



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

UNAUDITED CONDENSED FINANCIAL STATEMENTS
30 JUNE 2010

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 STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	Group		Bank	
		June 2010 RM'000	Dec 2009 RM'000	June 2010 RM'000	Dec 2009 RM'000
ASSETS					
Cash and short term funds	1	8,834,011	10,713,979	8,833,991	10,713,959
Deposits and placements with banks and other financial institutions	2	1,065,479	1,328,452	1,065,479	1,328,452
Securities purchased under resale agreements		64,476	-	64,476	-
Securities held for trading	3	2,229,259	2,326,772	2,229,259	2,326,772
Securities available-for-sale	4	2,949,083	5,352,684	2,949,083	5,352,684
Securities held-to-maturity	5	-	7,499	-	7,499
Loans, advances and financing	6	18,528,596	18,497,072	18,528,596	18,497,072
Other assets	8	1,298,435	1,066,002	1,298,435	1,066,002
Statutory deposits with Bank Negara Malaysia	9	1,885	5,200	1,885	5,200
Deferred tax assets		61,142	37,463	61,142	37,463
Investment in subsidiary companies		-	-	20	20
Property, plant and equipment		103,197	62,664	103,197	62,664
TOTAL ASSETS		35,135,563	39,397,787	35,135,563	39,397,787
LIABILITIES AND SHAREHOLDERS' FUNDS					
FUNDS					
Deposits from customers	10	26,593,897	29,829,083	26,593,897	29,829,083
Deposits and placements of banks and other financial institutions	11	2,443,039	3,694,910	2,443,039	3,694,910
Bills and acceptances payable		47,151	48,010	47,151	48,010
Other liabilities	12	2,329,446	2,150,482	2,329,446	2,150,482
Subordinated loan		400,000	400,000	400,000	400,000
TOTAL LIABILITIES		31,813,533	36,122,485	31,813,533	36,122,485
SHARE CAPITAL	13	121,697	121,697	121,697	121,697
RESERVES	14	3,200,334	3,153,605	3,200,334	3,153,605
SHAREHOLDERS' FUNDS		3,322,031	3,275,302	3,322,031	3,275,302
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		35,135,563	39,397,787	35,135,563	39,397,787
OFF-BALANCE SHEET EXPOSURES	20	94,807,549	84,500,577	94,807,549	84,500,577

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 2009 and the accompanying notes on page 6 to 57 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 2010

	Note	Group and Bank	
		June 2010 RM'000	June 2009 RM'000
Revenue		1,103,671	1,159,857
Interest income	15	779,344	892,965
Interest expense	16	(181,530)	(267,911)
Net interest income		<u>597,814</u>	<u>625,054</u>
<i>Net Islamic banking operating income</i>		15,159	39,371
Other operating income	17	309,168	227,521
Operating income		<u>922,141</u>	<u>891,946</u>
Other operating expenses	18	(364,341)	(378,019)
Profit before provision		<u>557,800</u>	<u>513,926</u>
Allowance for impairment on loans, advances and financing	19	(91,929)	(88,960)
Profit before taxation		<u>465,871</u>	<u>424,966</u>
Taxation		(102,705)	(93,502)
Profit after taxation		<u><u>363,166</u></u>	<u><u>331,463</u></u>
Earnings per share - basic (sen)		<u><u>597</u></u>	<u><u>545</u></u>

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**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
(Company No. 297089 M)
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**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME OF THE GROUP AND BANK
FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2010**

	Group and Bank	
	June 2010 RM'000	June 2009 RM'000
Profit for the period	363,166	331,463
<u>Other comprehensive loss:</u>		
Net loss on revaluation of securities available-for-sale	(15,977)	(67,141)
Income tax relating to components of other comprehensive income	3,986	31,772
Other comprehensive loss for the period, net of tax	<u>(11,991)</u>	<u>(35,369)</u>
Total comprehensive income for the period	<u>351,175</u>	<u>296,094</u>
Total comprehensive income for the period attributable to Equity holders	<u>351,175</u>	<u>296,094</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 2009 and the accompanying notes on page 6 to 57 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD
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**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010**

Group and Bank	← Non-Distributable			→ Distributable			Total RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Fair value Reserve RM'000	Retained Profits RM'000	Total Reserve RM'000	
At 1 January 2009	121,697	380,303	121,697	63,578	2,667,900	3,233,478	3,355,175
Net profit for the period	-	-	-	-	331,463	331,463	331,463
Other comprehensive income	-	-	-	(35,369)	-	(35,369)	(35,369)
Dividend paid	-	-	-	-	(400,000)	(400,000)	(400,000)
At 30 June 2009	121,697	380,303	121,697	28,209	2,599,363	3,129,572	3,251,269
At 1 January 2010	121,697	380,303	121,697	9,480	2,642,125	3,153,605	3,275,302
- as previously stated	-	-	-	-	(54,446)	(54,446)	(54,446)
- effect of adopting FRS 139	121,697	380,303	121,697	9,480	2,587,679	3,099,159	3,220,856
Net profit for the period	-	-	-	-	363,166	363,166	363,166
Other comprehensive income	-	-	-	(11,991)	-	(11,991)	(11,991)
Dividend paid	-	-	-	-	(250,000)	(250,000)	(250,000)
At 30 June 2010	121,697	380,303	121,697	(2,511)	2,700,845	3,200,334	3,322,031

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 2009 and the accompanying notes on page 6 to 57 attached to the unaudited condensed interim financial statements.

CITIBANK BERHAD
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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE
FINANCIAL PERIOD THREE MONTHS ENDED 30 JUNE 2010**

	Group and Bank	
	June 2010 RM'000	June 2009 RM'000
Profit before tax expenses	465,871	424,965
Adjustments for non cash items	62,787	4,361
Operating profit before changes in working capital	528,658	429,326
Changes in working capital :		
Net changes in operating assets	(121,870)	2,522,517
Net changes in operating liabilities	(4,362,477)	-3,596,107
Taxes paid	(108,424)	(108,424)
Net cash (used in) / generated from operating activities	(4,064,113)	(752,688)
Net cash generated from investing activities	2,434,145	(162,441)
Net cash used in financing activities	(250,000)	(400,000)
Net change in cash and cash equivalents	(1,879,968)	(1,315,129)
Cash and cash equivalents at beginning of the year	10,713,959	12,384,405
Cash and cash equivalents at end of the period	8,833,991	11,069,276

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 2009 and the accompanying notes on page 6 to 57 attached to the unaudited condensed interim financial statements.

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- A Explanatory Notes Pursuant to Revised Guidelines on Financial Reporting for Banking Institutions (BNM/RH/GL 001-31) Issued by Bank Negara Malaysia.**
- A1 Basis of preparation**
The unaudited interim financial statements for the financial period six months ended 30 June 2010 have been prepared in accordance with the revised Guidelines on Financial Reporting issued by Bank Negara Malaysia ("BNM") on 5 February 2010. The unaudited interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009. The explanatory notes attached in the unaudited 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 2009. The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2009, except for the full adoption of Financial Reporting Standards ("FRS") 139, Financial Instruments: Recognition and Measurement and amendments to FRS 139, Financial Instruments: Recognition and Measurement and the revised policy on Classification and Impairment Provisions for Loans/Financing issued by BNM on 8 January 2010. The impact of the full adoption of FRS 139, its related amendments and the revised policy on Classification and Impairment Provisions for Loans/Financing is disclosed in Note 22. The adoption of FRS101-Presentation of Financial Statements, which was effective 1 January 2010 did not impact the financial results of the Bank as the changes introduced are presentation in nature. As a result of the adoption, the income statement have been re-presented as two separate statement i.e an income statement displaying components of profit or loss and a statement of comprehensive income. The adoption of other accounting standards during the period did not have a material impact on the unaudited interim financial statements for the financial period six months ended 30 June 2010.
- A2 Auditor's Report on preceeding Annual Financial Statement**
The audit report on the audited financial statements for the financial year ended 31 December 2009 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 2010
- 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 2010.
- 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 2010.
- A7 Dividend**
The final ordinary dividends proposed in respect of the year ended 31 December 2009 of RM250 million was paid during the current financial period.
- 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 2010.

