



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

UNAUDITED CONDENSED FINANCIAL STATEMENTS
30 June 2013

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 2013

| | Note | Group | | Bank | |
|--|------|------------------------|-----------------------|------------------------|-----------------------|
| | | June 2013 RM'000 | Dec 2012 RM'000 | June 2013 RM'000 | Dec 2012 RM'000 |
| ASSETS | | | | | |
| Cash and short term funds | 1 | 13,886,809 | 10,293,235 | 13,886,789 | 10,293,215 |
| Deposits and placements with banks and other financial institutions | 2 | 1,557,992 | 296,775 | 1,557,992 | 296,775 |
| Securities purchased under resale agreements | | 619,808 | 743,921 | 619,808 | 743,921 |
| Financial assets held-for-trading | 3 | 3,880,941 | 3,045,057 | 3,880,941 | 3,045,057 |
| Financial investments available for-sale | 4 | 1,057,368 | 3,399,436 | 1,057,368 | 3,399,436 |
| Loans, advances and financing | 5 | 19,286,965 | 19,276,194 | 19,286,965 | 19,276,194 |
| Other assets | 7 | 1,206,486 | 832,926 | 1,206,486 | 832,926 |
| Statutory deposits with Bank Negara Malaysia | 8 | 501,895 | 438,840 | 501,895 | 438,840 |
| Deferred tax assets | | 13,888 | 17,292 | 13,888 | 17,292 |
| Investment in subsidiary companies | | - | - | 20 | 20 |
| Plant and equipment | | 96,839 | 109,343 | 96,839 | 109,343 |
| TOTAL ASSETS | | 42,108,991 | 38,453,019 | 42,108,991 | 38,453,019 |
| LIABILITIES | | | | | |
| Deposits from customers | 9 | 29,988,875 | 28,932,489 | 29,988,875 | 28,932,489 |
| Deposits and placements of banks and other financial institutions | 10 | 5,016,878 | 2,855,220 | 5,016,878 | 2,855,220 |
| Bills and acceptances payable | | 47,192 | 133,076 | 47,192 | 133,076 |
| Other liabilities | 11 | 3,032,553 | 2,246,414 | 3,032,553 | 2,246,414 |
| TOTAL LIABILITIES | | 38,085,498 | 34,167,199 | 38,085,498 | 34,167,199 |
| EQUITY | | | | | |
| Share capital | 12 | 121,697 | 121,697 | 121,697 | 121,697 |
| Reserves | 13 | 3,901,795 | 4,164,123 | 3,901,795 | 4,164,123 |
| TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK | | 4,023,492 | 4,285,820 | 4,023,492 | 4,285,820 |
| TOTAL LIABILITIES AND EQUITY | | 42,108,991 | 38,453,019 | 42,108,991 | 38,453,019 |
| OFF-BALANCE SHEET EXPOSURES | 21 | 85,354,235 | 79,345,922 | 85,354,235 | 79,345,922 |

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 2012 and the accompanying notes on page 5 to 44 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES**

(Company No. 297089 M)

(Incorporated in Malaysia)

**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2013**

| | Note | Group and Bank | |
|---|------|------------------------|------------------------|
| | | June 2013 RM'000 | June 2012 RM'000 |
| Revenue | | 1,079,113 | 1,228,396 |
| Interest income | 14 | 765,167 | 845,305 |
| Interest expense | 15 | (223,167) | (262,860) |
| Net interest income | | <u>542,000</u> | <u>582,445</u> |
| Net income from Islamic banking operations | | 18,709 | 18,369 |
| Other operating income | 16 | 295,237 | 364,722 |
| Total net income | | <u>855,947</u> | <u>965,536</u> |
| Other operating expenses | 17 | (453,013) | (456,395) |
| Operating profit | | <u>402,934</u> | <u>509,140</u> |
| Allowance/Provision for loans, advances and financing | 18 | (82,943) | (68,831) |
| Profit before taxation | | <u>319,991</u> | <u>440,309</u> |
| Tax expense | | (80,554) | (110,471) |
| Profit for the period | | <u><u>239,437</u></u> | <u><u>329,838</u></u> |
| Other comprehensive (expense)/income, net of income tax | | | |
| Net loss on revaluation of financial investments available-for-sale | | <u>(1,764)</u> | <u>(3,331)</u> |
| Other comprehensive (expense)/income for the period, net of income tax | | <u>(1,764)</u> | <u>(3,331)</u> |
| Total comprehensive income for the period | | <u><u>237,672</u></u> | <u><u>326,507</u></u> |
| Profit for the period attributable to: | | | |
| Equity holder of the Bank | | <u><u>239,437</u></u> | <u><u>329,838</u></u> |
| Total comprehensive income attributable to: | | | |
| Equity holder of the Bank | | <u><u>237,672</u></u> | <u><u>326,507</u></u> |
| Earnings per share - basic (sen) | | <u><u>393</u></u> | <u><u>542</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 2012 and the accompanying notes on page 5 to 44 attached to the unaudited condensed interim financial statements.

CITIBANK BERHAD
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UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2013

| Group and Bank | ←----- Attributable to equity holder of the Bank -----→ | | | | | | | Total RM'000 |
|---|---|----------------------------|--------------------------------|---------------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------|
| | <----- Non-Distributable -----> | | | | Distributable | | Total Reserves RM'000 | |
| | Share Capital RM'000 | Share Premium RM'000 | Statutory Reserve RM'000 | Fair value Reserve RM'000 | Retained Profits RM'000 | Total Reserves RM'000 | | |
| At 1 January 2012 | 121,697 | 380,303 | 121,697 | 7,387 | 3,384,339 | 3,893,726 | 4,015,423 | |
| Profit for the period | - | - | - | - | 329,838 | 329,838 | 329,838 | |
| Other comprehensive expense for the period | - | - | - | (3,331) | - | (3,331) | (3,331) | |
| Dividend paid | - | - | - | - | (300,000) | (300,000) | (300,000) | |
| At 30 June 2012 | <u>121,697</u> | <u>380,303</u> | <u>121,697</u> | <u>4,056</u> | <u>3,414,177</u> | <u>3,920,233</u> | <u>4,041,930</u> | |
| At 1 January 2013 | 121,697 | 380,303 | 121,697 | (823) | 3,662,946 | 4,164,123 | 4,285,820 | |
| Profit for the period | - | - | - | - | 239,437 | 239,437 | 239,437 | |
| Other comprehensive expense for the period | - | - | - | (1,764) | - | (1,764) | (1,764) | |
| Dividend paid | - | - | - | - | (500,000) | (500,000) | (500,000) | |
| At 30 June 2013 | <u>121,697</u> | <u>380,303</u> | <u>121,697</u> | <u>(2,587)</u> | <u>3,402,383</u> | <u>3,901,795</u> | <u>4,023,492</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 2012 and the accompanying notes on page 5 to 44 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD
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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE
FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2013**

| | Group and Bank | |
|--|---------------------------------|---------------------------------|
| | June 2013 RM'000 | June 2012 RM'000 |
| Profit before taxation | 319,991 | 440,309 |
| Adjustments for non cash items | 141,357 | (20,961) |
| Operating profit before working capital changes | 461,348 | 419,348 |
| Changes in working capital : | | |
| Net changes in operating assets | (2,537,215) | (920,517) |
| Net changes in operating liabilities | 3,952,545 | (1,822,303) |
| Income taxes paid | (114,800) | (99,878) |
| Net cash generated from operating activities | 1,761,878 | (2,423,350) |
| Net cash generated from/(used in) investing activities | 2,331,696 | 741,924 |
| Net cash used in financing activities | (500,000) | (300,000) |
| Net changes in cash and cash equivalents | 3,593,574 | (1,981,425) |
| Cash and cash equivalents at beginning of the year | 10,293,215 | 11,968,420 |
| Cash and cash equivalents at end of the period | 13,886,789 | 9,986,995 |

