



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

**UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**30 June 2019**

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

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

**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	Note	Group		Bank	
		June 2019 RM'000	December 2018 RM'000	June 2019 RM'000	December 2018 RM'000
<b>ASSETS</b>					
Cash and short term funds	1	3,425,569	2,987,381	3,425,549	2,987,361
Deposits and placements with banks and other financial institutions	2	1,005,726	996,236	1,005,726	996,236
Securities purchased under resale agreements		60,898	122,439	60,898	122,439
Investment securities	3	9,111,210	8,929,403	9,111,210	8,929,403
Loans, advances and financing	4	23,161,875	23,932,094	23,161,875	23,932,094
Other assets	6	1,212,740	1,004,538	1,212,740	1,004,538
Statutory deposits with Bank Negara Malaysia	7	404,809	400,524	404,809	400,524
Deferred tax assets		130,826	139,233	130,826	139,233
Investment in subsidiaries		-	-	20	20
Property, plant and equipment		56,252	45,019	56,252	45,019
<b>TOTAL ASSETS</b>		<b>38,569,905</b>	<b>38,556,867</b>	<b>38,569,905</b>	<b>38,556,867</b>
<b>LIABILITIES</b>					
Deposits from customers	8	26,142,895	26,408,324	26,142,895	26,408,324
Deposits and placements of banks and other financial institutions	9	5,815,850	5,317,859	5,815,850	5,317,859
Other liabilities	10	1,836,560	1,701,347	1,836,560	1,701,347
Provision for taxation		35,018	63,119	35,018	63,119
<b>TOTAL LIABILITIES</b>		<b>33,830,323</b>	<b>33,490,649</b>	<b>33,830,323</b>	<b>33,490,649</b>
<b>EQUITY</b>					
Share capital	11	502,000	502,000	502,000	502,000
Reserves	12	4,237,582	4,564,218	4,237,582	4,564,218
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK</b>		<b>4,739,582</b>	<b>5,066,218</b>	<b>4,739,582</b>	<b>5,066,218</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>38,569,905</b>	<b>38,556,867</b>	<b>38,569,905</b>	<b>38,556,867</b>
<b>COMMITMENTS AND CONTINGENCIES</b>					
	20	<b>229,382,268</b>	<b>198,520,587</b>	<b>229,382,268</b>	<b>198,520,587</b>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group (comprised of the Bank and its subsidiaries) and the Bank (Citibank Berhad) for the financial year ended 31 December 2018 and the accompanying notes on page 7 to 37 attached to the unaudited condensed interim financial statements.

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

**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2019**

	Note	Group and Bank	
		June 2019 RM'000	June 2018 RM'000
Revenue		1,340,367	1,244,534
Interest income	13	828,493	822,528
Interest expense	14	(257,261)	(215,931)
<b>Net interest income</b>		<u>571,232</u>	<u>606,597</u>
Net income from Islamic Banking operations		85,660	14,770
Other operating income	15	<u>426,214</u>	<u>407,236</u>
Total net income		1,083,106	1,028,603
Other operating expenses	16	<u>(456,738)</u>	<u>(487,827)</u>
Operating profit		626,368	540,776
Allowance for loans, advances and financing	17	(22,051)	(25,571)
Allowance for other assets		(6,920)	1,553
<b>Profit before taxation</b>		<u>597,397</u>	<u>516,758</u>
Tax expense		<u>(160,887)</u>	<u>(125,647)</u>
<b>Profit for the period</b>		<u><u>436,510</u></u>	<u><u>391,111</u></u>
<b>Other comprehensive income/(expense), net of tax</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
<b>Investment securities</b>			
- Net change in fair value		23,917	(11,550)
- Net transferred from/(to) profit or loss		591	(2,065)
<b>Total other comprehensive income/(expense) for the period</b>		<u>24,508</u>	<u>(13,615)</u>
<b>Total comprehensive income for the period</b>		<u><u>461,018</u></u>	<u><u>377,496</u></u>
<b>Profit for the period attributable to:</b>			
Owner of the Bank		<u>436,510</u>	<u>391,111</u>
<b>Total comprehensive income attributable to:</b>			
Owner of the Bank		<u>461,018</u>	<u>377,496</u>
Earnings per share - basic (sen)		<u>717</u>	<u>643</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group (comprised of the Bank and its subsidiaries) and the Bank (Citibank Berhad) for the financial year ended 31 December 2018 and the accompanying notes on page 7 to 37 attached to the unaudited condensed interim financial statements.



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

**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD  
SIX MONTHS ENDED 30 JUNE 2019**

	<b>Group</b>		<b>Bank</b>	
	<b>June 2019 RM'000</b>	<b>June 2018 RM'000</b>	<b>June 2019 RM'000</b>	<b>June 2018 RM'000</b>
Profit before taxation	597,397	516,758	597,397	516,758
Adjustments for non cash items	2,624	(147,236)	2,624	(147,236)
Operating profit before working capital changes	600,021	369,522	600,021	369,522
Changes in working capital :				
Net changes in operating assets	944,570	(245,954)	944,570	(245,954)
Net changes in operating liabilities	367,774	(433,522)	367,774	(433,522)
Income taxes paid	(188,462)	(108,159)	(188,462)	(108,159)
Net cash used in operating activities	1,723,903	(418,113)	1,723,903	(418,113)
Net cash used from in investing activities	(498,061)	(752,148)	(498,061)	(752,148)
Net cash used in financing activities	(787,654)	(480,000)	(787,654)	(480,000)
Net changes in cash and cash equivalents	438,188	(1,650,261)	438,188	(1,650,261)
Cash and cash equivalents at beginning of the period	2,987,381	5,879,561	2,987,361	5,879,541
Cash and cash equivalents at end of the period	3,425,569	4,229,300	3,425,549	4,229,280

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group (comprised of the Bank and its subsidiaries) and the Bank (Citibank Berhad) for the financial year ended 31 December 2018 and the accompanying notes on page 7 to 37 attached to the unaudited condensed interim financial statements.

