



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

**AUDITED CONDENSED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 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)  
**AUDITED BALANCE SHEET AT 30 SEPTEMBER 2009**

	Note	Group		Bank	
		Sep 2009 RM'000	Dec 2008 RM'000	Sep 2009 RM'000	Dec 2008 RM'000
<b>ASSETS</b>					
Cash and short term funds	1	10,917,800	12,384,425	10,917,780	12,384,405
Deposits and placements with banks and other financial institutions	2	2,021,693	2,655,452	2,021,693	2,655,452
Securities purchased under resale agreements		569,848	125,771	569,848	125,771
Securities held for trading	3	2,227,654	3,183,108	2,227,654	3,183,108
Securities available-for-sale	4	4,759,079	5,291,218	4,759,079	5,291,218
Securities held-to-maturity	5	7,499	7,499	7,499	7,499
Loans, advances and financing	6	18,475,203	19,848,830	18,475,203	19,848,830
Other assets	8	1,152,883	2,054,554	1,152,883	2,054,554
Statutory deposits with Bank Negara Malaysia	9	3,925	508,292	3,925	508,292
Deferred tax assets		35,226	22,503	35,226	22,503
Investment in subsidiary companies		-	-	20	20
Property, plant and equipment		62,389	54,834	62,389	54,834
<b>TOTAL ASSETS</b>		<b>40,233,199</b>	<b>46,136,486</b>	<b>40,233,199</b>	<b>46,136,486</b>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>					
Deposits from customers	10	28,666,144	29,589,640	28,666,144	29,589,640
Deposits and placements of banks and other financial institutions	11	5,478,926	9,602,856	5,478,926	9,602,856
Bills and acceptances payable		23,887	42,269	23,887	42,269
Other liabilities	12	2,194,849	3,146,546	2,194,849	3,146,546
Subordinated loan		400,000	400,000	400,000	400,000
<b>TOTAL LIABILITIES</b>		<b>36,763,806</b>	<b>42,781,311</b>	<b>36,763,806</b>	<b>42,781,311</b>
<b>SHARE CAPITAL</b>	13	121,697	121,697	121,697	121,697
<b>RESERVES</b>	14	3,347,696	3,233,478	3,347,696	3,233,478
<b>SHAREHOLDERS' FUNDS</b>		<b>3,469,393</b>	<b>3,355,175</b>	<b>3,469,393</b>	<b>3,355,175</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>40,233,199</b>	<b>46,136,486</b>	<b>40,233,199</b>	<b>46,136,486</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	20	<b>90,704,891</b>	<b>101,261,649</b>	<b>90,704,891</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**  
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(Company No. 297089 M)  
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**AUDITED INCOME STATEMENTS OF THE GROUP AND BANK**  
**FOR THE FINANCIAL PERIOD NINE MONTHS ENDED 30 SEPTEMBER 2009**

		<b>Group and Bank</b>	
		<b>Sep</b>	<b>Sep</b>
	<b>Note</b>	<b>2009</b>	<b>2008</b>
		<b>RM'000</b>	<b>RM'000</b>
Revenue		1,779,352	2,196,864
Interest income	15	1,304,978	1,642,444
Interest expense	16	(370,513)	(746,195)
Net interest income		<u>934,465</u>	<u>896,249</u>
<i>Net Islamic banking operating income</i>		49,454	31,907
Other operating income	17	424,920	522,514
Operating income		<u>1,408,839</u>	<u>1,450,669</u>
Other operating expenses	18	(543,661)	(551,230)
Profit before provision		<u>865,178</u>	<u>899,439</u>
Allowance for losses on loan and financing	19	(135,720)	(96,769)
Profit before taxation		<u>729,458</u>	<u>802,670</u>
Taxation		(176,348)	(191,507)
Profit after taxation		<u><u>553,110</u></u>	<u><u>611,163</u></u>
Earnings per share - basic (sen)		<u><u>606</u></u>	<u><u>670</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 37 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD**  
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**AUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

Group and Bank	← Non-Distributable			→ Distributable			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	
<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>	<b>121,697</b>	<b>380,303</b>	<b>121,697</b>	<b>63,578</b>	<b>2,667,900</b>	<b>3,233,478</b>	<b>3,355,175</b>
<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	-	-	-	-	553,110	553,110	553,110
Unrealised net loss on revaluation of securities available for sale	-	-	-	(38,892)	-	(38,892)	(38,892)
Dividend paid					(400,000)	(400,000)	(400,000)
<b>At 30 September 2009</b>	<b>121,697</b>	<b>380,303</b>	<b>121,697</b>	<b>24,686</b>	<b>2,821,010</b>	<b>3,347,696</b>	<b>3,469,394</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 37 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD**  
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**AUDITED CONDENSED CASH FLOW STATEMENTS FOR THE**  
**FINANCIAL PERIOD ENDED SIX MONTHS ENDED 30 SEPTEMBER 2009**

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Sep 2008 RM'000</b>
Profit before tax expenses	729,458	802,671
Adjustments for non cash items	63,951	(111,560)
Operating profit before changes in working capital	<u>793,409</u>	<u>691,111</u>
Changes in working capital :		
Net changes in operating assets	3,766,342	(569,231)
Net changes in operating liabilities	(6,032,740)	(3,129,456)
Taxes paid	(162,636)	(111,698)
Net cash (used in) / generated from operating activities	<u>(1,635,624)</u>	<u>(3,119,274)</u>
Net cash generated from investing activities	568,999	(1,646,082)
Net cash used in financing activities	<u>(400,000)</u>	<u>-</u>
Net change in cash and cash equivalents	(1,466,626)	(4,765,356)
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>10,917,779</u></u>	<u><u>11,978,906</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 37 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 9 months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 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 nine months ended 30 September 2009.

