



CITIBANK BERHAD
(Registration No. 199401011410 (297089-M))
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

UNAUDITED CONDENSED FINANCIAL STATEMENTS
30 June 2020

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

CITIBANK BERHAD

(Registration No. 199401011410 (297089-M))

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	Note	Group		Bank	
		June 2020 RM'000	December 2019 RM'000	June 2020 RM'000	December 2019 RM'000
ASSETS					
Cash and short term funds	1	5,858,282	6,240,224	5,858,262	6,240,204
Deposits and placements with banks and other financial institutions	2	632,834	658,761	632,834	658,761
Securities purchased under resale agreements		461,550	447,460	461,550	447,460
Investment securities	3	10,476,591	4,949,285	10,476,591	4,949,285
Loans, advances and financing	4	21,445,218	23,203,971	21,445,218	23,203,971
Other assets	6	1,809,771	1,206,850	1,809,771	1,206,850
Statutory deposits with Bank Negara Malaysia	7	248	300,043	248	300,043
Deferred tax assets		75,825	69,730	75,825	69,730
Investment in subsidiaries		-	-	20	20
Property, plant and equipment		143,261	150,278	143,261	150,278
TOTAL ASSETS		40,903,580	37,226,602	40,903,580	37,226,602
LIABILITIES					
Deposits from customers	8	26,973,414	25,269,350	26,973,414	25,269,350
Deposits and placements of banks and other financial institutions	9	6,473,312	4,944,413	6,473,312	4,944,413
Obligations on securities sold under repurchase agreements		1,909	-	1,909	-
Other liabilities	10	2,560,419	1,901,889	2,560,419	1,901,889
Provision for taxation		3,049	241	3,049	241
TOTAL LIABILITIES		36,012,103	32,115,893	36,012,103	32,115,893
EQUITY					
Share capital	11	502,000	502,000	502,000	502,000
Reserves	12	4,389,477	4,608,709	4,389,477	4,608,709
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK		4,891,477	5,110,709	4,891,477	5,110,709
TOTAL LIABILITIES AND EQUITY		40,903,580	37,226,602	40,903,580	37,226,602
COMMITMENTS AND CONTINGENCIES					
	20	242,337,274	224,446,875	242,337,274	224,446,875

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 2019 and the accompanying notes on page 7 to 36 attached to the unaudited condensed interim financial statements.

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AND ITS SUBSIDIARIES**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2020**

	Note	Group and Bank	
		June 2020 RM'000	June 2019 RM'000
Revenue		1,164,387	1,340,367
Interest income	13	738,840	828,493
Interest expense	14	(191,329)	(257,261)
Net interest income		547,511	571,232
Net income from Islamic Banking operations		12,940	85,660
Other operating income	15	412,607	426,214
Total net income		973,058	1,083,106
Other operating expenses	16	(417,134)	(456,738)
Operating profit		555,924	626,368
Allowance for loans, advances and financing	17	(192,631)	(22,051)
Allowance for other assets		(18,031)	(6,920)
Profit before taxation		345,262	597,397
Tax expense		(99,100)	(160,887)
Profit for the period		246,162	436,510
Other comprehensive (expense)/income, net of tax			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Investment securities			
- Net change in fair value		7,642	23,917
- Net transferred from profit or loss		6,964	591
Total other comprehensive (expense)/income for the period		14,606	24,508
Total comprehensive income for the period		260,768	461,018
Profit for the period attributable to:			
Owner of the Bank		246,162	436,510
Total comprehensive income attributable to:			
Owner of the Bank		260,768	461,018
Earnings per share - basic (sen)		405	717

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 2019 and the accompanying notes on page 7 to 36 attached to the unaudited condensed interim financial statements.

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UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2020

	← Attributable to owner of the Bank →				
	← Non-Distributable →		Distributable		
Group and Bank	Share Capital RM'000	Other Reserves RM'000	Retained Profits RM'000	Total Reserves RM'000	Total RM'000
At 1 January 2019	502,000	(23,029)	4,587,247	4,564,218	5,066,218
Fair value reserve on investment securities:					
- Net change in fair value	-	23,917	-	23,917	23,917
- Net transferred from profit or loss	-	591	-	591	591
Total other comprehensive income for the period	-	24,508	-	24,508	24,508
Profit for the period	-	-	436,510	436,510	436,510
Total comprehensive income for the period	-	24,508	436,510	461,018	461,018
Dividends to owner of the Bank	-	-	(787,654)	(787,654)	(787,654)
At 30 June 2019	502,000	1,479	4,236,103	4,237,582	4,739,582
At 1 January 2020	502,000	7,804	4,600,905	4,608,709	5,110,709
Fair value reserve on investment securities:					
- Net change in fair value	-	7,642	-	7,642	7,642
- Net transferred from profit or loss	-	6,964	-	6,964	6,964
Total other comprehensive expense for the period	-	14,606	-	14,606	14,606
Profit for the period	-	-	246,162	246,162	246,162
Total comprehensive (expense)/income for the period	-	14,606	246,162	260,768	260,768
Dividends to owner of the Bank	-	-	(480,000)	(480,000)	(480,000)
At 30 June 2020	502,000	22,410	4,367,067	4,389,477	4,891,477
	Note 11			Note 12	

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 2019 and the accompanying notes on page 7 to 36 attached to the unaudited condensed interim financial statements.

