



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

UNAUDITED CONDENSED FINANCIAL STATEMENTS
31 March 2020

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

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	Group		Bank	
		March 2020 RM'000	December 2019 RM'000	March 2020 RM'000	December 2019 RM'000
ASSETS					
Cash and short term funds	1	9,201,990	6,240,224	9,201,970	6,240,204
Deposits and placements with banks and other financial institutions	2	635,431	658,761	635,431	658,761
Securities purchased under resale agreements		455,317	447,460	455,317	447,460
Investment securities	3	7,972,314	4,949,285	7,972,314	4,949,285
Loans, advances and financing	4	22,539,522	23,203,971	22,539,522	23,203,971
Other assets	6	2,345,789	1,206,850	2,345,789	1,206,850
Statutory deposits with Bank Negara Malaysia	7	87,860	300,043	87,860	300,043
Tax recoverable		402	-	402	-
Deferred tax assets		56,352	69,730	56,352	69,730
Investment in subsidiaries		-	-	20	20
Property, plant and equipment		147,032	150,278	147,032	150,278
TOTAL ASSETS		43,442,009	37,226,602	43,442,009	37,226,602
LIABILITIES					
Deposits from customers	8	27,506,195	25,269,350	27,506,195	25,269,350
Deposits and placements of banks and other financial institutions	9	7,363,666	4,944,413	7,363,666	4,944,413
Other liabilities	10	3,292,906	1,901,889	3,292,906	1,901,889
Provision for taxation		-	241	-	241
TOTAL LIABILITIES		38,162,767	32,115,893	38,162,767	32,115,893
EQUITY					
Share capital	11	502,000	502,000	502,000	502,000
Reserves	12	4,777,242	4,608,709	4,777,242	4,608,709
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK		5,279,242	5,110,709	5,279,242	5,110,709
TOTAL LIABILITIES AND EQUITY		43,442,009	37,226,602	43,442,009	37,226,602
COMMITMENTS AND CONTINGENCIES					
	19	233,431,283	224,446,875	233,431,283	224,446,875

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group (comprised of the Bank and its subsidiaries) and the Bank (Citibank Berhad) for the financial year ended 31 December 2019 and the accompanying notes on page 7 to 35 attached to the unaudited condensed interim financial statements.

CITIBANK BERHAD

(Registration No. 199401011410 (297089-M))

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AND ITS SUBSIDIARIES**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2020**

	Note	Group and Bank	
		March 2020 RM'000	March 2019 RM'000
Revenue		607,220	684,635
Interest income	13	390,090	419,725
Interest expense	14	(106,348)	(129,663)
Net interest income		283,742	290,062
Net (loss)/income from Islamic Banking operations		(7,792)	49,841
Other operating income	15	224,922	215,069
Total net income		500,872	554,972
Other operating expenses	16	(217,351)	(215,780)
Operating profit		283,521	339,192
Allowance for loans, advances and financing	17	(31,787)	(54)
Writeback/(Allowance) for other assets		1,078	(482)
Profit before taxation		252,812	338,656
Tax expense		(58,822)	(82,056)
Profit for the period		193,990	256,600
Other comprehensive (expense)/income, net of tax			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Investment securities			
- Net change in fair value		(25,626)	14,399
- Net transferred from profit or loss		169	585
Total other comprehensive (expense)/income for the period		(25,457)	14,984
Total comprehensive income for the period		168,533	271,584
Profit for the period attributable to:			
Owner of the Bank		193,990	256,600
Total comprehensive income attributable to:			
Owner of the Bank		168,533	271,584
Earnings per share - basic (sen)		638	843

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group (comprised of the Bank and its subsidiaries) and the Bank (Citibank Berhad) for the financial year ended 31 December 2019 and the accompanying notes on page 7 to 35 attached to the unaudited condensed interim financial statements.

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AND ITS SUBSIDIARIES**UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD THREE MONTHS ENDED 31 MARCH 2020**

	← Attributable to owner of the Bank →				Total RM'000
	← Non-Distributable →		Distributable		
Group and Bank	Share Capital RM'000	Other Reserves RM'000	Retained Profits RM'000	Total Reserves RM'000	Total RM'000
At 1 January 2019	502,000	(23,029)	4,587,247	4,564,218	5,066,218
Fair value reserve on investment securities:					
- Net change in fair value	-	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
Total comprehensive income for the period	-	14,984	256,600	271,584	271,584
At 31 March 2019	502,000	(8,045)	4,843,847	4,835,802	5,337,802
At 1 January 2020	502,000	7,804	4,600,905	4,608,709	5,110,709
Fair value reserve on investment securities:					
- Net change in fair value	-	(25,626)	-	(25,626)	(25,626)
- Net transferred from profit or loss	-	169	-	169	169
Total other comprehensive expense for the period	-	(25,457)	-	(25,457)	(25,457)
Profit for the period	-	-	193,990	193,990	193,990
Total comprehensive (expense)/income for the period	-	(25,457)	193,990	168,533	168,533
At 31 March 2020	502,000	(17,653)	4,794,895	4,777,242	5,279,242
	Note 11			Note 12	

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group (comprised of the Bank and its subsidiaries) and the Bank (Citibank Berhad) for the financial year ended 31 December 2019 and the accompanying notes on page 7 to 35 attached to the unaudited condensed interim financial statements.

