



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

**UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**31 March 2019**

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

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

**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2019**

	Note	Group		Bank	
		March 2019 RM'000	December 2018 RM'000	March 2019 RM'000	December 2018 RM'000
<b>ASSETS</b>					
Cash and short term funds	1	3,363,253	2,987,381	3,363,233	2,987,361
Deposits and placements with banks and other financial institutions	2	1,117,698	996,236	1,117,698	996,236
Securities purchased under resale agreements		-	122,439	-	122,439
Investment securities	3	8,636,492	8,929,403	8,636,492	8,929,403
Loans, advances and financing	4	23,303,417	23,932,094	23,303,417	23,932,094
Other assets	6	1,267,392	1,004,538	1,267,392	1,004,538
Statutory deposits with Bank Negara Malaysia	7	373,144	400,524	373,144	400,524
Deferred tax assets		132,243	139,233	132,243	139,233
Investment in subsidiaries		-	-	20	20
Property, plant and equipment		64,236	45,019	64,236	45,019
<b>TOTAL ASSETS</b>		<b>38,257,875</b>	<b>38,556,867</b>	<b>38,257,875</b>	<b>38,556,867</b>
<b>LIABILITIES</b>					
Deposits from customers	8	26,148,274	26,408,324	26,148,274	26,408,324
Deposits and placements of banks and other financial institutions	9	4,728,741	5,317,859	4,728,741	5,317,859
Other liabilities	10	2,031,645	1,701,347	2,031,645	1,701,347
Provision for taxation		11,413	63,119	11,413	63,119
<b>TOTAL LIABILITIES</b>		<b>32,920,073</b>	<b>33,490,649</b>	<b>32,920,073</b>	<b>33,490,649</b>
<b>EQUITY</b>					
Share capital	11	502,000	502,000	502,000	502,000
Reserves	12	4,835,802	4,564,218	4,835,802	4,564,218
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK</b>		<b>5,337,802</b>	<b>5,066,218</b>	<b>5,337,802</b>	<b>5,066,218</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>38,257,875</b>	<b>38,556,867</b>	<b>38,257,875</b>	<b>38,556,867</b>
<b>COMMITMENTS AND CONTINGENCIES</b>					
	19	<b>219,516,706</b>	<b>198,520,587</b>	<b>219,516,706</b>	<b>198,520,587</b>

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

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**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2019**

	Note	Group and Bank	
		March 2019 RM'000	March 2018 RM'000
Revenue		684,635	641,401
Interest income	13	419,725	413,468
Interest expense	14	(129,663)	(106,995)
<b>Net interest income</b>		290,062	306,473
Net income from Islamic Banking operations		49,841	569
Other operating income	15	215,069	227,364
Total net income		554,972	534,406
Other operating expenses	16	(215,780)	(244,082)
Operating profit		339,192	290,324
Allowance for loans, advances and financing	17	(54)	(21,959)
Allowance for other assets		(482)	307
<b>Profit before taxation</b>		338,656	268,672
Tax expense		(82,056)	(65,606)
<b>Profit for the period</b>		256,600	203,066
<b>Other comprehensive income/(expense), net of tax</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
<b>Investment securities</b>			
- Net change in fair value		14,399	242
- Net transferred from/(to) profit or loss		585	(913)
<b>Total other comprehensive income/(expense) for the period</b>		14,984	(671)
<b>Total comprehensive income for the period</b>		271,584	202,395
<b>Profit for the period attributable to:</b>			
Owner of the Bank		256,600	203,066
<b>Total comprehensive income attributable to:</b>			
Owner of the Bank		271,584	202,395
Earnings per share - basic (sen)		843	667

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

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**UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2019**

	←————— Attributable to owner of the Bank —————→				
	←—— <i>Non-Distributable</i> ——→	————— <i>Distributable</i> —————			
<b>Group and Bank</b>	<b>Share Capital RM'000</b>	<b>Other Reserves RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total Reserves RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2018</b>	502,000	(19,533)	4,386,521	4,366,988	4,868,988
Effect of adopting MFRS 9 at 1 January 2018	-	3,397	(106,932)	(103,535)	(103,535)
<b>Restated balance at 1 January 2018</b>	502,000	(16,136)	4,279,589	4,263,453	4,765,453
Fair value reserve on investment securities:					
- Net change in fair value	-	242	-	242	242
- Net transferred to profit or loss	-	(913)	-	(913)	(913)
Total other comprehensive expense for the period	-	(671)	-	(671)	(671)
Profit for the period	-	-	203,066	203,066	203,066
<b>Total comprehensive (expense)/income for the period</b>	-	(671)	203,066	202,395	202,395
<b>At 31 March 2018</b>	502,000	(16,807)	4,482,655	4,465,848	4,967,848
<b>At 1 January 2019</b>	502,000	(23,029)	4,587,247	4,564,218	5,066,218
Fair value reserve on investment securities:					
- Net change in fair value	-	14,399	-	14,399	14,399
- Net transferred from profit or loss	-	585	-	585	585
Total other comprehensive income for the period	-	14,984	-	14,984	14,984
Profit for the period	-	-	256,600	256,600	256,600
<b>Total comprehensive income for the period</b>	-	14,984	256,600	271,584	271,584
<b>At 31 March 2019</b>	502,000	(8,045)	4,843,847	4,835,802	5,337,802
	Note 11			Note 12	

