

Deutsche Bank (Malaysia) Berhad

Deutsche Bank (Malaysia) Berhad
Company Registration No. 199401026871 (312552-W)
(Incorporated in Malaysia)
and its subsidiaries

Unaudited Condensed Interim Financial Statements
for the Financial Period ended 30 September 2023

Domiciled in Malaysia
Registered office:
Level 19, Menara IMC No. 8 Jalan Sultan Ismail 50250 Kuala Lumpur



Consolidated Statements of Financial Position
 As at 30 September 2023 - Unaudited

	Note	Group		Bank	
		30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Assets					
Cash and short-term funds	12	2,906,379	2,396,612	2,906,379	2,396,612
Reverse repurchase agreements		624,811	111,763	624,811	111,763
Financial securities measured at FVTPL	13	2,451,389	1,671,593	2,451,389	1,671,593
Financial securities measured at FVOCI	14	1,675,858	1,313,648	1,675,858	1,313,648
Loans, advances and financing	15	2,507,157	2,141,896	2,507,157	2,141,896
Derivative assets		2,879,756	1,410,526	2,879,756	1,410,526
Other assets	16	836,746	412,264	836,746	412,264
Tax recoverable		-	13,058	-	13,058
Statutory deposit with Bank Negara Malaysia		10,000	20,000	10,000	20,000
Investments in subsidiary companies		-	-	20	20
Property and equipment		9,000	11,461	9,000	11,461
Right-of-use assets		4,244	4,868	4,244	4,868
Deferred tax assets		9,243	23,986	9,243	23,986
Total assets		<u>13,914,583</u>	<u>9,531,675</u>	<u>13,914,603</u>	<u>9,531,695</u>
Liabilities and equity					
Deposits from customers	17	6,047,678	5,125,270	6,047,698	5,125,290
Deposits and placements of banks and other financial institutions	18	1,558,038	237,058	1,558,038	237,058
Lease liabilities		4,815	5,389	4,815	5,389
Derivative liabilities		2,818,670	1,352,400	2,818,670	1,352,400
Other liabilities	19	1,632,953	910,831	1,632,953	910,831
Tax payable		18,160	-	18,160	-
Total liabilities		<u>12,080,314</u>	<u>7,630,948</u>	<u>12,080,334</u>	<u>7,630,968</u>
Equity					
Share capital		531,362	531,362	531,362	531,362
Reserves		1,302,907	1,369,365	1,302,907	1,369,365
Total equity attributable to owner of the Bank		<u>1,834,269</u>	<u>1,900,727</u>	<u>1,834,269</u>	<u>1,900,727</u>
Total liabilities and equity		<u>13,914,583</u>	<u>9,531,675</u>	<u>13,914,603</u>	<u>9,531,695</u>
Commitments and contingencies	26	<u>126,304,440</u>	<u>111,833,000</u>	<u>126,304,440</u>	<u>111,833,000</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2022.

Consolidated Statements Of Profit Or Loss And Other Comprehensive Income
 For The Financial Period Ended 30 September 2023 - Unaudited

	Note	Group and Bank			
		Nine months ended		Three months ended	
		30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Interest income	20	235,461	158,187	87,400	61,632
Interest expense	21	(70,821)	(23,760)	(31,073)	(10,815)
Net interest income		164,640	134,427	56,327	50,817
Net income from Islamic Banking Operations	27	3,744	1,984	1,284	714
Non-interest income	22	164,405	141,287	54,112	64,547
Operating income		332,789	277,698	111,723	116,078
Other operating expenses	23	(130,480)	(113,071)	(49,714)	(34,550)
Operating profit		202,309	164,627	62,009	81,528
Write-back of expected credit losses	24	527	877	220	388
Profit before tax		202,836	165,504	62,229	81,916
Tax expense		(63,596)	(46,619)	(14,195)	(25,540)
Net profit for the period		139,240	118,885	48,034	56,376
Other comprehensive income/(loss):					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Net change in fair value on debt securities measured at FVOCI		10,738	(17,041)	(2,832)	2,138
Net change in fair value of equity investments		-	(1,657)	-	(1,657)
Net changes in ECL reserves		(23)	286	89	223
Income tax effect		(2,572)	4,419	657	(169)
Total other comprehensive income/(loss) for the period		8,143	(13,993)	(2,086)	535
Total comprehensive income for the period		147,383	104,892	45,948	56,911
Earnings per share (sen)		80.2 sen	68.5 sen	27.7 sen	32.5 sen

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2022.

Consolidated Statements Of Changes In Equity
 For The Financial Period Ended 30 September 2023

Group and Bank	Note	← Attributable to owner of the Bank →					Total reserves RM'000	Total RM'000
		Share capital RM'000	Other reserves RM'000	ECL reserves RM'000	Distributable Retained profits RM'000	Total reserves RM'000		
At 1 January 2023		531,362	40,051	534	1,328,780	1,369,365	1,900,727	
Net profit for the period		-	-	-	139,240	139,240	139,240	
Other comprehensive income/(loss) for the period		-	8,161	(18)	-	8,143	8,143	
Total comprehensive income for the period		-	8,161	(18)	139,240	147,383	147,383	
Dividend paid		-	-	-	(213,841)	(213,841)	(213,841)	
At 30 September 2023		531,362	48,212	516	1,254,179	1,302,907	1,834,269	
At 1 January 2022		531,362	41,102	451	1,222,653	1,264,206	1,795,568	
Net profit for the period		-	-	-	118,885	118,885	118,885	
Other comprehensive (loss)/income for the period		-	(14,210)	217	-	(13,993)	(13,993)	
Total comprehensive income for the period		-	(14,210)	217	118,885	104,892	104,892	
Dividend paid		-	-	-	(109,386)	(109,386)	(109,386)	
At 30 September 2022		531,362	26,892	668	1,232,152	1,259,712	1,791,074	

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2022.

