



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

**UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 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 30 JUNE 2009**

	Note	Group		Bank	
		Jun 2009 RM'000	Dec 2008 RM'000	Jun 2009 RM'000	Dec 2008 RM'000
<b>ASSETS</b>					
Cash and short term funds	1	11,069,297	12,384,425	11,069,277	12,384,405
Deposits and placements with banks and other financial institutions	2	2,417,407	2,655,452	2,417,407	2,655,452
Securities purchased under resale agreements		719,277	125,771	719,277	125,771
Securities held for trading	3	2,609,805	3,183,108	2,609,805	3,183,108
Securities available-for-sale	4	5,472,616	5,291,218	5,472,616	5,291,218
Securities held-to-maturity	5	7,499	7,499	7,499	7,499
Loans, advances and financing	6	18,648,519	19,848,830	18,648,519	19,848,830
Other assets	8	1,237,452	2,054,554	1,237,452	2,054,554
Statutory deposits with Bank Negara Malaysia		155,503	508,292	155,503	508,292
Deferred tax assets		33,417	22,503	33,417	22,503
Investment in subsidiary companies		0	-	20	20
Property, plant and equipment		52,282	54,834	52,282	54,834
<b>TOTAL ASSETS</b>		<b>42,423,074</b>	<b>46,136,486</b>	<b>42,423,074</b>	<b>46,136,486</b>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>					
Deposits from customers	9	28,392,587	29,589,640	28,392,587	29,589,640
Deposits and placements of banks and other financial institutions	10	8,078,321	9,602,856	8,078,321	9,602,856
Bills and acceptances payable		18,925	42,269	18,925	42,269
Other liabilities	11	2,281,972	3,146,546	2,281,972	3,146,546
Subordinated loan		400,000	400,000	400,000	400,000
<b>TOTAL LIABILITIES</b>		<b>39,171,805</b>	<b>42,781,311</b>	<b>39,171,805</b>	<b>42,781,311</b>
<b>SHARE CAPITAL</b>	12	121,697	121,697	121,697	121,697
<b>RESERVES</b>	13	3,129,572	3,233,478	3,129,572	3,233,478
<b>SHAREHOLDERS' FUNDS</b>		<b>3,251,269</b>	<b>3,355,175</b>	<b>3,251,269</b>	<b>3,355,175</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>42,423,074</b>	<b>46,136,486</b>	<b>42,423,074</b>	<b>46,136,486</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	19	<b>88,430,923</b>	<b>101,261,649</b>	<b>88,430,923</b>	<b>101,261,649</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 2008 and the accompanying notes on page 5 to 43 attached to the unaudited condensed interim financial statements.

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

**UNAUDITED INCOME STATEMENTS OF THE GROUP AND BANK**  
**FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2009**

		<b>Group and Bank</b>	
		<b>Jun 2009</b>	<b>Jun 2008</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue		1,159,856	1,482,438
Interest income	14	892,965	1,121,200
Interest expense	15	(267,911)	(506,172)
Net interest income		<u>625,055</u>	<u>615,028</u>
<i>Net Islamic banking operating income</i>		39,370	36,741
Other operating income	16	227,521	324,498
Operating income		<u>891,944</u>	<u>976,266</u>
Other operating expenses	17	(378,020)	(363,092)
Profit before provision		<u>513,924</u>	<u>613,174</u>
Allowance for losses on loan and financing	18	(88,959)	(69,060)
Profit before taxation		<u>424,965</u>	<u>544,114</u>
Taxation		(93,502)	(137,358)
Profit after taxation		<u><u>331,463</u></u>	<u><u>406,756</u></u>
Earnings per share - basic (sen)		<u><u>545</u></u>	<u><u>668</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 2008 and the accompanying notes on page 5 to 43 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD  
AND ITS SUBSIDIARIES**  
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009**

**Group and Bank**

	← Non-Distributable		→ Distributable				
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Total Reserve RM'000	Total RM'000
<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	-	-	-	-	772,400	772,400	772,400
Unrealised net gain/loss on revaluation of securities available for sale	-	-	-	66,351	-	66,351	66,351
<b>At 31 December 2008</b>	<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>
<b>At 1 January 2009</b>	121,697	380,303	121,697	63,578	2,667,900	3,233,478	3,355,175
Net profit for the year	-	-	-	-	331,463	331,463	331,463
Unrealised net loss on revaluation of securities available for sale	-	-	-	(35,369)	-	(35,369)	(35,369)
Dividend paid					(400,000)	(400,000)	(400,000)
<b>At 30 June 2009</b>	<u>121,697</u>	<u>380,303</u>	<u>121,697</u>	<u>28,209</u>	<u>2,599,363</u>	<u>3,129,572</u>	<u>3,251,269</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 43 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD**  
**AND ITS SUBSIDIARY COMPANIES**  
(Company No. 297089 M)  
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**UNAUDITED CONDENSED CASH FLOW STATEMENTS FOR THE  
FINANCIAL PERIOD ENDED SIX MONTHS ENDED 30 JUNE 2009**

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Jun 2008 RM'000</b>
Profit before tax expenses	424,965	544,113
Adjustments for non cash items	4,361	(41,671)
Operating profit before changes in working capital	<u>429,326</u>	<u>502,442</u>
Changes in working capital :		
Net changes in operating assets	2,522,517	(2,499,870)
Net changes in operating liabilities	(3,596,107)	(1,769,534)
Taxes paid	(108,424)	(70,283)
Net cash (used in) / generated from operating activities	<u>(752,688)</u>	<u>(3,837,245)</u>
Net cash generated from investing activities	(162,441)	205,712
Net cash used in financing activities	<u>(400,000)</u>	<u>                    </u>
Net change in cash and cash equivalents	(1,315,128)	(3,631,533)
Cash and cash equivalents at beginning of the year	12,384,405	16,744,262
Cash and cash equivalents at end of the period	<u><u>11,069,277</u></u>	<u><u>13,112,729</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 2008 and the accompanying notes on page 5 to 43 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 6 months ended 30 June 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 six months ended 30 June 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 six months ended 30 June 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 six months ended 30 June 2009.

**A7 Dividend**

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.

**A8 Significant events subsequent 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 six months ended 30 June 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 RM425 million and revenue of RM1,159 million for the first six months ended 30 June, 2009. Quarter-on-quarter, the results were down 1% and 4% respectively.

Net Interest Income improved 2% against the preceding period. This was offset by a 30% reduction in other operating income in the first half of 2009 compared with the same period in 2008, which experienced exceptional trading and foreign exchange gains.

Meanwhile, Islamic banking operating income posted 7% increase or RM3 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 half of the year closed at RM378 million, up 4% against the preceding period, due to an increase in marketing activities, establishment cost, administration and general expenses.

The Bank's total assets reduced 8% to RM42 billion as of 30 June 2009, due to a 11% reduction in short term funds and a 6% reduction in Loans, Advances and Financing against the previous six months.

**B2 Prospects for the 2009**

Growing confidence negated the need for further cuts in the OPR announced by the central bank. This signifies that the worst of the recession is behind us, noting that 'signs of stabilization' had emerged in the global economy, alongside improved conditions in the international financial markets. Conditions in the domestic economy have also shown signs of stabilization in the second quarter as indicators recorded a slower pace of decline. Improvements in labour market conditions and business and consumer sentiments are expected to provide support to domestic demand.

Citibank Berhad remains cautiously optimistic that change is on the way as the services sector has seen signs of stabilization, especially in financial services. Citibank continues to be well positioned to further grow our retail banking and commercial business segments.

