gross financing, advances and other loans less specific allowance	0.71%	1.03%

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

	Group and Bank	
	Mar 2009 RM'000	Dec 2008 RM'000
<u>General allowance</u>		
At 1 January	6,374	2,683
Allowance made during the year	4,462	3,691
	<hr/>	<hr/>
At 31 March / 31 December	<u>10,836</u>	<u>6,374</u>
As % of total financing less specific allowance	2.28%	1.50%
<u>Specific allowance</u>		
At 1 January	5,595	5,367
Allowance made during the year	(107)	469
Amount written back	-	(241)
	<hr/>	<hr/>
At 31 March / 31 December	<u>5,488</u>	<u>5,595</u>

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

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

(iii) Non performing financing by sector

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Manufacturing (including agriculture based)	4,806	4,774
Wholesale, retail trade, restaurants and hotel	461	461
Transport, storage and communication	303	501
Finance, insurance, real estate and business services	1,035	1,035
Household-residential	2,268	3,180
	<hr/>	<hr/>
	8,873	9,951
	<hr/> <hr/>	<hr/> <hr/>

(g) Other assets

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Profit receivable	3,411	5,981
Other debtors, deposits and prepayments	10,595	24,814
Revaluation gain on profit rate undertaking contracts (Note t)	36,507	96,315
	<hr/>	<hr/>
	50,513	127,110
	<hr/> <hr/>	<hr/> <hr/>

(h) Deposits from customers

(i) By type of deposit

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Non-Mudharabah Fund		
Demand deposits	380,255	296,288
Saving deposits	247,718	224,246
Negotiable Instruments of Deposit	-	800
Other deposits	232,300	190,748
Mudharabah fund		
General investment deposits	274,252	133,164
	<u>1,134,524</u>	<u>845,246</u>

(ii) By type of customers

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Government and statutory bodies	287	-
Business enterprises	623,893	602,481
Individuals	264,597	242,765
Others	245,748	-
	<u>1,134,525</u>	<u>845,246</u>

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

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
Bank Negara Malaysia	<u>82,678</u>	<u>-</u>

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(j) Other liabilities

	Group and Bank	
	Mar 2009 RM'000	Dec 2008 RM'000
Profit payable	368	276
Other creditors and accruals	20,166	307,984
Profit Equalisation Reserve (note n)	1,206	1,025
Revaluation loss on profit rate undertaking contracts (note t)	36,506	96,315
	58,246	405,600
	58,246	405,600

(k) Islamic Banking Fund

	Group and Bank	
	Mar 2009 RM'000	Dec 2008 RM'000
Fund allocated	20,000	20,000
Fair value reserve	5,803	18,485
Retained earnings	144,952	124,723
	170,755	163,208
	170,755	163,208

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

	Group and Bank	
	Mar 2009	Mar 2008
	RM'000	RM'000
Income derived from investment of:		
(i) General investment deposits	9,918	4,830
(ii) Other deposits	2,008	5,663
	<u>11,926</u>	<u>10,493</u>

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

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

	Group and Bank	
	Mar 2009	Mar 2008
	RM'000	RM'000
Finance income and hibah		
Financing, advances and other loans	4,008	1,012
Money at call and placements with financial institutions	1,263	2,639
Income from securities available-for-sale	3,674	332
	<u>8,945</u>	<u>3,983</u>
Accretion of discount less amortisation of premium	861	830
Total finance income and hibah	<u>9,806</u>	<u>4,813</u>
Other operating income		
Fee income	112	17
Income from general investment deposits	<u>9,918</u>	<u>4,830</u>

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

	Group and Bank	
	Mar 2009	Mar 2008
	RM'000	RM'000
Finance income and hibah		
Financing, advances and other loans	811	1,187
Money at call and placements with financial institutions	256	3,094
Income from securities available-for-sale	744	390
	<u>1,811</u>	<u>4,671</u>
Accretion of discount less amortisation of premium	174	973
Total finance income and hibah	<u>1,985</u>	<u>5,644</u>
Other operating income		
Fee income	23	20
Income from other deposits	<u>2,008</u>	<u>5,664</u>

(m) Allowance for losses on financing

	Group and Bank	
	Mar	Mar
	2009	2008
	RM'000	RM'000
Allowance for bad and doubtful debts and financing:-		
Specific allowance		
- made in the financial year	15	27
- written back in the financial year	(116)	-
General allowance		
- made in the year	770	659
	<hr/>	<hr/>
	669	686
	<hr/> <hr/>	<hr/> <hr/>

(n) Profit Equalisation Reserve

The movement in Profit Equalisation Reserve are as follows:

	Group and Bank	
	Mar	Dec
	2009	2008
	RM'000	RM'000
At 1 January	1,025	1,829
Movement in the financial year	181	(804)
	<hr/>	<hr/>
At 31 March / December	1,206	1,025
	<hr/> <hr/>	<hr/> <hr/>

