



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

**UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**30 June 2015**

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 2015**

	Note	Group		Bank	
		June 2015 RM'000	December 2014 RM'000	June 2015 RM'000	December 2014 RM'000
<b>ASSETS</b>					
Cash and short term funds	1	9,913,643	7,194,881	9,913,623	7,194,861
Deposits and placements with banks and other financial institutions	2	204,033	104,628	204,033	104,628
Securities purchased under resale agreements		424,430	1,079,867	424,430	1,079,867
Financial assets held-for-trading	3	1,190,031	3,562,669	1,190,031	3,562,669
Financial investments available for-sale	4	664,224	2,046,945	664,224	2,046,945
Loans, advances and financing	5	22,876,786	21,641,546	22,876,786	21,641,546
Other assets	7	1,636,777	1,532,346	1,636,777	1,532,346
Statutory deposits with Bank Negara Malaysia	8	672,940	395,000	672,940	395,000
Deferred tax assets		21,457	19,783	21,457	19,783
Investment in subsidiary companies		-	-	20	20
Plant and equipment		48,539	56,413	48,539	56,413
<b>TOTAL ASSETS</b>		<b>37,652,860</b>	<b>37,634,078</b>	<b>37,652,860</b>	<b>37,634,078</b>
<b>LIABILITIES</b>					
Deposits from customers	9	25,063,852	26,176,674	25,063,852	26,176,674
Deposits and placements of banks and other financial institutions	10	5,557,142	4,782,586	5,557,142	4,782,586
Bills and acceptances payable		106,466	47,984	106,466	47,984
Other liabilities	11	2,356,703	2,284,812	2,356,703	2,284,812
<b>TOTAL LIABILITIES</b>		<b>33,084,163</b>	<b>33,292,056</b>	<b>33,084,163</b>	<b>33,292,056</b>
<b>EQUITY</b>					
Share capital	12	121,697	121,697	121,697	121,697
Reserves	13	4,447,000	4,220,325	4,447,000	4,220,325
<b>TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK</b>		<b>4,568,697</b>	<b>4,342,022</b>	<b>4,568,697</b>	<b>4,342,022</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>37,652,860</b>	<b>37,634,078</b>	<b>37,652,860</b>	<b>37,634,078</b>
<b>OFF-BALANCE SHEET EXPOSURES</b>	21	<b>78,828,198</b>	<b>78,182,067</b>	<b>78,828,198</b>	<b>78,182,067</b>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group (comprised of the Bank and its subsidiary companies) and the Bank (Citibank Berhad) for the financial year ended 31 December 2014 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 COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2015**

	Note	Group and Bank	
		June 2015 RM'000	June 2014 RM'000
Revenue		1,080,018	1,131,649
Interest income	14	754,529	784,261
Interest expense	15	(216,292)	(210,257)
<b>Net interest income</b>		<u>538,237</u>	<u>574,004</u>
Net income from Islamic banking operations		13,927	13,806
Other operating income	16	311,562	333,583
Total net income		<u>863,726</u>	<u>921,393</u>
Other operating expenses	17	(489,674)	(482,088)
Operating profit		<u>374,052</u>	<u>439,305</u>
Allowance for loans, advances and financing	18	(83,964)	(47,626)
<b>Profit before taxation</b>		<u>290,088</u>	<u>391,679</u>
Tax expense		(72,884)	(97,807)
<b>Profit for the period</b>		<u><u>217,204</u></u>	<u><u>293,872</u></u>
<b>Other comprehensive (expense)/income, net of income tax</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
- Net loss on revaluation of financial investments available-for-sale		9,471	1,273
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
- Net gain on remeasurement of defined benefit plans		-	(3,084)
<b>Other comprehensive (expense)/income for the period, net of income tax</b>		<u>9,471</u>	<u>(1,811)</u>
<b>Total comprehensive income for the period</b>		<u><u>226,675</u></u>	<u><u>292,061</u></u>
<b>Profit for the period attributable to:</b>			
Equity holder of the Bank		<u><u>217,204</u></u>	<u><u>293,872</u></u>
<b>Total comprehensive income attributable to:</b>			
Equity holder of the Bank		<u><u>226,675</u></u>	<u><u>292,061</u></u>
Earnings per share - basic (sen)		<u><u>357</u></u>	<u><u>483</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 2014 and the accompanying notes on page 5 to 44 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 2015**

