



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

UNAUDITED CONDENSED FINANCIAL STATEMENTS
30 June 2016

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

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	Group		Bank	
		June 2016 RM'000	December 2015 RM'000	June 2016 RM'000	December 2015 RM'000
ASSETS					
Cash and short term funds	1	6,725,853	9,883,187	6,725,833	9,883,167
Deposits and placements with banks and other financial institutions	2	353,155	839,489	353,155	839,489
Securities purchased under resale agreements		50,389	145,107	50,389	145,107
Financial assets held-for-trading	3	1,319,932	846,298	1,319,932	846,298
Financial investments available for-sale	4	3,219,777	1,086,935	3,219,777	1,086,935
Loans, advances and financing	5	24,506,805	23,932,917	24,506,805	23,932,917
Other assets	7	2,054,340	1,599,862	2,054,340	1,599,862
Statutory deposits with Bank Negara Malaysia	8	515,310	544,910	515,310	544,910
Deferred tax assets		28,297	39,510	28,297	39,510
Investment in subsidiary companies		-	-	20	20
Plant and equipment		42,500	44,985	42,500	44,985
TOTAL ASSETS		38,816,358	38,963,200	38,816,358	38,963,200
LIABILITIES					
Deposits from customers	9	25,938,913	27,353,699	25,938,913	27,353,699
Deposits and placements of banks and other financial institutions	10	4,743,228	4,428,296	4,743,228	4,428,296
Bills and acceptances payable		28,198	50,341	28,198	50,341
Other liabilities	11	3,221,229	2,603,189	3,221,229	2,603,189
TOTAL LIABILITIES		33,931,568	34,435,525	33,931,568	34,435,525
EQUITY					
Share capital	12	121,697	121,697	121,697	121,697
Reserves	13	4,763,093	4,405,978	4,763,093	4,405,978
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK		4,884,790	4,527,675	4,884,790	4,527,675
TOTAL LIABILITIES AND EQUITY		38,816,358	38,963,200	38,816,358	38,963,200
OFF-BALANCE SHEET EXPOSURES	21	92,592,149	77,736,181	92,592,149	77,736,181

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group (comprised of the Bank and its subsidiary companies) and the Bank (Citibank Berhad) for the financial year ended 31 December 2015 and the accompanying notes on page 5 to 37 attached to the unaudited condensed interim financial statements.

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UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2016

	Note	Group and Bank	
		June 2016 RM'000	June 2015 RM'000
Revenue		1,196,321	1,080,018
Interest income	14	771,925	754,529
Interest expense	15	(202,930)	(216,292)
Net interest income		<u>568,995</u>	<u>538,237</u>
Net income from Islamic banking operations		18,486	13,927
Other operating income	16	405,910	311,562
Total net income		<u>993,391</u>	<u>863,726</u>
Other operating expenses	17	(478,015)	(489,674)
Operating profit		<u>515,376</u>	<u>374,052</u>
Allowance for loans, advances and financing	18	(46,141)	(83,964)
Profit before taxation		<u>469,235</u>	<u>290,088</u>
Tax expense		(112,945)	(72,884)
Profit for the period		<u><u>356,290</u></u>	<u><u>217,204</u></u>
Other comprehensive (expense)/income, net of income tax			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
- Net gain on revaluation of financial investments available-for-sale		825	9,471
Other comprehensive income for the period, net of income tax		<u>825</u>	<u>9,471</u>
Total comprehensive income for the period		<u><u>357,115</u></u>	<u><u>226,675</u></u>
Profit for the period attributable to:			
Equity holder of the Bank		<u><u>356,290</u></u>	<u><u>217,204</u></u>
Total comprehensive income attributable to:			
Equity holder of the Bank		<u><u>357,115</u></u>	<u><u>226,675</u></u>
Earnings per share - basic (sen)		<u><u>586</u></u>	<u><u>357</u></u>

The unaudited condensed 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 2015 and the accompanying notes on page 5 to 37 attached to the unaudited condensed interim financial statements.

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UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2016

Group and Bank	←----- Attributable to equity holder of the Bank -----→						Total Reserves RM'000	Total RM'000
	<----- Non-Distributable ----->			Distributable				
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Other Reserves RM'000	Retained Profits RM'000			
At 1 January 2015	121,697	380,303	121,697	(1,533)	3,719,858	4,220,325	4,342,022	
Profit for the period	-	-	-	-	217,204	217,204	217,204	
Other comprehensive income for the period	-	-	-	9,471	-	9,471	9,471	
At 30 JUNE 2015	<u>121,697</u>	<u>380,303</u>	<u>121,697</u>	<u>7,938</u>	<u>3,937,062</u>	<u>4,447,000</u>	<u>4,568,697</u>	
At 1 January 2016	121,697	380,303	121,697	14,695	3,889,283	4,405,978	4,527,675	
Profit for the period	-	-	-	-	356,290	356,290	356,290	
Other comprehensive expense for the period	-	-	-	825	-	825	825	
At 30 JUNE 2016	<u>121,697</u>	<u>380,303</u>	<u>121,697</u>	<u>15,520</u>	<u>4,245,573</u>	<u>4,763,093</u>	<u>4,884,790</u>	
	Note 12					Note 13		

The unaudited condensed 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 2015 and the accompanying notes on page 5 to 37 attached to the unaudited condensed interim financial statements.

