

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

Unaudited Condensed Interim Financial Statements
for the Financial Period ended 31 March 2017



Consolidated Statements of Financial Position
As at 31 March 2017 - Unaudited

	Note	Group		Bank	
		31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Assets					
Cash and short term funds		4,694,222	4,608,452	4,694,222	4,608,452
Deposits and placements of banks and other financial institutions		1,110	1,126	1,110	1,126
Reverse repurchase agreements		352,181	608,641	352,181	608,641
Financial assets held-for-trading	12	1,254,242	635,245	1,254,242	635,245
Financial investments available-for-sale	13	1,591	1,591	1,591	1,591
Loans, advances and financing	14	1,821,243	1,890,528	1,821,243	1,890,528
Other assets	15	3,132,092	3,849,865	3,132,092	3,849,865
Tax recoverable		-	2,970	-	2,970
Statutory deposit with Bank Negara Malaysia		120,000	250,000	120,000	250,000
Investments in subsidiary companies		-	-	20	20
Property, plant and equipment		4,515	4,191	4,515	4,191
Deferred tax assets		36,426	35,761	36,426	35,761
Total assets		<u>11,417,622</u>	<u>11,888,370</u>	<u>11,417,642</u>	<u>11,888,390</u>
Liabilities and shareholders' funds					
Deposits from customers	16	4,451,554	4,285,140	4,451,574	4,285,160
Deposits and placements of banks and other financial institutions	17	1,214,133	1,441,194	1,214,133	1,441,194
Other liabilities	18	3,923,011	4,406,607	3,923,011	4,406,607
Tax payable		5,464	-	5,464	-
Total liabilities		<u>9,594,162</u>	<u>10,132,941</u>	<u>9,594,182</u>	<u>10,132,961</u>
Share capital		173,599	173,599	173,599	173,599
Reserves		1,649,861	1,581,830	1,649,861	1,581,830
Shareholders' funds		<u>1,823,460</u>	<u>1,755,429</u>	<u>1,823,460</u>	<u>1,755,429</u>
Total liabilities and shareholders' funds		<u>11,417,622</u>	<u>11,888,370</u>	<u>11,417,642</u>	<u>11,888,390</u>
Commitments and contingencies	25	<u>120,569,768</u>	<u>112,693,840</u>	<u>120,569,768</u>	<u>112,693,840</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 2016.

**Consolidated Statements Of Profit Or Loss And Other Comprehensive Income
For The Financial Period Ended 31 March 2017 - Unaudited**

	Note	Group and Bank			
		1 st Quarter ended 31 March 2017 RM'000	31 March 2016 RM'000	Three months ended 31 March 2017 RM'000	31 March 2016 RM'000
Interest income	19	58,779	45,776	58,779	45,776
Interest expense	20	(18,735)	(20,846)	(18,735)	(20,846)
Net interest income		40,044	24,930	40,044	24,930
Net income from Islamic Banking Operations	26	633	301	633	301
Non-interest income	21	79,787	51,559	79,787	51,559
Operating income		120,464	76,790	120,464	76,790
Other operating expenses	22	(33,242)	(31,744)	(33,242)	(31,744)
Operating profit		87,222	45,046	87,222	45,046
Allowance written back for impairment on loans, advances and financing	23	2,644	819	2,644	819
Profit before tax		89,866	45,865	89,866	45,865
Tax expense		(21,835)	(11,887)	(21,835)	(11,887)
Net profit / Total comprehensive income for the period		68,031	33,978	68,031	33,978
		=====	=====	=====	=====
Earnings per share (sen)		39.2 sen	19.6 sen	39.2 sen	19.6 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 2016.

**Consolidated Statements Of Changes In Equity
For The Financial Period Ended 31 March 2017**

Group and Bank	<-----Attributable to owner of the Bank----->						Total RM'000
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained profits RM'000	Total reserves RM'000	Proposed dividend RM'000	
At 1 January 2017	173,599	357,763	188,280	1,035,787	1,581,830	-	1,755,429
Net profit/ Total comprehensive income for the period	-	-	-	68,031	68,031	-	68,031
At 31 March 2017	173,599	357,763	188,280	1,103,818	1,649,861	-	1,823,460
At 1 January 2016	173,599	357,763	188,280	988,748	1,534,791	-	1,708,390
Net profit/ Total comprehensive income for the period	-	-	-	33,978	33,978	-	33,978
At 31 March 2016	173,599	357,763	188,280	1,022,726	1,568,769	-	1,742,368

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 2016.