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AND ITS SUBSIDIARIES**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD
SIX MONTHS ENDED 30 JUNE 2020**

	Group		Bank	
	June 2020 RM'000	June 2019 RM'000	June 2020 RM'000	June 2019 RM'000
Profit before taxation	345,262	597,397	345,262	597,397
Adjustments for non cash items	(31,840)	2,624	(31,840)	2,624
Operating profit before working capital changes	313,422	600,021	313,422	600,021
Changes in working capital :				
Net changes in operating assets	(578,883)	944,570	(578,883)	944,570
Net changes in operating liabilities	3,901,590	379,151	3,901,590	379,151
Income taxes paid	(110,095)	(188,462)	(110,095)	(188,462)
Net cash generated from operating activities	3,526,034	1,735,280	3,526,034	1,735,280
Net cash used in from in investing activities	(3,419,788)	(498,061)	(3,419,788)	(498,061)
Net cash used in financing activities	(488,188)	(799,031)	(488,188)	(799,031)
Net changes in cash and cash equivalents	(381,942)	438,188	(381,942)	438,188
Cash and cash equivalents at beginning of the period	6,240,224	2,987,381	6,240,204	2,987,361
Cash and cash equivalents at end of the period	5,858,282	3,425,569	5,858,262	3,425,549

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 2019 and the accompanying notes on page 7 to 36 attached to the unaudited condensed interim financial statements.

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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 2020 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 2019. 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 2019.

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 2019.

A2 Auditor's Report on preceeding Annual Financial Statements

The audit report on the audited financial statements for the financial year ended 31 December 2019 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 2020.

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 2020.

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 2020.

A7 Dividend

The final ordinary dividends proposed in respect of the year ended 31 December 2019 of RM480 million was paid in June 2020.

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 2020.

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B Review of performance and current year prospects

B1 Performance Review

Citibank Berhad registered a net profit after tax of RM246 million and revenue of RM1,164 million for the financial period six months ended 30 June 2020, a decrease of 44% or RM190 million in net profit as compared to previous corresponding period. The net profit decrease was mainly contributed by higher allowances made for loans, advances and financing.

Total assets recorded an increase of RM3,677 million as compared to 31 December 2019, mainly contributed by increase of investment securities. Total liabilities recorded an increase of 12% or RM3,896 million as compared to 31 December 2019. This was mainly driven by increase in deposits from customers and deposits and placements with banks and other financial institutions.

B2 Prospects for 2020

The financial quarter proved more than challenging with economic growth impeded by the escalating Covid-19 pandemic worldwide. The Malaysian economy, nevertheless, still saw positive growth of 0.7% largely aided by consumption and inventory restocking, even as net exports and investments were huge drags. According to Citi Research, exports plunged 24.7% between April and May showing broad-based across all products, reflecting hit from both softer end demand and the effect of the Movement Control Order since March. The country's unemployment rate rose to 5% in April, the highest in more than 30 years, with employment falling by 1% year on year with those in manufacturing, accommodation, food and beverage, arts, entertainment and recreation most affected. Latest figures from the Statistics Department in July showed an increase of 5.3% in the country's unemployment rate for May 2020.

Covid-19 pandemic relief measures via the Bank Negara Malaysia six-month moratorium for individuals and SMEs were implemented during the quarter in a move to lessen financial stress and alleviate short-term cash flow problems. The Central Bank issued additional guidance in July for financial institutions to exercise flexibility and promote responsible financing in the management of financial assistance measures for individuals and business post the moratorium period. Emphasis was on targetted repayment assistance measures to ensure the safety and soundness of the banking industry whilst supporting individuals and businesses tide over the adverse impact and challenges arising from the pandemic.

The central bank reduced on May 5, the Overnight Policy Rate (OPR) by 50 basis points to 2.0%. This was followed by another cut by 25 basis points (bps) to the lowest-ever level of 1.75% on July 7. Thus far, there have been four OPR cuts this year.

Amidst global volatility, Malaysia's financial industry remains robust and resilient with financial institutions operating with strong capital and liquidity buffers. This was further augmented in March 2020 with the central bank injecting additional liquidity of about RM42 billion into the domestic financial markets.

The gradual recovery of economic sectors and government economic stimulus packages put Malaysia on a solid path for sustainable economic recovery despite pressures of a global recession and the evolving Covid-19 pandemic.

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AND ITS SUBSIDIARIES**(1) Cash and short term funds**

	Group	
	June 2020 RM'000	December 2019 RM'000
Cash and balances with banks and other financial institutions	47,443	43,962
Money at call and deposit placements maturing within one month	5,810,839	6,196,262
	<u>5,858,282</u>	<u>6,240,224</u>

	Bank	
	June 2020 RM'000	December 2019 RM'000
Cash and balances with banks and other financial institutions	47,423	43,942
Money at call and deposit placements maturing within one month	5,810,839	6,196,262
	<u>5,858,262</u>	<u>6,240,204</u>

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

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Licensed banks	<u>632,834</u>	<u>658,761</u>

(3) Investment securities**(i) By measurement**

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Investment securities measured at FVTPL		
- Debt instruments	2,639,492	591,215
- Equity instruments	10,799	10,799
Investment securities measured at FVOCI		
- Debt instruments	7,826,300	4,347,271
	<u>10,476,591</u>	<u>4,949,285</u>

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(3) Investment securities (continued)

