

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 2022



Consolidated Statements of Financial Position
As at 30 September 2022 - Unaudited

	Note	Group		Bank	
		30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Assets					
Cash and short-term funds	12.1	4,039,050	3,344,852	4,039,050	3,344,852
Deposits and placements with banks and other financial institutions	12.2	827,276	377,598	827,276	377,598
Reverse repurchase agreements		538,050	50,723	538,050	50,723
Financial securities	13	1,835,705	2,329,768	1,835,705	2,329,768
Loans, advances and financing	14	2,309,940	2,429,462	2,309,940	2,429,462
Derivative assets		1,909,913	813,346	1,909,913	813,346
Other assets	15	1,034,486	214,065	1,034,486	214,065
Tax recoverable		9,022	21,513	9,022	21,513
Statutory deposit with Bank Negara Malaysia		20,000	20,000	20,000	20,000
Investments in subsidiary companies		-	-	20	20
Property and equipment		2,071	2,683	2,071	2,683
Right-of-use assets		5,164	5,996	5,164	5,996
Deferred tax assets		30,082	25,283	30,082	25,283
Total assets		12,560,759	9,635,289	12,560,779	9,635,309
Liabilities and equity					
Deposits from customers	16	6,515,521	6,034,313	6,515,541	6,034,333
Deposits and placements of banks and other financial institutions	17	693,317	525,433	693,317	525,433
Lease liabilities		6,349	7,154	6,349	7,154
Derivative liabilities		1,711,498	730,664	1,711,498	730,664
Other liabilities	18	1,843,000	542,157	1,843,000	542,157
Total liabilities		10,769,685	7,839,721	10,769,705	7,839,741
Equity					
Share capital		531,362	531,362	531,362	531,362
Reserves		1,259,712	1,264,206	1,259,712	1,264,206
Total equity attributable to owner of the Bank		1,791,074	1,795,568	1,791,074	1,795,568
Total liabilities and equity		12,560,759	9,635,289	12,560,779	9,635,309
Commitments and contingencies	26	112,091,762	82,107,161	112,091,762	82,107,161

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 2021.

Consolidated Statements Of Profit Or Loss And Other Comprehensive Income
For The Financial Period Ended 30 September 2022 - Unaudited

	Note	Group and Bank			
		Nine months ended		Three months ended	
		30 September 2022	30 September 2021	30 September 2022	30 September 2021
		RM'000	RM'000	RM'000	RM'000
Interest income	19	158,187	116,276	61,632	28,105
Interest expense	20	(23,760)	(19,320)	(10,815)	(7,713)
Net interest income		134,427	96,956	50,817	20,392
Net income from Islamic Banking					
Operations	26	1,984	1,461	714	432
Non-interest income	21	141,287	115,164	64,547	48,117
Operating income		277,698	213,581	116,078	68,941
Other operating expenses	22	(113,071)	(122,498)	(34,550)	(46,081)
Operating profit		164,627	91,083	81,528	22,860
Allowance written back for impairment	23	877	1,829	388	371
Profit before tax		165,504	92,912	81,916	23,231
Tax expense		(46,619)	(20,999)	(25,540)	(6,119)
Net profit for the period		118,885	71,913	56,376	17,112
Other comprehensive (loss) / income:					
<i>Movement in fair value reserve (financial securities):</i>					
Net change in fair value of debt securities		(17,041)	(12,868)	2,138	(5,585)
Net change in fair value of equity investments		(1,657)	-	(1,657)	-
Net amount transferred to profit or loss		286	33	223	113
Tax expense on other comprehensive income		4,419	3,080	(169)	1,313
Total other comprehensive (loss) / income for the period		(13,993)	(9,755)	535	(4,159)
Total comprehensive income for the period		104,892	62,158	56,911	12,953
Earnings per share (sen)		68.5 sen	41.4 sen	32.5 sen	9.9 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 2021.