CITIBANK BERHAD

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AND ITS SUBSIDIARIES**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD
THREE MONTHS ENDED 31 MARCH 2020**

	Group		Bank	
	March 2020 RM'000	March 2019 RM'000	March 2020 RM'000	March 2019 RM'000
Profit before taxation	252,812	338,656	252,812	338,656
Adjustments for non cash items	62,757	(1,494)	62,757	(1,494)
Operating profit before working capital changes	315,569	337,162	315,569	337,162
Changes in working capital :				
Net changes in operating assets	(1,816,898)	(122,702)	(1,816,898)	(122,702)
Net changes in operating liabilities	6,051,222	(513,058)	6,051,222	(513,058)
Income taxes paid	(54,845)	(130,694)	(54,845)	(130,694)
Net cash generated/(used in) from operating activities	4,495,048	(429,292)	4,495,048	(429,292)
Net cash (used in)/generated from in investing activities	(1,529,175)	810,976	(1,529,175)	810,976
Net cash used in financing activities	(4,107)	(5,812)	(4,107)	(5,812)
Net changes in cash and cash equivalents	2,961,766	375,872	2,961,766	375,872
Cash and cash equivalents at beginning of the period	6,240,224	2,987,381	6,240,204	2,987,361
Cash and cash equivalents at end of the period	9,201,990	3,363,253	9,201,970	3,363,233

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 2019 and the accompanying notes on page 7 to 35 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 2020 have been prepared in accordance with the Financial Reporting policy document issued by Bank Negara Malaysia (BNM) on 2 February 2018.

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2019. The explanatory notes attached in the unaudited interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2019.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2019.

A2 Auditor's Report on preceeding Annual Financial Statements

The audit report on the audited financial statements for the financial year ended 31 December 2019 was not subject to any qualification.

A3 Seasonality or Cyclical factors

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

A4 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group and the Bank for the financial period three months ended 31 March 2020.

A5 Changes in estimates

There were no changes in estimates of amounts reported in prior financial year that have a material effect on the financial results and position of the Group and the Bank for the financial period three months ended 31 March 2020.

A6 Issuance and repayment of Debt and Equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period three months ended 31 March 2020.

A7 Dividend

The final ordinary dividend proposed in respect of the financial year ended 31 December 2019 of RM480 million was approved by BNM on 14 May 2020. The final dividend has not been accounted in the interim financial statements for financial period three months ended 31 March 2020, it will be reflected in Quarter 2, 2020.

A8 Subsequent events

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on March 11, 2020, impacting countries globally. The potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. The extent of these impacts on the Group and the Bank are still remain unclear, although they will likely adversely affect its businesses, results of operations and financial condition.

This is a non-adjusting event as of end of March 2020 as the situation remains a rapidly evolving one. The Group and the Bank will continue perform the needed credit monitoring and credit assessments of its portfolios after incorporating the pandemic recessionary outlook and determine the estimate of the financial effect in the coming quarters.

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 2020.

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AND ITS SUBSIDIARIES**B Review of performance and current year prospects****B1 Performance Review**

Citibank Berhad registered a net profit after tax of RM194 million and revenue of RM607 million for the financial period three months ended 31 March 2020, a decrease of 24% or RM63 million in net profit as compared to previous corresponding period. The net profit decrease was mainly contributed by higher net loss on revaluation of FVTPL loan and loss allowances.

Total assets recorded an increase of RM6,215 million as compared to 31 December 2019, mainly contributed by increase of cash and short term funds and investment securities. Total liabilities recorded an increase of 19% or RM6,047 million as compared to 31 December 2019. This was mainly driven by increase in deposits from customers and deposits and placements with banks and other financial institutions.

B2 Prospects for 2020

The first quarter of the financial year 2020 proved extremely challenging with global economies impacted by the evolving Covid-19 pandemic. Malaysia's economic sectors such as tourism as well as key economic drivers such as private investment and consumption were hit hard given country's Movement Control Order which came into force on March 18. Bank Negara Malaysia (BNM) announced on April 3 that Gross Domestic Product could shrink as much as 2% this year or grow as much as 0.5%.

The BNM policy rate cut of 25 basis points to 2.50% and lowering of banks' reserve requirement ratio by 100 basis points to 2% during this financial quarter were aimed at bolstering the economic downturn. The Malaysian Government also announced a stimulus package of RM250 billion including wage subsidies and automatic moratorium on loan repayments for a period of six months for individuals and SME customers. Credit card holders were also offered relief measures to alleviate financial stress during these difficult times.

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(1) Cash and short term funds

	Group	
	March 2020 RM'000	December 2019 RM'000
Cash and balances with banks and other financial institutions	45,518	43,962
Money at call and deposit placements maturing within one month	<u>9,156,472</u>	<u>6,196,262</u>
	<u>9,201,990</u>	<u>6,240,224</u>

	Bank	
	March 2020 RM'000	December 2019 RM'000
Cash and balances with banks and other financial institutions	45,498	43,942
Money at call and deposit placements maturing within one month	<u>9,156,472</u>	<u>6,196,262</u>
	<u>9,201,970</u>	<u>6,240,204</u>

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

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Licensed banks	<u>635,431</u>	<u>658,761</u>

(3) Investment securities

(i) By measurement

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Investment securities measured at FVTPL		
- Debt instruments	2,165,254	591,215
- Equity instruments	10,799	10,799
Investment securities measured at FVOCI		
- Debt instruments	<u>5,796,261</u>	<u>4,347,271</u>
	<u>7,972,314</u>	<u>4,949,285</u>