(ii) By type

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Malaysian Government Treasury Bills	688,882	55,721
Malaysian Government Securities	4,864,054	1,678,342
Malaysian Government Investment Issues	4,375,946	3,041,445
U.S. Treasury Notes	536,910	162,978
Unquoted securities	10,799	10,799
	<u>10,476,591</u>	<u>4,949,285</u>

(4) Loans, advances and financing

(i) By measurement

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Loans, advances and financing measured at amortised cost	21,840,278	23,429,373
Loans, advances and financing measured at FVTPL	136,210	174,932
Gross loans, advances and financing	<u>21,976,488</u>	<u>23,604,305</u>
Less: Loss allowance	Note (5)(iv) <u>(531,270)</u>	<u>(400,334)</u>
Net loans, advances and financing	<u>21,445,218</u>	<u>23,203,971</u>

(ii) By type

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Overdrafts	535,964	419,646
Term loans/financing		
- Housing loans/financing	9,153,761	9,403,647
- Other term loans/financing	2,206,750	2,496,935
Bills receivable	556,573	824,128
Trust receipts	653,103	224,977
Claims on customers under acceptance credits	451,071	517,015
Staff loans	31,643	32,298
Share margin financing	71,426	82,026
Credit cards receivables	5,330,444	6,318,029
Revolving credit	2,994,816	3,296,506
	<u>21,985,551</u>	<u>23,615,207</u>
Unearned interest and income	(9,063)	(10,902)
Gross loans, advances and financing	<u>21,976,488</u>	<u>23,604,305</u>
Less: Loss allowance	Note (5)(iv) <u>(531,270)</u>	<u>(400,334)</u>
Net loans, advances and financing	<u>21,445,218</u>	<u>23,203,971</u>

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(4) Loans, advances and financing (continued)

(iii) By interest/profit rate sensitivity

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	378,017	381,669
- Other fixed rate loans/financing	10,025,798	11,387,870
Variable rate		
- Base rate/Base Lending Rate plus	9,217,067	9,528,781
- Cost plus	2,355,606	2,305,985
	<u>21,976,488</u>	<u>23,604,305</u>

(iv) By sector

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Primary agriculture	2,643	2,754
Mining & quarrying	25,053	42,012
Manufacturing (including agriculture based)	3,021,454	2,757,235
Electricity, gas, water	184,019	596
Construction	20,018	104,689
Wholesale, retail trade, restaurants and hotels	1,135,203	1,021,505
Transport, storage and communication	265,765	577,551
Finance, insurance, real estate and business services	1,326,809	1,735,468
Social & community services	11,518	13,578
Household		
- consumption credit	6,463,340	7,349,347
- residential	8,489,033	8,744,192
- purchase of securities	71,426	82,025
- others	85,623	89,369
Other sectors	874,584	1,083,984
	<u>21,976,488</u>	<u>23,604,305</u>

(v) Residual contractual maturity

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Maturing within one year	10,862,713	12,594,330
One to five years	1,638,350	1,279,616
Over five years	9,475,425	9,730,359
	<u>21,976,488</u>	<u>23,604,305</u>

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(4) Loans, advances and financing (continued)

(vi) By geographical distribution

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Within Malaysia	21,976,488	23,604,305

(5) Impaired loans, advances and financing

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

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
At 1 January	212,013	220,517
Classified as impaired during the period/year	205,101	517,960
Reclassified as performing during the period/year	(143,154)	(296,359)
Amount recovered	(17,873)	(38,265)
Amount written off	(81,933)	(144,796)
Others	(19,651)	(47,044)
At 30 June / 31 December	154,503	212,013
Lifetime ECL credit impairment	(49,939)	(47,190)
Net impaired loans, advances and financing	104,564	164,823
Ratio of net impaired loans and financing to gross loans and financing less lifetime ECL credit impairment	0.48%	0.70%

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

(ii) Impaired loans, advances and financing by sector

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Mining & quarrying	211	-
Manufacturing (including agriculture based)	7,614	9,342
Construction	5	469
Wholesale, retail trade, restaurants and hotels	7,345	11,711
Transport, storage and communication	-	276
Finance, insurance, real estate and business services	137	1,685
Household		
- consumption credit	25,876	46,603
- residential	103,043	133,456
Other sectors	10,272	8,471
	<u>154,503</u>	<u>212,013</u>

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

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Within Malaysia	<u>154,503</u>	<u>212,013</u>

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

	Group and Bank							
	June 2020			December 2019				
	12-months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000	12-months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
At 1 January	71,850	281,294	47,190	400,334	80,774	298,677	48,650	428,101
Transfer to 12-month ECL	258,222	(243,804)	(14,418)	-	887,412	(840,478)	(46,934)	-
Transfer to lifetime ECL not credit impaired	(7,395)	14,953	(7,558)	-	(10,530)	28,936	(18,406)	-
Transfer to lifetime ECL credit impaired provision	(5)	(56,765)	56,770	-	(19)	(143,352)	143,371	-
Less: Loans/financing derecognised during the period (other than write-offs)	(7,764)	(6,590)	(15,578)	(29,932)	(9,529)	(1,309)	(3,376)	(14,214)
New loans/financing originated or purchased	11,163	7,046	14,911	33,120	16,089	4,331	4,295	24,715
Net remeasurement of loss allowance	(235,413)	355,069	16,200	135,856	(876,195)	906,911	8,022	38,738
Modifications to contractual cash flows of financial asset	-	37,725	2,416	40,141	-	79,055	13,278	92,333
Changes in models/risk parameters	-	-	-	-	-	(49,834)	(30,625)	(80,459)
Less: Write-offs	(27)	(432)	(49,247)	(49,706)	(57)	(2,406)	(93,791)	(96,254)
Others	10,256	(8,052)	(747)	1,457	(16,095)	763	22,706	7,374
At 30 June / 31 December	<u>100,887</u>	<u>380,444</u>	<u>49,939</u>	<u>531,270</u>	<u>71,850</u>	<u>281,294</u>	<u>47,190</u>	<u>400,334</u>