**A7 Dividend**

The final ordinary dividends in respect of the year ended 31 December 2008 of RM400 million was paid during the current financial period. The interim ordinary dividends recommended by the Directors in respect of the financial period ended 30 September 2009 is RM3.29 per ordinary share respectively less tax at 25% totaling RM300 million. The financial statements for the current financial period 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 nine months ended 30 September 2009.

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

**B1 Performance Review**

Citibank registered a pre-tax profit of RM729 million and revenue of RM1,779 million for the first nine months ended 30 September 2009. Quarter-on-quarter, the results were down 9% and 19% respectively.

Net Interest Income improved 4% against the preceding period. This was offset by a 19% reduction in other operating income for the nine months period compared with the same period in 2008, which experienced exceptional trading and foreign exchange gains.

Meanwhile, Islamic banking operating income posted a significant increase of 55% or RM18 million over the same period in 2008. This was derived mainly from gains from the disposal of Available for Sale securities during the period.

Other operating expenses for the third quarter closed at RM544 million, decrease of 1% against the preceding period, due to decrease in personnel cost.

The Bank's total assets reduced 13% to RM40 billion as of 30 September 2009, due to a 13% reduction in cash and short term funds and a 7% reduction in Loans, Advances and Financing against the previous nine months.

**B2 Prospects for the 2009**

The recent Malaysia 2010 government's budget announcement is said to be a platform for the development of a new economic model and formulation of the 10th Malaysia plan. The budget focused on the private sector as the driver of economic growth, developing skilled workers and boosting the public sector's efficiency.

The reduction of personal tax rates is in line with the government's initiatives to increase disposable income to stimulate domestic spending and to attract knowledge workers.

Citibank Berhad remains cautiously optimistic that change is on the way as the services sector has seen signs of stabilization, especially in financial services. We continue to be well positioned to further grow our businesses as Malaysia aims to reach its objective of a high income economy and developed nation status.

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

	<b>Group</b>	
	<b>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Cash and balances with banks and other financial institutions	52,441	92,684
Money at call and deposit placements maturing within one month	10,865,359	12,291,741
	<u>10,917,800</u>	<u>12,384,425</u>

	<b>Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Cash and balances with banks and other financial institutions	52,421	92,664
Money at call and deposit placements maturing within one month	10,865,359	12,291,741
	<u>10,917,780</u>	<u>12,384,405</u>

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

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
BankNegara Malaysia	474,000	-
Licensed banks	1,547,693	2,655,452
	<u>2,021,693</u>	<u>2,655,452</u>

**(3) Securities held for trading**

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
At fair value		
Malaysian Government Treasury Bills	311,423	76,675
Malaysian Government Stock	813,842	1,435,639
Malaysian Government Investment Issues	25,008	3,050
BNM Bills/Notes	1,021,677	1,505,284
Cagamas Notes /Bonds	-	1,008
Commercial papers	-	2,025
Khazanah bond	-	3,753
Private Debt Securities	55,704	155,674
	<u>2,227,654</u>	<u>3,183,108</u>



**(4) Securities available for sale**

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
At fair value		
Malaysian Government Treasury Bills/ Government Stock	3,884,296	3,449,613
Bank Negara Malaysia bills	-	793,572
Malaysian Government Investment Issues	540,193	635,543
Khazanah Bonds	74,528	140,389
Private Debt Securities	-	41,866
Yankee Bonds/US bonds	208,832	179,618
Multilateral Financial Institutions	51,230	50,616
	<u>4,759,079</u>	<u>5,291,218</u>

**(5) Securities held to maturity**

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Dec 2008 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>Sep 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Overdrafts	1,054,642	1,087,949
Term loans and financing		
-Housing loans/financing	9,936,753	10,821,081
-Hire Purchase receivables	23,315	17,187
-Lease Receivables	9,546	12,337
-Other term loans / financing	1,534,895	1,436,360
Bills receivable	262,789	387,469
Trust receipts	11,762	26,841
Claims on customers under acceptance credits	454,826	710,154
Staff loans	99,498	101,094
Share Margin Financing	156,674	140,695
Credit cards receivables	4,525,731	4,582,263
Revolving credit	1,059,594	1,047,071
Other loans	109,840	231,158
	<u>19,239,865</u>	<u>20,601,660</u>
Unearned interest and income	(49,593)	(65,458)
	<u>19,190,272</u>	<u>20,536,202</u>
Gross loans, advances and financing		
Allowance for bad and doubtful debts and financing		
- general	(281,349)	(303,205)
- specific	(433,720)	(384,167)
	<u>18,475,203</u>	<u>19,848,830</u>
Net loans, advances and financing		

**(ii) By type of customer**

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic non financial institutions		
-Others	272,686	180,725
Domestic business enterprises		
-Small and medium enterprises	445,723	544,508
-Others	1,861,327	2,327,833
Individuals	16,484,347	17,347,185
Foreign entities	126,189	135,951
	<u>19,190,272</u>	<u>20,536,202</u>