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**UNAUDITED CONDENSED CASH FLOW STATEMENTS FOR THE  
FINANCIAL PERIOD ENDED SIX MONTHS ENDED 30 JUNE 2009**

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Jun 2008 RM'000</b>
Profit before tax expenses	424,965	544,113
Adjustments for non cash items	(395,639)	(41,671)
Operating profit before changes in working capital	29,327	502,442
Changes in working capital :		
Net changes in operating assets	2,522,517	(2,499,870)
Net changes in operating liabilities	(3,596,107)	(1,769,534)
Taxes paid	(108,424)	(70,283)
Net cash (used in) / generated from operating activities	(1,152,687)	(3,837,245)
Net cash generated from investing activities	(162,441)	205,712
Net change in cash and cash equivalents	(1,315,128)	(3,631,533)
Cash and cash equivalents at beginning of the year	12,384,405	16,744,262
Cash and cash equivalents at end of the period	11,069,277	13,112,729

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.



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

	<b>Group</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Cash and balances with banks and other financial institutions	51,727	92,684
Money at call and deposit placements maturing within one month	11,017,570	12,291,741
	11,069,297	12,384,425
	11,069,297	12,384,425

  

	<b>Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Cash and balances with banks and other financial institutions	51,707	92,664
Money at call and deposit placements maturing within one month	11,017,570	12,291,741
	11,069,277	12,384,405
	11,069,277	12,384,405

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

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
BankNegara Malaysia	157,100	0
Licensed banks	2,260,307	2,655,452
	2,417,407	2,655,452
	2,417,407	2,655,452

**(3) Securities held for trading**

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
At fair value		
Malaysian Government Treasury Bills	144,078	76,675
Malaysian Government Stock	1,536,206	1,435,639
Malaysian Government Investment Issues	7,380	3,050
BNM Bills/Notes	846,050	1,505,284
Cagamas Notes /Bonds	1,010	1,008
Commerical papers	0	2,025
Khazanah bond	24,890	3,753
Private Debt Securities	50,191	155,674
	2,609,805	3,183,108
	2,609,805	3,183,108

**(4) Securities available for sale**

	<b>Group and Bank</b>	
	<b>Jun 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
At fair value		
Malaysian Government Treasury Bills/ Government Stock	3,929,726	3,449,613
Bank Negara Malaysia bills	0	793,572
Malaysian Government Investment Issues	513,559	635,543
Khazanah Bonds	69,188	140,389
Private Debt Securities	0	41,866
Yankee Bonds/US bonds	908,723	179,618
Multilateral Financial Institutions	51,420	50,616
	<u>5,472,616</u>	<u>5,291,218</u>

**(5) Securities held to maturity**

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

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

**(i) By type**

	<b>Group and Bank</b>	
	<b>Jun 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Overdrafts	1,042,000	1,087,949
Term loans and financing		
-Housing loans/financing	10,258,477	10,821,081
-Hire Purchase receivables	11,650	17,187
-Lease Receivables	10,853	12,337
-Other term loans / financing	1,547,035	1,436,360
Bills receivable	286,536	387,469
Trust receipts	9,038	26,841
Claims on customers under acceptance credits	391,695	710,154
Staff loans	100,159	101,094
Share Margin Financing	141,137	140,695
Credit cards receivables	4,484,947	4,582,263
Revolving credit	983,926	1,047,071
Other loans	148,648	231,158
	<hr/>	<hr/>
Unearned interest and income	19,416,101 (53,269)	20,601,660 (65,458)
	<hr/>	<hr/>
Gross loans, advances and financing	19,362,832	20,536,202
Allowance for bad and doubtful debts and financing		
- general	(283,988)	(303,205)
- specific	(430,325)	(384,167)
	<hr/>	<hr/>
Net loans, advances and financing	<u>18,648,519</u>	<u>19,848,830</u>

**(ii) By type of customer**

	<b>Group and Bank</b>	
	<b>Jun 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic non financial institutions		
-Others	234,590	180,725
Domestic business enterprises		
-Small and medium enterprises	437,107	544,508
-Others	1,808,309	2,327,833
Individuals	16,758,060	17,347,185
Foreign entities	124,766	135,951
	<hr/>	<hr/>
	<u>19,362,832</u>	<u>20,536,202</u>

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

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

	<b>Group and Bank</b>	
	<b>Jun 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
Housing loans/financing	881,577	464,114
Hire Purchase receivables	11,650	17,187
Other fixed rate loan/financing	7,021,783	7,666,696
Variable rate		
BLR plus	11,103,075	12,013,438
Cost plus	344,747	374,767
	<hr/>	<hr/>
	<b>19,362,832</b>	<b>20,536,202</b>
	<hr/> <hr/>	<hr/> <hr/>

**(iv) By sector**

	<b>Group and Bank</b>	
	<b>Jun 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	15,609	47,289
Mining & quarrying	3,582	12,327
Manufacturing (incl agriculture based)	1,120,846	1,343,788
Electricity, gas, water	52,866	84,996
Construction	37,238	37,008
Wholesale, retail trade, restaurants, hotels	429,327	665,716
Transport, storage & communication	110,737	149,504
Finance, insurance, real estate & business services	554,792	577,807
Education, health & others	33,589	22,499
Household		
- consumption credit	5,373,215	5,434,155
- residential	10,920,419	11,412,109
- purchase of securities	140,279	139,872
- others	324,147	361,049
Other purposes	246,186	248,083
	<hr/>	<hr/>
	<b>19,362,832</b>	<b>20,536,202</b>
	<hr/> <hr/>	<hr/> <hr/>

**(iv) By purpose**

	<b>Group and Bank</b>	
	<b>Jun 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of securities	141,137	140,695
Purchase of landed property	11,584,363	12,085,395
Purchase fixed assets excluding land & building	38,650	73,912
Personal usage	927,803	895,248
Credit card	4,484,947	4,582,263
Construction	37,703	45,813
Working capital	2,148,200	2,699,553
Other purposes	29	13,323
	<hr/>	<hr/>
	<b>19,362,832</b>	<b>20,536,202</b>
	<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:-**

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
At 1 January	634,146	689,920
Classified as non-performing during the year	320,032	501,420
Reclassified as performing during the year	(123,220)	(232,064)
Amount recovered	(59,857)	(181,930)
Amount written off	(89,593)	(143,200)
	<hr/>	<hr/>
At 30 June / 31 December	681,508	634,146
Specific allowance	(430,325)	(384,167)
	<hr/>	<hr/>
Net non performing loans, advances and financing	<u>251,183</u>	<u>249,979</u>
Ratio of net non-performing loans and financing to net loans and financing	1.33%	1.24%

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

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
<u>General allowance</u>		
At 1 January	303,205	314,312
Allowance made during the year	(19,217)	(11,107)
	<hr/>	<hr/>
At 30 June / 31 December	<u>283,988</u>	<u>303,205</u>
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	165,869	248,190
Amount recovered	(30,619)	(66,009)
Amount written off	(89,092)	(139,963)
	<hr/>	<hr/>
At 30 June / 31 December	<u>430,325</u>	<u>384,167</u>

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

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

	<b>Group and Bank</b>	
	<b>Jun 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	-	11
Mining & quarrying	209	174
Manufacturing (incl agriculture based)	43,701	43,582
Construction	15,042	15,542
Wholesale, retail trade, restaurants, hotels	21,886	21,327
Transport, storage & communication	751	1,111
Finance, insurance, real estate & business services	27,505	28,362
Household		
- consumption credit	260,606	210,492
- residential	265,066	265,771
- purchase of securities	21,245	21,545
- others	25,497	26,229
	<hr/>	<hr/>
	<b>681,508</b>	<b>634,146</b>
	<hr/> <hr/>	<hr/> <hr/>

