

2023 Pillar 3 Disclosure

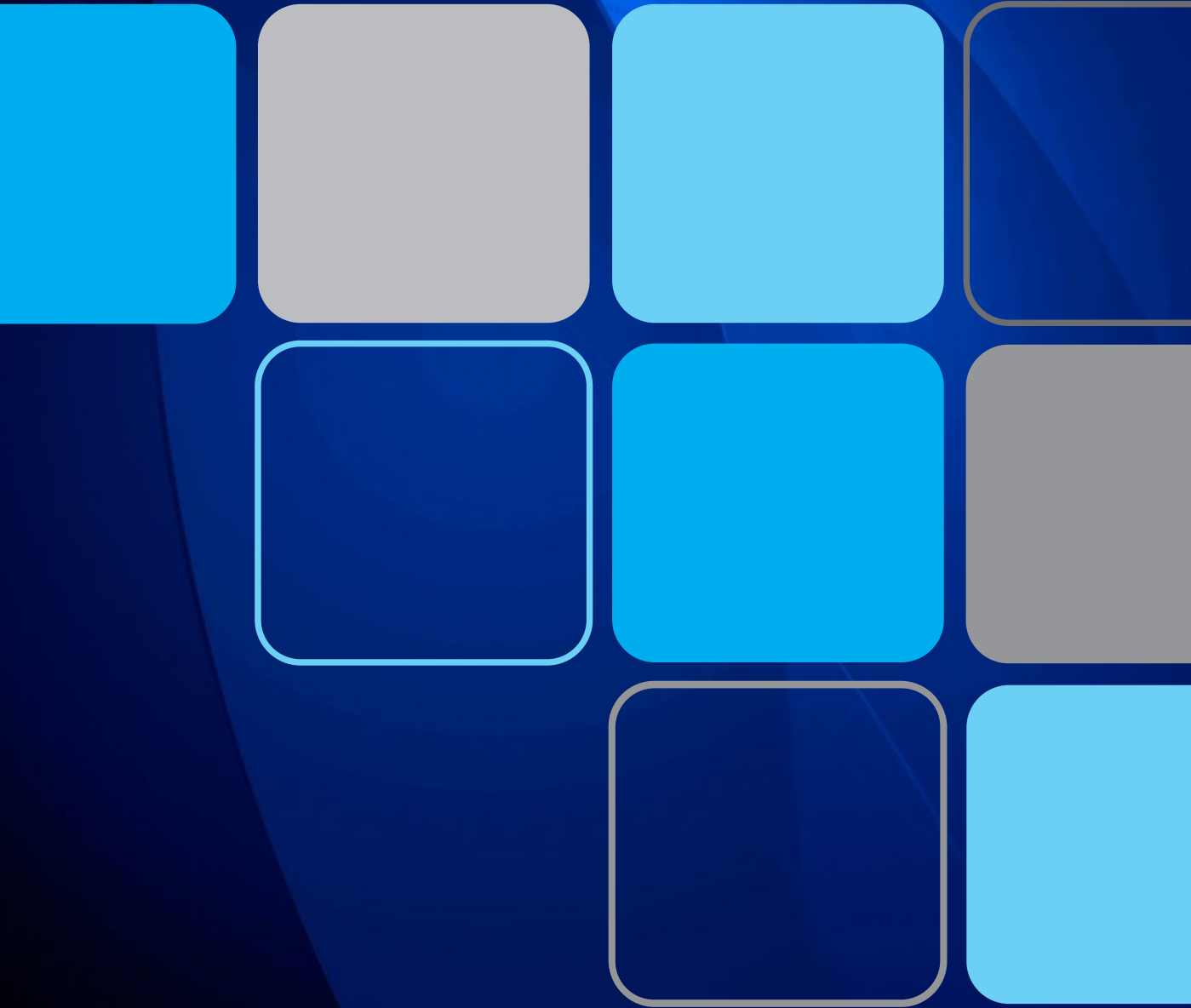


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Attestation by CEO on Basel II – Pillar 3 Disclosure

as of 31 December 2023

To the best of my knowledge, I confirm that the Basel II – Pillar 3 Disclosure for the financial period ended 31 December 2023 has been prepared and submitted to Bank Negara Malaysia in accordance with the *Guideline on Risk Weighted Capital Adequacy Framework (Basel II) – Disclosure Requirements (Pillar 3)*.

Vikram Singh

Chief Executive Officer

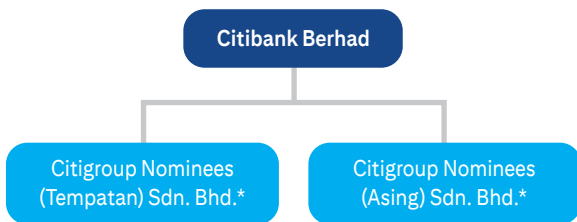
Citibank Berhad

Date: 12 June 2024

1. Introduction

Citibank Berhad was incorporated in Malaysia on 22 April 1994 and has its registered office at 165 Jalan Ampang, 50450 Kuala Lumpur, Malaysia. The Bank is licensed under the Financial Services Act 2013 (“FSA”). The Bank also operates an Islamic window under the Islamic Banking Scheme licensed under the Islamic Financial Services Act 2013 (“IFSA”).

The group organisation structure of Citibank Berhad is detailed below:-



* Principal activity is as a nominee company

The Group is comprised of the Bank (Citibank Berhad) and its subsidiary companies. The subsidiaries of Citibank Berhad are consolidated using the purchase method of accounting. The basis of consolidation for financial accounting purposes is the same as that used for regulatory purposes.

The Capital Requirements Directive (“CRD”), often referred to as Basel II, introduced the need for banks operating under this new legislative framework to publish certain information relating to their risk management and capital adequacy. The disclosure of this information is known as Pillar 3 and is designed to complement the other two pillars of the Basel II, namely the Minimum Capital Requirements (Pillar 1) and the Supervisory Review Process (Pillar 2). The disclosure has been prepared in accordance with the guidelines for *Risk Weighted Capital Adequacy Framework (Basel II) – Disclosure Requirements (Pillar 3) (BNM/RH/GL 001-32)* and *Capital Adequacy Framework for Islamic Banks (CAFIB) – Disclosure Requirements (Pillar 3) (BNM/RH/GL 007-18)* issued by Bank Negara Malaysia (“BNM”).

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's *Capital Adequacy Framework (Capital Components) (BNM/RH/PD 032-4)* and *Capital Adequacy Framework (Basel II - Risk-Weighted Assets) (BNM/RH/PD 032-5)* reissued on dated 15 December 2023 and 18 December 2023 respectively, which became effective immediately. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy ratios before including capital conservation buffer (“CCB”) and countercyclical capital buffer (“CCyB”) for CET 1 Capital ratio, Tier 1 Capital ratio and Total Capital ratio are 4.5%, 6.0% and 8.0% respectively.

Banking institutions are also required to maintain a CCB of 2.5% and a CCyB above the minimum regulatory capital adequacy ratios above. A CCyB is required to be maintained if this buffer is applied by regulators in countries which the Group and the Bank have exposures to, determined based on the weighted average of prevailing CCyB rates applied in those jurisdictions.

There are no significant restrictions or major impediments on transfer of funds or regulatory capital within the Group. There were no capital deficiencies in any of the subsidiaries of the Group as of the financial period.

2. Capital Adequacy

• Capital Management & Internal Capital Adequacy Assessment Process

BNM's *Risk-Weighted Capital Adequacy Framework (Basel II) – ICAAP (Pillar 2) (BNM/RH/GL 001-33)* requires a banking institution to have an Internal Capital Adequacy Assessment Process ("ICAAP"). ICAAP is the Bank's internal assessment of capital adequacy with due attention to material risks. The Bank has designed an ICAAP procedure, which is an essential risk management tool to assess the Bank's potential vulnerabilities during stressed conditions. The procedure describes procedures of risk assessment, mitigation and capital required under base and stressed scenarios.

The Bank's capital management is designed to ensure that it maintains sufficient capital consistent with the Bank's risk profile and all applicable regulatory standards and guidelines. The Bank adopts a balanced approach in risk taking, balancing senior management and Board of Directors oversight with well-defined independent risk management functions. Senior management engages the Board regularly in key activities that may impact capital assessment and adequacy.

As part of the internal capital management process, the Bank has put in place the following:

- (i) 3-year capital plan, where the Bank's capital requirements are determined by taking into account its business strategic plans and financial budget
- (ii) Internal Capital Targets ("ICT") that factor in the following:
 - Minimum capital required to meet regulatory requirements and the Bank's business plans;
 - Buffer for material Pillar 2 risks where capital has not been set aside under Pillar 1, as well as buffer for other unquantifiable risks; and
- (iii) Identified sources of internal capital available to meet the Bank's capital requirements.

• Corporate Governance Structure for ICAAP

The Board of Directors and senior management of the Bank are responsible for understanding the nature and level of risks being taken by the Bank, ensuring that the Bank maintains adequate capital beyond the regulatory minimum to support such risk. ICAAP is driven by the ICAAP Working Group and overseen by the ICAAP Steering Committee. The working group would initiate the annual ICAAP process by applying the stress test scenarios developed to assess the impact towards capital adequacy. The ICAAP Steering Committee comprises of senior management from first and second line of defense with a complete representation from business, risk managers, finance, treasury and compliance. The ICAAP Steering Committee approves key decisions, reviews results, monitors progress on issue resolution, and participates in the discussion of contingent plans if the capital is found to be insufficient.

On a periodic basis, the Bank's capital levels are monitored against the trigger limits for ICT and are reported to the Asset and Liability Committee ("ALCO") and Board. A capital contingency plan is also put in place to set out the actions required in the event ICT is triggered.

• Risk Identification

Risk identification is a mechanism to identify, assess and aggregate the firm's most important risks. The primary goal is to systematically identify, measure, monitor, and document risks faced by the bank in an Enterprise-wide risk inventory, assess their potential impacts, and facilitate conversation around mitigation/ management efforts. The identification of risks is primarily performed by the first line, with additional input and challenge from Independent Risk Management/Independent Compliance Risk Management. This collaboration is critical to ensure that there is a transparent and consistent understanding of the comprehensive set of risks the Bank faces. The Bank strives to maintain an agile approach to identifying risk, which considers both internal and external factors and environments in determining the risks the Bank is exposed to through its business activities.