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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE
FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2016**

	Group		Bank	
	June 2016 RM'000	June 2015 RM'000	June 2016 RM'000	June 2015 RM'000
Profit before taxation	469,235	290,088	469,235	290,088
Adjustments for non cash items	35,396	104,722	35,396	104,722
Operating profit before working capital changes	<u>504,631</u>	<u>394,810</u>	<u>504,631</u>	<u>394,810</u>
Changes in working capital :				
Net changes in operating assets	(931,188)	967,982	(931,188)	967,982
Net changes in operating liabilities	(525,402)	879,297	(525,402)	879,297
Income taxes paid	(91,500)	(50,750)	(91,500)	(50,750)
Net cash (used in)/generated from operating activities	<u>(1,043,459)</u>	<u>2,191,339</u>	<u>(1,043,459)</u>	<u>2,191,339</u>
Net cash (used in)/generated from investing activities	<u>(2,113,875)</u>	<u>37,998</u>	<u>(2,113,875)</u>	<u>37,998</u>
Net changes in cash and cash equivalents	(3,157,334)	2,229,337	(3,157,334)	2,229,337
Cash and cash equivalents at beginning of the period	9,883,187	7,194,881	9,883,167	7,194,861
Cash and cash equivalents at end of the period	<u><u>6,725,853</u></u>	<u><u>9,424,218</u></u>	<u><u>6,725,833</u></u>	<u><u>9,424,198</u></u>

The unaudited condensed 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 2015 and the accompanying notes on page 5 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 six months ended 30 June 2016 have been prepared in accordance with the Financial Reporting policy document issued by Bank Negara Malaysia ("BNM") on 28 January 2015.

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2015. 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 2015.

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 2015.

A2 Auditor's Report on preceeding Annual Financial Statements

The audit report on the audited financial statements for the financial year ended 31 December 2015 was not subject to any qualification.

A3 Seasonality or Cyclical factors

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

A4 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group and the Bank for the financial period six months ended 30 June 2016.

A5 Changes in estimates

There were no changes in estimates of amounts reported in prior financial year that have a material effect on the financial results and position of the Group and the Bank for the financial period six months ended 30 June 2016.

A6 Issuance and repayment of Debt and Equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period six months ended 30 June 2016.

A7 Dividend

The final ordinary dividends proposed in respect of the year ended 31 December 2015 of RM450 million was paid in July 2016, the dividend payment will be reflected in the next 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 six months ended 30 June 2016.

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B Review of performance and current year prospects

B1 Performance Review

Citibank Berhad registered a net profit of RM356 million and revenue of RM1,196 million for the financial period six months ended 30 June 2016, an increase of 64% or RM139 million in net profit as compared to previous corresponding period. The higher net profit was mainly contributed by the increase of 30% or RM94 million in other operating income and lower allowance for loans, advances and financing of 45% or RM38 million as compared to previous corresponding period.

Total assets recorded a decrease of RM147 million as compared to 31 December 2015 mainly contributed by deposits and placements with banks and other financial institutions of 58% or RM486 million. On the other hand, total liabilities recorded a decrease of 1% or RM504 million as compared to 31 December 2015. Deposits from customers have recorded a decrease of 5% or RM1,415 million as compared to 31 December 2015.

B2 Prospects for 2016

It has been a challenging second financial quarter this year as first quarter GDP slowed to 4.2% from 5.0% at the end of last year due to weaker investments and net exports. The slower investment spending reflected largely the drag from lower oil prices. By industry, slowdown was led mainly by agriculture and mining/manufacturing. Household debt fell slightly to 89% of GDP in the first financial quarter this year (Q3 2015: 89.3%) as credit growth has slowed amidst both slower demand and supply. Consumer credit growth especially on auto loans and credit card loans have led the slowdown in household loan growth, although more recently mortgage growth has also slowed. Uncertainties in the global economic environment could weigh on Malaysia's growth prospects.

Manufacturing production slowed from 4.8% in the first financial quarter to 3.4% in the second financial quarter. Exports remain under pressure in the near term with weaker demand from Japan and to a lesser extent, China and the US. But recovery in the Oil & Gas sector may help trade balance in the second half of 2016.

Growth is expected to remain quite soft or slower further for the rest of the year.

This financial quarter also saw the announcement of a surprise 25bps cut in July 2016 which might help ease monetary conditions and to ensure that the domestic economy continues on a steady growth path amid stable inflation supported by continued healthy financial intermediation in the economy.

Amidst the external challenges, Citibank Berhad recorded strong financial performance in this financial quarter.