Consolidated Statements Of Changes In Equity
For The Financial Period Ended 30 September 2022

Group and Bank	Note	← Attributable to owner of the Bank →				Proposed dividend RM'000	Total RM'000
		Share capital RM'000	Non-distributable Other reserves RM'000	Distributable Retained profits RM'000	Total reserves RM'000		
At 1 January 2022		531,362	41,553	1,222,653	1,264,206	-	1,795,568
Net profit for the period		-	-	118,885	118,885	-	118,885
Other comprehensive loss for the period		-	(13,993)	-	(13,993)	-	(13,993)
Total comprehensive income for the period		-	(13,993)	118,885	104,892	-	104,892
Dividend paid		-	-	(109,386)	(109,386)	-	(109,386)
At 30 September 2022		531,362	27,560	1,232,152	1,259,712	-	1,791,074
At 1 January 2021		531,362	58,579	1,381,985	1,440,564	-	1,971,926
Net profit for the period		-	-	71,913	71,913	-	71,913
Other comprehensive loss for the period		-	(9,755)	-	(9,755)	-	(9,755)
Total comprehensive income for the period		-	(9,755)	71,913	62,158	-	62,158
Dividend paid		-	-	(268,718)	(268,718)	-	(268,718)
At 30 September 2021		531,362	48,824	1,185,180	1,234,004	-	1,765,366

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 2021.

Condensed Consolidated Statements Of Cash Flows
For The Financial Period Ended 30 September 2022

	Group and Bank	
	30 September 2022 RM'000	30 September 2021 RM'000
Profit before taxation	165,504	92,912
Adjustments for non-operating and non-cash items	(477)	2,429
Operating profit before working capital changes	165,027	95,341
Changes in working capital		
Net changes in operating assets	(1,809,222)	(800,067)
Net changes in operating liabilities	2,930,769	298,790
Income tax paid	(34,508)	(58,791)
Net cash generated from / (used in) operations	1,252,066	(464,727)
Cash flows from investing activities:		
Purchase of property and equipment	(93)	(1,098)
Proceeds from redemption of shares	2,280	61
Net cash generated from / (used in) investing activities	2,187	(1,037)
Cash flows from financing activities:		
Payment of lease liabilities	(991)	(762)
Dividends paid	(109,386)	(268,718)
Net cash used in financing activities	(110,377)	(269,480)
Net increase / (decrease) in cash and cash equivalents	1,143,876	(735,244)
Cash and cash equivalents at beginning of the period	3,722,450	5,153,270
Cash and cash equivalents at end of the period	4,866,326	4,418,026
Analysis of cash and cash equivalents:		
Cash and short-term funds	4,039,050	3,691,964
Deposits and placement with banks and other financial institutions	827,276	726,062
Cash and Cash equivalents at the end of the period	4,866,326	4,418,026

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 2021.

**Explanatory Notes To The Interim Financial Statements
For The Financial Period Ended 30 September 2022**

1. Basis of preparation

The unaudited interim financial statements for the financial period ended 30 September 2022 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 2021. 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 2021.

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 2021, 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”):

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

- Amendments to MFRS 17 *Insurance Contracts*
- 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*
- Amendments to MFRS 17 *Insurance Contracts–Initial Application of MFRS 17 and MFRS 9– Comparative Information*

1. Basis of preparation (continued)

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 accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2023 for those amendments, that are effective for annual periods beginning on or after 1 January 2023

The Group and the Bank do not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on or after 1 January 2023 as it is not applicable to 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 2021 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 2022.

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 2022.

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 2022.

7. Dividend Paid

Since the end of the previous financial year, the Bank paid the final dividend of 63.0 sen per ordinary share totalling RM109,386,000 in respect of the financial year ended 31 December 2021. The dividend was paid on 29 July 2022.

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 2022.

10. Review of Performance

The Bank recorded profit before tax for the financial period ended 30 September 2022 of RM165.5 million compared to RM92.9 million for the previous corresponding period. Operating income increased by RM64.1 million (+30.0%) from RM213.6 million to RM277.7 million, mainly attributed to higher net interest income increased by RM37.4 million (+38.6%) from RM97.0 million to RM134.4 million, mainly attributed to higher interest income earned from financial securities of RM47.4 million against RM18.8 million in the previous corresponding period and interest income earned from deposits placements and reverse repurchase agreements of RM55.1 million compared to RM48.2 million in the previous corresponding period. Non-interest income increased of RM141.3 million against RM115.2 million in the previous corresponding period.