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(3) Investment securities (continued)

(ii) By type

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Malaysian Government Treasury Bills	839,728	55,721
Malaysian Government Securities	2,715,188	1,678,342
Malaysian Government Investment Issues	3,797,663	3,041,445
Bank Negara Malaysia Bills/Notes	434,439	-
U.S. Treasury Notes	174,497	162,978
Unquoted securities	10,799	10,799
	<u>7,972,314</u>	<u>4,949,285</u>

(4) Loans, advances and financing

(i) By measurement

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Loans, advances and financing measured at amortised cost	22,807,638	23,429,373
Loans, advances and financing measured at FVTPL	137,005	174,932
Gross loans, advances and financing	<u>22,944,643</u>	<u>23,604,305</u>
Less: Loss allowance	Note (5)(iv) (405,121)	(400,334)
Net loans, advances and financing	<u>22,539,522</u>	<u>23,203,971</u>

(ii) By type

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Overdrafts	515,346	419,646
Term loans/financing		
- Housing loans/financing	9,191,858	9,403,647
- Other term loans/financing	2,301,461	2,496,935
Bills receivable	719,590	824,128
Trust receipts	780,656	224,977
Claims on customers under acceptance credits	507,403	517,015
Staff loans	31,976	32,298
Share margin financing	69,626	82,026
Credit cards receivables	5,839,949	6,318,029
Revolving credit	2,996,643	3,296,506
	<u>22,954,508</u>	<u>23,615,207</u>
Unearned interest and income	(9,865)	(10,902)
Gross loans, advances and financing	<u>22,944,643</u>	<u>23,604,305</u>
Less: Loss allowance	Note (5)(iv) (405,121)	(400,334)
Net loans, advances and financing	<u>22,539,522</u>	<u>23,203,971</u>

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(4) Loans, advances and financing (continued)

(iii) By interest/profit rate sensitivity

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Fixed rate		
- Housing loans/financing	396,240	381,669
- Other fixed rate loans/financing	11,006,800	11,387,870
Variable rate		
- Base rate/Base Lending Rate plus	9,260,239	9,528,781
- Cost plus	2,281,364	2,305,985
	<u>22,944,643</u>	<u>23,604,305</u>

(iv) By sector

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Primary agriculture	2,681	2,754
Mining & quarrying	36,848	42,012
Manufacturing (including agriculture based)	3,261,872	2,757,235
Electricity, gas, water	166,690	596
Construction	24,381	104,689
Wholesale, retail trade, restaurants and hotels	1,225,578	1,021,505
Transport, storage and communication	323,375	577,551
Finance, insurance, real estate and business services	1,384,813	1,735,468
Social & community services	12,027	13,578
Household		
- consumption credit	6,934,151	7,349,347
- residential	8,525,520	8,744,192
- purchase of securities	69,625	82,025
- others	86,312	89,369
Other sectors	890,770	1,083,984
	<u>22,944,643</u>	<u>23,604,305</u>

(v) Residual contractual maturity

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Maturing within one year	9,070,890	12,594,330
One to five years	4,337,148	1,279,616
Over five years	9,536,605	9,730,359
	<u>22,944,643</u>	<u>23,604,305</u>

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(4) Loans, advances and financing (continued)

(vi) By geographical distribution

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Within Malaysia	22,944,643	23,604,305

(5) Impaired loans, advances and financing

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

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
At 1 January	212,013	220,517
Classified as impaired during the period/year	140,219	517,960
Reclassified as performing during the period/year	(64,477)	(296,359)
Amount recovered	(6,422)	(38,265)
Amount written off	(38,101)	(144,796)
Others	(13,701)	(47,044)
At 31 March / 31 December	229,531	212,013
Lifetime ECL credit impairment	(47,518)	(47,190)
Net impaired loans, advances and financing	182,013	164,823
Ratio of net impaired loans and financing to gross loans and financing less lifetime ECL credit impairment	0.79%	0.70%

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

(ii) Impaired loans, advances and financing by sector

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Mining & quarrying	20	-
Manufacturing (including agriculture based)	8,148	9,342
Construction	8	469
Wholesale, retail trade, restaurants and hotels	9,003	11,711
Transport, storage and communication	-	276
Finance, insurance, real estate and business services	2,101	1,685
Household		
- consumption credit	48,869	46,603
- residential	147,281	133,456
Other sectors	14,101	8,471
	<u>229,531</u>	<u>212,013</u>

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

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Within Malaysia	<u>229,531</u>	<u>212,013</u>

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

	Group and Bank							
	March 2020			December 2019				
	12-months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000	12-months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
At 1 January	71,850	281,294	47,190	400,334	80,774	298,677	48,650	428,101
Transfer to 12-month ECL	116,446	(108,335)	(8,111)	-	887,412	(840,478)	(46,934)	-
Transfer to lifetime ECL not credit impaired	(2,594)	6,644	(4,050)	-	(10,530)	28,936	(18,406)	-
Transfer to lifetime ECL credit impaired provision	(4)	(36,087)	36,091	-	(19)	(143,352)	143,371	-
Less: Loans/financing derecognised during the period (other than write-offs)	(2,802)	(3,265)	(15,261)	(21,328)	(9,529)	(1,309)	(3,376)	(14,214)
New loans/financing originated or purchased	4,681	467	14,911	20,059	16,089	4,331	4,295	24,715
Net remeasurement of loss allowance	(114,532)	122,816	(547)	7,737	(876,195)	906,911	8,022	38,738
Modifications to contractual cash flows of financial asset	-	19,409	1,157	20,566	-	79,055	13,278	92,333
Changes in models/risk parameters	-	-	-	-	-	(49,834)	(30,625)	(80,459)
Less: Write-offs	(13)	(280)	(22,997)	(23,290)	(57)	(2,406)	(93,791)	(96,254)
Others	10,219	(8,311)	(865)	1,043	(16,095)	763	22,706	7,374
At 31 March / 31 December	<u>83,251</u>	<u>274,352</u>	<u>47,518</u>	<u>405,121</u>	<u>71,850</u>	<u>281,294</u>	<u>47,190</u>	<u>400,334</u>