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		Group and Bank	
		June	December
		2020	2019
		RM'000	RM'000
Interest/Income receivables		138,589	78,495
Other debtors, deposits and prepayments		273,077	473,292
Derivative assets	Note (21)	1,400,374	655,870
		<u>1,812,040</u>	<u>1,207,657</u>
Less: Loss allowance		(2,269)	(807)
		<u>1,809,771</u>	<u>1,206,850</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 SRR is determined as a set percentage of total eligible liabilities.

Effective from 20 March 2020 until 31 May 2021, holdings of Malaysian Government Securities ("MGS") and Malaysian Government Investment Issues ("MGII") may be recognised as part of the SRR compliance, per BNM's Statutory Reserve Requirement ("SRR") policy document. As at 30 June 2020, RM160 million of MGS has been recognised as part of SRR compliance.

(8) Deposits from customers**(i) By type of deposits**

		Group and Bank	
		June	December
		2020	2019
		RM'000	RM'000
Demand deposits		17,810,859	16,578,473
Saving deposits		1,728,759	1,470,784
Fixed deposits		7,433,796	7,219,762
Others - cash collateral		-	331
		<u>26,973,414</u>	<u>25,269,350</u>

(ii) By type of customers

		Group and Bank	
		June	December
		2020	2019
		RM'000	RM'000
Government and statutory bodies		2,187,281	1,136,157
Business enterprises		14,099,489	13,953,049
Individuals		10,629,904	10,145,245
Others		56,740	34,899
		<u>26,973,414</u>	<u>25,269,350</u>

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	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Due within six months	5,997,776	5,725,475
Six months to one year	1,433,424	1,493,917
One year to five years	2,596	370
	<u>7,433,796</u>	<u>7,219,762</u>

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

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Bank Negara Malaysia	5,086	47,900
Licensed banks	2,848,021	2,544,380
Licensed financial institutions	3,620,205	2,352,133
	<u>6,473,312</u>	<u>4,944,413</u>

(10) Other liabilities

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Interest/Profit payables	40,234	40,250
Other creditors and accruals	992,367	1,032,413
Lease liabilities	106,320	110,575
Structured products	82,156	54,729
Provision for commitments and contingencies	19,073	9,468
Derivatives liabilities	Note (21) 1,320,269	654,454
	<u>2,560,419</u>	<u>1,901,889</u>

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AND ITS SUBSIDIARIES**(11) Share capital**

	Group and Bank			
	Amount	Number of	Amount	Number of
	June	shares	December	shares
	2020	June	2019	December
RM'000	2020	2019	2019	
RM'000	'000	RM'000	'000	
Issued and fully paid	<u>502,000</u>	<u>121,697</u>	<u>502,000</u>	<u>121,697</u>

(12) Reserves

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Other reserve	22,410	7,804
- Fair value reserve	<u>22,410</u>	<u>7,804</u>
Retained profits	<u>4,367,067</u>	<u>4,600,905</u>
	<u>4,389,477</u>	<u>4,608,709</u>

(13) Interest income

	Group and Bank	
	June	June
	2020	2019
	RM'000	RM'000
Loans and advances		
- Interest income other than recoveries from impaired loans	542,464	603,896
- Recoveries from impaired loans	26,763	28,165
Money at call and deposit placements with financial institutions	75,544	74,422
Investment securities	105,478	123,376
Securities purchased under resale agreements	5,933	3,633
	<u>756,182</u>	<u>833,492</u>
Accretion of discount less amortisation of premium	<u>(17,342)</u>	<u>(4,999)</u>
	<u>738,840</u>	<u>828,493</u>

(14) Interest expense

	Group and Bank	
	June	June
	2020	2019
	RM'000	RM'000
Deposits and placements of banks and other financial institutions	25,432	50,113
Deposits from customers	161,545	202,313
Others	4,352	4,835
	<u>191,329</u>	<u>257,261</u>

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AND ITS SUBSIDIARIES**(15) Other operating income**

	Group and Bank	
	June	June
	2020	2019
	RM'000	RM'000
Fee income:		
Commission	33,331	29,156
Service charges and fees	29,498	25,903
Guarantee fees	3,290	3,469
Bankcard fees	102,762	127,063
Insurance premium and referral	23,359	24,340
Other fee income	22,275	27,597
	<u>214,515</u>	<u>237,528</u>
Trading income:		
Unrealised gain from revaluation of investment securities at	1,663	1,930
Net gain from sales of investment securities at FVTPL	25,228	22,866
Net gain from sales of investment securities at FVOCI	50,248	11,039
	<u>77,139</u>	<u>35,835</u>
Other income:		
Foreign exchange gain, net	77,436	151,189
Gain from derivatives	71,929	2,022
Net (loss)/gain on revaluation of loans, advances and financing	(23,818)	5,289
Loss on disposal of plant and equipment	(79)	(9)
Others	(4,515)	(5,640)
	<u>120,953</u>	<u>152,851</u>
Total other operating income	<u>412,607</u>	<u>426,214</u>