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B Review of performance and current year prospects

B1 Performance Review

Citibank registered a pre-tax profit of RM466 million and revenue of RM1,104 million for the period ended 30 June 2010. The increase in profits for the six months was largely due to increase in other operating income.

The bank's annualized net income on average equity stood at 22%. Annualized net income on total assets increased marginally to 1.95% from 1.50% compared to the same period in 2009.

Net Interest Income dropped by 4% due to lower interest income from loans while the other operating income in the 2nd quarter of 2010 showed a 36% increase compared with the same period in 2009 driven by gain from derivatives and securities held for trading.

Meanwhile, Islamic banking profit before tax was down by 61% to RM14 million due to lower investment income.

Other operating expenses for the first six months of the year closed at RM364 million, a decrease of 4% against the preceding period due to a decrease in administration and general expenses.

The Bank's total assets dropped 11% to RM35 billion as of 30 June 2010, due to a 45% decrease in securities available for-sale of RM2.4 billion and a 18% decrease in cash and short term funds of RM1.9 billion. This reduction is mainly driven by the drop in customer deposit of RM2.8 billion and interbank placements of RM1.3 billion.

B2 Prospects for the 2010

Bank Negara Malaysia raised the Overnight Policy Rate (OPR) by 25 basis points to 2.75 percent. The strong and broad-based growth of 10.1% in the first quarter affirms that economic recovery is firmly established. Going forward, growth will be supported by continued expansion in domestic demand and the improvement in external demand, especially from the region.

Bank Negara Malaysia also observed that indicators pointed to consistently robust growth in 2Q domestically, although going forward, the pace of growth could moderate alongside global growth momentum. Recent trends in industrial production, financing activity, labour market conditions and external trade indicate that economic activity has remained robust in the second quarter. Going forward, while external developments may result in some moderation in the pace of growth, the domestic economy is expected to remain strong with continued improvements in private consumption and investment, and augmented by public investment spending.

Further, to help Malaysia maintain the strong growth it has achieved, the Government has implemented difficult but long-needed economic reforms that will help Malaysia become a developed and high-income nation. In the New Economic Model, the Prime Minister set out plans for further investment in key strategic sectors, upgrading our infrastructure, creating additional private sector investment opportunities and realizing higher levels of GDP growth.

With the improved economic outlook and the monetary policy stance that remains supportive of economic growth, the Bank is well positioned to grow further as the economic environment is expected to continue on a positive growth trend.

(1) Cash and short term funds

	Group	
	June 2010 RM'000	Dec 2009 RM'000
Cash and balances with banks and other financial institutions	62,564	52,423
Money at call and deposit placements maturing within one month	8,771,447	10,661,556
	<u>8,834,011</u>	<u>10,713,979</u>

	Bank	
	June 2010 RM'000	Dec 2009 RM'000
Cash and balances with banks and other financial institutions	62,544	52,403
Money at call and deposit placements maturing within one month	8,771,447	10,661,556
	<u>8,833,991</u>	<u>10,713,959</u>

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

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Licensed banks	1,065,479	1,328,452
	<hr/>	<hr/>
	<u>1,065,479</u>	<u>1,328,452</u>

(3) Securities held for trading

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
At fair value		
Malaysian Government Treasury Bills	135,181	281,595
Malaysian Government Stock	721,485	1,164,350
Malaysian Government Investment Issues	176,161	215,473
BNM Bills/Notes	1,171,139	645,303
Corporate Notes	25,293	-
Private Debt Securities	-	20,051
	<hr/>	<hr/>
	<u>2,229,259</u>	<u>2,326,772</u>

(4) Securities available for sale

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
At fair value		
Malaysian Government Treasury Bills/ Government Stock	2,186,466	4,358,871
BNM bills	49,965	-
Malaysian Government Investment Issues	621,670	496,914
Khazanah Bonds	-	74,940
Yankee Bonds/US bonds	33,020	371,157
Multilateral Financial Institutions	50,463	50,802
Unquoted securities	7,499	-
	<u>2,949,083</u>	<u>5,352,684</u>

(5) Securities held to maturity

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
At amortised cost		
Unquoted securities:-		
Shares	-	7,499
	<u>-</u>	<u>7,499</u>

(6) Loans, Advances and Financing

(i) By type

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
Overdrafts	244,661	1,485,375
Term loans and financing		
-Housing loans/financing	10,256,445	9,779,054
-Hire Purchase receivables	6,857	13,255
-Lease Receivables	5,992	8,262
-Other term loans / financing	1,151,800	1,485,128
Bills receivable	322,148	170,880
Trust receipts	19,349	11,585
Claims on customers under acceptance credits	696,513	624,449
Staff loans	98,418	96,164
Share Margin Financing	178,886	169,573
Credit cards receivables	5,090,207	4,696,169
Revolving credit	1,113,773	626,413
Other loans	-	94,911
	<u>19,185,049</u>	<u>19,261,218</u>
Unearned interest and income	(41,981)	(47,458)
Gross loans, advances and financing	<u>19,143,068</u>	<u>19,213,760</u>
Allowance for impaired loans		
- collective assessment	(282,362)	-
- individual assessment	(332,111)	-
- general	-	(283,115)
- specific	-	(433,573)
	<u>-</u>	<u>(433,573)</u>
Net loans, advances and financing	<u>18,528,596</u>	<u>18,497,072</u>

(6) Loans, Advances and Financing (continued)

(ii) By interest/profit rate sensitivity

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Fixed rate		
Housing loans/financing	890,783	900,595
Hire Purchase receivables	6,922	8,792
Other fixed rate loan/financing	7,804,289	7,193,540
Variable rate		
BLR plus	10,083,967	10,655,441
Cost plus	357,107	455,392
	19,143,068	19,213,760
	19,143,068	19,213,760

(iii) By sector

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Primary agriculture	26,142	56,023
Mining & quarrying	7,601	4,176
Manufacturing(incl agriculture based)	959,741	917,639
Electricity, gas, water	24,901	40,520
Construction	41,039	38,069
Wholesale, retail trade, restaurants, hotels	746,569	549,779
Transport, storage & communication	94,720	137,208
Finance, insurance, real estate & business services	710,569	632,422
Education, health & others	22,467	35,061
Household		
- consumption credit	5,605,925	5,616,739
- residential	10,052,885	10,378,013
- purchase of securities	179,712	170,427
- others	304,846	315,413
Other purposes	365,951	322,271
	19,143,068	19,213,760
	19,143,068	19,213,760

(6) Loans, Advances and Financing (continued)
(iv) Residual contractual maturity

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Up to 1 year	7,453,449	8,055,264
One to five years	1,126,903	716,589
Above 5 years	10,562,716	10,441,907
	<u>19,143,068</u>	<u>19,213,760</u>

(v) By geographical distribution

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Malaysia	<u>19,143,068</u>	<u>19,213,760</u>

(7) Impaired Loans

(i) Movements in impaired loans, advances and financing are as follows:-

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
At 1 January	669,819	634,146
Adjustment due to adoption of FRS 139	(178,503)	-
Classified as impaired during the period/year	339,922	608,837
Reclassified as non impaired during the period/year	(178,613)	(308,748)
Amount recovered	(73,285)	(80,348)
Amount written off	(93,842)	(184,068)
At 30 June / 31 December	485,498	669,819
Individual assessment	(332,111)	-
Specific allowance	-	(433,573)
Net impaired loans, advances and financing	153,387	236,246
Ratio of net non-impaired loans and financing to net loans and financing less individual assessment	0.82%	1.26%

(7) Impaired Loans (continued)

(ii) Movements in the allowance for impaired loans, advances and financing
are as follows:-

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
<u>Collective assessment</u>		
At 1 January		
- as previously stated	-	-
- effect of adopting FRS 139	280,583	-
	<u>280,583</u>	<u>-</u>
Allowance made during the period/year	1,779	-
	<u>282,362</u>	<u>-</u>
At 30 June / 31 December		
<u>General allowance</u>		
At 1 January		
- as previously stated	283,115	303,205
- effect of adopting FRS 139	(283,115)	-
	<u>-</u>	<u>303,205</u>
Allowance made during the period/year	-	(20,090)
	<u>-</u>	<u>(20,090)</u>
At 30 June / 31 December	<u>-</u>	<u>283,115</u>
As % of gross loans, advances and financing less individual assessment	1.50%	1.51%