**(8) Other assets**

	<b>Group and Bank</b>	
	<b>Jun 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest/Income receivable	99,167	99,924
Other debtors, deposits and prepayments	277,339	246,312
Derivatives (note 19)	860,946	1,708,318
	<hr/>	<hr/>
	<b>1,237,452</b>	<b>2,054,554</b>
	<hr/> <hr/>	<hr/> <hr/>

**(9) Deposits from customers**

(i) By type of deposit

	<b>Group and Bank</b>	
	<b>Jun 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Demand deposits	9,963,552	9,070,826
Saving deposits	1,626,004	1,362,883
Fixed deposits	10,129,088	11,815,011
Other deposits	5,979,599	4,891,179
Negotiable Instruments of Deposit	640,400	2,423,850
Others - cash collateral	53,944	25,891
	<hr/>	<hr/>
	<b>28,392,587</b>	<b>29,589,640</b>
	<hr/> <hr/>	<hr/> <hr/>

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

**(ii) By type of customers**

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Federal and state governments	-	-
Government and statutory bodies	51,843	764,542
Business enterprise	12,481,816	10,375,579
Individuals	11,764,800	12,722,835
Others	4,094,127	5,726,684
	<u>28,392,586</u>	<u>29,589,640</u>

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

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	7,824,016	9,539,550
Other financial institutions	254,305	63,306
	<u>8,078,321</u>	<u>9,602,856</u>

**(11) Other liabilities**

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest/Profit payable	93,766	129,234
Other creditors and accruals	1,120,305	1,151,609
Provision for retirement benefits	3,149	3,077
Profit Equalisation Reserve	2,551	1,025
Taxation	125,983	142,943
Derivatives (Note 19)	936,219	1,718,658
	<u>2,281,972</u>	<u>3,146,546</u>

**(12) Share capital**

	<b>Group and Bank</b>			
	<b>Amount</b>		<b>Number of shares</b>	
	<b>Jun</b>	<b>Dec</b>	<b>Jun</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Number of shares</b>
				<b>Dec</b>
				<b>2008</b>
				<b>RM'000</b>
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**

	<b>Group and Bank</b>	
	<b>Jun 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Share premium	380,303	380,303
Statutory reserve	121,697	121,697
Other Reserve	28,209	63,578
Retained profits	2,599,364	2,667,900
	<hr/>	<hr/>
	<u>3,129,572</u>	<u>3,233,478</u>

**(14) Interest income**

	<b>Group and Bank</b>	
	<b>Jun 2009</b>	<b>Jun 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Loans and advances		
- Interest income other than recoveries from NPLs	677,003	744,339
- Recoveries from NPLs	3,302	6,160
Money at call and deposit placements with financial institutions	95,405	282,924
Securities held-for-trading	30,089	16,817
Securities available-for-sale	84,311	56,044
Securities held-to-maturity	334	122
Securities purchased under resale agreements	2,716	13,613
	<hr/>	<hr/>
	893,160	1,120,018
Amortisation of premium/accretion of discounts	<hr/>	<hr/>
	(195)	1,182
	<hr/>	<hr/>
	<u>892,965</u>	<u>1,121,200</u>

**(15) Interest expense**

	<b>Group and Bank</b>	
	<b>Jun 2009</b>	<b>Jun 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions	36,766	170,068
Deposits from customers	205,633	310,147
Loans sold to Cagamas	-	5,765
Others	25,512	20,192
	<hr/>	<hr/>
	<u>267,911</u>	<u>506,172</u>



**(16) Other operating income**

	<b>Group and Bank</b>	
	<b>Jun 2009</b>	<b>Jun 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Fee income:		
Commission	80,881	78,563
Service charges and fees	288	394
Guarantee fees	4,384	4,343
Bankcard fees	88,317	70,958
Insurance premium and referral	7,152	8,724
Other fee income	5,586	6,914
	<u>186,608</u>	<u>169,895</u>
Income from securities:		
Unrealised loss/gain from securities held-for-trading	(21,438)	4,421
Net gain from sales of securities		
- securities held for trading	11,617	14,699
- securities available for sale	44,348	12,590
Gross dividends from securities held to maturity	25	1,719
	<u>34,552</u>	<u>33,428</u>
Other income:		
Foreign exchange profit		
- unrealised gain	121,610	91,614
- realised gain	10,357	18,409
Loss/Gain from derivatives	(124,107)	11,507
Loss on disposal of fixed assets	(1,500)	(356)
	<u>6,360</u>	<u>121,174</u>
Total other operating income	<u><u>227,521</u></u>	<u><u>324,498</u></u>

**(17) Other operating expenses**

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Jun 2008 RM'000</b>
Personnel costs		
-Salaries, allowances and bonuses	86,536	83,753
-Contribution to Employees provident fund	13,963	16,313
-Staff benefits and other compensations	45,644	60,983
-Others	1,717	4,804
	<u>147,860</u>	<u>165,854</u>
Establishment costs		
-Depreciation	18,593	13,663
-Rental of premises	-	11,115
-Hire of equipment	5,562	1,503
-Utilities	2,070	2,803
-Others	12,652	1,436
	<u>38,877</u>	<u>30,520</u>
Marketing expenses		
-Advertisement and promotional expenses	33,791	28,791
-Others	367	1,209
	<u>34,158</u>	<u>30,000</u>
Administration and general expenses		
-Processing cost	73,887	64,971
-Auditors' remuneration	25	93
-Write off of property, plant and equipment	-	30
-Stationeries and supplies	2,888	5,185
-Communication expenses	11,774	6,970
-Maintenance of office equipment	17,239	9,295
-Others	51,311	50,174
	<u>157,125</u>	<u>136,718</u>
Total other operating expense	<u>378,020</u>	<u>363,092</u>

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

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Jun 2008 RM'000</b>
Allowance for bad and doubtful debts on loans and financing :-		
Specific allowance		
- made in the financial year	165,869	110,918
- written back	(30,619)	(33,477)
General allowance		
- reversal during the year	(19,217)	(1,923)
Bad debts on loan and financing		
- written back	(27,116)	(25,818)
- written off	43	19,360
	<u>88,959</u>	<u>69,060</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:-

	<b>Jun 2009</b>			<b>Dec 2008</b>		
	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	1,520,883	1,520,883	1,344,135	1,445,815	1,445,815	1,360,653
Transaction -related contingent items	491,163	245,582	210,870	573,391	286,695	246,990
Short-term self liquidating trade-related contingencies	293,373	58,675	40,400	263,063	52,613	43,754
Other assets sold with recourse and commitment with certain drawdown	655,685	655,685	209,746	49,928	49,928	49,878
Irrevocable commitments to extend credit						
- maturity not exceeding one year	22,530,661	3,371,869	2,530,952	21,221,353	3,504,060	2,707,422
- maturity exceeding one year	435,839	217,919	157,322	1,077,602	538,801	426,885
Foreign exchange related contracts:						
-Less than one year	13,594,133	387,558	272,325	27,705,688	1,167,916	728,540
-One year to less than 5 years	5,687,410	741,485	547,014	5,557,995	763,695	502,245
-5 years and above	-	-	-	651,912	138,942	138,942
Interest rate related contracts:						
- Less than one year	5,368,794	39,537	16,993	5,633,403	45,962	17,287
- One year to less than 5 years	33,621,346	737,547	277,869	32,090,420	823,964	245,357
- 5 years and above	2,803,249	302,943	102,939	3,589,342	453,853	165,861
Equity related contracts	1,223,887	116,421	63,836	1,195,443	116,344	64,041
Others	204,500	34,562	35,799	206,294	33,036	33,036
<b>Total</b>	<b>88,430,923</b>	<b>8,430,665</b>	<b>5,810,198</b>	<b>101,261,649</b>	<b>9,421,624</b>	<b>6,730,891</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).

