



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

**UNAUDITED CONDENSED FINANCIAL STATEMENTS
31 March 2018**

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 2018

	Note	Group		Bank	
		March 2018 RM'000	December 2017 RM'000	March 2018 RM'000	December 2017 RM'000
ASSETS					
Cash and short term funds	1	4,794,963	5,879,561	4,794,943	5,879,541
Deposits and placements with banks and other financial institutions	2	1,029,060	943,830	1,029,060	943,830
Securities purchased under resale agreements		49,688	19,685	49,688	19,685
Financial assets held-for-trading	3	2,643,795	2,205,570	2,643,795	2,205,570
Financial investments available for-sale	4	3,984,096	4,183,086	3,984,096	4,183,086
Loans, advances and financing	5	22,811,894	23,526,645	22,811,894	23,526,645
Other assets	7	973,462	859,249	973,462	859,249
Statutory deposits with Bank Negara Malaysia	8	482,801	339,330	482,801	339,330
Deferred tax assets		82,508	77,348	82,508	77,348
Investment in subsidiary companies		-	-	20	20
Plant and equipment		40,271	43,378	40,271	43,378
TOTAL ASSETS		36,892,538	38,077,682	36,892,538	38,077,682
LIABILITIES					
Deposits from customers	9	26,181,867	26,421,900	26,181,867	26,421,900
Deposits and placements of banks and other financial institutions	10	3,492,973	4,464,256	3,492,973	4,464,256
Other liabilities	11	2,233,693	2,287,992	2,233,693	2,287,992
Provision for taxation		16,157	34,546	16,157	34,546
TOTAL LIABILITIES		31,924,690	33,208,694	31,924,690	33,208,694
EQUITY					
Share capital	12	502,000	502,000	502,000	502,000
Reserves	13	4,465,848	4,366,988	4,465,848	4,366,988
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK		4,967,848	4,868,988	4,967,848	4,868,988
TOTAL LIABILITIES AND EQUITY		36,892,538	38,077,682	36,892,538	38,077,682
OFF-BALANCE SHEET EXPOSURES	20	203,946,738	161,448,027	203,946,738	161,448,027

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 2017 and the accompanying notes on page 9 to 38 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 2018

	Note	Group and Bank	
		March 2018 RM'000	March 2017 RM'000
Revenue		641,401	642,183
Interest income	14	413,468	427,999
Interest expense	15	(106,995)	(114,132)
Net interest income		<u>306,473</u>	<u>313,867</u>
Net income from Islamic banking operations		569	14,735
Other operating income	16	<u>227,364</u>	<u>199,449</u>
Total net income		534,406	528,051
Other operating expenses	17	<u>(244,082)</u>	<u>(258,644)</u>
Operating profit		290,324	269,407
Allowance for financial assets	18	<u>(21,652)</u>	<u>34,650</u>
Profit before taxation		<u>268,672</u>	<u>304,057</u>
Tax expense		<u>(65,606)</u>	<u>(73,131)</u>
Profit for the period		<u><u>203,066</u></u>	<u><u>230,926</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		<u>(671)</u>	<u>3,354</u>
Other comprehensive income for the period, net of income tax		<u>(671)</u>	<u>3,354</u>
Total comprehensive income for the period		<u><u>202,395</u></u>	<u><u>234,280</u></u>
Profit for the period attributable to:			
Equity holder of the Bank		<u><u>203,066</u></u>	<u><u>230,926</u></u>
Total comprehensive income attributable to:			
Equity holder of the Bank		<u><u>202,395</u></u>	<u><u>234,280</u></u>
Earnings per share - basic (sen)		<u><u>667</u></u>	<u><u>759</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 2017 and the accompanying notes on page 9 to 38 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 2018

	←----- Attributable to equity holder of the Bank -----→						
	<----- 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	Total RM'000
Group and Bank							
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 income for the period	-	-	-	3,354	-	3,354	3,354
At 31 March 2017	121,697	380,303	121,697	(52,539)	4,282,670	4,732,131	4,853,828
At 1 January 2018	502,000	-	-	(19,533)	4,386,521	4,366,988	4,868,988
Impact of adopting MFRS 9 at 1 January 2018	-	-	-	3,397	(106,932)	(103,535)	(103,535)
Restated balance at 1 January 2018	502,000	-	-	(16,136)	4,279,589	4,263,453	4,765,453
Profit for the period	-	-	-	-	203,066	203,066	203,066
Other comprehensive expense for the period	-	-	-	(671)	-	(671)	(671)
At 31 March 2018	502,000	-	-	(16,807)	4,482,655	4,465,848	4,967,848
	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 2017 and the accompanying notes on page 9 to 38 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 2018**

	Group		Bank	
	March 2018 RM'000	March 2017 RM'000	March 2018 RM'000	March 2017 RM'000
Profit before taxation	268,672	304,057	268,672	304,057
Adjustments for non cash items	141,016	69,158	141,016	69,158
Operating profit before working capital changes	409,688	373,215	409,688	373,215
Changes in working capital :				
Net changes in operating assets	(363,608)	(482,838)	(363,608)	(482,838)
Net changes in operating liabilities	(1,264,744)	(1,078,334)	(1,264,744)	(1,078,334)
Income taxes paid	(50,432)	(57,773)	(50,432)	(57,773)
Net cash used in operating activities	(1,269,096)	(1,245,730)	(1,269,096)	(1,245,730)
Net cash generated from/(used in) investing activities	184,498	(1,167,620)	184,498	(1,167,620)
Net cash used in financing activities	-	-	-	-
Net changes in cash and cash equivalents	(1,084,598)	(2,413,350)	(1,084,598)	(2,413,350)
Cash and cash equivalents at beginning of the period	5,879,561	11,425,781	5,879,541	11,425,761
Cash and cash equivalents at end of the period	4,794,963	9,012,431	4,794,943	9,012,411

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 2017 and the accompanying notes on page 9 to 38 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 2018 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 2017. 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 2017.