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(1) Cash and short term funds

	Group	
	June 2016 RM'000	December 2015 RM'000
Cash and balances with banks and other financial institutions	49,219	55,237
Money at call and deposit placements maturing within one month	<u>6,676,634</u>	<u>9,827,950</u>
	<u><u>6,725,853</u></u>	<u><u>9,883,187</u></u>

	Bank	
	June 2016 RM'000	December 2015 RM'000
Cash and balances with banks and other financial institutions	49,199	55,217
Money at call and deposit placements maturing within one month	<u>6,676,634</u>	<u>9,827,950</u>
	<u><u>6,725,833</u></u>	<u><u>9,883,167</u></u>

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

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Licensed banks	<u>353,155</u>	<u>839,489</u>

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(3) Financial assets held-for-trading

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
At fair value		
Malaysian Government Treasury Bills	1,273	3,871
Malaysian Government Securities	1,027,940	711,712
Malaysian Government Investment Issues	282,169	116,635
Bank Negara Malaysia Bills/Notes	8,550	14,080
	<u>1,319,932</u>	<u>846,298</u>

(4) Financial investment available-for-sale

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
At fair value		
Malaysian Government Treasury Bills/ Securities	3,045,922	857,560
Malaysian Government Investment Issues	44,138	222,360
Yankee Bonds/US bonds	122,702	-
Unquoted securities	7,015	7,015
	<u>3,219,777</u>	<u>1,086,935</u>

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(5) Loans, advances and financing

(i) By type

	Group and Bank	
	June	December
	2016	2015
	RM'000	RM'000
Overdrafts	744,617	512,449
Term loans/financing		
-Housing loans/financing	10,945,562	10,931,868
-Other term loans/financing	2,745,938	2,632,771
Bills receivable	1,121,634	1,128,282
Claims on customers under acceptance credits	685,381	610,526
Staff loans	55,812	62,900
Share margin financing	171,253	188,472
Credit cards receivables	6,019,157	6,227,797
Revolving credit	2,505,367	2,163,418
	<hr/>	<hr/>
	24,994,721	24,458,483
Unearned interest and income	(13,473)	(14,752)
	<hr/>	<hr/>
Gross loans, advances and financing	24,981,248	24,443,731
Less:		
Allowance for impaired loans, advances and financing		
- Collective assessment allowance	(320,452)	(338,459)
- Individual assessment allowance	(153,991)	(172,355)
	<hr/>	<hr/>
Net loans, advances and financing	<u>24,506,805</u>	<u>23,932,917</u>

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(5) Loans, advances and financing (continued)
(ii) By interest/profit rate sensitivity

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Fixed rate		
Housing loans/financing	624,519	646,462
Other fixed rate loans/financing	10,957,483	11,444,257
Variable rate		
BLR plus	11,035,491	11,046,476
Cost plus	<u>2,363,755</u>	<u>1,306,536</u>
	<u>24,981,248</u>	<u>24,443,731</u>

(iii) By sector

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Primary agriculture	4,130	20,079
Mining & quarrying	102,043	470,867
Manufacturing (including agriculture based)	2,248,771	2,797,497
Electricity, gas, water	1,051	1,638
Construction	41,950	27,348
Wholesale, retail trade, restaurants and hotels	891,261	864,126
Transport, storage and communication	922,149	258,292
Finance, insurance, real estate and business services	1,557,512	659,420
Social & community services	14,448	12,051
Household		
- consumption credit	7,171,583	7,338,127
- residential	10,408,489	10,445,299
- purchase of securities	190,361	207,581
- others	184,179	190,287
Other sectors	<u>1,243,322</u>	<u>1,151,119</u>
	<u>24,981,248</u>	<u>24,443,731</u>

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

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Maturing within one year	13,071,150	12,571,691
One to five years	955,472	921,539
Over five years	10,954,626	10,950,501
	<u>24,981,248</u>	<u>24,443,731</u>

(v) By geographical distribution

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Within Malaysia	<u>24,981,248</u>	<u>24,443,731</u>

(6) Impaired loans, advances and financing

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

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
At 1 January	527,186	470,101
Classified as impaired during the period/year	341,289	671,027
Reclassified as performing during the period/year	(157,562)	(265,785)
Amount recovered	(55,388)	(182,050)
Amount written off	(126,088)	(166,107)
At 30 June/31 December	<u>529,437</u>	<u>527,186</u>
Individual assessment allowance	<u>(153,991)</u>	<u>(172,355)</u>
Net impaired loans, advances and financing	<u>375,446</u>	<u>354,831</u>
Ratio of net impaired loans and financing to gross loans and financing less individual assessment allowance	1.51%	1.46%

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

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

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
<u>Collective assessment allowance</u>		
At 1 January	338,459	380,755
Allowance written back during the period/year, net	<u>(18,007)</u>	<u>(42,296)</u>
At 30 June/31 December	<u>320,452</u>	<u>338,459</u>
As % of gross loans, advances and financing less individual assessment allowance	1.29%	1.39%
<u>Individual assessment allowance</u>		
At 1 January	172,355	181,784
Allowance made during the period/year	8,956	25,027
Written back during the period/year	(3,857)	(12,632)
Written off during the period/year	<u>(23,463)</u>	<u>(21,824)</u>
At 30 June/31 December	<u>153,991</u>	<u>172,355</u>

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

(iii) Impaired loans, advances and financing by sector

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Primary agriculture	938	7,765
Mining & quarrying	751	2,709
Manufacturing (including agriculture based)	19,359	33,041
Construction	1,140	1,433
Wholesale, retail trade, restaurants and hotels	22,537	16,302
Transport, storage and communication	66	457
Finance, insurance, real estate and business services	4,037	3,381
Household		
- consumption credit	165,688	152,356
- residential	290,773	284,814
- purchase of securities	19,108	19,108
Other sectors	5,040	5,820
	<u>529,437</u>	<u>527,186</u>

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

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Within Malaysia	<u>529,437</u>	<u>527,186</u>