Expected Credit Loss (ECL) provision reflected as of Q1 2020 is prior to incorporation of the needed provision in relation to the untested pandemic recessionary outlook of which could potentially lead to additional provision in the subsequent quarters.

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(6) Other assets

	Group and Bank	
	March	December
	2020	2019
	RM'000	RM'000
Interest/Income receivables	94,710	78,495
Other debtors, deposits and prepayments	502,930	473,292
Derivative assets	1,749,788	655,870
	<u>2,347,428</u>	<u>1,207,657</u>
Less: Loss allowance	(1,639)	(807)
	<u><u>2,345,789</u></u>	<u><u>1,206,850</u></u>

Note (20)

(7) Statutory deposits with Bank Negara Malaysia

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

(8) Deposits from customers

(i) By type of deposits

	Group and Bank	
	March	December
	2020	2019
	RM'000	RM'000
Demand deposits	17,987,250	16,578,473
Saving deposits	1,593,274	1,470,784
Fixed deposits	7,925,671	7,219,762
Others - cash collateral	-	331
	<u>27,506,195</u>	<u>25,269,350</u>

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(8) Deposits from customers (continued)

(ii) By type of customers

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Government and statutory bodies	2,144,624	1,136,157
Business enterprises	14,895,214	13,953,049
Individuals	10,397,465	10,145,245
Others	68,892	34,899
	<u>27,506,195</u>	<u>25,269,350</u>

(iii) Maturity structure of fixed deposits and other deposits are as follows:

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Due within six months	6,056,472	5,725,475
Six months to one year	1,869,195	1,493,917
One year to five years	4	370
	<u>7,925,671</u>	<u>7,219,762</u>

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

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Bank Negara Malaysia	6,128	47,900
Licensed banks	4,496,067	2,544,380
Licensed financial institutions	2,861,471	2,352,133
	<u>7,363,666</u>	<u>4,944,413</u>

(10) Other liabilities

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Interest/Profit payables	37,876	40,250
Other creditors and accruals	1,621,740	1,032,413
Lease liabilities	109,699	110,575
Structured products	23,981	54,729
Provision for commitments and contingencies	7,390	9,468
Derivatives liabilities	1,492,220	654,454
Note (20)	<u>3,292,906</u>	<u>1,901,889</u>

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(11) Share capital

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

(12) Reserves

	Group and Bank	
	March	December
	2020	2019
	RM'000	RM'000
Other reserve	(17,653)	7,804
- Fair value reserve	<u>(17,653)</u>	<u>7,804</u>
Retained profits	4,794,895	4,600,905
	<u>4,777,242</u>	<u>4,608,709</u>

(13) Interest income

	Group and Bank	
	March	March
	2020	2019
	RM'000	RM'000
Loans and advances		
- Interest income other than recoveries from impaired loans	287,074	306,327
- Recoveries from impaired loans	14,567	14,225
Money at call and deposit placements with financial institutions	44,080	37,404
Investment securities	47,087	62,388
Securities purchased under resale agreements	<u>3,386</u>	<u>946</u>
	396,194	421,290
Accretion of discount less amortisation of premium	(6,104)	(1,565)
	<u>390,090</u>	<u>419,725</u>

(14) Interest expense

	Group and Bank	
	March	March
	2020	2019
	RM'000	RM'000
Deposits and placements of banks and other financial institutions	15,063	26,134
Deposits from customers	89,398	100,944
Others	<u>1,887</u>	<u>2,585</u>
	<u>106,348</u>	<u>129,663</u>

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

	Group and Bank	
	March	March
	2020	2019
	RM'000	RM'000
Fee income:		
Commission	21,468	13,831
Service charges and fees	14,835	13,256
Guarantee fees	1,711	1,782
Bankcard fees	59,704	69,830
Insurance premium and referral	12,239	12,358
Other fee income	6,375	9,443
	<u>116,332</u>	<u>120,500</u>
Trading income:		
Unrealised (loss)/gain from revaluation of investment securities at FVTPL - debt instruments	(1,633)	3,512
Net gain from sales of investment securities at FVTPL - debt instruments	11,054	11,171
Net gain from sales of investment securities at FVOCI	27,488	4,281
	<u>36,909</u>	<u>18,964</u>
Other income:		
Foreign exchange (loss)/gain, net	(140,236)	128,168
Gain/(loss) from derivatives	237,919	(50,431)
Net loss on revaluation of loans, advances and financing at FVTPL	(23,818)	-
Others	(2,183)	(2,131)
	<u>71,681</u>	<u>75,605</u>
Total other operating income	<u>224,922</u>	<u>215,069</u>

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(16) Other operating expenses