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 2012 and the accompanying notes on page 5 to 44 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD
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- A** Explanatory Notes Pursuant to Revised Guidelines on Financial Reporting for Banking Institutions (BNM/RH/GL 015-3) issued by Bank Negara Malaysia.

A1 Basis of preparation

The unaudited interim financial statements for the financial period six months ended 30 June 2013 have been prepared in accordance with the revised Guidelines on Financial Reporting issued by Bank Negara Malaysia ("BNM") on 28 June 2013.

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 2012. 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 year ended 31 December 2012.

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 year ended 31 December 2012.

A2 Auditor's Report on preceeding Annual Financial Statement

The audit report on the audited financial statements for the financial year ended 31 December 2012 was not subject to any qualification.

A3 Seasonality or Cyclical factors

The business operations of 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 Bank for the financial period six months ended 30 June 2013.

A5 Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the Bank for the financial period six months ended 30 June 2013.

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 2013.

A7 Dividend

The final ordinary dividends proposed in respect of the year ended 31 December 2012 of RM500 million was paid during the current financial period.

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 2013.

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B Review of performance and current year prospects

B1 Performance Review

Citibank Berhad registered a pre-tax profit of RM320 million and revenue of RM1,079 million for six months ended 30 June 2013, a decrease of 27% or RM120 million in pre-tax profit year on year basis. The lower profit was mainly contributed by a decrease of 19% or RM69 million in other operating income. Interest expense recorded a decrease of 15% or RM40 million and net income from Islamic banking operation decreased by 2% or RM0.3 million.

Total assets increased by 10% or RM3,656 million as compared to 31 December 2012. Deposits and placements with banks and other financial institutions recorded an increase of RM1,261 million, followed by an increase in cash and short term funds of RM3,594 million. Total liabilities increased by 11% or RM3,918 million mainly due to the increase in deposits and placements of banks and other financial institutions of 76% or RM2,162 million.

B2 Prospects for 2013

The continuity in the implementation of the Economic Transformation Programme, post-elections, is likely to help sustain Malaysia's investment growth in the second half of 2013. GDP growth is forecast to hover between 4.5%-5.0% this year supported by steady private consumption and on-going investment activity whilst sluggish global demand may impact overall growth. Stable labour market conditions, income growth and capital spending in the domestic-oriented industries and execution of infrastructure projects will continue to dictate the country's growth momentum.

Inflation may edge upwards, albeit moderately, in the latter half of the year but has stayed low at 1.6% for the first six months of 2013. It is not anticipated to breach Bank Negara's implicit 3% tolerance threshold, allowing OPR to be maintained at 3% through this year. Monetary policy will be aligned with the country's low inflation, steady growth environment and will gauge global economic and financial developments and their implications on the local economy.

In the banking sector, recent measures by Bank Negara to cap loan tenures for mortgages and personal financing in response to the continued rise in household debt is expected to have minimal impact on banks as the measures, especially for personal financing, are largely aimed at non-bank financial institutions (NBFIs). Margin compression and rise in credit costs continue to remain concerns in the remainder of 2013.

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(1) Cash and short term funds

| | Group | |
|---|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Cash and balances with banks and other financial institutions | 75,332 | 88,995 |
| Money at call and deposit placements maturing within one month | 13,811,477 | 10,204,240 |
| | <hr/> | <hr/> |
| | <u>13,886,809</u> | <u>10,293,235</u> |

| | Bank | |
|---|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Cash and balances with banks and other financial institutions | 75,312 | 88,975 |
| Money at call and deposit placements maturing within one month | 13,811,477 | 10,204,240 |
| | <hr/> | <hr/> |
| | <u>13,886,789</u> | <u>10,293,215</u> |

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

| | Group and Bank | |
|----------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Licensed banks | 1,557,992 | 296,775 |
| | <hr/> | <hr/> |
| | <u>1,557,992</u> | <u>296,775</u> |

CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
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(3) Financial assets held-for-trading

| | Group and Bank | |
|--|-----------------------|---------------|
| | June | Dec |
| | 2013 | 2012 |
| | RM'000 | RM'000 |
| At fair value | | |
| Malaysian Government Treasury Bills | 40,611 | 103,053 |
| Malaysian Government Securities | 885,458 | 642,680 |
| Malaysian Government Investment Issues | 222,295 | 267,104 |
| Bank Negara Malaysia Bills/Notes | 2,732,578 | 2,032,220 |
| | 3,880,941 | 3,045,057 |
| | 3,880,941 | 3,045,057 |

(4) Financial investment available-for-sale

| | Group and Bank | |
|--|-----------------------|---------------|
| | June | Dec |
| | 2013 | 2012 |
| | RM'000 | RM'000 |
| Malaysian Government Treasury Bills/ Securities | 532,795 | 1,698,966 |
| Bank Negara Malaysia Bills | - | 788,073 |
| Malaysian Government Investment Issues | 517,074 | 904,898 |
| Unquoted securities | 7,499 | 7,499 |
| | 1,057,368 | 3,399,436 |
| | 1,057,368 | 3,399,436 |

**CITIBANK BERHAD
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(5) Loans, advances and financing

(i) By type

| | Group and Bank | |
|--|--------------------------|--------------------------|
| | June | Dec |
| | 2013 | 2012 |
| | RM'000 | RM'000 |
| Overdrafts | 447,434 | 408,205 |
| Term loans/financing | | |
| -Housing loans/financing | 9,103,970 | 8,956,129 |
| -Hire purchase receivables | 808 | 808 |
| -Lease receivables | 570 | 570 |
| -Other term loans/financing | 1,300,484 | 1,350,200 |
| Bills receivable | 983,759 | 740,065 |
| Trust receipts | 8,228 | 13,100 |
| Claims on customers under acceptance credits | 726,125 | 922,132 |
| Staff loans | 84,609 | 91,719 |
| Share margin financing | 191,960 | 180,455 |
| Credit cards receivables | 5,958,092 | 6,093,593 |
| Revolving credit | 1,077,817 | 1,099,443 |
| Other loans | 2,607 | 6,578 |
| | <u>19,886,462</u> | <u>19,862,997</u> |
| Unearned interest and income | (22,356) | (23,970) |
| Gross loans, advances and financing | <u>19,864,107</u> | <u>19,839,027</u> |
| Less: | | |
| Allowance for impaired loans, advances and financing | | |
| - Collective assessment allowance | (375,014) | (357,064) |
| - Individual assessment allowance | (202,128) | (205,769) |
| Net loans, advances and financing | <u><u>19,286,965</u></u> | <u><u>19,276,194</u></u> |