2. Capital Adequacy (continued)

• Risk identification (continued)

The Bank has reviewed the latest quarterly Citigroup Material Risk Inventory and considered the local regulatory requirements, in identifying the risks relevant to its risk profile.

The Bank adopts the Citigroup Inc. (“Citigroup”) ICAAP standards Risk Identification Assessment (“RIA”) process as part of which senior management assesses all the Level 0 Risk Category (primary risk category) from Citigroup’s risk taxonomy and determines those risks which are material to the Bank and therefore have or can have a significant impact to the bank’s capital. The material risks include the Pillar 1 risks (Credit Risk, Market Risk, and Operational Risk) and all the quantifiable and non-quantifiable Pillar 2 risks. Senior Management from first line of defense uses both quantitative and qualitative measures to perform the RIA which is then subject to review and challenge by the independent risk managers/second line of defense.

Senior management and the Board of Directors continue to identify and assess risks on an ongoing basis to ensure that new material risks that evolve are being evaluated and covered within the appropriate risk management framework. The process of risk identification is reviewed on an annual basis or more frequently if any new material risk emerges.

The Bank’s ICAAP is expected to be dynamic and forward-looking in relation to the Bank’s risk profile. Therefore, the Bank must ensure its capital levels remain above the total minimum regulatory capital requirements as well as the capital required to support its overall risk profile. A rigorous and forward-looking stress testing is included in the Bank’s ICAAP, enabling it to assess the impact to its capital adequacy arising from adverse events or changes in market conditions.

• Stress Tests

The stress tests performed by the Bank cover both financial statements as well as the material risks. Stress tests cover wholesale portfolio through the application of downside scenarios to the base case established. The stress scenarios are developed by the Regional Enterprise Scenario Group. The scenarios assume a set of economic and geopolitical pressures, which have significant impact on Malaysia’s macro-economic performance. The Bank then assesses the stress impact on the financial, capital and liquidity position.

• Integration of Risk Management and Capital Management Procedures

The results of the stress testing on balance sheets and material risks will then be considered to determine if the Bank will continue to have sufficient capital under the stress scenarios and if the Bank’s capital should be further strengthened under tail-end adverse scenarios under reverse stress test.

Based on the current internal capital adequacy assessment, the Bank has adequate capital to support its current and future activities for the next three years. Other than paid up capital of the Bank, the bank’s capital is historically generated via retained profits from the business.

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2. Capital Adequacy (continued)

The Risk-Weighted Assets and Capital Adequacy Ratios of Citibank Berhad are as follows:-

	Dec 2023 RM'000	Dec 2022 RM'000
Computation of Total Risk-Weighted Assets ("RWA")		
Credit Risk RWA	11,372,075	13,050,866
Credit Risk RWA Absorbed by PSIA ¹	-	-
Market Risk RWA	1,801,780	1,417,781
Market Risk RWA Absorbed by PSIA ¹	-	-
Operational Risk RWA	3,269,214	3,315,567
Total Risk-Weighted Assets	16,443,069	17,784,214
Computation of Capital Ratios		
Common Equity Tier 1 ("CET 1") Capital	4,595,246	4,756,182
Tier 1 Capital	4,595,246	4,756,182
Total Capital	4,670,142	4,873,313
Before deducting proposed dividends		
Common Equity Tier 1 ("CET 1") Capital ratio	27.946%	26.744%
Tier 1 Capital Ratio	27.946%	26.744%
Total Capital Ratio	28.402%	27.402%
After deducting proposed dividends / dividend payment		
Common Equity Tier 1 ("CET 1") Capital Ratio	21.449%	20.840%
Tier 1 Capital Ratio	21.449%	20.840%
Total Capital Ratio	21.905%	21.498%

The Risk-Weighted Assets and Capital Adequacy Ratios for the Islamic Banking window are as follows:-

	Dec 2023 RM'000	Dec 2022 RM'000
Computation of Total Risk-Weighted Assets ("RWA")		
Credit Risk RWA	75	730
Credit Risk RWA Absorbed by PSIA ¹	-	-
Market Risk RWA	-	-
Market Risk RWA Absorbed by PSIA ¹	-	-
Operational Risk RWA	72,590	89,432
Total Risk-Weighted Assets	72,665	90,162
Computation of Capital Ratios		
Common Equity Tier 1 ("CET 1") Capital	685,497	657,851
Tier 1 Capital	685,497	657,851
Total Capital	685,497	657,857
Common Equity Tier 1 ("CET 1") Capital Ratio	943.372%	729.632%
Tier 1 Capital Ratio	943.372%	729.632%
Total Capital Ratio	943.372%	729.639%

No dividend is proposed under the Islamic Banking window.

The above ratios are well above the regulatory requirements for total capital adequacy ratio of 8%.

¹ Profit Sharing Investment Account

2. Capital Adequacy (continued)

The following table details the classes of RWA and the types of exposure of the Group and the Bank as of 31 December 2023:-

Item	Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weighted Assets RM'000	Risk-Weighted Assets Absorbed by PSIA RM'000	Total Risk-Weighted Assets after effects of PSIA RM'000	Minimum Capital Requirement at 8% RM'000
1.0	Credit Risk (Standardised Approach)						
	<i>On-Balance Sheet Exposures</i>						
	Sovereigns/Central Banks	18,704,896	18,704,896	344,317	-	344,317	27,545
	Public Service Entities	-	-	-	-	-	-
	Banks, Development Financial Institutions and MDBs	6,037,040	6,037,040	2,231,528	-	2,231,528	178,523
	Corporates, insurance cos and securities firms	4,510,746	4,429,724	4,429,249	-	4,429,249	354,340
	Regulatory Retail	-	-	-	-	-	-
	Residential Mortgages	-	-	-	-	-	-
	Higher Risk Assets	-	-	-	-	-	-
	Other Assets	567,758	567,758	257,347	-	257,347	20,588
	Defaulted Exposures	22,317	22,253	33,380	-	33,380	2,670
	Total for On-Balance Sheet Exposures	29,842,757	29,761,671	7,295,821	-	7,295,821	583,666
	<i>Off-Balance Sheet Exposures</i>						
	OTC Derivatives	3,007,533	3,007,533	1,595,294	-	1,595,294	127,623
	Credit Derivatives	-	-	-	-	-	-
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	2,518,840	2,518,840	2,480,960	-	2,480,960	198,477
	Defaulted Exposures	-	-	-	-	-	-
	Total for Off-Balance Sheet Exposures	5,526,373	5,526,373	4,076,254	-	4,076,254	326,100
	Total On and Off-Balance Sheet Exposures	35,369,130	35,288,044	11,372,075	-	11,372,075	909,766
2.0	Large Exposure Risk Requirement	-	-	-	-	-	-
3.0	Market Risk (Standardised Approach)	Long position	Short position	Net position			
	Interest rate risk	369,705	325,786	43,918	951,396	951,396	76,113
	Foreign currency risk	52,991	763,441	(710,450)	763,441	763,441	61,075
	Equity risk	-	-	-	-	-	-
	Commodity risk	-	-	-	-	-	-
	Options risk	4,387	3,063	1,324	86,943	86,943	6,955
	Inventory risk	-	-	-	-	-	-
4.0	Operational Risk (Basic Indicator Approach)			3,269,214	-	3,269,214	261,537
	Total RWA and Capital Requirements			16,443,069	-	16,443,069	1,315,446

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2. Capital Adequacy (continued)

The following table details the classes of RWA and the types of exposure of the Islamic Banking window as of 31 December 2023:-

Item	Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weighted Assets RM'000	Risk-Weighted Assets Absorbed by PSIA RM'000	Total Risk-Weighted Assets after effects of PSIA RM'000	Minimum Capital Requirement at 8% RM'000
1.0	Credit Risk (Standardised Approach)						
	<i>On-Balance Sheet Exposures</i>						
	Sovereigns/Central Banks	1,916,688	1,916,688	-	-	-	-
	Banks, Development Financial Institutions and MDBs	16	16	9	-	9	1
	Corporates, insurance cos and securities firms	-	-	-	-	-	-
	Residential Mortgages	-	-	-	-	-	-
	Other Assets	66	66	66	-	66	5
	Defaulted Exposures	-	-	-	-	-	-
	Total for On-Balance Sheet Exposures	1,916,770	1,916,770	75	-	75	6
	<i>Off-Balance Sheet Exposures</i>						
	OTC Derivatives	-	-	-	-	-	-
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	-	-	-	-	-	-
	Defaulted Exposures	-	-	-	-	-	-
	Total for Off-Balance Sheet Exposures	-	-	-	-	-	-
	Total On and Off-Balance Sheet Exposures	1,916,770	1,916,770	75	-	75	6
2.0	Large Exposure Risk Requirement	-	-	-	-	-	-
3.0	Market Risk (Standardised Approach)	Long position	Short position	Net position			
	Benchmark rate risk	-	-	-	-	-	-
	Foreign currency risk	-	-	-	-	-	-
	Equity risk	-	-	-	-	-	-
	Commodity risk	-	-	-	-	-	-
	Options risk	-	-	-	-	-	-
	Inventory risk	-	-	-	-	-	-
4.0	Operational Risk (Basic Indicator Approach)			72,590	-	72,590	5,807
	Total RWA and Capital Requirements			72,665	-	72,665	5,813

2. Capital Adequacy (continued)

The following table details the classes of RWA and the types of exposure of the Group and the Bank as of 31 December 2022:-