**(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.

	<b>Jun 2009</b>			<b>Dec 2008</b>		
	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	11,187,570	135,388	108,819	24,600,942	604,114	564,053
-Cross currency interest rate swaps	6,945,722	231,485	207,364	7,376,158	358,947	300,750
-Options	1,148,251	35,293	5,640	1,938,495	87,651	32,457
Interest rate contracts						
-Futures	14,350,000	-	-	14,646,000	-	-
-Swaps	27,426,189	434,988	574,079	26,649,815	634,162	775,440
-Options	17,200	22	77	17,350	7	41
Equity related contracts	1,223,887	12,787	16,916	1,195,443	15,156	20,361
Others	204,500	10,984	23,323	206,294	8,281	25,556
	<u>62,503,319</u>	<u>860,946</u>	<u>936,218</u>	<u>76,630,497</u>	<u>1,708,318</u>	<u>1,718,658</u>
		Note 8	Note 11		Note 8	Note 11

**CITIBANK BERHAD  
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**Commitment and contingencies (continued)**

**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>	<b>Up to</b>	<b>&gt; 1 - 3</b>	<b>&gt; 3 - 12</b>	<b>&gt; 1 - 5</b>	<b>over 5</b>	<b>Non-interest</b>	<b>Trading</b>	<b>Total</b>	<b>Effective interest</b>
<b>Jun 2009</b>	<b>1 mth</b>	<b>months</b>	<b>months</b>	<b>years</b>	<b>years</b>	<b>sensitive</b>			
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>ASSETS</b>									
Cash and short term funds	10,355,902	-	150,000	-	-	563,396	-	11,069,298	1.27%
Deposits and placements with banks and other financial institutions	-	860,555	965,568	589,293	1,991	-	-	2,417,407	2.37%
Securities purchased under resale agreements	15,010	304,255	400,012	-	-	-	-	719,277	1.25%
Securities held for trading	-	-	-	-	-	-	2,609,805	2,609,805	2.30%
Securities available-for-sale	-	35,140	1,434,457	3,965,095	37,924	-	-	5,472,616	3.35%
Securities held-to-maturity	-	-	-	-	-	7,499	-	7,499	
Loans, advances and financing	13,218,080	746,134	783,740	3,077,895	932,454	(109,786)	-	-	
- performing	13,218,080	746,134	783,740	3,077,895	935,011	70,760	-	18,831,620	7.18%
- non-performing	-	-	-	-	-	(183,101)	-	(183,101)	
Other asset	-	-	-	-	-	1,237,452	-	1,237,452	
Statutory deposits with BNM	-	-	-	-	-	155,503	-	155,503	
Deferred tax assets	-	-	-	-	-	33,417	-	33,417	
Property, plant and equipment	-	-	-	-	-	52,282	-	52,282	
<b>TOTAL ASSETS</b>	<b>36,807,070</b>	<b>2,692,219</b>	<b>4,517,518</b>	<b>10,710,178</b>	<b>1,907,379</b>	<b>1,827,422</b>	<b>2,609,805</b>	<b>42,423,075</b>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>									
Deposits from customers	19,659,058	2,614,337	4,783,864	1,201,080	-	134,248	-	28,392,586	1.19%
Deposits and placements of banks and other financial institutions	7,629,980	29,589	267,515	151,236	-	-	-	8,078,321	0.78%
Bills and acceptance payable	-	-	-	-	-	18,925	-	18,925	
Other liabilities	-	-	-	-	-	2,281,972	-	2,281,972	
Subordinated loan	-	-	-	-	400,000	-	-	400,000	4.46%
<b>Total Liabilities</b>	<b>27,289,038</b>	<b>2,643,926</b>	<b>5,051,379</b>	<b>1,352,316</b>	<b>400,000</b>	<b>2,435,145</b>	<b>-</b>	<b>39,171,804</b>	
Shareholders' equity	-	-	-	-	-	3,521,128	-	3,521,128	
<b>Total Liabilities and Shareholders' equity</b>	<b>27,289,038</b>	<b>2,643,926</b>	<b>5,051,379</b>	<b>1,352,316</b>	<b>400,000</b>	<b>5,956,274</b>	<b>-</b>	<b>42,692,933</b>	
On-balance Sheet interest sensitivity gap	9,518,032	48,293	(533,861)	9,357,862	1,507,379	(4,128,852)	2,609,805		
Off-balance Sheet interest sensitivity gap	(3,126)	5,333,839	(5,299,876)	1,187,003	44,797	-	-		
	<b>9,514,906</b>	<b>5,382,133</b>	<b>(5,833,737)</b>	<b>10,544,865</b>	<b>1,552,177</b>	<b>(4,128,852)</b>	<b>2,609,805</b>		

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Interest/profit rate risk

<b>Group</b>	Up to	> 1 - 3	> 3 - 12	> 1 - 5	over 5	Non-interest	Trading	Total	Effective interest
<b>Dec 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>ASSETS</b>									
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	(347,959)	-	19,598,850	7.40%
- non-performing	-	-	-	-	-	249,979	-	249,979	-
Other asset						2,054,554	-	2,054,555	-
Statutory deposits with BNM						508,292	-	508,293	-
Deferred tax						22,503	-	22,502	-
Property, plant and equipment						54,834	-	54,834	-
<b>TOTAL ASSETS</b>	<b>26,217,045</b>	<b>1,261,978</b>	<b>3,442,788</b>	<b>7,823,044</b>	<b>1,468,216</b>	<b>2,740,307</b>	<b>3,183,108</b>	<b>46,136,486</b>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>									
Deposits from customers	19,999,271	3,149,852	5,190,617	1,209,900	40,000	-	-	29,589,640	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	-	3,146,546	-
Subordinated loan	-	-	-	-	400,000	-	-	400,000	4.63%
<b>Total Liabilities</b>	<b>28,556,351</b>	<b>3,487,140</b>	<b>5,723,896</b>	<b>1,243,926</b>	<b>440,000</b>	<b>3,329,998</b>	<b>-</b>	<b>42,781,311</b>	
<b>Shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,355,175</b>	<b>-</b>	<b>3,355,175</b>	
<b>Total Liabilities and Shareholders' equity</b>	<b>28,556,351</b>	<b>3,487,140</b>	<b>5,723,896</b>	<b>1,243,926</b>	<b>440,000</b>	<b>6,685,173</b>	<b>-</b>	<b>46,136,486</b>	
On-balance Sheet interest sensitivity gap	(2,339,306)	(2,225,162)	(2,281,108)	6,579,118	1,028,216	(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	-	-		
	<b>(1,633,322)</b>	<b>219,907</b>	<b>(6,600,869)</b>	<b>7,802,341</b>	<b>1,035,725</b>	<b>(3,944,866)</b>	<b>3,183,108</b>		

**CITIBANK BERHAD  
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**(20) Capital adequacy**

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

	<b>Group and Bank</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Computation of Total Risk Weighted Assets (RWA)</b>		
Total Credit RWA	20,712,280	22,366,355
Credit RWA Absorbed by PSIA	-	-
Total Market RWA	2,519,443	3,249,462
Market RWA Absorbed by PSIA	-	-
Total Operational RWA	3,254,686	3,170,405
Large Exposure Risk RWA for Equity Holdings*		
<b>Total Risk Weighted Assets</b>	<b>26,486,408</b>	<b>28,786,222</b>
<b>Computation of Capital Ratios</b>		
Tier 1 Capital	2,846,735	2,846,735
Capital Base	3,549,920	3,549,920
<b>Core Capital Ratio</b>	<b>10.75%</b>	<b>9.89% *</b>
<b>Risk-Weighted Capital Ratio</b>	<b>13.40%</b>	<b>12.33% *</b>

\* In arriving at the Tier 1 Capital and Capital Base used in the ratio calculations of the Bank, the dividend paid during the period were 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. The concept paper is not final and is still under consultation, pending feedback from banking institutions and other market participants. The comparative capital and adequacy ratios for 31 December 2008 have not been restated based on RWCAF Basel II guidelines, as they represent actual amounts reported for regulatory compliance purposes as of that date. The minimum regulatory capital adequacy requirement is 8% for the risk-weighted capital ratio.