Total assets registered an increase of RM3.0 billion or (+31.3%) from RM9.6 billion as at 31 December 2021 to RM12.6 billion as at 30 September 2022. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 18.7% and 19.3%, respectively.

11. Prospects

The uncertainty surrounding the economic outlook on the global economy continues into the third quarter of 2022. In order to combat rising inflation, the US Fed has continued its aggressive hikes on interest rates, with further increases expected in the remaining months of 2022. The Eurozone has been hit hard by the ongoing conflict in Ukraine, inflationary pressures due to uncertainty of trade policy and supply chain disruption, and raising in energy prices. To make matters even worse, demand for energy is expected to increase in the fourth quarter of 2022 as the region will experience colder weather in winter.

Malaysia's economy is continuing to recover from the after-effects of the Covid-19 pandemic, with increased domestic demand amid further normalization of economic activity. However, as with the wider global economy, inflation has continued rising due to similar factors. As such, September has seen yet another Overnight Policy Rate hike of 25 basis points by BNM, totalling of 50 basis point increase during Q3 2022 to 2.50%, to put a cap on inflation. As with the earlier half of the year, the domestic recovery is still subject to downside risks resulting from any further escalation of the Ukrainian conflict and worsening disruptions on supply chains.

The Bank remains competitive with the solid frameworks around capital and liquidity management, risk controls and enhanced internal processes. 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 communities which we operate and to create positive impact for our clients, investors, employees and society at large.

12. Cash and cash equivalents

12.1 Cash and short-term funds

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Cash and balances with banks and other financial institutions	424,361	162,051
Money at call and deposit placements maturing within one month	<u>3,614,689</u>	<u>3,182,801</u>
	<u>4,039,050</u>	<u>3,344,852</u>

12.2 Deposits and placements with banks and other financial institutions

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Other financial institutions	<u>827,276</u>	<u>377,598</u>
	<u>827,276</u>	<u>377,598</u>

12. Cash and cash equivalents (continued)

The following table shows reconciliations from the opening to the closing balance of the loss allowance for cash and cash equivalents.

Group and Bank	2022				2021			
	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Total	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents								
Balance at 1 January	32	-	-	32	96	-	-	96
Transfer to 12-month ECL	-	-	-	-	-	-	-	-
Transfer to lifetime ECL not credit-impaired	-	-	-	-	-	-	-	-
Transfer to lifetime ECL credit-impaired	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	23	-	-	23	(59)	-	-	(59)
New financial assets originated or purchased	71	-	-	71	12	-	-	12
Financial assets that have been derecognised	(12)	-	-	(12)	(17)	-	-	(17)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 30 September / 31 December	114	-	-	114	32	-	-	32

13. Financial securities

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Debt securities at FVTPL		
Malaysian Government Securities	427,769	461,956
Malaysian Investment Issue	121,361	237,812
Treasury Bills	5,360	-
Cagamas bonds	-	150,002
Negotiable instruments of deposits	100,000	-
	<u>654,490</u>	<u>849,770</u>
Debt securities at FVOCI		
Malaysian Government Securities	617,344	776,231
Malaysian Investment Issue	544,778	687,971
Corporate bonds	5,034	-
	<u>1,167,156</u>	<u>1,464,202</u>
Equity investments at FVOCI		
Unquoted shares in Malaysia	14,059	15,796
	<u>1,835,705</u>	<u>2,329,768</u>

13. Financial securities (continued)

The following table shows reconciliations from the opening to the closing balance of the loss allowance for debt securities at FVOCI.

