



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

UNAUDITED CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2008

Domiciled in Malaysia
Principal place of business :
Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES**

(Company No. 297089 M)

(Incorporated in Malaysia)

UNAUDITED BALANCE SHEET AT 30 SEPTEMBER 2008

	Note	Group		Bank	
		Sep 2008 RM'000	Dec 2007 RM'000	Sep 2008 RM'000	Dec 2007 RM'000
ASSETS					
Cash and short term funds	1	11,978,926	16,744,282	11,978,906	16,744,262
Deposits and placements with banks and other financial institutions	2	2,535,490	1,595,176	2,535,490	1,595,176
Securities purchased under resale agreements		672,761	445,469	672,761	445,469
Securities held for trading	3	979,348	1,352,741	979,348	1,352,741
Securities available-for-sale	4	4,561,035	2,897,591	4,561,035	2,897,591
Securities held-to-maturity	5	7,499	7,499	7,499	7,499
Loans, advances and financing	6	20,262,840	20,504,213	20,262,840	20,504,213
Other assets	8	1,564,662	1,234,322	1,564,662	1,234,322
Statutory deposits with Bank Negara Malaysia		642,038	845,408	642,038	845,408
Deferred tax assets		45,921	48,334	45,921	48,334
Investment in subsidiary companies		-	-	20	20
Property, plant and equipment		55,806	72,227	55,806	72,227
TOTAL ASSETS		43,306,327	45,747,262	43,306,327	45,747,262
LIABILITIES AND SHAREHOLDERS' FUNDS					
Deposits from customers	9	27,465,076	28,865,054	27,465,076	28,865,054
Deposits and placements of banks and other financial institutions	10	9,992,613	11,105,095	9,992,613	11,105,095
Bills and acceptances payable		38,630	97,054	38,630	97,054
Recourse obligations on loans sold to Cagamas		-	423,529	-	423,529
Other liabilities	11	2,283,142	2,340,106	2,283,142	2,340,106
Subordinated loan		400,000	400,000	400,000	400,000
TOTAL LIABILITIES		40,179,462	43,230,838	40,179,462	43,230,838
SHARE CAPITAL	12	121,697	121,697	121,697	121,697
RESERVES	13	3,005,168	2,394,727	3,005,168	2,394,727
SHAREHOLDERS' FUNDS		3,126,865	2,516,424	3,126,865	2,516,424
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		43,306,327	45,747,262	43,306,327	45,747,262
COMMITMENTS AND CONTINGENCIES	30	110,662,982	98,410,076	110,662,982	98,410,076

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2007 and the accompanying notes on page 5 to 37 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 NINE MONTHS ENDED 30 SEPTEMBER 2008

		Group and Bank	
		Sep 2008	Sep 2007
	Note	RM'000	RM'000
Revenue		2,196,864	1,938,407
Interest income	14	1,642,444	1,682,832
Interest expense	15	(746,195)	(805,074)
Net interest income		896,249	877,758
<i>Net Islamic banking operating income</i>		31,907	24,559
Other operating income	16	522,514	231,017
Operating income		1,450,669	1,133,334
Other operating expenses	17	(551,230)	(498,476)
Profit before provision		899,440	634,857
Allowance for losses on loan and financing	18	(96,769)	(132,815)
Profit before taxation		802,671	502,042
Taxation		(191,507)	(135,790)
Profit after taxation		611,163	366,252
Earnings per share - basic (sen)		670	401

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2007 and the accompanying notes on page 5 to 37 attached to the unaudited condensed interim financial statements.

CITIBANK BERHAD
AND ITS SUBSIDIARIES
(Company No. 297089)
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008

Group and Bank

	← Non-Distributable →				Distributable			
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Total Reserve RM'000	Proposed Dividend RM'000	Total RM'000
At 1 January 2007	121,697	380,303	121,697	10,590	1,304,099	1,816,689	-	1,938,386
Net profit for the year	-	-	-	-	591,401	591,401	-	591,401
Unrealised net gain/loss on revaluation of securities available for sale	-	-	-	(13,363)	-	(13,363)	-	(13,363)
At 31 December 2007	121,697	380,303	121,697	(2,773)	1,895,500	2,394,727	-	2,516,424
At 1 January 2008	121,697	380,303	121,697	(2,773)	1,895,500	2,394,727	-	2,516,424
Net profit for the year	-	-	-	-	611,163	611,163	-	611,163
Unrealised net gain/loss on revaluation of securities available for sale	-	-	-	(722)	-	(722)	-	(722)
At 30 September 2008	121,697	380,303	121,697	(3,495)	2,506,663	3,005,168	-	3,126,865

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2007 and the accompanying notes on page 5 to 37 attached to the unaudited condensed interim financial statements.

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

**UNAUDITED CONDENSED CASH FLOW STATEMENTS FOR THE
FINANCIAL PERIOD ENDED NINE MONTHS ENDED 30 SEPTEMBER 2008**

	Group and Bank	
	Sep 2008 RM'000	Sep 2007 RM'000
Profit before tax expenses	802,671	502,042
Adjustments for non cash items	(111,560)	100,868
Operating profit before changes in working capital	691,111	602,910
Changes in working capital :		
Net changes in operating assets	(569,231)	(3,354,487)
Net changes in operating liabilities	(3,129,456)	12,095,966
Taxes paid	(111,698)	(149,265)
Net cash (used in) / generated from operating activities	(3,119,274)	9,195,124
Net cash generated from investing activities	(1,646,082)	674,647
Net change in cash and cash equivalents	(4,765,356)	9,869,771
Cash and cash equivalents at beginning of the year	16,744,262	5,528,068
Cash and cash equivalents at end of the period	11,978,906	15,397,839

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2007 and the accompanying notes on page 5 to 37 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD
AND ITS SUBSIDIARIES**

(Company No. 297089 M)

(Incorporated in Malaysia)

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 nine months ended 30 September 2008 have been prepared in accordance with the revised GP8 Guidelines issued by Bank Negara Malaysia on 5 October 2004.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. The explanatory notes attached in the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 31 December 2007.