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

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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD  
THREE MONTHS ENDED 31 MARCH 2019**

	Group		Bank	
	March 2019 RM'000	March 2018 RM'000	March 2019 RM'000	March 2018 RM'000
Profit before taxation	338,656	268,672	338,656	268,672
Adjustments for non cash items	(1,494)	141,016	(1,494)	141,016
Operating profit before working capital changes	337,162	409,688	337,162	409,688
Changes in working capital :				
Net changes in operating assets	(122,702)	(363,608)	(122,702)	(363,608)
Net changes in operating liabilities	(518,870)	(1,264,744)	(518,870)	(1,264,744)
Income taxes paid	(130,694)	(50,432)	(130,694)	(50,432)
Net cash used in operating activities	(435,104)	(1,269,096)	(435,104)	(1,269,096)
Net cash generated from in investing activities	810,976	184,498	810,976	184,498
Net changes in cash and cash equivalents	375,872	(1,084,598)	375,872	(1,084,598)
Cash and cash equivalents at beginning of the period	2,987,381	5,879,561	2,987,361	5,879,541
Cash and cash equivalents at end of the period	3,363,253	4,794,963	3,363,233	4,794,943

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

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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 2019 have been prepared in accordance with the Financial Reporting policy document issued by Bank Negara Malaysia ("BNM") on 2 February 2018.

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2018. The explanatory notes attached in the unaudited interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2018.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2018.

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

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

**A3 Seasonality or Cyclical factors**

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

**A4 Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group and the Bank for the financial period three months ended 31 March 2019.

**A5 Changes in estimates**

There were no changes in estimates of amounts reported in prior financial year that have a material effect on the financial results and position of the Group and the Bank for the financial period three months ended 31 March 2019.

**A6 Issuance and repayment of Debt and Equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period three months ended 31 March 2019.

**A7 Dividend**

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

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

**B1 Performance Review**

Citibank Berhad registered a net profit of RM257 million and revenue of RM685 million for the financial period three months ended 31 March 2019, an increase of 26% or RM54 million in net profit as compared to previous corresponding period. The net profit increased was mainly contributed by the increase in net income from Islamic Banking operations.

Total assets recorded a decrease of RM299 million as compared to 31 December 2018, mainly contributed by decrease of securities purchased under resale agreements and investment securities. Total liabilities recorded a decrease of 2% or RM571 million as compared to 31 December 2018. This is mainly driven by decrease in deposits and placements with banks and other financial institutions.

**B2 Prospects for 2019**

It has been a challenging financial quarter given global volatility arising from the US-China trade tension and locally, the slower pace of economic growth. The Malaysian economy showed growth of 4.7% in 2018 with firm domestic demand and moderate increase in private consumption. The manufacturing sector was lacklustre with headwinds stemming from the external environment. Inflation is expected to be at 1.6% to 2% this year compared to the 1% recorded in 2018.

For the financial quarter, Citibank Berhad recorded profit before tax of RM339 million.

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

	<b>Group</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
Cash and balances with banks and other financial institutions	45,958	48,102
Money at call and deposit placements maturing within one month	3,317,295	2,939,279
	<u>3,363,253</u>	<u>2,987,381</u>

	<b>Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
Cash and balances with banks and other financial institutions	45,938	48,082
Money at call and deposit placements maturing within one month	3,317,295	2,939,279
	<u>3,363,233</u>	<u>2,987,361</u>

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

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
Licensed banks	<u>1,117,698</u>	<u>996,236</u>



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**(3) Investment securities**

**(i) By measurement**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Investment securities measured at FVTPL		
- Debt instruments	2,633,706	2,132,243
- Equity instruments	13,102	13,102
Investment securities measured at FVOCI		
- Debt instruments	5,989,684	6,784,058
	<u>8,636,492</u>	<u>8,929,403</u>

**(ii) By type**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysian Government Treasury Bills	549,174	51,825
Malaysian Government Securities	3,506,953	5,337,380
Malaysian Government Investment Issues	4,128,207	2,757,050
Bank Negara Malaysia Bills/Notes	279,117	609,385
U.S. Treasury Notes	159,939	160,661
Unquoted securities	13,102	13,102
	<u>8,636,492</u>	<u>8,929,403</u>

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

**(i) By measurement**

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
Loans, advances and financing measured at amortised cost	23,548,300	24,075,714
Loans, advances and financing measured at FVTPL	164,156	284,481
Gross loans, advances and financing	<u>23,712,456</u>	<u>24,360,195</u>
Less: Loss allowance	Note (5)(iv) <u>(409,039)</u>	<u>(428,101)</u>
Net loans, advances and financing	<u><u>23,303,417</u></u>	<u><u>23,932,094</u></u>