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AND ITS SUBSIDIARIES**(16) Other operating expenses**

	Group and Bank	
	June	June
	2020	2019
	RM'000	RM'000
Personnel costs		
- Salaries, allowances and bonuses	142,065	151,504
- Contribution to Employees Provident Fund	22,411	22,450
- Staff benefits and other compensations	17,403	19,002
- Others	914	1,343
	<u>182,793</u>	<u>194,299</u>
Establishment costs		
- Depreciation of plant and equipment	7,315	9,530
- Depreciation of right-of-use assets	6,922	11,050
- Interest expense on lease liabilities	1,279	366
- Hire of equipments	235	276
- Utilities	2,505	1,762
- Repairs & Maintenance	4,059	4,573
- Others	4,644	2,289
	<u>26,959</u>	<u>29,846</u>
Marketing expenses		
- Advertisement and promotional expenses	12,746	11,975
- Others	125	437
	<u>12,871</u>	<u>12,412</u>
Administration and general expenses		
- Processing cost	145,021	155,730
- Auditors' remuneration	640	1,157
- Stationeries and supplies	1,971	1,786
- Communication expenses	3,248	3,542
- Others	43,631	57,966
	<u>194,511</u>	<u>220,181</u>
Total other operating expenses	<u>417,134</u>	<u>456,738</u>

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AND ITS SUBSIDIARIES**(17) Allowance for loans, advances and financing**

	Group and Bank	
	June 2020 RM'000	June 2019 RM'000
12-months ECL	29,037	(6,997)
Lifetime ECL not credit impaired	99,150	(12,794)
Lifetime ECL credit impaired	2,749	3,990
Impaired loans, advances and financing:		
- written off	99,370	86,545
- recovered	<u>(37,675)</u>	<u>(48,693)</u>
	<u>192,631</u>	<u>22,051</u>

(18) Credit transactions and exposures with connected parties

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Outstanding credit exposures with connected parties	<u>788,726</u>	<u>712,975</u>
Total credit exposure which is non-performing or in default	<u>-</u>	<u>-</u>
Total credit exposures	<u>45,955,320</u>	<u>43,938,013</u>
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	<u>1.72%</u>	<u>1.62%</u>
- as a proportion of capital base	<u>16.32%</u>	<u>16.69%</u>
- which is non-performing or in default	<u>0.00%</u>	<u>0.00%</u>

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AND ITS SUBSIDIARIES**(19) Capital adequacy**

(a) The capital adequacy ratios are as follows:

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Computation of Total Risk-Weighted Assets ("RWA")		
Credit Risk RWA	22,071,978	22,305,617
Market Risk RWA	1,700,263	1,647,515
Operational Risk RWA	3,803,452	3,879,543
Total Risk-Weighted Assets	<u>27,575,693</u>	<u>27,832,675</u>
Computation of Capital Ratios *		
Common Equity Tier 1 ("CET 1") Capital	4,557,165	5,036,687
Tier 1 Capital	4,557,165	5,036,687
Total Capital	4,833,065	5,315,507
Before deducting proposed dividends:		
Common Equity Tier 1 ("CET 1") Capital ratio	NA	18.096%
Tier 1 Capital ratio	NA	18.096%
Total Capital ratio	<u>NA</u>	<u>19.098%</u>
After deducting proposed dividends:		
Common Equity Tier 1 ("CET 1") Capital ratio	16.526%	16.372%
Tier 1 Capital ratio	16.526%	16.372%
Total Capital ratio	<u>17.527%</u>	<u>17.374%</u>

* In arriving at the capital base used in the ratio calculations of the Bank, payments of dividends were deducted for June 2020 (proposed dividend were not deducted for December 2019)

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) dated 5 February 2020 and 3 May 2019 respectively. 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:

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
CET 1 Capital/Tier 1 Capital		
Paid up ordinary share capital	502,000	502,000
Retained profits	4,120,905	4,600,905
Other reserves	22,410	7,804
Less: Regulatory adjustments	(88,150)	(74,022)
Total CET 1 Capital/Tier 1 Capital	<u>4,557,165</u>	<u>5,036,687</u>
Tier 2 Capital		
Loss allowance and regulatory reserves*	275,900	278,820
Total Tier 2 Capital	<u>275,900</u>	<u>278,820</u>
Total Eligible Tier 2 Capital	275,900	278,820
Total Capital	<u>4,833,065</u>	<u>5,315,507</u>

* Excludes loss allowance restricted from Tier 2 Capital by BNM of RM207.7 million (2019: RM75.1 million)

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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:

June 2020 Group and Bank	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item			
Direct credit substitutes	1,227,122	1,227,122	1,214,078
Transaction related contingent items	532,578	266,289	259,839
Short term self liquidating trade related contingencies	190,805	38,161	35,810
Forward asset purchases	21,810	21,810	11,310
Foreign exchange related contracts:			
One year or less	98,207,374	861,100	511,377
Over one year to five years	2,884,803	101,214	63,130
Over five years	-	-	-
Interest/Profit rate related contracts:			
One year or less	22,244,000	75,814	29,398
Over one year to five years	76,317,842	1,432,541	480,898
Over five years	3,830,000	189,279	64,461
Equity related contracts:			
One year or less	132,653	3,980	1,990
Over one year to five years	-	-	-
Over five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	4,390,091	513,490	408,922
Over one year to five years	-	-	-
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	482,305	241,153	228,355
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	13,316,239	-	-
Unutilised credit card lines	18,559,652	3,711,930	2,801,452
Total	242,337,274	8,683,883	6,111,020