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

**A** Explanatory Notes Pursuant to Financial Reporting policy document (BNM/RH/STD 032-5) issued by Bank Negara Malaysia.

**A1 Basis of preparation**

The unaudited interim financial statements for the financial period six months ended 30 June 2019 have been prepared in accordance with the Financial Reporting policy document issued by Bank Negara Malaysia ("BNM") on 2 February 2018.

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2018. 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 financial year ended 31 December 2018.

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 financial year ended 31 December 2018.

**A2 Auditor's Report on preceeding Annual Financial Statements**

The audit report on the audited financial statements for the financial year ended 31 December 2018 was not subject to any qualification.

**A3 Seasonality or Cyclical factors**

The business operations of the Group and 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 items affecting assets, liabilities, equity, net income or cash flows of the Group and the Bank for the financial period six months ended 30 June 2019.

**A5 Changes in estimates**

There were no changes in estimates of amounts reported in prior financial year that have a material effect on the financial results and position of the Group and the Bank for the financial period six months ended 30 June 2019.

**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 2019.

**A7 Dividend**

The final ordinary dividends proposed in respect of the year ended 31 December 2018 of RM788 million was paid in June 2019.

**A8 Subsequent events**

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the unaudited 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 2019.

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

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

**B1 Performance Review**

Citibank Berhad registered a net profit of RM437 million and revenue of RM1,340 million for the financial period six months ended 30 June 2019, an increase of 12% or RM45 million in net profit as compared to previous corresponding period. The net profit increased was mainly contributed by the increase in gains from investment securities.

Total assets recorded an increase of RM13 million as compared to 31 December 2018, mainly contributed by increase of cash and short term funds. Total liabilities recorded an increase of 1% or RM340 million as compared to 31 December 2018. This is mainly driven by increase in deposits and placements of banks and other financial institutions.

**B2 Prospects for 2019**

The financial quarter proved challenging given the continuing global fragility of advanced economies which slowed down, volatility in financial markets and uncertainty in trade policy. Emerging markets tried to rebound despite the external economic headwinds. The Malaysian economy continued to demonstrate its resilience and strong fundamentals with a GDP forecast of 4.7% for 2019.

Despite softening exports, broad based manufacturing investment approvals doubled year on year in this first financial quarter even as exports fell. Malaysia is also well-placed to benefit from the relocation of production from China given lower wage costs as ASEAN stands to gain from the ongoing US-China trade tension. Private consumption accounted for 55% of GDP remained a key driver of growth while public expenditure recorded slower growth given lower capital spending. The services and manufacturing sectors contributed positively with growth increasing to 6.5% and 5.1% year on year in the first half of 2019.

Inflation was benign at 0.2% in May 2019. Strong domestic demand, low inflationary pressure and steady labour force with unemployment at 3.3% in May put Malaysia on a steady track to growth as one of ASEAN's more resilient and resource-rich economies.

For the financial quarter, Citibank Berhad recorded profit before tax of RM597 million.

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

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

	<b>Group</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Cash and balances with banks and other financial institutions	48,140	48,102
Money at call and deposit placements maturing within one month	3,377,429	2,939,279
	<u>3,425,569</u>	<u>2,987,381</u>

	<b>Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Cash and balances with banks and other financial institutions	48,120	48,082
Money at call and deposit placements maturing within one month	3,377,429	2,939,279
	<u>3,425,549</u>	<u>2,987,361</u>

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

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Licensed banks	1,005,726	996,236
	<u>1,005,726</u>	<u>996,236</u>



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

**(3) Investment securities**

**(i) By measurement**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Investment securities measured at FVTPL		
- Debt instruments	1,822,635	2,132,243
- Equity instruments	13,032	13,102
Investment securities measured at FVOCI		
- Debt instruments	7,275,543	6,784,058
	<b>9,111,210</b>	<b>8,929,403</b>

**(ii) By type**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Malaysian Government Treasury Bills	297,241	51,825
Malaysian Government Securities	4,814,215	5,337,380
Malaysian Government Investment Issues	3,723,642	2,757,050
Bank Negara Malaysia Bills/Notes	99,290	609,385
U.S. Treasury Notes	163,790	160,661
Unquoted securities	13,032	13,102
	<b>9,111,210</b>	<b>8,929,403</b>

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

**(4) Loans, advances and financing**

**(i) By measurement**

		<b>Group and Bank</b>	
		<b>June</b>	<b>December</b>
		<b>2019</b>	<b>2018</b>
		<b>RM'000</b>	<b>RM'000</b>
Loans, advances and financing measured at amortised cost		23,397,404	24,075,714
Loans, advances and financing measured at FVTPL		176,770	284,481
Gross loans, advances and financing		<u>23,574,174</u>	<u>24,360,195</u>
Less: Loss allowance	Note (5)(iv)	<u>(412,299)</u>	<u>(428,101)</u>
Net loans, advances and financing		<u><u>23,161,875</u></u>	<u><u>23,932,094</u></u>

**(ii) By type**

		<b>Group and Bank</b>	
		<b>June</b>	<b>December</b>
		<b>2019</b>	<b>2018</b>
		<b>RM'000</b>	<b>RM'000</b>
Overdrafts		454,582	554,163
Term loans/financing			
- Housing loans/financing		9,835,335	10,167,752
- Other term loans/financing		2,624,811	3,030,756
Bills receivable		761,261	1,017,443
Trust receipts		132,904	168,399
Claims on customers under acceptance credits		568,742	732,270
Staff loans		37,970	39,792
Share margin financing		91,427	105,981
Credit cards receivables		5,979,656	6,143,620
Revolving credit		3,099,655	2,415,355
		<u>23,586,343</u>	<u>24,375,531</u>
Unearned interest and income		<u>(12,169)</u>	<u>(15,336)</u>
Gross loans, advances and financing		<u>23,574,174</u>	<u>24,360,195</u>
Less: Loss allowance	Note (5)(iv)	<u>(412,299)</u>	<u>(428,101)</u>
Net loans, advances and financing		<u><u>23,161,875</u></u>	<u><u>23,932,094</u></u>