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(5) Loans, advances and financing (continued)

(ii) By interest/profit rate sensitivity

| | Group and Bank | |
|----------------------------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Fixed rate | | |
| Housing loans/financing | 708,928 | 741,937 |
| Hire purchase receivables | 808 | 808 |
| Other fixed rate loans/financing | 9,169,271 | 9,181,998 |
| Variable rate | | |
| BLR plus | 9,199,209 | 9,034,808 |
| Cost plus | 785,891 | 879,476 |
| | 19,864,107 | 19,839,027 |

(iii) By sector

| | Group and Bank | |
|---|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Primary agriculture | 83,648 | 93,268 |
| Mining & quarrying | 54,469 | 32,050 |
| Manufacturing (including agriculture based) | 1,788,093 | 1,705,728 |
| Electricity, gas, water | 144,936 | 84,074 |
| Construction | 47,341 | 43,163 |
| Wholesale, retail trade, restaurants and hotels | 653,570 | 758,725 |
| Transport, storage and communication | 279,460 | 307,544 |
| Finance, insurance, real estate and business services | 605,095 | 639,076 |
| Education, health and others | 11,121 | 9,862 |
| Household | | |
| - consumption credit | 6,577,283 | 6,689,390 |
| - residential | 8,889,591 | 8,751,212 |
| - purchase of securities | 193,661 | 180,455 |
| - others | 238,273 | 248,291 |
| Other sectors | 297,566 | 296,190 |
| | 19,864,107 | 19,839,027 |

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(5) Loans, advances and financing (continued)

(iv) Residual contractual maturity

| | Group and Bank | |
|--------------------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Maturing within one year | 9,670,232 | 9,691,474 |
| One to five years | 660,109 | 739,269 |
| Over five years | 9,533,766 | 9,408,284 |
| | 19,864,107 | 19,839,027 |

(v) By geographical distribution

| | Group and Bank | |
|-----------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Within Malaysia | 19,864,107 | 19,839,027 |

**CITIBANK BERHAD
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(6) Impaired loans, advances and financing

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

| | Group and Bank | |
|---|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| At 1 January | 481,854 | 518,800 |
| Classified as impaired during the period/year | 334,981 | 694,620 |
| Reclassified as performing during the period/year | (196,566) | (361,861) |
| Amount recovered | (86,193) | (205,842) |
| Amount written off | (74,769) | (163,863) |
| At 30 June / 31 December | 459,307 | 481,854 |
| Individual assessment allowance | (202,128) | (205,769) |
| Net impaired loans, advances and financing | 257,179 | 276,085 |
| Ratio of net impaired loans and financing to gross loans and financing less individual assessment allowance | 1.31% | 1.41% |

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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 | Dec |
| | 2013 | 2012 |
| | RM'000 | RM'000 |
| <u>Collective assessment allowance</u> | | |
| At 1 January | 357,064 | 365,325 |
| (Written back)/Allowance during the period/year, net | 17,950 | (8,261) |
| At 30 June / 31 December | 375,014 | 357,064 |
| As % of gross loans, advances and financing less individual assessment allowance | 1.91% | 1.82% |
| <u>Individual assessment allowance</u> | | |
| At 1 January | 205,769 | 219,436 |
| Allowance made during the period/year | 5,189 | 10,957 |
| Written back during the period/year | (6,172) | (19,777) |
| Written off during the period/year | (2,658) | (4,847) |
| At 30 June / 31 December | 202,128 | 205,769 |

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

(iii) Impaired loans, advances and financing by sector

| | Group and Bank | |
|---|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Primary agriculture | 7,396 | 7,689 |
| Mining & quarrying | 769 | 373 |
| Manufacturing (including agriculture based) | 33,583 | 33,651 |
| Construction | 12,916 | 13,492 |
| Wholesale, retail trade, restaurants and hotels | 16,312 | 16,300 |
| Transport, storage and communication | 65 | 71 |
| Finance, insurance, real estate and business services | 7,794 | 7,556 |
| Household | | |
| - consumption credit | 106,489 | 117,880 |
| - residential | 253,666 | 264,529 |
| - purchase of securities | 19,627 | 19,831 |
| Other sectors | 690 | 482 |
| | 459,307 | 481,854 |
| | 459,307 | 481,854 |

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

| | Group and Bank | |
|-----------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Within Malaysia | 459,307 | 481,854 |
| | 459,307 | 481,854 |

**CITIBANK BERHAD
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(7) Other assets

| | Group and Bank | |
|---|-----------------------|----------------|
| | June | Dec |
| | 2013 | 2012 |
| | RM'000 | RM'000 |
| Interest/Income receivables | 34,322 | 42,295 |
| Other debtors, deposits and prepayments | 514,243 | 293,651 |
| Derivative assets (Note 22) | 614,246 | 472,092 |
| Taxation | 43,674 | 24,888 |
| | <u>1,206,486</u> | <u>832,926</u> |

(8) Statutory deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia (“BNM”) in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act 1958 (revised - 1994) to satisfy the Statutory Reserve Requirement (“SRR”), the amount of which is determined as a set percentage of total eligible liabilities.

Based on the revised SRR guideline issued by BNM, the SRR rate was revised to 4% effective on 16 July 2011 (16 May 2011: 3%).

(9) Deposits from customers

(i) By type of deposit

| | Group and Bank | |
|-----------------------------------|-----------------------|-------------------|
| | June | Dec |
| | 2013 | 2012 |
| | RM'000 | RM'000 |
| Demand deposits | 13,475,024 | 11,908,032 |
| Saving deposits | 1,034,590 | 762,393 |
| Fixed deposits | 9,017,421 | 9,791,266 |
| Other deposits | 6,308,510 | 6,289,233 |
| Negotiable instruments of deposit | 135,580 | 144,403 |
| Others - cash collateral | 17,750 | 37,162 |
| | <u>29,988,875</u> | <u>28,932,489</u> |

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(9) Deposits from customers (continued)

(ii) By type of customers

| | Group and Bank | |
|---------------------------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Government and statutory bodies | 357,464 | 281,570 |
| Business enterprises | 17,611,806 | 15,755,296 |
| Individuals | 9,397,202 | 9,810,329 |
| Others | 2,622,403 | 3,085,294 |
| | 29,988,875 | 28,932,489 |

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

| | Group and Bank | |
|---------------------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Due within six months | 11,940,023 | 12,652,604 |
| Six months to one year | 3,125,104 | 3,084,133 |
| One year to three years | 271,179 | 371,650 |
| Three years to five years | 125,204 | 116,515 |
| | 15,461,511 | 16,224,902 |

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

| | Group and Bank | |
|----------------------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Licensed banks | 4,949,271 | 2,746,513 |
| Licensed finance companies | 67,607 | 108,707 |
| | 5,016,878 | 2,855,220 |