A2 Auditor's Report on preceeding Annual Financial Statement

The audit report on the audited financial statements for the financial year ended 31 December 2007 was not subject to any qualification.

A3 Seasonality or Cyclical factors

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

A4 Unusual items due to their nature, size or incidence

There were no unusual item affecting assets, liabilities, equity, net income or cash flows of the Bank for the financial period nine months ended 30 September 2008.

A5 Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the bank for the financial period nine months ended 30 September 2008.

A6 Issuance and repayment of Debt and Equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period nine months ended 30 September 2008.

A7 Dividend

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

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 nine months ended 30 September 2008.

**CITIBANK BERHAD
AND ITS SUBSIDIARIES**

(Company No. 297089 M)

(Incorporated in Malaysia)

B Review of performance and current year prospects

B1 Performance Review

The Bank's top line revenue for the nine months financial period ended 30 September 2008 was RM2,197 million and pre-tax profit was RM803 million. This represents total growth of 13% and 60% respectively compared to preceding period. Annualised net income on average equity stood at 43% and annualised net income on total assets improved to 1.88% from 1.76% compared to the same period in 2007.

Higher revenue and pre-tax profit was mainly attributed to increase in other operating income. Income from trading securities have improved significantly compared to prior period. This is due to provisioning made for reduction in value for trading securities in prior period. The increase of RM32 million or 4% in net interest income also added to the stronger pre-tax profit performance for the first quarter of 2008.

Other operating expenses for the first nine months of the year closed at RM551 million, up by approximately 10% relative to preceding period. This is mainly due to increase in marketing expenses and administration & general expenses. Cost to income ratio improved from 44% to 38% compared to the corresponding period in 2007, resulted from higher revenue in 2008.

Islamic banking operating income posted an increase of 30% or RM7 million over the preceding period. This was mainly derived from fee income earned from services rendered.

The Bank's total assets stood at RM43 billion as of 30 September 2008, decrease of 5% over the last nine months. The decrease was due to a reduction in short term funds by 29% and trading securities by 28%. This reduction was however mitigated by the increase of 59% in deposits and placements with banks and other financial institutions and growth of 57% in securities available-for-sale.

B2 Prospects for the remainder of 2008

Given the rapidly evolving developments in the financial markets, the main impact on the economy will likely come from weaker manufactured exports, falling commodity prices, and to a lesser extent the global credit crunch. Given the ample liquidity in the domestic financial system, lending activity in the banking sector is expected to remain relatively unaffected.

Citibank welcomes the move by Bank Negara to guarantee all deposits in financial institutions, including locally incorporated foreign banks, with immediate effect until December 2010. While the guarantee may not ultimately be utilized, we see this as a positive move to reassure and restore customers' confidence in the stability of financial institutions operating in Malaysia.

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

(1) Cash and short term funds

	Group	
	Sep 2008 RM'000	Dec 2007 RM'000
Cash and balances with banks and other financial institutions	97,109	37,001
Money at call and deposit placements maturing within one month	11,881,816	16,707,281
	<u>11,978,926</u>	<u>16,744,282</u>
	Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
Cash and balances with banks and other financial institutions	97,089	36,981
Money at call and deposit placements maturing within one month	11,881,816	16,707,281
	<u>11,978,906</u>	<u>16,744,262</u>

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

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
Bank Negara Malaysia	-	-
Licensed banks	2,535,490	1,595,176
	<u>2,535,490</u>	<u>1,595,176</u>

(3) Securities held for trading

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
At fair value		
Malaysian Government Treasury Bills	23,942	103,841
Malaysian Government Stock	412,379	591,498
Malaysian Government Investment Issues	2,947	64,630
BNM Bills/Notes	384,583	284,084
Cagamas Notes /Bonds	980	35,871
Khazanah bond	24,173	-
Multilateral Financial Institutions	2,003	-
Private Debt Securities	128,340	272,817
	<u>979,348</u>	<u>1,352,741</u>

CITIBANK BERHAD
AND ITS SUBSIDIARIES
 Company No. 297089 M

(4) Securities available for sale

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
At fair value		
Malaysian Government Treasury Bills/ Government Stock	2,323,389	2,156,074
Bank Negara Malaysia bills	699,902	199,950
Malaysian Government Investment Issues	612,712	208,169
Khazanah Bonds	137,910	197,663
Yankee Bonds/US bonds	685,201	33,520
Multilateral Financial Institutions	50,078	-
Private Debt Securities	51,844	102,215
	<hr/>	<hr/>
	4,561,035	2,897,591
	<hr/> <hr/>	<hr/> <hr/>

(5) Securities held to maturity

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
At amortised cost		
Unquoted securities:- Shares	<hr/>	<hr/>
	7,499	7,499
	<hr/> <hr/>	<hr/> <hr/>

(6) Loans, Advances and Financing

(i) By type

	Group and Bank	
	Sep 2008	Dec 2007
	RM'000	RM'000
Overdrafts	1,164,007	1,157,951
Term loans and financing		
-Housing loans/financing	10,984,521	11,330,669
-Hire Purchase receivables	20,710	31,235
-Lease Receivables	13,829	22,202
-Other term loans / financing	1,413,640	1,481,029
Bills receivable	599,562	440,139
Trust receipts	36,278	49,386
Claims on customers under acceptance credits	653,753	877,952
Staff loans	101,082	105,962
Share Margin Financing	179,782	224,929
Credit cards receivables	4,375,548	4,157,262
Revolving credit	1,206,009	1,183,256
Other loans	261,668	171,841
	<hr/>	<hr/>
Unearned interest and income	21,010,390 (68,019)	21,233,813 (73,339)
	<hr/>	<hr/>
Gross loans, advances and financing	20,942,371	21,160,474
Allowance for bad and doubtful debts and financing		
- general	(308,564)	(314,312)
- specific	(370,967)	(341,949)
	<hr/>	<hr/>
Net loans, advances and financing	<u>20,262,840</u>	<u>20,504,213</u>