**(ii) By type**

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
Overdrafts	518,276	554,163
Term loans/financing		
- Housing loans/financing	10,011,157	10,167,752
- Other term loans/financing	2,661,407	3,030,756
Bills receivable	985,991	1,017,443
Trust receipts	203,774	168,399
Claims on customers under acceptance credits	765,031	732,270
Staff loans	39,597	39,792
Share margin financing	97,677	105,981
Credit cards receivables	5,941,562	6,143,620
Revolving credit	<u>2,502,241</u>	<u>2,415,355</u>
	23,726,713	24,375,531
Unearned interest and income	<u>(14,257)</u>	<u>(15,336)</u>
Gross loans, advances and financing	<u>23,712,456</u>	<u>24,360,195</u>
Less: Loss allowance	Note (5)(iv) <u>(409,039)</u>	<u>(428,101)</u>
Net loans, advances and financing	<u><u>23,303,417</u></u>	<u><u>23,932,094</u></u>

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

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

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
- Housing loans/financing	532,557	546,131
- Other fixed rate loans/financing	10,761,158	10,721,509
Variable rate		
- Base rate/Base Lending Rate plus	10,047,715	10,230,796
- Cost plus	2,371,026	2,861,759
	<u>23,712,456</u>	<u>24,360,195</u>

**(iv) By sector**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	4,877	5,574
Mining & quarrying	23,796	40,003
Manufacturing (including agriculture based)	2,982,099	2,791,531
Electricity, gas, water	1,581	1,645
Construction	72,090	19,674
Wholesale, retail trade, restaurants and hotels	1,299,773	1,350,387
Transport, storage and communication	690,213	724,509
Finance, insurance, real estate and business services	1,251,903	1,292,551
Social & community services	45,057	44,305
Household		
- consumption credit	6,896,903	7,126,672
- residential	9,346,081	9,501,516
- purchase of securities	97,677	105,981
- others	103,636	108,945
Other sectors	896,770	1,246,902
	<u>23,712,456</u>	<u>24,360,195</u>

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

**(v) Residual contractual maturity**

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
Maturing within one year	13,057,470	12,403,312
One to five years	755,626	1,551,666
Over five years	9,899,360	10,405,217
	<u>23,712,456</u>	<u>24,360,195</u>

**(vi) By geographical distribution**

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
Within Malaysia	<u>23,712,456</u>	<u>24,360,195</u>

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

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

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
At 1 January	220,517	556,106
Classified as impaired during the period/year	125,313	495,802
Reclassified as performing during the period/year	(87,249)	(460,618)
Amount recovered	(9,391)	(70,409)
Amount written off	(34,626)	(280,024)
Others	(13,764)	(20,340)
At 31 March / 31 December	200,800	220,517
Lifetime ECL credit impairment	(47,254)	(48,650)
Net impaired loans, advances and financing	<u>153,546</u>	<u>171,867</u>
Ratio of net impaired loans and financing to gross loans and financing less lifetime ECL credit impairment	0.66%	0.71%

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

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

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
Manufacturing (including agriculture based)	3,031	1,938
Construction	893	903
Wholesale, retail trade, restaurants and hotels	8,022	10,344
Transport, storage and communication	-	164
Finance, insurance, real estate and business services	158	1,444
Household		
- consumption credit	52,996	53,322
- residential	127,315	143,016
Other sectors	8,385	9,386
	<u>200,800</u>	<u>220,517</u>

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

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
Within Malaysia	<u>200,800</u>	<u>220,517</u>

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

**(iv) Loss allowance**

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

	Group and Bank							
	March 2019				December 2018			
	12-months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000	12-months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
At 1 January	80,774	298,677	48,650	428,101				467,978
Less: Adjustments on initial application of MFRS 9								
- Reclassified to loans at FVTPL	-	-	-	-				(42,247)
- Remeasurement of ECL	-	-	-	-				144,888
Restated at 1 January	80,774	298,677	48,650	428,101	109,412	300,469	160,738	570,619
Transfer to 12-month ECL	281,694	(267,524)	(14,170)	-	681,243	(638,072)	(43,171)	-
Transfer to lifetime ECL not credit impaired	(1,266)	5,953	(4,687)	-	(6,486)	19,785	(13,299)	-
Transfer to lifetime ECL credit impaired provision	(4)	(38,347)	38,351	-	(129)	(110,449)	110,578	-
Less: Loans/financing derecognised during the period (other than write-offs)	(2,258)	(486)	(62)	(2,806)	(8,606)	(12,702)	(31,057)	(52,365)
New loans/financing originated or purchased	4,024	144	-	4,168	15,816	395	-	16,211
Net remeasurement of loss allowance	(277,651)	300,001	4,775	27,125	(661,487)	707,743	15,246	61,502
Modifications to contractual cash flows of financial asset	-	18,639	4,402	23,041	-	75,478	15,607	91,085
Changes in models/risk parameters	-	(49,834)	(30,625)	(80,459)	-	-	-	-
Less: Write-offs	(15)	(290)	(24,676)	(24,981)	(11,430)	(18,481)	(172,709)	(202,620)
Others	(10,373)	19,927	25,296	34,850	(37,559)	(25,489)	6,717	(56,331)
At 31 March / 31 December	74,925	286,860	47,254	409,039	80,774	298,677	48,650	428,101