	←----- Attributable to equity holder of the Bank -----→						
	<----- Non-Distributable ----->				Distributable		
<b>Group and Bank</b>	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Statutory Reserve RM'000</b>	<b>Other Reserves RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total Reserves RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2014</b>	121,697	380,303	121,697	8,054	3,695,833	4,205,887	4,327,584
Profit for the period	-	-	-	-	293,872	293,872	293,872
Other comprehensive expense for the period	-	-	-	(1,811)	-	(1,811)	(1,811)
Dividend paid	-	-	-	-	(500,000)	(500,000)	(500,000)
<b>At 30 June 2014</b>	<u>121,697</u>	<u>380,303</u>	<u>121,697</u>	<u>6,243</u>	<u>3,489,705</u>	<u>3,997,948</u>	<u>4,119,645</u>
<b>At 1 January 2015</b>	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
Dividend paid	-	-	-	-	-	-	-
<b>At 30 June 2015</b>	<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>
	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 2014 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 2015**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>June 2014 RM'000</b>
Profit before taxation	290,088	391,679
Adjustments for non cash items	215,777	90,471
Operating profit before working capital changes	<u>505,865</u>	<u>482,150</u>
Changes in working capital :		
Net changes in operating assets	1,183,488	(322,349)
Net changes in operating liabilities	(179,278)	(1,852,290)
Income taxes paid	(101,500)	(101,500)
Net cash (used in)/ generated from operating activities	<u>1,408,575</u>	<u>(1,793,989)</u>
Net cash generated from investing activities	1,310,187	1,023,295
Net cash used in financing activities	<u>-</u>	<u>(500,000)</u>
Net changes in cash and cash equivalents	2,718,762	(1,270,694)
Cash and cash equivalents at beginning of the year	7,194,861	10,847,328
Cash and cash equivalents at end of the period	<u><u>9,913,623</u></u>	<u><u>9,576,634</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 2014 and the accompanying notes on page 5 to 44 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 2015 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 2014. 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 2014.

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 2014.

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

The audit report on the audited financial statements for the financial year ended 31 December 2014 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 2015.

**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 2015.

**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 2015.

**A7 Dividend**

The final ordinary dividends proposed in respect of the year ended 31 December 2014 of RM400 million was paid in July 2015. 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 2015.

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

**B1 Performance Review**

Citibank Berhad registered a net profit of RM217 million and revenue of RM1,080 million for the financial period six months ended 30 June 2015, a decrease of 26% or RM77 million in net profit as compared to previous corresponding period. The lower net profit was mainly contributed by the decrease in net interest income of 6% or RM36 million and the increase of 76% or RM36 million in allowance for loans, advances and financing as compared to previous corresponding period.

Total assets recorded an increase of RM19 million as compared to 31 December 2014 mainly contributed by the increase of cash and short term funds of 38% or RM2,719 million. Loans, advances and financing has recorded an increase of 6% or RM1,235 million as compared to 31 December 2014. On the other hand, total liabilities recorded a decrease of 1% or RM208 million as compared to 31 December 2014. Deposits from customers have recorded a decrease of 4% or RM1,113 million as compared to 31 December 2014.

**B2 Prospects for 2015**

The Malaysian economy showed moderate growth in the second quarter of the year compared to the strong first quarter earlier. This to an extent reflected the slowdown in consumer spending post the GST. Domestic demand however continues to be supportive of economic growth.

Exports of non-commodity products remained healthy from stronger demand from advanced economies especially from the US.

Malaysia's economy is projected to grow between 4.5 percent and 5 percent this year on the back of strong economic fundamentals. However global uncertainties remain with market volatility adding to the already challenging business environment.

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

	<b>Group</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Cash and balances with banks and other financial institutions	50,241	54,280
Money at call and deposit placements maturing within one month	9,863,402	7,140,601
	<u>9,913,643</u>	<u>7,194,881</u>

	<b>Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Cash and balances with banks and other financial institutions	50,221	54,260
Money at call and deposit placements maturing within one month	9,863,402	7,140,601
	<u>9,913,623</u>	<u>7,194,861</u>

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

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Licensed banks	204,033	104,628
	<u>204,033</u>	<u>104,628</u>



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**(3) Financial assets held-for-trading**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2015</b>	<b>2014</b>
<b>At fair value</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian Government Treasury Bills	48,360	289,131
Malaysian Government Securities	240,442	1,407,797
Malaysian Government Investment Issues	879,300	258,803
Bank Negara Malaysia Bills/Notes	21,929	1,606,938
	<u>1,190,031</u>	<u>3,562,669</u>

**(4) Financial investment available-for-sale**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2015</b>	<b>2014</b>
<b>At fair value</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian Government Treasury Bills/ Securities	208,966	1,258,591
Malaysian Government Investment Issues	448,109	781,205
Unquoted securities	7,149	7,149
	<u>664,224</u>	<u>2,046,945</u>

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

**(i) By type**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Overdrafts	590,682	567,511
Term loans/financing		
-Housing loans/financing	10,738,247	10,383,815
-Other term loans/financing	1,622,675	1,530,326
Bills receivable	1,108,259	1,113,626
Claims on customers under acceptance credits	665,393	654,603
Staff loans	66,049	72,803
Share margin financing	192,402	201,816
Credit cards receivables	6,215,481	6,580,185
Revolving credit	2,256,859	1,116,416
	<u>23,456,047</u>	<u>22,221,101</u>
Unearned interest and income	(15,922)	(17,016)
Gross loans, advances and financing	<u>23,440,125</u>	<u>22,204,085</u>
Less:		
Allowance for impaired loans, advances and financing		
- Collective assessment allowance	(393,201)	(380,755)
- Individual assessment allowance	<u>(170,138)</u>	<u>(181,784)</u>
Net loans, advances and financing	<u><u>22,876,786</u></u>	<u><u>21,641,546</u></u>