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 2017.

A2 Auditor's Report on preceeding Annual Financial Statements

The audit report on the audited financial statements for the financial year ended 31 December 2017 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 2018.

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 2018.

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 2018.

A7 Dividend

The final ordinary dividends proposed in respect of the year ended 31 December 2017 of RM550 million is pending approval from BNM and therefore is not reflected in the interim financial statements.

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 2018.

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A10 Changes in accounting policies

The accounting policies applied in the interim financial statements are consistent with those applied in the Group and the Bank's consolidated financial statements as at and for the year ended 31 December 2017, except for the changes below.

MFRS 9, Financial Instruments

The Group and the Bank has adopted MFRS 9 *Financial Instruments*. The requirements of MFRS 9 represent a change from MFRS 139 *Financial Instruments: Recognition and Measurement*. The new standard includes a new model for classification and measurement of financial assets and a forward-looking 'expected loss' impairment model. The standard replaces the existing guidance in MFRS 139 *Financial Instruments: Recognition and Measurement*.

The key changes to the Group and bank's accounting policies resulting from its adoption of MFRS 9 are summarised below.

(i) Classification of financial assets and financial liabilities

The MFRS 139 measurement categories will be replaced by: fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI), and amortised cost. MFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The standard eliminates the existing MFRS 139 categories of held-to-maturity, loans and receivables and available-for-sale.

The impact on classification and measurement to the Group and Bank's financial assets are summarised below on the initial application of MFRS 9 on 1 January 2018.

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under MFRS 139 RM'000	New carrying amount under MFRS 9 RM'000
Financial assets				
Loans, advances and financing	Loans and receivables	Amortised cost	23,652,547	23,652,547
Loans, advances and financing	Loans and receivables	FVTPL	342,077	299,830
Financial investments available for-sale	Available-for-sale	Amortised cost	4,176,071	4,176,071
Financial investments available for-sale	Available-for-sale	FVTPL	7,015	15,966

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(ii) Impairment of financial assets

MFRS 9 replaces the ‘incurred loss’ model in MFRS 139 with an ‘expected credit loss’ (ECL) model. The new impairment model applies to financial assets measured at amortised cost, investment securities measured at FVOCI and to certain loan commitments and financial guarantee contracts.

Under MFRS 9, credit loss allowances will be measured on each reporting date according to a three-Stage expected credit loss impairment model under which each financial asset is classified in one of the stages below:

(i) Stage 1: 12-months ECL

From initial recognition of a financial asset to the date on which the asset has experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognized equal to the credit losses expected to result from defaults expected over the next 12 months.

(ii) Stage 2: Lifetime CL - not credit impaired

Following a significant increase in credit risk relative to the risk at initial recognition of the financial asset, a loss allowance is recognized equal to the full credit losses expected over the remaining life of the asset.

(iii) Stage 3: Lifetime CL - credit impaired

When a financial asset is considered to be credit-impaired, a loss allowance equal to the full lifetime expected credit losses will be recognized.

(iii) Transition

The Group and the Bank has elected not to restate comparative figures. Differences in the carrying amounts of financial assets resulting from the adoption of MFRS 9 are recognised in retained earnings and reserves as at 1 January 2018.

The following table analyses the impact, net of tax, of transition to MFRS 9 on the opening balance of reserves and retained earnings.

	Group and Bank Impact of adopting MFRS 9 at 1 Jan 2018 RM'000
Fair value reserve	
1 Jan	(26,024)
Reclassification of investment securities from available-for-sale to FVOCI	3,397
Restated 1 Jan 2018	<u>(22,627)</u>
Retained earnings	
1 Jan	4,386,521
Recognition of expected credit losses under MFRS 9	(115,883)
Reclassification of fair value gain from financial assets available-for-sale to FVTPL	8,951
Impact at 1 Jan 2018	<u>4,279,589</u>

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B Review of performance and current year prospects

B1 Performance Review

Citibank Berhad registered a net profit of RM203 million and revenue of RM641 million for the financial period three months ended 31 March 2018, a decrease of 12% or RM27 million in net profit as compared to previous corresponding period. The net profit decreased was mainly contributed by the increase of 162% or RM56 million in allowance for financial assets.

Total assets recorded a decrease of RM1,185 million as compared to 31 December 2017, mainly contributed by decrease of cash and short term funds by RM1,085 million. On the other hand, total liabilities recorded a decrease of 4% or RM1,276 million as compared to 31 December 2017. Deposits and placements with banks and other financial institutions have recorded a decrease of 22% or RM971 million as compared to 31 December 2017.

B2 Prospects for 2018

The Malaysian economy continued its trajectory of growth albeit moderate in the last quarter of 2017 and onto the first quarter of 2018. The country nevertheless recorded GDP growth of 5.7% in 2017, driven mainly by private consumption, stronger manufacturing exports, steady employment and wage growth. The MIER Consumer Sentiment Index edged up to 82.6 points at end 2017 while private investment expanded 9.2%. The increasing growth trend and rising inflation rates saw Bank Negara Malaysia raising in January its key interest rate by 25 basis points to 3.25 percent, the first hike since 2014. The Malaysian Ringgit strengthened more than 10 percent against the US Dollar in 2017 and has been one of the best performing currencies in the region in this first quarter.