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AND ITS SUBSIDIARIES**(20) Commitments and contingencies (continued)**

December 2019 Group and Bank	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item			
Direct credit substitutes	1,402,756	1,402,756	1,132,758
Transaction related contingent items	556,191	278,095	252,122
Short term self liquidating trade related contingencies	203,732	40,746	38,737
Forward asset purchases	152,802	152,802	52,365
Foreign exchange related contracts:			
One year or less	75,533,268	709,770	434,901
Over one year to five years	3,201,197	122,886	84,879
Over five years	-	-	-
Interest/Profit rate related contracts:			
One year or less	24,376,364	32,669	10,896
Over one year to five years	79,543,121	1,035,979	352,439
Over five years	4,032,160	178,321	57,354
Equity related contracts:			
One year or less	127,166	3,826	1,913
Over one year to five years	-	-	-
Over five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	1,289,759	147,271	88,858
Over one year to five years	2,000,117	132,298	123,458
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	353,178	176,589	157,968
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	13,972,624	-	-
Unutilised credit card lines	17,702,440	3,540,488	2,671,725
Total	224,446,875	7,954,496	5,460,373

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AND ITS SUBSIDIARIES**(21) Derivative financial instruments**

	←	June 2020	→	←	December 2019	→
	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	96,202,326	279,013	307,903	73,854,972	259,998	347,449
- Cross currency interest rate swaps	4,012,257	28,607	13,130	3,839,081	24,623	29,975
- Options	877,594	2,097	811	1,040,413	1,102	2,038
Interest/Profit rate contracts:						
- Swaps	102,301,842	795,893	681,579	107,861,644	279,247	171,126
- Options	90,000	-	48	90,000	-	156
Equity related contracts	132,653	1	11	127,166	11	22
Others	4,390,091	294,763	316,787	3,289,876	90,889	103,688
	<u>208,006,763</u>	<u>1,400,374</u>	<u>1,320,269</u>	<u>190,103,152</u>	<u>655,870</u>	<u>654,454</u>
		Note 6	Note 10		Note 6	Note 10

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UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	Group and Bank	
		June 2020 RM'000	December 2019 RM'000
Assets			
Cash and short term funds	(a)	1,295,492	1,647,828
Investment securities	(b)	2,277,424	840,518
Financing, advances and others	(c)	268,584	301,332
Other assets	(e)	30,509	7,478
Total assets		3,872,009	2,797,156
Liabilities			
Deposits from customers	(f)	1,279,267	550,822
Deposits and placements of banks and other financial institutions	(g)	2,023,621	1,693,160
Deferred tax liabilities		1,897	768
Other liabilities	(h)	10,522	8,566
Total liabilities		3,315,307	2,253,316
Islamic Banking funds	(i)	556,702	543,840
Total liabilities and Islamic Banking funds		3,872,009	2,797,156
Commitments and Contingencies	(q)	6	6

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 2019 and the accompanying notes on page 26 to 36 attached to the unaudited condensed interim financial statements.

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UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2020

	Group and Bank	
	June 2020	June 2019
Note	RM'000	RM'000
Income derived from investments of depositors' funds and others	(j) 39,418	45,905
Allowance for financing, advances and others	(k) (1,927)	(37)
Total attributable income	<u>37,491</u>	<u>45,868</u>
Income attributable to depositors and others	(l) (8,050)	(5,990)
Total attributable to the Bank	<u>29,441</u>	<u>39,878</u>
(Loss)/income derived from investment of Islamic Banking funds	(m) (18,428)	45,745
Total net income	<u>11,013</u>	<u>85,623</u>
Other operating expenses	(o) (16)	(10)
Profit before taxation	<u>10,997</u>	<u>85,613</u>
Tax expense	<u>(2,945)</u>	<u>(20,547)</u>
Profit for the period	<u><u>8,052</u></u>	<u><u>65,066</u></u>
Other comprehensive expense, net of tax		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Investment securities		
- Net change in fair value	<u>4,810</u>	<u>423</u>
Total other comprehensive expense for the period	<u>4,810</u>	<u>423</u>
Total comprehensive income for the period	<u><u>12,862</u></u>	<u><u>65,489</u></u>
Profit for the period attributable to:		
Owner of the Bank	<u><u>8,052</u></u>	<u><u>65,066</u></u>
Total comprehensive income attributable to:		
Owner of the Bank	<u><u>12,862</u></u>	<u><u>65,489</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 2019 and the accompanying notes on page 26 to 36 attached to the unaudited condensed interim financial statements.

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UNAUDITED STATEMENTS OF CHANGES IN ISLAMIC BANKING FUNDS
FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2020

	Group and Bank			
	Capital funds RM'000	Fair value reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2019	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
Total comprehensive income for the period	-	423	65,066	65,489
At 30 June 2019	20,000	1,501	496,409	517,910
At 1 January 2020	20,000	1,931	521,909	543,840
Fair value reserve on investment securities:				
- Net change in fair value	-	4,810	-	4,810
Profit for the period	-	-	8,052	8,052
Total comprehensive income for the period	-	4,810	8,052	12,862
At 30 June 2020	20,000	6,741	529,961	556,702

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 2019 and the accompanying notes on page 26 to 36 attached to the unaudited condensed interim financial statements.