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

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

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Fixed rate		
Housing loans/financing	889,412	464,114
Hire Purchase receivables	10,092	17,187
Other fixed rate loan/financing	7,102,231	7,666,696
Variable rate		
BLR plus	10,840,104	12,013,438
Cost plus	348,433	374,767
	<u>19,190,272</u>	<u>20,536,202</u>

**(iv) By sector**

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Primary agriculture	18,409	47,289
Mining & quarrying	4,342	12,327
Manufacturing(incl agriculture based)	1,021,685	1,343,788
Electricity, gas, water	35,265	84,996
Construction	37,226	37,008
Wholesale, retail trade, restaurants, hotels	586,029	665,716
Transport, storage & communication	139,267	149,504
Finance, insurance, real estate & business services	596,985	577,807
Education, health & others	35,640	22,499
Household		
- consumption credit	5,416,487	5,434,155
- residential	10,597,803	11,412,109
- purchase of securities	155,969	139,872
- others	314,088	361,049
Other purposes	231,077	248,083
	<u>19,190,272</u>	<u>20,536,202</u>

**(v) By purpose**

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Purchase of securities	156,674	140,695
Purchase of landed property	11,249,635	12,085,395
Purchase fixed assets excluding land & building	32,861	73,912
Personal usage	932,096	895,248
Credit card	4,525,731	4,582,263
Construction	-	45,813
Working capital	2,293,177	2,699,553
Other purposes	98	13,323
	<u>19,190,272</u>	<u>20,536,202</u>

**(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>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
At 1 January	634,146	689,920
Classified as non-performing during the year	478,457	501,420
Reclassified as performing during the year	(210,950)	(232,064)
Amount recovered	(77,226)	(181,930)
Amount written off	(143,431)	(143,200)
	<hr/>	<hr/>
At 30 Sep / 31 December	680,996	634,146
Specific allowance	(433,720)	(384,167)
	<hr/>	<hr/>
Net non performing loans, advances and financing	<u>247,276</u>	<u>249,979</u>
Ratio of net non-performing loans and financing to net loans and financing	1.32%	1.24%

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

	<b>Group and Bank</b>	
	<b>Sep 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	(21,856)	(11,107)
	<hr/>	<hr/>
At 30 Sep / 31 December	<u>281,349</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	248,310	248,190
Amount recovered	(42,159)	(66,009)
Amount written off	(156,598)	(139,963)
	<hr/>	<hr/>
At 30 Sep / 31 December	<u>433,720</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>Sep 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	-	0
Mining & quarrying	151	174
Manufacturing(incl agriculture based)	46,826	43,582
Construction	15,224	15,542
Wholesale, retail trade, restaurants, hotels	22,374	21,327
Transport, storage & communication	778	1,111
Finance, insurance, real estate & business services	27,515	28,362
Household		
- consumption credit	261,400	210,492
- residential	260,967	265,771
- purchase of securities	21,125	21,545
- others	24,636	26,229
	<u>680,996</u>	<u>634,146</u>

**(8) Other assets**

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest/Income receivable	72,262	99,924
Other debtors, deposits and prepayments	227,991	246,312
Derivatives (note 20)	852,630	1,708,318
	<u>1,152,883</u>	<u>2,054,554</u>

**(9) Statutory deposits with Bank Negara Malaysia**

The non-interest bearing statutory deposit is maintained with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act 1958 (revised - 1994), the amount of which is determined as a set percentage of total eligible liabilities. In view of the recent BNM circular on Regulatory Treatment related to the Statutory Reserve Requirement ("SRR") dated 10 July 2009, the computation of SRR is allowed to utilise Malaysian Government Securities and Government Investment Issues. The equivalent nominal amount of securities used for SRR was RM130 million.

**(10) Deposits from customers**

**(i) By type of deposit**

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Demand deposits	10,477,692	9,070,826
Saving deposits	1,726,804	1,362,883
Fixed deposits	9,941,095	11,815,011
Other deposits	6,206,206	4,891,179
Negotiable Instruments of Deposit	293,664	2,423,850
Others - cash collateral	20,683	25,891
	<u>28,666,144</u>	<u>29,589,640</u>

**(10) Deposits from customers (continued)**

**(ii) By type of customers**

	<b>Group and Bank</b>	
	<b>Sep</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	56,557	764,542
Business enterprise	13,613,017	10,375,579
Individuals	11,538,801	12,722,835
Others	3,457,769	5,726,684
	<u>28,666,144</u>	<u>29,589,640</u>

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

	<b>Group and Bank</b>	
	<b>Sep</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	5,413,726	9,539,550
Other financial institutions	65,200	63,306
	<u>5,478,926</u>	<u>9,602,856</u>

**(12) Other liabilities**

	<b>Group and Bank</b>	
	<b>Sep</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest/Profit payable	80,145	129,234
Other creditors and accruals	1,074,232	1,151,609
Provision for retirement benefits	3,138	3,077
Profit Equalisation Reserve	2,104	1,025
Taxation	96,395	142,943
Derivatives (Note 20)	938,835	1,718,658
	<u>2,194,849</u>	<u>3,146,546</u>

**(13) Share capital**

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

**(14) Reserves**

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Share premium	380,303	380,303
Statutory reserve	121,697	121,697
Other Reserve	24,686	63,578
Retained profits	2,821,010	2,667,900
	<u>3,347,696</u>	<u>3,233,478</u>