Group and Bank	2022				2021			
	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Total	12-month ECL	Lifetime ECL not credit - impaired	Lifetime ECL credit - impaired	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Debt securities at FVOCI								
Balance at 1 January	594	-	-	594	217	-	-	217
Transfer to 12-month ECL	-	-	-	-	-	-	-	-
Transfer to lifetime ECL not credit-impaired	-	-	-	-	-	-	-	-
Transfer to lifetime ECL credit-impaired	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	291	-	-	291	159	-	-	159
New financial assets originated or purchased	64	-	-	64	296	-	-	296
Financial assets that have been derecognised	(69)	-	-	(69)	(78)	-	-	(78)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 30 September / 31 December	880	-	-	880	594	-	-	594

14. Loans, advances and financing

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
<i>At amortised cost</i>		
Overdrafts	132,004	92,359
Term loans - housing loans	5,029	6,053
- Other term loans	1,091,024	1,068,430
Bill receivable	12,417	179,784
Trust Receipt	150,284	230,131
Claims on customers under acceptance credits	928,381	861,007
Staff loans	-	4
	<u>2,319,139</u>	<u>2,437,768</u>
Unearned interest	(4,959)	(2,821)
Gross loans, advances and financing	<u>2,314,180</u>	<u>2,434,947</u>
Allowance for impaired loans and financing		
- Expected credit losses	(4,240)	(5,485)
Net loans, advances and financing	<u>2,309,940</u>	<u>2,429,462</u>

14. Loans, advances and financing (continued)

The following table shows reconciliations from the opening to the closing balance of the loss allowance for loans, advances and financing.

Group and Bank	2022				2021			
	12-month ECL	Lifetime ECL not credit – impaired	Lifetime ECL credit - impaired	Total	12-month ECL	Lifetime ECL not credit – impaired	Lifetime ECL credit - impaired	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing at amortised cost*								
Balance at 1 January	2,573	1,026	1,886	5,485	3,224	3,101	1,758	8,083
Transfer to 12-month ECL	260	(33)	(227)	-	75	-	(75)	-
Transfer to lifetime ECL not credit-impaired	(2)	2	-	-	-	-	-	-
Transfer to lifetime ECL credit-impaired	(59)	-	59	-	(405)	-	405	-
Net remeasurement of loss allowance	42	(460)	(141)	(559)	(350)	(1,135)	(202)	(1,687)
New financial assets originated or purchased	655	173	-	828	932	478	-	1,410
Financial assets that have been derecognised	(1,035)	(479)	-	(1,514)	(903)	(1,418)	-	(2,321)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 30 September / 31 December	2,434	229	1,577	4,240	2,573	1,026	1,886	5,485

* The loss allowance in this table includes ECL on loan commitment and financial guarantees.

14. Loans, advances and financing (continued)

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

	Group and Bank	
	30 September 2022	31 December 2021
	RM'000	RM'000
Maturing within one year	2,020,707	2,138,436
More than one year and three years	289,725	263,402
More than three years to five years	2,096	30,247
Over five years	1,652	2,862
	<u>2,314,180</u>	<u>2,434,947</u>

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

	Group and Bank	
	30 September 2022	31 December 2021
	RM'000	RM'000
Domestic banking institutions	-	2,688
Domestic non-bank financial institutions	226,961	175,713
Domestic business enterprises	1,828,023	1,833,762
Individuals	5,029	6,057
Government and statutory bodies	245,228	247,476
Foreign entities	8,939	169,251
	<u>2,314,180</u>	<u>2,434,947</u>

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

	Group and Bank	
	30 September 2022	31 December 2021
	RM'000	RM'000
Fixed rate		
- Other fixed rate loan / financing	120,762	123,567
Variable rate		
- Base lending rate plus	357,773	373,412
- Cost-plus	1,666,686	1,654,311
- Other variable rates	168,959	283,657
	<u>2,314,180</u>	<u>2,434,947</u>

14. Loans, advances and financing (continued)

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

	Group and Bank	
	30 September	31 December
	2022	2021
	RM'000	RM'000
Malaysia	2,305,241	2,265,696
China	-	4,240
India	8,636	46,436
Turkey	-	115,324
Others	303	3,251
	<u>2,314,180</u>	<u>2,434,947</u>