Condensed Consolidated Statements Of Cash Flows
 For The Financial Period Ended 30 September 2023

	Group and Bank	
	30 September 2023 RM'000	30 September 2022 RM'000
Profit before tax	202,836	165,504
Adjustments for non-operating and non-cash items	15,227	(593)
Operating profit before working capital changes	218,063	164,911
Changes in working capital:		
Net changes in operating assets	(912,280)	(1,809,222)
Net changes in operating liabilities	1,439,034	2,930,769
Income tax paid	(40,565)	(34,508)
Tax refund	20,360	-
Net cash generated from operations	724,612	1,251,950
Cash flows from investing activities:		
Dividend income received	60	116
Purchase of property and equipment	(79)	(93)
Proceeds from redemption of shares	-	2,280
Net cash (used in)/generated from investing activities	(19)	2,303
Cash flows from financing activities:		
Payment of lease liabilities	(990)	(991)
Dividends paid	(213,841)	(109,386)
Net cash used in financing activities	(214,831)	(110,377)
Net increase in cash and cash equivalents	509,762	1,143,876
Cash and cash equivalents at beginning of the period	2,396,653	3,722,450
Cash and cash equivalents at end of the period	2,906,415	4,866,326
Analysis of cash and cash equivalents:		
Cash and short-term funds	2,906,415	4,039,050
Deposits and placement with banks and other financial institutions	-	827,276
Cash and cash equivalents at the end of the period	2,906,415	4,866,326

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2022.

Explanatory Notes To The Interim Financial Statements
For The Financial Period Ended 30 September 2023

1. Basis of preparation

The unaudited interim financial statements for the financial period ended 30 September 2023 have been prepared under the historical cost convention except for reverse repurchase agreements, financial securities and derivative financial instruments which are stated at fair values.

The unaudited interim financial statements have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"). The unaudited interim financial statements should be read in conjunction with the audited annual financial statements for the Group and the Bank for the financial year ended 31 December 2022. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 31 December 2022.

The unaudited interim financial statements incorporated those activities relating to the Islamic banking business. Islamic banking business refers generally to the acceptance of deposits under the principles of Shariah.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2022, except for the adoption of the following Malaysian Financial Reporting Standard ("MFRS"), Amendments to MFRSs and IC Interpretation that have been issued by the Malaysian Accounting Standard Board ("MASB"):

The following are financial reporting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Bank:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17 *Insurance Contracts*
- Amendments to MFRS 17 *Insurance Contracts*
- Amendments to MFRS 17 *Insurance Contracts* – *Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 4 *Insurance Contracts* – *Extension of the Temporary Exemption from Applying MFRS 9*
- Amendments to MFRS 101, *Presentation of Financial Statements* – *Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101, *Presentation of Financial Statements* – *Disclosure of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* – *Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes* – *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

1. Basis of preparation (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 *Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Bank plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2023 for the amendments that is effective for annual periods beginning on or after 1 January 2023; and
- from the annual period beginning on 1 January 2024 for the amendments, that is effective for annual periods beginning on or after 1 January 2024.

The Group and the Bank do not plan to apply MFRS 17 and amendments to MFRS 17 that are effective for annual periods beginning on or after 1 January 2023 as it is not applicable to the Group and the Bank.

The initial application of the accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Bank.

2. Audit Report

The audit report on the audited annual financial statements of the Group and the Bank for the financial year ended 31 December 2022 was not subject to any qualification.

3. Seasonality or Cyclicity of Operations

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

4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group and of the Bank for the financial period ended 30 September 2023.

5. Changes in Estimates

There were no significant changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the Group and the Bank for the financial period ended 30 September 2023.

6. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities during the financial period ended 30 September 2023.

7. Dividend Paid

Since the end of the previous financial year, the Bank paid the final dividend of 123.2 sen per ordinary share totalling RM213,841,000 in respect of the financial year ended 31 December 2022. The dividend was paid on 31 July 2023.

8. Material Events

There were no material events subsequent to the reporting date that require disclosure or adjustments to the unaudited condensed interim financial statements.

9. Changes in the composition of the Group

There were no changes in the composition of the Group for the financial period ended 30 September 2023.

10. Review of Performance

The Bank recorded profit before tax for the financial period ended 30 September 2023 of RM202.8 million compared to RM165.5 million for the previous corresponding period. Operating income increased by RM55.1 million (+19.8%) from RM277.7 million to RM332.8 million, mainly attributed to higher net interest income increased by RM30.2 million (+22.5%) to RM164.6 million against RM134.4 million in the previous corresponding period. Non-interest income increased by RM23.1 million (+16.3%) from RM141.3 million to RM164.4 million.

Total assets registered an increase of RM4.4 billion or 46.3% from RM9.5 billion as at 31 December 2022 to RM13.9 billion as at 30 September 2023. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 19.6% and 20.1%, respectively.