**(15) Interest income**

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Sep 2008 RM'000</b>
Loans and advances		
- Interest income other than recoveries from NPLs	992,812	1,104,586
- Recoveries from NPLs	5,201	10,583
Money at call and deposit placements with financial institutions	132,648	403,019
Securities held-for-trading	44,471	21,138
Securities available-for-sale	121,918	78,418
Securities held-to-maturity	1,582	811
Securities purchased under resale agreements	6,590	17,808
	<u>1,305,222</u>	<u>1,636,362</u>
Amortisation of premium/accretion of discounts	(244)	6,082
	<u>1,304,978</u>	<u>1,642,444</u>

**(16) Interest expense**

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Sep 2008 RM'000</b>
Deposits and placements of banks and other financial institutions	45,683	237,554
Deposits from customers	293,679	474,010
Loans sold to Cagamas	-	6,289
Others	31,151	28,342
	<u>370,513</u>	<u>746,195</u>

**(17) Other operating income**

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Sep 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Fee income:		
Commission	122,437	119,795
Service charges and fees	531	537
Guarantee fees	6,411	6,106
Bankcard fees	137,308	120,931
Insurance premium and referral	12,520	12,738
Other fee income	10,753	9,849
	<u>289,958</u>	<u>269,956</u>
Income from securities:		
Unrealised loss/gain from securities held-for-trading	(15,059)	7,931
Net gain from sales of securities		
- securities held for trading	11,837	22,450
- securities available for sale	54,665	14,056
Gross dividends from securities held to maturity	25	1,719
	<u>51,468</u>	<u>46,157</u>
Other income:		
Foreign exchange profit		
- unrealised gain	172,155	180,585
- realised gain	17,517	26,162
Loss/Gain from derivatives	(105,830)	465
Loss on disposal of of fixed assets	(348)	(811)
	<u>83,494</u>	<u>206,400</u>
Total other operating income	<u>424,920</u>	<u>522,514</u>



**(18) Other operating expenses**

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Sep 2008 RM'000</b>
Personnel costs		
-Salaries, allowances and bonuses	136,371	124,949
-Contribution to Employees provident fund	21,499	24,925
-Staff benefits and other compensations	61,338	97,690
-Others	(309)	5,884
	<u>218,899</u>	<u>253,448</u>
Establishment costs		
-Depreciation	25,494	20,628
-Rental of premises	14,563	16,806
-Hire of equipment	5,235	2,395
-Utilities	3,332	4,245
-Others	5,109	2,567
	<u>53,733</u>	<u>46,641</u>
Marketing expenses		
-Advertisement and promotional expenses	62,992	59,228
-Others	721	2,392
	<u>63,713</u>	<u>61,620</u>
Administration and general expenses		
-Processing cost	88,617	95,371
-Auditors' remuneration	171	177
-Write off of property, plant and equipment	-	30
-Stationeries and supplies	7,695	6,929
-Communication expenses	12,579	10,684
-Maintenance of office equipment	23,303	13,917
-Others	74,951	62,412
	<u>207,316</u>	<u>189,521</u>
Total other operating expense	<u>543,661</u>	<u>551,230</u>

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

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Sep 2008 RM'000</b>
Allowance for bad and doubtful debts on loans and financing :-		
Specific allowance		
- made in the financial year	248,310	179,619
- written back	(42,159)	(50,257)
General allowance		
- reversal during the year	(21,856)	(5,748)
Bad debts on loan and financing		
- written back	(48,609)	(34,372)
- written off	34	7,528
	<u>135,720</u>	<u>96,769</u>

**(20) 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:-

	Sep 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	1,507,996	1,507,996	1,350,502	1,445,815	1,445,815	1,360,653
Transaction -related contingent items	497,167	248,584	214,091	573,391	286,695	246,990
Short-term self liquidating trade-related contingencies	259,061	51,812	36,630	263,063	52,613	43,754
Other assets sold with recourse and commitment with certain drawdown	885,282	885,282	250,102	49,928	49,928	49,878
Irrevocable commitments to extend credit						
- maturity not exceeding one year	22,434,289	3,411,833	2,560,557	21,221,353	3,504,060	2,707,422
- maturity exceeding one year	455,726	227,863	162,047	1,077,602	538,801	426,885
Foreign exchange related contracts:						
-Less than one year	16,075,464	354,390	255,207	27,705,688	1,167,916	728,540
-One year to less than 5 years	4,835,086	728,642	535,889	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	5,423,879	39,725	15,749	5,633,403	45,962	17,287
- One year to less than 5 years	34,530,856	731,262	286,078	32,090,420	823,964	245,357
- 5 years and above	2,475,925	269,565	89,410	3,589,342	453,853	165,861
Equity related contracts	1,122,017	99,202	55,194	1,195,443	116,344	64,041
Others	202,144	33,637	33,957	206,294	33,036	33,036
<b>Total</b>	<b>90,704,891</b>	<b>8,589,793</b>	<b>5,845,413</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).

