



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

UNAUDITED CONDENSED FINANCIAL STATEMENTS
31 March 2017

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

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 March 2017

	Note	Group		Bank	
		March 2017 RM'000	December 2016 RM'000	March 2017 RM'000	December 2016 RM'000
ASSETS					
Cash and short term funds	1	9,012,431	11,425,781	9,012,411	11,425,761
Deposits and placements with banks and other financial institutions	2	2,841,482	794,768	2,841,482	794,768
Securities purchased under resale agreements		219,293	775,397	219,293	775,397
Financial assets held-for-trading	3	1,445,122	1,232,032	1,445,122	1,232,032
Financial investments available for-sale	4	3,725,374	2,560,734	3,725,374	2,560,734
Loans, advances and financing	5	23,391,571	24,285,097	23,391,571	24,285,097
Other assets	7	1,611,267	1,855,709	1,611,267	1,855,709
Statutory deposits with Bank Negara Malaysia	8	348,319	502,723	348,319	502,723
Deferred tax assets		48,553	52,606	48,553	52,606
Investment in subsidiary companies		-	-	20	20
Plant and equipment		41,696	44,314	41,696	44,314
TOTAL ASSETS		42,685,108	43,529,161	42,685,108	43,529,161
LIABILITIES					
Deposits from customers	9	29,069,049	29,571,629	29,069,049	29,571,629
Deposits and placements of banks and other financial institutions	10	6,516,340	6,794,358	6,516,340	6,794,358
Bills and acceptances payable		116,958	64,314	116,958	64,314
Other liabilities	11	2,128,932	2,479,312	2,128,932	2,479,312
TOTAL LIABILITIES		37,831,279	38,909,613	37,831,279	38,909,613
EQUITY					
Share capital	12	121,697	121,697	121,697	121,697
Reserves	13	4,732,132	4,497,851	4,732,132	4,497,851
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK		4,853,829	4,619,548	4,853,829	4,619,548
TOTAL LIABILITIES AND EQUITY		42,685,108	43,529,161	42,685,108	43,529,161
OFF-BALANCE SHEET EXPOSURES	20	96,806,508	96,139,821	96,806,508	96,139,821

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 subsidiary companies) and the Bank (Citibank Berhad) for the financial year ended 31 December 2016 and the accompanying notes on page 5 to 36 attached to the unaudited condensed interim financial statements.

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**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2017**

	Note	Group and Bank	
		March 2017 RM'000	March 2016 RM'000
Revenue		642,183	600,614
Interest income	14	427,999	387,180
Interest expense	15	(114,132)	(100,361)
Net interest income		<u>313,867</u>	<u>286,819</u>
Net income from Islamic banking operations		14,735	30,395
Other operating income	16	199,449	183,039
Total net income		<u>528,051</u>	<u>500,253</u>
Other operating expenses	17	(258,644)	(234,490)
Operating profit		<u>269,407</u>	<u>265,763</u>
Allowance for loans, advances and financing	18	34,650	(29,735)
Profit before taxation		<u>304,057</u>	<u>236,028</u>
Tax expense		(73,131)	(53,749)
Profit for the period		<u><u>230,926</u></u>	<u><u>182,279</u></u>
Other comprehensive (expense)/income, net of income tax			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
- Net gain on revaluation of financial investments available-for-sale		3,354	(4,232)
Other comprehensive income for the period, net of income tax		<u>3,354</u>	<u>(4,232)</u>
Total comprehensive income for the period		<u><u>234,280</u></u>	<u><u>178,047</u></u>
Profit for the period attributable to:			
Equity holder of the Bank		<u><u>230,926</u></u>	<u><u>182,279</u></u>
Total comprehensive income attributable to:			
Equity holder of the Bank		<u><u>234,280</u></u>	<u><u>178,047</u></u>
Earnings per share - basic (sen)		<u><u>759</u></u>	<u><u>599</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 subsidiary companies) and the Bank (Citibank Berhad) for the financial year ended 31 December 2016 and the accompanying notes on page 5 to 36 attached to the unaudited condensed interim financial statements.

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UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2017

Group and Bank	←----- Attributable to equity holder of the Bank -----→						Total RM'000
	<----- Non-Distributable ----->			Distributable			
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Other Reserves RM'000	Retained Profits RM'000	Total Reserves RM'000	
At 1 January 2016	121,697	380,303	121,697	14,695	3,889,283	4,405,978	4,527,675
Profit for the period	-	-	-	-	182,279	182,279	182,279
Other comprehensive income for the period	-	-	-	(4,232)	-	(4,232)	(4,232)
Dividend paid	-	-	-	-	-	-	-
At 31 March 2016	121,697	380,303	121,697	10,463	4,071,562	4,584,024	4,705,721
At 1 January 2017	121,697	380,303	121,697	(55,893)	4,051,744	4,497,851	4,619,548
Profit for the period	-	-	-	-	230,926	230,926	230,926
Other comprehensive expense for the period	-	-	-	3,354	-	3,354	3,354
Dividend paid	-	-	-	-	-	-	-
At 31 March 2017	121,697	380,303	121,697	(52,539)	4,282,670	4,732,131	4,853,828
	Note 12					Note 13	

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 subsidiary companies) and the Bank (Citibank Berhad) for the financial year ended 31 December 2016 and the accompanying notes on page 5 to 36 attached to the unaudited condensed interim financial statements.