(7) Other assets

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Interest/Income receivables	40,329	23,456
Other debtors, deposits and prepayments	1,138,096	289,656
Retirement benefits plan	4,894	4,894
Derivative assets (Note 22)	871,021	1,281,856
	<u>2,054,340</u>	<u>1,599,862</u>

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(8) Statutory deposits with Bank Negara Malaysia

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

(9) Deposits from customers

(i) By type of deposit

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Demand deposits	12,343,440	13,925,753
Saving deposits	1,489,700	1,460,108
Fixed deposits	11,779,328	8,098,664
Other deposits	323,288	3,868,190
Others - cash collateral	3,157	984
	<u>25,938,913</u>	<u>27,353,699</u>

(ii) By type of customers

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Government and statutory bodies	2,993	46,729
Business enterprises	12,724,334	14,428,907
Individuals	12,352,918	12,181,059
Others	858,668	697,004
	<u>25,938,913</u>	<u>27,353,699</u>

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

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Due within six months	10,289,442	10,932,131
Six months to one year	1,755,140	1,028,908
One year to three years	58,034	5,815
	<u>12,102,616</u>	<u>11,966,854</u>

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

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Bank Negara Malaysia	402,900	240,485
Licensed banks	1,758,456	1,793,188
Licensed finance companies	2,581,872	2,394,623
	<u>4,743,228</u>	<u>4,428,296</u>

(11) Other liabilities

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Interest/Profit payables	42,697	42,995
Other creditors and accruals	2,172,459	1,287,825
Taxation	35,601	25,647
Derivatives liabilities (Note 22)	970,472	1,246,722
	<u>3,221,229</u>	<u>2,603,189</u>

(12) Share capital

	Group and Bank			
	Amount June 2016 RM'000	Number of shares June 2016 '000	Amount December 2015 RM'000	Number of shares December 2015 '000
Ordinary shares of RM1 each				
Authorised	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Issued and fully paid	<u>121,697</u>	<u>121,697</u>	<u>121,697</u>	<u>121,697</u>

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(13) Reserves

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Share premium	380,303	380,303
Statutory reserve	121,697	121,697
Other reserve	15,521	14,695
- Fair value reserve	6,937	6,115
- Defined benefit reserve	8,584	8,580
Retained profits	4,245,572	3,889,283
	4,763,093	4,405,978

(14) Interest income

	Group and Bank	
	June 2016 RM'000	June 2015 RM'000
Loans and advances		
- Interest income other than recoveries from impaired loans	627,650	614,052
- Recoveries from impaired loans	27,481	26,048
Money at call and deposit placements		
with financial institutions	51,620	38,978
Financial assets held-for-trading	23,128	27,577
Financial investments available-for-sale	46,924	31,396
Securities purchased under resale agreements	1,230	11,763
	778,033	749,814
Accretion of discount less amortisation of premium	(6,108)	4,715
	771,925	754,529

(15) Interest expense

	Group and Bank	
	June 2016 RM'000	June 2015 RM'000
Deposits and placements of banks and other		
financial institutions	23,176	29,460
Deposits from customers	177,569	184,532
Others	2,185	2,300
	202,930	216,292

**CITIBANK BERHAD
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(16) Other operating income

	Group and Bank	
	June 2016 RM'000	June 2015 RM'000
Fee income:		
Commission	31,906	88,062
Service charges and fees	9,613	4,934
Guarantee fees	4,138	4,913
Bankcard fees	166,050	81,814
Insurance premium and referral	22,374	17,795
Other fee income	22,043	49,124
	<u>256,124</u>	<u>246,642</u>
Trading income:		
Unrealised gain from revaluation of financial assets held-for-trading	381	9,601
Net gain from sales of securities		
- Financial assets held-for-trading	21,624	7,978
- Financial investments available-for-sale	13,625	8,194
	<u>35,630</u>	<u>25,773</u>
Other income:		
Foreign exchange gain, net	69,437	70,620
Gain from derivatives	44,918	(31,473)
Loss on disposal of plant and equipment	(199)	-
	<u>114,156</u>	<u>39,147</u>
Total other operating income	<u><u>405,910</u></u>	<u><u>311,562</u></u>

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(17) Other operating expenses

	Group and Bank	
	June 2016 RM'000	June 2015 RM'000
Personnel costs		
-Salaries, allowances and bonuses	162,062	162,091
-Contribution to Employees Provident Fund	8,163	21,451
-Staff benefits and other compensations	34,593	20,364
-Others	1,267	2,721
	<u>206,085</u>	<u>206,627</u>
Establishment costs		
-Depreciation	8,491	10,901
-Rental of premises	12,001	19,224
-Hire of equipments	125	85
-Utilities	2,581	2,529
-Others	8,324	2,890
	<u>31,522</u>	<u>35,629</u>
Marketing expenses		
-Advertisement and promotional expenses	12,408	16,514
-Others	193	209
	<u>12,601</u>	<u>16,723</u>
Administration and general expenses		
-Processing cost	173,394	171,702
-Auditors' remuneration	334	363
-Stationeries and supplies	2,854	1,469
-Communication expenses	11,542	7,852
-Maintenance of office equipment	322	-
-Others	39,361	49,309
	<u>227,807</u>	<u>230,695</u>
Total other operating expenses	<u><u>478,015</u></u>	<u><u>489,674</u></u>

CITIBANK BERHAD
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(18) Allowance for loans, advances and financing