**Condensed Consolidated Statements Of Cash Flows
For The Financial Period Ended 31 March 2017**

	Group and Bank	
	31 March 2017 RM'000	31 March 2016 RM'000
Profit before taxation	89,866	45,865
Adjustments for non-operating and non-cash items	253	234
Operating profit before working capital changes	90,119	46,099
Changes in working capital:		
Net changes in operating assets	554,537	891,375
Net changes in operating liabilities	(544,243)	(1,788,702)
Income tax paid	(14,066)	(13,918)
Net cash generated from/ (used in) operations	86,347	(865,146)
Cash flows from investing activities:		
Purchase of plant and equipment	(577)	(146)
Net cash used in investing activities	(577)	(146)
Net increase/ (decrease) in cash and cash equivalents	85,770	(865,292)
Cash and cash equivalents at beginning of the period	4,608,452	5,856,232
Cash and cash equivalents at end of the period	4,694,222	4,990,940
Analysis of cash and cash equivalents:		
Cash and short-term funds	4,694,222	4,990,940

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 2016.

Explanatory Notes To The Interim Financial Statements For The Financial Period Ended 31 March 2017

1. Basis of preparation

The unaudited interim financial statements for the financial period ended 31 March 2017 have been prepared under the historical cost convention except for reverse repurchase agreements, financial assets held-for-trading 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 2016. 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 2016.

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 2016, 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”):

- Amendments to MFRS 12, *Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by 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 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS15, *Revenue from Contract Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

1. Basis of preparation (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*

MFRSs, Interpretations and amendments effective for 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 standards, amendments and interpretations, where applicable:

- from the annual period beginning on 1 January 2018 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018; and,
- from the annual period beginning on 1 January 2019 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2019.

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 except as mentioned in the subsequent paragraphs:

(i) MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

(ii) MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

(iii) MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group and the Bank are currently assessing the financial impact that may arise from the adoption of MFRS 9, MFRS 15 and MFRS 16.

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 2016 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 31 March 2017.

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 31 March 2017.

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 31 March 2017.

7. Dividend Paid

No dividend was paid during the financial period ended 31 March 2017. The final dividend recommended by the Directors in respect of the financial year ended 31 December 2016 is 84.7 sen per ordinary share totalling RM147,039,000.

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 31 March 2017.

10. Review of Performance

The Bank recorded profit before taxation for the financial period ended 31 March 2017 of RM89.9 million compared to RM45.9 million profit for the previous corresponding period. Operating income increased by RM43.7 million (+56.9%) from RM76.8 million to RM120.5 million mainly attributed to higher non-interest income, mainly due to increase in total net loss/ gain arising from trading derivatives and foreign exchange gain/ loss by RM30.6 million (+>100%) from RM26.2 million to RM56.8 million. Net interest income increased by RM15.1 million (+60.6%) from RM24.9 million to RM40.0 million, primarily driven by higher interest income earned from loan and advances and money at call and deposit placements with financial institutions, offset by lower interest expense paid on deposits and placements of banks and other financial institutions.

Total assets registered a decrease of RM0.5 billion or 4.0% from RM11.9 billion as at 31 December 2016 to RM11.4 billion as at 31 March 2017. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 23.5% and 23.8%, respectively.

11. Prospects

Global economy is expected to experience improved growth prospects in 2017, albeit at a modest rate, with US economy seeing modest upside in business confidence whilst economy in Europe and Japan are also showing stronger internal growth dynamics. However, uncertainties still remain to weight down on emerging market's growth prospects. On the local front, as commodity prices recover coupled with weak ringgit, this is expected to support the country's export growth. Local economy is anticipated to continue on steady growth but at a slower pace with GDP forecasted at 4.5% for 2017.

The Bank remains competitive with the solid frameworks around capital and liquidity management, risk controls and enhanced internal processes to withstand these challenging times. We continue to be relentless in our commitment towards client centricity and in driving product innovation to deliver sustainable performance.