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

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
Housing loans/financing	649,128	679,077
Other fixed rate loans/financing	10,878,375	10,340,347
Variable rate		
BLR plus	10,847,038	10,487,546
Cost plus	1,065,584	697,115
	<u>23,440,125</u>	<u>22,204,085</u>

**(iii) By sector**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	21,091	14,051
Mining & quarrying	91,940	77,367
Manufacturing (including agriculture based)	2,652,154	1,945,793
Electricity, gas, water	34,463	11,921
Construction	40,074	48,797
Wholesale, retail trade, restaurants and hotels	787,760	726,230
Transport, storage and communication	256,034	257,331
Finance, insurance, real estate and business services	630,248	402,342
Social & community services	39,940	23,993
Household		
- consumption credit	7,207,492	7,428,929
- residential	10,295,326	10,006,208
- purchase of securities	211,611	201,816
- others	203,517	216,443
Other sectors	968,475	842,864
	<u>23,440,125</u>	<u>22,204,085</u>

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

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturing within one year	11,838,476	10,647,258
One to five years	822,562	743,607
Over five years	10,779,087	10,813,220
	<u>23,440,125</u>	<u>22,204,085</u>

**(v) By geographical distribution**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Within Malaysia	<u>23,440,125</u>	<u>22,204,085</u>

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

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

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
At 1 January	470,101	452,354
Classified as impaired during the period/year	308,044	601,225
Reclassified as performing during the period/year	(142,277)	(287,581)
Amount recovered	(80,899)	(154,426)
Amount written off	(92,674)	(141,471)
At 30 June/31 December	462,295	470,101
Individual assessment allowance	(170,138)	(181,784)
Net impaired loans, advances and financing	292,157	288,317
Ratio of net impaired loans and financing to gross loans and financing less individual assessment allowance	1.26%	1.31%

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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:**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
<u>Collective assessment allowance</u>		
At 1 January	380,755	368,381
Allowance made during the period/year, net	12,446	12,374
At 30 June/31 December	393,201	380,755
As % of gross loans, advances and financing less individual assessment allowance	1.69%	1.73%
<u>Individual assessment allowance</u>		
At 1 January	181,784	189,531
Allowance made during the period/year	11,659	17,104
Written back during the period/year	(5,487)	(13,455)
Written off during the period/year	(17,818)	(11,396)
At 30 June/31 December	170,138	181,784

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

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

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	7,788	7,388
Mining & quarrying	954	592
Manufacturing (including agriculture based)	33,409	29,245
Construction	1,437	13,892
Wholesale, retail trade, restaurants and hotels	14,613	14,607
Transport, storage and communication	436	480
Finance, insurance, real estate and business services	5,273	5,078
Household		
- consumption credit	112,295	103,075
- residential	262,420	275,729
- purchase of securities	19,208	19,308
Other sectors	4,462	707
	<u>462,295</u>	<u>470,101</u>

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

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Within Malaysia	<u>462,295</u>	<u>470,101</u>

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**(7) Other assets**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest/Income receivables	20,801	43,774
Other debtors, deposits and prepayments	594,644	546,404
Retirement benefits plan	3,697	3,697
Derivative assets (Note 22)	972,235	916,922
Taxation	45,400	21,549
	<u>1,636,777</u>	<u>1,532,346</u>

**(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**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Demand deposits	12,152,326	12,168,152
Saving deposits	1,204,245	1,141,457
Fixed deposits	8,318,246	8,261,530
Other deposits	3,388,777	4,545,421
Others - cash collateral	258	60,114
	<u>25,063,852</u>	<u>26,176,674</u>



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**(9) Deposits from customers (continued)**  
**(ii) By type of customers**

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Government and statutory bodies	4,638	7,644
Business enterprises	12,145,267	13,414,053
Individuals	11,985,277	11,977,544
Others	928,670	777,433
	<u>25,063,852</u>	<u>26,176,674</u>

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

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	10,333,313	11,628,796
Six months to one year	1,346,036	1,167,770
One year to three years	27,674	10,385
	<u>11,707,023</u>	<u>12,806,951</u>

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

	<b>Group and Bank</b>	
	<b>June</b>	<b>December</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank Negara Malaysia	255,559	427,069
Licensed banks	2,403,914	1,866,494
Licensed finance companies	2,897,669	2,489,023
	<u>5,557,142</u>	<u>4,782,586</u>

**CITIBANK BERHAD**  
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**(11) Other liabilities**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Interest/Profit payables	44,270	46,683
Other creditors and accruals	1,556,451	1,530,954
Derivatives liabilities (Note 22)	755,982	707,175
	2,356,703	2,284,812

**(12) Share capital**

	<b>Group and Bank</b>			
	<b>Amount June 2015 RM'000</b>	<b>Number of shares June 2015 '000</b>	<b>Amount December 2014 RM'000</b>	<b>Number of shares December 2014 '000</b>
Ordinary shares of RM1 each				
Authorised	500,000	500,000	500,000	500,000
Issued and fully paid	121,697	121,697	121,697	121,697

**(13) Reserves**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Share premium	380,303	380,303
Statutory reserve	121,697	121,697
Other reserve	7,937	(1,533)
- Fair value reserve	(815)	(10,285)
- Defined benefit reserve	8,752	8,752
Retained profits	3,937,063	3,719,858
	4,447,000	4,220,325