	Group and Bank	
	June 2016 RM'000	June 2015 RM'000
Allowance for loans, advances and financing :		
<u>Individual assessment</u>		
- made in the financial period	8,956	11,659
- written back	(3,857)	(5,487)
<u>Collective assessment</u>		
- (written back)/made in the financial period	(18,007)	12,446
<u>Impaired loans, advances and financing</u>		
- written back	(42,458)	(44,971)
- written off	101,507	110,317
	46,141	83,964

(19) Credit transactions and exposures with connected parties

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Outstanding credit exposures with connected parties	699,164	721,187
Total credit exposure which is non-performing or in default	-	-
Total credit exposures	63,464,561	59,671,418
Percentage of outstanding credit exposures to connected parties	-	-
- as a proportion of total credit exposures	1.10%	1.21%
- as a proportion of capital base	14.71%	15.20%
- which is non-performing or in default	0.00%	0.00%

**CITIBANK BERHAD
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(20) Capital adequacy

(a) The capital adequacy ratios are as follows:

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Computation of Total Risk Weighted Assets ("RWA")		
Total credit RWA	23,951,434	24,633,029
Total market RWA	1,834,272	3,008,049
Total operational RWA	3,511,036	3,425,132
Total Risk Weighted Assets	29,296,742	31,066,210
Computation of Capital Ratios		
Common Equity Tier I ("CET I") Capital	4,491,493	4,479,908
Tier I Capital	4,491,493	4,479,908
Total Capital *	4,752,033	4,743,600
Before deducting proposed dividends:		
Common Equity Tier I ("CET I") capital ratio	15.331%	14.421%
Tier I capital ratio	15.331%	14.421%
Total capital ratio	16.220%	15.269%
After deducting proposed dividends:		
Common Equity Tier I ("CET I") capital ratio	13.795%	12.972%
Tier I capital ratio	13.795%	12.972%
Total capital ratio	14.684%	13.821%

* In arriving at the capital base used in the ratio calculations of the Bank, proposed dividends were not deducted for June 2016 and December 2015.

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) reissued on 13 October 2015 which became effective from 1 January 2016. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer ("CCyB") for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively.

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
(b) The components of CET I, Tier I and Tier II Capital are as follows:		
CET 1 Capital/Tier 1 Capital		
Paid up ordinary share capital	121,697	121,697
Share premium	380,303	380,303
Retained profits	3,889,281	3,889,283
Other reserves	137,218	136,392
Less: Deferred tax assets, net	(28,297)	(39,510)
Less: Defined benefit pension fund assets	(4,894)	(4,894)
Less: 55% of cumulative gains of AFS financial instruments (other than financing and receivables)	(3,815)	(3,363)
Total CET 1 Capital/Tier 1 Capital	4,491,493	4,479,908
Tier 2 Capital		
Collective impairment provisions and regulatory reserves*	260,540	263,692
Total Tier 2 Capital	260,540	263,692
Total Capital	4,752,033	4,743,600

* Excludes collective assessment allowance on impairment loans restricted from Tier II Capital by BNM of RM68.9million (2015: RM74.7 million)

CITIBANK BERHAD
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(21) Off-balance sheet exposures

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

June 2016			
Group and Bank	Principal amount	Credit equivalent amount	Risk weighted assets
Nature of item	RM'000	RM'000	RM'000
Direct credit substitutes	2,028,979	2,028,979	1,888,365
Transaction related contingent items	723,839	361,919	311,939
Short term self liquidating trade related contingencies	167,081	33,416	27,660
Forward asset purchases	113,419	113,419	53,050
Foreign exchange related contracts:			
One year or less	33,403,401	983,816	616,094
Over one year to five years	2,936,257	431,939	224,131
Over five years	-	-	-
Interest/Profit rate related contracts:			
One year or less	5,784,546	20,539	8,046
Over one year to five years	14,025,740	393,633	141,124
Over five years	1,041,856	129,987	91,652
Equity related contracts:			
One year or less	142,787	8,901	2,544
Over one year to five years	36,262	2,877	1,438
Over five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	112,219	35,816	23,872
Over one year to five years	10,683	2,056	2,622
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	279,983	55,997	55,997
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	686,966	343,483	240,138
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	9,857,297	-	-
Unutilised credit card lines	21,240,834	4,248,167	3,201,652
Total	92,592,149	9,194,944	6,890,324

CITIBANK BERHAD
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(21) Off-balance sheet exposures (continued)

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

December 2015 Group and Bank	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item			
Direct credit substitutes	2,585,276	2,585,276	2,486,853
Transaction related contingent items	739,121	369,561	336,464
Short term self liquidating trade related contingencies	151,472	30,294	20,627
Forward asset purchases	58,119	58,119	29,060
Foreign exchange related contracts:			
One year or less	23,994,873	1,098,214	893,918
Over one year to five years	4,031,535	751,415	331,948
Over five years	-	-	-
Interest/Profit rate related contracts:			
One year or less	3,943,805	12,271	3,819
Over one year to five years	13,333,771	366,412	121,033
Over five years	1,206,239	126,933	88,189
Equity related contracts:			
One year or less	178,257	10,690	2,138
Over one year to five years	38,643	3,173	1,600
Debt security contracts and other commodity contracts:			
One year or less	97,166	35,183	34,255
Over one year to five years	2,031	735	788
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	950,880	475,440	341,274
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	-	-	-
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	6,993,398	-	-
Unutilised credit card lines	19,431,595	3,886,319	2,929,867
Total	77,736,181	9,810,035	7,621,833