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**(6) Other assets**

		<b>Group and Bank</b>	
		<b>March</b>	<b>December</b>
		<b>2019</b>	<b>2018</b>
		<b>RM'000</b>	<b>RM'000</b>
Interest/Income receivables		110,958	117,019
Other debtors, deposits and prepayments		672,460	339,520
Derivative assets	Note (20)	485,019	549,092
		<u>1,268,437</u>	<u>1,005,631</u>
Less: Loss allowance		(1,045)	(1,093)
		<u><u>1,267,392</u></u>	<u><u>1,004,538</u></u>

**(7) Statutory deposits with Bank Negara Malaysia**

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

**(8) Deposits from customers**

**(i) By type of deposits**

		<b>Group and Bank</b>	
		<b>March</b>	<b>December</b>
		<b>2019</b>	<b>2018</b>
		<b>RM'000</b>	<b>RM'000</b>
Demand deposits		17,138,946	17,196,802
Saving deposits		1,399,954	1,356,029
Fixed deposits		7,609,274	7,855,493
Others - cash collateral		100	-
		<u>26,148,274</u>	<u>26,408,324</u>

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**(8) Deposits from customers (continued)**

**(ii) By type of customers**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	1,983,597	1,497,786
Business enterprises	13,753,008	14,220,784
Individuals	10,368,997	10,667,935
Others	42,672	21,819
	<u>26,148,274</u>	<u>26,408,324</u>

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

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	6,285,832	6,422,386
Six months to one year	1,323,442	1,424,599
One year to five years	-	8,508
	<u>7,609,274</u>	<u>7,855,493</u>

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

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank Negara Malaysia	5,835	51,363
Licensed banks	2,743,041	3,894,058
Licensed financial institutions	1,979,865	1,372,438
	<u>4,728,741</u>	<u>5,317,859</u>

**(10) Other liabilities**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest/Profit payables	44,904	51,124
Other creditors and accruals	1,482,332	1,190,917
Lease liabilities	23,631	-
Structured products	73,032	79,681
Provision for commitments and contingencies	2,234	2,299
Derivatives liabilities	405,512	377,326
	<u>2,031,645</u>	<u>1,701,347</u>

Note (20)



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**(11) Share capital**

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

**(12) Reserves**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Other reserve	(8,045)	(23,029)
- Fair value reserve	(8,045)	(23,029)
Retained profits	4,843,847	4,587,247
	<u>4,835,802</u>	<u>4,564,218</u>

**(13) Interest income**

	<b>Group and Bank</b>	
	<b>March</b>	<b>March</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Loans and advances		
- Interest income other than recoveries from impaired loans	306,327	308,989
- Recoveries from impaired loans	14,225	13,754
Money at call and deposit placements with financial institutions	37,404	40,518
Investment securities	62,388	49,249
Securities purchased under resale agreements	946	1,192
	<u>421,290</u>	<u>413,702</u>
Amortisation of premium	(1,565)	(234)
	<u>419,725</u>	<u>413,468</u>

**(14) Interest expense**

	<b>Group and Bank</b>	
	<b>March</b>	<b>March</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions	26,134	9,894
Deposits from customers	100,944	96,176
Others	2,585	925
	<u>129,663</u>	<u>106,995</u>

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**(15) Other operating income**

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>March 2018 RM'000</b>
Fee income:		
Commission	13,831	16,889
Service charges and fees	13,256	4,592
Guarantee fees	1,782	1,765
Bankcard fees	69,830	87,364
Insurance premium and referral	12,358	12,335
Other fee income	9,443	21,415
	<u>120,500</u>	<u>144,360</u>
Trading income:		
Unrealised gain/(loss) from revaluation of investment securities at FVTPL - debt instruments	3,512	(2,027)
Net gain from sales of investment securities at FVTPL - debt instruments	11,171	1,329
Net gain from sales of investment securities at FVOCI	4,281	791
	<u>18,964</u>	<u>93</u>
Other income:		
Foreign exchange gain, net	128,168	83,584
Loss from derivatives	(50,431)	(1,670)
Net loss on revaluation of loans, advances and financing at FVTPL	-	(5,889)
Loss on disposal of plant and equipment	(4)	(5)
Others	(2,128)	6,891
	<u>75,605</u>	<u>82,911</u>
Total other operating income	<u>215,069</u>	<u>227,364</u>

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**(16) Other operating expenses**

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>March 2018 RM'000</b>
Personnel costs		
- Salaries, allowances and bonuses	73,339	69,947
- Contribution to Employees Provident Fund	11,364	11,052
- Staff benefits and other compensations	9,635	9,599
- Others	776	726
	<u>95,114</u>	<u>91,324</u>
Establishment costs		
- Depreciation	4,854	3,933
- Rental of premises	4,803	5,311
- Hire of equipments	117	136
- Utilities	829	884
- Repairs & Maintenance	2,526	2,992
- Others	2,203	1,495
	<u>15,332</u>	<u>14,751</u>
Marketing expenses		
- Advertisement and promotional expenses	4,344	9,148
- Others	214	67
	<u>4,558</u>	<u>9,215</u>
Administration and general expenses		
- Processing cost	70,112	93,654
- Auditors' remuneration	461	259
- Stationeries and supplies	776	775
- Communication expenses	1,685	1,141
- Others	27,742	32,963
	<u>100,776</u>	<u>128,792</u>
Total other operating expenses	<u>215,780</u>	<u>244,082</u>