	<b>Group and Bank</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(b) Capital Elements</b>		
<b>Tier I Capital</b>		
Paid Up Share Capital	121,697	121,697
Share Premium	380,303	380,303
Retained earnings	2,267,900	2,667,900
Other Reserves	121,697	121,697
	<b>2,891,597</b>	<b>3,291,597</b>
less: Deferred Tax Assets	(44,862)	(44,862)
<b>Total Tier I Capital</b>	<b>2,846,735</b>	<b>3,246,735</b>
<b>Tier II Capital</b>		
General Allowance for Bad and Doubtful Debts and Financing	303,205	303,205
Maximum allowable subordinated debt capital	400,000	400,000
<b>Total Tier II Capital</b>	<b>703,205</b>	<b>703,205</b>
<b>Total Eligible Tier 2</b>	<b>703,205</b>	<b>703,205</b>
less: Investment in Subsidiaries	(20)	(20)
<b>Capital Base</b>	<b>3,549,920</b>	<b>3,949,920</b>

**(20) Capital adequacy (continued)**

(C) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category for the current financial year were as follows :

<b>Group and Bank 2009</b>	<b>Gross Exposures</b>	<b>RM'000</b>	<b>Net Exposures RM'000</b>	<b>Risk Weighted Assets RM'000</b>	<b>Capital Requirements RM'000</b>
<b>1.0 Credit Risk</b>					
On-Balance Sheet Exposures :					
Sovereigns/Central Banks		9,023,308	9,023,308	-	-
Public Sector Entities		-	-	-	-
Banks, Development Financial Institutions & MDBs		9,918,804	9,918,804	2,691,226	215,298
Insurance Cos, Securities Firms & Fund Managers		693,580	693,580	693,577	55,486
Corporates		2,350,780	2,455,398	2,277,612	182,209
Regulatory Retail		5,766,237	5,551,250	4,163,437	333,075
Residential Mortgages		10,466,678	10,466,678	4,004,297	320,344
Higher Risk Assets		79,461	79,461	119,192	9,535
Other Assets		389,615	389,615	332,882	26,631
Defaulted Exposures		599,161	599,045	619,851	49,588
<b>Total On-Balance Sheet Exposures</b>		<b>39,287,626</b>	<b>39,177,140</b>	<b>14,902,073</b>	<b>1,192,166</b>
Off-Balance Sheet Exposures :					
OTC Derivatives		2,360,053	2,343,741	1,316,777	151,625
Off Balance sheet exposures other than OTC derivatives or credit derivatives		6,056,662	5,953,986	4,476,585	386,084
Defaulted Exposures		13,951	13,951	16,845	762
<b>Total Off- Balance Sheet Exposures</b>		<b>8,430,666</b>	<b>8,311,678</b>	<b>5,810,207</b>	<b>464,817</b>
<b>Total On and Off Balance Sheet Exposures</b>		<b>47,718,292</b>	<b>47,488,818</b>	<b>20,712,280</b>	<b>1,656,982</b>
<b>2.0 Large Exposure Risk Requirement</b>		-	-	-	-
<b>3.0 Market Risk</b>					
Interest Rate Risk* - Specific Interest Rate Risk	<b>Long Position</b>	3,237,228	(780,668)		
- General Interest Rate Risk		575,033	458,048	2,208,963	176,717
Foreign Currency Risk		16,883	(284,483)	284,483	22,759
Options Risk				25,996	2,080
				<b>2,519,442</b>	<b>201,555</b>
<b>4.0 Operational Risk</b>				<b>3,254,686</b>	<b>260,375</b>
<b>Total RWA and Capital Requirements</b>				<b>26,486,407</b>	<b>2,118,913</b>

\* Specific Risk : long and short based on the absolute value    General Risk : long and short based on the DV01



(20) Capital adequacy (continued)

(d) The breakdown of exposures by risk weights for the current financial year were as follows:

<-----Exposures after Netting and Credit Risk Mitigaqion----->

	Sovereigns & Central Banks	Banks, MDBs and FDIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>Risk Weights</u></b>										
0%	9,058,030	501,533	-	-	-	-	-	50,977	9,610,540	-
20%	0	7,984,873	-	69,264	-	-	-	7,196	8,061,333	1,612,267
35%	-	-	-	-	-	8,613,684	-	-	8,613,684	3,014,789
50%	-	3,891,374	8,627	148,973	1,154	1,758,551	-	-	5,808,679	2,904,340
75%	-	-	-	-	8,939,134	251,841	-	-	9,190,975	6,893,231
100%	0	51,305	754,944	4,340,848	57,902	498,350	-	332,164	6,035,513	6,035,513
150%	-	125	-	5,045	30,906	10,441	121,576	-	168,093	252,140
<b>Total Exposures</b>	<b>9,058,030</b>	<b>12,429,211</b>	<b>763,571</b>	<b>4,564,130</b>	<b>9,029,096</b>	<b>11,132,868</b>	<b>121,576</b>	<b>390,337</b>	<b>47,488,818</b>	<b>20,712,280</b>
<b>Risk- Weighted Assets by Exposures</b>	<b>0</b>	<b>3,594,155</b>	<b>759,257</b>	<b>4,436,755</b>	<b>6,809,189</b>	<b>4,596,958</b>	<b>182,363</b>	<b>333,603</b>	<b>-</b>	<b>20,712,280</b>
Average Risk Weight	0%	29%	99%	97%	75%	41%	150%	85%	44%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-

(20) Capital adequacy (continued)

(f) The Off-Balance Sheet Exposures and their related Counterparty Credit Risk for the Group and Bank are as follows :

Item	Nature of Item	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
(1)	<b>Direct Credit Substitutes</b>	1,520,883		1,520,883	1,344,135
(2)	<b>Transaction related contingent Items</b>	491,163		245,582	210,870
(3)	<b>Short Term Self Liquidating trade related contingencies</b>	293,373		58,675	40,400
(4)	<b>Assets sold with recourse</b>	-		-	-
(5)	<b>Forward Asset Purchases</b>	655,685		655,685	209,746
(6)	<b>Obligations under an on-going underwriting agreement</b>	-		-	-
(7)	<b>Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions. (i.e. repurchase / reverse repurchase and securities lending / borrowing transactions.</b>	-		-	-
(8)	<b>Foreign exchange related contracts</b>				
	One year or less	13,594,133	194,067	387,558	272,325
	Over one year to five years	5,687,410	208,099	741,485	547,014
	Over five years	-	-	-	-
(9)	<b>Interest/Profit rate related contracts</b>				
	One year or less	5,368,794	28,369	39,537	16,993
	Over one year to five years	33,621,346	296,613	737,547	277,869
	Over five years	2,803,249	110,028	302,943	102,939
(10)	<b>Equity related contracts</b>				
	One year or less	-	-	-	-
	Over one year to five years	1,223,887	12,882	116,421	63,836
	Over five years	-	-	-	-
(11)	<b>Precious Metal Contracts</b>				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(12)	<b>Debt Security Contracts and Other Commodity Contracts</b>				
	One year or less	-	-	-	-
	Over one year to five years	204,500	10,023	34,563	35,801
	Over five years	-	-	-	-
(13)	<b>Credit Derivative Contracts</b>				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(14)	<b>OTC Derivative transactions and credit derivative contracts subject to valid</b>				
(15)	<b>Other commitments, such as formal standby facilities and credit lines, with</b>	435,839		217,919	157,322
(16)	<b>Other commitments, such as formal standby facilities and credit lines, with</b>	-		-	-
(17)	<b>Any commitments that are unconditionally cancelled at any time by the</b>	5,671,314		-	-
(18)	<b>Unutilised credit card lines</b>	16,859,347		3,371,869	2,530,952
(19)	<b>Off Balance sheet items for securitization exposures</b>	-		-	-
(20)	<b>Off Balance sheet exposures due to early amortization provisions</b>	-		-	-
	<b>Total</b>	<b>88,430,923</b>	<b>860,080</b>	<b>8,430,666</b>	<b>5,810,200</b>