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(22) Derivative financial instruments

	<----- 30 June 2016----->			<----- 31 December 2015 ----->		
	Contract	Positive	Negative	Contract	Positive	Negative
	Amount	fair	fair	amount	fair	fair
	RM'000	value	value	RM'000	value	value
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Foreign exchange						
related contracts:						
- Forwards	62,548,662	347,543	431,277	45,890,123	686,518	590,725
- Cross currency interest rate swaps	4,018,367	338,924	349,322	3,986,599	411,420	489,485
- Options	2,485,528	10,273	8,710	1,955,440	21,884	3,342
Interest rate contracts:						
- Swaps	20,609,416	146,147	142,079	19,151,283	133,713	122,768
- Options	345,452	2,456	-	365,064	2,286	-
Equity related contracts	358,127	310	268	255,542	76	76
Others	158,696	25,368	38,816	155,382	25,959	40,326
	90,524,248	871,021	970,472	71,759,433	1,281,856	1,246,722
		Note 7	Note 11		Note 7	Note 11

CITIBANK BERHAD
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UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016

		Group and Bank	
		June	December
		2016	2015
		RM'000	RM'000
Assets			
Cash and short term funds	(a)	2,116,272	2,092,803
Financial assets held-for-trading	(b)	39,335	-
Financing, advances and other loans	(c)	620,397	658,898
Other assets	(e)	14,663	16,435
		<hr/>	<hr/>
Total assets		<u>2,790,667</u>	<u>2,768,136</u>
Liabilities			
Deposits from customers	(f)	2,436,424	2,412,532
Deferred tax liabilities		691	803
Other liabilities	(g)	11,957	30,709
		<hr/>	<hr/>
Total liabilities		<u>2,449,072</u>	<u>2,444,044</u>
Islamic banking funds	(h)	341,595	324,092
		<hr/>	<hr/>
Total liabilities and Islamic banking funds		<u>2,790,667</u>	<u>2,768,136</u>
Off-balance sheet exposures	(p)	<u>25,699</u>	<u>476,035</u>

The unaudited condensed 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 2015 and the accompanying notes on page 27 to 37 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD
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**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2016**

	Group and Bank	
	June 2016 RM'000	June 2015 RM'000
Income derived from investments of depositors' funds and others	(i) 35,894	17,137
Provision for financing, advances and other loans	(j) 5,609	320
Total attributable income	<u>41,503</u>	<u>17,457</u>
Income attributable to depositors	(k) <u>(6,712)</u>	<u>(3,721)</u>
Total attributable to the Bank	34,791	13,736
(Loss)/ Income derived from investment of Islamic Banking Capital funds	(l) <u>(10,696)</u>	<u>511</u>
Total net income	24,095	14,247
Other operating expenses	(n) <u>(651)</u>	<u>(591)</u>
Profit before taxation	23,444	13,656
Tax expense	<u>(5,941)</u>	<u>(3,414)</u>
Profit for the period	<u>17,503</u>	<u>10,242</u>
Other comprehensive expense, net of income tax		
Net loss on revaluation of financial investments available-for-sale	<u>-</u>	<u>(1)</u>
Other comprehensive expense for the period, net of income tax	<u>-</u>	<u>(1)</u>
Total comprehensive income for the period	<u>17,503</u>	<u>10,241</u>
Profit for the period attributable to:		
Equity holder of the Bank	<u>17,503</u>	<u>10,242</u>
Total comprehensive income attributable to:		
Equity holder of the Bank	<u>17,503</u>	<u>10,241</u>

The unaudited condensed 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 2015 and the accompanying notes on page 27 to 37 attached to the unaudited condensed interim financial statements.

CITIBANK BERHAD
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UNAUDITED STATEMENTS OF CHANGES IN ISLAMIC BANKING FUNDS
FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2016

	Group and Bank			
	Capital funds RM'000	Fair value reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2015	20,000	1	289,626	309,627
Profit for the period	-	-	10,242	10,242
Other comprehensive expense for the period	-	(1)	-	(1)
At 30 JUNE 2015	<u>20,000</u>	<u>-</u>	<u>299,868</u>	<u>319,868</u>
At 1 January 2016	20,000	-	304,092	324,092
Profit for the period	-	-	17,503	17,503
At 30 JUNE 2016	<u>20,000</u>	<u>-</u>	<u>321,595</u>	<u>341,595</u>

Note (i)

The unaudited condensed 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 2015 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

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Cash and balances with banks and other financial institutions	3,020	2,693
Money at call and deposit placements maturing within one month	<u>2,113,252</u>	<u>2,090,110</u>
	<u><u>2,116,272</u></u>	<u><u>2,092,803</u></u>

(b) Financial assets held-for-trading

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
At fair value		
Malaysian Government Investment Issues	38,062	-
Malaysian Government Treasury Bills	<u>1,273</u>	<u>-</u>
	<u><u>39,335</u></u>	<u><u>-</u></u>