The Bank looks forward to contribute to the economic growth and wellbeing of the communicates which we operate and to create positive impact for our clients, investors, employees and society at large.

12. Financial assets held-for-trading

	Group and Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
At fair value		
Malaysian Government Securities	838,071	490,502
Malaysian Investment Issue	326,547	142,658
Bank Negara Malaysia Bills	87,511	-
Treasury Bills	40	-
Cagamas bonds	2,073	2,085
	<u>1,254,242</u>	<u>635,245</u>
	=====	=====

13. Financial investments available-for-sale

	Group and Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
At cost		
Unquoted shares	1,591	1,591
	<u>1,591</u>	<u>1,591</u>
	=====	=====

14. Loans, advances and financing

	Group and Bank	
	31 March 2017	31 December 2016
	RM'000	RM'000
At amortised cost		
Overdrafts	114,382	130,457
Term loans - housing loans	14,358	15,059
- other term loans	206,360	228,226
Bills receivable	534,306	677,220
Claims on customers under acceptance credits	982,813	871,013
Staff loans	3,367	3,356
	<u>1,855,586</u>	<u>1,925,331</u>
Unearned interest	(19,987)	(17,803)
	<u>1,835,599</u>	<u>1,907,528</u>
Gross loans, advances and financing		
Allowance for impaired loans and financing		
- Collective assessment	(14,184)	(16,822)
- Individual assessment	(172)	(178)
	<u>1,821,243</u>	<u>1,890,528</u>
	=====	=====

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

	Group and Bank	
	31 March 2017	31 December 2016
	RM'000	RM'000
Maturing within one year	1,795,769	1,870,033
More than one to three years	23,147	23,161
More than three to five years	1,459	1,527
More than five years	15,224	12,807
	<u>1,835,599</u>	<u>1,907,528</u>
	=====	=====

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

	Group and Bank	
	31 March 2017	31 December 2016
	RM'000	RM'000
Domestic banking institutions	-	2,546
Domestic non-bank financial institutions	354,903	229,504
Domestic business enterprises	931,998	874,918
Government and statutory bodies	-	109,782
Individuals	17,726	18,415
Foreign entities	530,972	672,363
	<u>1,835,599</u>	<u>1,907,528</u>
	=====	=====

14. Loans, advances and financing (continued)

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

	Group and Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
Fixed rate		
- Other fixed rate loan / financing	3,242	3,231
Variable rate		
- Base lending rate plus	39,879	42,347
- Cost-plus	1,790,634	1,859,986
- Other variable rates	1,844	1,964
	<u>1,835,599</u>	<u>1,907,528</u>
	=====	=====

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

	Group and Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
Malaysia	1,304,627	1,235,165
China	89,828	102,124
Singapore	38,106	175,237
India	195,636	326,747
Vietnam	42,779	10,667
Turkey	134,488	30,746
Others	30,135	26,842
	<u>1,835,599</u>	<u>1,907,528</u>
	=====	=====

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

	Group and Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
Mining and Quarrying	2,727	2,748
Manufacturing	282,832	339,073
Construction	74,395	72,004
Wholesale & retail trade and restaurants & hotels	231,895	205,397
Transport, storage and communication	333,272	242,332
Finance, insurance and business services	892,752	917,777
Education, health and others	-	109,782
Household	17,726	18,415
	<u>1,835,599</u>	<u>1,907,528</u>
	=====	=====

14. Loans, advances and financing (continued)

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

	Group and Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
Balance at 1 January	2,634	2,982
Classified as impaired during the period/ year	164	638
Reclassified as non-impaired during the period/ year	(298)	(540)
Amount recovered	(81)	(446)
At 31 March 2017/ 31 December 2016	<u>2,419</u>	<u>2,634</u>
	=====	=====
Gross impaired loans as a percentage of gross loans, advances and financing	0.13%	0.14%
	=====	=====

Movement in the allowance for impaired loans, advances and financing are as follows:

	Group and Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
<u>Collective Assessment Allowance</u>		
At 1 January	16,822	9,268
Allowance (recovered)/ made during the period/ year	(2,638)	7,554
At 31 March 2017/ 31 December 2016	<u>14,184</u>	<u>16,822</u>
	=====	=====