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES**

(Company No. 297089 M)

(Incorporated in Malaysia)

(11) Other liabilities

| | Group and Bank | |
|-----------------------------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Interest/Profit payables | 48,302 | 52,883 |
| Other creditors and accruals | 2,474,902 | 1,664,584 |
| Provision for retirement benefits | - | 270 |
| Derivatives liabilities (Note 22) | 509,348 | 528,677 |
| | <u>3,032,553</u> | <u>2,246,414</u> |

(12) Share capital

| | Group and Bank | | | |
|-----------------------------|---------------------------------|-------------------------------|---|------------------------------|
| | Amount | Number of shares | | Number of shares |
| | June 2013 RM'000 | June 2013 '000 | Amount Dec 2012 RM'000 | Dec 2012 '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> |

(13) Reserves

| | Group and Bank | |
|--------------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Share premium | 380,303 | 380,303 |
| Statutory reserve | 121,697 | 121,697 |
| Fair value reserve | (2,587) | (823) |
| Retained profits | 3,402,383 | 3,662,946 |
| | <u>3,901,795</u> | <u>4,164,123</u> |

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES**

(Company No. 297089 M)

(Incorporated in Malaysia)

(14) Interest income

| | Group and Bank | |
|---|---------------------------------|---------------------------------|
| | June 2013 RM'000 | June 2012 RM'000 |
| Loans and advances | | |
| - Interest income other than recoveries from impaired loans | 567,300 | 582,187 |
| - Recoveries from impaired loans | 23,706 | 26,639 |
| Money at call and deposit placements with financial institutions | 68,641 | 111,048 |
| Financial assets held-for-trading | 23,789 | 21,317 |
| Financial investments available-for-sale | 43,524 | 45,910 |
| Financial investments held-to maturity | - | - |
| Securities purchased under resale agreements | 10,502 | 17,416 |
| | <u>737,463</u> | <u>804,517</u> |
| Accretion of discounts | 27,705 | 40,789 |
| | <u>765,167</u> | <u>845,305</u> |

(15) Interest expense

| | Group and Bank | |
|--|---------------------------------|---------------------------------|
| | June 2013 RM'000 | June 2012 RM'000 |
| Deposits and placements of banks and other financial institutions | 9,670 | 19,793 |
| Deposits from customers | 211,285 | 241,100 |
| Others | 2,212 | 1,967 |
| | <u>223,167</u> | <u>262,860</u> |

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES**

(Company No. 297089 M)

(Incorporated in Malaysia)

(16) Other operating income

| | Group and Bank | |
|---|---------------------------------|---------------------------------|
| | June 2013 RM'000 | June 2012 RM'000 |
| Fee income: | | |
| Commission | 76,132 | 74,819 |
| Service charges and fees | 6,548 | 7,671 |
| Guarantee fees | 2,950 | 3,373 |
| Bankcard fees | 95,860 | 125,040 |
| Insurance premium and referral | 16,782 | 13,097 |
| Other fee income | 30,614 | 22,477 |
| | <u>228,886</u> | <u>246,476</u> |
| Trading income: | | |
| Unrealised (loss)/gain from revaluation of financial assets held-for-trading | (3,985) | 1,822 |
| Net gain from sales of securities | | |
| - Financial assets held-for-trading | 9,513 | 3,710 |
| - Financial investments available-for-sale | 7,388 | 12,776 |
| Gross dividends from unquoted securities | - | 28 |
| | <u>12,916</u> | <u>18,335</u> |
| Other income: | | |
| Foreign exchange profit | | |
| - unrealised gain | 53,792 | 59,458 |
| - realised gain | 20,232 | 14,132 |
| Gain/(loss) from derivatives | (20,597) | 26,427 |
| Loss on disposal of of plant and equipment | 8 | (108) |
| | <u>53,434</u> | <u>99,910</u> |
| Total other operating income | <u>295,237</u> | <u>364,722</u> |

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES**

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(17) Other operating expenses

| | Group and Bank | |
|---|---------------------------------|---------------------------------|
| | June 2013 RM'000 | June 2012 RM'000 |
| Personnel costs | | |
| -Salaries, allowances and bonuses | 161,566 | 161,378 |
| -Contribution to Employees Provident Fund | 21,747 | 20,779 |
| -Staff benefits and other compensations | 19,057 | 26,642 |
| -Others | 5,059 | 5,228 |
| | <u>207,428</u> | <u>214,027</u> |
| Establishment costs | | |
| -Depreciation | 18,383 | 13,471 |
| -Rental of premises | 11,496 | 12,496 |
| -Hire of equipments | 1,356 | 2,245 |
| -Utilities | 2,785 | 3,086 |
| -Others | 8,472 | 13,075 |
| | <u>42,491</u> | <u>44,372</u> |
| Marketing expenses | | |
| -Advertisement and promotional expenses | 21,441 | 23,477 |
| -Others | 364 | 635 |
| | <u>21,805</u> | <u>24,112</u> |
| Administration and general expenses | | |
| -Processing cost | 127,256 | 111,399 |
| -Auditors' remuneration | 315 | 312 |
| -Stationeries and supplies | 2,448 | 2,272 |
| -Communication expenses | 3,973 | 4,271 |
| -Maintenance of office equipment | 798 | 1,891 |
| -Others | 46,497 | 53,739 |
| | <u>181,288</u> | <u>173,884</u> |
| Total other operating expenses | <u><u>453,013</u></u> | <u><u>456,395</u></u> |

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES**

(Company No. 297089 M)

(Incorporated in Malaysia)

(18) Allowance/provision for loans, advances and financing

| | Group and Bank | |
|---|---------------------------------|---------------------------------|
| | June 2013 RM'000 | June 2012 RM'000 |
| Allowance/provision for loans, advances and financing : | | |
| <u>Individual assessment</u> | | |
| - made in the financial period | 5,189 | 5,209 |
| - written back | (6,172) | (10,793) |
| <u>Collective assessment</u> | | |
| - made in the financial period | 17,950 | 542 |
| <u>Impaired loans, advances and financing</u> | | |
| - written back | (44,879) | (45,841) |
| - written off | 110,855 | 119,714 |
| | 82,943 | 68,831 |

(19) Credit transactions and exposures with connected parties

| | Group and Bank | |
|---|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Outstanding credit exposures with connected parties of which: | 1,903,230 | 1,643,454 |
| Total credit exposure which is non-performing or in default | - | - |
| Percentage of outstanding credit exposures to connected parties | | |
| - as a proportion of total credit exposures | 2.71% | 2.50% |
| - which is non-performing or in default | 0.00% | 0.00% |

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES**

(Company No. 297089 M)
(Incorporated in Malaysia)