**(20) 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>Sep 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	13,176,937	96,741	105,913	24,600,942	604,114	564,053
-Cross currency interest rate swaps	6,735,102	284,888	242,229	7,376,158	358,947	300,750
-Options	998,510	16,191	5,022	1,938,495	87,651	32,457
Interest rate contracts						
-Futures	14,950,000	-	-	14,646,000	-	-
-Swaps	27,463,535	425,769	553,939	26,649,815	634,162	775,440
-Options	17,125	17	49	17,350	7	41
Equity related contracts	1,122,017	17,975	18,661	1,195,443	15,156	20,361
Others	202,144	11,049	13,022	206,294	8,281	25,556
	<u>64,665,370</u>	<u>852,630</u>	<u>938,835</u>	<u>76,630,497</u>	<u>1,708,318</u>	<u>1,718,658</u>
		Note 8	Note 12		Note 8	Note 12

**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>	Up to	> 1 - 3	> 3 - 12	> 1 - 5	over 5	Non-interest	Trading	Total	Effective interest
<b>Sep 2009</b>	1 mth	months	months	years	years	sensitive	RM'000	RM'000	%
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
<b><u>ASSETS</u></b>									
Cash and short term funds	10,621,600	-	-	-	-	296,200	-	10,917,800	1.21%
Deposits and placements with banks and other financial institutions	-	896,900	540,606	583,211	976	-	-	2,021,693	2.41%
Securities purchased under resale agreements	569,848	-	-	-	-	-	-	569,848	1.25%
Securities held for trading	-	-	-	-	-	-	2,227,654	2,227,654	2.45%
Securities available-for-sale	-	-	1,352,711	2,930,828	475,540	-	-	4,759,079	3.32%
Securities held-to-maturity	-	-	-	-	-	7,499	-	7,499	
Loans, advances and financing									
- performing	12,927,968	753,136	770,336	3,194,635	939,231	(357,379)	-	18,227,927	7.10%
- non-performing	-	-	-	-	-	247,276	-	247,276	
Other asset	-	-	-	-	-	1,152,883	-	1,152,883	
Statutory deposits with BNM	-	-	-	-	-	3,925	-	3,925	
Deferred tax assets	-	-	-	-	-	35,226	-	35,226	
Property, plant and equipment	-	-	-	-	-	62,389	-	62,389	
<b>TOTAL ASSETS</b>	<b>24,119,417</b>	<b>1,650,035</b>	<b>2,663,654</b>	<b>6,708,673</b>	<b>1,415,747</b>	<b>1,448,019</b>	<b>2,227,654</b>	<b>40,233,199</b>	
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>									
Deposits from customers	19,225,669	2,437,224	5,872,268	1,077,399	-	53,583	-	28,666,144	1.47%
Deposits and placements of banks and other financial institutions	4,768,697	544,830	15,407	149,992	-	-	-	5,478,926	0.72%
Bills and acceptance payable	-	-	-	-	-	23,887	-	23,887	
Other liabilities	-	-	-	-	-	2,194,849	-	2,194,849	
Subordinated loan	-	-	-	-	400,000	-	-	400,000	3.53%
<b>Total Liabilities</b>	<b>23,994,367</b>	<b>2,982,055</b>	<b>5,887,675</b>	<b>1,227,391</b>	<b>400,000</b>	<b>2,272,319</b>	<b>-</b>	<b>36,763,806</b>	
Shareholders' equity	-	-	-	-	-	3,469,393	-	3,469,393	
<b>Total Liabilities and Shareholders' equity</b>	<b>23,994,367</b>	<b>2,982,055</b>	<b>5,887,675</b>	<b>1,227,391</b>	<b>400,000</b>	<b>5,741,713</b>	<b>-</b>	<b>40,233,199</b>	
On-balance Sheet interest sensitivity gap	125,050	(1,332,020)	(3,224,021)	5,481,282	1,015,747	(4,293,695)	2,227,654		
Off-balance Sheet interest sensitivity gap	20,061	674,240	(4,333,316)	526,344	-	-	-		
	<b>145,111</b>	<b>(657,779)</b>	<b>(7,557,337)</b>	<b>6,007,627</b>	<b>1,015,747</b>	<b>(4,293,695)</b>	<b>2,227,654</b>		

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

Interest/profit rate risk

<b>Group</b>	Up to	> 1 - 3	> 3 - 12	> 1 - 5	over 5	Non-interest	Trading	Total	Effective interest
<b>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	-	12,384,425	3.03%
Deposits and placements with banks and other financial institutions	-	431,828	1,484,628	736,030	2,966	-	-	2,655,452	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)	-	19,598,851	7.40%
- non-performing	-	-	-	-	-	249,979	-	249,979	
Other asset						2,054,554		2,054,554	
Statutory deposits with BNM						508,292		508,292	
Deferred tax						22,503		22,503	
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						3,146,546		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>3,329,999</b>	<b>-</b>	<b>42,781,312</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>6,685,174</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  
AND ITS SUBSIDIARIES  
Company No. 297089 M**

**(21) 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	20,255,597	22,366,355
Credit RWA Absorbed by PSIA	-	-
Total Market RWA	2,441,646	3,249,462
Market RWA Absorbed by PSIA	-	-
Total Operational RWA	3,326,584	3,170,405
Large Exposure Risk RWA for Equity Holdings*		
<b>Total Risk Weighted Assets</b>	<b>26,023,827</b>	<b>28,786,222</b>
<b>Computation of Capital Ratios</b>		
Tier 1 Capital *	3,401,245	3,246,735
Capital Base *	4,082,574	3,949,920
<b>Before deducting proposed dividends *</b>		
Core Capital Ratio	13.07%	11.28%
Risk-Weighted Capital Ratio	15.69%	13.72%
<b>After deducting proposed dividends</b>		
Core Capital Ratio	11.92%	9.89%
Risk-Weighted Capital Ratio	14.54%	12.33%

\* In arriving at the Tier 1 Capital and 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. The concept paper is not final and is still under consultation, pending feedback from banking institutions and other market participants. The minimum regulatory capital adequacy requirement is 8% for the risk-weighted capital ratio.