Item	Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weighted Assets RM'000	Risk-Weighted Assets Absorbed by PSIA RM'000	Total Risk-Weighted Assets after effects of PSIA RM'000	Minimum Capital Requirement at 8% RM'000	
1.0	Credit Risk (Standardised Approach)							
	<i>On-Balance Sheet Exposures</i>							
	Sovereigns/Central Banks	24,958,791	24,958,791	2,846,230	-	2,846,230	227,698	
	Public Service Entities	-	-	-	-	-	-	
	Banks, Development Financial Institutions and MDBs	1,499,454	1,499,454	559,109	-	559,109	44,729	
	Corporates, insurance cos and securities firms	5,486,036	5,413,084	5,412,758	-	5,412,758	433,021	
	Regulatory Retail	-	-	-	-	-	-	
	Residential Mortgages	-	-	-	-	-	-	
	Higher Risk Assets	-	-	-	-	-	-	
	Other Assets	335,828	335,828	256,424	-	256,424	20,514	
	Defaulted Exposures	-	-	-	-	-	-	
	Total for On-Balance Sheet Exposures	32,280,109	32,207,157	9,074,521	-	9,074,521	725,962	
	<i>Off-Balance Sheet Exposures</i>							
	OTC Derivatives	3,352,043	3,352,043	1,936,814	-	1,936,814	154,945	
	Credit Derivatives	-	-	-	-	-	-	
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	2,095,767	2,095,767	2,039,531	-	2,039,531	163,162	
	Defaulted Exposures	-	-	-	-	-	-	
	Total for Off-Balance Sheet Exposures	5,447,810	5,447,810	3,976,345	-	3,976,345	318,107	
	Total On and Off-Balance Sheet Exposures	37,727,919	37,654,967	13,050,866	-	13,050,866	1,044,069	
2.0	Large Exposure Risk Requirement	-	-	-	-	-	-	
3.0	Market Risk (Standardised Approach)	Long position	Short position	Net position				
	Interest rate risk	716,033	679,636	36,397	1,211,746	-	1,211,746	96,940
	Foreign currency risk	33,867	127,863	(93,996)	127,863	-	127,863	10,229
	Equity risk	-	-	-	-	-	-	-
	Commodity risk	-	-	-	-	-	-	-
	Options risk	3,253	3,762	(509)	78,172	-	78,172	6,254
	Inventory risk	-	-	-	-	-	-	-
4.0	Operational Risk (Basic Indicator Approach)			3,315,567	-	3,315,567	265,245	
	Total RWA and Capital Requirements			17,784,214	-	17,784,214	1,422,737	

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2. Capital Adequacy (continued)

The following table details the classes of RWA and the types of exposure of the Islamic Banking window as of 31 December 2022:-

Item	Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weighted Assets RM'000	Risk-Weighted Assets Absorbed by PSIA RM'000	Total Risk-Weighted Assets after effects of PSIA RM'000	Minimum Capital Requirement at 8% RM'000
1.0	Credit Risk (Standardised Approach)						
	<i>On-Balance Sheet Exposures</i>						
	Sovereigns/Central Banks	1,943,302	1,943,302	-	-	-	-
	Banks, Development Financial Institutions and MDBs	16	16	8	-	8	1
	Corporates, insurance cos and securities firms	-	-	-	-	-	-
	Residential Mortgages	-	-	-	-	-	-
	Other Assets	722	722	722	-	722	58
	Defaulted Exposures	-	-	-	-	-	-
	Total for On-Balance Sheet Exposures	1,944,040	1,944,040	730	-	730	59
	<i>Off-Balance Sheet Exposures</i>						
	OTC Derivatives	-	-	-	-	-	-
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	-	-	-	-	-	-
	Defaulted Exposures	-	-	-	-	-	-
	Total for Off-Balance Sheet Exposures	-	-	-	-	-	-
	Total On and Off-Balance Sheet Exposures	1,944,040	1,944,040	730	-	730	59
2.0	Large Exposure Risk Requirement	-	-	-	-	-	-
3.0	Market Risk (Standardised Approach)	Long position	Short position	Net position			
	Benchmark rate risk	-	-	-	-	-	-
	Foreign currency risk	-	-	-	-	-	-
	Equity risk	-	-	-	-	-	-
	Commodity risk	-	-	-	-	-	-
	Options risk	-	-	-	-	-	-
	Inventory risk	-	-	-	-	-	-
4.0	Operational Risk (Basic Indicator Approach)			89,432	-	89,432	7,155
	Total RWA and Capital Requirements			90,162	-	90,162	7,214

3. Capital Structure

The following details the capital structure for the Group and Bank:

	Group and Bank	
	Dec 2023 RM'000	Dec 2022 RM'000
CET 1 Capital		
Paid up ordinary share capital	502,000	502,000
Retained profits	4,122,874	4,364,574
Other reserves	56,251	38,987
Less: Regulatory reserve	(65,000)	(105,000)
Less: Deferred tax assets	(20,879)	(44,379)
Less: 55% of cumulative gains of financial assets measured at FVOCI	-	-
Total CET 1 Capital / Total Tier 1 Capital	4,595,246	4,756,182
Tier 2 Capital		
Loss allowance and regulatory reserves	74,896	117,131
Total Tier 2 Capital	74,896	117,131
Total Capital	4,670,142	4,873,313

The following details the capital structure for the Islamic Banking window:

	Dec 2023 RM'000	Dec 2022 RM'000
CET 1 Capital		
Capital funds	20,000	20,000
Retained profits	665,672	641,987
Other reserves	(133)	(3,142)
Less: Deferred tax assets	(42)	(994)
Less: 55% of cumulative gains of financial assets measured at FVOCI	-	-
Total CET 1 Capital / Total Tier 1 Capital	685,497	657,851
Tier 2 Capital		
Loss allowance and regulatory reserves	0	6
Total Tier 2 Capital	0	6
Total Capital	685,497	657,857

The capital structure of the Group and the Bank as disclosed above does not have any specific terms and conditions attached to them.

4. Risk Management

A sound risk management process, strong internal controls and well documented policies and procedures are the foundation for ensuring the safety and soundness of the Bank. The Board and Senior Management ensure that capital levels are adequate for the Bank's risk profile. They also ensure that the risk management and control processes are appropriate in the light of the Bank's risk profile and business plans.

The Bank has put in place a risk management system, which leverages in part the risk management framework developed by Citigroup, to oversee and monitor material risks faced by the Bank, including credit, market and operational risks. The Audit Committee assists the Board in overseeing legal, compliance and operational risks and is supported by the Bank's audit and compliance functions. The Audit Committee will review the audit findings of the compliance and internal audit functions at its quarterly meetings, including management's response to the audit findings and progress of the related corrective action plans. The Bank's management, Audit Committee and relevant bank personnel will update the Board during its quarterly meetings about pertinent operational, legal and compliance risk management issues which have arisen during the quarter such as reporting risk positions and performance, capital requirements, risk and control limits.

The Bank has a Risk Management Committee, which together with the Audit Committee and management team assists the Board in fulfilling its oversight responsibility relating to the establishment and operation of a risk management system. The Risk Management Committee has particular oversight of credit, market and liquidity risk; reviews acquisition and disposal of large securities positions of the Bank.

The compositions of the Audit Committee and Risk Management Committee are disclosed in the Statement of Corporate Governance in Citibank Berhad's Annual Report.

• Strategies & Policies

The Bank's Risk Management Framework recognizes the diversity of the organisation's activities by balancing the Board's strong supervision with well-defined

independent risk management functions within each business area.

The Bank's Risk Management Framework follows Citigroup's Enterprise Risk Management Framework, which comprises of the following components:

- Pillar 1: Culture describes the core principles and behaviours that underpin a strong culture of risk awareness in line with Citigroup's Mission, Value Proposition, and Leadership Principles.
- Pillar 2: Governance details the committee structure and reporting arrangements that support the appropriate oversight of risk management activities at the Board and Executive Management levels and establishes Citigroup's Lines of Defense ("LoD") Model.
- Pillar 3: Risk Management details the end-to-end risk management lifecycle which is comprised of activities to identify, measure, monitor, control, and report all risks including Top, Material, Growing, Idiosyncratic, and Emerging risks, and aggregated to an enterprise level.
- Pillar 4: Enterprise Programs define the key risk management programs performed across the risk management lifecycle for all risk categories.

Each of these pillars is underpinned by Supporting Capabilities which include programs covering infrastructure, people, and tools that are in place to enable the execution of the Risk Management Framework.

Risks are regularly reviewed by independent risk managers, senior business managers and whenever appropriate, by the Board of Directors themselves.

The independent risk managers are responsible for establishing risk management policies and practices within their business units while ensuring consistency with Citigroup's corporate standards. In addition, independent risk managers are responsible for overseeing the risk-taking activities of the first line of defense and challenging the first line of defense in

4. Risk Management (continued)

their execution of their risk management responsibilities. The independent risk managers are ultimately accountable to the Board.

The Bank maintains an approved hedging program, which aims to hedge its foreign exchange risks arising from its available-for-sale assets by designating a portfolio of eligible foreign exchange contracts as the hedging instruments. On a monthly basis, retrospective and prospective assessments are performed to monitor the hedging effectiveness.

To assess adequacy of the bank's capital to support its current and future activities, the bank has identified material risks applicable to the Citibank Berhad's lines of business, in accordance with the BNM Guidelines for Risk Weighted Capital Adequacy Framework (Basel II) – Internal Capital Adequacy Assessment Process (Pillar 2) (BNM/RH/GL 001-33) and Stress Testing Guidelines (BNM/RH/PD 029-15). Material risks are regularly reviewed by senior management and presented to the Board of Directors. For the purpose of Pillar 3, the following material risks are discussed in this document: Credit Risk, Market Risk (comprising Price Risk, Interest Rate Risk in the Banking Book ("IRRBB")), Liquidity Risk and Operational Risk.

5. Credit Risk

5.1 Credit Risk Management

Effective risk management is of primary importance to the Bank's overall operations. Accordingly, risk management processes are designed to identify, measure, monitor, control, and report the Bank's principal risks in conducting its activities. While business managers and independent risk management are jointly responsible for managing the risk/return trade-offs as well as establishing limits and risk management practices, the origination and approval roles are clearly defined and segregated.

In addition to conforming to established corporate standards, independent credit risk management is responsible for establishing local-credit policies and/or procedures that comply with local regulations and any other relevant legal requirements.

These standards will cover credit origination, measurement, and documentation as well as

problem recognition, classification and remedial management. In addition, specific write-off criterion is set according to Citigroup's corporate requirements.

Independent credit risk management is also responsible for implementing appropriate limits to ensure sufficient diversification of the portfolio – these portfolio limits can include be business segment specific or set in relation to risk ratings, classifications, tenor or linked to products etc. The risk management team also evaluates the immediate to long term risks for all products and segments thus providing for profitability on a long-term sustainable basis.