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**(17) Allowance for loans, advances and financing**

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>March 2018 RM'000</b>
12-months ECL	(5,825)	(6,145)
Lifetime ECL not credit impaired	(11,816)	5,204
Lifetime ECL credit impaired	(1,396)	(1,022)
Impaired loans, advances and financing:		
- written off	43,903	48,783
- recovered	(24,812)	(24,861)
	<u>54</u>	<u>21,959</u>

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**(18) Capital adequacy**

(a) The capital adequacy ratios are as follows:

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
<b>Computation of Total Risk-Weighted Assets ("RWA")</b>		
Credit Risk RWA	21,545,990	21,899,709
Market Risk RWA	3,019,679	1,782,855
Operational Risk RWA	3,866,651	3,836,381
<b>Total Risk-Weighted Assets</b>	<u>28,432,320</u>	<u>27,518,945</u>
<b>Computation of Capital Ratios *</b>		
Common Equity Tier 1 ("CET 1") Capital	4,948,959	4,926,985
Tier 1 Capital	4,948,959	4,926,985
Total Capital	5,218,283	5,200,731
<b>Before deducting proposed dividends:</b>		
Common Equity Tier 1 ("CET 1") Capital ratio	17.406%	17.904%
Tier 1 Capital ratio	17.406%	17.904%
Total Capital ratio	<u>18.353%</u>	<u>18.899%</u>
<b>After deducting proposed dividends:</b>		
Common Equity Tier 1 ("CET 1") Capital ratio	14.635%	15.040%
Tier 1 Capital ratio	14.635%	15.040%
Total Capital ratio	<u>15.582%</u>	<u>16.035%</u>

\* In arriving at the capital base used in the ratio calculations of the Group and the Bank, proposed dividends were not deducted for March 2019 and December 2018.

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

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

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
<b>CET 1 Capital/Tier 1 Capital</b>		
Paid up ordinary share capital	502,000	502,000
Retained profits	4,587,247	4,587,247
Other reserves	(8,045)	(23,029)
Less: Deferred tax assets	(132,243)	(139,233)
<b>Total CET 1 Capital/Tier 1 Capital</b>	<u>4,948,959</u>	<u>4,926,985</u>
<b>Tier 2 Capital</b>		
Loss allowance and regulatory reserves*	269,324	273,746
<b>Total Tier 2 Capital</b>	<u>269,324</u>	<u>273,746</u>
Total Eligible Tier 2 Capital	269,324	273,746
<b>Total Capital</b>	<u>5,218,283</u>	<u>5,200,731</u>

\* Excludes loss allowance restricted from Tier 2 Capital by BNM of RM93.6 million (2018: RM106.8 million)

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**(19) Commitments and contingencies**

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

<b>March 2019 Group and Bank</b>	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted assets RM'000</b>
<b>Nature of item</b>			
Direct credit substitutes	1,412,078	1,412,078	1,273,596
Transaction related contingent items	544,057	272,029	255,059
Short term self liquidating trade related contingencies	281,559	56,312	44,321
Forward asset purchases	-	-	-
Foreign exchange related contracts:			
One year or less	80,062,942	478,006	318,297
Over one year to five years	3,106,944	93,029	60,445
Over five years	-	-	-
Interest/Profit rate related contracts:			
One year or less	21,637,407	23,893	8,199
Over one year to five years	72,137,082	814,555	304,558
Over five years	3,970,980	107,825	42,662
Equity related contracts:			
One year or less	1,593,278	46,989	23,495
Over one year to five years	-	-	-
Over five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	2,863,265	143,045	98,413
Over one year to five years	70,298	4,218	1,477
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	37,670	7,534	7,534
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	551,296	275,648	251,655
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	13,535,725	-	-
Unutilised credit card lines	17,712,125	3,542,425	2,673,909
<b>Total</b>	<b>219,516,706</b>	<b>7,277,586</b>	<b>5,363,620</b>

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**(19) Commitments and contingencies(continued)**

<b>December 2018</b>			
<b>Group and Bank</b>	<b>Principal</b>	<b>Credit</b>	<b>Risk</b>
<b>Nature of item</b>	<b>amount</b>	<b>equivalent</b>	<b>weighted</b>
	<b>RM'000</b>	<b>amount</b>	<b>assets</b>
		<b>RM'000</b>	<b>RM'000</b>
Direct credit substitutes	1,478,949	1,478,949	1,367,221
Transaction related contingent items	568,008	284,004	269,300
Short term self liquidating trade related contingencies	189,206	37,841	34,754
Forward asset purchases	-	-	-
Foreign exchange related contracts:			
One year or less	68,824,339	424,234	260,961
Over one year to five years	1,910,151	60,370	38,787
Over five years	39,456	1,795	1,838
Interest/Profit rate related contracts:			
One year or less	18,192,349	13,706	4,088
Over one year to five years	68,143,038	777,713	280,706
Over five years	3,190,000	83,300	28,075
Equity related contracts:			
One year or less	1,587,018	47,611	23,806
Over one year to five years	-	-	-
Over five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	1,784,191	536,034	276,606
Over one year to five years	585,791	148,408	85,675
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	18,464	3,693	3,693
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	419,225	209,613	176,447
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	13,706,370	-	-
Unutilised credit card lines	17,884,032	3,576,806	2,702,336
<b>Total</b>	<b>198,520,587</b>	<b>7,684,077</b>	<b>5,554,293</b>