(ii) By type of customer

	Group and Bank	
	Sep 2008	Dec 2007
	RM'000	RM'000
Domestic non financial institutions		
-Others	70,229	232,230
Domestic business enterprises		
-Small and medium enterprises	611,315	603,600
-Others	2,859,403	2,743,961
Individuals	17,286,600	17,548,554
Foreign entities	114,823	32,129
	<hr/>	<hr/>
	<u>20,942,371</u>	<u>21,160,474</u>

(6) Loans, Advances and Financing (continued)

(iii) By interest/profit rate sensitivity

	Group and Bank	
	Sep 2008	Dec 2007
	RM'000	RM'000
Fixed rate		
Housing loans/financing	471,542	590,624
Hire Purchase receivables	20,710	29,896
Other fixed rate loan/financing	3,433,363	7,485,674
Variable rate		
BLR plus	12,142,997	12,586,561
Cost plus	498,210	467,719
Other floating	4,375,548	-
	<hr/>	<hr/>
	20,942,371	21,160,474
	<hr/> <hr/>	<hr/> <hr/>

(iv) By sector

	Group and Bank	
	Sep 2008	Dec 2007
	RM'000	RM'000
Primary agriculture	243,014	343,068
Mining & quarrying	5,722	4,567
Manufacturing(incl agro-based)	1,561,203	1,240,292
Electricity, gas, water	60,265	116,408
Construction	36,759	48,248
Wholesale, retail trade, restaurants, hotels	713,707	734,769
Transport, storage & communication	282,762	338,404
Fin, insurance, real estate & bussiness services	451,819	535,297
Education, health & others	35,062	29,884
Household		
- Consumption Credit	5,182,638	4,903,991
- Residential	11,547,217	11,956,871
- Non Residential	377,838	469,048
- Purchase of Securities	178,907	218,644
Other sectors	265,457	220,983
	<hr/>	<hr/>
	20,942,371	21,160,474
	<hr/> <hr/>	<hr/> <hr/>

(iv) By purpose

	Group and Bank	
	Sep 2008	Dec 2007
	RM'000	RM'000
Purchase of securities	179,782	220,688
Purchase of landed property	12,223,878	12,480,829
Purchase fixed assets ex. land & building	125,479	59,410
Personal usage	853,181	776,465
Credit cards	4,375,548	4,157,262
Construction	45,855	20,720
Working capital	3,123,896	3,418,433
Other purpose	14,751	26,667
	<hr/>	<hr/>
	20,942,371	21,160,474
	<hr/> <hr/>	<hr/> <hr/>

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

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

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
At 1 January	689,920	622,496
Classified as non-performing during the year	360,653	529,561
Reclassified as performing during the year	(169,959)	(159,118)
Amount recovered	(142,162)	(135,286)
Amount recovered from debt conversion	-	-
Amount written off	(107,871)	(167,733)
	<hr/>	<hr/>
At 30 September / 31 December	630,581	689,920
Specific allowance	(370,967)	(341,949)
	<hr/>	<hr/>
Net non performing loans, advances and financing	<u>259,614</u>	<u>347,971</u>
Ratio of net non-performing loans and financing to net loans and financing	1.26%	1.67%

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

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
<u>General allowance</u>		
At 1 January	314,312	310,010
Allowance made during the year	(5,748)	4,302
	<hr/>	<hr/>
At 30 September / 31 December	<u>308,564</u>	<u>314,312</u>
As % of gross loans, advances and financing less specific allowance	1.5%	1.5%
<u>Specific allowance</u>		
At 1 January	341,949	319,726
Allowance made during the year	179,619	245,078
Amount recovered	(50,257)	(72,073)
Amount written off	(100,344)	(150,782)
	<hr/>	<hr/>
At 30 September / 31 December	<u>370,967</u>	<u>341,949</u>

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

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

	Group and Bank	
	Sep 2008	Dec 2007
	RM'000	RM'000
Primary Agriculture	11	11
Manufacturing	44,043	45,388
Construction	15,119	16,505
Wholesale, Retail Trade, Restaurants, Mining and Quarrying	22,223	23,235
Transport, Storage and Communication	179	191
Finance, Ins, Real Estate, Business	1,431	2,898
Household	27,839	30,956
- Consumption Credit	198,465	185,911
- Residential	267,617	325,027
- Non Residential	31,989	35,992
- Purchase of Securities	21,665	23,806
	<hr/>	<hr/>
	630,581	689,920
	<hr/> <hr/>	<hr/> <hr/>

(8) Other assets

	Group and Bank	
	Sep 2008	Dec 2007
	RM'000	RM'000
Interest/Income receivable	85,381	83,299
Other debtors, deposits and prepayments	264,657	292,394
Derivatives (note 19)	1,214,625	858,629
	<hr/>	<hr/>
	1,564,662	1,234,322
	<hr/> <hr/>	<hr/> <hr/>

(9) Deposits from customers

(i) By type of deposit

	Group and Bank	
	Sep 2008	Dec 2007
	RM'000	RM'000
Demand deposits	9,990,109	10,321,480
Saving deposits	1,341,897	1,384,797
Fixed deposits	12,113,471	15,030,145
Other deposits	3,762,555	1,778,639
Negotiable Instruments of Deposit	250,000	331,100
Others - cash collateral	7,044	18,893
	<hr/>	<hr/>
	27,465,076	28,865,054
	<hr/> <hr/>	<hr/> <hr/>

(9) Deposits from customers (continued)

(ii) By type of customers

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
Government and statutory bodies	470,839	54,801
Business enterprise	10,076,564	13,592,857
Individuals	13,502,715	14,058,991
Others	3,414,958	1,158,405
	<u>27,465,076</u>	<u>28,865,054</u>