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**(14) Interest income**

	<b>Group and Bank</b>	
	<b>June</b>	<b>June</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Loans and advances		
- Interest income other than recoveries from impaired loans	614,052	597,950
- Recoveries from impaired loans	26,048	25,401
Money at call and deposit placements with financial institutions	38,978	87,569
Financial assets held-for-trading	27,577	12,237
Financial investments available-for-sale	31,396	15,098
Securities purchased under resale agreements	11,763	14,623
	<u>749,814</u>	<u>752,878</u>
Accretion of discounts	4,715	31,383
	<u>754,529</u>	<u>784,261</u>

**(15) Interest expense**

	<b>Group and Bank</b>	
	<b>June</b>	<b>June</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions	29,460	18,443
Deposits from customers	184,532	189,683
Others	2,300	2,131
	<u>216,292</u>	<u>210,257</u>

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**(16) Other operating income**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>June 2014 RM'000</b>
Fee income:		
Commission	88,062	77,632
Service charges and fees	4,934	3,128
Guarantee fees	4,913	3,326
Bankcard fees	81,814	117,809
Insurance premium and referral	17,795	15,787
Other fee income	49,124	33,099
	<u>246,642</u>	<u>250,781</u>
Trading income:		
Unrealised gain from revaluation of financial assets held-for-trading	9,601	3,616
Net gain from sales of securities		
- Financial assets held-for-trading	7,978	1,100
- Financial investments available-for-sale	8,194	5,000
	<u>25,773</u>	<u>9,716</u>
Other income:		
Foreign exchange profit		
- unrealised gain	54,684	98,530
- realised gain/ (loss)	15,936	(17,878)
Loss from derivatives	(31,473)	(7,487)
Loss on disposal of of plant and equipment	-	(79)
	<u>39,147</u>	<u>73,086</u>
Total other operating income	<u>311,562</u>	<u>333,583</u>

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**(17) Other operating expenses**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>June 2014 RM'000</b>
Personnel costs		
-Salaries, allowances and bonuses	162,091	160,564
-Contribution to Employees Provident Fund	21,451	20,968
-Staff benefits and other compensations	20,364	17,835
-Others	2,721	2,183
	<u>206,627</u>	<u>201,550</u>
Establishment costs		
-Depreciation	10,901	16,613
-Rental of premises	19,224	10,831
-Hire of equipments	85	434
-Utilities	2,529	2,794
-Others	2,890	7,998
	<u>35,629</u>	<u>38,670</u>
Marketing expenses		
-Advertisement and promotional expenses	16,514	17,804
-Others	209	356
	<u>16,723</u>	<u>18,160</u>
Administration and general expenses		
-Processing cost	171,702	168,419
-Auditors' remuneration	363	338
-Stationeries and supplies	1,469	1,998
-Communication expenses	7,852	8,181
-Maintenance of office equipment	-	229
-Others	49,309	44,543
	<u>230,695</u>	<u>223,708</u>
Total other operating expenses	<u>489,674</u>	<u>482,088</u>

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

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>June 2014 RM'000</b>
Allowance for loans, advances and financing :		
<u>Individual assessment</u>		
- made in the financial period	11,659	9,797
- written back	(5,487)	(8,023)
<u>Collective assessment</u>		
- Made/ (written back) in the financial period	12,446	(12,211)
<u>Impaired loans, advances and financing</u>		
- written back	(44,971)	(43,608)
- written off	110,317	101,671
	83,964	47,626

**(19) Credit transactions and exposures with connected parties**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Outstanding credit exposures with connected parties	716,166	876,150
Total credit exposure which is non-performing or in default	-	-
Total credit exposures	60,384,490	63,555,606
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	1.19%	1.38%
- as a proportion of capital base	15.41%	18.96%
- which is non-performing or in default	0.00%	0.00%

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**(20) Capital adequacy**

(a) The capital adequacy ratios are as follows:

	<b>Group and Bank</b>	
	<b>June 2015</b>	<b>December 2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Computation of Total Risk Weighted Assets ("RWA")</b>		
Total credit RWA	23,342,322	22,069,051
Total market RWA	2,319,715	2,318,795
Total operational RWA	3,337,388	3,401,571
<b>Total Risk Weighted Assets</b>	<b>28,999,425</b>	<b>27,789,417</b>
<b>Computation of Capital Ratios</b>		
Common Equity Tier I ("CET I") Capital	4,326,339	4,318,542
Tier 1 Capital	4,326,339	4,318,542
Total Capital *	4,646,438	4,620,357
<b>Before deducting proposed dividends:</b>		
Common Equity Tier I ("CET I") capital ratio	14.919%	15.540%
Tier 1 capital ratio	14.919%	15.540%
Total capital ratio	<u>16.023%</u>	<u>16.626%</u>
<b>After deducting proposed dividends:</b>		
Common Equity Tier I ("CET I") capital ratio	13.539%	14.101%
Tier 1 capital ratio	13.539%	14.101%
Total capital ratio	<u>14.643%</u>	<u>15.187%</u>

\* In arriving at the capital base used in the ratio calculations of the Group and the Bank, proposed dividends were not deducted for June 2015 and December 2014.