	Group and Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
<u>Individual Assessment Allowance</u>		
At 1 January	178	315
Allowance made during the period/ year	4	126
Amount recovered	(10)	(263)
At 31 March 2017/ 31 December 2016	<u>172</u>	<u>178</u>
	=====	=====

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

	Group and Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
Household (Malaysia)	2,419	2,634
	<u>2,419</u>	<u>2,634</u>
	=====	=====

15. Other assets

	Group and Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
Interest / Income receivable	9,221	7,928
Margin placed with exchange	154	21,761
Derivatives	1,971,191	2,778,605
Other debtors, deposits and prepayments	1,151,526	1,041,571
	<u>3,132,092</u> =====	<u>3,849,865</u> =====

16. Deposits from customers

	Group		Bank	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Demand deposits	4,090,193	3,907,414	4,090,213	3,907,434
Savings deposits	2,961	3,136	2,961	3,136
Fixed deposits	124,240	115,040	124,240	115,040
Other deposits	234,160	259,550	234,160	259,550
	<u>4,451,554</u> =====	<u>4,285,140</u> =====	<u>4,451,574</u> =====	<u>4,285,160</u> =====

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

	Group and Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
Due within six months	247,128	276,094
More than six months to one year	11,274	6,813
More than one year to three years	206	207
More than five years	99,792	91,476
	<u>358,400</u> =====	<u>374,590</u> =====

The deposits are sourced from the following types of customers:

	Group		Bank	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Business enterprises	3,596,775	3,564,977	3,596,795	3,564,997
Individuals	25,441	25,728	25,441	25,728
Foreign customers	127,979	109,666	127,979	109,666
Others	701,359	584,769	701,359	584,769
	<u>4,451,554</u> =====	<u>4,285,140</u> =====	<u>4,451,574</u> =====	<u>4,285,160</u> =====

17. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
Licensed banks	223,900	-
Other financial institutions	990,233	1,441,194
	<u>1,214,133</u>	<u>1,441,194</u>
	=====	=====

18. Other liabilities

	Group and Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
Interest payable	1,549	2,378
Bills payable	59,193	57,070
Derivatives	2,185,110	2,819,612
Employee benefits	9,290	13,464
Other liabilities	1,667,869	1,514,083
	<u>3,923,011</u>	<u>4,406,607</u>
	=====	=====

19. Interest income

	Group and Bank			
	1 st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	17,920	12,978	17,920	12,978
Money at call and deposit placements with financial institutions	28,644	24,045	28,644	24,045
Reverse repurchase agreements	2,356	1,266	2,356	1,266
Financial assets held for trading	9,859	7,487	9,859	7,487
	<u>58,779</u>	<u>45,776</u>	<u>58,779</u>	<u>45,776</u>
	=====	=====	=====	=====
Of which:				
Interest income earned on impaired loans, advances and financing	34	43	34	43
	=====	=====	=====	=====

20. Interest expense

	Group and Bank			
	1 st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	2,841	4,057	2,841	4,057
Repurchase agreements	-	11	-	11
Deposits from customers	15,894	16,778	15,894	16,778
	<u>18,735</u>	<u>20,846</u>	<u>18,735</u>	<u>20,846</u>
	=====	=====	=====	=====

21. Non-interest income

	Group and Bank			
	1 st Quarter ended		Three months ended	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
Fee income:				
Commissions	4,810	4,268	4,810	4,268
Service charges and fees	7,391	9,605	7,391	9,605
Guarantee fees	799	1,529	799	1,529
	<u>13,000</u>	<u>15,402</u>	<u>13,000</u>	<u>15,402</u>
Fee expense:				
Commissions	(1,037)	(707)	(1,037)	(707)
Service charges and fees	(2,530)	(1,847)	(2,530)	(1,847)
	<u>(3,567)</u>	<u>(2,554)</u>	<u>(3,567)</u>	<u>(2,554)</u>
Net fee income	<u>9,433</u>	<u>12,848</u>	<u>9,433</u>	<u>12,848</u>
Net gains from financial instruments:				
Net gain arising on financial assets held for trading:				
Realised gain	9,005	7,695	9,005	7,695
Unrealised gain	564	1,015	564	1,015
Net (loss)/ gain arising on trading derivatives:				
Realised gain/ (loss)	85,994	(148,809)	85,994	(148,809)
Unrealised revaluation (loss)/ gain	(174,792)	284,383	(174,792)	284,383
Foreign exchange gain/ (loss)	145,649	(109,340)	145,649	(109,340)
Other income:				
Other operating income, net	3,934	3,767	3,934	3,767
	<u>70,354</u>	<u>38,711</u>	<u>70,354</u>	<u>38,711</u>
	<u>79,787</u>	<u>51,559</u>	<u>79,787</u>	<u>51,559</u>