(7) Impaired Loans (continued)

(ii) Movements in the allowance for impaired loans, advances and financing
are as follows:-

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
<u>Individual assessment</u>		
At 1 January		
- as previously stated	-	-
- effect of adopting FRS 139	332,889	-
	<u>332,889</u>	<u>-</u>
Allowance made during the period	33,943	-
Amount written back	(16,791)	-
Amount written off	(17,930)	-
	<u>332,111</u>	<u>-</u>
At 30 June / 31 December		
<u>Specific assessment</u>		
At 1 January		
- as previously stated	433,573	384,167
- effect of adopting FRS 139	(433,573)	-
	<u>-</u>	<u>384,167</u>
Allowance made during the period	-	296,150
Amount recovered	-	(64,136)
Amount written off	-	(182,608)
	<u>-</u>	<u>433,573</u>
At 30 June / 31 December		

(7) Impaired loans (continued)

(iii) Impaired loans by sector are as follows :-

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Primary agriculture	261	-
Mining & quarrying	394	149
Manufacturing(incl agriculture based)	39,120	44,236
Construction	5,961	14,783
Wholesale, retail trade, restaurants, hotels	18,688	22,610
Transport, storage & communication	237	750
Finance, insurance, real estate & business services	12,121	27,610
Household		
- consumption credit	80,427	245,852
- residential	279,227	267,683
- purchase of securities	20,945	21,035
- others	27,227	25,111
Other purposes	890	-
	<hr/>	<hr/>
	485,498	669,819
	<hr/> <hr/>	<hr/> <hr/>

(iv) Impaired loans by geographical distribution are as follows :-

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Malaysia	<hr/>	<hr/>
	485,498	669,819
	<hr/> <hr/>	<hr/> <hr/>

(8) Other assets

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Interest/Income receivable	54,779	73,128
Other debtors, deposits and prepayments	193,212	217,472
Derivatives (note 21)	1,050,444	775,402
	<hr/>	<hr/>
	<u>1,298,435</u>	<u>1,066,002</u>

(9) Statutory deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia (“BNM”) in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act 1958 (revised - 1994) to satisfy the Statutory Reserve Requirement (“SRR”), the amount of which is determined as a set percentage of total eligible liabilities.

Based on the revised SRR guideline issued by BNM, the SRR rate was revised to 1% effective on 1 March 2009 (2008: 3.5%). In accordance with BNM’s circular titled “Regulatory Treatment related to the Statutory Reserve Requirement Incentive for Principal Dealers and Islamic Principal Dealers” issued on 10 July 2009, the Bank being a principal dealer appointed by BNM, is allowed to utilise Malaysia Government Securities (“MGS”) holdings to meet the SRR. As at 30 June 2010, MGS of the Group and the Bank with nominal amount of RM130 million (2009: RM130 million) are utilised for SRR determination purposes. These securities are classified under securities available-for-sale (Note 4).

(10) Deposits from customers

(i) By type of deposit

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Demand deposits	8,467,711	8,336,980
Saving deposits	770,890	1,739,611
Fixed deposits	11,572,030	9,753,741
Other deposits	5,691,585	9,889,297
Negotiable Instruments of Deposit	84,787	93,720
Others - cash collateral	6,894	15,734
	<hr/>	<hr/>
	<u>26,593,897</u>	<u>29,829,083</u>

(10) Deposits from customers (continued)

(ii) By type of customers

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Government and statutory bodies	30,575	49,715
Business enterprise	13,483,292	14,611,909
Individuals	9,646,460	11,349,112
Others	3,433,570	3,818,346
	<u>26,593,897</u>	<u>29,829,083</u>

(iii) Maturity structure of fixed deposits, other deposits and negotiable instruments of deposit are as follows:-

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Due within six months	12,039,066	13,733,774
Six months to one year	4,554,175	4,774,991
One year to three years	587,541	989,722
Three years to five years	167,620	227,007
Over five years	-	11,264
	<u>17,348,402</u>	<u>19,736,758</u>

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

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Licensed banks	2,443,039	3,694,896
Other financial institutions	-	14
	<u>2,443,039</u>	<u>3,694,910</u>

(12) Other liabilities

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Interest/Profit payable	101,312	66,534
Other creditors and accruals	1,026,150	1,233,536
Provision for retirement benefits	187	284
Profit Equalisation Reserve	4,817	23
Taxation	79,105	66,364
Derivatives (Note 21)	1,117,875	783,740
	<u>2,329,446</u>	<u>2,150,482</u>

(13) Share capital

	Group and Bank			
	Number of shares		Number of	
	Amount	Amount	Amount	shares
	Mar	Mar	Dec	Dec
2010	2010	2009	2009	
RM'000	'000	RM'000	'000	
Ordinary shares of RM1 each				
Authorised	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid	<u>121,697</u>	<u>121,697</u>	<u>121,697</u>	<u>121,697</u>

(14) Reserves

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Share premium	380,303	380,303
Statutory reserve	121,697	121,697
Other Reserve	(2,511)	9,480
Retained profits	2,700,845	2,642,125
	<u>3,200,334</u>	<u>3,153,605</u>

(15) Interest income

	Group and Bank	
	June	June
	2010	2009
	RM'000	RM'000
Loans and advances		
- Interest income other than recoveries from impaired loans	598,402	677,003
- Recoveries from impaired loans	15,129	3,302
Money at call and deposit placements		
with financial institutions	81,302	95,405
Securities held-for-trading	24,383	30,089
Securities available-for-sale	55,207	84,311
Securities held-to maturity	-	334
Securities purchased under resale agreements	835	2,715
	<u>775,258</u>	<u>893,159</u>
Amortisation of premium/accretion of discounts	4,086	(195)
	<u>779,344</u>	<u>892,965</u>

(16) Interest expense

	Group and Bank	
	June	June
	2010	2009
	RM'000	RM'000
Deposits and placements of banks and other financial institutions	12,447	36,766
Deposits from customers	163,932	205,633
Others	5,151	25,512
	<u>181,530</u>	<u>267,911</u>

(17) Other operating income

	Group and Bank	
	June 2010 RM'000	June 2009 RM'000
Fee income:		
Commission	89,334	80,881
Service charges and fees	176	288
Guarantee fees	3,977	4,384
Bankcard fees	94,683	88,317
Insurance premium and referral	7,514	7,152
Other fee income	10,718	5,586
	<u>206,402</u>	<u>186,608</u>
Income from securities:		
Unrealised gain / (loss) from securities held-for-trading	1,917	(21,438)
Net gain / (loss) from sales of securities		
- securities held for trading	(1,345)	11,617
- securities available for sale	33,603	44,348
Gross dividends from securities held to maturity	58	25
	<u>34,233</u>	<u>34,552</u>
Other income:		
Foreign exchange profit		
- unrealised (loss) / gain	(3,027)	121,610
- realised gain	19,890	10,357
Gain / (Loss) from derivatives	51,730	(124,107)
Loss on disposal of of fixed assets	(60)	(1,500)
	<u>68,533</u>	<u>6,360</u>
Total other operating income	<u><u>309,168</u></u>	<u><u>227,521</u></u>

(18) Other operating expenses

	Group and Bank	
	June	June
	2010	2009
	RM'000	RM'000
Personnel costs		
-Salaries, allowances and bonuses	106,186	86,536
-Contribution to Employees provident fund	16,190	13,964
-Staff benefits and other compensations	43,763	45,643
-Others	2,568	1,716
	<u>168,707</u>	<u>147,860</u>
Establishment costs		
-Depreciation	15,043	18,593
-Rental of premises	4,335	-
-Hire of equipment	8,057	5,562
-Utilities	2,637	2,070
-Others	6,071	12,652
	<u>36,143</u>	<u>38,877</u>
Marketing expenses		
-Advertisement and promotional expenses	37,528	33,791
-Others	884	367
	<u>38,412</u>	<u>34,158</u>
Administration and general expenses		
-Processing cost	36,631	73,887
-Auditors' remuneration	(64)	25
-Stationeries and supplies	3,498	2,888
-Communication expenses	5,784	11,774
-Maintenance of office equipment	2,023	17,239
-Others	73,207	51,311
	<u>121,079</u>	<u>157,124</u>
Total other operating expense	<u>364,341</u>	<u>378,019</u>