11. Prospects

The effects of the pandemic, the continued conflict in Ukraine as well as the cost-of-living crisis on the global economy is still felt as we get closer towards the end of the year. In addition, events this year such as the stress on the banking sector around April, the uncertainty of the real-estate market in China and the recent attack by Hamas on Israel further contribute to the slowdown. As such, the global economy has slowed, but not stalled. Global growth is expected to decrease in the last few months of 2023 till 2024.

As with the first half of the year, inflation seems to have peaked, but remain persistent and central banks worldwide are finding it difficult to curb it. The moderate recession forecasted for the US economy earlier this year remains likely, and the US Fed has reaffirmed that monetary conditions would need to remain tight for longer. In Europe, conditions are similar, as recovery is expected to be delayed until mid-2024 when Europe benefits from the recovery of the US economy and the ECB would be able to begin the cycle of easing. Inflation currently remains high, and the risk of the global economy being impacted by adverse shocks remain.

Locally, the trend for the Malaysian economy is in-line with the global economy, with growth expected to continue but at a slower pace in 2023. Export-oriented sectors will continue to feel the slowdown in external demand, which will weigh on economic activity. However, domestic demand, supported by favourable labour market conditions will counteract this to some extent. Increased investment in implementation of multi-year projects, as well as the improved number of tourist arrivals further aid in the recovery of the local economy. The outlook on the Malaysian economy is still an optimistic one, albeit subject to the usual downside risks, mainly weaker-than-expected global growth, and the occurrence of any previously unforeseen global events.

12. Cash and cash equivalents

Cash and short-term funds

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Cash and balances with banks and other financial institutions	331,741	195,036
Money at call and deposit placements maturing within one month	<u>2,574,674</u>	<u>2,201,617</u>
	2,906,415	2,396,653
Expected credit losses on cash and cash equivalents		
• Stage 1 – 12-month ECL	<u>(36)</u>	<u>(41)</u>
	<u><u>2,906,379</u></u>	<u><u>2,396,612</u></u>

12. Cash and cash equivalents (continued)

The following table shows reconciliations from the opening to the closing balance of the expected credit losses for cash and cash equivalents.

Group and Bank	2023				2022			
	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000
Cash and cash equivalents								
Balance at 1 January	41	-	-	41	32	-	-	32
Transfer to 12-month ECL	-	-	-	-	-	-	-	-
Transfer to lifetime ECL not credit- impaired	-	-	-	-	-	-	-	-
Transfer to lifetime ECL credit- impaired	-	-	-	-	-	-	-	-
Net remeasurement of expected credit losses	(1)	-	-	(1)	12	-	-	12
New financial assets originated or purchased	5	-	-	5	9	-	-	9
Financial assets that have been derecognised	(9)	-	-	(9)	(12)	-	-	(12)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 30 September / 31 December	36	-	-	36	41	-	-	41

13. Financial securities measured at FVTPL

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Debt securities at FVTPL		
Malaysian Government Securities	1,196,603	1,032,783
Malaysian Investment Issue	169,568	438,810
Treasury Bills	56,873	-
Bank Negara Malaysia Debt Securities	798,374	-
Cagamas bonds	229,971	-
Negotiable instruments of deposits	-	200,000
	<u>2,451,389</u>	<u>1,671,593</u>

14. Financial securities measured at FVOCI

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Debt securities at FVOCI		
Malaysian Government Securities	920,393	638,123
Malaysian Investment Issue	692,542	657,495
Bank Negara Malaysia Debt Securities	49,910	-
Unquoted bonds	-	5,017
	<u>1,662,845</u>	<u>1,300,635</u>
Equity investments at FVOCI		
Unquoted shares in Malaysia	13,013	13,013
	<u>1,675,858</u>	<u>1,313,648</u>

14. Financial securities measured at FVOCI (continued)

The following table shows reconciliations from the opening to the closing balance of the expected credit losses for debt securities at FVOCI.

Group and Bank	2023				2022			
	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000
Debt securities at FVOCI								
Balance at 1 January	703	-	-	703	594	-	-	594
Transfer to 12-month ECL	-	-	-	-	-	-	-	-
Transfer to lifetime ECL not credit- impaired	-	-	-	-	-	-	-	-
Transfer to lifetime ECL credit- impaired	-	-	-	-	-	-	-	-
Net remeasurement of expected credit losses	(70)	-	-	(70)	25	-	-	25
New financial assets originated or purchased	52	-	-	52	242	-	-	242
Financial assets that have been derecognised	(5)	-	-	(5)	(158)	-	-	(158)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 30 September / 31 December	680	-	-	680	703	-	-	703

15. Loans, advances and financing

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
<i>At amortised cost</i>		
Overdrafts	184,652	172,300
Term loans - Housing loans	3,927	4,797
- Other term loans	1,504,316	1,049,715
Bill receivable	5,366	62,416
Trust receipts	150,404	155,595
Claims on customers under acceptance credits	666,226	704,441
	<u>2,514,891</u>	<u>2,149,264</u>
Unearned interest	(4,152)	(3,287)
Gross loans, advances and financing	2,510,739	2,145,977
Expected credit losses for impaired loans and financing	(3,582)	(4,081)
Net loans, advances and financing	<u>2,507,157</u>	<u>2,141,896</u>

15. Loans, advances and financing (continued)

The following table shows reconciliations from the opening to the closing balance of the expected credit losses for loans, advances and financing.