Continuous monitoring of credit behaviour aided by sophisticated debt rating modules, consistent evaluation criteria, and portfolio delinquency performance allows independent credit risk management to constantly assess the health of the credit portfolio.

5.2 Definition of Past Due and Impaired Loans

Exposures are considered to be past due if contractually agreed payments of principal, interest or fee has not been paid at a date it was due. A loan is impaired when there is objective evidence that demonstrates that a loss event has occurred after the initial recognition of the loan, and that the loss event has an impact on the future cash flows of the loan.

Objective evidence that a loan or a loan portfolio is impaired includes observable data that could include the following loss events:-

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- observable data relating to a portfolio of financial assets such as:
 - i) adverse changes in the payment status of borrowers in the portfolio; and
 - ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

Under the revised policy issued by BNM on Financial Reporting (BNM/RH/PD 032-13), if the repayment conduct of the loan is past due for more than 90 days or 3 months of either principal, interest or both, the loan shall be classified as impaired. The Bank applies this policy in addition to the above when determining if a loan is impaired.

5. Credit Risk (continued)

5.3 Impairment

The Group and the Bank have adopted MFRS 9 Financial Instruments with effective 1 January 2018. The requirements of MFRS 9 represent a change from MFRS 139 Financial Instruments: Recognition and Measurement. The new standard includes a new model for classification and measurement of financial assets and a forward-looking ‘expected loss’ impairment model. The standard replaces the existing guidance in MFRS 139.

MFRS 9 replaces the ‘incurred loss’ model in MFRS 139 with an ‘expected credit loss’ (“ECL”) model. The new impairment model applies to financial assets measured at amortised cost, investment securities measured at fair value through other comprehensive income (“FVOCI”) and to certain loan commitments and financial guarantee contracts. Under MFRS 9, credit loss allowances will be measured on each reporting date according to a three-Stage expected credit loss impairment model under which each financial asset is classified in one of the stages below:

Stage 1: 12-months ECL

From initial recognition of a financial asset to the date on which the asset has experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults expected over the next 12 months.

Stage 2: Lifetime ECL - not credit impaired

Following a significant increase in credit risk relative to the risk at initial recognition of the financial asset, a loss allowance is recognised equal to the full credit losses expected over the remaining life of the asset.

Stage 3: Lifetime ECL - credit impaired

When a financial asset is considered to be credit-impaired, a loss allowance equal to the full lifetime expected credit losses will be recognised.

5.4 Distribution of Loans, Advances and Financing

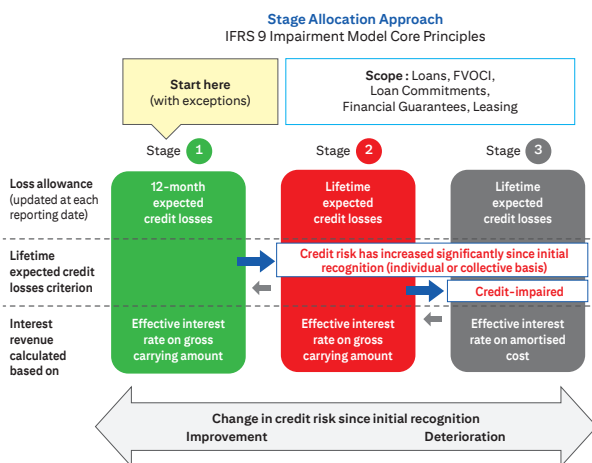
The following information on loans, advances and financing are disclosed in Note 7 in the financial statement as of 31 December 2023:-

- 1) Geographical distribution
- 2) Sector
- 3) Residual contractual maturity

5.5 Impaired Loans, Past Due Loans, Lifetime ECL Credit Impaired, 12-Months ECL And Lifetime ECL Not Credit Impaired, Charges for Lifetime ECL Credit Impaired and Write Offs by Sector

The following tables detail past due loans, lifetime ECL credit impaired, 12-months ECL and lifetime ECL not credit impaired, charges and write offs for lifetime ECL credit impaired by sector as of 31 December 2023.

The information on impaired loans by sector and by geographic area and reconciliation of changes in loan allowance are disclosed in Note 8 in the financial statements as of 31 December 2023.



5. Credit Risk (continued)

5.5 Impaired Loans, Past Due Loans, Lifetime ECL Credit Impaired, 12-Months ECL And Lifetime ECL Not Credit Impaired, Charges for Lifetime ECL Credit Impaired and Write Offs by Sector (continued)

5.5.1 Past Due Loans but Not Impaired

The following table details past due loans but not impaired by sector of the Group and the Bank as of 31 December 2023:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	14,453
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	122
Transport, storage and communication	284
Finance, insurance, real estate, and business services	1,153
Education, health, household & others	-
Total	16,012

The following table details past due loans but not impaired by sector of the Islamic Banking window as of 31 December 2023:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	-
Total	-

The following table details past due loans but not impaired by sector of the Group and the Bank as of 31 December 2022:

	RM'000
Primary agriculture	-
Mining and quarrying	182
Manufacturing	23,210
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	43,176
Transport, storage and communication	2,505
Finance, insurance, real estate, and business services	6,998
Education, health, household & others	84
Total	76,155

The following table details past due loans but not impaired by sector of the Islamic Banking window as of 31 December 2022:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	-
Total	-

5. Credit Risk (continued)

5.5 Impaired Loans, Past Due Loans, Lifetime ECL Credit Impaired, 12-Months ECL And Lifetime ECL Not Credit Impaired, Charges for Lifetime ECL Credit Impaired and Write Offs by Sector (continued)

5.5.2 Lifetime ECL Credit Impaired

The following table details lifetime ECL credit impaired by sector of the Group and the Bank as of 31 December 2023:

	RM'000
Primary agriculture	-
Mining and quarrying	15
Manufacturing	2,167
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	0
Finance, insurance, real estate, and business services	1,661
Education, health, household & others	-
Community, social and personal services	-
Total	<u><u>3,843</u></u>

The following table details lifetime ECL credit impaired by sector of the Islamic Banking window as of 31 December 2023:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	-
Community, social and personal services	-
Total	<u><u>-</u></u>

The following table details lifetime ECL credit impaired by sector of the Group and the Bank as of 31 December 2022:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	2,168
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	7,001
Transport, storage and communication	82
Finance, insurance, real estate, and business services	1,661
Education, health, household & others	-
Community, social and personal services	-
Total	<u><u>10,912</u></u>

The following table details lifetime ECL credit impaired by sector of the Islamic Banking window as of 31 December 2022:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	-
Community, social and personal services	-
Total	<u><u>-</u></u>

5. Credit Risk (continued)

5.5 Impaired Loans, Past Due Loans, Lifetime ECL Credit Impaired, 12-Months ECL And Lifetime ECL Not Credit Impaired, Charges for Lifetime ECL Credit Impaired and Write Offs by Sector (continued)

5.5.3 12-Months ECL and Lifetime ECL Not Credit Impaired

The following table details 12-months ECL and lifetime ECL not credit impaired (including ECL restricted from Tier 2 Capital by BNM of RM Nil million) by sector of the Group and the Bank as of 31 December 2023:

	RM'000
Primary agriculture	11
Mining and quarrying	34
Manufacturing	4,313
Electricity, gas, water	7
Construction	99
Wholesale, retail trade, restaurant and hotels	2,689
Transport, storage and communication	1,026
Finance, insurance, real estate, and business services	635
Education, health, household & others	46
Community, social and personal services	0
Total	8,860

The following table details 12-months ECL and lifetime ECL not credit impaired (including ECL restricted from Tier 2 Capital by BNM of RM Nil million) by sector of the Islamic Banking window as of 31 December 2023:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	-
Community, social and personal services	-
Total	-

The following table details collective impairment provision (including ECL restricted from Tier 2 Capital by BNM of RM Nil million) by sector of the Group and the Bank as of 31 December 2022:

	RM'000
Primary agriculture	68
Mining and quarrying	76
Manufacturing	2,756
Electricity, gas, water	4
Construction	13
Wholesale, retail trade, restaurant and hotels	6,403
Transport, storage and communication	298
Finance, insurance, real estate, and business services	1,254
Education, health, household & others	73
Community, social and personal services	32
Total	10,977

The following table details collective impairment provision (including ECL restricted from Tier 2 Capital by BNM of RM Nil million) by sector of the Islamic Banking window as of 31 December 2022:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	-
Community, social and personal services	-
Total	-

5. Credit Risk (continued)

5.5 Impaired Loans, Past Due Loans, Lifetime ECL Credit Impaired, 12-Months ECL And Lifetime ECL Not Credit Impaired, Charges for Lifetime ECL Credit Impaired and Write Offs by Sector (continued)

5.5.4 Charges for Lifetime ECL Credit Impaired

The following table details charges for lifetime ECL credit impaired by sector of the Group and the Bank as of 31 December 2023:

	RM'000
Primary agriculture	-
Mining and quarrying	14
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	-
Community, social and personal services	-
Total	14

The following table details charges for individual impairment provision by sector of the Islamic Banking window as of 31 December 2023:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	-
Community, social and personal services	-
Total	-

The following table details charges for individual impairment provision by sector of the Group and the Bank as of 31 December 2022:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	-
Community, social and personal services	-
Total	-

The following table details charges for individual impairment provision by sector of the Islamic Banking window as of 31 December 2022:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	-
Community, social and personal services	-
Total	-

5. Credit Risk (continued)

5.5 Impaired Loans, Past Due Loans, Lifetime ECL Credit Impaired, 12-Months ECL And Lifetime ECL Not Credit Impaired, Charges for Lifetime ECL Credit Impaired and Write Offs by Sector (continued)

5.5.5 Write Offs

The following table details write offs by sector of the Group and the Bank as of 31 December 2023:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	7,001
Transport, storage and communication	-
Finance, insurance, real estate, and business services	2
Education, health, household & others	-
Community, social and personal services	-
Total	7,003

The following table details write offs by sector of the Islamic Banking window as of 31 December 2023:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	-
Community, social and personal services	-
Total	-

The following table details write offs by sector of the Group and the Bank as of 31 December 2022:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	90,437
Community, social and personal services	-
Total	90,437

The following table details write offs by sector of the Islamic Banking window as of 31 December 2022:

	RM'000
Primary agriculture	-
Mining and quarrying	-
Manufacturing	-
Electricity, gas, water	-
Construction	-
Wholesale, retail trade, restaurant and hotels	-
Transport, storage and communication	-
Finance, insurance, real estate, and business services	-
Education, health, household & others	-
Community, social and personal services	-
Total	-

5. Credit Risk (continued)

5.6 External Credit Assessment Institutions (“ECAIs”)

The Bank uses ratings by global agencies i.e. Fitch Ratings, Moody’s Investor Services, and Standard & Poor’s. The Bank also uses ratings from local agencies Rating Agency Malaysia (“RAM”) Berhad and Malaysian Rating Corporation (“MARC”) Berhad. These ECAIs are used to rate Corporates, Banking Institutions, Sovereigns and Central Banks.