(20) Capital adequacy

(a) The capital adequacy ratios are as follows:

| | Group and Bank | |
|---|-----------------------|-------------------|
| | June | Dec |
| | 2013 | 2012 |
| | RM'000 | RM'000 |
| Computation of Total Risk Weighted Assets ("RWA") | | |
| Total credit RWA | 22,609,809 | 20,634,205 |
| Total market RWA | 2,380,831 | 2,223,864 |
| Total operational RWA | 3,503,759 | 3,546,462 |
| Total Risk Weighted Assets | 28,494,399 | 26,404,531 |
| Computation of Capital Ratios | | |
| Common Equity Tier I ("CET I") Capital | 3,770,168 | N/A |
| Tier I Capital | 3,770,168 | 4,269,626 |
| Total Capital * | 4,023,157 | 4,484,017 |
| Before deducting proposed dividends: | | |
| Common Equity Tier I ("CET I") capital ratio | NA | N/A |
| Tier I capital ratio | NA | 16.17% |
| Total capital ratio | NA | 16.98% |
| After deducting dividend payment / proposed dividends: | | |
| Common Equity Tier I ("CET I") capital ratio | 13.23% | N/A |
| Tier I capital ratio | 13.23% | 14.28% |
| Total capital ratio | 14.12% | 15.09% |

* In arriving at the capital base used in the ratio calculations of the Bank, payment of dividends were deducted for June 2013 (proposed dividends were not deducted for December 2012).

With effect from 1 January 2013, the total capital and capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) dated 28 November 2012 and 27 June 2013 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. In line with the transitional arrangements under the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components), the minimum capital adequacy requirement for common equity Tier I capital ratio and Tier I capital ratio are 3.5% and 4.5% respectively for year 2013. The minimum regulatory capital adequacy requirement remains at 8.0% (2012 - 8.0%) for total capital ratio.

| | Group and Bank | |
|--|-----------------------|------------------|
| | June | Dec |
| | 2013 | 2012 |
| | RM'000 | RM'000 |
| (b) The components of CET I, Tier I and Tier II Capital are as follows: | | |
| CET I Capital | | |
| Paid up ordinary share capital | 121,697 | 121,697 |
| Share premium | 380,303 | 380,303 |
| Retained profits | 3,162,946 | 3,662,946 |
| Other reserves | 119,110 | 121,697 |
| Less: Deferred tax assets, net | (13,888) | (17,017) |
| Total CET I Capital | 3,770,168 | 4,269,626 |
| Innovative Tier I capital securities | - | - |
| Non-innovative Tier I stapled securities | - | - |
| Qualifying CET I and additional Tier I capital instruments held by third parties | - | - |
| Total Tier I Capital | 3,770,168 | 4,269,626 |
| Tier II Capital | | |
| Collective impairment provisions and regulatory reserves* | 252,990 | 214,411 |
| Total Tier II Capital | 252,990 | 214,411 |
| Total Eligible Tier II | 252,990 | 214,411 |
| Less: Investment in subsidiary companies | - | (20) |
| Total Capital | 4,023,157 | 4,484,017 |

* Excludes collective assessment allowance on impairment loans restricted from Tier II Capital by BNM of RM122.0 million (2012: RM142.7 million)

CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
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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 2013 | | | |
|--|-------------------|-------------------|------------------|
| Group and Bank | Principal | Credit | Risk |
| Nature of item | amount | equivalent | weighted |
| | RM'000 | amount | assets |
| | | RM'000 | RM'000 |
| Direct credit substitutes | 1,982,725 | 1,982,725 | 1,816,535 |
| Transaction related contingent items | 536,391 | 268,196 | 200,617 |
| Short term self liquidating trade related contingencies | 705,153 | 141,031 | 139,437 |
| Forward asset purchases | 781,941 | 781,941 | 388,150 |
| Foreign exchange related contracts: | | | |
| One year or less | 30,765,470 | 780,993 | 527,756 |
| Over one year to five years | 3,690,902 | 354,879 | 202,184 |
| Over five years | - | - | - |
| Interest/Profit rate related contracts: | | | |
| One year or less | 5,938,829 | 37,293 | 12,798 |
| Over one year to five years | 11,954,636 | 442,578 | 139,330 |
| Over five years | 996,000 | 75,257 | 31,921 |
| Equity related contracts: | | | |
| One year or less | - | - | - |
| Over one year to five years | 134,274 | 12,744 | 6,776 |
| Over five years | - | - | - |
| Debt security contracts and other commodity contracts: | | | |
| One year or less | 143,301 | 23,251 | 15,364 |
| Over one year to five years | 1,771 | 441 | 389 |
| Over five years | - | - | - |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year | 702,160 | 140,432 | 140,432 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year | 1,416,339 | 708,169 | 516,573 |
| 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 | 4,980,814 | - | - |
| Unutilised credit card lines | 20,623,529 | 4,124,706 | 3,096,088 |
| Total | 85,354,235 | 9,874,635 | 7,234,351 |

CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
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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 2012 | | | |
|--|-------------------|-------------------|------------------|
| Group and Bank | Principal | Credit | Risk |
| Nature of item | amount | equivalent | weighted |
| | RM'000 | amount | assets |
| | RM'000 | RM'000 | RM'000 |
| Direct credit substitutes | 1,775,552 | 1,775,552 | 1,614,183 |
| Transaction related contingent items | 459,766 | 229,883 | 193,184 |
| Short term self liquidating trade related contingencies | 223,238 | 44,648 | 34,165 |
| Forward asset purchases | 233,379 | 233,379 | 168,747 |
| Foreign exchange related contracts: | | | |
| One year or less | 24,502,920 | 450,794 | 279,071 |
| Over one year to five years | 4,118,926 | 417,698 | 231,938 |
| Over five years | 91,650 | 19,022 | 19,022 |
| Interest/Profit rate related contracts: | | | |
| One year or less | 8,194,786 | 133,790 | 30,061 |
| Over one year to five years | 13,016,035 | 438,593 | 143,666 |
| Over five years | 1,276,778 | 123,369 | 51,781 |
| Equity related contracts: | | | |
| One year or less | 82,608 | 7,192 | 1,438 |
| Over one year to five years | 130,311 | 13,794 | 7,484 |
| Over five years | - | - | - |
| Debt security contracts and other commodity contracts: | | | |
| One year or less | 56,113 | 7,466 | 5,479 |
| Over one year to five years | 60,497 | 9,299 | 4,712 |
| Over five years | - | - | - |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year | 568,688 | 113,738 | 113,738 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year | 1,074,639 | 537,320 | 399,334 |
| 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 | 4,861,934 | - | - |
| Unutilised credit card lines | 18,618,102 | 3,723,620 | 2,795,626 |
| Total | 79,345,922 | 8,279,157 | 6,093,629 |

**CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES**

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(22) Derivative financial instruments

| | ----- 30 June 2013----- | | | ----- 31 Dec 2012 ----- | | |
|--|---------------------------------------|---|---|---------------------------------------|---|---|
| | 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 | 52,734,144 | 247,079 | 156,576 | 43,496,302 | 68,211 | 98,562 |
| - Cross currency interest rate swaps | 5,157,694 | 88,090 | 112,416 | 5,946,434 | 176,445 | 175,376 |
| - Options | 5,619,541 | 42,871 | 33,905 | 2,093,720 | 5,099 | 5,021 |
| Interest rate contracts: | | | | | | |
| - Forwards | - | - | - | - | - | - |
| - Futures | 5,679,500 | - | - | 1,445,000 | - | - |
| - Swaps | 20,106,864 | 178,309 | 184,028 | 22,806,028 | 212,748 | 231,305 |
| - Options | 449,850 | 162 | 1,219 | 454,262 | 45 | 1,308 |
| Equity related contracts | 134,274 | 2,002 | 2,002 | 212,919 | 5,604 | 5,604 |
| Others | 362,485 | 55,734 | 19,203 | 274,330 | 3,940 | 11,501 |
| | 90,244,352 | 614,246 | 509,348 | 76,728,995 | 472,092 | 528,677 |
| | | Note 7 | Note 11 | | Note 7 | Note 11 |

CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
ISLAMIC BANKING OPERATIONS
(Company No. 297089 M)
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UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2013

| | | Group and Bank | |
|--|-----|-----------------------|------------------|
| | | June | Dec |
| | | 2013 | 2012 |
| | | RM'000 | RM'000 |
| Assets | | | |
| Cash and short term funds | (a) | 307,860 | 91,705 |
| Financial assets held-for-trading | (b) | 526,662 | 671,823 |
| Financial investments available-for-sale | (c) | 56,172 | 58,071 |
| Financing, advances and other loans | (d) | 373,821 | 397,083 |
| Deferred tax assets | | 1,600 | 1,411 |
| Other assets | (f) | 14,374 | 9,249 |
| | | <hr/> | <hr/> |
| Total assets | | 1,280,489 | 1,229,342 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Liabilities | | | |
| Deposits from customers | (g) | 948,783 | 907,552 |
| Deposits and placements of banks and other financial institutions | (h) | 1,093 | - |
| Other liabilities | (i) | 62,459 | 66,523 |
| | | <hr/> | <hr/> |
| Total liabilities | | 1,012,336 | 974,075 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Islamic banking funds | (j) | 268,153 | 255,267 |
| | | <hr/> | <hr/> |
| Total liabilities and Islamic banking funds | | 1,280,489 | 1,229,342 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Off-balance sheet exposures | (r) | 654,929 | 607,205 |
| | | <hr/> <hr/> | <hr/> <hr/> |

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 2012 and the accompanying notes on page 29 to 44 attached to the unaudited condensed interim financial statements.

CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
ISLAMIC BANKING OPERATIONS
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UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2013

| | | Group and Bank | |
|--|-----|---------------------------------|---------------------------------|
| | | June 2013 RM'000 | June 2012 RM'000 |
| Income derived from investments of depositors' funds and others | (k) | 16,245 | 15,498 |
| Provision for financing, advances and other loans | (l) | (7) | 388 |
| Total attributable income | | 16,238 | 15,886 |
| Income attributable to depositors | (m) | <u>(2,890)</u> | <u>(3,409)</u> |
| Total attributable to the Bank | | 13,348 | 12,477 |
| Income derived from investment of Islamic Banking Capital funds | (n) | <u>5,354</u> | <u>6,280</u> |
| Total net income | | 18,703 | 18,757 |
| Other operating expenses | (p) | (1,600) | (1,467) |
| Profit before taxation | | <u>17,103</u> | <u>17,290</u> |
| Tax expense | | (4,139) | (4,277) |
| Profit for the period | | <u><u>12,964</u></u> | <u><u>13,013</u></u> |
| Other comprehensive expense, net of income tax | | | |
| Net loss on revaluation of financial investments available-for-sale | | <u>(78)</u> | <u>(68)</u> |
| Other comprehensive expense for the period, net of income tax | | (78) | (68) |
| Total comprehensive income for the period | | <u><u>12,886</u></u> | <u><u>12,945</u></u> |
| Profit for the period attributable to: | | | |
| Equity holder of the Bank | | <u><u>12,964</u></u> | <u><u>13,013</u></u> |
| Total comprehensive income attributable to: | | | |
| Equity holder of the Bank | | <u><u>12,886</u></u> | <u><u>12,945</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 2012 and the accompanying notes on page 29 to 44 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 2013

| | Group and Bank | | | |
|--|-------------------------------------|--|--|-------------------------|
| | Capital funds RM'000 | Fair value reserve RM'000 | Retained profits RM'000 | Total RM'000 |
| At 1 January 2012 | 20,000 | 542 | 203,039 | 223,581 |
| Profit for the period | - | - | 13,013 | 13,013 |
| Other comprehensive expense for the period | - | (68) | - | (68) |
| At 30 June 2012 | <u>20,000</u> | <u>474</u> | <u>216,052</u> | <u>236,526</u> |
| At 1 January 2013 | 20,000 | 169 | 235,098 | 255,267 |
| Profit for the period | - | - | 12,964 | 12,964 |
| Other comprehensive expense for the period | - | (78) | - | (78) |
| At 30 June 2013 | <u>20,000</u> | <u>91</u> | <u>248,062</u> | <u>268,153</u> |

Note (j)

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 2012 and the accompanying notes on page 29 to 44 attached to the unaudited condensed interim financial statements.

CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
ISLAMIC BANKING OPERATIONS
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(a) Cash and short term funds

| | Group and Bank | |
|--|-----------------------|---------------|
| | June | Dec |
| | 2013 | 2012 |
| | RM'000 | RM'000 |
| Cash and balances with banks and other financial institutions | 4,860 | 3,705 |
| Money at call and deposit placements maturing within one month | 303,000 | 88,000 |
| | <u>307,860</u> | <u>91,705</u> |

(b) Financial assets held-for-trading

| | Group and Bank | |
|------------------------------------|-----------------------|----------------|
| | June | Dec |
| | 2013 | 2012 |
| | RM'000 | RM'000 |
| At fair value | | |
| Bank Negara Malaysia Islamic Bills | 526,662 | 662,090 |
| | <u>526,662</u> | <u>671,823</u> |

(c) Financial investments available-for-sale

| | Group and Bank | |
|--|-----------------------|---------------|
| | June | Dec |
| | 2013 | 2012 |
| | RM'000 | RM'000 |
| At fair value | | |
| Malaysian Government Investment Issues | 56,172 | 58,071 |
| | <u>56,172</u> | <u>58,071</u> |

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

(Company No. 297089 M)

(Incorporated in Malaysia)

(d) Financing, advances and other loans

(i) By type

| | Group and Bank | |
|--|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Term financing | | |
| - Housing loans/financing | 393,234 | 418,414 |
| - Hire purchase receivables | 808 | 808 |
| - Lease receivables | 570 | 570 |
| | <u>394,612</u> | <u>419,792</u> |
| Unearned income | (18,099) | (20,022) |
| | <u>376,513</u> | <u>399,770</u> |
| Gross financing, advances and other loans | | |
| Less: | | |
| Allowance for impaired loans, advances and financing | | |
| - Collective assessment allowance | (545) | (543) |
| - Individual assessment allowance | (2,146) | (2,144) |
| | <u>373,821</u> | <u>397,083</u> |
| Total net financing, advances and other loans | | |