Group and Bank	2023				2022			
	12-month ECL RM'000	Lifetime ECL not credit – impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000	12-month ECL RM'000	Lifetime ECL not credit – impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000
Loans, advances and financing at amortised cost*								
Balance at 1 January	2,450	110	1,521	4,081	2,573	1,026	1,886	5,485
Transfer to 12-month ECL	126	(32)	(94)	-	311	(33)	(278)	-
Transfer to lifetime ECL not credit-impaired	(161)	161	-	-	-	-	-	-
Transfer to lifetime ECL credit-impaired	(66)	-	66	-	(97)	-	97	-
Net remeasurement of expected credit losses	(113)	(73)	(212)	(398)	20	(484)	(184)	(648)
New financial assets originated or purchased	680	106	-	786	823	80	-	903
Financial assets that have been derecognised	(814)	(73)	-	(887)	(1,180)	(479)	-	(1,659)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 30 September / 31 December	2,102	199	1,281	3,582	2,450	110	1,521	4,081

15. Loans, advances and financing (continued)

The maturity structure of gross loans, advances and financing are as follows:

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Maturing within one year	2,411,187	2,046,804
More than one year and three years	56,773	95,697
More than three years to five years	41,718	2,030
Over five years	1,061	1,446
	<u>2,510,739</u>	<u>2,145,977</u>

Gross loans, advances and financing analysed by type of customer are as follows:

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Domestic banking institutions	5,366	5,664
Domestic non-bank financial institutions	363,999	224,318
Domestic business enterprises	2,001,221	1,657,144
Individuals	3,927	4,797
Government and statutory bodies	136,226	197,310
Foreign entities	-	56,744
	<u>2,510,739</u>	<u>2,145,977</u>

Gross loans, advances and financing analysed by interest/profit rate sensitivity are as follows:

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Fixed rate		
- Other fixed rate loan/financing	113,848	102,921
Variable rate		
- Base lending rate plus	276,303	355,578
- Cost plus	1,957,215	1,529,987
- Other variable rates	163,373	157,491
	<u>2,510,739</u>	<u>2,145,977</u>

15. Loans, advances and financing (continued)

Gross loans, advances and financing analysed by geographical distribution are as follows:

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Malaysia	2,510,739	2,089,233
India	-	22,027
Egypt	-	-
Turkey	-	34,042
Others	-	675
	<u>2,510,739</u>	<u>2,145,977</u>

Gross loans, advances and financing analysed by economic sector are as follows:

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Mining and Quarrying	152,212	150,212
Manufacturing	738,451	444,849
Construction	145,869	169,391
Wholesale & retail trade and restaurants & hotels	521,425	415,019
Transport, storage and communication	380,804	428,878
Finance, insurance and business services	431,825	335,521
Education, health and others	136,226	197,310
Household	3,927	4,797
	<u>2,510,739</u>	<u>2,145,977</u>

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

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Balance at 1 January	2,519	3,258
Classified as impaired during the period/year	314	513
Reclassified as non-impaired during the period/year	(348)	(767)
Amounts recovered	(311)	(485)
At 30 September 2023/31 December 2022	<u>2,174</u>	<u>2,519</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>0.09%</u>	<u>0.12%</u>

15. Loans, advances and financing (continued)

Impaired loans, advances and financing analysed by economic sector and geographical distribution are as follows:

	Group and Bank	
	30 September	31 December
	2023	2022
	RM'000	RM'000
Household (Malaysia)	<u>2,174</u>	<u>2,519</u>

16. Other assets

	Group and Bank	
	30 September	31 December
	2023	2022
	RM'000	RM'000
Interest/Income receivable	42,976	31,222
Margin placed with exchange	34,551	26,912
Collateral deposits placed	258,022	124,206
Other debtors, deposits and prepayments	<u>501,197</u>	<u>229,924</u>
	<u>836,746</u>	<u>412,264</u>

17. Deposits from customers

	Group		Bank	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Demand deposits	4,921,538	4,659,594	4,921,558	4,659,614
Savings deposits	-	1	-	1
Fixed deposits	285,280	138,297	285,280	138,297
Other deposits	<u>840,860</u>	<u>327,378</u>	<u>840,860</u>	<u>327,378</u>
	<u>6,047,678</u>	<u>5,125,270</u>	<u>6,047,698</u>	<u>5,125,290</u>

The maturity structure of fixed deposits and other deposits are as follows:

	Group and Bank	
	30 September	31 December
	2023	2022
	RM'000	RM'000
Due within six months	916,390	274,407
More than six months to one year	1,850	-
More than one year to three years	<u>207,900</u>	<u>191,268</u>
	<u>1,126,140</u>	<u>465,675</u>

17. Deposits from customers (continued)

The deposits are sourced from the following types of customers:

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Business enterprises	5,240,183	4,075,278	5,240,203	4,075,298
Individuals	-	1	-	1
Foreign customers	55,001	43,121	55,001	43,121
Domestic non-bank financial institutions	752,494	1,006,870	752,494	1,006,870
	<u>6,047,678</u>	<u>5,125,270</u>	<u>6,047,698</u>	<u>5,125,290</u>

18. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Other financial institutions	<u>1,558,038</u>	<u>237,058</u>