The Bank uses a regional system called Optima to calculate its risk-weighted assets and this system receives its external ratings from a credit system that has a feed for external ratings from approved ECAIs. The mapping of external ratings to the respective counterparties and exposures is automated in the system.

The Bank uses issue-specific ratings for securities. In general, where no issue-specific rating exists, the credit rating assigned to the counterparty of a particular credit exposure is used. Where an exposure has neither an issue-specific rating nor counterparty rating, it is deemed as unrated.

The alignment of the alphanumeric scale of each recognised ECAIs used by Citibank Berhad is detailed in the table below:

		CREDIT QUALITY GRADES AND ELIGIBLE ECAIs						Unrated
Credit Quality Grade		1	2	3	4	5	6	Unrated
Optima (Basel Credit Ratings)								
Rating Source	Rating Agencies	AAA	A+	BBB+	BB+	B+	CCC+	Unrated
Central	Fitch Ratings	AAA					CCC+	
		AA+	A+	BBB+	BB+	B+	CCC	
		AA	A	BBB	BB	B	CCC-	
		AA-	A-	BBB-	BB-	B-	CC	
							C	
Central	Moody's Investor Services	Aaa					D	
		Aa1	A1	Baa1	Ba1	B1	Caa1	
		Aa2	A2	Baa2	Ba2	B2	Caa2	
		Aa3	A3	Baa3	Ba3	B3	Caa3	
							Ca	
Central	Standard & Poor's	AAA					C	
		AA+	A+	BBB+	BB+	B+	CCC+	
		AA	A	BBB	BB	B	CCC	
		AA-	A-	BBB-	BB-	B-	CCC-	
							D	
Local	Rating Agency Malaysia Berhad (RAM)	AAA					C1	
		Aa1	A1	BBB1	BB1	B1	C2	
		Aa2	A2	BBB2	BB2	B2	C3	
		Aa3	A3	BBB3	BB3	B3	D	
Local	Malaysian Rating Corporation Berhad (MARC)	AAA						
		AA+	A+	BBB+	BB+	B+		
		AA	A	BBB	BB	B	C	
		AA-	A-	BBB-	BB-	B-	D	

5. Credit Risk (continued)

5.6 External Credit Assessment Institutions (“ECAIs”) (continued)

The following tables show Citibank Berhad’s rated and unrated exposures, by class, according to ratings by ECAIs:-

5.6.1 Ratings of Corporates by Approved ECAIs

31 December 2023

Group and Bank

Ratings of Corporate by Approved ECAIs (amounts in RM'000)

Exposure Class	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B1 to C	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	Total
Public Sector Entities (applicable for entities Risk- Weighted based on their external ratings as corporates)		-	-	-	-	100,675	100,675
Insurance Cos, Securities Firms and Fund Managers		21,179	363,986	-	-	46,064	431,229
Corporates		-	20,106	543,923	-	7,054,006	7,618,035

Islamic Banking Window

Ratings of Corporate by Approved ECAIs (amounts in RM'000)

Exposure Class	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B1 to C	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	Total
Public Sector Entities (applicable for entities Risk- Weighted based on their external ratings as corporates)		-	-	-	-	-	-
Insurance Cos, Securities Firms and Fund Managers		-	-	-	-	-	-
Corporates		-	-	-	-	-	-

5. Credit Risk (continued)

5.6 External Credit Assessment Institutions (“ECAIs”) (continued)

5.6.1 Ratings of Corporates by Approved ECAIs (continued)

31 December 2022

Group and Bank

Ratings of Corporate by Approved ECAIs (amounts in RM'000)

Exposure Class	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated	
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B1 to C	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	Total
Public Sector Entities (applicable for entities Risk- Weighted based on their external ratings as corporates)		-	-	-	-	86,974	86,974
Insurance Cos, Securities Firms and Fund Managers		24,120	470,432	-	-	43,436	537,988
Corporates		-	-	1,382,832	-	6,775,006	8,157,838

Islamic Banking Window

Ratings of Corporate by Approved ECAIs (amounts in RM'000)

Exposure Class	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated	
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B1 to C	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	Total
Public Sector Entities (applicable for entities Risk- Weighted based on their external ratings as corporates)			-	-	-	-	-
Insurance Cos, Securities Firms and Fund Managers		-	-	-	-	-	-
Corporates		-	-	-	-	-	-

5. Credit Risk (continued)

5.6 External Credit Assessment Institutions (“ECAIs”) (continued)

5.6.2 Short Term Ratings of Banking Institutions and Corporates by Approved ECAIs

This disclosure does not apply to Citibank Berhad as it uses long term ratings for all exposures.

5.6.3 Ratings of Sovereigns and Central Banks by Approved ECAIs

31 December 2023

Group and Bank

Ratings of sovereigns/central banks by approved ECAIs (amounts in RM'000)

	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated	
Exposure Class	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	Total
Sovereigns/ Central Banks		-	2,139,092	16,565,804	-	-	-	18,704,896

Islamic Banking Window

Ratings of sovereigns/central banks by approved ECAIs (amounts in RM'000)

	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated	
Exposure Class	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	Total
Sovereigns/ Central Banks		-	-	1,916,688	-	-	-	1,916,688

5. Credit Risk (continued)

5.6 External Credit Assessment Institutions (“ECAIs”) (continued)

5.6.3 Ratings of Sovereigns and Central Banks by Approved ECAIs (continued)

31 December 2022

Group and Bank

Ratings of sovereigns/central banks by approved ECAIs (amounts in RM'000)

	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated	
Exposure Class	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	Total
Sovereigns/ Central Banks		-	1,268,049	23,713,802	-	-	-	24,981,851

Islamic Banking Window

Ratings of sovereigns/central banks by approved ECAIs (amounts in RM'000)

	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated	
Exposure Class	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	Total
Sovereigns/ Central Banks		-	-	1,943,302	-	-	-	1,943,302

5. Credit Risk (continued)

5.6 External Credit Assessment Institutions (“ECAIs”) (continued)

5.6.4 Rating of Banking Institutions by Approved ECAIs

31 December 2023

Group and Bank

**Ratings of banks, Development Financial Institutions and MDBs by approved ECAIs
(amounts in RM'000)**

	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated	
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
Exposure Class	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	RAM	AAA to AA3	A to A3	BBB1 to BB3	BB1 to B3	C1 to D	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	C+ to D	Unrated	Total
Banks, Development Financial Institutions and MDBs		1,838,141	1,911,858	3,487,784	11,799	2,580	694,376	7,946,538

Islamic Banking Window

**Ratings of banks, Development Financial Institutions and MDBs by approved ECAIs
(amounts in RM'000)**

	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated	
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
Exposure Class	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated	
	RAM	AAA to AA3	A to A3	BBB1 to BB3	BB1 to B3	C1 to D	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	C+ to D	Unrated	Total
Banks, Development Financial Institutions and MDBs		-	-	-	-	-	16	16

5. Credit Risk (continued)

5.6 External Credit Assessment Institutions (“ECAIs”) (continued)

5.6.4 Rating of Banking Institutions by Approved ECAIs

31 December 2022
Group and Bank

Ratings of banks, Development Financial Institutions and MDBs by approved ECAIs (amounts in RM'000)

Exposure Class	ECAI	Rating						Unrated	Total
		Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C			
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated		
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated		
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated		
	RAM	AAA to AA3	A to A3	BBB1 to BB3	BB1 to B3	C1 to D	Unrated		
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	C+ to D	Unrated	Total	
Banks, Development Financial Institutions and MDBs		539,867	1,183,071	1,306,436	9,288	15	588,763	3,627,440	

Islamic Banking Window

Ratings of banks, Development Financial Institutions and MDBs by approved ECAIs (amounts in RM'000)

Exposure Class	ECAI	Rating						Unrated	Total
		Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C			
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated		
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated		
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated		
	RAM	AAA to AA3	A to A3	BBB1 to BB3	BB1 to B3	C1 to D	Unrated		
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	C+ to D	Unrated	Total	
Banks, Development Financial Institutions and MDBs		-	-	-	-	-	16	16	

5. Credit Risk (continued)

5.7 Credit Risk Mitigation (“CRM”)

Credit risk mitigation is important to Citibank Berhad in the effective management of its credit risk exposures (including counterparty credit risk). The Bank uses credit risk mitigation across the wholesale credit risk portfolio.

The Bank uses eligible guarantees and financial collaterals (primarily cash) for credit risk mitigation. At present, the Bank does not make use of credit derivatives and on and off-balance sheet netting in its credit risk mitigation process.

For calculating and assessing Net Credit RWA, the Bank takes into account eligible collaterals pledged by the customers with the bank, that are primarily cash deposits.

The Bank is guided by its credit policy and procedures for collateral valuation and management. It marks to market the CRM eligible financial collateral value on a daily/weekly/monthly (whichever is applicable) basis. Collateral valuations and re-valuations must be completed daily for SFTs, OTC and margin lending by the various operations units and collateral/margin departments. Collateral haircuts are applied in a number of circumstances such as where there is a material positive correlation between the credit quality of the counterparty and the value of the collateral, or where there are currency or maturity mismatches. The Bank has appropriately sound and well-managed systems and procedures for requesting and promptly receiving additional collateral for transactions whose terms require maintenance of collateral values at specified thresholds as documented in the respective legal agreements.