(ii) By contract

| | Group and Bank | |
|----------------------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Bai' Bithamin Ajil | 26,686 | 30,669 |
| Ijarah Muntahia Bittamilik | 1,377 | 1,378 |
| Diminishing Musharakah | 348,450 | 367,723 |
| | <u>376,513</u> | <u>399,770</u> |

CITIBANK BERHAD
AND ITS SUBSIDIARY COMPANIES
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(d) Financing, advances and other loans (continued)

(iii) By profit rate sensitivity

| | Group and Bank | |
|------------------------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Fixed rate | | |
| - House loans/financing | 375,135 | 398,392 |
| - Hire purchase receivables | 808 | 808 |
| - Other fixed rate/financing | 570 | 570 |
| | <hr/> | <hr/> |
| | <u>376,513</u> | <u>399,770</u> |

(iv) By sector

| | Group and Bank | |
|---|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Manufacturing (including agriculture based) | 1,377 | 1,377 |
| Transport, storage and communication | - | - |
| Household-residential | 373,766 | 395,188 |
| Other sectors | 1,370 | 3,205 |
| | <hr/> | <hr/> |
| | <u>376,513</u> | <u>399,770</u> |

CITIBANK BERHAD
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(e) Impaired financing, advances and other loans

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

| | Group and Bank | |
|--|-----------------------|---------------|
| | June | Dec |
| | 2013 | 2012 |
| | RM'000 | RM'000 |
| At 1 January | 9,758 | 9,629 |
| Classified as impaired during the period/year | 2,981 | 2,354 |
| Amount recovered | (1,682) | (2,225) |
| At 30 June / 31 December | 11,057 | 9,758 |
| Individual assessment allowance | (2,146) | (2,144) |
| Net impaired financing, advances and other loans | 8,911 | 7,614 |
| Ratio of net impaired financing, advances and other loans to total gross financing, advances and other loans | 2.38% | 1.91% |

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(e) **Impaired financing, advances and other loans (continued)**

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

| | Group and Bank | |
|---|-----------------------|---------------|
| | June | Dec |
| | 2013 | 2012 |
| | RM'000 | RM'000 |
| <u>Collective assessment allowance</u> | | |
| At 1 January | 543 | 6,764 |
| Allowance made/(written back) during the period/year | 2 | (6,221) |
| At 30 June / 31 December | 545 | 543 |
| As % of gross financing, advances and other loans less individual assessment allowance | 0.15% | 0.14% |
| <u>Individual assessment allowance</u> | | |
| At 1 January | 2,144 | 2,119 |
| Allowance made during the period/year | 44 | 133 |
| Allowance written back during the period/year | (39) | (91) |
| Amount written off | (3) | (17) |
| At 30 June / 31 December | 2,146 | 2,144 |

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

| | Group and Bank | |
|---|-----------------------|---------------|
| | June | Dec |
| | 2013 | 2012 |
| | RM'000 | RM'000 |
| Manufacturing (including agriculture based) | 1,377 | 1,377 |
| Household - Residential | 9,680 | 8,381 |
| | 11,057 | 9,758 |

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(f) Other assets

| | Group and Bank | |
|--|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Profit receivables | 922 | 876 |
| Other debtors, deposits and prepayments | 5,831 | 6,352 |
| Revaluation gain on profit rate undertaking contracts (Note s) | 7,621 | 2,021 |
| | <hr/> | <hr/> |
| | <u>14,374</u> | <u>9,249</u> |

(g) Deposits from customers

(i) By type of deposit

| | Group and Bank | |
|----------------------------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Non-Mudharabah Fund | | |
| Demand deposits | 767,990 | 685,700 |
| Saving deposits | 58,930 | 53,787 |
| Other deposits | 3,559 | 60,294 |
| Negotiable Instrument of Deposit | 85,580 | 85,581 |
| Mudharabah fund | | |
| General investment deposits | 32,724 | 22,190 |
| | <hr/> | <hr/> |
| | <u>948,783</u> | <u>907,552</u> |

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(g) Deposits from customers (continued)

(ii) By type of customers

| | Group and Bank | |
|---------------------------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Government and statutory bodies | 127,380 | 145,853 |
| Business enterprises | 490,644 | 191,370 |
| Individuals | 263,320 | 498,605 |
| Others | 67,439 | 71,724 |
| | <hr/> | <hr/> |
| | <u>948,783</u> | <u>907,552</u> |

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

| | Group and Bank | |
|----------------------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Licensed banks | 1,093 | - |
| Licensed finance companies | - | - |
| Bank Negara Malaysia | - | - |
| | <hr/> | <hr/> |
| | <u>1,093</u> | <u>-</u> |

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(i) Other liabilities

| | Group and Bank | |
|--|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Profit payable | 68 | 65 |
| Other creditors and accruals | 53,171 | 62,880 |
| Revaluation loss on profit rate undertaking contracts (Note s) | 7,621 | 2,021 |
| Taxation | 1,598 | 1,557 |
| | <hr/> | <hr/> |
| | <u>62,459</u> | <u>66,523</u> |

(j) Islamic Banking Fund

| | Group and Bank | |
|--------------------|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Fund allocated | 20,000 | 20,000 |
| Fair value reserve | 91 | 169 |
| Retained earnings | 248,062 | 235,098 |
| | <hr/> | <hr/> |
| | <u>268,153</u> | <u>255,267</u> |

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

| | Group and Bank | |
|------------------------------------|---------------------------------|---------------------------------|
| | June 2013 RM'000 | June 2012 RM'000 |
| Income derived from investment of: | | |
| (i) General investment deposits | 14,222 | 13,396 |
| (ii) Other deposits | 2,023 | 2,102 |
| | 16,245 | 15,498 |
| | 16,245 | 15,498 |

(i) Income derived from investment of general investment deposits

| | Group and Bank | |
|--|---------------------------------|---------------------------------|
| | June 2013 RM'000 | June 2012 RM'000 |
| Finance income and hibah | | |
| Financing, advances and other loans | 6,650 | 7,309 |
| Money at call and placements with financial institutions | 3,394 | 3,026 |
| Income from financial investments available-for-sale | 708 | 2,307 |
| Income from financial assets held-for-trading | 101 | 16 |
| | 10,853 | 12,658 |
| Accretion of discount less amortisation of premium | 3,359 | 704 |
| Total finance income and hibah | 14,212 | 13,362 |
| Other operating income | | |
| Fee income | 10 | 34 |
| | 14,222 | 13,396 |
| | 14,222 | 13,396 |

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

(ii) Income derived from investment of other deposits

| | Group and Bank | |
|--|---------------------------------|---------------------------------|
| | June 2013 RM'000 | June 2012 RM'000 |
| Finance income and hibah | | |
| Financing, advances and other loans | 946 | 1,147 |
| Money at call and placements with financial institutions | 483 | 475 |
| Income from financial investments available-for-sale | 101 | 362 |
| Income from securities held-for-trading | 14 | 3 |
| | 1,544 | 1,986 |
| Accretion of discount less amortisation of premium | 478 | 110 |
| Total finance income and hibah | 2,022 | 2,097 |
| Other operating income | | |
| Fee income | 1 | 5 |
| | 2,023 | 2,102 |