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

**(4) Loans, advances and financing (continued)**

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

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Fixed rate		
- Housing loans/financing	536,491	546,131
- Other fixed rate loans/financing	10,805,773	10,721,509
Variable rate		
- Base rate/Base Lending Rate plus	9,850,153	10,230,796
- Cost plus	2,381,757	2,861,759
	23,574,174	24,360,195

**(iv) By sector**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Primary agriculture	4,420	5,574
Mining & quarrying	41,898	40,003
Manufacturing (including agriculture based)	2,903,621	2,791,531
Electricity, gas, water	635	1,645
Construction	88,575	19,674
Wholesale, retail trade, restaurants and hotels	1,019,969	1,350,387
Transport, storage and communication	674,040	724,509
Finance, insurance, real estate and business services	1,472,118	1,292,551
Social & community services	16,797	44,305
Household		
- consumption credit	6,936,637	7,126,672
- residential	9,170,325	9,501,516
- purchase of securities	91,427	105,981
- others	99,989	108,945
Other sectors	1,053,723	1,246,902
	23,574,174	24,360,195

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

**(4) Loans, advances and financing (continued)**

**(v) Residual contractual maturity**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Maturing within one year	12,151,107	12,403,312
One to five years	1,312,761	1,551,666
Over five years	10,110,306	10,405,217
	<u>23,574,174</u>	<u>24,360,195</u>

**(vi) By geographical distribution**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Within Malaysia	<u>23,574,174</u>	<u>24,360,195</u>

**(5) Impaired loans, advances and financing**

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

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
At 1 January	220,517	556,106
Classified as impaired during the period/year	247,838	495,802
Reclassified as performing during the period/year	(146,500)	(460,618)
Amount recovered	(17,017)	(70,409)
Amount written off	(69,988)	(280,024)
Others	(24,683)	(20,340)
At 30 June / 31 December	<u>210,167</u>	<u>220,517</u>
Lifetime ECL credit impairment	(52,640)	(48,650)
Net impaired loans, advances and financing	<u>157,527</u>	<u>171,867</u>
Ratio of net impaired loans and financing to gross loans and financing less lifetime ECL credit impairment	0.67%	0.71%

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

**(5) Impaired loans, advances and financing (continued)**

**(ii) Impaired loans, advances and financing by sector**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Mining & quarrying	452	-
Manufacturing (including agriculture based)	9,386	1,938
Construction	883	903
Wholesale, retail trade, restaurants and hotels	8,443	10,344
Transport, storage and communication	806	164
Finance, insurance, real estate and business services	1,874	1,444
Household		
- consumption credit	53,000	53,322
- residential	127,925	143,016
Other sectors	7,398	9,386
	<u>210,167</u>	<u>220,517</u>

**(iii) Impaired loans, advances and financing by geographical distribution**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Within Malaysia	<u>210,167</u>	<u>220,517</u>

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

**(5) Impaired loans, advances and financing (continued)**

**(iv) Loss allowance**

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

	<b>Group and Bank</b>							
	<b>June 2019</b>				<b>December 2018</b>			
	<b>12-months ECL RM'000</b>	<b>Lifetime ECL not credit impaired RM'000</b>	<b>Lifetime ECL credit impaired RM'000</b>	<b>Total RM'000</b>	<b>12-months ECL RM'000</b>	<b>Lifetime ECL not credit impaired RM'000</b>	<b>Lifetime ECL credit impaired RM'000</b>	<b>Total RM'000</b>
At 1 January	80,774	298,677	48,650	428,101				467,978
Less: Adjustments on initial application of MFRS 9								
- Reclassified to loans at FVTPL	-	-	-	-				(42,247)
- Remeasurement of ECL	-	-	-	-				144,888
Restated at 1 January	80,774	298,677	48,650	428,101	109,412	300,469	160,738	570,619
Transfer to 12-month ECL	623,856	(598,416)	(25,440)	-	681,243	(638,072)	(43,171)	-
Transfer to lifetime ECL not credit impaired	(5,253)	13,845	(8,592)	-	(6,486)	19,785	(13,299)	-
Transfer to lifetime ECL credit impaired provision	(6)	(71,180)	71,186	-	(129)	(110,449)	110,578	-
Less: Loans/financing derecognised during the period (other than write-offs)	(4,321)	(1,149)	(3,121)	(8,591)	(8,606)	(12,702)	(31,057)	(52,365)
New loans/financing originated or purchased	8,299	174	4,037	12,510	15,816	395	-	16,211
Net remeasurement of loss allowance	(614,755)	529,407	9,823	(75,525)	(661,487)	707,743	15,246	61,502
Modifications to contractual cash flows of financial asset	-	38,657	9,348	48,005	-	75,478	15,607	91,085
Changes in models/risk parameters	1,534	(163,297)	(30,625)	(192,388)	-	-	-	-
Less: Write-offs	(26)	(506)	(47,377)	(47,909)	(11,430)	(18,481)	(172,709)	(202,620)
Others	(16,325)	239,670	24,751	248,096	(37,559)	(25,489)	6,717	(56,331)
At 30 June / 31 December	<u>73,777</u>	<u>285,882</u>	<u>52,640</u>	<u>412,299</u>	<u>80,774</u>	<u>298,677</u>	<u>48,650</u>	<u>428,101</u>

(6) Other assets

	Group and Bank	
	June 2019 RM'000	December 2018 RM'000
Interest/Income receivables	119,997	117,019
Other debtors, deposits and prepayments	268,273	339,520
Derivative assets	Note (21) 826,401	549,092
	<u>1,214,671</u>	<u>1,005,631</u>
Less: Loss allowance	(1,931)	(1,093)
	<u>1,212,740</u>	<u>1,004,538</u>

(7) Statutory deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia (“BNM”) to satisfy the Statutory Reserve Requirement (“SRR”) as per Section 26(2)(c) of the Central Bank of Malaysia Act, 2009. The amount of which is determined as a set percentage of total eligible liabilities.