The Bank has procedures to ensure that appropriate information is available to support the collateral process and to make timely and accurate margin calls feed correctly into the margin applications from upstream systems. These also provide a daily credit exposure report. There is also a process

in place to highlight counterparties that have not met their requirement for additional collateral to satisfy specified initial margin amount and variation margin thresholds. In addition, there is risk reporting of counterparty exposures at an individual and an aggregated level.

As of December 2023, the Bank’s gross credit exposure is RM35,369 million, of which RM81 million was offset by CRM. After applying required risk weights, the Bank’s Credit RWA is RM11,372 million. Given the immateriality of CRM, which is 0.2% of total credit exposure, asset class breakdowns are not provided and for the same reason, there is no CRM risk concentration exposure to the Bank.

5. Credit Risk (continued)

5.7 Credit Risk Mitigation (“CRM”) (continued)

The following table shows the total exposure amounts after credit risk mitigation as of 31 December 2023:

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Risk Weighted Assets RM'000
	Sovereigns & Central Banks RM'000	PSEs RM'000	Banks, MDBs and FDI RM'000	Insurance Cos, Securities Firms & Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Equity RM'000	Total exposures after netting and Credit Risk Mitigation RM'000	
0%	16,983,309	-	30	-	-	-	-	-	310,64	-	17,293,981	-
10%	-	-	-	-	-	-	-	-	-	-	-	-
20%	1,721,587	100,675	3,464,977	21,179	5	-	-	-	-	-	5,308,423	1,061,685
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	4,411,608	363,986	269	-	-	-	-	-	4,775,862	2,387,931
75%	-	-	-	-	-	-	-	-	-	-	-	-
90%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	67,274	46,064	7,514,422	-	-	-	257,097	-	7,884,857	7,884,857
110%	-	-	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	2,649	-	22,253	-	-	-	-	-	24,902	37,353
270%	-	-	-	-	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-	-	-	-	-
1250.0%	-	-	-	-	-	-	-	-	20	-	20	250
Total Exposures	18,704,896	100,675	7,946,538	431,229	7,536,949	-	-	-	567,758	-	35,288,044	11,372,075
Risk-Weighted Assets by Exposures	344,317	20,135	2,970,046	232,293	7,547,937	-	-	-	257,347	-	-	11,372,075
Average Risk Weight	2%	20%	37%	54%	100%	0%	0%	0%	45%	0%	32%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	

5. Credit Risk (continued)

5.7 Credit Risk Mitigation (“CRM”) (continued)

The following table details the total exposure amounts of the Islamic Banking window after credit risk mitigation as of 31 December 2023:

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Risk Weighted Assets RM'000
	Sovereigns & Central Banks RM'000	PSEs RM'000	Banks, MDBs and FDIs RM'000	Insurance Cos, Securities Firms & Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Equity RM'000	Total exposures after netting and Credit Risk Mitigation RM'000	
0%	1,916,688	-	-	-	-	-	-	-	-	-	1,916,688	-
10%	-	-	-	-	-	-	-	-	-	-	-	-
20%	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	16	-	-	-	-	-	-	-	16	9
75%	-	-	-	-	-	-	-	-	-	-	-	-
90%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	66	-	66	66
110%	-	-	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-	-	-
270%	-	-	-	-	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-	-	-	-	-
1250.0%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	1,916,688	-	16	-	-	-	-	-	66	-	1,916,770	75
Risk-Weighted Assets by Exposures	-	-	9	-	-	-	-	-	66	-	-	75
Average Risk Weight	0%	0%	50%	0%	100%	0	0%	0%	100%	0%	0%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	

5. Credit Risk (continued)

5.7 Credit Risk Mitigation (“CRM”) (continued)

The following table details the total exposure amounts of the Group and the Bank after credit risk mitigation as of 31 December 2022:

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Risk Weighted Assets RM'000
	Sovereigns & Central Banks RM'000	PSEs RM'000	Banks, MDBs and FDI RM'000	Insurance Cos, Securities Firms & Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Equity RM'000	Total exposures after netting and Credit Risk Mitigation RM'000	
0%	18,518,412	-	102	-	-	-	-	-	79,634	-	18,598,148	-
10%	-	-	-	-	-	-	-	-	-	-	-	-
20%	1,269,593	86,974	1,341,180	24,120	-	-	-	-	-	-	2,721,867	544,374
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	5,193,846	-	1,993,271	470,432	-	-	-	-	-	-	7,657,549	3,828,775
75%	-	-	-	-	-	-	-	-	-	-	-	-
90%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	292,720	43,436	8,084,886	-	-	-	256,174	-	8,677,216	8,677,216
110%	-	-	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	167	-	-	-	-	-	-	-	167	251
270%	-	-	-	-	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-	-	-	-	-
1250.0%	-	-	-	-	-	-	-	-	20	-	20	250
Total Exposures	24,981,851	86,974	3,627,440	537,988	8,084,886	-	-	-	335,828	-	37,654,967	13,050,866
Risk-Weighted Assets by Exposures	2,850,842	17,395	1,557,842	283,477	8,084,886	-	-	-	256,424	-	-	13,050,866
Average Risk Weight	11%	20%	43%	53%	100%	0%	0%	0%	76%	0%	35%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	

5. Credit Risk (continued)

5.7 Credit Risk Mitigation (“CRM”) (continued)

The following table details the total exposure amounts of the Islamic Banking window after credit risk mitigation as of 31 December 2022:

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Risk Weighted Assets RM'000
	Sovereigns & Central Banks RM'000	PSEs RM'000	Banks, MDBs and FDIs RM'000	Insurance Cos, Securities Firms & Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Equity RM'000	Total exposures after netting and Credit Risk Mitigation RM'000	
0%	1,943,302	-	-	-	-	-	-	-	-	-	1,943,302	-
10%	-	-	-	-	-	-	-	-	-	-	-	-
20%	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	16	-	-	-	-	-	-	-	16	8
75%	-	-	-	-	-	-	-	-	-	-	-	-
90%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	722	-	722	722
110%	-	-	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-	-	-
270%	-	-	-	-	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-	-	-	-	-
1250.0%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	1,943,302	-	16	-	-	-	-	-	722	-	1,944,040	730
Risk-Weighted Assets by Exposures	-	-	8	-	-	-	-	-	722	-	-	730
Average Risk Weight	0%	0%	50%	0%	100%	0%	0%	0%	100%	0%	0%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	

5. Credit Risk (continued)

5.7 Credit Risk Mitigation (“CRM”) (continued)

The following table details the total exposures which is covered by eligible guarantees and financial collaterals as of 31 December 2023:

Exposure Class	Exposures before CRM RM'000	Exposures covered by guarantees RM'000	Exposures covered by eligible financial collateral RM'000	Exposures covered by other eligible collateral RM'000
Credit Risk				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	18,704,896	-	-	-
Public Service Entities	-	-	-	-
Banks, Development Financial Institutions and MDBs	6,037,040	-	-	-
Corporates, insurance cos and securities firms	4,510,746	274	81,022	-
Regulatory Retail	-	-	-	-
Residential Mortgages	-	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	567,758	-	-	-
Defaulted Exposures	-	-	-	-
Total for On-Balance Sheet Exposures	29,842,757	274	81,086	-
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	3,007,533	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	2,518,840	-	-	-
Defaulted Exposures	-	-	-	-
Total for Off-Balance Sheet Exposures	5,526,373	-	-	-
Total On and Off-Balance Sheet Exposures	35,369,130	274	81,086	-

5. Credit Risk (continued)

5.7 Credit Risk Mitigation (“CRM”) (continued)

The following table details the total exposures which is covered by eligible guarantees and financial collaterals of the Islamic Banking window as of 31 December 2023:

Exposure Class	Exposures before CRM RM'000	Exposures covered by guarantees RM'000	Exposures covered by eligible financial collateral RM'000	Exposures covered by other eligible collateral RM'000
Credit Risk				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	1,916,688	-	-	-
Banks, Development Financial Institutions and MDBs	16	-	-	-
Corporates, insurance cos and securities firms	-	-	-	-
Residential Mortgages	-	-	-	-
Other Assets	66	-	-	-
Defaulted Exposures	-	-	-	-
Total for On-Balance Sheet Exposures	1,916,770	-	-	-
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	-	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	-	-	-	-
Defaulted Exposures	-	-	-	-
Total for Off-Balance Sheet Exposures	-	-	-	-
Total On and Off-Balance Sheet Exposures	1,916,770	-	-	-

5. Credit Risk (continued)

5.7 Credit Risk Mitigation (“CRM”) (continued)

The following table details the total exposures which is covered by eligible guarantees and financial collaterals as of 31 December 2022:

Exposure Class	Exposures before CRM RM'000	Exposures covered by guarantees RM'000	Exposures covered by eligible financial collateral RM'000	Exposures covered by other eligible collateral RM'000
Credit Risk				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	24,958,791	-	-	-
Public Service Entities	-	-	-	-
Banks, Development Financial Institutions and MDBs	1,499,454	-	-	-
Corporates, insurance cos and securities firms	5,486,036	-	72,952	-
Regulatory Retail	-	-	-	-
Residential Mortgages	-	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	335,828	-	-	-
Defaulted Exposures	-	-	-	-
Total for On-Balance Sheet Exposures	32,280,109	-	72,952	-
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	3,352,043	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	2,095,767	-	-	-
Defaulted Exposures	-	-	-	-
Total for Off-Balance Sheet Exposures	5,447,810	-	-	-
Total On and Off-Balance Sheet Exposures	37,727,919	-	72,952	-

5. Credit Risk (continued)

5.7 Credit Risk Mitigation (“CRM”) (continued)

The following table details the total exposures which is covered by eligible guarantees and financial collaterals for the Islamic Banking window as of 31 December 2022:

Exposure Class	Exposures before CRM RM'000	Exposures covered by guarantees RM'000	Exposures covered by eligible financial collateral RM'000	Exposures covered by other eligible collateral RM'000
Credit Risk				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	1,943,302	-	-	-
Banks, Development Financial Institutions and MDBs	16	-	-	-
Corporates, insurance cos and securities firms	-	-	-	-
Residential Mortgages	-	-	-	-
Other Assets	722	-	-	-
Defaulted Exposures	-	-	-	-
Total for On-Balance Sheet Exposures	1,944,040	-	-	-
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	-	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	-	-	-	-
Defaulted Exposures	-	-	-	-
Total for Off-Balance Sheet Exposures	-	-	-	-
Total On and Off-Balance Sheet Exposures	1,944,040	-	-	-