(l) Provision for financing, advances and other loans

| | Group and Bank | |
|---|---------------------------------|---------------------------------|
| | June 2013 RM'000 | June 2012 RM'000 |
| Provision for financing, advances and other loans: | | |
| <u>Individual assessment allowance</u> | | |
| - made in the financial period | 44 | 76 |
| - written back | (39) | (73) |
| <u>Collective assessment allowance</u> | | |
| - made/ (reversal) during the period | 2 | (391) |
| <u>Impaired financing, advances and other loans</u> | | |
| - written back | - | - |
| | 7 | (388) |

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(m) Income attributable to depositors

| | Group and Bank | |
|--|---------------------------------|---------------------------------|
| | June 2013 RM'000 | June 2012 RM'000 |
| Deposits from customers | | |
| - Mudharabah funds | 1,441 | 1,945 |
| - Non-Mudharabah funds | 1,412 | 1,445 |
| Deposits and placements of banks and other financial institutions | | |
| - Non-Mudharabah funds | - | - |
| Others | 37 | 19 |
| | 2,890 | 3,409 |

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(n) Income/(expense) derived from investment of Islamic Banking Capital Funds

| | Group and Bank | |
|--|---------------------------------|---------------------------------|
| | June 2013 RM'000 | June 2012 RM'000 |
| Financing, advances and other loans | 1,547 | 2,072 |
| Money at call and placements with financial institutions | 790 | 858 |
| Income from financial investments available-for-sale | 165 | 654 |
| Income from securities held-for-trading | 23 | 5 |
| | <u>2,525</u> | <u>3,589</u> |
| Accretion of discount less amortisation of premium | 777 | 88 |
| Total finance income and hibah | <u>3,302</u> | <u>3,677</u> |
| Other operating income/(expense) | | |
| (Loss)/gain from financial assets held-for-trading | 85 | (63) |
| Gain from financial investments available-for-sale | - | 1,044 |
| Fee income | 553 | 685 |
| Gain/(loss) from trading activities | 1,291 | 735 |
| Insurance premium and referral | 124 | 203 |
| | <u>2,053</u> | <u>2,603</u> |
| Income from Islamic Banking Capital Funds | <u><u>5,354</u></u> | <u><u>6,280</u></u> |

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(o) Income from Islamic banking operations

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

| | | Group and Bank | |
|--|-----|-----------------------|---------------|
| | | June | June |
| | | 2013 | 2012 |
| | | RM'000 | RM'000 |
| Income derived from investment of depositors' funds and others | (k) | 16,245 | 15,498 |
| Income attributable to depositors | (m) | (2,890) | (3,409) |
| Income derived from investment of Islamic Banking Funds | (n) | 5,354 | 6,280 |
| | | <hr/> | <hr/> |
| | | <u>18,709</u> | <u>18,369</u> |

(p) Other operating expenses

| | | Group and Bank | |
|-------------------------------------|--|-----------------------|---------------|
| | | June | June |
| | | 2013 | 2012 |
| | | RM'000 | RM'000 |
| Personnel costs | | 125 | 107 |
| Administrative and general expenses | | 1,475 | 1,360 |
| | | <hr/> | <hr/> |
| | | <u>1,600</u> | <u>1,467</u> |

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(q) Capital adequacy

(i) The capital adequacy ratios are as follows:

| | Group and Bank | |
|--|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| Computation of Total Risk Weighted Assets ("RWA") | | |
| Total credit RWA | 150,557 | 189,349 |
| Total market RWA | 197,699 | 192,293 |
| Total operational RWA | 72,644 | 73,421 |
| Total Risk Weighted Assets | 420,899 | 455,063 |
| Computation of Capital Ratios | | |
| Common Equity Tier I ("CET I") Capital | 253,539 | N/A |
| Tier 1 Capital | 253,539 | 253,585 |
| Total Capital | 253,757 | 253,805 |
| Common Equity Tier I ("CET I") capital ratio | 60.24% | N/A |
| Tier 1 capital ratio | 60.24% | 55.73% |
| Total capital ratio | 60.29% | 55.77% |

With effect from 1 January 2013, the total capital and capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) dated 28 November 2012 and 27 June 2013 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. In line with the transitional arrangements under the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components), the minimum capital adequacy requirement for common equity Tier I capital ratio and Tier I capital ratio are 3.5% and 4.5% respectively for year 2013. The minimum regulatory capital adequacy requirement remains at 8.0% (2012 - 8.0%) for total capital ratio.

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

| | Group and Bank | |
|---|---------------------------------|--------------------------------|
| | June 2013 RM'000 | Dec 2012 RM'000 |
| CET I Capital | | |
| Fund allocated | 20,000 | 20,000 |
| Retained earnings | 235,098 | 235,098 |
| Other reserves | 91 | - |
| Less: Deferred tax assets, net | (1,600) | (1,513) |
| Less: 55% of cumulative gains of AFS financial instruments (other than financing and receivables) | (50) | - |
| Total CET I Capital | 253,539 | 253,585 |
| Innovative Tier 1 capital securities | - | - |
| Non-innovative Tier 1 stapled securities | - | - |
| Qualifying CET I and additional Tier I capital instruments held by third parties | - | - |
| Total Tier I Capital | 253,539 | 253,585 |
| Tier II Capital | | |
| Collective impairment provisions and regulatory reserves* | 218 | 220 |
| Total Capital | 253,757 | 253,805 |

* Excludes collective assessment allowance on impairment loans restricted from Tier II Capital by BNM of RM328,000 (2012: RM323,000)

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(r) 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 2013 Group and Bank | Principal amount RM'000 | Credit equivalent amount RM'000 | Risk weighted assets RM'000 |
|---|--|--|--|
| Nature of item | | | |
| Interest/Profit rate related contracts: | | | |
| One year or less | | | |
| Over one year to five years | 600,000 | 27,011 | 5,402 |
| Over five years | 50,000 | 5,110 | 1,022 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year | 4,929 | 2,465 | 1,829 |
| Total | 654,929 | 34,586 | 8,253 |

| December 2012 Group and Bank | Principal amount RM'000 | Credit equivalent amount RM'000 | Risk weighted assets RM'000 |
|---|--|--|--|
| Nature of item | | | |
| Interest/Profit rate related contracts: | | | |
| One year or less | 100,000 | - | - |
| Over one year to five years | 500,000 | 19,953 | 12,991 |
| Over five years | - | - | - |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year | 7,205 | 3,603 | 2,613 |
| Total | 607,205 | 23,556 | 15,604 |

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(s) Derivative financial instruments

| | <----- 30 June 2013 -----> | | | <----- 31 Dec 2012 -----> | | |
|-----------------------------------|----------------------------|-----------------|-----------------|---------------------------|-----------------|-----------------|
| | 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 | 1,300,000 | 7,621 | 7,621 | 1,200,000 | 2,021 | 2,021 |
| | 1,300,000 | 7,621 | 7,621 | 1,200,000 | 2,021 | 2,021 |
| | | Note (f) | Note (h) | | Note (f) | Note (h) |