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

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
Licensed banks	9,552,282	11,105,095
Bank Negara Malaysia	242,442	-
Other financial institutions	197,889	-
	<u>9,992,613</u>	<u>11,105,095</u>

(11) Other liabilities

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
Interest/Profit payable	125,176	144,093
Other creditors and accruals	1,023,690	1,355,687
Provision for retirement benefits	3,077	3,151
Profit Equalisation Reserve	551	1,829
Taxation	119,666	46,006
Derivatives (Note 19)	1,010,983	789,340
	<u>2,283,142</u>	<u>2,340,106</u>

(12) Share capital

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

(13) Reserves

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
Share premium	380,303	380,303
Statutory reserve	121,697	121,697
Other Reserve	(3,495)	(2,773)
Retained profits	2,506,663	1,895,500
	<hr/>	<hr/>
	3,005,168	2,394,727
	<hr/> <hr/>	<hr/> <hr/>

(14) Interest income

	Group and Bank	
	Sep 2008 RM'000	Sep 2007 RM'000
Loans and advances		
- Interest income other than recoveries from NPLs	1,104,586	1,119,587
- Recoveries from NPLs	10,583	16,173
Money at call and deposit placements with financial institutions	403,019	322,505
Securities held-for-trading	21,138	59,288
Securities available-for-sale	78,418	106,470
Securities held-to-maturity	811	38
Securities purchased under resale agreements	17,808	56,113
	<hr/>	<hr/>
	1,636,362	1,680,175
Less amortisation of premium/accretion of discounts	6,082	2,657
	<hr/>	<hr/>
	1,642,444	1,682,832
	<hr/> <hr/>	<hr/> <hr/>

(15) Interest expense

	Group and Bank	
	Sep 2008 RM'000	Sep 2007 RM'000
Deposits and placements of banks and other financial institutions	237,554	183,146
Deposits from customers	474,010	501,818
Loans sold to Cagamas	6,289	22,461
Others	28,342	97,649
	<hr/>	<hr/>
	746,195	805,074
	<hr/> <hr/>	<hr/> <hr/>

(16) Other operating income

	Group and Bank	
	Sep 2008	Sep 2007
	RM'000	RM'000
Fee income:		
Commission	119,795	120,510
Service charges and fees	537	165
Guarantee fees	6,106	5,967
Bankcard fees	120,931	101,495
Insurance premium and referral	12,738	16,559
Other fee income	9,849	13,117
	<u>269,956</u>	<u>257,813</u>
Income from securities:		
Unrealised gain from securities held-for-trading	7,931	(231,595)
Net gain from sales of securities		
- securities held for trading	22,450	13,082
- securities available for sale	14,056	30,000
Gross dividends from securities held to maturity	1,719	25
	<u>46,157</u>	<u>(188,488)</u>
Other income:		
Foreign exchange profit		
- net unrealised gain	180,585	126,933
- net realised gain	26,162	15,982
Gain /(Loss) from derivatives	465	18,608
Loss on disposal of of fixed assets	(811)	169
	<u>206,400</u>	<u>161,692</u>
Total other operating income	<u>522,514</u>	<u>231,017</u>

(17) Other operating expenses

	Group and Bank	
	Sep 2008	Sep 2007
	RM'000	RM'000
Personnel costs		
-Salaries, allowances and bonuses	124,949	122,907
-Employees provident fund	24,925	19,466
-Staff benefit and other compensation	97,690	96,268
-Others	5,884	6,838
	<u>253,448</u>	<u>245,479</u>
Establishment costs		
-Depreciation	20,628	18,555
-Rental of premises	16,806	17,066
-Hire of equipment	2,395	2,838
-Utility	4,245	4,272
-Others	2,567	3,803
	<u>46,641</u>	<u>46,533</u>
Marketing expenses		
-Advertisement and promotional expenses	59,228	39,444
-Others	2,392	2,593
	<u>61,620</u>	<u>42,037</u>
Administration and general expenses		
-Processing cost	95,371	84,576
-Auditors' remuneration	177	257
-Write off of property, plant and equipment	30	23
-Stationery and supplies	6,929	5,390
-Communication expenses	10,684	4,165
-Maintenance of office equipment etc	13,917	11,098
-Others	62,412	58,918
	<u>189,521</u>	<u>164,427</u>
	<u>551,230</u>	<u>498,476</u>

(18) Allowance for losses on loans and financing

	Group and Bank	
	Sep 2008	Sep 2007
	RM'000	RM'000
Allowance for bad and doubtful debts on loans and financing :-		
Specific allowance		
- made in the financial year	179,618	159,470
- written back	(50,257)	(44,186)
General allowance		
- (written back)/made during the year	(5,748)	37,355
Bad debts on loan and financing		
- written back	(34,372)	(24,798)
- written off	7,528	4,974
	<u>96,769</u>	<u>132,815</u>

(19) Commitment and contingencies

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

	Sep 2008			Dec 2007		
	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	1,580,198	1,580,198	1,488,032	1,576,209	1,576,209	1,525,007
Transaction -related contingent items	588,005	294,002	249,949	651,455	325,728	325,728
Short-term self liquidating trade-related contingencies	329,167	65,833	50,391	432,355	86,471	55,571
Other assets sold with recourse and commitment with certain drawdown	3,712,764	3,712,764	1,293,713	1,891,342	1,891,342	394,113
Irrevocable commitments to extend credit						
- maturity not exceeding one year	20,582,454	3,367,452	2,619,951	17,855,237	-	-
- maturity exceeding one year	1,520,993	760,496	633,404	1,347,766	673,883	657,966
Foreign exchange related contracts:						
-Less than one year	28,669,315	1,086,091	686,332	29,804,183	417,355	121,441
-One year to less than 5 years	7,096,311	797,586	551,468	4,332,829	403,544	155,007
-5 years and above	645,559	120,485	120,485	623,500	105,995	23,239
Interest rate related contracts:						
- Less than one year	7,591,233	41,475	15,520	4,479,789	6,347	1,313
- One year to less than 5 years	32,468,042	629,500	177,378	29,675,418	338,146	68,920
- 5 years and above	4,516,632	296,723	62,528	4,561,970	353,213	79,683
Equity related contracts	1,124,658	122,337	33,830	574,558	17,237	3,447
Others	237,651	82,174	81,040	603,465	13,854	4,110
Total	110,662,982	12,957,116	8,064,021	98,410,076	6,209,324	3,415,545