5. Credit Risk (continued)

5.8 Off-Balance Sheet Exposures and Counterparty Credit Risk (“CCR”)

The following table shows the Group and Bank’s off-balance sheet exposures and Risk-Weighted Assets as of 31 December 2023:

Item	Description	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Credit equivalent amount RM'000	Risk Weighted Assets RM'000
1	Direct Credit Substitutes	1,812,972	-	1,812,972	1,794,849
2	Transaction related contingent Items	844,552	-	422,276	403,547
3	Short Term Self Liquidating trade related contingencies	435,902	-	87,180	86,263
4	Assets sold with recourse	-	-	-	-
5	Forward Asset Purchases	18,340	-	18,340	18,340
6	Obligations under an on-going underwriting agreement	-	-	-	-
7	Lending of banks’ securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions. (i.e. repurchase / reverse repurchase and securities lending / borrowing transactions)	-	-	-	-
8	Foreign exchange related contracts	-	-	-	-
	One year or less	54,907,067	434,374	1,158,275	634,133
	Over one year to five years	2,782,146	68,746	240,487	117,630
	Over five years	-	-	-	-
9	Interest/Profit rate related contracts	-	-	-	-
	One year or less	21,462,623	(13)	33,594	12,369
	Over one year to five years	30,068,797	54,282	769,094	274,231
	Over five years	1,338,248	7,668	107,157	46,760
10	Equity related contracts	-	-	-	-
	One year or less	121,563	1,718	8,908	8,908
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
11	Gold and other precious metal contracts	-	-	-	-
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
12	Other commodity contracts	-	-	-	-
	One year or less	6,079,701	87,509	687,343	499,237
	Over one year to five years	22,298	515	2,676	2,026
	Over five years	-	-	-	-
13	Credit Derivative Contracts	-	-	-	-
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
14	OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	-	-	-	-
15	Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	-	-	-	-
16	Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	112,562	-	22,512	22,512
17	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 borrowers creditworthiness	15,426,018	-	-	-
18	Unutilised credit card lines	777,797	-	155,559	155,449
19	Off-balance sheet items for securitisation exposures	-	-	-	-
20	Total	136,210,586	654,799	5,526,373	4,076,254

5. Credit Risk (continued)

5.8 Off-Balance Sheet Exposures and Counterparty Credit Risk (“CCR”) (continued)

The following table shows the Islamic Banking window’s off-balance sheet exposures and Risk-Weighted Assets as of 31 December 2023:

Item	Description	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Credit equivalent amount RM'000	Risk Weighted Assets RM'000
1	Direct credit substitutes	-	-	-	-
2	Transaction related contingent Items	-	-	-	-
3	Short Term Self Liquidating trade related contingencies	-	-	-	-
4	Assets sold with recourse	-	-	-	-
5	Forward asset purchases	-	-	-	-
6	Obligations under an on-going underwriting agreement	-	-	-	-
7	Commitment to buy back Islamic securities under sales and buy back agreement transactions	-	-	-	-
8	Foreign exchange related contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
9	Benchmark rate related contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
10	Equity related contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
11	Gold and other precious metal contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
12	Other commodity contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
13	OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	-	-	-	-
14	Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	-	-	-	-
15	Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-	-	-	-
16	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 borrowers creditworthiness	-	-	-	-
17	Unutilised credit card lines	-	-	-	-
18	Off-balance sheet items for securitisation exposures	-	-	-	-
	Total	-	-	-	-

5. Credit Risk (continued)

5.8 Off-Balance Sheet Exposures and Counterparty Credit Risk (“CCR”) (continued)

The following table shows the Group and Bank’s off-balance sheet exposures and Risk-Weighted Assets as of 31 December 2022:

Item	Description	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Credit equivalent amount RM'000	Risk Weighted Assets RM'000
1	Direct Credit Substitutes	1,403,436	-	1,403,436	1,358,573
2	Transaction related contingent Items	767,808	-	383,904	372,997
3	Short Term Self Liquidating trade related contingencies	499,250	-	99,850	99,496
4	Assets sold with recourse	-	-	-	-
5	Forward Asset Purchases	21,258	-	21,258	21,258
6	Obligations under an on-going underwriting agreement	-	-	-	-
7	Lending of banks’ securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions. (i.e. repurchase / reverse repurchase and securities lending / borrowing transactions)	-	-	-	-
8	Foreign exchange related contracts	-	-	-	-
	One year or less	40,811,217	370,417	856,418	466,112
	Over one year to five years	2,637,248	48,210	231,544	132,103
	Over five years	69,901	2,722	9,440	4,022
9	Interest/Profit rate related contracts	-	-	-	-
	One year or less	19,368,501	39,032	64,654	47,629
	Over one year to five years	33,451,909	317,342	1,039,387	503,578
	Over five years	2,508,409	28,339	197,413	95,982
10	Equity related contracts	-	-	-	-
	One year or less	42,805	1,387	3,872	3,872
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
11	Gold and other precious metal contracts	-	-	-	-
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
12	Other commodity contracts	-	-	-	-
	One year or less	8,681,985	77,389	937,248	675,501
	Over one year to five years	73,580	3,681	12,069	8,014
	Over five years	-	-	-	-
13	Credit Derivative Contracts	-	-	-	-
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
14	OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	-	-	-	-
15	Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	107,616	-	53,808	53,808
16	Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-	-	-	-
17	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 borrowers creditworthiness	13,720,545	-	-	-
18	Unutilised credit card lines	667,555	-	133,511	133,399
19	Off-balance sheet items for securitisation exposures	-	-	-	-
20	Total	124,833,023	888,519	5,447,812	3,976,344

5. Credit Risk (continued)

5.8 Off-Balance Sheet Exposures and Counterparty Credit Risk (“CCR”) (continued)

The following table shows the Islamic Banking window’s off-balance sheet exposures and Risk-Weighted Assets as of 31 December 2022:

Item	Description	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Credit equivalent amount RM'000	Risk Weighted Assets RM'000
1	Direct credit substitutes	-	-	-	-
2	Transaction related contingent Items	-	-	-	-
3	Short Term Self Liquidating trade related contingencies	-	-	-	-
4	Assets sold with recourse	-	-	-	-
5	Forward asset purchases	-	-	-	-
6	Obligations under an on-going underwriting agreement	-	-	-	-
7	Commitment to buy back Islamic securities under sales and buy back agreement transactions	-	-	-	-
8	Foreign exchange related contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
9	Benchmark rate related contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
10	Equity related contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
11	Gold and other precious metal contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
12	Other commodity contracts				
	One year or less	-	-	-	-
	Over one year to five years	-	-	-	-
	Over five years	-	-	-	-
13	OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	-	-	-	-
14	Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	-	-	-	-
15	Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	-	-	-	-
16	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 borrowers creditworthiness	-	-	-	-
17	Unutilised credit card lines	-	-	-	-
18	Off-balance sheet items for securitisation exposures	-	-	-	-
	Total	-	-	-	-

6. Securitisation

At present, Citibank Berhad does not have any exposures to securitisation transactions. Hence, this disclosure is not applicable.

7. Market Risk

Market risk is the potential loss resulting from a change in the current economic value of a position, due to changes in the associated underlying market risk factors. Market risk encompasses price risk arising from the normal course of business operations in a global financial intermediary. At Citibank Berhad, market risk is managed through corporate-wide standards, business policies and procedures with oversight from responsible personnel and committees delegated by the Board of Directors (for example, the Country Coordinating Committee and Market Risk Management).

Market risk is measured in accordance with established standards to ensure consistency across businesses and the ability to aggregate risk for monitoring purpose. The business is required to establish, with approval from independent market risk management, a market risk limit framework for identified risk factors, clearly defining approved risk profiles within the parameters of the Bank's overall risk appetite. The result of every risk assessment and review exercise is then presented to the Board of Directors for feedback and recommended action (if necessary).

In terms of internal controls, Market Risk Management, an independent group, oversees market risk and ensures that the risk profile is consistent with Citibank Berhad's overall approved risk appetite. Price risk limits are monitored on a daily basis. Limit excesses (if any) are highlighted to the Country Coordinating Committee and the Risk Management Committee.

7.1 Price Risk

Price risk is the risk associated to earnings arising from changes in interest rates, foreign exchange rates, equity and commodity prices, credit spread and in their implied volatilities. Price risk arises in trading portfolios as well as non-trading portfolios.

Price risk in trading portfolios is measured through a complementary set of tools such as factor sensitivities, value-at-risk, loss trigger and stress testing.

It is the responsibility of the independent market risk management to ensure that factor sensitivities are calculated, monitored and in most cases limited, for all relevant risks taken in a trading portfolio. In addition, stress testing is performed on trading portfolios on a regular basis to estimate the impact of extreme market movements.

Interest rate risk in non-trading portfolios is inherent in many client-related activities, primarily lending and deposit taking from both individuals and corporations. Interest rate risk arises due to factors including the timing of rate resetting and maturity period between assets and liabilities, change in the profile of assets and liabilities whereby the maturity period differs in response to movements in market interest rates, changes in the yield curve and spread between various market rate indices.

Interest Rate Exposure (income metrics) is used as a tool to monitor interest rate risk and is calculated as the pre-tax impact on net interest revenue for banking book positions, premised upon defined shifts in interest rates over a specified reporting period. Economic Value of Equity / Economic Value Sensitivity (valuation metric) measures the impact of interest rate changes onto the bank's capital. This impact can be measured using stress test, EVS and/or DVO1 risk metrics to capture the impact of interest rate changes on the economic value of assets and liabilities.

8. Liquidity Risk

Liquidity is the ability of a financial institution to fund increases in assets and meet obligations as they come due at a reasonable cost. Liquidity risk represents the potential loss arising from the inability to access liquidity to meet all obligations as and when due without adversely affecting daily operations or the financial condition of the firm.