	Group and Bank	
	March 2020 RM'000	March 2019 RM'000
Personnel costs		
- Salaries, allowances and bonuses	73,003	73,339
- Contribution to Employees Provident Fund	11,509	11,364
- Staff benefits and other compensations	8,629	9,635
- Others	603	776
	<u>93,744</u>	<u>95,114</u>
Establishment costs		
- Depreciation of plant and equipment	4,004	4,854
- Depreciation of right-of-use assets	3,235	5,551
- Interest expense on lease liabilities	594	215
- Hire of equipments	120	117
- Utilities	1,174	829
- Repairs & Maintenance	2,247	2,526
- Others	2,471	1,240
	<u>13,845</u>	<u>15,332</u>
Marketing expenses		
- Advertisement and promotional expenses	8,231	4,344
- Others	117	214
	<u>8,348</u>	<u>4,558</u>
Administration and general expenses		
- Processing cost	72,869	70,112
- Auditors' remuneration	210	461
- Stationeries and supplies	1,032	776
- Communication expenses	1,064	1,685
- Others	26,239	27,742
	<u>101,414</u>	<u>100,776</u>
Total other operating expenses	<u>217,351</u>	<u>215,780</u>

(17) Allowance for loans, advances and financing

	Group and Bank	
	March 2020 RM'000	March 2019 RM'000
12-months ECL	11,402	(5,825)
Lifetime ECL not credit impaired	(6,942)	(11,816)
Lifetime ECL credit impaired	328	(1,346)
Impaired loans, advances and financing:		
- written off	50,797	43,903
- recovered	(23,798)	(24,862)
	<u>31,787</u>	<u>54</u>

Expected Credit Loss (ECL) provision reflected as of Q1 2020 is prior to incorporation of the needed provision in relation to the untested pandemic recessionary outlook of which could potentially lead to additional provision in the subsequent quarters.

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AND ITS SUBSIDIARIES**(18) Capital adequacy**

(a) The capital adequacy ratios are as follows:

	Group and Bank	
	March 2020	December 2019
	RM'000	RM'000
Computation of Total Risk-Weighted Assets ("RWA")		
Credit Risk RWA	22,891,703	22,305,617
Market Risk RWA	1,350,957	1,647,515
Operational Risk RWA	3,843,420	3,879,543
Total Risk-Weighted Assets	<u>28,086,080</u>	<u>27,832,675</u>
Computation of Capital Ratios *		
Common Equity Tier 1 ("CET 1") Capital	5,028,900	5,036,687
Tier 1 Capital	5,028,900	5,036,687
Total Capital	5,315,046	5,315,507
Before deducting proposed dividends:		
Common Equity Tier 1 ("CET 1") Capital ratio	17.905%	18.096%
Tier 1 Capital ratio	17.905%	18.096%
Total Capital ratio	<u>18.924%</u>	<u>19.098%</u>
After deducting proposed dividends:		
Common Equity Tier 1 ("CET 1") Capital ratio	16.196%	16.372%
Tier 1 Capital ratio	16.196%	16.372%
Total Capital ratio	<u>17.215%</u>	<u>17.374%</u>

* In arriving at the capital base used in the ratio calculations of the Bank, proposed dividends were not deducted for March 2020 and December 2019.

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II - Risk-Weighted Assets) dated 5 February 2020 and 3 May 2019 respectively. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The stated minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer ("CCyB") for CET 1 Capital ratio, Tier 1 Capital ratio and Total Capital ratio are 4.5%, 6.0% and 8.0% respectively.

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

	Group and Bank	
	March 2020	December 2019
	RM'000	RM'000
CET 1 Capital/Tier 1 Capital		
Paid up ordinary share capital	502,000	502,000
Retained profits	4,600,905	4,600,905
Other reserves	(17,653)	7,804
Less: Regulatory adjustments	(56,352)	(74,022)
Total CET 1 Capital/Tier 1 Capital	<u>5,028,900</u>	<u>5,036,687</u>
Tier 2 Capital		
Loss allowance and regulatory reserves*	286,146	278,820
Total Tier 2 Capital	<u>286,146</u>	<u>278,820</u>
Total Eligible Tier 2 Capital	286,146	278,820
Total Capital	<u>5,315,046</u>	<u>5,315,507</u>

* Excludes loss allowance restricted from Tier 2 Capital by BNM of RM73.1 million (2019: RM75.1 million)

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AND ITS SUBSIDIARIES**(19) Commitments and contingencies**

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

March 2020 Group and Bank	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item			
Direct credit substitutes	1,124,703	1,124,703	1,064,554
Transaction related contingent items	572,232	286,116	256,792
Short term self liquidating trade related contingencies	214,377	42,875	39,237
Forward asset purchases	64,798	64,798	43,115
Foreign exchange related contracts:			
One year or less	84,953,006	1,129,036	660,662
Over one year to five years	2,693,767	98,512	61,657
Over five years	-	-	-
Interest/Profit rate related contracts:			
One year or less	22,358,000	63,832	24,117
Over one year to five years	78,621,383	1,399,514	478,075
Over five years	4,094,000	209,500	66,008
Equity related contracts:			
One year or less	133,428	4,003	2,001
Over one year to five years	-	-	-
Over five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	5,122,990	689,872	560,681
Over one year to five years	-	-	-
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	435,495	217,747	204,113
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	14,767,385	-	-
Unutilised credit card lines	18,275,719	3,655,144	2,758,723
Total	233,431,283	8,985,652	6,219,735