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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE
FINANCIAL PERIOD NINE MONTHS ENDED THREE MONTHS ENDED 31 MARCH 2017**

	Group		Bank	
	March 2017 RM'000	March 2016 RM'000	March 2017 RM'000	March 2016 RM'000
Profit before taxation	304,057	236,028	304,057	236,028
Adjustments for non cash items	69,158	(11,110)	69,158	(11,110)
Operating profit before working capital changes	<u>373,215</u>	<u>224,918</u>	<u>373,215</u>	<u>224,918</u>
Changes in working capital :				
Net changes in operating assets	(482,838)	(1,444,557)	(482,838)	(1,444,557)
Net changes in operating liabilities	(1,078,334)	1,135,779	(1,078,334)	1,135,779
Income taxes paid	(57,773)	(45,750)	(57,773)	(45,750)
Net cash (used in)/generated from operating activities	<u>(1,245,730)</u>	<u>(129,610)</u>	<u>(1,245,730)</u>	<u>(129,610)</u>
Net cash (used in)/generated from investing activities	<u>(1,167,620)</u>	<u>(1,601,014)</u>	<u>(1,167,620)</u>	<u>(1,601,014)</u>
Net cash used in financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in cash and cash equivalents	(2,413,350)	(1,730,624)	(2,413,350)	(1,730,624)
Cash and cash equivalents at beginning of the period	<u>11,425,781</u>	<u>9,883,187</u>	<u>11,425,761</u>	<u>9,883,167</u>
Cash and cash equivalents at end of the period	<u><u>9,012,431</u></u>	<u><u>8,152,563</u></u>	<u><u>9,012,411</u></u>	<u><u>8,152,543</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 subsidiary companies) and the Bank (Citibank Berhad) for the financial year ended 31 December 2016 and the accompanying notes on page 5 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 three months ended 31 March 2017 have been prepared in accordance with the Financial Reporting policy document issued by Bank Negara Malaysia ("BNM") on 28 January 2015.

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 2016. 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 2016.

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 2016.

A2 Auditor's Report on preceeding Annual Financial Statements

The audit report on the audited financial statements for the financial year ended 31 December 2016 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 three months ended 31 March 2017.

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 three months ended 31 March 2017.

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 three months ended 31 March 2017.

A7 Dividend

The final ordinary dividends proposed in respect of the year ended 31 December 2016 of RM550 million is subject to relevant authority's approval.

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 three months ended 31 March 2017.

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B Review of performance and current year prospects

B1 Performance Review

Citibank Berhad registered a net profit of RM231 million and revenue of RM652 million for the financial period three months ended 31 March 2017, an increase of 27% or RM49 million in net profit as compared to previous corresponding period. The net profit increased was mainly contributed by the decrease of 217% or RM64 million in allowance for loans.

Total assets recorded a decrease of RM844 million as compared to 31 December 2016 mainly contributed by decrease of loans by RM893mil. On the other hand, total liabilities recorded a decrease of 3% or RM1,078 million as compared to 31 December 2016. Deposits have recorded a decrease of 6% or RM780 million as compared to 31 December 2016.

B2 Prospects for 2017

Malaysia's resilient domestic economy continued on its path of moderate growth. Consumer confidence improved in Q1 2017. The Consumer Sentiment Index rebounded to 76.6 points as compared to 69.8 points in Q4 2016. Domestic demand remained the key economic driver for GDP growth. Malaysia recorded GDP growth of 4.2% in 2016. The manufacturing sector which makes up 20% of the economy remained buoyant, benefiting from an improving global outlook and strong demand for electronics, particularly semiconductors. Higher fuel prices resulted in the inflation rising to 5.1%, its highest level since 2008 when it touched 5.7%.

The domestic banking system remains well capitalized, with ample liquidity to support the financing needs of businesses and households. Despite external environment challenges, the Malaysian economy is well poised for sustained growth, supported by private consumption, on-going investment in infrastructure projects and capital spending in the manufacturing and services sector.

Against this backdrop , Citibank Berhad recorded strong financial performance in this financial quarter.

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(1) Cash and short term funds

	Group	
	March 2017 RM'000	December 2016 RM'000
Cash and balances with banks and other financial institutions	51,185	66,454
Money at call and deposit placements maturing within one month	<u>8,961,246</u>	<u>11,359,327</u>
	<u><u>9,012,431</u></u>	<u><u>11,425,781</u></u>

	Bank	
	March 2017 RM'000	December 2016 RM'000
Cash and balances with banks and other financial institutions	51,165	66,434
Money at call and deposit placements maturing within one month	<u>8,961,246</u>	<u>11,359,327</u>
	<u><u>9,012,411</u></u>	<u><u>11,425,761</u></u>

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

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Licensed banks	<u><u>2,841,482</u></u>	<u><u>794,768</u></u>

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(3) Financial assets held-for-trading