(8) Deposits from customers

(i) By type of deposits

	Group and Bank	
	June 2019 RM'000	December 2018 RM'000
Demand deposits	17,299,020	17,196,802
Saving deposits	1,401,540	1,356,029
Fixed deposits	7,442,005	7,855,493
Others - cash collateral	330	-
	<u>26,142,895</u>	<u>26,408,324</u>

(8) Deposits from customers (continued)

(ii) By type of customers

	Group and Bank	
	June 2019 RM'000	December 2018 RM'000
Government and statutory bodies	1,900,400	1,497,786
Business enterprises	14,042,541	14,220,784
Individuals	10,161,822	10,667,935
Others	38,132	21,819
	<u>26,142,895</u>	<u>26,408,324</u>

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

	Group and Bank	
	June 2019 RM'000	December 2018 RM'000
Due within six months	6,210,997	6,422,386
Six months to one year	1,230,473	1,424,599
One year to five years	535	8,508
	<u>7,442,005</u>	<u>7,855,493</u>

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

	Group and Bank	
	June 2019 RM'000	December 2018 RM'000
Bank Negara Malaysia	14,182	51,363
Licensed banks	3,459,469	3,894,058
Licensed financial institutions	2,342,199	1,372,438
	<u>5,815,850</u>	<u>5,317,859</u>

(10) Other liabilities

	Group and Bank	
	June 2019 RM'000	December 2018 RM'000
Interest/Profit payables	43,086	51,124
Other creditors and accruals	1,029,572	1,190,917
Lease liabilities	17,844	-
Structured products	77,671	79,681
Provision for commitments and contingencies	7,791	2,299
Derivatives liabilities	660,596	377,326
Note (21)	<u>1,836,560</u>	<u>1,701,347</u>



**(11) Share capital**

	<b>Group and Bank</b>			
	<b>Amount</b>	<b>Number of</b>	<b>Amount</b>	<b>Number of</b>
	<b>June</b>	<b>shares</b>	<b>December</b>	<b>shares</b>
	<b>2019</b>	<b>June</b>	<b>2018</b>	<b>December</b>
<b>RM'000</b>	<b>2019</b>	<b>RM'000</b>	<b>2018</b>	
<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	
Issued and fully paid	502,000	121,697	502,000	121,697

**(12) Reserves**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Other reserve	1,479	(23,029)
- Fair value reserve	1,479	(23,029)
Retained profits	4,236,103	4,587,247
	<u>4,237,582</u>	<u>4,564,218</u>

**(13) Interest income**

	<b>Group and Bank</b>	
	<b>June</b>	<b>June</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Loans and advances		
- Interest income other than recoveries from impaired loans	603,896	614,856
- Recoveries from impaired loans	28,165	27,058
Money at call and deposit placements with financial institutions	74,422	81,800
Investment securities	123,376	95,478
Securities purchased under resale agreements	3,633	2,220
	<u>833,492</u>	<u>821,413</u>
Accretion of discount less amortisation of premium	(4,999)	1,116
	<u>828,493</u>	<u>822,528</u>

**(14) Interest expense**

	<b>Group and Bank</b>	
	<b>June</b>	<b>June</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions	50,113	20,967
Deposits from customers	202,313	193,192
Others	4,835	1,772
	<u>257,261</u>	<u>215,931</u>

(15) Other operating income

	Group and Bank	
	June 2019 RM'000	June 2018 RM'000
Fee income:		
Commission	29,156	38,911
Service charges and fees	25,903	29,030
Guarantee fees	3,469	3,566
Bankcard fees	127,063	173,375
Insurance premium and referral	24,340	24,229
Other fee income	27,597	20,614
	<u>237,528</u>	<u>289,725</u>
Trading income:		
Unrealised gain/(loss) from revaluation of investment securities at FVTPL - debt instruments	1,930	(788)
Net gain/(loss) from sales of investment securities at FVTPL - debt instruments	22,866	(2,322)
Net gain from sales of investment securities at FVOCI	11,039	1,233
	<u>35,835</u>	<u>(1,877)</u>
Other income:		
Foreign exchange gain/(loss), net	151,189	(132,321)
Loss from derivatives	2,022	256,745
Net gain/(loss) on revaluation of loans, advances and financing at FVTPL	5,289	(6,172)
Loss on disposal of plant and equipment	(9)	(51)
Others	(5,640)	1,187
	<u>152,851</u>	<u>119,388</u>
Total other operating income	<u>426,214</u>	<u>407,236</u>

(16) Other operating expenses

	Group and Bank	
	June 2019 RM'000	June 2018 RM'000
Personnel costs		
- Salaries, allowances and bonuses	151,504	143,355
- Contribution to Employees Provident Fund	22,450	22,884
- Staff benefits and other compensations	19,002	18,038
- Others	1,343	1,909
	<u>194,299</u>	<u>186,186</u>
Establishment costs		
- Depreciation	9,530	7,883
- Rental of premises	7,453	10,028
- Hire of equipments	276	328
- Utilities	1,762	1,925
- Repairs & Maintenance	4,573	5,329
- Others	6,252	3,682
	<u>29,846</u>	<u>29,175</u>
Marketing expenses		
- Advertisement and promotional expenses	11,975	15,287
- Others	437	207
	<u>12,412</u>	<u>15,494</u>
Administration and general expenses		
- Processing cost	155,730	184,557
- Auditors' remuneration	1,157	955
- Stationeries and supplies	1,786	1,472
- Communication expenses	3,542	2,920
- Others	57,966	67,068
	<u>220,181</u>	<u>256,972</u>
Total other operating expenses	<u>456,738</u>	<u>487,827</u>