(19) Allowance for Impairment on loans and financing

	Group and Bank	
	June 2010 RM'000	June 2009 RM'000
Allowance for impaired loans and financing:		
<u>Individual assessment</u>		
- made in the financial period	33,943	-
- written back	(16,791)	-
<u>Specific allowance</u>		
- made in the financial period	-	165,869
- written back	-	(30,619)
<u>Collective assessment</u>		
- made in the financial period	1,779	-
<u>General allowance</u>		
- reversal during the period	-	(19,217)
<u>Impaired loans and financing</u>		
- written back	(39,555)	(27,116)
- written off	112,553	43
	<u>91,929</u>	<u>88,960</u>

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

(20) Capital adequacy

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

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
Computation of Total Risk Weighted Assets (RWA)		
Total Credit RWA	20,108,413	19,769,887
Total Market RWA	1,211,068	1,948,704
Total Operational RWA	3,519,542	3,361,169
Total Risk Weighted Assets	24,839,023	25,079,760
Computation of Capital Ratios		
Tier 1 Capital	2,901,071	2,975,210 *
Capital Base	3,583,413	3,658,305 *
Core capital ratio	11.68%	11.86% *
Risk weighted capital ratio	14.43%	14.59% *

In arriving at the Tier 1 Capital and Capital Base used in the ratio calculations of the Bank, the dividend paid during the period /year 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 Guideline issued by Bank Negara Malaysia on 05 February 2010. The minimum regulatory capital adequacy requirement is 8% for the risk-weighted capital ratio.

(b) The components of Tier I and Tier II Capital are as follows:

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
Tier I Capital		
Paid up ordinary share capital	121,697	121,697
Share premium	380,303	380,303
Retained earnings	2,337,679	2,642,125
Other Reserves	121,697	121,697
Less: Deferred Tax Assets	(60,305)	(40,612)
Total Tier I capital (Core Capital)	2,901,071	3,225,210
Tier II Capital		
Collective assessment allowance for impaired loans and financing	282,362	-
General allowance for bad and doubtful debts and financing	-	283,115
Maximum allowable subordinated debt capital	400,000	400,000
Total Tier II Capital	682,362	683,115
Total Eligible Tier 2	682,362	683,115
Less: Investment in Subsidiaries	(20)	(20)
Capital Base	3,583,413	3,908,305

(20) Capital adequacy (continued)

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

Group and Bank 2009	Gross Exposures	RM'000	Net Exposures RM'000	Risk Weighted Assets RM'000	Capital Requirements RM'000
1.0 Credit Risk					
On-Balance Sheet Exposures :					
Sovereigns/Central Banks		5,650,338	5,650,338	6,686	535
Public Sector Entities		-	-	-	-
Banks, Development Financial Institutions & MDBs		6,847,629	6,847,629	1,950,208	156,017
Insurance Cos, Securities Firms & Fund Managers		88,609	88,609	88,610	7,089
Corporates		2,594,431	2,573,883	2,547,014	203,761
Regulatory Retail		6,465,602	6,189,952	4,390,556	351,245
Residential Mortgages		9,154,683	9,154,683	3,499,233	279,939
Higher Risk Assets		55,503	55,503	83,255	6,660
Other Assets		329,138	329,138	266,720	21,338
Equity		6,500	6,500	1,300	104
Defaulted Exposures		759,419	759,419	793,808	63,505
Total On-Balance Sheet Exposures		<u>31,951,851</u>	<u>31,655,653</u>	<u>13,627,390</u>	<u>1,090,191</u>
Off-Balance Sheet Exposures :					
OTC Derivatives		2,433,090	2,403,177	1,399,692	111,975
Off Balance sheet exposures other than OTC derivatives or credit derivatives		6,944,130	6,944,130	5,049,884	403,991
Defaulted Exposures		27,904	27,904	31,447	2,516
Total Off- Balance Sheet Exposures		<u>9,405,124</u>	<u>9,375,211</u>	<u>6,481,024</u>	<u>518,482</u>
Total On and Off Balance Sheet Exposures		<u>41,356,974</u>	<u>41,030,864</u>	<u>20,108,413</u>	<u>1,608,673</u>
2.0 Large Exposure Risk Requirement					
3.0 Market Risk					
	Long Position	Short Position			
Interest Rate Risk* - Specific Interest Rate Risk	3,092,837	(1,089,252)			
- General Interest Rate Risk	373,189	357,019		717,640	574,112
Foreign Currency Risk	462,923	(415,055)		462,923	370,338
Options Risk				30,505	24,404
				<u>1,211,068</u>	<u>968,854</u>
4.0 Operational Risk				3,519,542	281,563
Total RWA and Capital Requirements				<u>24,839,023</u>	<u>2,859,091</u>

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

(20) Capital adequacy (continued)

(c) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category for the financial year ended 2009 were as follows :

Group and Bank 2009	Gross Exposures	RM'000	Net Exposures RM'000	Risk Weighted Assets RM'000	Capital Requirements RM'000
1.0 Credit Risk					
On-Balance Sheet Exposures :					
Sovereigns/Central Banks		7,484,071	7,484,071	0	-
Public Sector Entities		-	-	-	-
Banks, Development Financial Institutions & MDBs		9,595,935	9,595,935	2,191,274	175,302
Insurance Cos, Securities Firms & Fund Managers		2,716	2,716	2,714	217
Corporates		2,361,043	2,350,257	2,288,500	183,080
Regulatory Retail		6,096,462	5,862,517	4,397,623	351,810
Residential Mortgages		9,942,990	9,942,990	3,761,253	300,900
Higher Risk Assets		66,201	66,201	99,301	7,944
Other Assets		453,507	453,507	401,318	32,105
Equity		7499	7,499	2,299	184
Defaulted Exposures		617,520	617,520	638,504	51,080
Total On-Balance Sheet Exposures		36,627,944	36,383,213	13,782,786	1,102,623
Off-Balance Sheet Exposures :					
OTC Derivatives		2,118,453	2,118,453	1,211,748	151,625
Off Balance sheet exposures other than OTC derivatives or credit derivatives		5,918,410	5,918,410	4,757,148	386,084
Defaulted Exposures		14,823	14,823	18,205	762
Total Off- Balance Sheet Exposures		8,051,686	8,051,686	5,987,101	478,968
Total On and Off Balance Sheet Exposures		44,679,630	44,434,899	19,769,887	1,581,591
2.0 Large Exposure Risk Requirement		-	-	-	-
3.0 Market Risk					
Interest Rate Risk* - Specific Interest Rate Risk	Long Position	2,434,051	241,600		
- General Interest Rate Risk	Short Position	441,879	316,178	1,791,962	143,357
Foreign Currency Risk		120,334	148,008	148,008	11,841
Options Risk				8,734	699
				1,948,704	155,896
4.0 Operational Risk				3,361,169	268,894
Total RWA and Capital Requirements				25,079,760	2,006,381

* 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 period were as follows:

	←-----Exposures after Netting and Credit Risk Mitigation-----→											Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	Banks, MDBs and FDIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity			RM'000	RM'000
Risk Weights	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	5,643,287	494,820	-	-	-	-	62,077	-	-	6,200,184	-	-	-
20%	33,431	6,429,766	-	143	-	-	427	-	6,500	6,470,269	1,294,054	2,680,415	2,680,415
35%	-	-	-	-	-	7,658,328	-	-	-	7,658,328	4,066,747	2,033,373	2,033,373
50%	-	2,657,291	34,875	144,839	0	1,229,741	-	-	-	4,066,747	10,463,855	7,847,891	7,847,891
75%	-	-	-	-	10,058,227	405,628	-	-	999	10,463,855	6,004,068	6,009,089	6,009,089
100%	-	126,221	169,346	4,991,517	101,592	607,260	102,714	259,574	-	6,004,068	162,394	243,592	243,592
150%	-	-	-	3,959	21,666	34,055	-	-	-	162,394	-	-	-
Total Exposures	5,676,718	9,455,656	204,222	5,140,458	10,181,485	9,935,012	102,714	322,078	7,499	41,025,843	20,108,413	20,108,413	20,108,413
Risk- Weighted Assets by Exposures	6,686	2,488,378	186,784	5,069,903	7,682,783	4,237,849	154,071	259,660	2,299	-	-	20,108,413	20,108,413
Average Risk Weight	0%	26%	91%	99%	75%	43%	150%	81%	31%	49%	49%		
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-