19. Other liabilities

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Interest payable	10,331	2,556
Bills payable	3,553	44,003
Employee benefits	19,329	22,769
Collateral deposits received	497,508	670,637
Regulated short-selling activities	134,039	31,946
Other liabilities	968,193	138,920
	<u>1,632,953</u>	<u>910,831</u>

20. Interest income

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	87,404	55,595	31,775	20,689
Money at call and deposit placements with financial institutions	54,069	52,804	16,339	24,879
Reverse repurchase agreements	11,140	2,297	5,982	1,018
Financial securities	82,223	47,428	33,072	14,989
Others	625	63	232	57
	<u>235,461</u>	<u>158,187</u>	<u>87,400</u>	<u>61,632</u>

21. Interest expense

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	24,152	3,831	12,249	1,571
Deposits from customers	46,463	19,731	18,776	9,184
Repurchase agreement	52	9	(1)	-
Other interest expense	154	189	49	60
	<u>70,821</u>	<u>23,760</u>	<u>31,073</u>	<u>10,815</u>

22. Non-interest income

	Group and Bank			
	Nine months ended		Three months ended	
	30	30	30	30
	September	September	September	September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commissions	4,801	6,798	1,578	1,666
Service charges and fees	11,042	13,031	3,924	3,934
Guarantee fees	4,235	2,690	1,963	1,329
	<u>20,078</u>	<u>22,519</u>	<u>7,465</u>	<u>6,929</u>
Fee expense:				
Commissions	(2,815)	(2,699)	(1,019)	(777)
Service charges and fees	(2,860)	(2,761)	(996)	(921)
	<u>(5,675)</u>	<u>(5,460)</u>	<u>(2,015)</u>	<u>(1,698)</u>
Net fee income	<u>14,403</u>	<u>17,059</u>	<u>5,450</u>	<u>5,231</u>
Net gains from financial instruments:				
Net gain/(loss) arising on financial securities:				
Realised gain/(loss)	10,729	(22,265)	(3,294)	4,963
Unrealised (loss)/gain	(7,092)	712	(6,091)	1,149
Net gain/(loss) arising on trading derivatives:				
Realised gain/(loss)	62,573	(79,860)	(14,710)	(51,610)
Unrealised (loss)/gain	(5,143)	96,264	(102,875)	(52,018)
Foreign exchange gain	76,579	120,639	174,585	152,034
Gain on instruments at FVOCI	-	2,200	-	2,200
Gross dividend income	60	116	15	15
Other income:				
Other operating income, net	<u>12,296</u>	<u>6,422</u>	<u>1,032</u>	<u>2,583</u>
	<u>150,002</u>	<u>124,228</u>	<u>48,662</u>	<u>59,316</u>
	<u>164,405</u>	<u>141,287</u>	<u>54,112</u>	<u>64,547</u>

23. Other operating expenses

	Group and Bank			
	Nine months ended 30 September 2023		Three months ended 30 September 2022	
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	37,788	30,790	15,178	10,154
- Others	4,956	7,344	(760)	2,244
Establishment costs				
- Rental	256	350	85	(57)
- Depreciation - property and equipment	2,539	705	835	217
- Depreciation - right-of-use assets	887	832	295	296
- Others	5,558	3,856	1,522	281
Marketing expenses	1,174	871	235	205
Administration and general expenses				
- Intercompany charges	71,470	62,284	29,982	19,025
- Communication	529	704	160	227
- Others	5,323	5,335	2,182	1,958
	<u>130,480</u>	<u>113,071</u>	<u>49,714</u>	<u>34,550</u>

The number of employees of the Group and the Bank at the end of the period was 195 (September 2022: 181).

24. Write-back of expected credit losses

	Group and Bank			
	Nine months ended 30 September 2023		Three months ended 30 September 2022	
	RM'000	RM'000	RM'000	RM'000
Write-back of/(Allowance for) expected credit losses				
- loans, advances and financing	499	1,245	282	694
- cash and cash equivalents	5	(82)	27	(83)
- debt securities at FVOCI	23	(286)	(89)	(223)
	<u>527</u>	<u>877</u>	<u>220</u>	<u>388</u>

25. Capital adequacy

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Components of Tier 1 and Tier 2 capital are as follows:		
Tier 1 capital		
Paid-up share capital	531,362	531,362
Other disclosed reserves	46,445	40,051
Retained profits #	1,328,780	1,328,780
	<u>1,906,587</u>	<u>1,900,193</u>
Less: Deferred tax assets	(9,243)	(23,986)
Regulatory reserve	(45,000)	(45,000)
55% of fair value reserve	-	-
Total common equity tier 1/Total tier 1 capital	<u>1,852,344</u>	<u>1,831,207</u>
Tier 2 capital		
Expected credit losses ("ECL")*	2,301	2,560
Regulatory reserve	45,000	45,000
Total capital base	<u>1,899,645</u>	<u>1,878,767</u>
Common equity tier 1/Tier 1 capital ratio	19.570%	24.102%
Total capital ratio	<u>20.069%</u>	<u>24.728%</u>

Retained profits before the final dividend declared.

* Refers to ECL for Stage 1 and Stage 2.

25. Capital adequacy (continued)

The capital adequacy ratios of the Group and of the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components and Basel II – Risk-weighted Assets) reissued on 2 February 2018. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer (CCyB) are 4.5% for CET1 Capital Ratio, 6.0% for Tier 1 Capital Ratio and 8.0% for Total Capital Ratio.