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**(20) Derivative financial instruments**

	← March 2019 →			← December 2018 →		
	Contract Amount RM'000	Positive fair value RM'000	Negative fair value RM'000	Contract amount RM'000	Positive fair value RM'000	Negative fair value RM'000
Foreign exchange related contracts:						
- Forwards	76,506,764	132,299	182,725	65,027,260	200,204	181,589
- Cross currency interest rate swaps	5,093,883	128,691	55,498	4,693,055	176,377	53,539
- Options	1,569,239	3,288	1,780	1,053,631	2,851	2,016
Interest/Profit rate contracts:						
- Futures	-	-	-	3,309,600	-	-
- Swaps	97,505,469	168,713	101,511	85,975,787	97,670	57,970
- Options	240,000	348	-	240,000	332	-
Equity related contracts	1,593,278	224	235	1,587,018	632	642
Others	2,933,563	51,456	63,763	2,369,982	71,026	81,570
	<u>185,442,196</u>	<u>485,019</u>	<u>405,512</u>	<u>164,256,333</u>	<u>549,092</u>	<u>377,326</u>
		Note 6	Note 10		Note 6	Note 10



**CITIBANK BERHAD**  
**ISLAMIC BANKING OPERATIONS**  
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**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2019**

	Note	Group and Bank	
		March 2019 RM'000	December 2018 RM'000
<b>Assets</b>			
Cash and short term funds	(a)	959,098	1,680,534
Investment securities	(b)	1,769,632	960,471
Financing, advances and other	(c)	320,028	446,329
Other assets	(e)	73,761	11,235
<b>Total assets</b>		<b>3,122,519</b>	<b>3,098,569</b>
<b>Liabilities</b>			
Deposits from customers	(f)	1,170,005	912,763
Deposits and placements of banks and other financial institutions	(g)	1,453,866	1,727,618
Deferred tax liabilities		126	138
Other liabilities	(h)	8,401	5,629
<b>Total liabilities</b>		<b>2,632,398</b>	<b>2,646,148</b>
Islamic Banking funds	(i)	490,121	452,421
<b>Total liabilities and Islamic Banking funds</b>		<b>3,122,519</b>	<b>3,098,569</b>
<b>Commitments and Contingencies</b>	(q)	<b>20,816</b>	<b>-</b>

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

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**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2019**

	Note	Group and Bank	
		March 2019 RM'000	March 2018 RM'000
Income derived from investments of depositors' funds and others	(j)	23,063	12,231
Allowance for financing, advances and others	(k)	15	(213)
Total attributable income		23,078	12,018
Income attributable to depositors and others	(l)	(2,882)	(1,874)
Total attributable to the Bank		20,196	10,144
Income/(loss) derived from investment of Islamic Banking funds	(m)	29,660	(9,788)
<b>Total net income</b>		49,856	356
Other operating expenses	(o)	(6)	(85)
<b>Profit before taxation</b>		49,850	271
Tax expense		(11,966)	(38)
<b>Profit for the period</b>		37,884	233
<b>Other comprehensive expense, net of tax</b>			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
<b>Investment securities</b>			
- Net change in fair value		(184)	-
<b>Total other comprehensive expense for the period</b>		(184)	-
<b>Total comprehensive income for the period</b>		37,700	233
<b>Profit for the period attributable to:</b>			
Owner of the Bank		37,884	233
<b>Total comprehensive income attributable to:</b>			
Owner of the Bank		37,700	233

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

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**UNAUDITED STATEMENTS OF CHANGES IN ISLAMIC BANKING FUNDS  
FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2019**

	<b>Group and Bank</b>			
	<b>Capital funds RM'000</b>	<b>Fair value reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2018</b>	20,000	-	388,435	408,435
Effect of MFRS 9 adoption	-	-	257	257
<b>Restated balance at 1 January 2018</b>	20,000	-	388,692	408,692
Fair value reserve on investment securities:				
- Net change in fair value	-	-	-	-
Profit for the period	-	-	233	233
<b>Total comprehensive income for the period At 31 March 2018</b>	20,000	-	388,925	408,925
<b>At 1 January 2019</b>	20,000	1,078	431,343	452,421
Fair value reserve on investment securities:				
- Net change in fair value	-	(184)	-	(184)
Profit for the period	-	-	37,884	37,884
<b>Total comprehensive income for the period At 31 March 2019</b>	20,000	894	469,227	490,121

Note (i)

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

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

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and balances with banks and other financial institutions	2,117	2,136
Money at call and deposit placements maturing within one month	956,981	1,678,398
	<u>959,098</u>	<u>1,680,534</u>