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 4.5% and 6.0% respectively for year 2015. The minimum regulatory capital adequacy requirement remains at 8.0% (2014 - 8.0%) for total capital ratio.

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

	<b>Group and Bank</b>	
	<b>June 2015</b>	<b>December 2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CET 1 Capital/Tier 1 Capital</b>		
Paid up ordinary share capital	121,697	121,697
Share premium	380,303	380,303
Retained profits	3,719,858	3,719,858
Other reserves	129,635	120,164
Less: Deferred tax assets, net	(21,457)	(19,783)
Less: Defined benefit pension fund assets	(3,697)	(3,697)
<b>Total CET 1 Capital/Tier 1 Capital</b>	<b>4,326,339</b>	<b>4,318,542</b>
<b>Tier 2 Capital</b>		
Collective impairment provisions and regulatory reserves*	320,099	301,815
<b>Total Tier 2 Capital</b>	<b>320,099</b>	<b>301,815</b>
<b>Total Capital</b>	<b>4,646,438</b>	<b>4,620,357</b>

\* Excludes collective assessment allowance on impairment loans restricted from Tier II Capital by BNM of RM73.1 million (2014: RM78.9 million)

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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:

<b>June 2015</b>			
<b>Group and Bank</b>	<b>Principal amount</b>	<b>Credit equivalent amount</b>	<b>Risk weighted assets</b>
<b>Nature of item</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Direct credit substitutes	2,222,905	2,222,905	1,967,525
Transaction related contingent items	719,592	359,796	313,489
Short term self liquidating trade related contingencies	262,740	52,548	37,395
Forward asset purchases	25,460	25,460	12,730
Foreign exchange related contracts:			
One year or less	23,621,836	933,584	694,365
Over one year to five years	4,680,191	580,826	299,465
Over five years	-	-	-
Interest/Profit rate related contracts:			
One year or less	3,007,219	10,163	3,649
Over one year to five years	12,687,603	356,468	115,195
Over five years	1,208,736	118,200	77,683
Equity related contracts:			
One year or less	69,562	41,014	11,677
Over one year to five years	158,067	12,282	6,250
Over five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	30,333	7,727	6,886
Over one year to five years	-	-	-
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	172,858	34,572	34,572
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,018,179	509,089	358,584
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	7,085,484	-	-
Unutilised credit card lines	21,857,433	4,371,487	3,292,737
<b>Total</b>	<b>78,828,198</b>	<b>9,636,121</b>	<b>7,232,202</b>



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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):

<b>December 2014 Group and Bank</b>	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted assets RM'000</b>
<b>Nature of item</b>			
Direct credit substitutes	2,193,693	2,193,693	1,969,729
Transaction related contingent items	651,560	325,780	298,477
Short term self liquidating trade related contingencies	250,663	50,133	28,988
Forward asset purchases	309,561	309,561	50
Foreign exchange related contracts:			
One year or less	25,826,352	978,066	688,789
Over one year to five years	2,871,232	398,784	191,752
Over five years	-	-	-
Interest/Profit rate related contracts:			
One year or less	4,246,358	16,202	5,044
Over one year to five years	10,572,943	335,688	105,039
Over five years	1,204,188	118,939	76,556
Equity related contracts:			
One year or less	74,373	20,438	7,171
Over one year to five years	176,810	12,592	6,430
Over five years	-	-	-
Debt security contracts and other commodity contracts:			
One year or less	60,237	29,082	25,283
Over one year to five years	2,225	711	458
Over five years	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	516,896	103,379	103,379
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,275,523	637,762	468,730
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	6,014,307	-	-
Unutilised credit card lines	21,935,146	4,387,029	3,293,079
<b>Total</b>	<b>78,182,067</b>	<b>9,917,839</b>	<b>7,268,954</b>

**CITIBANK BERHAD  
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**(22) Derivative financial instruments**

	<----- 30 June 2015----->			<----- 31 December 2014 ----->		
	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
Foreign exchange						
related contracts:						
- Forwards	44,999,604	497,101	353,303	46,628,915	495,957	322,926
- Cross currency interest rate swaps	3,777,400	299,926	241,760	3,728,782	190,539	169,379
- Options	3,716,302	23,420	5,921	3,031,141	34,369	25,038
Interest rate contracts:						
- Futures	2,564,700	-	-	7,443,000	-	-
- Swaps	17,783,194	118,380	112,569	17,241,705	155,021	138,418
- Options	660,728	2,873	35	662,539	3,110	111
Equity related contracts	261,601	25,838	25,838	282,652	14,423	14,423
Others	294,881	4,697	16,556	290,624	23,503	36,880
	<b>74,058,410</b>	<b>972,235</b>	<b>755,982</b>	<b>79,309,358</b>	<b>916,922</b>	<b>707,175</b>
		Note 7	Note 11		Note 7	Note 11

**CITIBANK BERHAD**  
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**ISLAMIC BANKING OPERATIONS**  
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**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015**