The capital conservation buffer required to be maintained in the form of CET1 Capital above the minimum regulatory capital adequacy ratios requirement is at 2.5%.

The CCyB which is in a range of between 0% and 2.5%, and not a requirement for exposure in Malaysia yet but may be applied by regulators in the future.

The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

Risk Type		Risk-Weighted Assets	
		30 September 2023 RM'000	31 December 2022 RM'000
1	Credit risk	5,693,186	4,868,323
2	Market risk	3,057,996	1,970,009
3	Operational risk	714,173	759,436
Total		9,465,355	7,597,768

25. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 30 September 2023 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
		RM'000	RM'000	RM'000
1	Credit Risk			
	<u>On-Balance Sheet Exposures</u>			
	Sovereigns/Central Banks	3,946,682	3,927,811	-
	Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,844,641	1,238,701	540,594
	Corporates	2,501,446	2,501,446	2,476,691
	Residential Mortgages	1,753	1,753	613
	Other Assets	245,236	245,236	244,941
	Equity Exposure	13,033	13,033	13,263
	Defaulted Exposures	948	948	948
	<i>Total On-Balance Sheet Exposures</i>	<i>8,553,739</i>	<i>7,928,928</i>	<i>3,277,050</i>
	<u>Off-Balance Sheet Exposures</u>			
	OTC derivatives	2,013,246	1,558,729	907,307
	Direct credit substitutes	-	-	-
	Transaction related contingent Items	356,259	354,956	293,381
	Short term self liquidating trade related contingencies	2,359	2,359	1,858
	Other commitments, such as formal standby facilities and credit lines	1,213,590	1,213,590	1,213,590
	<i>Total for Off-Balance Sheet Exposures</i>	<i>3,585,454</i>	<i>3,129,634</i>	<i>2,416,136</i>
	<i>Total On and Off- Balance Sheet Exposures</i>	<i>12,139,193</i>	<i>11,058,562</i>	<i>5,693,186</i>

25. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 30 September 2023 are as follows (continued):

RISK TYPE		Gross Exposures		Risk-Weighted Assets
		RM'000		RM'000
		Long Position	Short Position	
2	Market Risk			
	Interest Rate Risk	118,493,754	115,436,116	1,577,643
	Foreign Currency Risk	1,147,780	1,026,611	1,147,778
	Options	1,250	5,055	332,575
				3,057,996
3	Operational Risk			714,173
4	Total RWA			9,465,355

For interest rate risk, the gross exposures represent the sum of notional and mark-to-market value.

For foreign currency risk, the gross exposures represent net open position.

For options, the gross exposures represent net market value of option portfolio.

25. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 December 2022 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
		RM'000	RM'000	RM'000
1	Credit Risk			
	<u>On-Balance Sheet Exposures</u>			
	Sovereigns/Central Banks	3,682,896	3,571,134	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	445,188	445,188	193,328
	Corporates	1,382,837	1,382,837	1,375,259
	Residential Mortgages	2,278	2,278	797
	Other Assets	888,941	888,941	887,712
	Equity Exposure	13,033	13,033	13,263
	Defaulted Exposures	1,036	1,036	1,036
	<i>Total On-Balance Sheet Exposures</i>	<i>6,416,209</i>	<i>6,304,447</i>	<i>2,471,395</i>
	<u>Off-Balance Sheet Exposures</u>			
	OTC derivatives	1,886,035	1,275,384	717,280
	Direct credit substitutes	25	25	25
	Transaction related contingent Items	382,689	377,565	327,340
	Short term self liquidating trade related contingencies	18,937	18,937	18,937
	Other commitments, such as formal standby facilities and credit lines	1,333,347	1,333,347	1,333,347
	<i>Total for Off-Balance Sheet Exposures</i>	<i>3,621,033</i>	<i>3,005,258</i>	<i>2,396,929</i>
	<i>Total On and Off- Balance Sheet Exposures</i>	<i>10,037,242</i>	<i>9,309,705</i>	<i>4,868,324</i>

25. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 December 2022 are as follows (continued):

RISK TYPE		Gross Exposures		Risk-Weighted Assets	
		RM'000		RM'000	
2	Market Risk	Long Position	Short Position		
		Interest Rate Risk	106,894,931	105,184,029	1,221,900
		Foreign Currency Risk	219,176	233,275	233,273
		Options	-	6,109	514,836
				1,970,009	
3	Operational Risk			759,436	
4	Total RWA			7,597,769	

For interest rate risk, the gross exposures represent the sum of notional and mark-to-market value.

For foreign currency risk, the gross exposures represent net open position.

For options, the gross exposures represent net market value of option portfolio.