**(b) Investment securities**

**(i) By measurement**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Investment securities measured at FVOCI	<u>1,769,632</u>	<u>960,471</u>

**(ii) By type**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysian Government Investment Issues	<u>1,769,632</u>	<u>960,471</u>

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

**(i) By measurement**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Financing, advances and others measured at amortised cost	239,299	246,255
Financing, advances and others measured at FVTPL	81,575	200,807
Gross Financing, advances and others	<u>320,874</u>	<u>447,062</u>
Less: Loss allowance	(846)	(733)
Total net financing, advances and others	<u>320,028</u>	<u>446,329</u>

Note (d)(iii)

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

(ii) **By type**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Term financing		
- Housing financing	162,578	168,423
- Other term financing	163,432	284,087
	<u>326,010</u>	<u>452,510</u>
Unearned income	(5,136)	(5,448)
Gross financing, advances and others	320,874	447,062
Less: Loss allowance	(846)	(733)
Total net financing, advances and others	<u><u>320,028</u></u>	<u><u>446,329</u></u>

Note (d)(iii)

(iv) **By contract**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Bai'Bi Thaman Ajil	10,611	10,960
Diminishing Musharakah	146,831	152,015
Murabahah	163,432	284,087
	<u><u>320,874</u></u>	<u><u>447,062</u></u>

(v) **By profit rate sensitivity**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
- House financing	157,442	162,975
Variable rate		
- Cost plus	163,432	284,087
	<u><u>320,874</u></u>	<u><u>447,062</u></u>

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

**(vi) By sector**

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
Manufacturing (including agriculture based)	81,653	82,722
Finance, insurance, real estate and business services	81,779	201,366
Household-residential	157,015	162,535
Other sectors	427	439
	<u>320,874</u>	<u>447,062</u>

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

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

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
At 1 January	4,161	8,147
Classified as impaired during the period/year	1,741	3,608
Reclassified as performing during the period/year	(1,553)	(6,556)
Amount recovered	-	(418)
Amount written off	-	(279)
Others	(70)	(341)
At 31 March / 31 December	<u>4,279</u>	<u>4,161</u>
Lifetime ECL credit impairment	Note (5)(iv) (27)	(23)
Net impaired financing, advances and others	<u>4,252</u>	<u>4,138</u>
Ratio of net impaired financing, advances and others to total gross financing, advances and others less lifetime ECL credit impaired	1.33%	0.93%

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

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
Household - Residential	<u>4,279</u>	<u>4,161</u>

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

**(iii) Loss allowance**

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

	<b>Group and Bank</b>							
	<b>March 2019</b>				<b>December 2018</b>			
	<b>12-months ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	<b>Total</b>	<b>12-months ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	657	53	23	733				32,175
Less: Adjustments on initial application of MFRS 9								
- Reclassified to loans at FVTPL	-	-	-	-				(31,024)
- Remeasurement of ECL	-	-	-	-				(340)
Restated at at 1 January	657	53	23	733	286	28	497	811
Transfer to 12-month ECL	116	(104)	(12)	-	193	(46)	(147)	-
Transfer to lifetime ECL not credit impaired	(21)	60	(39)	-	(30)	102	(72)	-
Transfer to lifetime ECL credit impaired provision	-	(14)	14	-	-	(11)	11	-
Less: Financing derecognised during the period (other than write-offs)	(9)	-	-	(9)	(16)	(3)	(1)	(20)
New financing originated or purchased	-	-	-	-	103	-	-	103
Net remeasurement of loss allowance	(97)	777	48	728	(1)	-	-	(1)
Changes in models/risk parameters	-	(1,924)	(655)	(2,579)	-	-	-	-
Less: Write-offs	(1)	-	-	(1)	(142)	(67)	(279)	(488)
Others	112	1,214	648	1,974	264	50	14	328
At 31 March / 31 December	<u>757</u>	<u>62</u>	<u>27</u>	<u>846</u>	<u>657</u>	<u>53</u>	<u>23</u>	<u>733</u>

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(e) **Other assets**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit receivables	18,325	9,299
Other debtors, deposits and prepayments	55,534	2,153
	<u>73,859</u>	<u>11,452</u>
Less: Loss allowance	(98)	(217)
	<u><u>73,761</u></u>	<u><u>11,235</u></u>

(f) **Deposits and funds from customers**

(i) **By type of deposit and funds**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-Mudarabah Fund</b>		
Demand deposits	1,124,735	866,008
Saving deposits	45,270	46,755
	<u>1,170,005</u>	<u>912,763</u>

(ii) **By type of customers**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	761,547	701,849
Business enterprises	354,878	152,795
Individuals	53,580	58,119
	<u>1,170,005</u>	<u>912,763</u>

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

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank Negara Malaysia	1,324,333	1,289,160
Licensed banks	17,366	347,366
Licensed financial institutions	112,167	91,092
	<u>1,453,866</u>	<u>1,727,618</u>



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**(h) Other liabilities**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Provision for taxation	82	82
Other creditors and accruals	8,319	5,547
	<u>8,401</u>	<u>5,629</u>