Whilst the external and global environments remained challenging given market volatility and economic uncertainties both in the advanced and emerging markets, the Malaysian economy proved resilient. During the quarter, Citibank Berhad recorded profit before tax of RM269 million.

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(1) Cash and short term funds

	Group	
	March 2018 RM'000	December 2017 RM'000
Cash and balances with banks and other financial institutions	47,916	53,201
Money at call and deposit placements maturing within one month	<u>4,747,047</u>	<u>5,826,360</u>
	<u><u>4,794,963</u></u>	<u><u>5,879,561</u></u>

	Bank	
	March 2018 RM'000	December 2017 RM'000
Cash and balances with banks and other financial institutions	47,896	53,181
Money at call and deposit placements maturing within one month	<u>4,747,047</u>	<u>5,826,360</u>
	<u><u>4,794,943</u></u>	<u><u>5,879,541</u></u>

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

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Licensed banks	<u><u>1,029,060</u></u>	<u><u>943,830</u></u>

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(3) Financial assets held-for-trading

	Group and Bank	
	March	December
	2018	2017
	RM'000	RM'000
At FVTPL		
Malaysian Government Treasury Bills	14,414	81,462
Malaysian Government Securities	1,151,170	1,285,817
Malaysian Government Investment Issues	338,747	384,292
Bank Negara Malaysia Bills/Notes	796,682	49,699
U.S. Treasury Notes	342,782	404,300
	<u>2,643,795</u>	<u>2,205,570</u>

(4) Financial investment available-for-sale

(i) By measurement

	Group and Bank	
	March	December
	2018	2017
	RM'000	RM'000
Investment securities measured at FVOCI	3,968,130	-
Investment securities measured at FVTPL	15,966	-
Available-for-sale	-	4,183,086
	<u>3,984,096</u>	<u>4,183,086</u>

(ii) By type

	Group and Bank	
	March	December
	2018	2017
	RM'000	RM'000
Malaysian Government Securities	2,061,121	2,238,142
Malaysian Government Investment Issues	1,565,605	1,536,910
U.S. Treasury Notes	341,404	401,019
Unquoted securities	15,966	7,015
	<u>3,984,096</u>	<u>4,183,086</u>

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(5) Loans, advances and financing

(i) By measurement

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Loans, advances and financing measured at amortised cost	23,113,972	23,994,623
Loans, advances and financing measured at FVTPL	265,639	-
Gross loans, advances and financing	<u>23,379,611</u>	<u>23,994,623</u>

(ii) By type

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Overdrafts	440,774	471,364
Term loans/financing		
- Housing loans/financing	10,594,781	10,680,991
- Other term loans/financing	2,644,675	2,678,424
Bills receivable	1,184,594	1,361,621
Trust receipts	171,837	189,923
Claims on customers under acceptance credits	709,903	686,584
Staff loans	43,677	45,311
Share margin financing	136,511	146,883
Credit cards receivables	5,843,370	6,046,915
Revolving credit	<u>1,619,180</u>	<u>1,696,623</u>
	23,389,302	24,004,639
Unearned interest and income	<u>(9,691)</u>	<u>(10,016)</u>
Gross loans, advances and financing	23,379,611	23,994,623
Less: Loss allowance	Note (5)(iii) <u>(567,717)</u>	<u>(467,978)</u>
Net loans, advances and financing	<u>22,811,894</u>	<u>23,526,645</u>

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(5) Loans, advances and financing (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						
	2018				2017		
	12-months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000	Collective RM'000	Individual RM'000	Total RM'000
At 1 January	-	-	-	-	416,271	124,952	541,223
Restated at at 1 January	109,412	300,469	160,738	570,619	-	-	-
Transfer to 12-month ECL	116,499	(110,079)	(6,420)	-	-	-	-
Transfer to lifetime ECL not credit impaired	(2,840)	4,026	(1,186)	-	-	-	-
Transfer to lifetime ECL credit impaired provision	(3)	(24,919)	24,922	-	-	-	-
Modifications to contractual cash flows of financial asset	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-
Less: Loans/financing derecognised during the period (other than write-offs)	(1,732)	(2,762)	(9,644)	(14,138)	-	-	-
New loans/financing originated or purchased	2,611	111	-	2,722	-	-	-
Net remeasurement of loss allowance	(38)	(47)	1	(84)	(67,883)	17,222	(50,661)
Modifications to contractual cash flows of financial asset	-	13,766	2,467	16,233	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-
Less: Write-offs	(7)	(2,232)	(8,806)	(11,045)	-	(22,584)	(22,584)
Others	(120,636)	127,340	(3,294)	3,410	-	-	-
At 31 March / 31 December	<u>103,266</u>	<u>305,673</u>	<u>158,778</u>	<u>567,717</u>	<u>348,388</u>	<u>119,590</u>	<u>467,978</u>

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(5) Loans, advances and financing (continued)

(iv) By interest/profit rate sensitivity

	Group and Bank	
	March	December
	2018	2017
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	563,237	570,321
- Other fixed rate loans/financing	16,628,247	11,255,501
Variable rate		
- BLR plus	4,739,330	10,631,131
- Cost plus	1,448,797	1,537,670
	<u>23,379,611</u>	<u>23,994,623</u>