26. Commitments and contingencies

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

Group and Bank 30 September 2023	Principal Amount	Credit Equivalent Amount	Risk- Weighted Assets
	RM'000	RM'000	RM'000
Direct credit substitutes	-	-	-
Transaction related contingent items	712,518	356,259	293,381
Short term self liquidating trade related contingencies	11,797	2,359	1,858
Foreign exchange related contracts			
One year or less	21,593,456	562,301	466,515
Over one year to five years	653,603	36,103	28,341
Over five years	-	-	-
Interest/Profit rate related contracts			
One year or less	40,000	80	16
Over one year to five years	333,663	7,458	6,233
Over five years	-	-	-
Equity related contracts			
One year or less	-	-	-
Over one year to five years	-	-	-
Over five years	-	-	-
Credit derivative contracts			
One year or less	-	-	-
Over one year to five years	-	-	-
Over five years	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	98,016,699	1,407,305	406,203
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	750,163	375,081	375,081
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,192,541	838,508	838,508
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-	-	-
Total	126,304,440	3,585,454	2,416,136

26. Commitments and contingencies (continued)

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

Group and Bank 31 December 2022	Principal Amount	Credit Equivalent Amount	Risk- Weighted Assets
	RM'000	RM'000	RM'000
Direct credit substitutes	25	25	25
Transaction related contingent items	765,377	382,689	327,340
Short-term self liquidating trade related contingencies	94,684	18,937	18,937
Foreign exchange related contracts			
One year or less	16,532,569	333,287	302,634
Over one year to five years	1,328,986	106,595	83,497
Over five years	-	-	-
Interest/Profit rate related contracts			
One year or less	98,110	245	135
Over one year to five years	518,856	15,596	10,478
Over five years	-	-	-
Equity related contracts			
One year or less	-	-	-
Over one year to five years	-	-	-
Over five years	-	-	-
Credit derivative contracts			
One year or less	-	-	-
Over one year to five years	-	-	-
Over five years	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	87,259,261	1,430,312	320,537
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	954,401	477,200	477,200
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,280,731	856,146	856,146
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-	-	-
Total	111,833,000	3,621,032	2,396,929

27. The operations of Islamic Banking

Statement of Financial Position
 As at 30 September 2023 – Unaudited

	Note	Group and Bank	
		30 September 2023 RM'000	31 December 2022 RM'000
Assets			
Cash and short-term funds	(a)	495,735	179,099
Financial securities	(b)	-	20,005
Other assets		78	109
Total assets		<u>495,813</u>	<u>199,213</u>
Liabilities and Islamic Banking funds			
Deposits from customers	(c)	457,871	162,945
Other liabilities	(d)	1,265	236
Tax payable		855	698
Total liabilities		<u>459,991</u>	<u>163,879</u>
Capital funds		25,000	25,000
Reserves		10,822	10,334
Islamic Banking funds		<u>35,822</u>	<u>35,334</u>
Total liabilities and Islamic Banking funds		<u>495,813</u>	<u>199,213</u>
Commitments and contingencies		<u>-</u>	<u>-</u>

27. The operations of Islamic Banking (continued)

Statement Of Profit Or Loss And Other Comprehensive Income
 For The Financial Period Ended 30 September 2023 - Unaudited

	Group and Bank			
	Nine months ended 30 September 2023 RM'000	Nine months ended 30 September 2022 RM'000	Three months ended 30 September 2023 RM'000	Three months ended 30 September 2022 RM'000
Income derived from investment of Islamic funds	3,744	1,984	1,284	714
Total net income	3,744	1,984	1,284	714
Other operating expenses	(187)	(21)	(173)	(8)
Operating profit	3,557	1,963	1,111	706
Write-back of/ (Allowance for) expected credit losses	4	(1)	-	(1)
Profit before tax	3,561	1,962	1,111	705
Tax expense	(855)	(471)	(267)	(169)
Profit for the period	2,706	1,491	844	536
Other comprehensive (loss)/income:				
<i>Movement in fair value reserve (debt securities):</i>				
Net change in fair value	(9)	(197)	-	23
Net amount transferred to profit or loss	-	1	-	1
Income tax effect relating to component of other comprehensive income	2	47	-	(6)
Other comprehensive (loss)/income for the period	(7)	(149)	-	18
Total comprehensive income for the period	2,699	1,342	844	554

27. The operations of Islamic Banking (continued)

Statement Of Changes In Islamic Banking Funds
 For The Financial Period Ended 30 September 2023

Group and Bank	Capital funds RM'000	Other reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2023	25,000	7	10,327	35,334
Net profit for the period	-	-	2,706	2,706
Other comprehensive loss for the period	-	(7)	-	(7)
Total comprehensive (loss)/income for the period	-	(7)	2,706	2,699
Dividend paid	-	-	(2,211)	(2,211)
At 30 September 2023	25,000	-	10,822	35,822
At 1 January 2022	25,000	175	9,463	34,638
Net profit for the period	-	-	1,491	1,491
Other comprehensive loss for the period	-	(149)	-	(149)
Total comprehensive (loss)/income for the period	-	(149)	1,491	1,342
Dividend paid	-	-	(1,347)	(1,347)
At 30 September 2022	25,000	26	9,607	34,633

27. The operations of Islamic Banking (continued)

Statement Of Cash Flows
 For The Financial Period Ended 30 September 2023

	Group and Bank	
	30 September 2023 RM'000	30 September 2022 RM'000
Cash flows from operating activities		
Profit before taxation	3,561	1,962
Adjustments for non-operating and non-cash items	4	-
Operating profit before working capital changes	3,565	1,962
Changes in working capital:		
Net changes in operating assets	20,025	(107)
Net changes in operating liabilities	295,955	(95,083)
Income taxes paid	(698)	(425)
Net cash generated from/ (used in) operations	318,847	(93,653)
Cash flows from financing activities		
Dividend paid	(2,211)	(1,347)
Net cash used in financing activities	(2,211)	(1,347)
Net increase/(decrease) in cash and cash equivalents	316,636	(95,000)
Cash and cash equivalents at beginning of period	179,099	240,999
Cash and cash equivalents at end of period	495,735	145,999
Analysis of cash and cash equivalents:		
Cash and short-term funds	495,735	145,999

27. The operations of Islamic Banking (continued)

Shariah Committee

The Shariah Committee was established under BNM's "Guidelines on the Governance of Shariah Committee for the Islamic Financial Institutions" (BNM/GPS1) to advise the Board of Directors on Shariah matters in its Islamic business operations and to provide technical assistance in ensuring the Islamic banking products and services offered by the Bank and the relevant documentation are in compliance with Shariah principles.