Citibank Berhad complies with both Citigroup's liquidity and funding policy as well as BNM's liquidity requirements, in the management, monitoring and measurement of liquidity risk within a high effective process. Citibank Berhad has established a robust control framework which ensures that liquidity risk is effectively managed within predefined and agreed risk tolerances. The control framework is being integrated into the overall Citibank Berhad's liquidity and funding process, and the liquidity monitoring framework where under the Liquidity Risk Management Policy, there is a single set of standards for the measurement, reporting and management of liquidity risk in order to ensure consistency across businesses, stability in methodologies, and transparency of risk and the establishment of appropriate risk appetite.

The control framework consists of Liquidity Review Process ("LRP") which incorporates the following review requirements:

- Local Liquidity Requirements
 - Cash-Flow Projection
 - Higher Risk Assessment Questionnaire (HRAQ)
 - Intraday Monitoring, Management and Reserving Document (IMMRD)
 - Central Bank Facility Inventory
- Funding and Liquidity Forecasting
 - Limits and Triggers, including Universal currency status
 - Contingency Funding Plan
 - Term Liquidity Stress Testing (TLST) FX capacity
 - U.S. Liquidity Coverage Ratio (LCR) Highly Qualified Liquid Assets (HQLA) Tests include the following 2 tests.
 - Liquid and Readily-Marketable Tests using Liquid and Readily-Marketable Tests Template
 - Operational Capabilities Test using HQLA Sample Monetization Template and HQLA Operational Capability Assessment Template

9. Operational Risk

Operational risk is defined by the Basel Committee on Banking Supervision as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. This definition of operational risk includes legal risk – which is the risk of loss (including litigation costs, settlements, and regulatory fines) resulting from the failure of the bank to comply with laws, regulations, prudent ethical standards, and contractual obligations in any aspect of the Citigroup’s business – but excludes strategic and reputation risks (US Basel II Final Rule – Federal

Register 2007). Nevertheless, Citigroup recognizes the impact of Operational Risk on the reputation risk associated with its business activities.

Citigroup’s Independent Operational Risk Management group has established an Operational Risk Management Policy to ensure effective management of operational risk. Effective management of operational risk means bringing or maintaining operational risk exposures within operational risk appetite and adhering to regulatory requirements.

The Policy describes the roles and responsibilities, processes, and systems and tools employed to help Citibank Berhad measure, monitor, and mitigate operational risk.

The Policy aligns to the Enterprise Risk Management Framework.

The Enterprise Risk Management Framework (ERMF) defines the concept of the Lines of Defense. The high-level roles and responsibilities across the Lines of Defense for operational risk management are as follows:

- The 1st Line of Defense includes Business Management and certain Corporate Functions, and owns the risks and associated controls inherent in, or arising from, the execution of their business activities.
- The 2nd Line of Defense comprises Independent Risk Management (which includes Operational Risk Management) and Independent Compliance Risk Management. The 2nd Line provides an independent view of risk quality and quantity to management. ORM is responsible for setting requirements around operational risk management (particularly, policy, framework, and tools), and challenging Businesses’ and Functions’ implementation of the ORM framework as well as the quality and outcomes of their operational risk management activities.
- The 3rd Line of Defense (Internal Audit) is responsible for providing senior management with independent opinions on the effectiveness of the Operational Risk Management framework as a whole.

Additionally, Enterprise Support consists of HR and Legal, and these Functions are subject to the relevant independent oversight processes specific to the risks for which they are accountable.

Regardless of their line-of-defense designation, all organizational units at Citibank Berhad have the potential to generate and be accountable for risk (e.g., operational and compliance risks) through their activities (i.e., they are “Risk Accountable”). In such cases: (i) these organizational units have the same responsibilities as the 1st Line regarding the risks for which they are accountable; and (ii) are subject to second-line oversight of these risks as required under Citibank Berhad’s oversight processes specific to these risks. For the purposes of this Policy and the roles and responsibilities it defines, the term “Businesses and Functions” refers to all Risk Accountable units.

Operational risk must be managed at both a granular (e.g., a single risk or control in a particular Business, Function, Country, or Legal Entity) and an aggregated level (e.g., all operational risks in a particular Business or Function). Granular risk exposures (specific

9. Operational Risk (continued)

instances of risk) are identified, assessed, monitored, and mitigated through Risk & Control Assessment (RCA) mechanisms. The minimum requirements for the RCAs are documented in the RCA Standard.

Citibank Berhad is exposed to a wide variety of operational risk types (organized and defined in risk categories in the Risk Taxonomy). Senior Management are ultimately accountable for prioritizing and allocating resources and investments in order to effectively manage these exposures. The Risk Taxonomy is a core requirement defined within Citigroup's Enterprise Risk Management Framework (ERMF) and is a foundational input to the risk management lifecycle. The Risk Taxonomy Standard outlines the requirements to review, update, approve, and govern Citigroup's Risk Taxonomy.

The BRCCs provide the foundation for committee governance oversight of operational risk and are a key forum for ORM to review and challenge the risk profile of Businesses and Functions.

10. Equity Exposures in the Banking Book

Investments in equity instruments are categorised as investments securities in the financial statements. These equity instruments are measured at fair value through profit or loss (“FVTPL”) with effective 1 January 2018.

Realised gains arising from sales and liquidations of equities in the reporting period is as follows:

	Dec 2023 RM'000	Dec 2022 RM'000
Realised gain / (loss)	-	-

The following table shows an analysis of equity investments by appropriate equity groupings and Risk-Weighted Assets as of the period end:

	31 December 2023		31 December 2022	
	Credit Risk Exposures RM'000	RWA RM'000	Credit Risk Exposures RM'000	RWA RM'000
Privately held				
- For socio-economic purposes	5,657	5,657	8,311	8,311

11. Interest Rate Risk / Rate of Return Risk in the Banking Book (“IRR”/“RORBB”)

Interest Rate Risk in Banking Book (IRRBB) refers to the current or prospective risk to the bank’s capital and earnings arising from adverse movements in interest rates that affect the bank’s banking book positions. IRRBB risk arises from gapping mismatch from both interest bearing and non-interest bearing assets and liabilities. The Bank applies the Basel Standard 6 scenarios to measure the impact of interest rate changes to the Bank’s capital for banking book. The Basel Standard prescribes the 6 interest rate shock scenarios which include Parallel shock up, Parallel shock down, Steepener shock, Flattener shock, Short rates shock up and Short rates shock down. The computation of IRRBB aligns with the guidelines outlined in the Reporting Requirements for Interest Rate and Rate of Return Risk in the Banking Book (BNM/RH/PD 029-43) issued by Bank Negara Malaysia (“BNM”).

Potential interest rate risk in banking book is monitored through interest rate exposure from movement in interest rates as tabled below.

Currency	Impact on Positions as at 31 December 2023 ± 200 bps (Parallel Shift)		Impact on Positions as at 31 December 2022 ± 200 bps (Parallel Shift)	
	Increase/ (Decline) in Earnings RM’000	Increase/ (Decline) in Economic Value RM’000	Increase/ (Decline) in Earnings RM’000	Increase/ (Decline) in Economic Value RM’000
MYR	154,841	(4,468)	190,662	(12,393)
USD	2,734	119,473	(17,216)	100,494
Others	2,080	(20,474)	2,239	(24,658)

Note: Positions as of 31 December 2022 have been restated to reflect impact based on ±200 bps (Parallel Shift) to be consistent with shocks applied in the Bank’s stress test. Previous report reflected impact based on ±150 bps (Parallel Shift).

12. Profit Sharing Investment Accounts and Shariah Governance

12.1 Profit Sharing Investment Accounts

This disclosure is not applicable, as Citibank Berhad's Islamic Banking Window does not have any Profit Sharing Investment Accounts.

12.2 Shariah Governance

Shariah Governance

Citibank Berhad in operating its Islamic Banking business through a Window model, adheres to the Shariah Governance Policy Document issued by Bank Negara Malaysia (BNM) on 20 September 2019. The Policy Document establishes minimum governance standards governing the Board of Directors, Shariah Committee, senior management, Shariah control functions and secretariat to the Shariah Committee. Within the Policy, all parties are bound to exercise their duty of care and diligence to ensure the Bank's Islamic Banking business, operations and affairs comply with Shariah principles.

To ensure that the Islamic Banking operations are consistently conducted in accordance to Shariah principles, the Bank established an independent Shariah Committee (SC) to advise the Bank and to perform an oversight role on Shariah matters in relation to the Bank's Islamic Banking business and operations. While the Board remains responsible and accountable for the overall governance of the Bank, the SC shall be responsible and accountable for all its decisions, views and opinions related to Shariah.

SC is supported on a functional basis by the Shariah Control Officer to cover the Secretariat, Shariah Review and Shariah Risk Management. The main duties and responsibilities of the Shariah Secretariat is to provide a secretariat function to the SC, conduct research on Shariah issues and provides day-to-day Shariah advice to the Bank's internal parties based on the rulings of the BNM Shariah Advisory Council (SAC) and the decisions or advice of the SC.

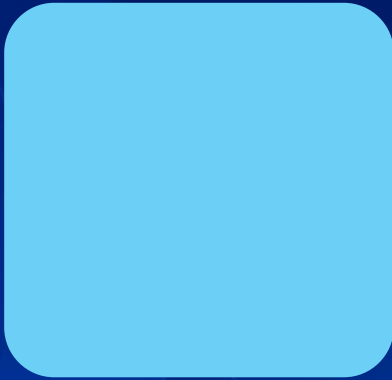
Shariah Review are being conducted on periodical basis to assess state of Shariah compliance, while the Shariah Risk Management systematically identifies, measures, monitors, and reports Shariah Non-Compliance (SNC) risks in the operations, business, affairs and activities of the Islamic Banking Window.

Independently, Shariah Audit performed by the Internal Audit assess the quality and effectiveness of the Bank's internal control, risk management systems, and governance processes. The scope covers the overall compliance of the Bank's Islamic Banking Window operations, business, affairs and activities with Shariah.

Rectification Process of Shariah Non-Compliance Income Quantitative Disclosure

In the event of any potential Shariah Non-Compliant income triggers, the issue will be presented to the Shariah Committee for deliberation. If the income derived from the event resolved by the Shariah Committee as impure income, the appropriate process would take place for distribution to the charity.

For the year 2023, the total of Shariah Non-Compliance income was RM2,451.19 and there were no Shariah Non-Compliance events reported during the financial year.



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