	Group and Bank	
	March	December
	2017	2016
	RM'000	RM'000
At fair value		
Malaysian Government Treasury Bills	10,813	84,323
Malaysian Government Securities	1,074,353	661,152
Malaysian Government Investment Issues	253,004	471,257
Bank Negara Malaysia Bills/Notes	62,895	15,300
U.S. Treasury Notes	44,057	-
	<u>1,445,122</u>	<u>1,232,032</u>

(4) Financial investment available-for-sale

	Group and Bank	
	March	December
	2017	2016
	RM'000	RM'000
At fair value		
Malaysian Government Treasury Bills/ Securities	2,558,333	1,784,721
Malaysian Government Investment Issues	987,156	594,205
U.S. Treasury Notes	172,870	174,793
Unquoted securities	7,015	7,015
	<u>3,725,374</u>	<u>2,560,734</u>

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(5) Loans, advances and financing

(i) By type

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Overdrafts	794,033	862,668
Term loans/financing		
-Housing loans/financing	10,878,796	10,888,720
-Other term loans/financing	2,677,839	2,568,853
Bills receivable	1,017,184	1,290,927
Trust receipts	269,175	-
Claims on customers under acceptance credits	684,690	607,247
Staff loans	52,363	53,864
Share margin financing	150,587	156,149
Credit cards receivables	5,810,079	6,033,830
Revolving credit	1,545,448	2,376,248
	<u>23,880,194</u>	<u>24,838,506</u>
Unearned interest and income	(12,718)	(12,186)
	<u>23,867,476</u>	<u>24,826,320</u>
Gross loans, advances and financing		
Less:		
Allowance for impaired loans, advances and financing		
- Collective assessment allowance	(351,513)	(416,271)
- Individual assessment allowance	(124,392)	(124,952)
	<u>23,391,571</u>	<u>24,285,097</u>
Net loans, advances and financing		

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(5) Loans, advances and financing (continued)

(ii) By interest/profit rate sensitivity

	Group and Bank	
	March	December
	2017	2016
	RM'000	RM'000
Fixed rate		
Housing loans/financing	609,133	616,573
Other fixed rate loans/financing	10,396,138	10,493,776
Variable rate		
BLR plus	10,879,038	10,902,257
Cost plus	1,983,167	2,813,714
	<u>23,867,476</u>	<u>24,826,320</u>

(iii) By sector

	Group and Bank	
	March	December
	2017	2016
	RM'000	RM'000
Primary agriculture	3,638	3,064
Mining & quarrying	34,368	27,633
Manufacturing (including agriculture based)	2,252,646	2,156,982
Electricity, gas, water	1,361	963
Construction	49,788	37,989
Wholesale, retail trade, restaurants and hotels	1,168,490	1,089,658
Transport, storage and communication	328,041	917,998
Finance, insurance, real estate and business services	1,078,398	1,345,966
Social & community services	187,848	124,930
Household		
- consumption credit	6,946,602	7,198,929
- residential	10,277,834	10,307,086
- purchase of securities	169,678	175,241
- others	165,003	170,239
Other sectors	1,203,781	1,269,642
	<u>23,867,476</u>	<u>24,826,320</u>

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(5) Loans, advances and financing (continued)

(iv) Residual contractual maturity

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Maturing within one year	11,850,590	11,971,977
One to five years	1,178,976	1,977,086
Over five years	10,837,910	10,877,257
	<u>23,867,476</u>	<u>24,826,320</u>

(v) By geographical distribution

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Within Malaysia	<u>23,867,476</u>	<u>24,826,320</u>

(6) Impaired loans, advances and financing

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

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
At 1 January	526,696	527,186
Classified as impaired during the period/year	188,344	703,944
Reclassified as performing during the period/year	(79,555)	(333,013)
Amount recovered	(29,903)	(113,294)
Amount written off	(50,638)	(258,127)
At 31 March / 31 December	<u>554,944</u>	<u>526,696</u>
Individual assessment allowance	<u>(124,392)</u>	<u>(124,952)</u>
Net impaired loans, advances and financing	<u>430,552</u>	<u>401,744</u>
Ratio of net impaired loans and financing to gross loans and financing less individual assessment allowance	1.81%	1.63%

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

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

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
<u>Collective assessment allowance</u>		
At 1 January	416,271	338,459
Allowance (written back)/made during the period/year, net	<u>(64,758)</u>	<u>77,812</u>
At 31 March / 31 December	<u>351,513</u>	<u>416,271</u>
As % of gross loans, advances and financing less individual assessment allowance	1.48%	1.69%
<u>Individual assessment allowance</u>		
At 1 January	124,952	172,355
Allowance made during the period/year	7,259	18,194
Written back during the period/year	(1,776)	(9,256)
Written off during the period/year	<u>(6,043)</u>	<u>(56,341)</u>
At 31 March / 31 December	<u>124,392</u>	<u>124,952</u>