**CITIBANK BERHAD  
AND ITS SUBSIDIARY COMPANIES  
ISLAMIC BANKING OPERATIONS  
(Company No. 297089 M)  
(Incorporated in Malaysia)  
UNAUDITED BALANCE SHEET AT 30 JUNE 2009**

		<b>Group and Bank</b>	
		<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
<b>Assets</b>			
Cash and short term funds	(a)	3,929	3,191
Deposits and placements with banks and other financial institutions	(b)	485,000	19,000
Securities held-for-trading	(c)	120,230	75,004
Securities available-for-sale	(d)	411,115	775,932
Financing, advances and other loans	(e)	502,605	418,416
Deferred tax assets		1,846	-
Other assets	(g)	78,060	127,110
		<hr/>	<hr/>
<b>Total assets</b>		<b><u>1,602,785</u></b>	<b><u>1,418,653</u></b>
<b>Liabilities</b>			
Deposits from customers	(h)	1,137,563	845,246
Deposits and placements of banks and other financial institutions	(i)	185,283	-
Deferred tax liabilities		-	4,599
Other liabilities	(j)	105,639	405,600
		<hr/>	<hr/>
<b>Total liabilities</b>		<b><u>1,428,485</u></b>	<b><u>1,255,445</u></b>
Islamic banking funds	(k)	174,300	163,208
		<hr/>	<hr/>
<b>Total liabilities and Islamic banking funds</b>		<b><u>1,602,784</u></b>	<b><u>1,418,653</u></b>
<b>Commitments and contingencies</b>		<b><u>2,898,674</u></b>	<b><u>2,735,568</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 SIX MONTHS ENDED 30 JUNE 2009**

		<b>Group and Bank</b>	
		<b>Jun 2009 RM'000</b>	<b>Jun 2008 RM'000</b>
Income derived from investments of depositors' funds and others	(l)	22,713	23,380
Allowances for losses on financing	(m)	(1,248)	(1,560)
Transfer from / (to) Profit Equalisation Reserve	(n)	<u>(1,526)</u>	<u>1,729</u>
Total attributable income		19,939	23,549
Income attributable to depositors	(o)	<u>(9,147)</u>	<u>(10,935)</u>
Total attributable to the Bank		10,792	12,614
Income derived from investment of Islamic Banking Capital funds	(p)	<u>27,330</u>	<u>22,566</u>
Total net income		38,122	35,180
Other operating expenses	(r)	(3,470)	(2,418)
Profit Before Taxation		<u>34,652</u>	<u>32,762</u>
Taxation		(8,778)	(6,310)
Profit after taxation		<u><u>25,874</u></u>	<u><u>26,452</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 30 JUNE 2009**

	<b>Group and Bank</b>			
	<b>Capital Funds RM'000</b>	<b>Other Reserve RM'000</b>	<b>Profit RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2008</b>	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
<b>At 31 December 2008</b>	<u>20,000</u>	<u>18,485</u>	<u>124,723</u>	<u>163,208</u>
<b>At 1 January 2009</b>	20,000	18,485	124,723	163,208
Profit after taxation	-	-	25,874	25,874
Unrealised net gain/loss on revaluation of securities available for sale	-	(14,782)	-	(14,782)
<b>At 31 March 2009</b>	<u>20,000</u>	<u>3,703</u>	<u>150,597</u>	<u>174,300</u>

Note (k)

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

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and balances with banks and other financial institutions	3,929	3,191

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

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank Negara Malaysia	485,000	19,000

**(c) Securities held for trading**

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
Bank Negara Malaysia Islamic Bills	120,230	75,004

**(d) Securities available for sale**

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
Malaysian Government Investment Issues	341,927	635,543
Islamic Khazanah Bonds	69,188	140,389
	411,115	775,932

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

**(i) By type**

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Term financing		
-House loans/financing	539,663	451,518
-Hire purchase receivables	11,650	17,187
-Lease receivables	8,891	12,336
Claims on customers under acceptance credits	-	3,213
-Other term loans / financing	204	-
	<u>560,408</u>	<u>484,254</u>
Unearned income	(46,031)	(53,869)
	<u>514,377</u>	<u>430,385</u>
Allowance for bad and doubtful financing		
- general	(7,642)	(6,374)
- specific	(4,130)	(5,595)
	<u>502,605</u>	<u>418,416</u>

**(ii) By contract**

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Bai' Bithamin Ajil	58,008	64,804
Ijarah Muntahia Bittamilik	20,745	32,736
Diminishing Musharakah	435,624	332,845
	<u>514,377</u>	<u>430,385</u>

**(iii) By type of customer**

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Domestic business enterprises		
-Small and medium enterprises	17,566	23,354
-Others	6,724	12,113
Individuals	490,087	394,918
	<u>514,377</u>	<u>430,385</u>

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

**(iv) By profit rate sensitivity**

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
-House loans/financing	493,632	397,649
-Hire purchase receivables	11,650	17,187
-Other fixed rate loan/financing	9,095	15,549
	<hr/>	<hr/>
	<b>514,377</b>	<b>430,385</b>
	<hr/> <hr/>	<hr/> <hr/>

**(v) By sector**

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Manufacturing(including agriculture based)	13,446	16,930
Wholesale, retail trade, restaurants and hotels	342	4,221
Transport, storage and communication	5,694	8,734
Finance, insurance, real estate and bussiness services	1,264	2,851
Household-residential	490,087	394,918
Other sectors	3,544	2,731
	<hr/>	<hr/>
	<b>514,377</b>	<b>430,385</b>
	<hr/> <hr/>	<hr/> <hr/>

**(vi) By purpose**

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of landed property	493,631	397,649
Purchase fixed assets excluding land and building	20,746	29,523
Working capital	-	3,213
	<hr/>	<hr/>
	<b>514,377</b>	<b>430,385</b>
	<hr/> <hr/>	<hr/> <hr/>



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

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

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
At 1 January	9,951	9,983
Classified as non-performing during the year	2,731	2,567
Reclassified as performing during the year	(1,700)	-
Amount recovered	(1,303)	(2,599)
Amount written off	(1,595)	-
	<hr/>	<hr/>
At 30 June / 31 December	8,084	9,951
Specific allowance	(4,130)	(5,595)
	<hr/>	<hr/>
Net non performing financing, advances and other loans	<u>3,954</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	0.77%	1.03%