(17) Allowance for loans, advances and financing

	Group and Bank	
	June 2019 RM'000	June 2018 RM'000
12-months ECL	(6,997)	(14,465)
Lifetime ECL not credit impaired	(12,794)	(7,978)
Lifetime ECL credit impaired	3,990	(944)
Impaired loans, advances and financing:		
- written off	86,545	97,869
- recovered	(48,693)	(48,911)
	<u>22,051</u>	<u>25,571</u>

(18) Credit transactions and exposures with connected parties

	Group and Bank	
	June 2019 RM'000	December 2018 RM'000
Outstanding credit exposures with connected parties	<u>712,975</u>	<u>723,408</u>
Total credit exposure which is non-performing or in default	<u>-</u>	<u>-</u>
Total credit exposures	<u>43,938,013</u>	<u>57,620,110</u>
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	<u>1.62%</u>	<u>1.26%</u>
- as a proportion of capital base	<u>16.05%</u>	<u>13.91%</u>
- which is non-performing or in default	<u>0.00%</u>	<u>0.00%</u>

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

**(19) Capital adequacy**

(a) The capital adequacy ratios are as follows:

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
<b>Computation of Total Risk-Weighted Assets ("RWA")</b>		
Credit Risk RWA	21,796,291	21,899,709
Market Risk RWA	2,719,541	1,782,855
Operational Risk RWA	3,882,736	3,836,381
<b>Total Risk-Weighted Assets</b>	<u>28,398,568</u>	<u>27,518,945</u>
<b>Computation of Capital Ratios *</b>		
Common Equity Tier 1 ("CET 1") Capital	4,170,620	4,926,985
Tier 1 Capital	4,170,620	4,926,985
Total Capital	4,443,073	5,200,731
<b>Before deducting proposed dividends:</b>		
Common Equity Tier 1 ("CET 1") Capital ratio	NA	17.904%
Tier 1 Capital ratio	NA	17.904%
Total Capital ratio	<u>NA</u>	<u>18.899%</u>
<b>After deducting proposed dividends:</b>		
Common Equity Tier 1 ("CET 1") Capital ratio	14.686%	15.040%
Tier 1 Capital ratio	14.686%	15.040%
Total Capital ratio	<u>15.645%</u>	<u>16.035%</u>

\* In arriving at the capital base used in the ratio calculations of the Bank, payments of dividends were deducted for June 2019 (proposed dividend were not deducted for December 2018)

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II - Risk-Weighted Assets) reissued on 2 February 2018. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The stated minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer ("CCyB") for CET 1 Capital ratio, Tier 1 Capital ratio and Total Capital ratio are 4.5%, 6.0% and 8.0% respectively.

(b) The components of CET 1, Tier 1 and Tier 2 Capital are as follows:

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
<b>CET 1 Capital/Tier 1 Capital</b>		
Paid up ordinary share capital	502,000	502,000
Retained profits	3,799,593	4,587,247
Other reserves	665	(23,029)
Less: Regulatory adjustments	(131,638)	(139,233)
<b>Total CET 1 Capital/Tier 1 Capital</b>	<u>4,170,620</u>	<u>4,926,985</u>
<b>Tier 2 Capital</b>		
Loss allowance and regulatory reserves*	<u>272,453</u>	<u>273,746</u>
<b>Total Tier 2 Capital</b>	<u>272,453</u>	<u>273,746</u>
Total Eligible Tier 2 Capital	272,453	273,746
<b>Total Capital</b>	<u>4,443,073</u>	<u>5,200,731</u>

\* Excludes loss allowance restricted from Tier 2 Capital by BNM of RM89 million (2018: RM106.8 million)

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

**(20) Commitments and contingencies**

The off-balance sheet exposures and their related counterparty credit risk of the Group and the Bank are as follows:

<b>June 2019</b>			
<b>Group and Bank</b>	<b>Principal</b>	<b>Credit</b>	<b>Risk</b>
<b>Nature of item</b>	<b>amount</b>	<b>equivalent</b>	<b>weighted</b>
	<b>RM'000</b>	<b>amount</b>	<b>assets</b>
		<b>RM'000</b>	<b>RM'000</b>
Direct credit substitutes	1,235,737	1,235,737	1,118,649
Transaction related contingent items	502,540	251,270	238,693
Short term self liquidating trade related contingencies	104,073	20,815	17,085
Forward asset purchases	-	-	-
Foreign exchange related contracts:			
One year or less	82,526,388	760,191	440,439
Over one year to five years	2,656,904	89,682	56,697
Over five years	-	-	-
Interest/Profit rate related contracts:			
One year or less	25,793,014	55,347	28,013
Over one year to five years	73,470,351	1,209,193	577,843
Over five years	4,512,000	175,994	67,850
Equity related contracts:			
One year or less	1,586,635	47,698	23,849
Over one year to five years	-	-	-
Over five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	3,295,851	228,254	155,593
Over one year to five years	1,907,926	117,515	87,361
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	624,033	312,016	287,244
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	13,406,895	-	-
Unutilised credit card lines	17,759,921	3,551,983	2,686,124
<b>Total</b>	<b>229,382,268</b>	<b>8,055,695</b>	<b>5,785,440</b>