(20) Capital adequacy (continued)

(d) The breakdown of exposures by risk weights for the financial year ended 2009 were as follows:

Risk Weights	Exposures after Netting and Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	Banks, MDBs and FDI	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity	Total Exposures after Netting and Credit Risk Mitigation		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	7,484,071	507,572	-	-	-	-	51,515	-	-	8,043,158	-	-
20%	-	8,648,717	-	75,319	-	-	843	-	6,500	8,731,378	-	1,746,276
35%	-	-	-	-	-	8,392,575	-	-	-	8,392,575	-	2,937,401
50%	-	2,104,381	5,767	92,059	1,776	1,545,184	-	-	-	3,749,167	-	1,874,584
75%	-	-	-	-	9,362,748	166,290	-	-	999	9,529,039	-	7,146,779
100%	-	99,648	82,774	4,675,483	42,356	535,554	402,237	-	-	5,839,050	-	5,839,050
150%	-	-	-	2,247	31,674	8,704	107,907	-	-	150,532	-	225,797
Total Exposures	7,484,071	11,360,318	88,541	4,845,107	9,438,554	10,648,307	107,907	454,594	7,499	44,434,898	7,499	19,769,887
Risk- Weighted Assets by Exposures	-	2,881,582	85,657	4,739,946	7,112,816	4,383,321	161,860	402,405	2,299	-	-	19,769,887
Average Risk Weight	0%	25%	97%	98%	75%	41%	150%	89%	31%	44%	-	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

CITIBANK BERHAD
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(20) Capital adequacy

(c) The Off-Balance Sheet Exposures and their related counterparty credit risk of the Group and the Bank are as follows:

June 2010 Group and Bank	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item				
Direct credit substitutes	1,570,236		1,570,236	1,305,222
Transaction related contingent items	469,305		234,653	201,924
Short term self liquidating trade related contingencies	314,400		62,880	59,170
Forward asset purchases	1,015,375		1,015,375	402,243
Foreign exchange related contracts:				
One year or less	25,767,798	365,185	724,898	484,507
Over one year to five years	4,707,271	296,231	689,736	520,228
Over five years	199,415	-	29,912	14,956
Interest/Profit rate related contracts:				
One year or less	7,848,046	33,166	49,738	13,479
Over one year to five years	24,223,994	221,432	581,914	246,935
Over five years	2,468,391	117,831	275,190	92,670
Equity related contracts:				
One year or less	692,716		44,504	21,408
Over one year to five years	249,444	10,039	29,733	14,866
Over five years	-	-	-	-
Debt security contracts and other commodity contracts:				
One year or less	180,694	-	23,799	22,231
Over one year to five years	62,201	6,515	7,464	5,598
Over five years	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	387,949		193,974	167,019
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	5,294,727		-	-
Unutilised credit card lines	19,355,587		3,871,117	2,908,566
Total	94,807,549	1,050,399	9,405,124	6,481,024

Note 8

20 Capital adequacy (continued)

(c) The Off-Balance Sheet Exposures and their related counterparty credit risk of the Group and the Bank are as follows: (continued)

December 2009 Group and Bank	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of Item				
Direct credit substitutes	1,821,604	-	1,821,604	1,690,919
Transaction related contingent items	527,371	-	263,686	231,439
Short term self liquidating trade related contingencies	212,094	-	42,419	39,597
Forward asset purchases	107,311	-	107,311	56,458
Foreign exchange related contracts:				
One year or less	14,039,888	140,774	358,506	267,549
Over one year to five years	4,700,921	233,399	660,627	490,040
Over five years	-	-	-	-
Interest/Profit rate related contracts:				
One year or less	6,923,694	37,429	46,530	15,320
Over one year to five years	28,563,526	248,163	670,379	269,529
Over five years	2,474,306	89,586	255,336	83,166
Equity related contracts:				
One year or less	463,128	-	29,550	13,559
Over one year to five years	582,463	18,164	63,443	37,776
Over five years	-	-	-	-
Debt security contracts and other commodity contracts:				
One year or less	373,940	-	-	-
Over one year to five years	195,890	7,887	34,082	34,811
Over five years	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	449,442	-	224,721	149,793
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	5,697,541	-	-	-
Unutilised credit card lines	17,367,458	-	3,473,492	2,607,145
Total	84,500,577	775,402	8,051,686	5,987,101

Note 8

(21) Derivative financial instruments

	← 30 June 2010 →		← 31 Dec 2009 →			
	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:						
- Forwards	44,572,757	223,899	330,565	23,665,292	103,489	92,287
- Cross currency interest rate swaps	8,685,838	423,886	275,838	12,840,992	261,250	176,439
- Options	2,889,572	13,676	13,252	788,872	9,434	3,366
Interest rate contracts:						
- Futures	10,470,443			14,421,398	-	-
- Swaps	27,453,240	370,337	474,371	54,584,009	375,161	483,352
- Options	823,972	2,092	2,085	671,050	17	11
Equity related contracts	1,894,621	10,039	10,043	1,396,582	18,164	18,404
Others	738,921	6,515	11,721	782,511	7,887	9,881
	97,529,363	1,050,444	1,117,875	109,150,706	775,402	783,740
		Note 8	Note 12		Note 8	Note 12

CITIBANK BERHAD
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 (Incorporated in Malaysia)

22 Change in Accounting Policies

The full adoption of FRS 139, Financial Instruments: Recognition and Measurement and its related amendments, and the revised policy and guideline issued by BNM on Classification and Impairment Provisions for Loans/Financing and Guidelines on Financial Reporting issued on 8 January 2010 and 5 February 2010 respectively, resulted in the following material changes in accounting policies:-

a) Impairment of Loans, Advances and Financing

Prior to adoption to FRS 139, allowances for impaired loans and advances (previously referred to as allowances for bad and doubtful debts and financing) were computed in conformity with BNM's Revised "Guidelines on the Suspension of Interest on Non-Performing Loans and Provision for Bad and Doubtful Debts, BNM/GP3"

Upon adoption of FRS 139, the Bank will assess at each reporting period whether there is objective evidence of impairment on loans, advances and financing. Loans, advances and financing are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the loan, and that the loss event has an impact on the future cash flows on the assets that can be estimated reliably. Individually significant loans are assessed for specific impairment and loans that are not individually significant are assessed for impairment by grouping loans with similar risk characteristics.

In the amendments to FRS 139, the Malaysian Accounting Standards Board ("MASB") has included an additional transitional arrangement for entities in the financial sector, whereby BNM may prescribe an alternative basis for collective assessment of impairment by banking institutions which is prescribed in BNM's policy on Classification and Impairment Provisions for Loans/Financing issued on 8 January 2010. In the transitional provision as prescribed in the guidelines, banking institutions are required to maintain collective impairment provisions of at least 1.5% of total outstanding loans, net of individual impairment provisions. The Bank has applied this transitional provision in arriving at its collective impairment provision.

b) Securities held-to maturity

Securities that were previously classified as held-to-maturity relating to unquoted shares in organization set up for socio economic purposes and equity instruments received as a result of loan restructuring or loan conversion was reclassified to securities available-for-sale. This would not be subject to the 'tainting rules' when the requirements under FRS139 are first applied as allowed under the Guidelines on Financial Reporting for Banking Institutions issued by BNM on 5 February 2010

(c) Interest recognition

Under FRS 139, interest income and expense is recognised in the income statement using the effective interest method for financial assets and liabilities that are carried at amortised cost. Upon full adoption of FRS 139, interest on financial assets and liabilities carried at amortised cost is recognised in the income statement using the effective interest rate, which is the rate that exactly discounts the estimated future cash receipts and payments through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

The changes in accounting policies have been accounted for prospectively, in line with the transitional arrangements. Adjustments to the carrying values of financial assets and financial liabilities affecting the income statement as at the beginning of the current financial period is adjusted to opening retained profits as disclosed below:-