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

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
<u>General allowance</u>		
At 1 January	6,374	2,683
Allowance made during the year	1,268	3,691
	<hr/>	<hr/>
At 30 June / 31 December	<u>7,642</u>	<u>6,374</u>
As % of total financing less specific allowance	1.50%	1.50%
<u>Specific allowance</u>		
At 1 January	5,595	5,367
Allowance made during the year	(1,465)	469
Amount written back	-	(241)
	<hr/>	<hr/>
At 30 June / 31 December	<u>4,130</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**

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Manufacturing (including agriculture based)	4,664	4,774
Wholesale, retail trade, restaurants and hotel	-	461
Transport, storage and communication	65	501
Finance, insurance, real estate and business services	-	1,035
Household-residential	3,355	3,180
	<hr/>	<hr/>
	<b>8,084</b>	<b>9,951</b>
	<hr/> <hr/>	<hr/> <hr/>

**(g) Other assets**

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Profit receivable	951	5,981
Other debtors, deposits and prepayments	17,690	24,814
Revaluation gain on profit rate undertaking contracts (Note t)	59,419	96,315
	<hr/>	<hr/>
	<b>78,060</b>	<b>127,110</b>
	<hr/> <hr/>	<hr/> <hr/>

**(h) Deposits from customers**

**(i) By type of deposit**

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-Mudharabah Fund</b>		
Demand deposits	344,566	296,288
Saving deposits	274,629	224,246
Negotiable Instruments of Deposit	-	800
Other deposits	231,009	190,748
<b>Mudharabah fund</b>		
General investment deposits	287,359	133,164
	<u>1,137,563</u>	<u>845,246</u>

**(ii) By type of customers**

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	162	-
Business enterprises	607,829	602,481
Individuals	283,272	242,765
Others	246,300	-
	<u>1,137,563</u>	<u>845,246</u>

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

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	<u>185,283</u>	<u>-</u>

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

**(j) Other liabilities**

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Profit payable	829	276
Other creditors and accruals	42,841	307,984
Profit Equalisation Reserve (note n)	2,551	1,025
Revaluation loss on profit rate undertaking contracts (note t)	59,418	96,315
	<hr/>	<hr/>
	<u>105,639</u>	<u>405,600</u>

**(k) Islamic Banking Fund**

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Fund allocated	20,000	20,000
Fair value reserve	3,703	18,485
Retained earnings	150,597	124,723
	<hr/>	<hr/>
	<u>174,300</u>	<u>163,208</u>

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

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

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Jun 2008 RM'000</b>
Income derived from investment of:		
(i) General investment deposits	19,119	21,410
(ii) Other deposits	3,594	1,970
	<u>22,713</u>	<u>23,380</u>

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

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

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Jun 2008 RM'000</b>
<b>Finance income and hibah</b>		
Financing, advances and other loans	7,942	5,240
Money at call and placements with financial institutions	2,350	9,805
Income from securities available-for-sale	6,756	1,505
	<u>17,048</u>	<u>16,550</u>
Accretion of discount less amortisation of premium	1,841	4,775
Total finance income and hibah	<u>18,888</u>	<u>21,325</u>
<b>Other operating income</b>		
Fee income	231	85
Income from general investment deposits	<u>19,119</u>	<u>21,410</u>

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

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Jun 2008 RM'000</b>
<b>Finance income and hibah</b>		
Financing, advances and other loans	1,492	484
Money at call and placements with financial institutions	442	906
Income from securities available-for-sale	1,270	139
	<u>3,203</u>	<u>1,529</u>
Accretion of discount less amortisation of premium	346	441
Total finance income and hibah	<u>3,549</u>	<u>1,970</u>
<b>Other operating income</b>		
Fee income	44	-
Income from other deposits	<u>3,594</u>	<u>1,970</u>

**(m) Allowance for losses on financing**

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Jun 2008 RM'000</b>
Allowance for bad and doubtful debts and financing:-		
Specific allowance		
- made in the financial year	97	111
- written back in the financial year	(116)	-
General allowance		
- made in the year	1,267	1,449
	<hr/>	<hr/>
	<u>1,248</u>	<u>1,560</u>

**(n) Profit Equalisation Reserve**

The movement in Profit Equalisation Reserve are as follows:

	<b>Group and Bank</b>	
	<b>Jun 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
At 1 January	1,025	1,829
Movement in the financial year	1,526	(1,729)
	<hr/>	<hr/>
At 31 March / December	<u>2,551</u>	<u>100</u>

(o) **Income attributable to depositors**

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Jun</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers		
- Mudharabah funds	7,150	1,167
- Non-Mudharabah funds	1,940	9,716
Deposits and placements of banks and other financial institutions		
- Non-Mudharabah funds	37	42
Others	20	10
	<u>9,147</u>	<u>10,935</u>

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

	<b>Group and Bank</b>	
	<b>Jun</b>	<b>Jun</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Financing, advances and other loans	669	326
Money at call and placements with financial institutions	198	609
Income from securities available-for-sale	<u>569</u>	<u>94</u>
	1,437	1,029
Accretion of discount less amortisation of premium	<u>155</u>	<u>297</u>
Total finance income and hibah	<u>1,592</u>	<u>1,326</u>
<b>Other operating income</b>		
Gain /(loss) from securities held-for-trading	263	121
Gain from securities available-for-sale	24,278	29
Fee income	364	8,037
Income from trading activities	295	13,054
Insurance premium and referral	<u>538</u>	<u>-</u>
	<u>25,739</u>	<u>21,240</u>
Income from Islamic Banking Capital Funds	<u>27,330</u>	<u>22,566</u>

**(q) 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>Jun</b>	<b>Jun</b>
		<b>2009</b>	<b>2008</b>
		<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds and others	(l)	22,713	23,380
Profit Equalisation Reserve	(n)	(1,526)	1,729
Income attributable to depositors	(o)	(9,147)	(10,934)
Income derived from investment of Islamic Banking Funds	(p)	27,330	22,566
		<hr/>	<hr/>
		<u>39,370</u>	<u>36,741</u>

**(r) Other operating expenses**

		<b>Group and Bank</b>	
		<b>Jun</b>	<b>Jun</b>
		<b>2009</b>	<b>2008</b>
		<b>RM'000</b>	<b>RM'000</b>
Personnel costs		315	227
Establishment costs		18	28
Administration and general expenses		3,137	2,163
		<hr/>	<hr/>
		<u>3,470</u>	<u>2,418</u>



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**(s) 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>Jun 2009</b>			<b>Dec 2008</b>		
	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	83,030	83,030	83,030	49,827	49,827	49,827
Irrevocable commitments to extend credit						
- maturity not exceeding one year	495	-	-	718	144	144
- maturity exceeding one year	82,558	41,279	14,567	143,133	71,566	25,269
Foreign exchange related contracts:						
-One year to less than 5 years	1,618,685	191,224	191,224	1,608,115	220,426	220,426
Others	1,113,905	38,154	33,268	933,775	39,295	36,186
<b>Total</b>	<b>2,898,674</b>	<b>353,687</b>	<b>322,089</b>	<b>2,735,568</b>	<b>381,258</b>	<b>331,852</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>Jun 2009</b>			<b>Dec 2008</b>		
	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	1,618,685	45,542	45,542	1,608,115	75,696	75,696
Profit rate related contracts:						
- Islamic profit rate undertaking	1,113,905	13,876	13,876	933,775	20,619	20,619
	<b>2,732,590</b>	<b>59,418</b>	<b>59,418</b>	<b>2,541,890</b>	<b>96,315</b>	<b>96,315</b>
		Note (g)	Note (j)		Note (g)	Note (j)