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

**(20) Commitments and contingencies(continued)**

<b>December 2018</b>			
<b>Group and Bank</b>	<b>Principal</b>	<b>Credit</b>	<b>Risk</b>
<b>Nature of item</b>	<b>amount</b>	<b>equivalent</b>	<b>weighted</b>
	<b>RM'000</b>	<b>amount</b>	<b>assets</b>
		<b>RM'000</b>	<b>RM'000</b>
Direct credit substitutes	1,478,949	1,478,949	1,367,221
Transaction related contingent items	568,008	284,004	269,300
Short term self liquidating trade related contingencies	189,206	37,841	34,754
Forward asset purchases	-	-	-
Foreign exchange related contracts:			
One year or less	68,824,339	424,234	260,961
Over one year to five years	1,910,151	60,370	38,787
Over five years	39,456	1,795	1,838
Interest/Profit rate related contracts:			
One year or less	18,192,349	13,706	4,088
Over one year to five years	68,143,038	777,713	280,706
Over five years	3,190,000	83,300	28,075
Equity related contracts:			
One year or less	1,587,018	47,611	23,806
Over one year to five years	-	-	-
Over five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	1,784,191	536,034	276,606
Over one year to five years	585,791	148,408	85,675
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	18,464	3,693	3,693
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	419,225	209,613	176,447
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	13,706,370	-	-
Unutilised credit card lines	17,884,032	3,576,806	2,702,336
<b>Total</b>	<b>198,520,587</b>	<b>7,684,077</b>	<b>5,554,293</b>

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

**(21) Derivative financial instruments**

	← June 2019 →			← December 2018 →		
	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	79,970,323	153,192	158,423	65,027,260	200,204	181,589
- Cross currency interest rate swaps	4,262,757	116,551	21,941	4,693,055	176,377	53,539
- Options	950,212	1,125	1,128	1,053,631	2,851	2,016
Interest/Profit rate contracts:						
- Futures	-	-	-	3,309,600	-	-
- Swaps	103,535,365	478,993	389,765	85,975,787	97,670	57,970
- Options	240,000	565	-	240,000	332	-
Equity related contracts	1,586,635	99	110	1,587,018	632	642
Others	5,203,777	75,876	89,229	2,369,982	71,026	81,570
	<u>195,749,069</u>	<u>826,401</u>	<u>660,596</u>	<u>164,256,333</u>	<u>549,092</u>	<u>377,326</u>
		Note 6	Note 10		Note 6	Note 10



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

**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	Note	Group and Bank	
		June 2019 RM'000	December 2018 RM'000
<b>Assets</b>			
Cash and short term funds	(a)	1,863,588	1,680,534
Investment securities	(b)	1,275,291	960,471
Financing, advances and others	(c)	321,697	446,329
Other assets	(e)	15,168	11,235
<b>Total assets</b>		<b>3,475,744</b>	<b>3,098,569</b>
<b>Liabilities</b>			
Deposits from customers	(f)	1,180,220	912,763
Deposits and placements of banks and other financial institutions	(g)	1,770,420	1,727,618
Deferred tax liabilities		1,818	138
Other liabilities	(h)	5,376	5,629
<b>Total liabilities</b>		<b>2,957,834</b>	<b>2,646,148</b>
Islamic Banking funds	(i)	517,910	452,421
<b>Total liabilities and Islamic Banking funds</b>		<b>3,475,744</b>	<b>3,098,569</b>
<b>Commitments and Contingencies</b>	(q)	<b>12,746</b>	<b>-</b>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group (comprised of the Bank and its subsidiaries) and the Bank (Citibank Berhad) for the financial year ended 31 December 2018 and the accompanying notes on page 27 to 37 attached to the unaudited condensed interim financial statements.

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

**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2019**

		<b>Group and Bank</b>	
		<b>June</b>	<b>June</b>
		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investments of depositors' funds and others	(j)	45,905	26,819
Allowance for financing, advances and others	(k)	(37)	(303)
Total attributable income		<u>45,868</u>	<u>26,516</u>
Income attributable to depositors and others	(l)	(5,990)	(3,615)
Total attributable to the Bank		<u>39,878</u>	<u>22,901</u>
Income/(loss) derived from investment of Islamic Banking funds	(m)	45,745	(8,434)
<b>Total net income</b>		<u>85,623</u>	<u>14,467</u>
Other operating expenses	(o)	(10)	(51)
<b>Profit before taxation</b>		<u>85,613</u>	<u>14,416</u>
Tax expense		(20,547)	(3,464)
<b>Profit for the period</b>		<u><u>65,066</u></u>	<u><u>10,952</u></u>
<b>Other comprehensive expense, net of tax</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
<b>Investment securities</b>			
- Net change in fair value		<u>422</u>	<u>-</u>
<b>Total other comprehensive expense for the period</b>		<u>422</u>	<u>-</u>
<b>Total comprehensive income for the period</b>		<u><u>65,488</u></u>	<u><u>10,952</u></u>
<b>Profit for the period attributable to:</b>			
Owner of the Bank		<u><u>65,066</u></u>	<u><u>10,952</u></u>
<b>Total comprehensive income attributable to:</b>			
Owner of the Bank		<u><u>65,488</u></u>	<u><u>10,952</u></u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group (comprised of the Bank and its subsidiaries) and the Bank (Citibank Berhad) for the financial year ended 31 December 2018 and the accompanying notes on page 27 to 37 attached to the unaudited condensed interim financial statements.

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

**UNAUDITED STATEMENTS OF CHANGES IN ISLAMIC BANKING FUNDS**  
**FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2019**

	<b>Group and Bank</b>			
	<b>Capital funds RM'000</b>	<b>Fair value reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2018</b>	20,000	-	388,435	408,435
Effect of MFRS 9 adoption	-	-	257	257
<b>Restated balance at 1 January 2018</b>	20,000	-	388,692	408,692
Fair value reserve on investment securities:				
- Net change in fair value	-	-	-	-
Profit for the period	-	-	10,952	10,952
<b>Total comprehensive income for the period</b>	-	-	10,952	10,952
<b>At 30 June 2018</b>	20,000	-	399,644	419,644
<b>At 1 January 2019</b>	20,000	1,078	431,343	452,421
Fair value reserve on investment securities:				
- Net change in fair value	-	423	-	423
Profit for the period	-	-	65,066	65,066
<b>Total comprehensive income for the period</b>	-	423	65,066	65,489
<b>At 30 June 2019</b>	20,000	1,501	496,409	517,910

Note (i)

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group (comprised of the Bank and its subsidiaries) and the Bank (Citibank Berhad) for the financial year ended 31 December 2018 and the accompanying notes on page 27 to 37 attached to the unaudited condensed interim financial statements.