(v) By sector

	Group and Bank	
	March	December
	2018	2017
	RM'000	RM'000
Primary agriculture	144,977	62,489
Mining & quarrying	317,237	379,023
Manufacturing (including agriculture based)	2,089,454	2,115,835
Electricity, gas, water	1,119	1,200
Construction	35,272	36,924
Wholesale, retail trade, restaurants and hotels	1,092,974	1,174,863
Transport, storage and communication	341,139	334,301
Finance, insurance, real estate and business services	727,054	759,876
Social & community services	210,872	190,627
Household		
- consumption credit	6,824,104	7,085,419
- residential	9,956,330	10,049,691
- purchase of securities	155,602	152,148
- others	146,638	165,974
Other sectors	1,336,839	1,486,253
	<u>23,379,611</u>	<u>23,994,623</u>

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(5) Loans, advances and financing (continued)
(vi) Residual contractual maturity

	Group and Bank	
	March	December
	2018	2017
	RM'000	RM'000
Maturing within one year	11,101,762	11,194,413
One to five years	1,448,658	1,867,212
Over five years	10,829,191	10,932,998
	<u>23,379,611</u>	<u>23,994,623</u>

(vii) By geographical distribution

	Group and Bank	
	March	December
	2018	2017
	RM'000	RM'000
Within Malaysia	<u>23,379,611</u>	<u>23,994,623</u>

(6) Impaired loans, advances and financing

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

	Group and Bank	
	March	December
	2018	2017
	RM'000	RM'000
At 1 January	556,106	526,696
Classified as impaired during the period/year	118,769	725,859
Reclassified as not impaired during the period/year	(47,760)	(374,624)
Amount recovered	(70,210)	(118,622)
Amount written off	-	(203,203)
Others	(129,657)	-
At 31 March / 31 December	<u>427,248</u>	<u>556,106</u>
Lifetime ECL credit impairment/individual assessment allowance	(158,778)	(119,590)
Net impaired loans, advances and financing	<u>268,470</u>	<u>436,516</u>
Ratio of impaired loans, advances and financing to gross loans, advances and financing	1.83%	2.32%

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

(ii) Impaired loans, advances and financing by sector

	Group and Bank	
	March	December
	2018	2017
	RM'000	RM'000
Primary agriculture	261	261
Mining & quarrying	39	1,398
Manufacturing (including agriculture based)	10,844	11,707
Construction	1,040	1,040
Wholesale, retail trade, restaurants and hotels	4,439	2,417
Transport, storage and communication	36	70
Finance, insurance, real estate and business services	4,694	4,534
Household		
- consumption credit	94,141	225,965
- residential	283,998	283,097
- purchase of securities	19,091	19,091
Other sectors	8,665	6,526
	<u>427,248</u>	<u>556,106</u>

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

	Group and Bank	
	March	December
	2018	2017
	RM'000	RM'000
Within Malaysia	<u>427,248</u>	<u>556,106</u>

(7) Other assets

	Group and Bank	
	March	December
	2018	2017
	RM'000	RM'000
Interest/Income receivables	81,568	107,051
Other debtors, deposits and prepayments	315,415	240,159
Retirement benefits plan	1,695	1,695
Derivative assets (Note 21)	576,287	510,344
	<u>974,965</u>	<u>859,249</u>
Loss allowance on other financial assets	(1,503)	-
	<u>973,462</u>	<u>859,249</u>

**CITIBANK BERHAD
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(Incorporated in Malaysia)

(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 2018 RM'000	December 2017 RM'000
Demand deposits	16,304,239	16,684,943
Saving deposits	1,461,235	1,431,787
Fixed deposits	8,416,354	8,304,689
Others - cash collateral	39	481
	<u>26,181,867</u>	<u>26,421,900</u>

(ii) By type of customers

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Government and statutory bodies	341,585	129,438
Business enterprises	13,986,639	14,438,752
Individuals	11,535,158	11,472,070
Others	318,485	381,640
	<u>26,181,867</u>	<u>26,421,900</u>

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

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Due within six months	6,659,619	6,463,186
Six months to one year	1,746,685	1,821,297
One year to five years	10,050	20,206
	<u>8,416,354</u>	<u>8,304,689</u>

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

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Bank Negara Malaysia	12,939	21,300
Licensed banks	1,445,165	1,612,441
Licensed finance companies	2,034,869	2,830,515
	<u>3,492,973</u>	<u>4,464,256</u>

(11) Other liabilities

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Interest/Profit payables	49,428	42,236
Other creditors and accruals	1,288,912	1,351,745
Structured products	145,777	154,667
Provision for loan commitments and financial guarantees	3,297	-
Derivatives liabilities (Note 21)	746,279	739,344
	<u>2,233,693</u>	<u>2,287,992</u>

(12) Share capital

	Group and Bank			
	Amount March 2018 RM'000	Number of shares		Number of shares December 2017 '000
		March 2018 '000	December 2017 RM'000	
Issued and fully paid	<u>502,000</u>	<u>121,697</u>	<u>502,000</u>	<u>121,697</u>

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(13) Reserves

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Other reserve	(16,807)	(19,533)
- Fair value reserve	(23,298)	(26,024)
- Defined benefit reserve	6,491	6,491
Retained profits	4,482,655	4,386,521
	<u>4,465,848</u>	<u>4,366,988</u>