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

	Group and Bank	
	30 September	31 December
	2022	2021
	RM'000	RM'000
Mining and Quarrying	150,166	150,147
Manufacturing	506,572	661,249
Construction	195,011	165,353
Wholesale & retail trade and restaurants & hotels	421,970	513,278
Transport, storage and communication	433,063	317,492
Finance, insurance and business services	357,141	373,895
Education, health and others	245,228	247,476
Household	5,029	6,057
	<u>2,314,180</u>	<u>2,434,947</u>

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

	Group and Bank	
	30 September	31 December
	2022	2021
	RM'000	RM'000
Balance at 1 January	3,258	3,000
Classified as impaired during the period/year	398	1,293
Reclassified as non-impaired during the period/year	(659)	(520)
Amount recovered	(371)	(515)
At 30 September 2022 / 31 December 2021	<u>2,626</u>	<u>3,258</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>0.11%</u>	<u>0.13%</u>

14. 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
	2022	2021
	RM'000	RM'000
Household (Malaysia)	2,626	3,258

15. Other assets

	Group and Bank	
	30 September	31 December
	2022	2021
	RM'000	RM'000
Interest/Income receivable	9,339	24,686
Margin placed with exchange	23,832	5,842
Other debtors, deposits and prepayments	1,001,315	183,537
	<u>1,034,486</u>	<u>214,065</u>

16. Deposits from customers

	Group		Bank	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Demand deposits	5,860,610	5,636,004	5,860,630	5,636,024
Savings deposits	12	12	12	12
Fixed deposits	219,032	138,491	219,032	138,491
Other deposits	435,867	259,806	435,867	259,806
	<u>6,515,521</u>	<u>6,034,313</u>	<u>6,515,541</u>	<u>6,034,333</u>

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

	Group and Bank	
	30 September	31 December
	2022	2021
	RM'000	RM'000
Due within six months	463,181	222,651
More than six months to one year	450	910
More than one year to three years	191,268	100
More than three years to five years	-	174,636
	<u>654,899</u>	<u>398,297</u>

16. Deposits from customers (continued)

The deposits are sourced from the following types of customers:

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Business enterprises	4,875,497	5,104,111	4,875,517	5,104,131
Individuals	315	224	315	224
Foreign customers	82,151	69,228	82,151	69,228
Others	1,557,558	860,750	1,557,558	860,750
	<u>6,515,521</u>	<u>6,034,313</u>	<u>6,515,541</u>	<u>6,034,333</u>

17. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Other financial institutions	693,317	525,433
	<u>693,317</u>	<u>525,433</u>

18. Other liabilities

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Interest payable	1,485	628
Bills payable	10,710	11,989
Employee benefits	18,523	23,609
Other liabilities	1,812,282	505,931
	<u>1,843,000</u>	<u>542,157</u>

19. Interest income

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	55,595	49,190	20,689	16,104
Money at call and deposit placements with financial institutions	52,804	44,657	24,879	14,031
Reverse repurchase agreements	2,297	3,581	1,018	1,193
Financial securities	47,428	18,848	14,989	(3,223)
Other interest income	63	-	57	-
	<u>158,187</u>	<u>116,276</u>	<u>61,632</u>	<u>28,105</u>

20. Interest expense

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	3,831	2,863	1,571	980
Deposits from customers	19,731	15,560	9,184	5,946
Repurchase agreement	9	13	-	2
Other interest expense	189	884	60	785
	<u>23,760</u>	<u>19,320</u>	<u>10,815</u>	<u>7,713</u>