(c) Financing, advances and other loans

(i) By type

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Term financing		
- Housing loans/financing	241,844	261,916
- Other term loans/financing	<u>402,673</u>	<u>427,806</u>
	644,517	689,722
Unearned income	<u>(9,387)</u>	<u>(10,504)</u>
Gross financing, advances and other loans	<u>635,130</u>	<u>679,218</u>
Less:		
Allowance for impaired loans, advances and financing		
- Collective assessment allowance	(14,168)	(19,736)
- Individual assessment allowance	<u>(565)</u>	<u>(584)</u>
Total net financing, advances and other loans	<u><u>620,397</u></u>	<u><u>658,898</u></u>

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

(ii) By contract

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Bai' Bithamin Ajil	13,244	17,370
Diminishing Musharakah	219,213	234,042
Murabahah	402,673	427,806
	<u>635,130</u>	<u>679,218</u>

(iii) By profit rate sensitivity

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Fixed rate		
- House loans/financing	232,457	251,412
Variable rate		
- Cost plus	402,673	427,806
	<u>635,130</u>	<u>679,218</u>

(iv) By sector

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Household-residential	231,941	250,874
Mining & quarrying	402,673	427,806
Other sectors	516	538
	<u>635,130</u>	<u>679,218</u>

**CITIBANK BERHAD
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(d) Impaired financing, advances and other loans

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

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
At 1 January	9,076	9,557
Classified as impaired during the period/year	2,313	7,207
Reclassified as performing during the period/year	(2,050)	(5,894)
Amount recovered	(958)	(1,794)
	8,381	9,076
At 31 March/31 December		
Individual assessment allowance	(565)	(584)
	7,816	8,492
Net impaired financing, advances and other loans		
Ratio of net impaired financing, advances and other loans to total gross financing, advances and other loans	1.23%	1.25%

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

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
<u>Collective assessment allowance</u>		
At 1 January	19,736	687
Allowance made during the period/year	(5,568)	19,049
	14,168	19,736
At 31 March/31 December		
As % of gross financing, advances and other loans less individual assessment allowance	2.23%	2.91%
<u>Individual assessment allowance</u>		
At 1 January	584	656
Allowance made during the period/year	15	28
Allowance written back during the period/year	(34)	(99)
Amount written off	-	(1)
	565	584
At 31 March/31 December		

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

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

	Group and Bank	
	June	December
	2016	2015
	RM'000	RM'000
Household - Residential	8,381	9,076

(e) Other assets

	Group and Bank	
	June	December
	2016	2015
	RM'000	RM'000
Profit receivables	1,442	433
Other debtors, deposits and prepayments	8,028	5,365
Revaluation gain on profit rate undertaking contracts (Note q)	326	5,814
Taxation	4,867	4,823
	14,663	16,435

(f) Deposits from customers

(i) By type of deposit

	Group and Bank	
	June	December
	2016	2015
	RM'000	RM'000
Non-Mudharabah Fund		
Demand deposits	2,280,965	2,255,858
Saving deposits	57,124	60,318
Other deposits	12,755	10,776
Mudharabah fund		
Negotiable Instrument of Deposit	85,580	85,580
	2,436,424	2,412,532

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(f) Deposits from customers (continued)

(ii) By type of customers

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Government and statutory bodies	632,009	452,550
Business enterprises	1,714,383	1,861,441
Individuals	63,526	74,502
Others	26,506	24,039
	<u>2,436,424</u>	<u>2,412,532</u>

(g) Other liabilities

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Other creditors and accruals	11,631	24,895
Revaluation loss on profit rate undertaking contracts (Note q)	326	5,814
	<u>11,957</u>	<u>30,709</u>

(h) Islamic Banking Fund

	Group and Bank	
	June 2016 RM'000	December 2015 RM'000
Fund allocated	20,000	20,000
Retained earnings	321,595	304,092
	<u>341,595</u>	<u>324,092</u>

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

	Group and Bank	
	June 2016 RM'000	June 2015 RM'000
Income derived from investment of:		
(i) General investment deposits	34,439	15,681
(ii) Other deposits	<u>1,455</u>	<u>1,456</u>
	<u><u>35,894</u></u>	<u><u>17,137</u></u>

(i) Income derived from investment of general investment deposits

	Group and Bank	
	June 2016 RM'000	June 2015 RM'000
Finance income and hibah		
Financing, advances and other loans	8,350	5,027
Money at call and placements with financial institutions	24,453	8,973
Income from financial investments available-for-sale	-	261
Income from financial assets held-for-trading	<u>540</u>	<u>728</u>
	33,343	14,989
Accretion of discount less amortisation of premium	<u>(2)</u>	<u>692</u>
Total finance income and hibah	<u><u>33,341</u></u>	<u><u>15,681</u></u>
Other operating income		
Fee income	<u>1,098</u>	<u>-</u>
Income from general investment deposits	<u><u>34,439</u></u>	<u><u>15,681</u></u>

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

(ii) Income derived from investment of other deposits

	Group and Bank	
	June	June
	2016	2015
	RM'000	RM'000
Finance income and hibah		
Financing, advances and other loans	353	467
Money at call and placements with financial institutions	1,033	833
Income from financial investments available-for-sale	-	24
Income from securities held-for-trading	23	68
	<hr/>	<hr/>
	1,409	1,392
Accretion of discount less amortisation of premium	-	64
	<hr/>	<hr/>
Total finance income and hibah	1,409	1,456
	<hr/>	<hr/>
Other operating income		
Fee income	46	-
	<hr/>	<hr/>
Income from investments of other deposits	1,455	1,456
	<hr/> <hr/>	<hr/> <hr/>