(14) Interest income

	Group and Bank	
	March 2018 RM'000	March 2017 RM'000
Loans and advances		
- Interest income other than recoveries from impaired loans	308,989	303,834
- Recoveries from impaired loans	13,754	13,587
Money at call and deposit placements with financial institutions	40,518	70,822
Financial assets held-for-trading	13,487	13,644
Financial investments available-for-sale	35,762	27,813
Securities purchased under resale agreements	1,192	2,314
	<u>413,702</u>	<u>432,014</u>
Accretion of discounts	(234)	(4,015)
	<u>413,468</u>	<u>427,999</u>

(15) Interest expense

	Group and Bank	
	March 2018 RM'000	March 2017 RM'000
Deposits and placements of banks and other financial institutions	9,894	33,556
Deposits from customers	96,176	79,543
Others	925	1,033
	<u>106,995</u>	<u>114,132</u>

CITIBANK BERHAD
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(16) Other operating income

	Group and Bank	
	March	March
	2018	2017
	RM'000	RM'000
Fee income:		
Commission	16,889	17,007
Service charges and fees	4,592	5,586
Guarantee fees	1,765	1,770
Bankcard fees	87,364	76,711
Insurance premium and referral	12,335	12,225
Other fee income	21,415	24,373
	<u>144,360</u>	<u>137,672</u>
Trading income:		
Unrealised loss from revaluation of financial assets held-for-trading	(2,027)	(1,417)
Net gain from sales of securities		
- Financial assets held-for-trading	1,329	4,432
- Financial investments available-for-sale	791	281
	<u>93</u>	<u>3,296</u>
Other income:		
Foreign exchange gain, net	83,584	165,319
Unrealised loss from derivatives	(100,115)	(96,057)
Gain/(loss) from derivatives	98,445	(10,777)
Net loss on revaluation of financial assets measured at FVTPL	(5,889)	-
Loss on disposal of plant and equipment	(5)	(4)
Others	6,891	-
	<u>82,911</u>	<u>58,481</u>
Total other operating income	<u>227,364</u>	<u>199,449</u>

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(17) Other operating expenses

	Group and Bank	
	March 2018 RM'000	March 2017 RM'000
Personnel costs		
-Salaries, allowances and bonuses	69,947	72,624
-Contribution to Employees Provident Fund	11,052	4,060
-Staff benefits and other compensations	9,599	15,975
-Others	726	1,009
	<u>91,324</u>	<u>93,668</u>
Establishment costs		
-Depreciation	3,933	3,979
-Rental of premises	1,244	5,737
-Hire of equipments	136	123
-Utilities	884	984
-Others	15,713	3,439
	<u>21,910</u>	<u>14,262</u>
Marketing expenses		
-Advertisement and promotional expenses	9,152	10,008
-Others	220	86
	<u>9,372</u>	<u>10,094</u>
Administration and general expenses		
-Processing cost	93,654	100,506
-Auditors' remuneration	259	166
-Stationeries and supplies	775	928
-Communication expenses	1,141	7,122
-Maintenance of office equipment	1,973	(143)
-Others	23,674	32,041
	<u>121,476</u>	<u>140,620</u>
Total other operating expenses	<u>244,082</u>	<u>258,644</u>

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(18) Allowance for financial assets

	Group and Bank	
	March 2018 RM'000	March 2017 RM'000
<u>Individual assessment</u>		
- made in the financial period	-	7,259
- written back	-	(1,776)
<u>Collective assessment</u>		
- written back in the financial period	-	(64,724)
<u>Impaired loans, advances and financing</u>		
- written back	-	(22,145)
- written off	-	46,736
<u>12-months ECL</u>		
- made in the financial period	5,321	-
- written back	(11,805)	-
<u>Lifetime ECL not credit impaired</u>		
- made in the financial period	7,246	-
- written back	(2,011)	-
<u>Lifetime ECL credit impaired</u>		
- made in the financial period	58	-
- written back	(25,940)	-
- written off	48,783	-
	<u>21,652</u>	<u>(34,650)</u>

**CITIBANK BERHAD
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(19) Capital adequacy

(a) The capital adequacy ratios are as follows:

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Computation of Total Risk Weighted Assets ("RWA")		
Total credit RWA	20,628,181	21,028,798
Total market RWA	1,112,556	1,643,230
Total operational RWA	3,782,815	3,731,917
Total Risk Weighted Assets	25,523,552	26,403,945
Computation of Capital Ratios		
Common Equity Tier I ("CET I") Capital	4,680,579	4,789,945
Tier 1 Capital	4,680,579	4,789,945
Total Capital *	4,938,431	5,052,805
Before deducting proposed dividends:		
Common Equity Tier I ("CET I") capital ratio	18.338%	18.141%
Tier 1 capital ratio	18.338%	18.141%
Total capital ratio	19.349%	19.137%
After deducting proposed dividends:		
Common Equity Tier I ("CET I") capital ratio	16.458%	16.323%
Tier 1 capital ratio	16.458%	16.323%
Total capital ratio	17.468%	17.319%

* In arriving at the capital base used in the ratio calculations of the Bank, proposed dividends were not deducted for March 2018 and December 2017.