**(i) Islamic Banking funds**

	<b>Group and Bank</b>	
	<b>March</b>	<b>December</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Fund allocated	20,000	20,000
Fair value reserve	894	1,078
Retained profits	469,227	431,343
	<u>490,121</u>	<u>452,421</u>

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

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>March 2018 RM'000</b>
Income derived from investment of:		
(i) General investment funds	23,063	12,231

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

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>March 2018 RM'000</b>
<b>Finance income and hibah</b>		
Financing, advances and others	3,542	3,183
Money at call and placements with financial institutions	8,845	9,047
Investment securities at FVOCI	10,662	-
	23,049	12,230
Accretion of discount less amortisation of premium	-	-
Total finance income and hibah	23,049	12,230
<b>Other operating income</b>		
Fee income	14	1
	14	1
Income from general investment funds	23,063	12,231

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

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>March 2018 RM'000</b>
12-months ECL	(20)	211
Lifetime ECL not credit impaired	9	(3)
Lifetime ECL credit impaired	4	2
Impaired financing, advances and others:		
- written off	19	3
- recovered	(27)	-
	(15)	213

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

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>March 2018 RM'000</b>
Deposits and funds from customers		
- Non-Mudarabah funds	2,724	1,691
Deposits and placements of banks and other financial institutions		
- Non-Mudarabah funds	142	165
Others	16	18
	<u>2,882</u>	<u>1,874</u>

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

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>March 2018 RM'000</b>
Financing, advances and other	581	843
Money at call and placements with financial institutions	1,448	2,395
Investment securities at FVOCI	1,745	-
	<u>3,774</u>	<u>3,238</u>
Accretion of discount less amortisation of premium	(235)	-
Total finance income and hibah	<u>3,539</u>	<u>3,238</u>
<b>Other operating income</b>		
Gain from investment securities at FVOCI	1,962	-
Fee income	36	39
(Loss)/gain from trading activities	(2,909)	1,076
Net gain/(loss) on revaluation of investment securities	27,032	(14,141)
	<u>26,121</u>	<u>(13,026)</u>
Income/(loss) from Islamic Banking Funds	<u>29,660</u>	<u>(9,788)</u>

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

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

	<b>Group and Bank</b>	
	<b>March</b>	<b>March</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds and others	(j) 23,063	12,231
Income attributable to depositors and others	(l) (2,882)	(1,874)
Income/(loss) derived from investment of Islamic Banking funds	(m) 29,660	(9,788)
	<u>49,841</u>	<u>569</u>

**(o) Other operating expenses**

	<b>Group and Bank</b>	
	<b>March</b>	<b>March</b>
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Personnel costs		
- Staff allowances and benefits	-	53
Establishment costs		
- Rental	4	4
- Others	-	-
Administrative and general expenses		
- Others	2	28
	<u>6</u>	<u>85</u>

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(p) **Capital adequacy**

(i) The capital adequacy ratios are as follows:

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
<b>Computation of Total Risk-Weighted Assets ("RWA")</b>		
Credit Risk RWA	160,746	149,910
Operational Risk RWA	126,191	115,264
<b>Total Risk-Weighted Assets</b>	<u>286,937</u>	<u>265,174</u>
<b>Computation of Capital Ratios</b>		
Common Equity Tier 1 ("CET 1") Capital	451,745	451,828
Tier 1 Capital	451,745	451,828
Total Capital	452,662	452,756
<b>Common Equity Tier 1 ("CET 1") Capital ratio</b>	157.437%	170.389%
<b>Tier 1 Capital ratio</b>	157.437%	170.389%
<b>Total Capital ratio</b>	<u>157.757%</u>	<u>170.739%</u>

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

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

	<b>Group and Bank</b>	
	<b>March 2019 RM'000</b>	<b>December 2018 RM'000</b>
<b>CET 1 Capital/Tier 1 Capital</b>		
Fund allocated	20,000	20,000
Retained profits	431,343	431,343
Other reserves	894	1,078
Less: 55% of cumulative gains of investment securities (other than financing and receivables)	(492)	(593)
<b>Total CET 1 Capital/Tier 1 Capital</b>	<u>451,745</u>	<u>451,828</u>
<b>Tier 2 Capital</b>		
Loss allowance and regulatory reserves*	917	928
<b>Total Tier 2 Capital</b>	<u>917</u>	<u>928</u>
<b>Total Capital</b>	<u>452,662</u>	<u>452,756</u>

\* Excludes loss allowance restricted from Tier 2 Capital by BNM of RM Nil. (2017: RM Nil).

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**(q) Commitments and Contingencies**

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

<b>March 2019</b>			
<b>Group and Bank</b>	<b>Principal amount</b>	<b>Credit equivalent amount</b>	<b>Risk weighted assets</b>
<b>Nature of item</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	20,816	10,408	10,404
<b>Total</b>	<b>20,816</b>	<b>10,408</b>	<b>10,404</b>
<b>December 2018</b>			
<b>Group and Bank</b>	<b>Principal amount</b>	<b>Credit equivalent amount</b>	<b>Risk weighted assets</b>
<b>Nature of item</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>