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AND ITS SUBSIDIARIES**(19) Commitments and contingencies (continued)**

December 2019 Group and Bank	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item			
Direct credit substitutes	1,402,756	1,402,756	1,132,758
Transaction related contingent items	556,191	278,095	252,122
Short term self liquidating trade related contingencies	203,732	40,746	38,737
Forward asset purchases	152,802	152,802	52,365
Foreign exchange related contracts:			
One year or less	75,533,268	709,770	434,901
Over one year to five years	3,201,197	122,886	84,879
Over five years	-	-	-
Interest/Profit rate related contracts:			
One year or less	24,376,364	32,669	10,896
Over one year to five years	79,543,121	1,035,979	352,439
Over five years	4,032,160	178,321	57,354
Equity related contracts:			
One year or less	127,166	3,826	1,913
Over one year to five years	-	-	-
Over five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	1,289,759	147,271	88,858
Over one year to five years	2,000,117	132,298	123,458
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	353,178	176,589	157,968
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	13,972,624	-	-
Unutilised credit card lines	17,702,440	3,540,488	2,671,725
Total	224,446,875	7,954,496	5,460,373

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AND ITS SUBSIDIARIES**(20) Derivative financial instruments**

	←	March 2020	→	←	December 2019	→
	Contract Amount RM'000	Positive fair value RM'000	Negative fair value RM'000	Contract amount RM'000	Positive fair value RM'000	Negative fair value RM'000
Foreign exchange related contracts:						
- Forwards	82,314,020	570,615	429,107	73,854,972	259,998	347,449
- Cross currency interest rate swaps	4,325,985	26,591	17,504	3,839,081	24,623	29,975
- Options	1,006,769	4,186	1,936	1,040,413	1,102	2,038
Interest/Profit rate contracts:						
- Futures	-	-	-	-	-	-
- Swaps	104,983,383	714,642	595,222	107,861,644	279,247	171,126
- Options	90,000	-	67	90,000	-	156
Equity related contracts	133,428	0	11	127,166	11	22
Others	5,122,990	433,755	448,373	3,289,876	90,889	103,688
	<u>197,976,574</u>	<u>1,749,788</u>	<u>1,492,220</u>	<u>190,103,152</u>	<u>655,870</u>	<u>654,454</u>
		Note 6	Note 10		Note 6	Note 10

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UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	Group and Bank	
		March 2020 RM'000	December 2019 RM'000
Assets			
Cash and short term funds	(a)	2,747,539	1,647,828
Investment securities	(b)	940,687	840,518
Financing, advances and others	(c)	281,383	301,332
Other assets	(e)	12,752	7,478
Total assets		3,982,361	2,797,156
Liabilities			
Deposits from customers	(f)	1,279,723	550,822
Deposits and placements of banks and other financial institutions	(g)	1,954,656	1,693,160
Deferred tax liabilities		1,457	768
Other liabilities	(h)	209,990	8,566
Total liabilities		3,445,826	2,253,316
Islamic Banking funds	(i)	536,535	543,840
Total liabilities and Islamic Banking funds		3,982,361	2,797,156
Commitments and Contingencies	(q)	6	6

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group (comprised of the Bank and its subsidiaries) and the Bank (Citibank Berhad) for the financial year ended 31 December 2019 and the accompanying notes on page 25 to 35 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 2020

	Group and Bank	
	March	March
	2020	2019
Note	RM'000	RM'000
Income derived from investments of depositors' funds and others	(j) 14,842	23,063
(Allowance)/Writeback for financing, advances and others	(k) (204)	15
Total attributable income	14,638	23,078
Income attributable to depositors and others	(l) (2,206)	(2,882)
Total attributable to the Bank	12,432	20,196
(Loss)/income derived from investment of Islamic Banking funds	(m) (20,428)	29,660
Total net income	(7,996)	49,856
Other operating expenses	(o) (7)	(6)
Profit before taxation	(8,003)	49,850
Tax expense	1,913	(11,966)
Profit for the period	<u>(6,090)</u>	<u>37,884</u>
Other comprehensive expense, net of tax		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Investment securities		
- Net change in fair value	(1,215)	(184)
Total other comprehensive expense for the period	(1,215)	(184)
Total comprehensive income for the period	<u>(7,305)</u>	<u>37,700</u>
Profit for the period attributable to:		
Owner of the Bank	<u>(6,090)</u>	<u>37,884</u>
Total comprehensive income attributable to:		
Owner of the Bank	<u>(7,305)</u>	<u>37,700</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group (comprised of the Bank and its subsidiaries) and the Bank (Citibank Berhad) for the financial year ended 31 December 2019 and the accompanying notes on page 25 to 35 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 2020**

	Group and Bank			
	Capital funds RM'000	Fair value reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2019	20,000	1,078	431,343	452,421
Fair value reserve on investment securities:				
- Net change in fair value	-	(184)	-	(184)
Profit for the period	-	-	37,884	37,884
Total comprehensive income for the period	-	(184)	37,884	37,700
At 31 March 2019	20,000	894	469,227	490,121
At 1 January 2020	20,000	1,931	521,909	543,840
Fair value reserve on investment securities:				
- Net change in fair value	-	(1,215)	-	(1,215)
Profit for the period	-	-	(6,090)	(6,090)
Total comprehensive income for the period	-	(1,215)	(6,090)	(7,305)
At 31 March 2020	20,000	716	515,819	536,535

Note (i)

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group (comprised of the Bank and its subsidiaries) and the Bank (Citibank Berhad) for the financial year ended 31 December 2019 and the accompanying notes on page 25 to 35 attached to the unaudited condensed interim financial statements.