22. Other operating expenses

	Group and Bank			
	1 st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	12,531	12,035	12,531	12,035
- Others	3,274	3,234	3,274	3,234
Establishment costs				
- Rental	727	727	727	727
- Depreciation	253	234	253	234
- Others	908	575	908	575
Marketing expenses	583	525	583	525
Administration and general expenses				
- Intercompany expenses	11,469	11,996	11,469	11,996
- Communication	457	458	457	458
- Others	3,040	1,960	3,040	1,960
	<u>33,242</u>	<u>31,744</u>	<u>33,242</u>	<u>31,744</u>
	=====	=====	=====	=====

The number of employees of the Group and the Bank at the end of the period was 220 (March 2016 - 223).

23. Allowance for impairment on loans, advances and financing

	Group and Bank			
	1 st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Individual assessment allowance				
- made during the period	(4)	(8)	(4)	(8)
- written back	10	11	10	11
Collective assessment allowance				
- recovered during the period	2,638	816	2,638	816
	<u>2,644</u>	<u>819</u>	<u>2,644</u>	<u>819</u>
	=====	=====	=====	=====

24. Capital adequacy

	Group and Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
Components of Tier 1 and Tier 2 capital are as follows:-		
Tier 1 capital		
Paid-up share capital	173,599	173,599
Share premium	357,763	357,763
Statutory reserve	174,722	174,722
Retained profits	1,035,787	1,035,787
Less: Deferred tax assets	(35,761)	(35,761)
Total common equity tier 1(CET 1) / Total tier 1 capital	1,706,110	1,706,110
Tier 2 capital		
Collective assessment allowance#	8,860	11,351
Regulatory reserve	13,558	13,558
Total Capital / Capital base	1,728,528	1,731,019
	=====	=====
Common equity tier 1(CET 1) / Tier 1 capital ratio	23.499%	21.868%
Total capital ratio	23.808%	22.187%
	=====	=====

Excludes collective assessment allowance on impaired loan restricted from Tier 2 capital of the Bank of RM5,324,000 (31 December 2016:RM5,471,000)

24. 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 13 October 2015 and became effective from 1 January 2016. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer (CCyB) 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 will be phased-in as follow:

Calendar Year	Capital Conservation Buffer
2016	0.625%
2017	1.250%
2018	1.875%
2019 onwards	2.500%

The CCyB which is in a range of between 0% and 2.5% is 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	
		31 March 2017	31 December 2016
		RM'000	RM'000
1	Credit risk	4,523,174	4,617,845
2	Market risk	2,086,767	2,570,452
3	Operational risk	650,454	613,663
Total		7,260,395	7,801,960

24. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 March 2017 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	4,247,040	3,990,967	-
	Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	2,585,570	2,489,150	1,019,191
	Insurance Companies, Securities Firms and Fund Managers	-	-	-
	Corporates	1,145,890	1,145,890	1,145,307
	Regulatory Retail	1	1	1
	Residential Mortgages	14,991	14,991	5,247
	Higher Risk Assets	-	-	-
	Other Assets	265,210	265,210	262,674
	Equity Exposure	1,631	1,631	1,861
	Defaulted Exposures	2,247	2,247	2,247
	<i>Total On-Balance Sheet Exposures</i>	8,262,580	7,910,087	2,436,528
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	2,868,350	1,959,513	1,014,513
	Credit Derivatives	15,472	15,472	4,735
	Transaction related contingent Items	353,090	351,924	331,767
	Short Term Self Liquidating trade related contingencies	25,996	25,996	22,636
	Other commitments, such as formal standby facilities and credit lines	724,355	724,355	712,995
	<i>Total for Off-Balance Sheet Exposures</i>	3,987,263	3,077,260	2,086,646
	<i>Total On and Off- Balance Sheet Exposures</i>	12,249,843	10,987,347	4,523,174

24. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 March 2017 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	126,523,148	125,208,638
	Foreign Currency Risk	129,862	22,911	131,389
	Options	19,298	77	204,750
				2,086,767
3	Operational Risk			650,454
4	Total RWA and Capital Requirements			7,260,395

24. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category for at 31 December 2016 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	4,170,750	3,562,109	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	2,878,723	2,878,723	1,161,921
	Insurance Companies, Securities Firms and Fund Managers	-	-	-
	Corporates	1,106,678	1,106,678	1,106,091
	Regulatory Retail	-	-	-
	Residential Mortgages	15,416	15,416	5,395
	Higher Risk Assets	-	-	-
	Other Assets	278,928	278,928	277,382
	Equity Exposure	1,631	1,631	1,861
	Defaulted Exposures	2,456	2,456	2,456
	<i>Total On-Balance Sheet Exposures</i>	8,454,582	7,845,941	2,555,106
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	3,072,123	2,058,611	1,104,648
	Credit Derivatives	29,757	29,757	8,961
	Transaction related contingent Items	362,234	361,060	335,371
	Short Term Self Liquidating trade related contingencies	55,966	55,966	47,622
	Other commitments, such as formal standby facilities and credit lines	577,497	577,497	566,137
	<i>Total for Off-Balance Sheet Exposures</i>	4,097,577	3,082,891	2,062,739
	<i>Total On and Off- Balance Sheet Exposures</i>	12,552,159	10,928,832	4,617,845

24. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category for at 31 December 2016 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	120,566,302	119,303,271	1,791,563
		Foreign Currency Risk	504,576	103	504,576
		Options	23,634	-	274,313
				2,570,452	
3	Operational Risk			613,663	
4	Total RWA and Capital Requirements			7,801,960	

24. Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 31 March 2017 are as follows:

Risk Weights	Exposures after Netting & Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures		
0%	RM'000 4,011,766	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 2,535	RM'000 -	RM'000 4,014,301	RM'000 -
20%	-	-	1,511,734	3,366	14,200	-	-	-	-	-	1,529,300	305,860
35%	-	-	-	-	-	-	14,991	-	-	-	14,991	5,247
50%	-	-	2,398,514	-	35,320	-	-	-	-	-	2,433,834	1,216,916
75%	-	-	-	-	-	1	-	-	-	-	1	1
100%	-	-	348	9,923	2,718,097	-	2,247	-	262,674	1,611	2,994,900	2,994,900
1250%	-	-	-	-	-	-	-	-	-	20	20	250
Total Exposures	4,011,766	-	3,910,596	13,289	2,767,617	1	17,238	-	265,209	1,631	10,987,347	4,523,174
Risk-Weighted Assets by Exposures	-	-	1,501,952	10,596	2,738,596	1	7,494	-	262,674	1,861	4,523,174	
Average Risk Weight	0.0%	0.0%	38.4%	79.7%	99.0%	100.0%	43.5%	0.0%	99.0%	114.1%	41.2%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

24. Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights for 31 December 2016 are as follows:

Risk Weights	Exposures after Netting & Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures		
0%	RM'000 3,562,109	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 1,546	RM'000 -	RM'000 3,563,655	RM'000 -
20%	-	-	1,620,920	3,366	14,200	-	-	-	-	-	1,638,486	327,697
35%	-	-	-	-	-	-	15,416	-	-	-	15,416	5,395
50%	-	-	2,818,180	-	35,327	-	-	-	-	-	2,853,507	1,426,753
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	431	9,184	2,566,684	-	2,456	-	277,382	1,611	2,857,748	2,857,750
1250%	-	-	-	-	-	-	-	-	-	20	20	250
Total Exposures	3,562,109	-	4,439,531	12,550	2,616,211	-	17,872	-	278,928	1,631	10,928,832	4,617,845
Risk-Weighted Assets by Exposures	-	-	1,733,705	9,857	2,587,188	-	7,852	-	277,382	1,861	4,617,845	
Average Risk Weight	0.0%	0.0%	39.1%	78.5%	98.9%	0.0%	43.9%	0.0%	99.4%	114.1%	42.3%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

25. Commitments and contingencies

The Off-Balance Sheet exposures and their related counterparty credit risk of the Group and of the Bank are as follows:

31 March 2017 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000
Direct Credit Substitutes	-	-	-
Transaction Related Contingent Items	706,179	353,090	331,767
Short Term Self Liquidating Trade Related Contingencies	129,982	25,996	22,636
Foreign exchange related contracts			
One year or less	11,637,032	302,531	280,497
Over one year to five years	1,171,190	75,822	75,823
Over five years	310,475	34,152	17,077
Interest/Profit rate related contracts			
One year or less	283,373	129,241	129,121
Over one year to five years	1,362,085	33,470	22,123
Over five years	637,674	51,089	48,396
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	101,597,901	2,257,517	446,211
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	591,933	295,966	295,966
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	2,141,944	428,389	417,029
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	120,569,768	3,987,263	2,086,646

25. 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):

31 December 2016 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000
Direct Credit Substitutes	-	-	-
Transaction Related Contingent Items	724,468	362,234	335,371
Short Term Self Liquidating Trade Related Contingencies	279,829	55,966	47,622
Foreign exchange related contracts			
One year or less	8,725,219	404,482	394,771
Over one year to five years	1,264,985	84,078	84,078
Over five years	310,475	34,152	17,076
Interest/Profit rate related contracts			
One year or less	247,678	83,038	83,038
Over one year to five years	1,187,649	31,645	18,541
Over five years	33,663	3,366	673
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	97,368,433	2,461,119	515,432
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	224,027	112,014	112,014
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	2,327,414	465,483	454,123
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	112,693,840	4,097,577	2,062,739

26. The Operations of Islamic Banking

**Statement Of Financial Position
As At 31 March 2017 – Unaudited**

	Note	Bank	
		31 March 2017 RM'000	31 December 2016 RM'000
Assets			
Cash and short term funds	(a)	97,938	67,160
Other assets		6	10
Total assets		<u>97,944</u> =====	<u>67,170</u> =====
Liabilities and shareholders' funds			
Deposits from customer	(b)	62,677	32,764
Other liabilities	(c)	1,560	1,327
Taxation		2,102	1,951
Total liabilities		<u>66,339</u> -----	<u>36,042</u> -----
Capital funds		25,000	25,000
Retained profits		6,605	6,128
Islamic banking funds		<u>31,605</u> -----	<u>31,128</u> -----
Total liabilities and Islamic banking funds		<u>97,944</u> =====	<u>67,170</u> =====
Commitments and contingencies		<u>-</u> =====	<u>-</u> =====

26. The operations of Islamic Banking (continued)

**Statement Of Profit Or Loss And Other Comprehensive Income
For The Financial Period Ended 31 March 2017 - Unaudited**

	Bank			
	1 st Quarter ended 31 March 2017 RM'000	31 March 2016 RM'000	Three months ended 31 March 2017 RM'000	31 March 2016 RM'000
Income derived from investment of Islamic banking funds	633	301	633	301
Total net income	633	301	633	301
Other operating expenses	(5)	(4)	(5)	(4)
Profit before taxation	628	297	628	297
Taxation	(151)	(71)	(151)	(71)
Profit and total comprehensive income for the period	477	226	477	226

**Statement Of Changes In Islamic Banking Funds
For The Financial Period Ended 31 March 2017**

	Capital funds RM'000	Retained profits RM'000	Total RM'000
Bank			
At 1 January 2017	25,000	6,128	31,128
Profit and total comprehensive income for the period	-	477	477
At 31 March 2017	25,000	6,605	31,605
At 1 January 2016	25,000	5,718	30,718
Profit and total comprehensive income for the period	-	226	226
At 31 March 2016	25,000	5,944	30,944

26. The operations of Islamic Banking (continued)

Statement Of Cash Flows
For The Financial Period Ended 31 March 2017

	Bank	
	31 March 2017 RM'000	31 March 2016 RM'000
Cash flows from operating activities		
Profit before taxation	628	297
Operating profit before working capital changes	628	297
Changes in working capital:		
Net changes in operating assets	4	(690)
Net changes in operating liabilities	30,146	3,436
Net cash generated from operations	30,778	3,043
Net increase in cash and cash equivalents	30,778	3,043
Cash and cash equivalents at beginning of period	67,160	67,923
Cash and cash equivalents at end of period	97,938	70,966
Analysis of cash and cash equivalents:		
Cash and short term funds	97,938	70,966

26. 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 Sheikh Hussain Hamed Sayed Hassan, Dr Muhammad Qaseem and Encik Mohd Hilmi bin Ramli.