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(a) Cash and short term funds

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Cash and balances with banks and other financial institutions	1,910	2,439
Money at call and deposit placements maturing within one month	1,293,582	1,645,389
	<u>1,295,492</u>	<u>1,647,828</u>

(b) Investment securities

(i) By measurement

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Investment securities measured at FVTPL	100,268	-
Investment securities measured at FVOCI	2,177,156	840,518
	<u>2,277,424</u>	<u>840,518</u>

(ii) By type

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Malaysian Government Investment Issues	<u>2,277,424</u>	<u>840,518</u>

(c) Financing, advances and others

(i) By measurement

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Financing, advances and others measured at amortised cost	203,284	215,068
Financing, advances and others measured at FVTPL	67,689	86,930
Gross Financing, advances and others	270,973	301,998
Less: Loss allowance	(2,389)	(666)
Total net financing, advances and others	<u>268,584</u>	<u>301,332</u>

Note (d)(iii)

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(c) Financing, advances and others (continued)

(ii) By type

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Term financing		
- Housing financing	138,589	145,469
- Other term financing	136,151	160,737
	<u>274,740</u>	<u>306,206</u>
Unearned income	(3,767)	(4,208)
Gross financing, advances and others	270,973	301,998
Less: Loss allowance	(2,389)	(666)
Total net financing, advances and others	<u><u>268,584</u></u>	<u><u>301,332</u></u>

Note (d)(iii)

(iv) By contract

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Bai' Bithaman Ajil	8,895	9,295
Diminishing Musharakah	125,927	131,975
Murabahah	136,151	160,728
	<u>270,973</u>	<u>301,998</u>

(v) By profit rate sensitivity

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Fixed rate		
- House financing	8,895	9,295
Variable rate		
- Base rate/Base Financing Rate	125,927	131,975
- Cost plus	136,151	160,728
	<u>270,973</u>	<u>301,998</u>

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(c) Financing, advances and others (continued)

(vi) By sector

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Manufacturing (including agriculture based)	68,421	73,658
Finance, insurance, real estate and business services	67,730	87,070
Household-residential	134,475	140,879
Other sectors	347	391
	<u>270,973</u>	<u>301,998</u>

(d) Impaired financing, advances and others

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

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
At 1 January	2,900	4,161
Classified as impaired during the period/year	2,771	5,922
Reclassified as performing during the period/year	(2,933)	(6,514)
Amount recovered	(594)	(340)
Others	(77)	(329)
At 30 June / 31 December	<u>2,067</u>	<u>2,900</u>
Lifetime ECL credit impairment	(218)	(18)
Net impaired financing, advances and others	<u>1,849</u>	<u>2,882</u>
Ratio of net impaired financing, advances and others to total gross financing,	0.68%	0.95%

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

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Household - Residential	<u>2,067</u>	<u>2,900</u>

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(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.

	Group and Bank							
	June 2020				December 2019			
	12-months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000	12-months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
At 1 January	594	54	18	666	657	53	23	733
Transfer to 12-month ECL	75	(72)	(3)	-	256	(228)	(28)	-
Transfer to lifetime ECL not credit impaired	(44)	60	(16)	-	(105)	160	(55)	-
Transfer to lifetime ECL credit impaired provision	-	(21)	21	-	-	(43)	43	-
Less: Financing derecognised during the period (other than write-offs)	(10)	(2)	(12)	(24)	(31)	(3)	(6)	(40)
Net remeasurement of loss allowance	(35)	1,029	208	1,202	(159)	832	47	720
Changes in models/risk parameters	-	-	-	-	-	(1,924)	(655)	(2,579)
Others	529	14	2	545	(24)	1,207	649	1,832
At 30 June / 31 December	<u>1,109</u>	<u>1,062</u>	<u>218</u>	<u>2,389</u>	<u>594</u>	<u>54</u>	<u>18</u>	<u>666</u>

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(e) Other assets

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Profit receivables	27,692	5,679
Other debtors, deposits and prepayments	3,127	1,929
	<u>30,819</u>	<u>7,608</u>
Less: Loss allowance	(310)	(130)
	<u><u>30,509</u></u>	<u><u>7,478</u></u>

(f) Deposits and funds from customers

(i) By type of deposit and funds

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Non-Mudarabah Fund		
Demand deposits	1,232,460	506,727
Saving deposits	46,807	44,095
	<u>1,279,267</u>	<u>550,822</u>

(ii) By type of customers

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Government and statutory bodies	935,046	377,775
Business enterprises	286,228	121,013
Individuals	57,993	52,034
	<u>1,279,267</u>	<u>550,822</u>

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

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Bank Negara Malaysia	1,701,733	1,366,258
Licensed banks	17,046	205,915
Licensed financial institutions	304,842	120,987
	<u>2,023,621</u>	<u>1,693,160</u>

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(h) Other liabilities

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Provision for taxation	3,217	-
Other creditors and accruals	7,305	8,566
	<u>10,522</u>	<u>8,566</u>