(b) Capital Elements	<b>Group and Bank</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Tier I Capital</b>		
Paid Up Share Capital	121,697	121,697
Share Premium	380,303	380,303
Retained earnings	2,821,010	2,667,900
Other Reserves	121,697	121,697
	3,444,707	3,291,597
less: Deferred Tax Assets	(43,462)	(44,862)
<b>Total Tier 1 Capital</b>	<b>3,401,245</b>	<b>3,246,735</b>
<b>Tier II Capital</b>		
General Allowance for Bad and Doubtful Debts and Financing	281,349	303,205
Maximum allowable subordinated debt capital	400,000	400,000
<b>Total Tier II Capital</b>	<b>681,349</b>	<b>703,205</b>
<b>Total Eligible Tier 2</b>	<b>681,349</b>	<b>703,205</b>
less: Investment in Subsidiaries	(20)	(20)
<b>Capital Base</b>	<b>4,082,574</b>	<b>3,949,920</b>

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

		<b>Group and Bank</b>	
		<b>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
<b>Assets</b>			
Cash and short term funds	(a)	3,756	3,191
Deposits and placements with banks and other financial institutions	(b)	28,000	19,000
Securities held-for-trading	(c)	274,544	75,004
Securities available-for-sale	(d)	442,507	775,932
Financing, advances and other loans	(e)	518,024	418,416
Deferred tax assets		1,801	-
Other assets	(g)	125,613	127,110
		<hr/>	<hr/>
<b>Total assets</b>		<b><u>1,394,245</u></b>	<b><u>1,418,653</u></b>
<b>Liabilities</b>			
Deposits from customers	(h)	801,258	845,246
Deposits and placements of banks and other financial institutions	(i)	241,979	-
Deferred tax liabilities		-	4,599
Other liabilities	(j)	172,622	405,600
		<hr/>	<hr/>
<b>Total liabilities</b>		<b><u>1,215,859</u></b>	<b><u>1,255,445</u></b>
Islamic banking funds	(k)	178,386	163,208
		<hr/>	<hr/>
<b>Total liabilities and Islamic banking funds</b>		<b><u>1,394,245</u></b>	<b><u>1,418,653</u></b>
<b>Commitments and contingencies</b>		<b><u>3,177,420</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)**

**AUDITED INCOME STATEMENTS OF THE GROUP AND BANK  
FOR THE FINANCIAL PERIOD NINE MONTHS ENDED 30 SEPTEMBER 2009**

		<b>Group and Bank</b>	
		<b>Sep 2009 RM'000</b>	<b>Sep 2008 RM'000</b>
Income derived from investments of depositors' funds and others	(l)	32,909	34,604
Allowances for losses on financing	(m)	(1,867)	(2,911)
Transfer from / (to) Profit Equalisation Reserve	(n)	<u>(1,079)</u>	<u>1,278</u>
Total attributable income		29,963	32,971
Income attributable to depositors	(o)	<u>(12,975)</u>	<u>(15,849)</u>
Total attributable to the Bank		16,988	17,122
Income derived from investment of Islamic Banking Capital funds	(p)	<u>30,599</u>	<u>11,874</u>
Total net income		47,587	28,996
Other operating expenses	(r)	(5,362)	(3,698)
Profit Before Taxation		<u>42,225</u>	<u>25,298</u>
Taxation		(10,638)	(4,616)
Profit after taxation		<u><u>31,587</u></u>	<u><u>20,682</u></u>



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

**AUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

	<b>Group and Bank</b>			<b>Total RM'000</b>
	<b>Capital Funds RM'000</b>	<b>Other Reserve RM'000</b>	<b>Profit 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	-	-	31,587	31,587
Unrealised net gain/loss on revaluation of securities available for sale	-	(16,410)	-	(16,410)
<b>At 30 September 2009</b>	<u>20,000</u>	<u>2,075</u>	<u>156,310</u>	<u>178,386</u>

Note (k)

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

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and balances with banks and other financial institutions	<u>3,756</u>	<u>3,191</u>

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

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank Negara Malaysia	<u>28,000</u>	<u>19,000</u>

**(c) Securities held for trading**

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
Bank Negara Malaysia Islamic Bills	<u>274,544</u>	<u>75,004</u>

**(d) Securities available for sale**

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
Malaysian Government Investment Issues	367,979	635,543
Islamic Khazanah Bonds	74,528	140,389
	<u>442,507</u>	<u>775,932</u>

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

**(i) By type**

	<b>Group and Bank</b>	
	<b>Sep</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Term financing		
-House loans/financing	555,195	451,518
-Hire purchase receivables	10,200	17,187
-Lease receivables	7,804	12,336
Claims on customers under acceptance credits	-	3,213
-Other term loans / financing	-	-
	<hr/>	<hr/>
	573,199	484,254
Unearned income	(42,784)	(53,869)
	<hr/>	<hr/>
	530,415	430,385
Allowance for bad and doubtful financing		
- general	(7,889)	(6,374)
- specific	(4,502)	(5,595)
	<hr/>	<hr/>
Total net financing, advances and other loans	<u>518,024</u>	<u>418,416</u>

**(ii) By contract**

	<b>Group and Bank</b>	
	<b>Sep</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Bai' Bithamin Ajil	54,273	64,804
Ijarah Muntahia Bittamilik	18,004	32,736
Diminishing Musharakah	458,138	332,845
	<hr/>	<hr/>
	530,415	430,385
	<hr/>	<hr/>