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

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

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and balances with banks and other financial institutions	1,863	2,136
Money at call and deposit placements maturing within one month	1,861,725	1,678,398
	<u>1,863,588</u>	<u>1,680,534</u>

**(b) Investment securities**

**(i) By measurement**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Investment securities measured at FVOCI	<u>1,275,291</u>	<u>960,471</u>

**(ii) By type**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysian Government Investment Issues	<u>1,275,291</u>	<u>960,471</u>

**(c) Financing, advances and others**

**(i) By measurement**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Financing, advances and others measured at amortised cost	234,651	246,255
Financing, advances and others measured at FVTPL	87,844	200,807
Gross Financing, advances and others	<u>322,495</u>	<u>447,062</u>
Less: Loss allowance	(798)	(733)
Total net financing, advances and others	<u>321,697</u>	<u>446,329</u>

Note (d)(iii)

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

**(e) Financing, advances and others (continued)**

**(ii) By type**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Term financing		
- Housing financing	156,493	168,423
- Other term financing	170,764	284,087
	<u>327,257</u>	<u>452,510</u>
Unearned income	(4,762)	(5,448)
Gross financing, advances and others	322,495	447,062
Less: Loss allowance	(798)	(733)
Total net financing, advances and others	<u>321,697</u>	<u>446,329</u>

Note (d)(iii)

**(iv) By contract**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Bai'Bi Thaman Ajil	10,177	10,960
Diminishing Musharakah	141,554	152,015
Murabahah	170,764	284,087
	<u>322,495</u>	<u>447,062</u>

**(v) By profit rate sensitivity**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
- House financing	151,731	162,975
Variable rate		
- Cost plus	170,764	284,087
	<u>322,495</u>	<u>447,062</u>

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

**(e) Financing, advances and others (continued)**

**(vi) By sector**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Manufacturing (including agriculture based)	82,724	82,722
Finance, insurance, real estate and business services	88,040	201,366
Household-residential	151,312	162,535
Other sectors	419	439
	<u>322,495</u>	<u>447,062</u>

**(d) Impaired financing, advances and others**

**(i) Movements in impaired financing, advances and others are as follows:**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
At 1 January	4,161	8,147
Classified as impaired during the period/year	3,185	3,608
Reclassified as performing during the period/year	(3,414)	(6,556)
Amount recovered	(85)	(418)
Amount written off	-	(279)
Others	(244)	(341)
At 30 June / 31 December	<u>3,603</u>	<u>4,161</u>
Lifetime ECL credit impairment	(23)	(23)
Net impaired financing, advances and others	<u>3,580</u>	<u>4,138</u>
Ratio of net impaired financing, advances and others to total gross financing, advances and others less lifetime ECL credit impaired	1.11%	0.93%

**(ii) Impaired financing, advances and others by sector are as follows:**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Household - Residential	<u>3,603</u>	<u>4,161</u>

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

**(d) Impaired financing, advances and others (continued)**

**(iii) Loss allowance**

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument.

	<b>Group and Bank</b>							
	<b>June 2019</b>				<b>December 2018</b>			
	<b>12-months ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	<b>Total</b>	<b>12-months ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	657	53	23	733				32,175
Less: Adjustments on initial application of MFRS 9								
- Reclassified to loans at FVTPL	-	-	-	-				(31,024)
- Remeasurement of ECL	-	-	-	-				(340)
Restated at at 1 January	657	53	23	733	286	28	497	811
Transfer to 12-month ECL	161	(142)	(19)	-	193	(46)	(147)	-
Transfer to lifetime ECL not credit impaired	(49)	94	(45)	-	(30)	102	(72)	-
Transfer to lifetime ECL credit impaired provision	-	(26)	26	-	-	(11)	11	-
Less: Financing derecognised during the period (other than write-offs)	(18)	(3)	(4)	(25)	(16)	(3)	(1)	(20)
New financing originated or purchased	-	-	-	-	103	-	-	103
Net remeasurement of loss allowance	(117)	795	49	727	(1)	-	-	(1)
Changes in models/risk parameters	-	(1,924)	(655)	(2,579)	-	-	-	-
Less: Write-offs	-	-	-	-	(142)	(67)	(279)	(488)
Others	81	1,213	648	1,942	264	50	14	328
At 30 June / 31 December	715	60	23	798	657	53	23	733

(e) Other assets

	Group and Bank	
	June 2019 RM'000	December 2018 RM'000
Profit receivables	11,623	9,299
Other debtors, deposits and prepayments	3,742	2,153
	<u>15,365</u>	<u>11,452</u>
Less: Loss allowance	(197)	(217)
	<u><u>15,168</u></u>	<u><u>11,235</u></u>

(f) Deposits and funds from customers

(i) By type of deposit and funds

	Group and Bank	
	June 2019 RM'000	December 2018 RM'000
<b>Non-Mudarabah Fund</b>		
Demand deposits	1,137,444	866,008
Saving deposits	42,776	46,755
	<u>1,180,220</u>	<u>912,763</u>

(ii) By type of customers

	Group and Bank	
	June 2019 RM'000	December 2018 RM'000
Government and statutory bodies	818,084	701,849
Business enterprises	312,949	152,795
Individuals	49,187	58,119
	<u>1,180,220</u>	<u>912,763</u>

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

	Group and Bank	
	June 2019 RM'000	December 2018 RM'000
Bank Negara Malaysia	1,634,337	1,289,160
Licensed banks	18,262	347,366
Licensed financial institutions	117,821	91,092
	<u>1,770,420</u>	<u>1,727,618</u>