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

(19) Commitment and contingencies (continued)

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

	Sep 2008			Dec 2007		
	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	24,911,032	405,750	334,645	27,877,861	264,974	245,756
-Cross currency interest rate swaps	6,499,412	249,423	178,681	5,282,498	255,461	138,331
-Options	5,000,742	207,175	111,574	1,600,153	119,460	117,481
Interest rate contracts						
-Futures	16,383,000	-	-	15,791,406	-	-
-Swaps	28,177,081	271,631	303,686	22,911,521	173,901	241,924
-Options	15,825	49	1,773	14,250	50	1,035
Equity related contracts	1,124,658	26,869	26,957	574,558	44,783	44,813
Others	237,651	53,728	53,667	-	-	-
	<u>82,349,401</u>	<u>1,214,625</u>	<u>1,010,983</u>	<u>74,052,247</u>	<u>858,629</u>	<u>789,340</u>
		Note 8	Note 11		Note 8	Note 11

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

(20) Capital adequacy

The capital adequacy ratios of the Bank (based on audited capital base as of 31 Dec 2007) are as follows:-

	Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
Tier 1 capital		
Paid-up share capital	121,697	121,697
Share premium	380,303	380,303
Retained earnings	1,895,500	1,895,500
Other reserves	118,924	118,924
	2,516,424	2,516,424
Less : Deferred tax assets	(48,334)	(48,334)
Total Tier-I capital	2,468,090	2,468,090
Tier II capital		
Subordinated loans	400,000	400,000
General allowance for bad and doubtful debts and financing	314,312	314,312
Total Tier II capital	714,312	714,312
Total Capital	3,182,402	3,182,402
Less: Investments in subsidiaries	(20)	(20)
Capital base	3,182,382	3,182,382
Core capital ratio	8.12%	10.06%
Risk weighted capital ratio	10.47%	12.97%

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

	Bank			
	Sep 2008		Dec 2007	
	Principal RM'000	Risk weighted RM'000	Principal RM'000	Risk weighted RM'000
0%	8,831,932	-	6,406,411	-
10%	-	-	-	-
20%	14,682,391	2,936,478	19,361,828	3,872,366
35%	8,930,207	3,125,572		
50%	2,613,810	1,306,905	12,534,592	6,267,296
75%	9,235,575	6,926,681	-	-
100%	9,615,183	9,615,183	12,918,282	12,918,282
150%	213,180	319,770	-	-
Total credit risk weighted assets	54,122,278	24,230,590	51,221,113	23,057,944
Market risk adjusted assets		3,105,646		1,483,005
Operational Risk adjusted assets		3,072,840		-
Total Risk Weighted Assets		30,409,076		24,540,949

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).

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

Interest/profit rate risk

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

Group	Up to	> 1 - 3	> 3 - 12	> 1 - 5	over 5	Non-interest	Trading	Total	Effective interest
Sep 2008	1 mth	months	months	years	years	sensitive			%
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
ASSETS									
Cash and short term funds	11,290,763	-	-	-	-	688,162	-	11,978,925	3.21%
Deposits and placements with banks and other financial institutions	-	1,092,578	1,066,088	376,823	-	-	-	2,535,490	3.64%
Securities purchased under resale agreements	329,252	343,510	-	-	-	-	-	672,761	3.16%
Securities held for trading	-	-	-	-	-	-	979,348	979,348	3.55%
Securities available-for-sale	599,942	-	234,681	3,414,613	311,798	-	-	4,561,035	3.55%
Securities held-to-maturity	-	-	-	-	-	7,499	-	7,499	0.00%
Loans, advances and financing									
- performing	14,325,294	1,165,749	848,412	3,070,416	947,971	40,448	-	20,398,290	7.33%
- non-performing	-	-	-	-	-	(135,450)	-	(135,450)	
Other asset	-	-	-	-	-	1,564,662	-	1,564,662	
Statutory deposits with BNM	-	-	-	-	-	642,038	-	642,038	
Deferred tax	-	-	-	-	-	45,921	-	45,921	
Property, plant and equipment	-	-	-	-	-	55,806	-	55,806	
TOTAL ASSETS	26,545,251	2,601,837	2,149,182	6,861,853	1,259,769	2,909,087	979,348	43,306,327	
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	15,429,071	2,235,691	5,783,853	1,442,420	80,000	2,494,041	-	27,465,076	2.35%
Deposits and placements of banks and other financial institutions	9,244,292	2,692	276,690	284,173	-	184,765	-	9,992,613	2.97%
Obligation on securities sold under repurchase agreements	-	-	-	-	-	-	-	-	
Bills and acceptance payable	-	-	-	-	-	38,630	-	38,630	
Recourse obligation on loans sold to Caamas	-	-	-	-	-	-	-	-	3.46%
Other liabilities	-	-	-	-	-	2,283,142	-	2,283,142	
Subordinated loan	-	-	-	-	400,000	-	-	400,000	4.63%
Total Liabilities	24,673,364	2,238,383	6,060,543	1,726,593	480,000	5,000,579	-	40,179,461	
Shareholders' equity	-	-	-	-	-	3,126,866	-	3,126,866	
Total Liabilities and Shareholders' equity	24,673,364	2,238,383	6,060,543	1,726,593	480,000	8,127,444	-	43,306,326	
On Balance Sheet interest sensitivity gap	1,871,887	363,454	(3,911,362)	5,135,260	779,769	(5,218,357)	979,348		
Off Balance Sheet interest sensitivity gap	697,835	2,456,958	(4,307,202)	1,181,851	3,606	-	-		
	2,569,723	2,820,412	(8,218,564)	6,317,110	783,375	(5,218,357)	979,348		