**CITIBANK BERHAD  
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- (f) **Capital adequacy**  
(i) The capital adequacy ratios of the Bank are as follows:-

	<b>Group and Bank</b>	
	<b>2009 RM'000</b>	<b>2008 RM'000</b>
<b>Computation of Total Risk Weighted Assets (RWA)</b>		
Total Credit RWA	560,294	548,164
Credit RWA Absorbed by PSIA	-	-
Total Market RWA	162,187	34,154
Market RWA Absorbed by PSIA	-	-
Total Operational RWA	87,832	67,401
Large Exposure Risk RWA for Equity Holdings*		
<b>Total Risk Weighted Assets</b>	<b>810,312</b>	<b>649,719</b>
<b>Computation of Capital Ratios</b>		
Tier 1 Capital	144,723	144,723
Capital Base	151,097	151,097
<b>Core Capital Ratio</b>	<b>17.86%</b>	<b>22.27%</b>
<b>Risk-Weighted Capital Ratio</b>	<b>18.65%</b>	<b>23.26%</b>

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. The concept paper is not final and is still under consultation, pending feedback from banking institutions and other market participants. The comparative capital and adequacy ratios for 31 December 2008 have not been restated based on RWCAF Basel II guidelines, as they represent actual amounts reported for regulatory compliance purposes as of that date. The minimum regulatory capital adequacy requirement is 8% for the risk-weighted capital ratio.

(ii) Capital Elements	<b>Group and Bank</b>	
	<b>2009 RM'000</b>	<b>2008 RM'000</b>
<b>Tier I Capital</b>		
Fund allocated	20,000	20,000
Retained earnings	124,723	124,723
Other Reserves	-	-
Less : Deferred tax assets	-	-
<b>Total Tier I Capital (Core Capital)</b>	<b>144,723</b>	<b>144,723</b>
<b>Tier II Capital</b>		
General Allowance for Bad and Doubtful Debts and Financing	6,374	6,374
<b>Capital Base</b>	<b>151,097</b>	<b>151,097</b>

(t) **Capital adequacy (continued)**

(iii) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category for the current financial year were as follows :

<b>Group and Bank 2009</b>	<b>Gross Exposures RM'000</b>	<b>Net Exposures RM'000</b>	<b>Risk Weighted Assets RM'000</b>	<b>Capital Requirements RM'000</b>
<b>1.0 Credit Risk</b>				
On-Balance Sheet Exposures :				
Sovereigns/Central Banks	827,879	827,879	-	-
Public Sector Entities	-	-	-	-
Banks, Development Financial Institutions & MDBs	-	-	-	0
Insurance Cos, Securities Firms & Fund Managers	0	0	0	-
Corporates	83,359	80,887	25,537	2,043
Regulatory Retail	2,134	429	322	26
Residential Mortgages	491,147	491,147	200,035	16,003
Higher Risk Assets	171	171	257	21
Other Assets	13,292	13,292	9,363	749
Defaulted Exposures	2,493	2,378	2,691	215
<b>Total On-Balance Sheet Exposures</b>	<b>1,420,474</b>	<b>1,416,182</b>	<b>238,205</b>	<b>19,056</b>
Off-Balance Sheet Exposures :				
OTC Derivatives	229,378	229,378	224,492	17,959
Off Balance sheet exposures other than OTC derivatives or credit derivatives	124,309	124,309	97,597	7,808
Defaulted Exposures	-	-	-	-
<b>Total Off- Balance Sheet Exposures</b>	<b>353,687</b>	<b>353,687</b>	<b>322,089</b>	<b>25,767</b>
<b>Total On and Off Balance Sheet Exposures</b>	<b>1,774,161</b>	<b>1,769,870</b>	<b>560,294</b>	<b>44,823</b>
<b>2.0 Large Exposure Risk Requirement</b>	-	-	-	-
<b>3.0 Market Risk</b>				
	<b>Long Position</b>	<b>Short Position</b>		
Interest Rate Risk* - Specific Interest Rate Risk	799,725	(244,143)		
- General Interest Rate Risk	12,930	-	162,187	12,975
Foreign Currency Risk	-	-	-	-
Options Risk	-	-	-	-
			<b>162,187</b>	<b>12,975</b>
<b>4.0 Operational Risk</b>			<b>87,832</b>	<b>7,027</b>
<b>Total RWA and Capital Requirements</b>			<b>810,312</b>	<b>64,825</b>

\* Specific Risk : long and short based on the absolute value    General Risk : long and short based on the DV01

(t) Capital adequacy (continued)

(iv) The breakdown of exposures by risk weights for the current financial year were as follows:

-----Exposures after Netting and Credit Risk Mitigation----->

	Sovereigns & Central Banks	Banks, MDBs and FDIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Risk Weights</b>										
0%	827,879	-	-	-	-	-	-	3,929	831,808	-
20%	-	-	-	69,188	-	-	-	-	69,188	13,838
35%	-	-	-	-	-	348,286	-	-	348,286	121,900
50%	-	9,772	-	326	-	181,759	-	-	191,206	95,603
75%	-	-	-	-	429	2,331	-	-	2,760	2,070
100%	-	96,359	2,510	215,466	-	2,403	-	9,363	326,101	326,101
150%	-	-	-	28	273	-	220	-	521	782
<b>Total Exposures</b>	<b>827,879</b>	<b>106,132</b>	<b>2,510</b>	<b>284,356</b>	<b>702</b>	<b>534,779</b>	<b>220</b>	<b>13,292</b>	<b>1,769,870</b>	<b>560,294</b>
<b>Risk- Weighted Assets by Exposures</b>	<b>-</b>	<b>101,246</b>	<b>2,510</b>	<b>229,183</b>	<b>731</b>	<b>216,931</b>	<b>331</b>	<b>9,363</b>	<b>-</b>	<b>560,294</b>
Average Risk Weight	0%	95%	100%	81%	104%	41%	150%	70%	32%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-

(t) Capital adequacy (continued)

(v) The Off-Balance Sheet Exposures and their related Counterparty Credit Risk for the Group and Bank are as follows :

Item	Nature of Item	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
(1)	Direct Credit Substitutes			-	-
(2)	Transaction related contingent Items			-	-
(3)	Short Term Self Liquidating trade related contingencies			-	-
(4)	Assets sold with recourse			-	-
(5)	Forward Asset Purchases	83,030		83,030	83,030
(6)	Obligations under an on-going underwriting agreement			-	-
(7)	Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions. (i.e. repurchase / reverse repurchase and securities lending / borrowing transactions.			-	-
(8)	Foreign exchange related contracts				
	One year or less	-	-	-	-
	Over one year to five years	1,618,685	45,542	191,224	191,224
	Over five years	-	-	-	-
(9)	Interest/Profit rate related contracts				
	One year or less	-	-	-	-
	Over one year to five years	1,113,905	13,876	38,154	33,268
	Over five years	-	-	-	-
(10)	Equity related contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(11)	Precious Metal Contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(12)	Debt Security Contracts and Other Commodity Contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(13)	Credit Derivative Contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
(14)	OTC Derivative transactions and credit derivative contracts subject to				
(15)	Other commitments, such as formal standby facilities and credit lines, with	82,558		41,279	14,567
(16)	Other commitments, such as formal standby facilities and credit lines, with			-	-
(17)	Any commitments that are unconditionally cancelled at any time by the	495		-	-
(18)	Unutilised credit card lines			-	-
(19)	Off Balance sheet items for securitization exposures			-	-
(20)	Off Balance sheet exposures due to early amortization provisions			-	-
	<b>Total</b>	<b>2,898,674</b>	<b>59,418</b>	<b>353,687</b>	<b>322,089</b>