Effects on retained profits	Group and Bank RM'000
At 1 January 2010, as previously stated	2,642,125
Effects of adoption of FRS 139	(54,446)
At 1 January 2010, as restated	<u>2,587,679</u>

CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
ISLAMIC BANKING OPERATIONS
(Company No. 297089 M)
(Incorporated in Malaysia)
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2010

		Group and Bank	
		June	Dec
		2010	2009
		RM'000	RM'000
Assets			
Cash and short term funds	(a)	89,312	878,460
Securities held-for-trading	(b)	41,277	65,397
Securities available-for-sale	(c)	286,981	401,371
Financing, advances and other loans	(d)	523,325	527,007
Deferred tax assets		1,002	1,718
Other assets	(f)	126,901	91,716
		<hr/>	<hr/>
Total assets		<u>1,068,798</u>	<u>1,965,669</u>
Liabilities			
Deposits from customers	(g)	714,897	1,632,416
Other liabilities	(h)	164,341	151,041
		<hr/>	<hr/>
Total liabilities		<u>879,238</u>	<u>1,783,457</u>
Islamic banking funds	(i)	189,560	182,212
		<hr/>	<hr/>
Total liabilities and Islamic banking funds		<u>1,068,798</u>	<u>1,965,669</u>
Off-Balance Sheet Exposures	(j)	<u>3,021,986</u>	<u>2,920,577</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 2009 and the accompanying notes on page 38 to 57 attached to the unaudited condensed interim financial statements.

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 2010

		Group and Bank	
		June	June
		2010	2009
		RM'000	RM'000
Income derived from investments of depositors' funds and others	(k)	21,433	22,714
Allowances for losses on financing	(l)	545	(1,248)
Transfer from / (to) Profit Equalisation Reserve	(m)	<u>(4,793)</u>	<u>(1,526)</u>
Total attributable income		17,185	19,940
Income attributable to depositors	(n)	<u>(5,047)</u>	<u>(9,147)</u>
Total attributable to the Bank		12,137	10,793
Income derived from investment of Islamic Banking Capital funds	(o)	<u>3,567</u>	<u>27,330</u>
Total net income		15,704	38,123
Other operating expenses	(q)	(2,084)	(3,470)
Profit Before Taxation		<u>13,620</u>	<u>34,653</u>
Taxation		(3,398)	(8,778)
Profit after taxation		<u><u>10,222</u></u>	<u><u>25,876</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 2009 and the accompanying notes on page 38 to 57 attached to the unaudited condensed interim financial statements.

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

**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME OF THE GROUP AND BANK
FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2010**

	Group and Bank	
	June 2010 RM'000	June 2009 RM'000
Profit for the period	10,222	25,876
<u>Other comprehensive loss:</u>		
Net loss on revaluation of securities available-for-sale	(1,091)	(20,046)
Income tax relating to components of other comprehensive income	273	5,262
Other comprehensive loss for the period, net of tax	<u>(818)</u>	<u>(14,784)</u>
Total comprehensive income for the period	<u>9,404</u>	<u>11,092</u>
Total comprehensive income for the period attributable to Equity holders	<u>9,404</u>	<u>11,092</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 2009 and the accompanying notes on page 38 to 57 attached to the unaudited condensed interim financial statements.

**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 2010**

	Group and Bank			Total RM'000
	Capital Funds RM'000	Other Reserve RM'000	Profit RM'000	
At 1 January 2009	20,000	18,485	124,723	163,208
Profit after taxation	-	-	25,874	25,874
Other comprehensive income	-	(14,782)	-	(14,782)
At 30 June 2009	<u>20,000</u>	<u>3,703</u>	<u>150,597</u>	<u>174,300</u>
At 1 January 2010				
- as previously stated	20,000	885	161,327	182,212
- effect of adopting FRS 139	-	-	(2,057)	(2,057)
	<u>20,000</u>	<u>885</u>	<u>159,270</u>	<u>180,155</u>
Profit after taxation	-	-	10,222	10,222
Other comprehensive income	-	(818)	-	(818)
At 30 June 2010	<u>20,000</u>	<u>67</u>	<u>169,492</u>	<u>189,560</u>

Note (i)

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 2009 and the accompanying notes on page 38 to 57 attached to the unaudited condensed interim financial statements.

(a) Cash and short term funds

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
Cash and balances with banks and other financial institutions	5,322	4,460
Money at call and deposit placements maturing within one month	<u>83,990</u>	<u>874,000</u>
	<u><u>89,312</u></u>	<u><u>878,460</u></u>

(b) Securities held for trading

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
At fair value		
Bank Negara Malaysia Islamic Bills	30,085	65,397
Malaysian Government Treasury Bills	<u>11,192</u>	<u>-</u>
	<u><u>41,277</u></u>	<u><u>65,397</u></u>

(c) Securities available for sale

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
At fair value		
Malaysian Government Investment Issues	286,981	326,431
Islamic Khazanah Bonds	<u>-</u>	<u>74,940</u>
	<u><u>286,981</u></u>	<u><u>401,371</u></u>

(d) Financing, Advances and other loans

(i) By type

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
Term financing		
-House loans/financing	558,488	564,069
-Hire purchase receivables	6,857	8,868
-Lease receivables	4,833	6,722
-Other term loans / financing	90	-
- Claims on customers under acceptance credits	-	-
	<hr/>	<hr/>
	570,268	579,659
Unearned income	(34,296)	(39,880)
	<hr/>	<hr/>
	535,972	539,779
Allowance for impaired financing, advances and other loans		
- collective assessment	(7,969)	-
- individual assessment	(4,678)	-
- general	-	(8,029)
- specific	-	(4,743)
	<hr/>	<hr/>
Total net financing, advances and other loans	<u>523,325</u>	<u>527,007</u>

(ii) By contract

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
Bai' Bithamin Ajil	45,264	50,710
Ijarah Muntahia Bittamilik	11,780	15,590
Diminishing Musharakah	478,685	473,479
	<hr/>	<hr/>
	<u>535,729</u>	<u>539,779</u>

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

(iii) By profit rate sensitivity

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Fixed rate		
-House loans/financing	523,949	524,189
-Hire purchase receivables	6,922	8,791
-Other fixed rate loan/financing	4,858	6,799
	<hr/>	<hr/>
	535,729	539,779
	<hr/> <hr/>	<hr/> <hr/>

(iv) By sector

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Manufacturing(including agriculture based)	8,337	10,540
Wholesale, retail trade, restaurants and hotels	155	223
Transport, storage and communication	3,160	4,238
Finance, insurance, real estate and bussiness services	128	589
Household-residential	520,179	521,161
Other sectors	3,770	3,028
	<hr/>	<hr/>
	535,729	539,779
	<hr/> <hr/>	<hr/> <hr/>

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

(v) Residual contractual maturity

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Up to 1 year	-2,066	4,883
One to five years	13,348	13,205
Above 5 years	524,447	521,691
	<u>535,729</u>	<u>539,779</u>

(vi) By geographical distribution

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Malaysia	<u>535,729</u>	<u>539,779</u>

(e) Impaired financing, advances and other loans

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

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
At 1 January	10,215	9,951
Classified as impaired during the period/year	4,849	2,635
Amount recovered	(3,349)	(758)
Amount written off	(45)	(1,613)
At 30 June / 31 December	<u>11,670</u>	<u>10,215</u>
Individual assessment	(4,678)	-
Specific allowance	-	(4,743)
	<u>6,992</u>	<u>5,472</u>
Net impaired financing, advances and other loans	<u>6,992</u>	<u>5,472</u>
Ratio of net impaired loans and financing to net loans and financing less individual assessment	1.32%	1.02%

(e) Impaired financing, advances and other loans (continued)

(ii) Movements in the allowance for impaired financing, advances and other loans are as follows :-