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

Interest/profit rate risk

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

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
ISLAMIC BANKING OPERATIONS
(Company No. 297089 M)
(Incorporated in Malaysia)
UNAUDITED BALANCE SHEET AT 30 SEPTEMBER 2008**

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
Assets		
Cash and short term funds	(a) 3,217	954
Deposits and placements with banks and other financial institutions	(b) 55,000	806,000
Securities held-for-trading	(c) 240,744	16
Securities available-for-sale	(d) 750,621	301,733
Financing, advances and other loans	(e) 341,062	175,497
Deferred tax assets	1,425	1,505
Other assets	(g) 129,598	112,048
	<hr/>	<hr/>
Total assets	<u>1,521,667</u>	<u>1,397,753</u>
Liabilities		
Deposits from customers	(h) 1,095,195	1,096,093
Deposits and placements of banks and other financial institutions	(i) 120,000	-
Bills and acceptances payable	-	-
Other liabilities	(j) 169,416	187,514
	<hr/>	<hr/>
Total liabilities	<u>1,384,611</u>	<u>1,283,607</u>
Islamic banking funds	(k) 137,056	114,146
	<hr/>	<hr/>
Total liabilities and Islamic banking funds	<u>1,521,667</u>	<u>1,397,753</u>
Commitments and contingencies	<u>2,461,866</u>	<u>1,318,179</u>

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

**UNAUDITED INCOME STATEMENTS OF THE GROUP AND BANK
FOR THE FINANCIAL PERIOD NINE MONTHS ENDED 30 SEPTEMBER 2008**

		Group and Bank	
		Sep 2008 RM'000	Sep 2007 RM'000
Income derived from investments of depositors' funds and others	(l)	34,604	28,335
Allowances for losses on financing	(m)	(2,911)	934
Transfer from / (to) profit equalisation reserve	(n)	<u>1,278</u>	<u>4,400</u>
Total attributable income		32,971	33,669
Income attributable to depositors	(o)	<u>(15,849)</u>	<u>(12,338)</u>
Total attributable to the Bank		17,122	21,331
Income derived from investment of Banking Capital funds	(p)	<u>11,874</u>	<u>4,162</u>
Total net income		28,996	25,493
Other operating expenses	(q)	(3,698)	(2,854)
Profit Before Taxation		<u>25,299</u>	<u>22,639</u>
Taxation		(4,616)	(4,671)
Profit after taxation		<u><u>20,683</u></u>	<u><u>17,968</u></u>

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2008**

	Group and Bank			
	Capital Funds RM'000	Other Reserve RM'000	Profit RM'000	Total RM'000
At 1 January 2007	20,000	4,041	66,811	90,852
Profit after taxation	-	-	28,726	28,726
Unrealised net gain/loss on revaluation of securities available for sale	-	(5,432)	-	(5,432)
At 31 December 2007	<u>20,000</u>	<u>(1,391)</u>	<u>95,537</u>	<u>114,146</u>
At 1 January 2008	20,000	(1,391)	95,537	114,146
Profit after taxation	-	-	20,683	20,683
Unrealised net gain/loss on revaluation of securities available for sale	-	2,228	-	2,228
At 30 September 2008	<u>20,000</u>	<u>837</u>	<u>116,220</u>	<u>137,056</u>

Note (k)

(a) Cash and short term funds

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
Cash and balances with banks and other financial institutions	3,217	954
Money at call and deposit placements maturing within one month	-	-
	<u>3,217</u>	<u>954</u>

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

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
Bank Negara Malaysia	<u>55,000</u>	<u>806,000</u>

(c) Securities held for trading

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
At fair value		
BNM Bills	<u>240,744</u>	<u>16</u>

(d) Securities available for sale

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
At fair value		
Malaysian Government Investment Issues	612,711	104,070
Islamic Khazanah Bonds	137,910	197,663
	<u>750,621</u>	<u>301,733</u>

(e) Financing, Advances and other loans

(i) By type

	Group and Bank	
	Sep 2008	Dec 2007
	RM'000	RM'000
Term financing		
-House financing	370,501	194,821
-Hire purchase receivables	20,710	31,235
-Lease receivables	13,829	22,202
Claims on customers under acceptance credits	2,943	-
	<hr/>	<hr/>
	407,983	248,258
Unearned income	(56,028)	(64,711)
	<hr/>	<hr/>
	351,955	183,547
Allowance for bad and doubtful financing		
- general	(5,308)	(2,683)
- specific	(5,585)	(5,367)
	<hr/>	<hr/>
Total net financing, advances and other loans	<u>341,062</u>	<u>175,497</u>

(ii) By contract

	Group and Bank	
	Sep 2008	Dec 2007
	RM'000	RM'000
Bai' Bithamin Ajil	67,122	73,835
Ijarah Muntahia Bittamilik	37,481	49,950
Diminishing Musharakah	247,352	59,762
	<hr/>	<hr/>
	351,955	183,547
	<hr/>	<hr/>

(iii) By type of customer

	Group and Bank	
	Sep 2008	Dec 2007
	RM'000	RM'000
Domestic business enterprises		
-Small and medium enterprises	26,167	31,404
-Others	13,258	18,546
Individuals	312,530	133,597
	<hr/>	<hr/>
	351,955	183,547
	<hr/>	<hr/>

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

(iv) By profit rate sensitivity

	Group and Bank	
	Sep	Dec
	2008	2007
	RM'000	RM'000
Fixed rate		
-House financing	314,474	133,597
-Hire purchase receivables	20,710	29,896
-Other fixed rate loan/financing	16,771	20,054
	<hr/>	<hr/>
	<u>351,955</u>	<u>183,547</u>