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

(iii) Impaired loans, advances and financing by sector

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Primary agriculture	598	598
Mining & quarrying	865	1,124
Manufacturing (including agriculture based)	7,764	8,100
Construction	1,040	1,040
Wholesale, retail trade, restaurants and hotels	7,156	6,719
Transport, storage and communication	912	1,092
Finance, insurance, real estate and business services	4,924	4,038
Household		
- consumption credit	199,795	187,668
- residential	290,154	291,060
- purchase of securities	19,091	19,091
Other sectors	22,645	6,166
	<u>554,944</u>	<u>526,696</u>
	<u>554,944</u>	<u>526,696</u>

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

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Within Malaysia	<u>554,944</u>	<u>526,696</u>
	<u>554,944</u>	<u>526,696</u>

(7) Other assets

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Interest/Income receivables	82,826	81,783
Other debtors, deposits and prepayments	645,761	260,711
Retirement benefits plan	1,264	1,264
Derivative assets (Note 22)	854,507	1,473,481
Tax recoverable	26,909	38,470
	<u>1,611,267</u>	<u>1,855,709</u>
	<u>1,611,267</u>	<u>1,855,709</u>

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(8) 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.

(9) Deposits from customers

(i) By type of deposit

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Demand deposits	15,072,827	15,372,515
Saving deposits	1,555,321	1,486,839
Fixed deposits	8,251,096	8,341,741
Other deposits	4,189,524	4,369,867
Others - cash collateral	281	667
	<u>29,069,049</u>	<u>29,571,629</u>

(ii) By type of customers

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Government and statutory bodies	691,234	-
Business enterprises	15,471,648	16,661,837
Individuals	11,021,100	11,784,030
Others	1,885,067	1,125,762
	<u>29,069,049</u>	<u>29,571,629</u>

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

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Due within six months	11,424,079	11,603,894
Six months to one year	998,530	1,098,756
One year to three years	18,011	8,958
	<u>12,440,620</u>	<u>12,711,608</u>

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

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Bank Negara Malaysia	4,457	25,090
Licensed banks	3,642,014	3,171,910
Licensed finance companies	2,869,869	3,597,358
	<u>6,516,340</u>	<u>6,794,358</u>

(11) Other liabilities

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Interest/Profit payables	55,189	52,096
Other creditors and accruals	1,240,570	1,246,926
Derivatives liabilities (Note 22)	833,173	1,180,290
	<u>2,128,932</u>	<u>2,479,312</u>

(12) Share capital

	Group and Bank		Number of shares December 2016 '000
	Amount March 2017 RM'000	Number of shares March 2017 '000	
Ordinary shares of RM1 each			
Authorised	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid	<u>121,697</u>	<u>121,697</u>	<u>121,697</u>

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(13) Reserves

	Group and Bank	
	March	December
	2017	2016
	RM'000	RM'000
Share premium	380,303	380,303
Statutory reserve	121,697	121,697
Other reserve	(52,539)	(55,893)
- Fair value reserve	(56,653)	(60,007)
- Defined benefit reserve	4,114	4,114
Retained profits	4,282,671	4,051,744
	<u>4,732,132</u>	<u>4,497,851</u>

(14) Interest income

	Group and Bank	
	March	March
	2017	2016
	RM'000	RM'000
Loans and advances		
- Interest income other than recoveries from impaired loans	303,834	315,244
- Recoveries from impaired loans	13,587	14,219
Money at call and deposit placements		
with financial institutions	70,822	26,888
Financial assets held-for-trading	13,644	11,967
Financial investments available-for-sale	27,813	20,213
Securities purchased under resale agreements	2,314	967
	<u>432,014</u>	<u>389,498</u>
Accretion of discounts	(4,015)	(2,318)
	<u>427,999</u>	<u>387,180</u>

(15) Interest expense

	Group and Bank	
	March	March
	2017	2016
	RM'000	RM'000
Deposits and placements of banks and other		
financial institutions	33,556	10,951
Deposits from customers	79,543	88,425
Others	1,033	985
	<u>114,132</u>	<u>100,361</u>

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(16) Other operating income

	Group and Bank	
	March	March
	2017	2016
	RM'000	RM'000
Fee income:		
Commission	17,007	15,844
Service charges and fees	5,586	4,887
Guarantee fees	1,770	2,062
Bankcard fees	76,711	85,024
Insurance premium and referral	12,225	10,639
Other fee income	24,373	12,310
	<u>137,672</u>	<u>130,766</u>
Trading income:		
Unrealised (loss)/gain from revaluation of financial assets held-for-trading	(1,417)	95
Net gain from sales of securities		
- Financial assets held-for-trading	4,432	13,266
- Financial investments available-for-sale	281	8,515
	<u>3,296</u>	<u>21,876</u>
Other income:		
Foreign exchange gain, net	165,319	264,249
Unrealised loss from derivatives	(96,057)	(287,426)
(Loss)/Gain from derivatives	(10,777)	53,570
(Loss)/Gain on disposal of plant and equipment	(4)	4
	<u>58,481</u>	<u>30,397</u>
Total other operating income	<u>199,449</u>	<u>183,039</u>

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(17) Other operating expenses