The Shariah Committee comprises of Dr Uzaimah binti Ibrahim, Puan Zarinah binti Mohd Yusof and Encik Ahamad Firdaus bin Kadir.

Basis of measurement

The financial statements of the Islamic banking business have been prepared on the basis consistent with that of the Group and of the Bank as disclosed in Note 1 to the financial statements of the Group and of the Bank.

(a) Cash and short-term funds

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Cash and balances with banks and other financial institutions	495,735	179,099

(b) Financial securities

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Debt securities at FVOCI Malaysian Investment Issue	-	20,005

(c) Deposits from customers

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Demand deposits	457,871	162,945

27. The operations of Islamic Banking (continued)

(d) Other liabilities

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Bills payable	15	8
Others	1,250	228
	<u>1,265</u>	<u>236</u>

(e) Capital adequacy

The capital adequacy ratios of the Islamic banking business of the Group and the Bank are computed in accordance with the Capital Adequacy Framework for Islamic Banks (CAFIB). The Bank's Islamic banking business has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

Components of Tier I and Tier II Capital:

	Group and Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Components of Tier 1 and Tier 2 capital are as follows:		
Tier 1 capital		
Capital funds	25,000	25,000
Other disclosed reserves	-	6
Retained profits [#]	10,327	10,327
	<u>35,327</u>	<u>35,333</u>
Less: 55% of fair value reserve	-	(3)
Total common equity tier 1/Total tier 1 capital	35,327	35,330
Total Tier 2 capital	-	-
Total capital base	<u>35,327</u>	<u>35,330</u>
Common equity tier 1/Tier 1 capital ratio	611.259%	783.023%
Total capital ratio	<u>611.259%</u>	<u>783.023%</u>

[#] Retained profits before the final dividend declared.

The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

Risk Type		Risk-Weighted Assets	
		30 September 2023 RM'000	31 December 2022 RM'000
1	Credit risk	-	-
2	Market risk	-	-
3	Operational risk	5,779	4,512
Total		5,779	4,512

27. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 30 September 2023 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
1	Credit Risk	RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>	-	-	-
	Sovereigns/Central Banks	495,813	495,813	-
	Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	-	-	-
	Insurance Companies, Securities Firms and Fund Managers	-	-	-
	Corporates	-	-	-
	Regulatory Retail	-	-	-
	Residential Mortgages	-	-	-
	Higher Risk Assets	-	-	-
	Other Assets	-	-	-
	Equity Exposure	-	-	-
	Defaulted Exposures	-	-	-
	<i>Total On-Balance Sheet Exposures</i>	495,813	495,813	-
	<u>Off-Balance Sheet Exposures</u>	-	-	-
	OTC Derivatives	-	-	-
	Credit Derivatives	-	-	-
	<i>Total for Off-Balance Sheet Exposures</i>	-	-	-
	<i>Total On and Off- Balance Sheet Exposures</i>	495,813	495,813	-

27. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 30 September 2023 are as follows (continued):

RISK TYPE		Gross Exposures		Risk-Weighted Assets	
		RM'000		RM'000	
2	Market Risk	Long Position	Short Position		
		Interest Rate Risk	-	-	-
		Foreign Currency Risk	-	-	-
		Options	-	-	-
				-	
3	Operational Risk			5,779	
4	Total RWA			5,779	

For interest rate risk, the gross exposures represent the sum of notional and mark-to-market value.

For foreign currency risk, the gross exposures represent net open position.

For options, the gross exposures represent net market value of option portfolio.

27. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 December 2022 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
1	Credit Risk	RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>			
	Sovereigns/Central Banks	199,213	199,213	-
	Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	-	-	-
	Insurance Companies, Securities Firms and Fund Managers	-	-	-
	Corporates	-	-	-
	Regulatory Retail	-	-	-
	Residential Mortgages	-	-	-
	Higher Risk Assets	-	-	-
	Other Assets	-	-	-
	Equity Exposure	-	-	-
	Defaulted Exposures	-	-	-
	<i>Total On-Balance Sheet Exposures</i>	199,213	199,213	-
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	-	-	-
	Credit Derivatives	-	-	-
	<i>Total for Off-Balance Sheet Exposures</i>	-	-	-
	<i>Total On and Off- Balance Sheet Exposures</i>	199,213	199,213	-

27. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 December 2022 are as follows (continued):

RISK TYPE		Gross Exposures		Risk-Weighted Assets	
		RM'000		RM'000	
2	Market Risk	Long Position	Short Position		
		Interest Rate Risk	-	-	-
		Foreign Currency Risk	-	-	-
		Options	-	-	-
				-	
3	Operational Risk			4,512	
4	Total RWA			4,512	

For interest rate risk, the gross exposures represent the sum of notional and mark-to-market value.

For foreign currency risk, the gross exposures represent net open position.

For options, the gross exposures represent net market value of option portfolio.