(j) Provision for financing, advances and other loans

	Group and Bank	
	June	June
	2016	2015
	RM'000	RM'000
Provision for financing, advances and other loans:		
<u>Individual assessment allowance</u>		
- made in the financial period	16	26
- written back	(22)	(77)
	<hr/>	<hr/>
<u>Collective assessment allowance</u>		
- Written back during the period	(5,603)	(269)
	<hr/>	<hr/>
	(5,609)	(320)
	<hr/> <hr/>	<hr/> <hr/>

(k) Income attributable to depositors

	Group and Bank	
	June	June
	2016	2015
	RM'000	RM'000
Deposits from customers		
- Mudharabah funds	5,504	2,460
- Non-Mudharabah funds	1,168	1,214
Others	40	47
	<hr/>	<hr/>
	6,712	3,721
	<hr/> <hr/>	<hr/> <hr/>

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
ISLAMIC BANKING OPERATIONS**

(Company No. 297089 M)

(Incorporated in Malaysia)

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

	Group and Bank	
	June 2016 RM'000	June 2015 RM'000
Financing, advances and other loans	1,238	1,591
Money at call and placements with financial institutions	3,626	2,839
Income from financial investments available-for-sale	-	83
Income from securities held-for-trading	80	230
	<u>4,944</u>	<u>4,743</u>
Accretion of discount less amortisation of premium	-	215
	<u>4,944</u>	<u>4,958</u>
Other operating income		
Gain from financial assets held-for-trading	480	276
Gain from financial investments available-for-sale	-	41
Fee income	355	312
Gain/(Loss) from trading activities	(16,475)	(5,076)
	<u>(15,640)</u>	<u>(4,447)</u>
(Loss)/ Income from Islamic Banking Capital Funds	<u>(10,696)</u>	<u>511</u>

(m) Income from Islamic banking operations

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

	Group and Bank	
	June 2016 RM'000	June 2015 RM'000
Income derived from investment of depositors' funds and others	(i) 35,894	17,137
Income attributable to depositors	(k) (6,712)	(3,721)
Income/(Loss) derived from investment of Islamic Banking Funds	(l) (10,696)	511
	<u>18,486</u>	<u>13,927</u>

(n) Other operating expenses

	Group and Bank	
	June 2016 RM'000	June 2015 RM'000
Personnel costs	27	70
Administrative and general expenses	624	521
	<u>651</u>	<u>591</u>

**CITIBANK BERHAD
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(o) Capital adequacy

(i) The capital adequacy ratios are as follows:

	Group and Bank	
	June	December
	2016	2015
	RM'000	RM'000
Computation of Total Risk Weighted Assets ("RWA")		
Total credit RWA	88,019	97,830
Total market RWA	59,756	47,722
Total operational RWA	73,724	73,044
	<hr/>	<hr/>
Total Risk Weighted Assets	221,499	218,596
	<hr/>	<hr/>
Computation of Capital Ratios		
Common Equity Tier I ("CET I") Capital	324,092	324,092
Tier 1 Capital	324,092	324,092
Total Capital	337,781	343,590
	<hr/>	<hr/>
Common Equity Tier I ("CET I") capital ratio	146.318%	148.261%
	<hr/>	<hr/>
Tier 1 capital ratio	146.318%	148.261%
	<hr/>	<hr/>
Total capital ratio	152.498%	157.180%
	<hr/>	<hr/>

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) reissued on 13 October 2015 which became effective from 1 January 2016. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer ("CCyB") for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively.

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

	Group and Bank	
	June	December
	2016	2015
	RM'000	RM'000
CET 1 Capital/Tier 1 Capital		
Fund allocated	20,000	20,000
Retained earnings	304,092	304,092
	<hr/>	<hr/>
Total CET 1 Capital/Tier 1 Capital	324,092	324,092
	<hr/>	<hr/>
Tier 2 Capital		
Collective impairment provisions and regulatory reserves*	13,689	19,498
	<hr/>	<hr/>
Total Tier 2 Capital	13,689	19,498
	<hr/>	<hr/>
Total Capital	337,781	343,590
	<hr/>	<hr/>

* Excludes collective assessment allowance on impairment loans restricted from Tier II Capital by BNM of RM270,000 (2015: RM238,000)

**CITIBANK BERHAD
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(p) **Off-balance sheet exposures**

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

June 2016 Group and Bank	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item			
Profit rate related contracts:			
One year or less	-	-	-
Over one year to five years	25,000	-	-
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	699	350	259
Total	25,699	350	259

December 2015 Group and Bank	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Nature of item			
Profit rate related contracts:			
One year or less	-	-	-
Over one year to five years	475,000	13,801	2,760
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,035	518	385
Total	476,035	14,319	3,145

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(q) Derivative financial instruments

	<----- 30 June 2016----->			<----- 31 December 2015 ----->		
	Contract	Positive	Negative	Contract	Positive	Negative
	Amount	fair	fair	amount	fair	fair
	RM'000	value	value	RM'000	value	value
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Others						
- Islamic profit rate undertaking	50,000	326	326	950,000	5,814	5,814
	50,000	326	326	950,000	5,814	5,814
		Note (e)	Note (g)		Note (e)	Note (g)