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) reissued on 2 February 2018. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The 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 2018 RM'000	December 2017 RM'000
CET 1 Capital/Tier 1 Capital		
Paid up ordinary share capital	502,000	502,000
Retained profits	4,279,589	4,386,521
Other reserves	(16,807)	(19,533)
Less: Deferred tax assets, net	(82,508)	(77,348)
Less: Defined benefit pension fund assets	(1,695)	(1,695)
Total CET 1 Capital/Tier 1 Capital	4,680,579	4,789,945
Tier 2 Capital		
Loss allowance and regulatory reserves*	257,852	262,860
Total Tier 2 Capital	257,852	262,860
Total Capital	4,938,431	5,052,805

* Excludes loss allowance restricted from Tier II Capital by BNM of RM151.1 million (2017: RM85.5 million)

CITIBANK BERHAD
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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 2018 Group and Bank	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item			
Direct credit substitutes	1,639,085	1,639,085	1,496,403
Transaction related contingent items	501,558	250,779	237,764
Short term self liquidating trade related contingencies	244,583	48,917	41,395
Forward asset purchases	60,030	60,030	30,015
Foreign exchange related contracts:			
One year or less	59,613,357	615,649	358,447
Over one year to five years	2,710,036	198,719	103,605
Over five years	41,963	4,899	4,899
Interest/Profit rate related contracts:			
One year or less	35,435,281	15,531	3,900
Over one year to five years	64,112,610	906,844	328,096
Over five years	2,610,000	186,040	101,937
Equity related contracts:			
One year or less	1,368,894	-	-
Over one year to five years	-	-	-
Over five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	2,139,849	146,772	82,459
Over one year to five years	5,186	19,468	15,141
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	528,536	105,707	105,707
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	485,535	242,767	187,376
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	13,808,005	-	-
Unutilised credit card lines	18,642,230	3,728,446	2,813,973
Total	203,946,738	8,169,653	5,911,117

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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 2017 Group and Bank	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item			
Direct credit substitutes	1,651,974	1,651,974	1,527,019
Transaction related contingent items	491,885	245,942	216,789
Short term self liquidating trade related contingencies	121,881	24,376	20,417
Forward asset purchases	1,540	1,540	770
Foreign exchange related contracts:			
One year or less	43,977,381	473,491	314,906
Over one year to five years	3,152,163	267,568	108,371
Over five years	43,287	3,972	3,972
Interest/Profit rate related contracts:			
One year or less	20,728,494	21,072	6,443
Over one year to five years	55,605,667	849,506	298,154
Over five years	2,482,000	143,077	84,945
Equity related contracts:			
One year or less	-	-	-
Over one year to five years	-	-	-
Over five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	1,132,108	128,106	68,273
Over one year to five years	13,095	23,655	19,609
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	824,093	412,047	348,277
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	160,583	32,117	32,117
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	12,585,530	-	-
Unutilised credit card lines	18,476,346	3,695,269	2,790,328
Total	161,448,027	7,973,712	5,840,390

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(21) Derivative financial instruments

	<----- March 2018 ----->			<----- December 2017 ----->		
	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	55,426,887	205,136	489,023	40,689,409	149,225	395,557
- Cross currency interest rate swaps	5,606,228	178,082	115,205	5,974,934	178,599	192,977
- Options	1,332,240	3,354	936	508,488	1,530	919
Interest rate contracts:						
- Futures	-	-	-	810,900	-	-
- Swaps	101,917,891	127,330	68,062	77,765,261	113,581	70,202
- Options	240,000	634	-	240,000	869	-
Equity related contracts	1,368,894	283	294	-	-	-
Others	2,145,036	61,468	72,759	1,145,203	66,540	79,689
	<u>168,037,176</u>	<u>576,287</u>	<u>746,279</u>	<u>127,134,195</u>	<u>510,344</u>	<u>739,344</u>
		Note 7	Note 11		Note 7	Note 11

CITIBANK BERHAD
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ISLAMIC BANKING OPERATIONS
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UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018

		Group and Bank	
		March	December
		2018	2017
		RM'000	RM'000
Assets			
Cash and short term funds	(a)	2,080,953	2,355,265
Financing, advances and other loans	(b)	368,445	399,855
Other assets	(d)	6,093	4,001
Total assets		<u><u>2,455,491</u></u>	<u><u>2,759,121</u></u>
Liabilities			
Deposits from customers	(e)	2,039,057	2,339,362
Deferred tax liabilities		407	505
Other liabilities	(f)	7,126	10,819
Total liabilities		<u><u>2,046,590</u></u>	<u><u>2,350,686</u></u>
Islamic banking funds	(g)	408,901	408,435
Total liabilities and Islamic banking funds		<u><u>2,455,491</u></u>	<u><u>2,759,121</u></u>
Off-balance sheet exposures	(o)	<u><u>14</u></u>	<u><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 2017 and the accompanying notes on page 29 to 38 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 2018

		Group and Bank	
		March	March
		2018	2017
		RM'000	RM'000
Income derived from investments of depositors' funds and others	(h)	12,231	6,922
Allowance for financial assets	(i)	<u>(213)</u>	<u>77,543</u>
Total attributable income		12,018	84,465
Income attributable to depositors	(j)	<u>(1,874)</u>	<u>(2,326)</u>
Total attributable to the Bank		10,144	82,139
(Loss)/ Income derived from investment of Islamic Banking Capital funds	(k)	<u>(9,788)</u>	<u>10,139</u>
Total net income		356	92,278
Other operating expenses	(m)	<u>(85)</u>	<u>(383)</u>
Profit before taxation		271	91,895
Tax expense		<u>(38)</u>	<u>(28,833)</u>
Profit for the period		<u><u>233</u></u>	<u><u>63,062</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>233</u></u>	<u><u>63,062</u></u>
Profit for the period attributable to:			
Equity holder of the Bank		<u><u>233</u></u>	<u><u>63,062</u></u>
Total comprehensive income attributable to:			
Equity holder of the Bank		<u><u>233</u></u>	<u><u>63,062</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 2017 and the accompanying notes on page 29 to 38 attached to the unaudited condensed interim financial statements.