Whilst the Shariah Governance Framework requires 5 Shariah Committee members, the Bank has sought and received approval from BNM to operate on 3 Shariah Committee members.

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

	Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
Cash and balances with banks and other financial institutions	97,938	67,160
	=====	=====

(b) Deposits from customer

	Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
Non-Mudharabah Demand deposits	62,677	32,764
	=====	=====

(c) Other liabilities

	Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
Bills payable	439	121
Others	1,121	1,206
	-----	-----
	1,560	1,327
	=====	=====

26. The operations of Islamic Banking (continued)

(d) Capital adequacy

The capital adequacy ratios of the Islamic banking business of 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:

	Bank	
	31 March 2017 RM'000	31 December 2016 RM'000
Components of Tier I and Tier II capital are as follows:-		
Tier 1 capital		
Capital funds	25,000	25,000
Retained profits	6,128	6,128
Total common equity tier 1/ Total tier 1 capital	<u>31,128</u>	<u>31,128</u>
Total Tier 2 capital	-	-
Capital base	<u>31,128</u>	<u>31,128</u>
	=====	=====
Common equity tier 1/ Tier 1 capital ratio	710.644%	791.910%
Total capital ratio	<u>710.644%</u>	<u>791.910%</u>
	=====	=====

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

Risk Type		Risk Weighted Assets	
		31 March 2017 RM'000	31 December 2016 RM'000
1	Credit risk	763	689
2	Market risk	1,526	1,376
3	Operational risk	2,091	1,866
Total		4,380	3,931

26. The operations of Islamic Banking (continued)

(d) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 March 2017 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
1		RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>			
	Sovereigns/Central Banks	96,419	96,419	-
	Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,526	1,526	763
	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>	<i>97,945</i>	<i>97,945</i>	<i>763</i>
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	-	-	-
	Credit Derivatives	-	-	-
	<i>Total for Off-Balance Sheet Exposures</i>	<i>-</i>	<i>-</i>	<i>-</i>
	Total On and Off- Balance Sheet Exposures	97,945	97,945	763

26. The operations of Islamic Banking (continued)

(d) Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 March 2017 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	1,526	-	1,526
	Options	-	-	-
				1,526
3	Operational Risk			2,091
4	Total RWA and Capital Requirements			4,380

26. The operations of Islamic Banking (continued)

(d) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 December 2016 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
1		RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>			
	Sovereigns/Central Banks	65,793	65,793	-
	Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,377	1,377	689
	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>	<i>67,170</i>	<i>67,170</i>	<i>689</i>
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	-	-	-
	Credit Derivatives	-	-	-
	<i>Total for Off-Balance Sheet Exposures</i>	<i>-</i>	<i>-</i>	<i>-</i>
	Total On and Off- Balance Sheet Exposures	67,170	67,170	689

26. The operations of Islamic Banking (continued)

(d) Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 December 2016 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	1,376	-	1,376
	Options	-	-	-
				1,376
3	Operational Risk			1,866
4	Total RWA and Capital Requirements			3,931

26. The operations of Islamic Banking (continued)

(d) Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 31 March 2017 are as follows:

Risk Weights	Exposures after Netting & Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures		
0%	RM'000 96,419	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 96,419	RM'000 -
20%	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	1,526	-	-	-	-	-	-	-	1,526	763
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	96,419	-	1,526	-	-	-	-	-	-	-	97,945	763
Risk-Weighted Assets by Exposures	-	-	763	-	-	-	-	-	-	-	763	
Average Risk Weight	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

26. The operations of Islamic Banking (continued)

(d) Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 31 December 2016 are as follows:

Risk Weights	Exposures after Netting & Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures		
0%	RM'000 65,793	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 65,793	RM'000 -
20%	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	1,377	-	-	-	-	-	-	-	1,377	689
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	65,793	-	1,377	-	-	-	-	-	-	-	67,170	689
Risk-Weighted Assets by Exposures	-	-	689	-	-	-	-	-	-	-	689	-
Average Risk Weight	0.0%	0.0%	50.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-