**(iii) By type of customer**

	<b>Group and Bank</b>	
	<b>Sep</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic business enterprises		
-Small and medium enterprises	15,691	23,354
-Others	5,808	12,113
Individuals	508,916	394,918
	<hr/>	<hr/>
	530,415	430,385
	<hr/>	<hr/>

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

(iv) **By profit rate sensitivity**

	<b>Group and Bank</b>	
	<b>Sep</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
-House loans/financing	512,411	397,649
-Hire purchase receivables	10,092	17,187
-Other fixed rate loan/financing	7,912	15,549
	<u>530,415</u>	<u>430,385</u>

(v) **By sector**

	<b>Group and Bank</b>	
	<b>Sep</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Manufacturing(including agriculture based)	11,955	16,930
Wholesale, retail trade, restaurants and hotels	271	4,221
Transport, storage and communication	4,867	8,734
Finance, insurance, real estate and bussiness services	911	2,851
Household-residential	508,916	394,918
Other sectors	3,495	2,731
	<u>530,415</u>	<u>430,385</u>

(vi) **By purpose**

	<b>Group and Bank</b>	
	<b>Sep</b>	<b>Dec</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of landed property	512,411	397,649
Purchase fixed assets excluding land and building	18,004	29,523
Working capital	-	3,213
	<u>530,415</u>	<u>430,385</u>

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

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

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
At 1 January	9,951	9,983
Classified as non-performing during the year	6,317	2,567
Reclassified as performing during the year	(2,442)	-
Amount recovered	(1,398)	(2,599)
Amount written off	(1,595)	-
	<hr/>	<hr/>
At 30 September / 31 December	10,833	9,951
Specific allowance	(4,502)	(5,595)
	<hr/>	<hr/>
Net non performing financing, advances and other loans	<u>6,331</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	1.20%	1.03%

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

	<b>Group and Bank</b>	
	<b>Sep 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	1,515	3,691
	<hr/>	<hr/>
At 30 September / 31 December	<u>7,889</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	(1,093)	469
Amount written back	-	(241)
	<hr/>	<hr/>
At 30 September / 31 December	<u>4,502</u>	<u>5,595</u>

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

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

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Manufacturing (including agriculture based)	4,592	4,774
Wholesale, retail trade, restaurants and hotel	-	461
Transport, storage and communication	42	501
Finance, insurance, real estate and business services	-	1,035
Household-residential	6,199	3,180
	<hr/>	<hr/>
	<u>10,833</u>	<u>9,951</u>

**(g) Other assets**

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit receivable	3,819	5,981
Other debtors, deposits and prepayments	48,402	24,814
Revaluation gain on profit rate undertaking contracts (Note s)	73,392	96,315
	<hr/>	<hr/>
	<u>125,613</u>	<u>127,110</u>

**(h) Deposits from customers**

**(i) By type of deposit**

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-Mudharabah Fund</b>		
Demand deposits	140,004	296,288
Saving deposits	295,574	224,246
Negotiable Instruments of Deposit	-	800
Other deposits	109,963	190,748
<b>Mudharabah fund</b>		
General investment deposits	255,717	133,164
	<u>801,258</u>	<u>845,246</u>

**(ii) By type of customers**

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	72	-
Business enterprises	219,121	602,481
Individuals	315,770	242,765
Others	266,295	-
	<u>801,258</u>	<u>845,246</u>

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

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	<u>241,979</u>	<u>-</u>

**(j) Other liabilities**

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Profit payable	804	276
Other creditors and accruals	96,322	307,984
Profit Equalisation Reserve (note n)	2,104	1,025
Revaluation loss on profit rate undertaking contracts (note t)	73,392	96,315
	172,622	405,600
	172,622	405,600

**(k) Islamic Banking Fund**

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
Fund allocated	20,000	20,000
Fair value reserve	2,075	18,485
Retained earnings	156,310	124,723
	178,386	163,208
	178,386	163,208



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

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Sep 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of:		
(i) General investment deposits	27,654	29,736
(ii) Other deposits	5,255	4,868
	<u>32,909</u>	<u>34,604</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>Sep 2009</b>	<b>Sep 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Finance income and hibah</b>		
Financing, advances and other loans	11,803	7,991
Money at call and placements with financial institutions	2,858	10,956
Income from securities available-for-sale	8,979	4,473
Income from securities held-for-trading	2	-
	<u>23,641</u>	<u>23,420</u>
Accretion of discount less amortisation of premium	3,514	6,191
Total finance income and hibah	<u>27,156</u>	<u>29,611</u>
<b>Other operating income</b>		
Fee income	499	125
	<u>27,654</u>	<u>29,736</u>

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

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Sep 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Finance income and hibah</b>		
Financing, advances and other loans	2,243	1,308
Money at call and placements with financial institutions	543	1,794
Income from securities available-for-sale	1,706	732
	<u>4,492</u>	<u>3,834</u>
Accretion of discount less amortisation of premium	668	1,014
Total finance income and hibah	<u>5,160</u>	<u>4,848</u>
<b>Other operating income</b>		
Fee income	95	20
	<u>5,255</u>	<u>4,868</u>

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

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Sep 2008 RM'000</b>
Allowance for bad and doubtful debts and financing:-		
Specific allowance		
- made in the financial year	470	231
- written back in the financial year	(118)	-
General allowance		
- made in the year	1,515	2,679
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	<u>1,867</u>	<u>2,911</u>