	Group and Bank	
	March 2017 RM'000	March 2016 RM'000
Personnel costs		
-Salaries, allowances and bonuses	72,624	86,884
-Contribution to Employees Provident Fund	4,060	4,229
-Staff benefits and other compensations	15,975	17,791
-Others	1,009	344
	<u>93,668</u>	<u>109,248</u>
Establishment costs		
-Depreciation	3,979	4,338
-Rental of premises	5,737	6,875
-Hire of equipments	123	44
-Utilities	984	1,209
-Others	3,439	3,441
	<u>14,262</u>	<u>15,906</u>
Marketing expenses		
-Advertisement and promotional expenses	10,008	6,381
-Others	86	98
	<u>10,094</u>	<u>6,479</u>
Administration and general expenses		
-Processing cost	100,506	81,163
-Auditors' remuneration	166	106
-Stationeries and supplies	928	1,286
-Communication expenses	7,122	5,729
-Maintenance of office equipment	(143)	308
-Others	32,041	14,264
	<u>140,620</u>	<u>102,856</u>
Total other operating expenses	<u><u>258,644</u></u>	<u><u>234,490</u></u>

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(18) Allowance for loans, advances and financing

	Group and Bank	
	March 2017 RM'000	March 2016 RM'000
Allowance for loans, advances and financing :		
<u>Individual assessment</u>		
- made in the financial period	7,259	4,982
- written back	(1,776)	(2,003)
<u>Collective assessment</u>		
- written back in the financial period	(64,724)	(5,382)
<u>Impaired loans, advances and financing</u>		
- written back	(22,145)	(20,870)
- written off	46,736	53,008
	(34,650)	29,735

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(19) Capital adequacy

(a) The capital adequacy ratios are as follows:

	Group and Bank	
	March	December
	2017	2016
	RM'000	RM'000
Computation of Total Risk Weighted Assets ("RWA")		
Total credit RWA	22,246,854	24,182,073
Total market RWA	1,370,326	991,767
Total operational RWA	3,607,036	3,567,208
Total Risk Weighted Assets	27,224,215	28,741,048
Computation of Capital Ratios		
Common Equity Tier I ("CET I") Capital	4,573,084	4,565,678
Tier 1 Capital	4,573,084	4,565,678
Total Capital *	4,848,524	4,909,581
Before deducting proposed dividends:		
Common Equity Tier I ("CET I") capital ratio	16.798%	15.886%
Tier 1 capital ratio	16.798%	15.886%
Total capital ratio	<u>17.810%</u>	<u>17.082%</u>
After deducting proposed dividends:		
Common Equity Tier I ("CET I") capital ratio	14.778%	13.972%
Tier 1 capital ratio	14.778%	13.972%
Total capital ratio	<u>15.789%</u>	<u>15.169%</u>

* In arriving at the capital base used in the ratio calculations of the Bank, proposed dividends were not deducted for March 2017 (proposed dividend were not deducted for December 2016)

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 13 October 2015 which became effective from 1 January 2016. 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 minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer ("CCyB") for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively.

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

	Group and Bank	
	March	December
	2017	2016
	RM'000	RM'000
CET 1 Capital/Tier 1 Capital		
Paid up ordinary share capital	121,697	121,697
Share premium	380,303	380,303
Retained profits	4,051,743	4,051,744
Other reserves	65,044	65,804
Less: Deferred tax assets, net	(49,817)	(52,606)
Less: Defined benefit pension fund assets	4,114	(1,264)
Total CET 1 Capital/Tier 1 Capital	4,573,084	4,565,678
Tier 2 Capital		
Collective impairment provisions and regulatory reserves*	275,440	343,903
Total Tier 2 Capital	275,440	343,903
Total Capital	4,848,524	4,909,581

* Excludes collective assessment allowance on impairment loans restricted from Tier II Capital by BNM of RM76.1 million (2016: RM72.4 million)

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(20) Off-balance sheet exposures

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

March 2017 Group and Bank	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item			
Direct credit substitutes	1,404,252	1,404,252	1,317,430
Transaction related contingent items	659,094	329,547	300,782
Short term self liquidating trade related contingencies	319,917	63,983	51,740
Forward asset purchases	179,378	179,378	60,897
Foreign exchange related contracts:			
One year or less	35,939,330	986,442	709,718
Over one year to five years	2,996,766	463,716	221,365
Over five years	23,380	4,208	4,208
Interest/Profit rate related contracts:			
One year or less	7,253,801	25,645	9,768
Over one year to five years	19,887,692	588,816	189,149
Over five years	1,836,122	164,107	98,850
Equity related contracts:			
One year or less	39,808	2,286	1,092
Over one year to five years	-	-	-
Over five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	384,438	60,568	42,594
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	188,751	37,750	37,750
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	552,942	276,471	191,380
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	6,543,616	-	-
Unutilised credit card lines	18,597,221	3,719,444	2,805,484
Total	96,806,508	8,306,613	6,042,207

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(20) Off-balance sheet exposures (continued)