		<b>Group and Bank</b>	
		<b>June</b>	<b>December</b>
		<b>2015</b>	<b>2014</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>			
Cash and short term funds	(a)	1,938,233	936,041
Financial assets held-for-trading	(b)	147,954	149,597
Financial investments available-for-sale	(c)	-	50,005
Financing, advances and other loans	(d)	273,327	298,094
Other assets	(f)	200,525	197,144
		<hr/>	<hr/>
<b>Total assets</b>		<b>2,560,039</b>	<b>1,630,881</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities</b>			
Deposits from customers	(g)	2,028,214	1,093,957
Deferred tax liabilities		912	1,023
Other liabilities	(h)	211,045	226,274
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>2,240,171</b>	<b>1,321,254</b>
		<hr/> <hr/>	<hr/> <hr/>
Islamic banking funds	(i)	319,868	309,627
		<hr/>	<hr/>
<b>Total liabilities and Islamic banking funds</b>		<b>2,560,039</b>	<b>1,630,881</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>Off-balance sheet exposures</b>	(q)	<b>493,418</b>	<b>664,359</b>
		<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 2014 and the accompanying notes on page 29 to 44 attached to the unaudited condensed interim financial statements.

**CITIBANK BERHAD**  
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**ISLAMIC BANKING OPERATIONS**  
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**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2015**

		<b>Group and Bank</b>	
		<b>June 2015 RM'000</b>	<b>June 2014 RM'000</b>
Income derived from investments of depositors' funds and others	(j)	17,137	12,818
Provision for financing, advances and other loans	(k)	320	213
Total attributable income		<u>17,457</u>	<u>13,031</u>
Income attributable to depositors	(l)	<u>(3,721)</u>	<u>(3,729)</u>
Total attributable to the Bank		13,736	9,302
Income derived from investment of Islamic Banking Capital funds	(m)	<u>511</u>	<u>4,717</u>
Total net income		14,247	14,019
Other operating expenses	(o)	(591)	(1,291)
<b>Profit before taxation</b>		<u>13,656</u>	<u>12,728</u>
Tax expense		(3,414)	(6,096)
Profit for the period		<u><u>10,242</u></u>	<u><u>6,632</u></u>
<b>Other comprehensive expense, net of income tax</b>			
Net loss on revaluation of financial investments available-for-sale		<u>(1)</u>	<u>(75)</u>
<b>Other comprehensive expense for the period, net of income tax</b>		(1)	(75)
<b>Total comprehensive income for the period</b>		<u><u>10,241</u></u>	<u><u>6,557</u></u>
<b>Profit for the period attributable to:</b>			
Equity holder of the Bank		<u><u>10,242</u></u>	<u><u>6,632</u></u>
<b>Total comprehensive income attributable to:</b>			
Equity holder of the Bank		<u><u>10,241</u></u>	<u><u>6,557</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 2014 and the accompanying notes on page 29 to 44 attached to the unaudited condensed interim financial statements.

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**UNAUDITED STATEMENTS OF CHANGES IN ISLAMIC BANKING FUNDS**  
**FOR THE FINANCIAL PERIOD SIX MONTHS ENDED 30 JUNE 2015**

	<b>Group and Bank</b>			
	<b>Capital funds RM'000</b>	<b>Fair value reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2014</b>	20,000	100	272,265	292,365
Profit for the period	-	-	6,632	6,632
Other comprehensive expense for the period	-	(75)	-	(75)
<b>At 30 June 2014</b>	<u>20,000</u>	<u>25</u>	<u>278,897</u>	<u>298,922</u>
<b>At 1 January 2015</b>	20,000	1	289,626	309,627
Profit for the period	-	-	10,242	10,242
Other comprehensive expense for the period	-	(1)	-	(1)
<b>At 30 June 2015</b>	<u>20,000</u>	<u>-</u>	<u>299,868</u>	<u>319,868</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 2014 and the accompanying notes on page 29 to 44 attached to the unaudited condensed interim financial statements.

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

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Cash and balances with banks and other financial institutions	3,233	3,041
Money at call and deposit placements maturing within one month	1,935,000	933,000
	<u>1,938,233</u>	<u>936,041</u>

**(b) Financial assets held-for-trading**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
<b>At fair value</b>		
Bank Negara Malaysia Islamic Bills	566	149,597
Malaysian Government Investment Issues	139,658	-
Malaysian Government Treasury Bills	7,730	-
	<u>147,954</u>	<u>149,597</u>

**(c) Financial investments available-for-sale**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
<b>At fair value</b>		
Malaysian Government Investment Issues	-	50,005
	<u>-</u>	<u>50,005</u>

**CITIBANK BERHAD  
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**(d) Financing, advances and other loans**

**(i) By type**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Term financing		
- Housing loans/financing	285,924	312,032
	<u>285,924</u>	<u>312,032</u>
Unearned income	(11,573)	(12,595)
	<u>274,351</u>	<u>299,437</u>
Gross financing, advances and other loans		
Less:		
Allowance for impaired loans, advances and financing		
- Collective assessment allowance	(418)	(687)
- Individual assessment allowance	(606)	(656)
	<u>273,327</u>	<u>298,094</u>
Total net financing, advances and other loans		