(o) **Income attributable to depositors**

	Group and Bank	
	Mar	Mar
	2009	2008
	RM'000	RM'000
Deposits from customers		
- Mudharabah funds	3,872	4,057
- Non-Mudharabah funds	898	1,812
Deposits and placements of banks and other financial institutions		
- Non-Mudharabah funds	11	0
Others	7	6
	<u>4,788</u>	<u>5,875</u>

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

	Group and Bank	
	Mar	Mar
	2009	2008
	RM'000	RM'000
Financing, advances and other loans	307	655
Money at call and placements with financial institutions	97	1,708
Income from securities available-for-sale	<u>281</u>	<u>215</u>
	685	2,577
Accretion of discount less amortisation of premium	<u>66</u>	<u>537</u>
Total finance income and hibah	<u>751</u>	<u>3,114</u>
Other operating income		
Gain /(loss) from securities held-for-trading	258	(3)
Gain from securities available-for-sale	22,471	5
Fee income	133	7,926
Income from trading activities	<u>(779)</u>	<u>(3,836)</u>
	<u>22,083</u>	<u>4,092</u>
Income from Islamic Banking Capital Funds	<u>22,834</u>	<u>7,206</u>

(q) Income from Islamic banking operations

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

		Group and Bank	
		Mar	Mar
		2009	2008
		RM'000	RM'000
Income derived from investment of depositors' funds and others	(l)	11,926	10,493
Profit Equalisation Reserve	(n)	(181)	1,817
Income attributable to depositors	(o)	(4,788)	(5,875)
Income derived from investment of Islamic Banking Funds	(p)	22,834	7,206
		<hr/>	<hr/>
		<u>29,791</u>	<u>13,641</u>

(r) Other operating expenses

		Group and Bank	
		Mar	Mar
		2009	2008
		RM'000	RM'000
Personnel costs		143	97
Establishment costs		17	7
Administration and general expenses		1,788	1,081
		<hr/>	<hr/>
		<u>1,948</u>	<u>1,185</u>

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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:

	Mar 2009			Dec 2008		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk weighted amount RM'000	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk weighted amount RM'000
Other assets sold with recourse and commitment with certain drawdown	50,722	50,722	50,722	49,827	49,827	49,827
Irrevocable commitments to extend credit						
- maturity not exceeding one year	1,431	-	-	718	144	144
- maturity exceeding one year	110,505	55,252	19,477	143,133	71,566	25,269
Foreign exchange related contracts:						
-One year to less than 5 years	1,648,261	169,148	169,148	1,608,115	220,426	220,426
Others	1,125,740	40,217	35,487	933,775	39,295	36,186
Total	2,936,659	315,339	274,834	2,735,568	381,258	331,852

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).

	Mar 2009			Dec 2008		
	Contract amount RM'000	Positive fair value RM'000	Negative fair value RM'000	Contract amount RM'000	Positive fair value RM'000	Negative fair value RM'000
Foreign exchange related contracts:						
- Cross currency islamic profit rate undertaking	1,648,261	20,804	20,804	1,608,115	75,696	75,696
Profit rate related contracts:						
- Islamic profit rate undertaking	1,125,740	15,702	15,702	933,775	20,619	20,619
	2,774,001	36,506	36,506	2,541,890	96,315	96,315
		Note (g)	Note (j)		Note (g)	Note (j)

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(s) **Capital adequacy**

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

	Group and Bank	
	Mar 2009 RM'000	Dec 2008 RM'000
Computation of Total Risk Weighted Assets (RWA)		
Total Credit RWA	499,403	548,164
Total Market RWA	27,402	34,154
Total Operational RWA	83,467	67,401
Total Risk Weighted Assets	610,272	649,719
Computation of Capital Ratios		
Tier 1 Capital	144,723	144,723
Capital Base	151,097	151,097
Core capital ratio	23.71%	22.27%
Risk weighted capital ratio	24.76%	23.26%

With effect from 1 January 2008, the capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework (RWCAF-Basel II). The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. Disclosures are in line with the requirements of the Basel II Pillar 3 Concept Paper issued by Bank Negara Malaysia on 3 December 2008. Bank Negara Malaysia allows banking institutions and other market participants until 31 March 2009 to provide feedback on the concept paper. The minimum regulatory capital adequacy requirement is 8% for the risk-weighted capital ratio.

	Group and Bank	
	Mar 2009 RM'000	Dec 2008 RM'000
The components of Tier I and Tier II Capital are as		
<u>Tier I Capital</u>		
Fund allocated	20,000	20,000
Retained earnings	124,723	124,723
Other Reserves	-	-
Less: Deferred Tax Assets	-	-
Total Tier I capital (Core Capital)	144,723	144,723
<u>Tier II Capital</u>		
General allowance for bad and doubtful debts and financing	6,374	6,374
Capital Base	151,097	151,097