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

December 2016 Group and Bank	Principal amount	Credit equivalent amount	Risk weighted assets
Nature of item	RM'000	RM'000	RM'000
Direct credit substitutes	1,693,459	1,693,459	1,590,727
Transaction related contingent items	642,387	321,193	295,591
Short term self liquidating trade related contingencies	353,670	70,734	53,391
Forward asset purchases	114,755	114,755	5,645
Foreign exchange related contracts:			
One year or less	33,705,237	1,636,785	1,246,241
Over one year to five years	3,302,964	509,417	246,043
Over five years	24,155	4,348	4,348
Interest/Profit rate related contracts:			
One year or less	6,520,980	25,349	9,331
Over one year to five years	17,150,733	484,752	160,340
Over five years	1,474,873	138,604	88,172
Equity related contracts:			
One year or less	51,735	4,278	3,066
Over one year to five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	333,596	66,509	39,427
Over one year to five years	-	1,487	745
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	461,873	92,375	92,375
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	625,062	312,531	218,403
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	7,720,832	-	-
Unutilised credit card lines	21,963,510	4,392,702	3,317,242
Total	96,139,821	9,869,278	7,371,087

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(21) Derivative financial instruments

	<----- March 2017 ----->			<----- December 2016 ----->		
	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	68,824,685	437,218	308,446	64,018,074	799,220	590,889
- Cross currency interest rate swaps	8,329,453	256,449	395,898	9,184,991	496,851	430,349
- Options	1,134,892	2,704	936	935,499	11,200	1,246
Interest rate contracts:						
- Futures	6,634,500	-	-	897,200	-	-
- Swaps	57,387,011	134,578	91,973	49,709,479	128,838	105,904
- Options	328,219	1,342	-	343,693	1,558	-
Equity related contracts	79,616	92	103	102,340	1,174	1,061
Others	687,536	22,124	35,817	430,855	34,640	50,841
	143,405,912	854,507	833,173	125,622,131	1,473,481	1,180,290
		Note 7	Note 11		Note 7	Note 11

CITIBANK BERHAD
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UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 March 2017

		Group and Bank	
		March	December
		2017	2016
		RM'000	RM'000
Assets			
Cash and short term funds	(a)	2,436,175	1,708,549
Financial assets held-for-trading	(b)	-	1,291
Financing, advances and other loans	(c)	448,843	562,532
Other assets	(e)	3,078	6,381
		<hr/>	<hr/>
Total assets		<u>2,888,096</u>	<u>2,278,753</u>
Liabilities			
Deposits from customers	(f)	2,486,008	1,966,171
Deferred tax liabilities		594	623
Other liabilities	(g)	34,365	7,892
		<hr/>	<hr/>
Total liabilities		<u>2,520,967</u>	<u>1,974,686</u>
Islamic banking funds	(h)	367,129	304,067
		<hr/>	<hr/>
Total liabilities and Islamic banking funds		<u>2,888,096</u>	<u>2,278,753</u>
Off-balance sheet exposures	(p)	<u>14</u>	<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 subsidiary companies) and the Bank (Citibank Berhad) for the financial year ended 31 December 2016 and the accompanying notes on page 27 to 36 attached to the unaudited condensed interim financial statements.

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**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2017**

		Group and Bank	
		March 2017 RM'000	March 2016 RM'000
Income derived from investments of depositors' funds and others	(i)	6,922	18,406
Provision for financing, advances and other loans	(j)	77,543	5,739
Total attributable income		<u>84,465</u>	<u>24,145</u>
Income attributable to depositors	(k)	<u>(2,326)</u>	<u>(2,770)</u>
Total attributable to the Bank		82,139	21,375
(Loss)/ Income derived from investment of Islamic Banking Capital funds	(l)	<u>10,139</u>	<u>14,759</u>
Total net income		92,278	36,134
Other operating expenses	(n)	<u>(383)</u>	<u>(315)</u>
Profit before taxation		91,895	35,819
Tax expense		<u>(28,833)</u>	<u>(8,597)</u>
Profit for the period		<u><u>63,062</u></u>	<u><u>27,222</u></u>
Other comprehensive expense, net of income tax			
Net loss on revaluation of financial investments available-for-sale		<u>-</u>	<u>-</u>
Other comprehensive expense for the period, net of income tax		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u><u>63,062</u></u>	<u><u>27,222</u></u>
Profit for the period attributable to:			
Equity holder of the Bank		<u><u>63,062</u></u>	<u><u>27,222</u></u>
Total comprehensive income attributable to:			
Equity holder of the Bank		<u><u>63,062</u></u>	<u><u>27,222</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 subsidiary companies) and the Bank (Citibank Berhad) for the financial year ended 31 December 2016 and the accompanying notes on page 27 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 THREE MONTHS ENDED 31 MARCH 2017**

	Group and Bank			Total RM'000
	Capital funds RM'000	Fair value reserve RM'000	Retained profits RM'000	
At 1 January 2016	20,000	-	304,092	324,092
Profit for the period	-	-	27,222	27,222
Other comprehensive expense for the period	-	-	-	-
At 31 March 2016	<u>20,000</u>	<u>-</u>	<u>331,314</u>	<u>351,314</u>
At 1 January 2017	20,000	-	284,067	304,067
Profit for the period	-	-	63,062	63,062
At 31 March 2017	<u>20,000</u>	<u>-</u>	<u>347,129</u>	<u>367,129</u>

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 subsidiary companies) and the Bank (Citibank Berhad) for the financial year ended 31 December 2016 and the accompanying notes on page 27 to 36 attached to the unaudited condensed interim financial statements.