**(ii) By contract**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Bai' Bithamin Ajil	19,033	20,096
Diminishing Musharakah	255,318	279,341
	<u>274,351</u>	<u>299,437</u>

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**(d) Financing, advances and other loans (continued)**

**(iii) By profit rate sensitivity**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Fixed rate		
- House loans/financing	274,351	299,437
	<u>274,351</u>	<u>299,437</u>

**(iv) By sector**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Household-residential	273,805	298,875
Other sectors	546	562
	<u>274,351</u>	<u>299,437</u>



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

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

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
At 1 January	9,557	10,840
Classified as impaired during the period/year	690	1,821
Amount recovered	(626)	(3,104)
At 30 June/31 December	<u>9,621</u>	<u>9,557</u>
Individual assessment allowance	<u>(606)</u>	<u>(656)</u>
Net impaired financing, advances and other loans	<u><u>9,015</u></u>	<u><u>8,901</u></u>
Ratio of net impaired financing, advances and other loans to total gross financing, advances and other loans	3.29%	2.98%

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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:**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
<u>Collective assessment allowance</u>		
At 1 January	687	615
(Written back)/ allowance made during the period/year	(269)	72
At 30 June/31 December	418	687
As % of gross financing, advances and other loans less individual assessment allowance	0.15%	0.23%
<u>Individual assessment allowance</u>		
At 1 January	656	808
Allowance made during the period/year	26	61
Allowance written back during the period/year	(77)	(203)
Amount written off	-	(10)
At 30 June/31 December	605	656

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

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Household - Residential	9,621	9,557
	9,621	9,557

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**(f) Other assets**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Profit receivables	1,000	957
Other debtors, deposits and prepayments	195,356	178,365
Revaluation gain on profit rate undertaking contracts (Note r)	4,116	17,755
Taxation	53	67
	<u>200,525</u>	<u>197,144</u>

**(g) Deposits from customers**

**(i) By type of deposit**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
<b>Non-Mudharabah Fund</b>		
Demand deposits	1,874,926	946,609
Saving deposits	58,433	53,994
Other deposits	9,116	7,071
<b>Mudharabah fund</b>		
General investment deposits	159	703
Negotiable Instrument of Deposit	85,580	85,580
	<u>2,028,214</u>	<u>1,093,957</u>

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**(g) Deposits from customers (continued)**  
**(ii) By type of customers**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Government and statutory bodies	823,423	722,727
Business enterprises	1,107,550	280,744
Individuals	64,978	60,658
Others	32,263	29,828
	2,028,214	1,093,957
	2,028,214	1,093,957

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**(h) Other liabilities**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Profit payable	4	13
Other creditors and accruals	206,925	208,506
Revaluation loss on profit rate undertaking contracts (Note r)	4,116	17,755
	<hr/>	<hr/>
	<u>211,045</u>	<u>226,274</u>

**(i) Islamic Banking Fund**

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
Fund allocated	20,000	20,000
Fair value reserve	-	1
Retained earnings	299,868	289,626
	<hr/>	<hr/>
	<u>319,868</u>	<u>309,627</u>

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

	<b>Group and Bank</b>	
	<b>June</b>	<b>June</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of:		
(i) General investment deposits	15,681	11,477
(ii) Other deposits	1,456	1,341
	<u>17,137</u>	<u>12,818</u>

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

	<b>Group and Bank</b>	
	<b>June</b>	<b>June</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Finance income and hibah</b>		
Financing, advances and other loans	5,027	5,689
Money at call and placements with financial institutions	8,973	4,437
Income from financial investments available-for-sale	261	622
Income from financial assets held-for-trading	728	-
	<u>14,989</u>	<u>10,748</u>
Accretion of discount less amortisation of premium	692	728
Total finance income and hibah	<u>15,681</u>	<u>11,476</u>
<b>Other operating income</b>		
Fee income	-	1
Income from general investment deposits	<u>15,681</u>	<u>11,477</u>

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**(j) Income derived from investment of depositors' funds and others (continued)**  
**(ii) Income derived from investment of other deposits**

	<b>Group and Bank</b>	
	<b>June</b>	<b>June</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Finance income and hibah</b>		
Financing, advances and other loans	467	665
Money at call and placements with financial institutions	833	518
Income from financial investments available-for-sale	24	73
Income from securities held-for-trading	68	-
	1,392	1,256
Accretion of discount less amortisation of premium	64	85
Total finance income and hibah	1,456	1,341
<b>Other operating income</b>		
Fee income	-	-
	1,456	1,341

**(k) Provision for financing, advances and other loans**

	<b>Group and Bank</b>	
	<b>June</b>	<b>June</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Provision for financing, advances and other loans:		
<u>Individual assessment allowance</u>		
- made in the financial period	26	41
- written back	(77)	(18)
<u>Collective assessment allowance</u>		
- (Written back)/ made during the period	(269)	(236)
	(320)	(213)

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**(l) Income attributable to depositors**

	<b>Group and Bank</b>	
	<b>June</b>	<b>June</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers		
- Mudharabah funds	2,460	2,180
- Non-Mudharabah funds	1,214	1,532
Others	47	17
	<u>3,721</u>	<u>3,729</u>