**(h) Other liabilities**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Provision for taxation	82	82
Other creditors and accruals	5,294	5,547
	<u>5,376</u>	<u>5,629</u>

**(i) Islamic Banking funds**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
Fund allocated	20,000	20,000
Fair value reserve	1,501	1,078
Retained profits	496,409	431,343
	<u>517,910</u>	<u>452,421</u>

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

**(j) Income derived from investments of depositors' funds and others**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>June 2018 RM'000</b>
Income derived from investment of:		
(i) General investment funds	45,905	26,819

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

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>June 2018 RM'000</b>
<b>Finance income and hibah</b>		
Financing, advances and others	6,591	6,992
Money at call and placements with financial institutions	18,734	19,817
Investment securities at FVOCI	20,555	-
	45,880	26,809
Accretion of discount less amortisation of premium	-	-
Total finance income and hibah	45,880	26,809
<b>Other operating income</b>		
Fee income	25	10
	25	10
Income from general investment funds	45,905	26,819

**(k) Allowance for financing, advances and others**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>June 2018 RM'000</b>
12-months ECL	38	291
Lifetime ECL not credit impaired	6	8
Lifetime ECL credit impaired	1	2
Impaired financing, advances and others:		
- written off	20	3
- recovered	(28)	(1)
	37	303

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

**(l) Income attributable to depositors and others**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>June 2018 RM'000</b>
Deposits and funds from customers		
- Non-Mudarabah funds	5,962	3,584
Deposits and placements of banks and other financial institutions		
- Non-Mudarabah funds	-	-
Others	28	31
	<u>5,990</u>	<u>3,615</u>

**(m) Income/(loss) derived from investment of Islamic Banking funds**

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>June 2018 RM'000</b>
Financing, advances and other	1,069	1,756
Money at call and placements with financial institutions	3,039	4,979
Investment securities at FVOCI	3,334	-
	<u>7,442</u>	<u>6,735</u>
Accretion of discount less amortisation of premium	(1,323)	-
Total finance income and hibah	<u>6,120</u>	<u>6,735</u>
<b>Other operating income</b>		
Gain from investment securities at FVTPL	4,096	-
Fee income	73	83
Gain/(loss) from trading activities	3,199	(1,111)
Net loss on revaluation of financing, advances and others at FVTPL	32,257	(14,141)
	<u>39,625</u>	<u>(15,169)</u>
Income/(loss) from Islamic Banking Funds	<u>45,745</u>	<u>(8,434)</u>

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

**(n) Income from Islamic Banking operations**

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

	<b>Group and Bank</b>	
	<b>June</b>	<b>June</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds and others	(j) 45,905	26,819
Income attributable to depositors and others	(l) (5,990)	(3,615)
Income/(loss) derived from investment of Islamic Banking funds	(m) 45,745	(8,434)
	<u>85,660</u>	<u>14,770</u>

**(o) Other operating expenses**

	<b>Group and Bank</b>	
	<b>June</b>	<b>June</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Personnel costs		
- Staff allowances and benefits	-	58
Establishment costs		
- Rental	8	7
- Others	-	-
Administrative and general expenses		
- Others	2	(14)
	<u>10</u>	<u>51</u>

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

(p) **Capital adequacy**

(i) The capital adequacy ratios are as follows:

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
<b>Computation of Total Risk-Weighted Assets ("RWA")</b>		
Credit Risk RWA	154,554	149,910
Operational Risk RWA	153,868	115,264
<b>Total Risk-Weighted Assets</b>	<u>308,422</u>	<u>265,174</u>
<b>Computation of Capital Ratios</b>		
Common Equity Tier 1 ("CET 1") Capital	452,018	451,828
Tier 1 Capital	452,018	451,828
Total Capital	452,990	452,756
<b>Common Equity Tier 1 ("CET 1") Capital ratio</b>	146.558%	170.389%
<b>Tier 1 Capital ratio</b>	146.558%	170.389%
<b>Total Capital ratio</b>	<u>146.873%</u>	<u>170.739%</u>

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II - Risk-Weighted Assets) reissued on 2 February 2018. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The stated minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer ("CCyB") for CET 1 Capital ratio, Tier 1 Capital ratio and Total Capital ratio are 4.5%, 6.0% and 8.0% respectively.

(ii) The components of CET 1, Tier 1 and Tier 2 Capital are as follows:

	<b>Group and Bank</b>	
	<b>June 2019 RM'000</b>	<b>December 2018 RM'000</b>
<b>CET 1 Capital/Tier 1 Capital</b>		
Fund allocated	20,000	20,000
Retained profits	431,343	431,343
Other reserves	1,501	1,078
Less: 55% of cumulative gains of investment securities (other than financing and receivables)	(826)	(593)
<b>Total CET 1 Capital/Tier 1 Capital</b>	<u>452,018</u>	<u>451,828</u>
<b>Tier 2 Capital</b>		
Loss allowance and regulatory reserves*	972	928
<b>Total Tier 2 Capital</b>	<u>972</u>	<u>928</u>
<b>Total Capital</b>	<u>452,990</u>	<u>452,756</u>

\* Excludes loss allowance restricted from Tier 2 Capital by BNM of RM Nil. (2018: RM Nil).

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

**(q) Commitments and Contingencies**

**The off-balance sheet exposures and their related counterparty credit risk of the Group and the Bank are as follows:**

<b>June 2019</b>			
<b>Group and Bank</b>	<b>Principal amount</b>	<b>Credit equivalent amount</b>	<b>Risk weighted assets</b>
<b>Nature of item</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	12,746	6,373	6,369
<b>Total</b>	<b>12,746</b>	<b>6,373</b>	<b>6,369</b>
<b>December 2018</b>			
<b>Group and Bank</b>	<b>Principal amount</b>	<b>Credit equivalent amount</b>	<b>Risk weighted assets</b>
<b>Nature of item</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>