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(a) Cash and short term funds

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Cash and balances with banks and other financial institutions	2,175	6,549
Money at call and deposit placements maturing within one month	2,434,000	1,702,000
	<u>2,436,175</u>	<u>1,708,549</u>

(b) Financial assets held-for-trading

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
At fair value		
Malaysian Government Treasury Bills	-	1,291
	<u>-</u>	<u>1,291</u>

(c) Financing, advances and other loans

(i) By type

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Term financing		
- Housing loans/financing	218,431	226,778
- Other term loans/financing	265,103	448,553
	<u>483,534</u>	<u>675,331</u>
Unearned income	(7,740)	(8,280)
	<u>475,794</u>	<u>667,051</u>
Gross financing, advances and other loans		
Less:		
Allowance for impaired loans, advances and financing		
- Collective assessment allowance	(26,449)	(104,004)
- Individual assessment allowance	(502)	(515)
	<u>448,843</u>	<u>562,532</u>
Total net financing, advances and other loans		

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(c) Financing, advances and other loans (continued)

(ii) By contract

	Group and Bank	
	March	December
	2017	2016
	RM'000	RM'000
Bai' Bithamin Ajil	14,490	14,952
Ijarah Muntahia Bittamilik	265,103	203,546
Murabahah	196,201	448,553
	<u>475,794</u>	<u>667,051</u>

(iii) By profit rate sensitivity

	Group and Bank	
	March	December
	2017	2016
	RM'000	RM'000
Fixed rate		
- House loans/financing	210,691	218,498
Variable rate		
- Cost plus	265,103	448,553
	<u>475,794</u>	<u>667,051</u>

(iv) By sector

	Group and Bank	
	March	December
	2017	2016
	RM'000	RM'000
Finance, insurance, real estate and business services	265,103	448,553
Household-residential	210,194	217,995
Other sectors	497	503
	<u>475,794</u>	<u>667,051</u>

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(d) Impaired financing, advances and other loans

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

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
At 1 January	7,302	9,076
Classified as impaired during the period/year	2,816	5,746
Reclassified as performing during the period/year	(2,177)	(5,821)
Amount recovered	(475)	(1,699)
	<hr/>	<hr/>
At 31 March / 31 December	7,466	7,302
Individual assessment allowance	(502)	(515)
	<hr/>	<hr/>
Net impaired financing, advances and other loans	<u>6,964</u>	<u>6,787</u>
Ratio of net impaired financing, advances and other loans to total gross financing, advances and other loans	1.47%	1.02%

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

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
<u>Collective assessment allowance</u>		
At 1 January	104,004	19,736
Allowance (written back)/made during the period/year	(77,556)	84,268
	<hr/>	<hr/>
At 31 March / 31 December	<u>26,448</u>	<u>104,004</u>
As % of gross financing, advances and other loans less individual assessment allowance	5.56%	15.60%
<u>Individual assessment allowance</u>		
At 1 January	515	584
Allowance made during the period/year	3	27
Allowance written back during the period/year	(14)	(73)
Amount written off	(1)	(23)
	<hr/>	<hr/>
At 31 March / 31 December	<u>502</u>	<u>515</u>

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

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

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Household - Residential	7,466	7,302

(e) Other assets

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Profit receivables	602	456
Other debtors, deposits and prepayments	2,476	5,925
	3,078	6,381

(f) Deposits from customers

(i) By type of deposit

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Non-Mudharabah Fund		
Demand deposits	2,428,047	1,908,617
Saving deposits	57,961	57,554
	2,486,008	1,966,171

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(f) Deposits from customers (continued)

(ii) By type of customers

	Group and Bank	
	March	December
	2017	2016
	RM'000	RM'000
Government and statutory bodies	591,536	-
Business enterprises	1,491,850	1,231,627
Individuals	56,413	64,233
Others	346,209	670,311
	<u>2,486,008</u>	<u>1,966,171</u>

(g) Other liabilities

	Group and Bank	
	March	December
	2017	2016
	RM'000	RM'000
Provision for taxation	26,196	1,349
Other creditors and accruals	8,169	6,543
	<u>34,365</u>	<u>7,892</u>

(h) Islamic Banking Fund

	Group and Bank	
	March	December
	2017	2016
	RM'000	RM'000
Fund allocated	20,000	20,000
Retained earnings	347,129	284,067
	<u>367,129</u>	<u>304,067</u>

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

	Group and Bank	
	March	March
	2017	2016
	RM'000	RM'000
Income derived from investment of:		
(i) General investment deposits	4,146	17,678
(ii) Other deposits	<u>2,776</u>	<u>728</u>
	<u><u>6,922</u></u>	<u><u>18,406</u></u>