(i) Islamic Banking funds

	Group and Bank	
	June	December
	2020	2019
	RM'000	RM'000
Fund allocated	20,000	20,000
Fair value reserve	6,741	1,931
Retained profits	529,961	521,909
	<u>556,702</u>	<u>543,840</u>

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

	Group and Bank	
	June	June
	2020	2019
	RM'000	RM'000
Income derived from investment of:		
(i) General investment funds	<u>39,418</u>	<u>45,905</u>

(i) Income derived from investment of general investment funds

	Group and Bank	
	June	June
	2020	2019
	RM'000	RM'000
Finance income and hibah		
Financing, advances and others	3,118	6,591
Money at call and placements with financial institutions	17,693	18,734
Investment securities at FVOCI	18,038	20,555
Investment securities at FVTPL	805	-
	<u>39,654</u>	<u>45,880</u>
Accretion of discount less amortisation of premium	(258)	-
Total finance income and hibah	<u>39,396</u>	<u>45,880</u>
Other operating income		
Fee income	<u>22</u>	<u>25</u>
Income from general investment funds	<u>39,418</u>	<u>45,905</u>

(k) Allowance for financing, advances and others

	Group and Bank	
	June	June
	2020	2019
	RM'000	RM'000
12-months ECL	694	38
Lifetime ECL not credit impaired	1,008	6
Lifetime ECL credit impaired	201	1
Impaired financing, advances and others:		
- written off	42	20
- recovered	(18)	(28)
	<u>1,927</u>	<u>37</u>

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(l) Income attributable to depositors and others

	Group and Bank	
	June 2020 RM'000	June 2019 RM'000
Deposits and funds from customers		
- Non-Mudarabah funds	8,023	5,962
Others	27	28
	<u>8,050</u>	<u>5,990</u>

(m) (Loss)/income derived from investment of Islamic Banking funds

	Group and Bank	
	June 2020 RM'000	June 2019 RM'000
Financing, advances and other	563	1,069
Money at call and placements with financial institutions	3,192	3,039
Investment securities at FVOCI	3,254	3,334
Investment securities at FVTPL	145	-
	<u>7,154</u>	<u>7,442</u>
Accretion of discount less amortisation of premium	(5,736)	(1,323)
Total finance income and hibah	<u>1,418</u>	<u>6,120</u>
Other operating income		
Gain from investment securities at FVOCI	4,624	4,096
Gain from investment securities at FVTPL	82	-
Fee income	182	73
(Loss)/Gain from trading activities	(1,211)	3,199
Net (loss)/gain on revaluation of financing, advances and others at FVTPL	(23,523)	32,257
	<u>(19,846)</u>	<u>39,625</u>
	<u>(18,428)</u>	<u>45,745</u>

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(n) Income from Islamic Banking operations

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

	Group and Bank	
	June	June
	2020	2019
	RM'000	RM'000
Income derived from investment of depositors' funds and others	(j) 39,418	45,905
Income attributable to depositors and others	(l) (8,050)	(5,990)
(Loss)/Income derived from investment of Islamic Banking funds	(m) (18,428)	45,745
	<u>12,940</u>	<u>85,660</u>

(o) Other operating expenses

	Group and Bank	
	June	June
	2020	2019
	RM'000	RM'000
Personnel costs		
- Staff allowances and benefits	9	-
Establishment costs		
- Others	5	8
Administrative and general expenses		
- Others	2	2
	<u>16</u>	<u>10</u>

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(p) Capital adequacy

(i) The capital adequacy ratios are as follows:

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
Computation of Total Risk-Weighted Assets ("RWA")		
Credit Risk RWA	127,021	137,915
Operational Risk RWA	135,753	151,163
Total Risk-Weighted Assets	<u>262,774</u>	<u>289,078</u>
Computation of Capital Ratios		
Common Equity Tier 1 ("CET 1") Capital	544,942	542,778
Tier 1 Capital	544,942	542,778
Total Capital	547,376	543,557
Common Equity Tier 1 ("CET 1") Capital ratio	207.381%	187.762%
Tier 1 Capital ratio	207.381%	187.762%
Total Capital ratio	<u>208.307%</u>	<u>188.031%</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) dated 5 February 2020 and 3 May 2019 respectively. . 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:

	Group and Bank	
	June 2020 RM'000	December 2019 RM'000
CET 1 Capital/Tier 1 Capital		
Fund allocated	20,000	20,000
Retained profits	521,909	521,909
Other reserves	6,741	1,931
Less: Regulatory adjustments	(3,708)	(1,062)
Total CET 1 Capital/Tier 1 Capital	<u>544,942</u>	<u>542,778</u>
Tier 2 Capital		
Loss allowance and regulatory reserves*	2,434	779
Total Tier 2 Capital	<u>2,434</u>	<u>779</u>
Total Capital	<u>547,376</u>	<u>543,557</u>

* Excludes loss allowance restricted from Tier 2 Capital by BNM of RM0.1 million. (2019: RM Nil).

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(q) Commitments and Contingencies

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

June 2020			
Group and Bank	Principal amount	Credit equivalent amount	Risk weighted assets
Nature of item	RM'000	RM'000	RM'000
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	6	3	1
Total	<u>6</u>	<u>3</u>	<u>1</u>
December 2019			
Group and Bank	Principal amount	Credit equivalent amount	Risk weighted assets
Nature of item	RM'000	RM'000	RM'000
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	6	3	1
Total	<u>6</u>	<u>3</u>	<u>1</u>