(v) By sector

	Group and Bank	
	Sep	Dec
	2008	2007
	RM'000	RM'000
Mining & quarrying	-	199
Manufacturing(including agriculture based)	19,212	24,758
Wholesale, retail trade, restaurants and hotels	4,234	2,051
Transport, storage and communication	10,727	18,505
Finance, insurance, real estate and bussiness services	3,308	4,437
Household		
- residential	312,530	133,597
Other sectors	1,944	-
	<hr/>	<hr/>
	<u>351,955</u>	<u>183,547</u>

(vi) By purpose

	Group and Bank	
	Sep	Dec
	2008	2007
	RM'000	RM'000
Purchase of landed property	314,474	133,597
Purchase fixed assets excluding land and building	34,539	49,950
Working capital	2,942	-
	<hr/>	<hr/>
	<u>351,955</u>	<u>183,547</u>

(f) Non-performing loans (NPL)

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

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
At 1 January	9,983	6,605
Classified as non-performing during the year	1,497	5,287
Reclassified as performing during the year	(349)	-
Amount recovered	(2,103)	(1,909)
	<hr/>	<hr/>
At 30 September / 31 December	9,028	9,983
Specific allowance	(5,585)	(5,367)
	<hr/>	<hr/>
Net non performing financing, advances and other loans	<u>3,443</u>	<u>4,616</u>
Ratio of net non-performing financing, advances and other loans to total gross financing, advances and other loans less specific allowance	0.99%	2.59%

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

	Group and Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
<u>General allowance</u>		
At 1 January	2,683	3,099
(Written back)/Allowance made during the year	2,625	(416)
	<hr/>	<hr/>
At 30 September / 31 December	<u>5,308</u>	<u>2,683</u>
As % of total financing less specific allowance	1.53%	1.51%
<u>Specific allowance</u>		
At 1 January	5,367	5,468
Allowance made during the year	231	14
Amount written back	(13)	(115)
	<hr/>	<hr/>
At 30 September / 31 December	<u>5,585</u>	<u>5,367</u>

CITIBANK BERHAD
AND ITS SUBSIDIARIES
 Company No. 297089 M

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

(iii) Non performing financing by sector

	Group and Bank	
	Sep	Dec
	2008	2007
	RM'000	RM'000
Manufacturing (including agriculture based)	4,721	4,751
Wholesale, retail trade, restaurants and hotel	556	636
Transport, storage and communication	832	2,467
Finance, insurance, real estate and business services	1,035	1,035
Household		
- residential	1,884	1,094
	<hr/>	<hr/>
	9,028	9,983
	<hr/> <hr/>	<hr/> <hr/>

(g) Other assets

	Group and Bank	
	Sep	Dec
	2008	2007
	RM'000	RM'000
Profit receivable	4,244	1,197
Other debtors, deposits and prepayments	15,507	15,998
Revaluation gain on profit rate undertaking contracts (Note t)	109,847	94,853
	<hr/>	<hr/>
	129,598	112,048
	<hr/> <hr/>	<hr/> <hr/>

(h) Deposits from customers

(i) By type of deposit

	Group and Bank	
	Sep	Dec
	2008	2007
	RM'000	RM'000
Non-Mudharabah Fund		
Demand deposits	640,747	834,138
Saving deposits	202,931	116,722
Other deposits	222,248	100,521
Mudharabah fund		
General investment deposits	29,269	44,712
	<u>1,095,195</u>	<u>1,096,093</u>

(ii) By type of customers

	Group and Bank	
	Sep	Dec
	2008	2007
	RM'000	RM'000
Government and statutory bodies	5	-
Business enterprises	647,261	960,029
Individuals	221,621	136,063
Others	226,308	-
	<u>1,095,195</u>	<u>1,096,093</u>

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

	Group and Bank	
	Sep	Dec
	2008	2007
	RM'000	RM'000
Licensed banks	120,000	-
Bank Negara Malaysia	-	-
	<u>120,000</u>	<u>-</u>

(j) Other liabilities

	Group and Bank	
	Sep 2008	Dec 2007
	RM'000	RM'000
Profit payable	232	247
Other creditors and accruals	59,047	92,051
Profit Equalisation Reserve (note n)	551	1,829
Revaluation loss on profit rate undertaking contracts (note t)	109,586	93,386
	<hr/>	<hr/>
	<u>169,416</u>	<u>187,514</u>

(k) Islamic Banking Fund

	Group and Bank	
	Sep 2008	Dec 2007
	RM'000	RM'000
Fund allocated	20,000	20,000
Other Reserve	837	(1,391)
Retained earnings	116,219	95,537
	<hr/>	<hr/>
	<u>137,056</u>	<u>114,146</u>

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

	Group and Bank	
	Sep 2008	Sep 2007
	RM'000	RM'000
Income derived from investment of:		
(i) General investment deposits	29,736	27,442
(ii) Other deposits	4,868	893
	<hr/>	<hr/>
	<u>34,604</u>	<u>28,335</u>

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

(i) Income derived from investment of general investment deposits

	Group and Bank	
	Sep 2008	Sep 2007
	RM'000	RM'000
Finance income and hibah		
Financing, advances and other loans	7,991	7,124
Money at call and placements with financial institutions	10,956	10,634
Income from securities available-for-sale	4,473	4,624
	<u>23,420</u>	<u>22,382</u>
Accretion of discount less amortisation of premium	6,191	4,985
Total finance income and hibah	<u>29,611</u>	<u>27,367</u>
Other operating income		
Fee income	125	75
	<u>125</u>	<u>75</u>
Income from general investment deposits	<u>29,736</u>	<u>27,442</u>

(ii) Income derived from investment of other deposits

	Group and Bank	
	Sep 2008	Sep 2007
	RM'000	RM'000
Finance income and hibah		
Financing, advances and other loans	1,308	232
Money at call and placements with financial institutions	1,794	347
Income from securities available-for-sale	732	150
	<u>3,834</u>	<u>729</u>
Accretion of discount less amortisation of premium	1,014	162
Total finance income and hibah	<u>4,848</u>	<u>891</u>
Other operating income		
Fee income	20	2
	<u>20</u>	<u>2</u>
Income from other deposits	<u>4,868</u>	<u>893</u>