CITIBANK BERHAD
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UNAUDITED STATEMENTS OF CHANGES IN ISLAMIC BANKING FUNDS
FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2018

	Group and Bank		
	Capital funds RM'000	Retained profits RM'000	Total RM'000
At 1 January 2017	20,000	284,067	304,067
Profit for the period	-	63,062	63,062
Other comprehensive expense for the period	-	-	-
At 31 March 2017	<u>20,000</u>	<u>347,129</u>	<u>367,129</u>
At 1 January 2018	20,000	388,435	408,435
Impact of adopting MFRS 9 at 1 January 2018	-	233	233
Restated balance at 1 January 2018	<u>20,000</u>	<u>388,668</u>	<u>408,668</u>
Profit for the period	-	233	233
At 31 March 2018	<u>20,000</u>	<u>388,901</u>	<u>408,901</u>

Note (g)

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 2017 and the accompanying notes on page 29 to 38 attached to the unaudited condensed interim financial statements.

CITIBANK BERHAD
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(a) Cash and short term funds

	Group and Bank	
	March	December
	2018	2017
	RM'000	RM'000
Cash and balances with banks and other financial institutions	2,246	2,432
Money at call and deposit placements maturing within one month	2,078,707	2,352,833
	<u>2,080,953</u>	<u>2,355,265</u>

(b) Financing, advances and other loans

(i) By measurement

	Group and Bank	
	March	December
	2018	2017
	RM'000	RM'000
Loans, advances and financing measured at amortised cost	181,765	432,030
Loans, advances and financing measured at FVTPL	187,507	-
Gross loans, advances and financing	<u>369,272</u>	<u>432,030</u>

(ii) By type

	Group and Bank	
	March	December
	2018	2017
	RM'000	RM'000
Term financing		
- Housing loans/financing	187,473	195,329
- Other term loans/financing	187,984	243,129
	<u>375,457</u>	<u>438,458</u>
Unearned income	(6,185)	(6,428)
Gross financing, advances and other loans	<u>369,272</u>	<u>432,030</u>
Less: Loss allowance	(827)	(32,175)
Total net financing, advances and other loans	<u>368,445</u>	<u>399,855</u>

Note (b)(iii)

CITIBANK BERHAD
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ISLAMIC BANKING OPERATIONS
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(b) Financing, advances and other loans (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				2017		
	2018	2018	2018	2018	2017	2017	2017
	12-months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000	Collective RM'000	Individual RM'000	Total RM'000
At 1 January	-	-	-	-	104,004	515	104,519
Restated at at 1 January	286	28	497	811	-	-	-
Transfer to 12-month ECL	12	(12)	-	-	-	-	-
Transfer to lifetime ECL not credit impaired	(5)	6	(1)	-	-	-	-
Transfer to lifetime ECL credit impaired provision	1	(2)	1	-	-	-	-
Less: Loans/financing derecognised during the period (other than write-offs)	(3)	-	-	(3)	-	-	-
Net remeasurement of loss allowance	-	-	-	-	(70,137)	(13)	(70,150)
Less: Write-offs	-	-	-	-	(2,179)	(15)	(2,194)
Others	13	5	1	19	-	-	-
At 31 March / 31 December	304	25	498	827	31,688	487	32,175

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

(iv) By contract

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Bai'Bi Thaman Ajil	12,225	12,664
Diminishing Musharakah	169,062	176,237
Murabahah	187,985	243,129
	<u>369,272</u>	<u>432,030</u>

(v) By profit rate sensitivity

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Fixed rate		
- House loans/financing	181,287	188,901
Variable rate		
- Cost plus	187,985	243,129
	<u>369,272</u>	<u>432,030</u>

(vi) By sector

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Household-residential	180,822	188,429
Mining & quarrying	187,985	243,129
Other sectors	465	472
	<u>369,272</u>	<u>432,030</u>

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(c) Impaired financing, advances and other loans

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

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
At 1 January	8,147	7,302
Classified as impaired during the period/year	406	8,726
Reclassified as performing during the period/year	(1,314)	(6,255)
Amount recovered	-	(1,626)
Others	(70)	-
At 31 March / 31 December	<u>7,169</u>	<u>8,147</u>
Lifetime ECL credit impairment/individual assessment allowance	<u>(498)</u>	<u>(487)</u>
Net impaired financing, advances and other loans	<u><u>6,671</u></u>	<u><u>7,660</u></u>
Ratio of impaired financing, advances and other loans to total gross financing, advances and other loans	1.94%	1.89%

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

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Household - Residential	<u>7,169</u>	<u>8,147</u>

(d) Other assets

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Profit receivables	1,237	1,534
Other debtors, deposits and prepayments	<u>5,053</u>	<u>2,467</u>
	6,290	4,001
Loss allowance on other financial assets	<u>(197)</u>	<u>-</u>
	<u><u>6,093</u></u>	<u><u>4,001</u></u>

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(e) Deposits and funds from customers