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**(m) Income derived from investment of Islamic Banking Capital Funds**

	<b>Group and Bank</b>	
	<b>June</b>	<b>June</b>
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Financing, advances and other loans	1,591	1,581
Money at call and placements with financial institutions	2,839	1,233
Income from financial investments available-for-sale	83	173
Income from securities held-for-trading	230	-
	<u>4,743</u>	<u>2,987</u>
Accretion of discount less amortisation of premium	215	1,339
Total finance income and hibah	<u>4,958</u>	<u>4,326</u>
<b>Other operating income</b>		
Gain from financial assets held-for-trading	276	26
Gain from financial investments available-for-sale	41	-
Fee income	312	332
(Loss)/ Gain from trading activities	(5,076)	2
Insurance premium and referral	-	31
	<u>(4,447)</u>	<u>391</u>
Income from Islamic Banking Capital Funds	<u>511</u>	<u>4,717</u>

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

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

		<b>Group and Bank</b>	
		<b>June</b>	<b>June</b>
		<b>2015</b>	<b>2014</b>
		<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds and others	(j)	17,137	12,818
Income attributable to depositors	(l)	(3,721)	(3,729)
Income derived from investment of Islamic Banking Funds	(m)	511	4,717
		<hr/>	<hr/>
		<u>13,927</u>	<u>13,806</u>

**(o) Other operating expenses**

		<b>Group and Bank</b>	
		<b>June</b>	<b>June</b>
		<b>2015</b>	<b>2014</b>
		<b>RM'000</b>	<b>RM'000</b>
Personnel costs		70	182
Administrative and general expenses		521	1,109
		<hr/>	<hr/>
		<u>591</u>	<u>1,291</u>

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**(p) Capital adequacy**

(i) The capital adequacy ratios are as follows:

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
<b>Computation of Total Risk Weighted Assets ("RWA")</b>		
Total credit RWA	107,532	121,945
Total market RWA	210,575	159,484
Total operational RWA	71,900	73,038
<b>Total Risk Weighted Assets</b>	<b>390,007</b>	<b>354,467</b>
<b>Computation of Capital Ratios</b>		
Common Equity Tier I ("CET I") Capital	309,626	309,626
Tier 1 Capital	309,626	309,626
Total Capital	309,864	309,943
<b>Common Equity Tier I ("CET I") capital ratio</b>	<b>79.390%</b>	<b>87.350%</b>
<b>Tier 1 capital ratio</b>	<b>79.390%</b>	<b>87.350%</b>
<b>Total capital ratio</b>	<b>79.451%</b>	<b>87.439%</b>

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 4.5% and 6.0% respectively for year 2015. The minimum regulatory capital adequacy requirement remains at 8.0% (2014 - 8.0%) for total capital ratio.

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

	<b>Group and Bank</b>	
	<b>June 2015 RM'000</b>	<b>December 2014 RM'000</b>
<b>CET 1 Capital/Tier 1 Capital</b>		
Fund allocated	20,000	20,000
Retained earnings	289,626	289,626
Other reserves	-	1
Less: 55% of cumulative gains of AFS financial instruments (other than financing and receivables)	-	(1)
<b>Total CET 1 Capital/Tier 1 Capital</b>	<b>309,626</b>	<b>309,626</b>
<b>Tier 2 Capital</b>		
Collective impairment provisions and regulatory reserves*	238	317
<b>Total Tier 2 Capital</b>	<b>238</b>	<b>317</b>
<b>Total Capital</b>	<b>309,864</b>	<b>309,943</b>

\* Excludes collective assessment allowance on impairment loans restricted from Tier II Capital by BNM of RM371,000 (2014: RM370,000)

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**(q) Off-balance sheet exposures**

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

<b>June 2015 Group and Bank</b>	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted assets RM'000</b>
<b>Nature of item</b>			
Profit rate related contracts:			
One year or less	-	-	-
Over one year to five years	465,000	13,519	2,704
Over five years	25,000	1,670	334
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	3,418	1,709	1,269
<b>Total</b>	<b>493,418</b>	<b>16,898</b>	<b>4,307</b>

<b>December 2014 Group and Bank</b>	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted assets RM'000</b>
<b>Nature of item</b>			
Profit rate related contracts:			
One year or less	-	-	-
Over one year to five years	585,000	27,584	5,517
Over five years	75,000	8,321	1,664
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	4,359	2,179	1,579
<b>Total</b>	<b>664,359</b>	<b>38,084</b>	<b>8,760</b>

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**(r) Derivative financial instruments**

	<----- 30 June 2015----->			<----- 31 December 2014 ----->		
	<b>Contract Amount RM'000</b>	<b>Positive fair value RM'000</b>	<b>Negative fair value RM'000</b>	<b>Contract amount RM'000</b>	<b>Positive fair value RM'000</b>	<b>Negative fair value RM'000</b>
Others						
- Islamic profit rate undertaking	1,080,000	4,116	4,116	1,420,000	17,755	17,755
	1,080,000	4,116	4,116	1,420,000	17,755	17,755
		Note (f)	Note (h)		Note (f)	Note (h)