(i) Income derived from investment of general investment deposits

	Group and Bank	
	March	March
	2017	2016
	RM'000	RM'000
Finance income and hibah		
Financing, advances and other loans	1,175	4,248
Money at call and placements with financial institutions	2,963	12,081
Income from financial assets held-for-trading	<u>-</u>	<u>238</u>
	4,138	16,567
Accretion of discount less amortisation of premium	<u>1</u>	<u>42</u>
Total finance income and hibah	<u><u>4,139</u></u>	<u><u>16,609</u></u>
Other operating income		
Fee income	<u>7</u>	<u>1,069</u>
Income from general investment deposits	<u><u>4,146</u></u>	<u><u>17,678</u></u>

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

(ii) Income derived from investment of other deposits

	Group and Bank	
	March	March
	2017	2016
	RM'000	RM'000
Finance income and hibah		
Financing, advances and other loans	787	175
Money at call and placements with financial institutions	1,983	497
Income from securities held-for-trading	-	10
	<u>2,770</u>	<u>682</u>
Accretion of discount less amortisation of premium	1	2
	<u>2,771</u>	<u>684</u>
Other operating income		
Fee income	5	44
	<u>2,776</u>	<u>728</u>
Income from investments of other deposits	<u>2,776</u>	<u>728</u>

(j) Provision for financing, advances and other loans

	Group and Bank	
	March	March
	2017	2016
	RM'000	RM'000
Provision for financing, advances and other loans:		
<u>Individual assessment allowance</u>		
- made in the financial period	3	13
- written back	(14)	(2)
<u>Collective assessment allowance</u>		
- Written back during the period	(77,532)	(5,750)
	<u>(77,543)</u>	<u>(5,739)</u>

(k) Income attributable to depositors

	Group and Bank	
	March	March
	2017	2016
	RM'000	RM'000
Deposits from customers		
- Mudharabah funds	1,794	2,156
- Non-Mudharabah funds	511	593
Others	21	22
	<u>2,326</u>	<u>2,770</u>

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(l) Income/(Loss) derived from investment of Islamic Banking Capital Funds

	Group and Bank	
	March	March
	2017	2016
	RM'000	RM'000
Financing, advances and other loans	2,802	613
Money at call and placements with financial institutions	7,061	1,742
Income from securities held-for-trading	-	34
	<u>9,863</u>	<u>2,389</u>
Accretion of discount less amortisation of premium	2	6
	<u>9,865</u>	<u>2,395</u>
Other operating income		
Gain from financial assets held-for-trading	0	548
Gain from financial investments available-for-sale	-	-
Fee income	69	253
Gain from trading activities	205	11,564
	<u>274</u>	<u>12,365</u>
(Loss)/ Income from Islamic Banking Capital Funds	<u>10,139</u>	<u>14,759</u>

(m) Income from Islamic banking operations

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

		Group and Bank	
		March	March
		2017	2016
		RM'000	RM'000
Income derived from investment of depositors' funds and others	(i)	6,922	18,406
Income attributable to depositors	(k)	(2,326)	(2,770)
Income/(Loss) derived from investment of Islamic Banking Funds	(l)	10,139	14,759
		<u>14,735</u>	<u>30,395</u>

(n) Other operating expenses

	Group and Bank	
	March	March
	2017	2016
	RM'000	RM'000
Personnel costs	16	178
Administrative and general expenses	367	137
	<u>383</u>	<u>315</u>

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(o) **Capital adequacy**

(i) The capital adequacy ratios are as follows:

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
Computation of Total Risk Weighted Assets ("RWA")		
Total credit RWA	78,669	87,844
Total market RWA	-	22
Total operational RWA	84,617	79,413
Total Risk Weighted Assets	163,287	167,279
Computation of Capital Ratios		
Common Equity Tier I ("CET I") Capital	304,067	304,067
Tier 1 Capital	304,067	304,067
Total Capital	330,277	407,866
Common Equity Tier I ("CET I") capital ratio	186.216%	181.772%
Tier 1 capital ratio	186.216%	181.772%
Total capital ratio	202.268%	243.824%

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 13 October 2015 which became effective from 1 January 2016. 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 minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer ("CCyB") for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively.

(ii) The components of CET I, Tier I and Tier II Capital are as follows:

	Group and Bank	
	March 2017 RM'000	December 2016 RM'000
CET 1 Capital/Tier 1 Capital		
Fund allocated	20,000	20,000
Retained earnings	284,067	284,067
Total CET 1 Capital/Tier 1 Capital	304,067	304,067
Tier 2 Capital		
Collective impairment provisions and regulatory reserves*	26,210	103,799
Total Tier 2 Capital	26,210	103,799
Total Capital	330,277	407,866

* Excludes collective assessment allowance on impairment loans restricted from Tier II Capital by BNM of RM238,000 (2016: RM205,000)

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(p) Off-balance sheet exposures

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

March 2017			
Group and Bank	Principal amount	Credit equivalent amount	Risk weighted assets
Nature of item	RM'000	RM'000	RM'000
Profit rate related contracts:			
One year or less	-	-	-
Over one year to five years	-	-	-
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	14	7	2
Total	14	7	2

December 2016			
Group and Bank	Principal amount	Credit equivalent amount	Risk weighted assets
Nature of item	RM'000	RM'000	RM'000
Profit rate related contracts:			
One year or less	-	-	-
Over one year to five years	-	-	-
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	-	-	-
Total	0	0	0