(i) By type of deposit and funds

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Non-Mudarabah Fund		
Demand deposits	1,992,193	2,291,165
Saving deposits	46,864	48,197
	2,039,057	2,339,362

(ii) By type of customers

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Government and statutory bodies	261,273	25,430
Business enterprises	1,461,875	1,659,281
Individuals	56,983	56,186
Others	258,926	598,465
	2,039,057	2,339,362

(f) Other liabilities

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Provision for taxation	111	11
Other creditors and accruals	7,015	10,808
	7,126	10,819

(g) Islamic Banking funds

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Fund allocated	20,000	20,000
Retained earnings	388,901	388,435
	408,901	408,435

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

	Group and Bank	
	March 2018 RM'000	March 2017 RM'000
Income derived from investment of:		
(i) General investment deposits	12,231	4,146
(ii) Other deposits	-	2,776
	12,231	6,922

(i) Income derived from investment of general investment deposits

	Group and Bank	
	March 2018 RM'000	March 2017 RM'000
Finance income and hibah		
Financing, advances and other loans	3,183	1,175
Money at call and placements with financial institutions	9,047	2,963
	12,230	4,138
Accretion of discount less amortisation of premium	-	1
Total finance income and hibah	12,230	4,139
Other operating income		
Fee income	1	7
Income from general investment deposits	12,231	4,146

(ii) Income derived from investment of other deposits

	Group and Bank	
	March 2018 RM'000	March 2017 RM'000
Finance income and hibah		
Financing, advances and other loans	-	787
Money at call and placements with financial institutions	-	1,983
	-	2,770
Accretion of discount less amortisation of premium	-	1
Total finance income and hibah	-	2,771
Other operating income		
Fee income	-	5
Income from investments of other deposits	-	2,776

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(i) Allowance for financial assets

	Group and Bank	
	March 2018 RM'000	March 2017 RM'000
<u>Individual assessment allowance</u>		
- made in the financial period	-	3
- written back	-	(14)
<u>Collective assessment allowance</u>		
- Written back during the period	-	(77,532)
<u>12-months ECL</u>		
- made in the financial period	211	-
<u>Lifetime ECL not credit impaired</u>		
- written back	(3)	-
<u>Lifetime ECL credit impaired</u>		
- made in the financial period	2	-
- written off	3	-
	213	(77,543)

(j) Income attributable to depositors

	Group and Bank	
	March 2018 RM'000	March 2017 RM'000
Deposits from customers		
- Mudarabah funds	-	1,794
- Non-Mudarabah funds	1,856	511
Others	18	21
	1,874	2,326

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(k) (Loss)/income derived from investment of Islamic Banking Capital Funds

	Group and Bank	
	March 2018 RM'000	March 2017 RM'000
Financing, advances and other loans	843	2,802
Money at call and placements with financial institutions	2,395	7,061
	<u>3,238</u>	<u>9,863</u>
Accretion of discount less amortisation of premium	-	2
Total finance income and hibah	<u>3,238</u>	<u>9,865</u>
Other operating income		
Fee income	39	69
Gain from trading activities	1,076	205
Net loss on revaluation of financial assets measured at FVTPL	(14,141)	-
	<u>(13,026)</u>	<u>274</u>
 (Loss)/income from Islamic Banking Capital Funds	 <u>(9,788)</u>	 <u>10,139</u>

(l) Income from Islamic banking operations

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

	Group and Bank	
	March 2018 RM'000	March 2017 RM'000
Income derived from investment of depositors' funds and others	(h) 12,231	6,922
Income attributable to depositors	(j) (1,874)	(2,326)
Income/(loss) derived from investment of Islamic Banking Funds	(k) (9,788)	10,139
	<u>569</u>	<u>14,735</u>

(m) Other operating expenses

	Group and Bank	
	March 2018 RM'000	March 2017 RM'000
Personnel costs	53	16
Establishment costs	4	-
Administrative and general expenses	28	367
	<u>85</u>	<u>383</u>

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(n) Capital adequacy

(i) The capital adequacy ratios are as follows:

	Group and Bank	
	March 2018 RM'000	December 2017 RM'000
Computation of Total Risk Weighted Assets ("RWA")		
Total credit RWA	75,045	74,744
Total operational RWA	100,346	104,519
Total Risk Weighted Assets	<u>175,391</u>	<u>179,263</u>
Computation of Capital Ratios		
Common Equity Tier I ("CET I") Capital	408,668	408,435
Tier 1 Capital	408,668	408,435
Total Capital	408,997	412,317
Common Equity Tier I ("CET I") capital ratio	<u>233.004%</u>	<u>227.841%</u>
Tier 1 capital ratio	<u>233.004%</u>	<u>227.841%</u>
Total capital ratio	<u>233.191%</u>	<u>230.007%</u>

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) reissued on 2 February 2018. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The 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 2018 RM'000	December 2017 RM'000
CET 1 Capital/Tier 1 Capital		
Fund allocated	20,000	20,000
Retained earnings	388,668	388,435
Total CET 1 Capital/Tier 1 Capital	<u>408,668</u>	<u>408,435</u>
Tier 2 Capital		
Loss allowance and regulatory reserves*	329	3,882
Total Tier 2 Capital	<u>329</u>	<u>3,882</u>
Total Capital	<u>408,997</u>	<u>412,317</u>

* Excludes loss allowance restricted from Tier II Capital by BNM of RM Nil. (2017: RM27.8 million)

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(o) **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 2018			
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 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	-	-	-
Total	-	-	-