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
<u>Collective assessment</u>		
At 1 January		
- as previously stated	-	-
- effect of adopting FRS 139	7,994	-
	<u>7,994</u>	<u>-</u>
Allowance made during the period/year	(25)	-
	<u>(25)</u>	<u>-</u>
At 30 June / 31 December	<u>7,969</u>	<u>-</u>
<u>General allowance</u>		
At 1 January		
- as previously stated	8,029	6,374
- effect of adopting FRS 139	(8,029)	-
	<u>-</u>	<u>6,374</u>
Allowance made during the period/year	-	1,655
	<u>-</u>	<u>1,655</u>
At 30 June / 31 December	<u>-</u>	<u>8,029</u>
As % of gross loans, advances and financing less individual assessment	1.50%	1.50%
<u>Individual assessment</u>		
At 1 January		
- as previously stated	-	-
- effect of adopting FRS 139	6,826	-
	<u>6,826</u>	<u>-</u>
Allowance made during the period/year	144	-
Amount recovered	(619)	-
Amount written off	(1,673)	-
	<u>144</u>	<u>-</u>
At 30 June / 31 December	<u>4,678</u>	<u>-</u>

(e) Impaired financing, advances and other loans (continued)

(ii) Movements in the allowance for impaired financing, advances and other loans are as follows :-

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
<u>Specific allowance</u>		
At 1 January		
- as previously stated	4,743	5,595
- effect of adopting FRS 139	(4,743)	-
	<hr/>	<hr/>
Allowance made during the period/year	-	877
Amount written back	-	(116)
Amount written off		(1,613)
	<hr/>	<hr/>
At 30 June / 31 December	<hr/> <hr/>	<hr/> <hr/>

(iii) Impaired financing, advances and other loans by sector are as follows:-

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
Manufacturing (including agriculture based)	4,216	4,275
Transport, storage and communication	28	28
Household-residential	7,426	5,912
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>

(e) Impaired financing, advances and other loans (continued)

(iv) Impaired financing, advances and other loans by geographical distribution are as follows :-

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Malaysia	<u>11,670</u>	<u>10,215</u>

(f) Other assets

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Profit receivable	2,526	2,343
Other debtors, deposits and prepayments	5,584	8,492
Revaluation gain on profit rate undertaking contracts (Note r)	118,791	80,881
	<u>126,901</u>	<u>91,716</u>

(g) Deposits from customers

(i) By type of deposit

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Non-Mudharabah Fund		
Demand deposits	346,436	858,562
Saving deposits	70,611	288,248
Other deposits	198,561	227,798
Mudharabah fund		
General investment deposits	99,289	257,808
	<u>714,897</u>	<u>1,632,416</u>

(g) Deposits from customers (continued)

(ii) By type of customers

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Government and statutory bodies	1,127	374
Business enterprises	154,689	1,057,132
Individuals	315,622	307,163
Others	262,073	267,747
	<u>733,511</u>	<u>1,632,416</u>

(h) Other liabilities

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Profit payable	18,693	217
Other creditors and accruals	22,041	69,920
Profit Equalisation Reserve (note n)	4,817	23
Revaluation loss on profit rate undertaking contracts (note r)	118,790	80,881
	<u>164,341</u>	<u>151,041</u>

(i) Islamic Banking Fund

	Group and Bank	
	June	Dec
	2010	2009
	RM'000	RM'000
Fund allocated	20,000	20,000
Fair value reserve	67	885
Retained earnings	169,492	161,327
	<u>189,560</u>	<u>182,212</u>

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

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

	Group and Bank	
	June	June
	2010	2009
	RM'000	RM'000
Income derived from investment of:		
(i) General investment deposits	18,974	19,120
(ii) Other deposits	2,459	3,594
	<hr/>	<hr/>
	21,433	22,714
	<hr/> <hr/>	<hr/> <hr/>

(i) Income derived from investment of general investment deposits

	Group and Bank	
	June	June
	2010	2009
	RM'000	RM'000
Finance income and hibah		
Financing, advances and other loans	10,900	7,942
Money at call and placements with financial institutions	2,474	2,350
Income from securities available-for-sale	4,284	6,756
	<hr/>	<hr/>
	17,658	17,048
Accretion of discount less amortisation of premium	828	1,841
Total finance income and hibah	<hr/>	<hr/>
	18,486	18,889
	<hr/>	<hr/>
Other operating income		
Fee income	488	231
	<hr/>	<hr/>
Income from general investment deposits	18,974	19,120
	<hr/> <hr/>	<hr/> <hr/>

(ii) Income derived from investment of other deposits

	Group and Bank	
	June 2010 RM'000	June 2009 RM'000
Finance income and hibah		
Financing, advances and other loans	1,413	1,492
Money at call and placements with financial institutions	321	442
Income from securities available-for-sale	555	1,270
	-	-
	<u>2,289</u>	<u>3,204</u>
Accretion of discount less amortisation of premium	107	346
Total finance income and hibah	<u>2,396</u>	<u>3,550</u>
Other operating income		
Fee income	63	44
Income from other deposits	<u>2,459</u>	<u>3,594</u>

(i) Allowance for Impairment on financing, advances and other loans

	Group and Bank	
	June 2010 RM'000	June 2009 RM'000
Allowance for impaired financing, advances and other loans:		
<u>Individual assessment</u>		
- made in the financial period	144	-
- written back	(619)	-
<u>Specific allowance</u>		
- made in the financial period	-	97
- written back	-	(116)
<u>Collective assessment</u>		
- reversal during the period	(25)	-
<u>General allowance</u>		
- reversal during the period	-	1,267
<u>Impaired financing, advances and other loans</u>		
- written back		
- written off	(45)	
	<u>(545)</u>	<u>1,248</u>

(m) Profit Equalisation Reserve

The movement in Profit Equalisation Reserve are as follows:

	Group and Bank	
	June 2010 RM'000	June 2009 RM'000
At 1 January	1,206	1,025
Movement in the financial period	4,793	1,526
	<hr/>	<hr/>
At 30 June / 31 December	<u>5,999</u>	<u>2,551</u>

(n) Income attributable to depositors

	Group and Bank	
	June 2010 RM'000	June 2009 RM'000
Deposits from customers		
- Mudharabah funds	3,238	7,150
- Non-Mudharabah funds	1,633	1,940
Deposits and placements of banks and other financial institutions		
- Non-Mudharabah funds	31	37
Others	146	20
	<hr/>	<hr/>
	<u>5,047</u>	<u>9,147</u>

(o) Income derived from investment of Islamic Banking Capital Funds

	Group and Bank	
	June	June
	2010	2009
	RM'000	RM'000
Financing, advances and other loans	1,137	669
Money at call and placements with financial institutions	258	198
Income from securities available-for-sale	447	569
	<u>1,842</u>	<u>1,437</u>
Accretion of discount less amortisation of premium	86	155
Total finance income and hibah	<u>1,929</u>	<u>1,592</u>
Other operating income		
Gain /(loss) from securities held-for-trading	(58)	263
Gain from securities available-for-sale	1,208	24,278
Fee income	446	364
Loss from trading activities	41	295
Insurance premium and referral	-	538
	<u>1,638</u>	<u>25,738</u>
Income from Islamic Banking Capital Funds	<u>3,567</u>	<u>27,330</u>

(p) Income from Islamic banking operations

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

		Group and Bank	
		June	June
		2010	2009
		RM'000	RM'000
Income derived from investment of depositors' funds and others	(l)	21,433	22,714
Profit Equalisation Reserve	(n)	(4,793)	(1,526)
Income attributable to depositors	(o)	(5,047)	(9,147)
Income derived from investment of Islamic Banking Funds	(p)	3,567	27,330
		<hr/>	<hr/>
		15,159	39,371
		<hr/> <hr/>	<hr/> <hr/>

(q) Other operating expenses

		Group and Bank	
		June	June
		2010	2009
		RM'000	RM'000
Personnel costs		1,683	315
Establishment costs		1	18
Administration and general expenses		400	3,137
		<hr/>	<hr/>
		2,084	3,470
		<hr/> <hr/>	<hr/> <hr/>

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

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

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
Computation of Total Risk Weighted Assets (RWA)		
Total Credit RWA	587,940	486,990
Total Market RWA	32,396	87,623
Total Operational RWA	78,546	82,549
Total Risk Weighted Assets	698,882	657,162
Computation of Capital Ratios		
Tier I Capital	178,245	179,315
Capital Base	186,214	187,344
Core capital ratio	25.50%	27.29%
Risk weighted capital ratio	26.64%	28.51%

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 Guideline issued by Bank Negara Malaysia on 05 February 2010. The minimum regulatory capital adequacy requirement is 8% for the risk-weighted capital ratio.