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(a) Cash and short term funds

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Cash and balances with banks and other financial institutions	2,277	2,439
Money at call and deposit placements maturing within one month	2,745,262	1,645,389
	<u>2,747,539</u>	<u>1,647,828</u>

(b) Investment securities

(i) By measurement

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Investment securities measured at FVTPL	100,487	-
Investment securities measured at FVOCI	840,200	840,518
	<u>940,687</u>	<u>840,518</u>

(ii) By type

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Malaysian Government Investment Issues	<u>940,687</u>	<u>840,518</u>

(c) Financing, advances and others

(i) By measurement

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Financing, advances and others measured at amortised cost	214,090	215,068
Financing, advances and others measured at FVTPL	68,084	86,930
Gross Financing, advances and others	282,174	301,998
Less: Loss allowance	(791)	(666)
Total net financing, advances and others	<u>281,383</u>	<u>301,332</u>

Note (d)(iii)

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(c) Financing, advances and others (continued)

(ii) By type

	Group and Bank	
	March	December
	2020	2019
	RM'000	RM'000
Term financing		
- Housing financing	140,499	145,469
- Other term financing	145,698	160,737
	<u>286,197</u>	<u>306,206</u>
Unearned income	(4,023)	(4,208)
Gross financing, advances and others	282,174	301,998
Less: Loss allowance	(791)	(666)
Total net financing, advances and others	<u><u>281,383</u></u>	<u><u>301,332</u></u>

Note (d)(iii)

(iv) By contract

	Group and Bank	
	March	December
	2020	2019
	RM'000	RM'000
Bai' Bithaman Ajil	9,062	9,295
Diminishing Musharakah	127,414	131,975
Murabahah	145,698	160,728
	<u>282,174</u>	<u>301,998</u>

(v) By profit rate sensitivity

	Group and Bank	
	March	December
	2020	2019
	RM'000	RM'000
Fixed rate		
- House financing	9,062	9,295
Variable rate		
- Base rate/Base Financing Rate	127,414	131,975
- Cost plus	145,698	160,728
	<u>282,174</u>	<u>301,998</u>

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(c) Financing, advances and others (continued)

(vi) By sector

	Group and Bank	
	March	December
	2020	2019
	RM'000	RM'000
Manufacturing (including agriculture based)	77,513	73,658
Finance, insurance, real estate and business services	68,184	87,070
Household-residential	136,110	140,879
Other sectors	367	391
	<u>282,174</u>	<u>301,998</u>

(d) Impaired financing, advances and others

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

	Group and Bank	
	March	December
	2020	2019
	RM'000	RM'000
At 1 January	2,900	4,161
Classified as impaired during the period/year	2,523	5,922
Reclassified as performing during the period/year	(1,340)	(6,514)
Amount recovered	-	(340)
Others	(36)	(329)
At 31 March / 31 December	<u>4,047</u>	<u>2,900</u>
Lifetime ECL credit impairment	(30)	(18)
Net impaired financing, advances and others	<u>4,017</u>	<u>2,882</u>
Ratio of net impaired financing, advances and others to total gross financing,	1.42%	0.95%

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

	Group and Bank	
	March	December
	2020	2019
	RM'000	RM'000
Household - Residential	<u>4,046</u>	<u>2,900</u>

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

(iii) Loss allowance

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

	Group and Bank							
	March 2020				December 2019			
	12-months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000	12-months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
At 1 January	594	54	18	666	657	53	23	733
Transfer to 12-month ECL	31	(29)	(2)	-	256	(228)	(28)	-
Transfer to lifetime ECL not credit impaired	(22)	27	(5)	-	(105)	160	(55)	-
Transfer to lifetime ECL credit impaired provision	-	(16)	16	-	-	(43)	43	-
Less: Financing derecognised during the period (other than write-offs)	(7)	(2)	-	(9)	(31)	(3)	(6)	(40)
Net remeasurement of loss allowance	(12)	20	1	9	(159)	832	47	720
Changes in models/risk parameters	-	-	-	-	-	(1,924)	(655)	(2,579)
Others	110	13	2	125	(24)	1,207	649	1,832
At 30 June / 31 December	<u>694</u>	<u>67</u>	<u>30</u>	<u>791</u>	<u>594</u>	<u>54</u>	<u>18</u>	<u>666</u>

Expected Credit Loss (ECL) provision reflected as of Q1 2020 is prior to incorporation of the needed provision in relation to the untested pandemic recessionary outlook of which could potentially lead to additional provision in the subsequent quarters.