CITIBANK BERHAD
AND ITS SUBSIDIARIES
Company No. 297089 M

(m) Allowances for loss on financing

	Group and Bank	
	Sep 2008	Sep 2007
	RM'000	RM'000
Allowance for bad and doubtful debts and financing:-		
Specific allowance		
- made in the financial year	231	6
- written back in the financial year	-	(116)
General allowance		
- (written back)/made in the year	2,679	(824)
	<hr/>	<hr/>
	<u>2,911</u>	<u>(934)</u>

(n) Profit equalisation reserve

The movement in profit equalisation reserve are as follows:

	Group and Bank	
	Sep 2008	Sep 2007
	RM'000	RM'000
At 1 January	11,902	16,302
Movement in the financial year	(1,278)	(4,400)
	<hr/>	<hr/>
At 30 September	<u>10,624</u>	<u>11,902</u>

(o) Income attributable to depositors

	Group and Bank	
	Sep 2008	Sep 2007
	RM'000	RM'000
Deposits from customers		
- Mudharabah funds	1,494	8,953
- Non-Mudharabah funds	14,299	3,058
Deposits and placements of banks and other financial institutions		
- Mudharabah funds	-	-
- Non-Mudharabah funds	43	23
Others	13	304
	<hr/>	<hr/>
	<u>15,849</u>	<u>12,338</u>

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

	Group and Bank	
	Sep 2008	Sep 2007
	RM'000	RM'000
Finance income and hibah		
Financing, advances and other loans	747	573
Money at call and placements with financial institutions	1,024	854
Income from securities available-for-sale	418	371
	<hr/>	<hr/>
	2,189	1,798
Accretion of discount less amortisation of premium	579	400
Total finance income and hibah	<hr/>	<hr/>
	2,768	2,198
Other operating income		
Gain /(loss) from securities held-for-trading	367	(17)
Gain from securities available-for-sale	29	4,152
Fee income	8,063	85
Income from trading activities	647	(2,256)
	<hr/>	<hr/>
	9,106	1,964
	<hr/>	<hr/>
Income from Islamic Banking Capital Funds	<hr/>	<hr/>
	11,874	4,162

(q) Other operating expenses

	Group and Bank	
	Sep 2008	Sep 2007
	RM'000	RM'000
Personnel costs	399	361
Establishment costs	55	49
Marketing expenses	-	3
Administration and general expenses	3,244	2,442
	<hr/>	<hr/>
	3,698	2,854
	<hr/>	<hr/>

(r) Income from Islamic banking operations

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

		Group and Bank	
		Sep 2008 RM'000	Sep 2007 RM'000
Income derived from investment of depositors' funds and others	(l)	34,604	28,335
Profit Equalisation Reserve	(n)	1,278	4,400
Income attributable to depositors	(o)	(15,849)	(12,338)
Income derived from investment of Islamic Banking Funds	(p)	11,874	4,162
		<hr/>	<hr/>
		<u>31,907</u>	<u>24,559</u>

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

(s) Capital adequacy

The capital adequacy ratios of the Bank (based on audited capital base as of 31 Dec 2007) are as follows:-

	Bank	
	Sep 2008 RM'000	Dec 2007 RM'000
Tier 1 capital		
Paid-up share capital	20,000	20,000
Retained profits	95,537	95,537
Other reserves	(1,391)	(1,391)
	114,146	114,146
Less: Deferred tax assets	(1,505)	(1,505)
Total Tier-I capital	112,641	112,641
Tier-II capital		
General allowance for bad and doubtful debts and financing	2,683	2,683
	115,324	115,324
Capital base		
Core capital ratio	14.33%	45.80%
Risk weighted capital ratio	14.68%	46.89%

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

	Bank			
	Sep 2008		Dec 2007	
	Principal RM'000	Risk weighted RM'000	Principal RM'000	Risk weighted RM'000
0%	675,173	-	1,108,711	-
10%	-	-	-	-
20%	-	-	9,390	1,878
35%	274,436	96,053	-	-
50%	258,327	129,164	268,707	134,353
75%	7,681	5,761	-	-
100%	420,230	420,230	109,734	109,734
150%	1,177	1,766	-	-
Total credit risk weighted assets	1,637,024	652,972	1,496,542	245,965
Market risk adjusted assets		76,900		-
Operational Risk adjusted assets		55,930		-
Total Risk Weighted Assets		785,802		245,965

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).

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

(t) Commitment and contingencies

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

	Sep 2008			Dec 2007		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk weighted amount RM'000	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk weighted amount RM'000
Other assets sold with recourse and commitment with certain drawdown	87,652	87,652	87,652	29,720	29,720	29,720
Irrevocable commitments to extend credit						
- maturity not exceeding one year	9	2	2	12,332	-	-
- maturity exceeding one year	154,502	77,251	27,962	70,665	35,333	35,333
Foreign exchange related contracts:						
-One year to less than 5 years	1,600,018	98,527	98,527	743,669	81,804	40,902
Profit rate related contracts	619,685	14,252	9,442	461,793	13,854	4,110
Total	2,461,866	277,684	223,585	1,318,179	160,711	110,065

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).

	Sep 2008			Dec 2007		
	Contract amount RM'000	Positive fair value RM'000	Negative fair value RM'000	Contract amount RM'000	Positive fair value RM'000	Negative fair value RM'000
Foreign exchange related contracts:						
- Cross currency islamic profit rate undertaking	1,600,018	100,554	100,554	743,669	87,723	87,723
Profit rate related contracts:						
- Islamic profit rate undertaking	619,685	9,293	9,032	461,793	7,130	5,663
	2,219,703	109,847	109,586	1,205,462	94,853	93,386
		Note (g)	Note (j)		Note (g)	Note (j)