**(n) Profit Equalisation Reserve**

The movement in Profit Equalisation Reserve are as follows:

	<b>Group and Bank</b>	
	<b>Sep 2009 RM'000</b>	<b>Dec 2008 RM'000</b>
At 1 January	1,025	11,902
Movement in the financial year	1,079	(1,278)
	<hr/>	<hr/>
At 30 September / December	<u>2,104</u>	<u>10,624</u>

(o) **Income attributable to depositors**

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Sep 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers		
- Mudharabah funds	9,989	1,494
- Non-Mudharabah funds	2,916	14,299
Deposits and placements of banks and other financial institutions		
- Non-Mudharabah funds	41	43
Others	29	13
	<u>12,975</u>	<u>15,849</u>

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

	<b>Group and Bank</b>	
	<b>Sep 2009</b>	<b>Sep 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Financing, advances and other loans	1,069	747
Money at call and placements with financial institutions	259	1,024
Income from securities available-for-sale	813	418
	<u>2,141</u>	<u>2,189</u>
Accretion of discount less amortisation of premium	318	579
Total finance income and hibah	<u>2,460</u>	<u>2,768</u>
<b>Other operating income</b>		
Gain from securities held-for-trading	448	367
Gain from securities available-for-sale	27,666	29
Fee income	513	8,063
Income from trading activities	(1,031)	647
Insurance premium and referral	544	-
	<u>28,139</u>	<u>9,106</u>
Income from Islamic Banking Capital Funds	<u>30,599</u>	<u>11,874</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>Sep 2009</b>	<b>Sep 2008</b>
		<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds and others	(l)	32,909	34,604
Profit Equalisation Reserve	(n)	(1,079)	1,278
Income attributable to depositors	(o)	(12,975)	(15,848)
Income derived from investment of Islamic Banking Funds	(p)	30,599	11,874
		<hr/>	<hr/>
		49,454	31,907
		<hr/> <hr/>	<hr/> <hr/>

**(r) Other operating expenses**

		<b>Group and Bank</b>	
		<b>Sep 2009</b>	<b>Sep 2008</b>
		<b>RM'000</b>	<b>RM'000</b>
Personnel costs		639	399
Establishment costs		19	55
Administration and general expenses		4,704	3,244
		<hr/>	<hr/>
		5,362	3,698
		<hr/> <hr/>	<hr/> <hr/>

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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>Sep 2009</b>			<b>Dec 2008</b>		
	Principal	Credit	Risk	Principal	Credit	Risk
	Amount	Equivalent	weighted	Amount	Equivalent	weighted
	RM'000	Amount	amount	RM'000	Amount	amount
		RM'000	RM'000		RM'000	RM'000
Other assets sold with recourse and commitment with certain drawdown	379,446	379,446	50,590	49,827	49,827	49,827
Irrevocable commitments to extend credit						
- maturity not exceeding one year	10,403	-	-	718	144	144
- maturity exceeding one year	69,152	34,576	12,184	143,133	71,566	25,269
Foreign exchange related contracts:						
-One year to less than 5 years	1,608,564	203,525	203,525	1,608,115	220,426	220,426
Others	1,109,855	38,835	34,203	933,775	39,295	36,186
<b>Total</b>	<b>3,177,420</b>	<b>656,382</b>	<b>300,502</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>Sep 2009</b>			<b>Dec 2008</b>		
	Contract	Positive	Negative	Contract	Positive	Negative
	amount	fair	fair	amount	fair	fair
	RM'000	value	value	RM'000	value	value
		RM'000	RM'000		RM'000	RM'000
Foreign exchange related contracts:						
- Cross currency islamic profit rate undertaking	1,608,564	58,754	58,754	1,608,115	75,696	75,696
Profit rate related contracts:						
- Islamic profit rate undertaking	1,109,855	14,638	14,638	933,775	20,619	20,619
	<b>2,718,419</b>	<b>73,392</b>	<b>73,392</b>	<b>2,541,890</b>	<b>96,315</b>	<b>96,315</b>
		Note (g)	Note (j)		Note (g)	Note (j)

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**(t) Capital adequacy**

(i) 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	545,086	548,164
Credit RWA Absorbed by PSIA	-	-
Total Market RWA	51,158	34,154
Market RWA Absorbed by PSIA	-	-
Total Operational RWA	86,740	67,401
Large Exposure Risk RWA for Equity Holdings*		
<b>Total Risk Weighted Assets</b>	<b>682,984</b>	<b>649,719</b>
<b>Computation of Capital Ratios</b>		
Tier I Capital	173,817	144,723
Capital Base	181,706	151,097
<b>Core Capital Ratio</b>	<b>25.45%</b>	<b>22.27%</b>
<b>Risk-Weighted Capital Ratio</b>	<b>26.60%</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 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>(ii) Capital Elements</b>		
<b>Tier I Capital</b>		
Fund allocated	20,000	20,000
Retained earnings	156,310	124,723
Other Reserves	-	-
Less : Deferred tax assets	(2,493)	-
<b>Total Tier I Capital (Core Capital)</b>	<b>173,817</b>	<b>144,723</b>
<b>Tier II Capital</b>		
General Allowance for Bad and Doubtful Debts and Financing	7,889	6,374
<b>Capital Base</b>	<b>181,706</b>	<b>151,097</b>