	Group and Bank	
	June 2010 RM'000	Dec 2009 RM'000
The components of Tier I and Tier II Capital are as follows:		
<u>Tier I Capital</u>		
Fund allocated	20,000	20,000
Retained earnings	159,270	161,327
Other Reserves	-	-
Less: Deferred Tax Assets	(1,025)	(2,012)
Total Tier I capital (Core Capital)	178,245	179,315
<u>Tier II Capital</u>		
Collective assessment allowance for impaired financing, advances and other loans	7,969	-
General allowance for bad and doubtful debts and financing	-	8,029
Capital Base	186,214	187,344

(j) Capital adequacy (continued)

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

2009	Exposure	Gross Exposures RM'000	Net Exposures RM'000	Risk Weighted Assets RM'000	Capital Requirements RM'000
1.0 Credit Risk					
On-Balance Sheet Exposures :					
Sovereigns/Central Banks		373,497	373,497	-	0
Public Sector Entities		-	-	-	0
Banks, Development Financial Institutions & MDBs		-	-	-	0
Insurance Cos, Securities Firms & Fund Managers		-	0	0	0
Corporates		8,541	7,119	6,361	509
Regulatory Retail		66	43	43	3
Residential Mortgages		512,461	512,461	219,027	17,522
Higher Risk Assets		410	410	615	49
Other Assets		13,419	13,419	8,098	648
Equity		-	-	-	0
Defaulted Exposures		9,551	9,549	10,562	845
Total On-Balance Sheet Exposures		917,945	916,498	244,706	19,576
Off-Balance Sheet Exposures :					
OTC Derivatives		252,533	252,533	249,562	19,965
Off Balance sheet exposures other than OTC derivatives or credit derivatives		97,140	97,140	93,672	7,494
Defaulted Exposures		-	-	-	0
Total Off- Balance Sheet Exposures		349,673	349,673	343,234	27,459
Total On and Off Balance Sheet Exposures		1,267,618	1,266,170	587,940	47,035
2.0 Large Exposure Risk Requirement		-	-	-	-
3.0 Market Risk					
Interest Rate Risk*					
- Specific Interest Rate Risk	Long Position	275,884		30,826	2,466
- General Interest Rate Risk	Short Position	2,466		1,570	126
Foreign Currency Risk				-	-
Options Risk				-	-
				32,396	2,592
3.0 Operational Risk				78,546	6,604
4.0 Total RWA and Capital Requirements				698,882	56,231

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

(j) Capital adequacy (continued)

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

2009	Exposure	Gross Exposures RM'000	Net Exposures RM'000	Risk Weighted Assets RM'000	Capital Requirements RM'000
1.0 Credit Risk					
On-Balance Sheet Exposures :					
	Sovereigns/Central Banks	1,202,775	1,202,775	0	0
	Public Sector Entities	0	0	0	0
	Banks, Development Financial Institutions & MDBs	0	0	0	0
	Insurance Cos, Securities Firms & Fund Managers	0	0	0	0
	Corporates	85,425	83,342	22,491	1,799
	Regulatory Retail	761	761	411	33
	Residential Mortgages	519,721	519,721	207,310	16,585
	Higher Risk Assets	169	169	254	20
	Other Assets	12,649	12,649	8,189	655
	Equity		0	0	0
	Defaulted Exposures	3,893	3,893	3,935	315
	Total On-Balance Sheet Exposures	1,825,393	1,823,310	242,590	19,407
Off-Balance Sheet Exposures :					
	OTC Derivatives	206,315	206,315	203,052	16,244
	Off Balance sheet exposures other than OTC derivatives or credit derivatives	59,158	59,158	41,348	3,308
	Defaulted Exposures	-	-	-	0
	Total Off- Balance Sheet Exposures	265,473	265,473	244,400	19,552
	Total On and Off Balance Sheet Exposures	2,090,866	2,088,783	486,990	38,959
2.0 Large Exposure Risk Requirement		-	-	-	-
3.0 Market Risk					
		Long Position	Short Position		
	Interest Rate Risk* - Specific Interest Rate Risk	675,754		87,623	7,010
	- General Interest Rate Risk	7,010		-	0
	Foreign Currency Risk			-	0
	Options Risk			-	0
				87,623	7,010
3.0 Operational Risk				82,549	6,604
4.0 Total RWA and Capital Requirements				657,162	52,573

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

(i) Capital adequacy (continued)

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

Risk Weights	Exposures after Netting and Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	Banks, MDBs and FDI's	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	373,497	-	-	-	-	-	-	5,322	-	378,820	-	-
20%	-	-	-	-	-	-	-	-	-	1	-	-
35%	-	-	-	-	-	310,476	-	-	-	310,477	-	108,666
50%	-	31,041	-	1,656	-	119,888	-	-	-	152,586	-	76,292
75%	-	-	-	-	-	94,935	-	-	-	94,936	-	71,201
100%	-	25,596	87,854	249,129	-	5,025	-	8,097	-	324,510	-	324,509
150%	-	-	-	22	-	4,372	-	-	-	4,848	-	7,271
Total Exposures	373,497	5,445	87,854	250,806	-	534,695	453	13,419	-	1,266,178	-	587,940

Risk- Weighted Assets by Exposures	-	10,075	87,854	249,989	-	251,394	680	8,097	-	-	-	587,940
Average Risk Weight	0%	-185%	100%	100%	#DIV/0!	47%	150%	60%	0%	46%	-	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

(iii) The breakdown of exposures by risk weights for the financial year ended 2009 were as follows:

Risk Weights	Exposures after Netting and Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation RM'000
	Sovereigns & Central Banks RM'000	Banks, MDBs and FDIs RM'000	Insurance Cos, Securities Firms & Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Equity RM'000	Total Exposures after Netting and Credit Risk Mitigation RM'000	
0%	1,202,775	-	-	-	-	-	-	4,460	-	1,207,235	-
20%	-	-	-	74,940	-	-	-	-	-	74,940	14,988
35%	-	-	-	-	-	381,839	-	-	-	381,839	133,644
50%	-	6,527	-	1,758	684	162,816	-	-	-	171,785	83,892
75%	-	-	-	-	122	2,571	-	-	-	2,693	2,020
100%	-	80,727	1,506	155,763	-	3,798	-	8,189	-	249,983	249,984
150%	-	-	-	-	90	-	218	-	308	462	462
Total Exposures	1,202,775	87,254	1,506	232,461	895	551,025	218	12,649	-	2,088,783	486,990
Risk- Weighted Assets by Exposures	-	83,991	1,506	171,630	568	220,778	328	8,189	-	-	486,990
Average Risk Weight	0%	96%	100%	74%	63%	40%	150%	65%	0%	23%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-

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(j) Capital adequacy (continued)

(iv) The Off-Balance Sheet Exposures and their related counterparty credit risk of the Group and the Bank are as follows:

June 2010 Group and Bank	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of Item				
Forward asset purchases	84,258		84,258	84,258
Foreign exchange related contracts:				
One year or less				
Over one year to five years	1,764,551	108,081	242,044	242,044
Over five years				
Interest/Profit rate related contracts:				
One year or less				
Over one year to five years	1,139,245	10,709	10,490	7,519
Over five years				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	25,762		12,881	9,413
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	8,169		-	
Total	3,021,986	118,790	349,673	343,234

Note f

December 2009 Group and Bank	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of Item				
Forward asset purchases	31,602	-	31,602	31,602
Foreign exchange related contracts:				
One year or less				
Over one year to five years	1,724,295	67,825	198,164	198,164
Over five years				
Interest/Profit rate related contracts:				
One year or less				
Over one year to five years	1,106,075	12,056	8,152	8,152
Over five years				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	55,111	-	27,555	9,746
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	3,494	-	-	-
Total	2,920,577	79,881	265,473	247,664

Note f

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(r) Derivative financial instruments

	←-----30 June 2010-----→			←-----31 Dec 2009-----→		
	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 of undertaking	1,557,060	108,081	108,081	3,198,236	67,825	67,825
Others						
- Islamic profit rate undertaking	1,139,245	10,709	10,709	2,212,150	13,056	13,056
	2,696,305	118,790	118,790	5,410,386	80,881	80,881
		Note (f)	Note (h)		Note (f)	Note (h)