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(e) Other assets

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Profit receivables	8,332	5,679
Other debtors, deposits and prepayments	1,295	1,929
Taxation	3,318	-
	<u>12,945</u>	<u>7,608</u>
Less: Loss allowance	(193)	(130)
	<u>12,752</u>	<u>7,478</u>

(f) Deposits and funds from customers

(i) By type of deposit and funds

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Non-Mudarabah Fund		
Demand deposits	1,234,600	506,727
Saving deposits	45,123	44,095
	<u>1,279,723</u>	<u>550,822</u>

(ii) By type of customers

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Government and statutory bodies	894,632	377,775
Business enterprises	332,597	121,013
Individuals	52,494	52,034
	<u>1,279,723</u>	<u>550,822</u>

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

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Bank Negara Malaysia	1,675,729	1,366,258
Licensed banks	22,869	205,915
Licensed financial institutions	256,058	120,987
	<u>1,954,656</u>	<u>1,693,160</u>

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(h) Other liabilities

	Group and Bank	
	March	December
	2020	2019
	RM'000	RM'000
Other creditors and accruals	209,990	8,566
	<u>209,990</u>	<u>8,566</u>

(i) Islamic Banking funds

	Group and Bank	
	March	December
	2020	2019
	RM'000	RM'000
Fund allocated	20,000	20,000
Fair value reserve	716	1,931
Retained profits	515,819	521,909
	<u>536,535</u>	<u>543,840</u>

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

	Group and Bank	
	March 2020 RM'000	March 2019 RM'000
Income derived from investment of:		
(i) General investment funds	14,842	23,063
	14,842	23,063

(i) Income derived from investment of general investment funds

	Group and Bank	
	March 2020 RM'000	March 2019 RM'000
Finance income and hibah		
Financing, advances and others	1,471	3,542
Money at call and placements with financial institutions	8,006	8,845
Investment securities at FVOCI	5,355	10,662
	14,832	23,049
Other operating income		
Fee income	10	14
Income from general investment funds	14,842	23,063

(k) (Allowance)/Writeback for financing, advances and others

	Group and Bank	
	March 2020 RM'000	March 2019 RM'000
12-months ECL	162	(20)
Lifetime ECL not credit impaired	13	9
Lifetime ECL credit impaired	13	4
Impaired financing, advances and others:		
- written off	16	19
- recovered	-	(27)
	204	(15)
	204	(15)

Expected Credit Loss (ECL) provision reflected as of Q1 2020 is prior to incorporation of the needed provision in relation to the untested pandemic recessionary outlook of which could potentially lead to additional provision in the subsequent quarters.

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(l) Income attributable to depositors and others

	Group and Bank	
	March 2020 RM'000	March 2019 RM'000
Deposits and funds from customers		
- Non-Mudarabah funds	2,192	2,866
Others	14	16
	<u>2,206</u>	<u>2,882</u>

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

	Group and Bank	
	March 2020 RM'000	March 2019 RM'000
Financing, advances and other	385	581
Money at call and placements with financial institutions	2,093	1,448
Investment securities at FVOCI	1,400	1,745
	<u>3,878</u>	<u>3,774</u>
Accretion of discount less amortisation of premium	(939)	(235)
Total finance income and hibah	<u>2,939</u>	<u>3,539</u>
Other operating income		
Gain from investment securities at FVOCI	3,126	1,962
Loss from investment securities at FVTPL	(3)	-
Fee income	120	36
Loss from trading activities	(3,087)	(2,909)
Net (loss)/gain on revaluation of financing, advances and others at FVTPL	<u>(23,523)</u>	<u>27,032</u>
	<u>(23,367)</u>	<u>26,121</u>
	<u>(20,428)</u>	<u>29,660</u>

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(n) Income from Islamic Banking operations

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

	Group and Bank	
	March 2020 RM'000	March 2019 RM'000
Income derived from investment of depositors' funds and others	(j) 14,842	23,063
Income attributable to depositors and others	(l) (2,206)	(2,882)
Income/(loss) derived from investment of Islamic Banking funds	(m) <u>(20,428)</u>	<u>29,660</u>
	<u>(7,792)</u>	<u>49,841</u>

(o) Other operating expenses

	Group and Bank	
	March 2020 RM'000	March 2019 RM'000
Personnel costs		
- Staff allowances and benefits	4	-
Establishment costs		
- Rental	-	-
- Others	2	4
Administrative and general expenses		
- Others	<u>1</u>	<u>2</u>
	<u>7</u>	<u>6</u>

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(p) Capital adequacy

(i) The capital adequacy ratios are as follows:

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
Computation of Total Risk-Weighted Assets ("RWA")		
Credit Risk RWA	138,560	137,915
Operational Risk RWA	135,130	151,163
Total Risk-Weighted Assets	<u>273,690</u>	<u>289,078</u>
Computation of Capital Ratios		
Common Equity Tier 1 ("CET 1") Capital	542,231	542,778
Tier 1 Capital	542,231	542,778
Total Capital	543,186	543,557
Common Equity Tier 1 ("CET 1") Capital ratio	198.119%	187.762%
Tier 1 Capital ratio	198.119%	187.762%
Total Capital ratio	<u>198.468%</u>	<u>188.031%</u>

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II - Risk-Weighted Assets) dated 5 February 2020 and 3 May 2019 respectively. . The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The stated minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer ("CCyB") for CET 1 Capital ratio, Tier 1 Capital ratio and Total Capital ratio are 4.5%, 6.0% and 8.0% respectively.

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

	Group and Bank	
	March 2020 RM'000	December 2019 RM'000
CET 1 Capital/Tier 1 Capital		
Fund allocated	20,000	20,000
Retained profits	521,909	521,909
Other reserves	716	1,931
Less: Regulatory adjustments	(394)	(1,062)
Total CET 1 Capital/Tier 1 Capital	<u>542,231</u>	<u>542,778</u>
Tier 2 Capital		
Loss allowance and regulatory reserves*	955	779
Total Tier 2 Capital	<u>955</u>	<u>779</u>
Total Capital	<u>543,186</u>	<u>543,557</u>

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

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(q) Commitments and Contingencies

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

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