21. Non-interest income

	Group and Bank			
	Nine months ended		Three months ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Fee income:				
Commissions	6,798	6,178	1,666	1,990
Service charges and fees	13,031	14,956	3,934	4,783
Guarantee fees	2,690	2,586	1,329	1,187
	<u>22,519</u>	<u>23,720</u>	<u>6,929</u>	<u>7,960</u>
Fee expense:				
Commissions	(2,699)	(2,815)	(777)	(939)
Service charges and fees	(2,761)	(2,452)	(921)	(862)
	<u>(5,460)</u>	<u>(5,267)</u>	<u>(1,698)</u>	<u>(1,801)</u>
Net fee income	<u>17,059</u>	<u>18,453</u>	<u>5,231</u>	<u>6,159</u>
Net gains from financial instruments:				
Net (loss)/gain arising on financial securities:				
Realised (loss)/gain	(22,265)	(21,370)	4,963	12,441
Unrealised gain/(loss)	712	(2,011)	1,149	(349)
Net gain/(loss) arising on trading derivatives:				
Realised (loss)/gain	(79,860)	34,196	(51,610)	(13,850)
Unrealised gain/(loss)	96,264	64,480	(52,018)	4,654
Foreign exchange gain	120,639	20,211	152,034	35,595
Gain on instruments at FVOCI	2,200	2	2,200	-
Gross dividend income	116	100	15	15
Other income:				
Other operating income, net	6,422	1,103	2,583	3,452
	<u>124,228</u>	<u>96,711</u>	<u>59,316</u>	<u>41,958</u>
	<u>141,287</u>	<u>115,164</u>	<u>64,547</u>	<u>48,117</u>

22. Other operating expenses

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	30,790	34,760	10,154	11,089
- Others	7,344	8,157	2,244	2,636
Establishment costs				
- Rental	350	1,232	(57)	639
- Depreciation - property and equipment	705	792	217	302
- Depreciation - right-of-use assets	832	1,476	296	581
- Others	3,856	4,427	281	1,470
Marketing expenses	871	963	205	255
Administration and general expenses				
- Intercompany charges	62,284	64,746	19,025	27,004
- Communication	704	877	227	206
- Others	5,335	5,068	1,958	1,899
	<u>113,071</u>	<u>122,498</u>	<u>34,550</u>	<u>46,081</u>

The number of employees of the Group and the Bank at the end of the period was 181 (September 2021 – 188).

23. Allowance for impairment

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Expected credit losses				
Allowance written back for impairment				
- loans, advances and financing	1,245	1,791	694	496
- cash and cash equivalents	(82)	71	(83)	(9)
- debt securities at FVOCI	(286)	(33)	(223)	(116)
	<u>877</u>	<u>1,829</u>	<u>388</u>	<u>371</u>

24. Capital adequacy

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 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	(18,109)	(3,898)
Retained profits	1,113,266	1,222,653
Less: Deferred tax assets	(25,283)	(25,283)
Total common equity tier 1/Total tier 1 capital	1,601,236	1,724,834
Tier 2 capital		
Expected credit losses ("ECL")*	2,663	3,599
Regulatory reserve	45,000	45,000
Total capital base	1,648,899	1,773,433
Common equity tier 1/Tier 1 capital ratio	18.721%	23.761%
Total capital ratio	19.278%	24.431%

* Refers to ECL for Stage 1 and Stage 2.

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 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% 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	
		30 September 2022 RM'000	31 December 2021 RM'000
1	Credit risk	6,133,521	4,640,612
2	Market risk	1,671,333	1,815,354
3	Operational risk	748,224	802,999
Total		8,553,078	7,258,965

24. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 30 September 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	4,973,277	4,720,536	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	2,560,833	2,275,523	1,088,307
	Insurance Companies, Securities Firms and Fund Managers	-	-	-
	Corporates	1,707,595	1,707,595	1,699,892
	Regulatory Retail	-	-	-
	Residential Mortgages	2,403	2,403	841
	Higher Risk Assets	-	-	-
	Other Assets	701,132	701,132	699,813
	Equity Exposure	14,079	14,079	14,309
	Defaulted Exposures	1,088	1,088	1,088
	<i>Total On-Balance Sheet Exposures</i>	9,960,407	9,422,356	3,504,250
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	2,297,464	1,738,551	1,016,925
	Direct Credit Substitutes	315	315	315
	Transaction related contingent Items	315,185	309,847	279,702
	Short Term Self Liquidating trade related contingencies	18,679	18,679	17,442
	Other commitments, such as formal standby facilities and credit lines	1,314,887	1,314,887	1,314,887
	<i>Total for Off-Balance Sheet Exposures</i>	3,946,530	3,382,279	2,629,271
	<i>Total On and Off- Balance Sheet Exposures</i>	13,906,937	12,804,635	6,133,521

24. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 30 September 2022 are as follows (continued):

RISK TYPE		Gross Exposures		Risk Weighted Assets
		RM'000		RM'000
2	Market Risk			
	Interest Rate Risk	108,133,559	106,831,990	1,121,780
	Foreign Currency Risk	386,690	42,592	386,690
	Options	793	23,121	162,863
				1,671,333
3	Operational Risk			748,224
4	Total RWA			8,553,078

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.

24. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category for at 31 December 2021 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	5,009,904	4,959,181	-
	Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	580,586	580,586	249,461
	Insurance Companies, Securities Firms and Fund Managers	-	-	-
	Corporates	1,567,867	1,567,867	1,531,220
	Regulatory Retail	-	-	-
	Residential Mortgages	2,795	2,795	978
	Higher Risk Assets	-	-	-
	Other Assets	751,038	751,038	749,683
	Equity Exposure	15,816	15,816	16,046
	Defaulted Exposures	1,416	1,416	1,416
	<i>Total On-Balance Sheet Exposures</i>	<i>7,929,422</i>	<i>7,878,699</i>	<i>2,548,804</i>
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	1,581,248	1,228,227	720,480
	Direct Credit Substitutes	-	-	-
	Transaction related contingent Items	285,005	280,281	265,213
	Short Term Self Liquidating trade related contingencies	23,707	23,707	23,370
	Other commitments, such as formal standby facilities and credit lines	1,082,745	1,082,745	1,082,745
	<i>Total for Off-Balance Sheet Exposures</i>	<i>2,972,705</i>	<i>2,614,960</i>	<i>2,091,808</i>
	<i>Total On and Off- Balance Sheet Exposures</i>	<i>10,902,127</i>	<i>10,493,659</i>	<i>4,640,612</i>

24. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category for at 31 December 2021 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	79,384,122	78,375,087	881,454
	Foreign Currency Risk	706,900	282,886	706,900
	Options	26,021	-	227,000
				1,815,354
3	Operational Risk			802,999
4	Total RWA			7,258,965

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.

24. Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 30 September 2022 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 4,822,984	RM'000 -	RM'000 -	RM'000 -	RM'000 5,034	RM'000 -	RM'000 -	RM'000 -	RM'000 1,319	RM'000 -	RM'000 4,829,337	RM'000 -
20%	-	-	459,597	1,083	-	-	-	-	-	-	460,680	92,136
35%	-	-	-	-	-	-	2,403	-	-	-	2,403	841
50%	-	-	2,909,139	-	34,663	-	-	-	-	-	2,943,802	1,471,901
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	8,770	90,342	3,754,321	-	1,088	-	699,813	14,059	4,568,393	4,568,393
1250%	-	-	-	-	-	-	-	-	-	20	20	250
Total Exposures	4,822,984	-	3,377,506	91,425	3,794,018	-	3,491	-	701,132	14,079	12,804,635	6,133,521
Risk-Weighted Assets by Exposures	-	-	1,555,257	90,559	3,771,654	-	1,929	-	699,813	14,309	6,133,521	
Average Risk Weight	0.0%	0.0%	46.0%	99.1%	99.4%	0.0%	55.3%	0.0%	99.8%	101.6%	47.9%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

24. Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights for 31 December 2021 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 4,968,062	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 1,356	RM'000 -	RM'000 4,969,418	RM'000 -
20%	-	-	399,390	1,353	42,857	-	-	-	-	-	443,600	88,720
35%	-	-	-	-	-	-	2,795	-	-	-	2,795	978
50%	-	-	1,017,461	-	36,863	-	-	-	-	-	1,054,324	527,162
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	10,066	62,643	3,183,899	-	1,416	-	749,682	15,796	4,023,502	4,023,502
1250%	-	-	-	-	-	-	-	-	-	20	20	250
Total Exposures	4,968,062	-	1,426,917	63,996	3,263,619	-	4,211	-	751,038	15,816	10,493,659	4,640,612
Risk-Weighted Assets by Exposures	-	-	598,674	62,914	3,210,901	-	2,394	-	749,683	16,046	4,640,612	
Average Risk Weight	0.0%	0.0%	42.0%	98.3%	98.4%	0.0%	56.9%	0.0%	99.8%	101.5%	44.2%	
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:

30 September 2022 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000
Direct Credit Substitutes	315	315	315
Transaction Related Contingent Items	630,370	315,185	279,702
Short Term Self Liquidating Trade Related Contingencies	93,397	18,679	17,442
Foreign exchange related contracts			
One year or less	17,938,418	656,119	536,147
Over one year to five years	1,131,569	86,848	65,524
Over five years	-	-	-
Interest/Profit rate related contracts			
One year or less	15,000	51	51
Over one year to five years	177,063	4,283	3,083
Over five years	20,000	1,000	1,000
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	86,955,824	1,549,164	411,121
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	963,084	481,542	481,542
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,166,722	833,344	833,344
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	112,091,762	3,946,530	2,629,271

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 2021 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000
Direct Credit Substitutes	-	-	-
Transaction Related Contingent Items	570,009	285,005	265,213
Short-term Self Liquidating Trade Related Contingencies	118,537	23,707	23,370
Foreign exchange related contracts			
One year or less	14,988,834	323,684	309,880
Over one year to five years	1,458,409	108,206	87,374
Over five years	-	-	-
Interest/Profit rate related contracts			
One year or less	80,000	1,098	770
Over one year to five years	70,000	1,400	920
Over five years	27,063	1,353	1,353
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	60,223,659	1,145,507	320,183
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	562,049	281,025	281,025
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,008,601	801,720	801,720
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	82,107,161	2,972,705	2,091,808

26. The operations of Islamic Banking

Statement of Financial Position
As at 30 September 2022 – Unaudited

		Bank	
	Note	30 September 2022 RM'000	31 December 2021 RM'000
Assets			
Cash and short-term funds	(a)	145,999	240,999
Financial securities	(b)	20,023	20,220
Other assets		248	93
Total assets		166,270	261,312
Liabilities and Islamic Banking funds			
Deposits from customers	(c)	125,936	217,655
Other liabilities	(d)	5,230	8,594
Tax payable		471	425
Total liabilities		131,637	226,674
Capital funds		25,000	25,000
Retained earnings		9,633	9,638
Islamic Banking funds		34,633	34,638
Total liabilities and Islamic Banking funds		166,270	261,312
Commitments and contingencies		-	-

26. The operations of Islamic Banking (continued)

Statement Of Profit Or Loss And Other Comprehensive Income
For The Financial Period Ended 30 September 2022 - Unaudited

	Bank			
	Nine months ended 30 September 2022 RM'000	30 September 2021 RM'000	Three months ended 30 September 2022 RM'000	30 September 2021 RM'000
Income derived from investment of Islamic banking funds	1,984	1,461	714	432
Total net income	1,984	1,461	714	432
Other operating expenses	(21)	(19)	(8)	(7)
Operating profit	1,963	1,442	706	425
Allowance (made)/written back for impairment	(1)	1	(1)	(2)
Profit before tax	1,962	1,443	705	423
Tax expense	(471)	(346)	(169)	(101)
Profit for the period	1,491	1,097	536	322
Other comprehensive (loss) / income:				
<i>Movement in fair value reserve (debt securities):</i>				
Net change in fair value	(197)	(210)	23	(50)
Net amount transferred to profit or loss	1	(1)	1	2
Tax expense on other comprehensive income	47	50	(6)	11
Other comprehensive (loss) / income for the period	(149)	(161)	18	(37)
Total comprehensive income for the period	1,342	936	554	285

26. The operations of Islamic Banking (continued)

Statement Of Changes In Islamic Banking Funds
For The Financial Period Ended 30 September 2022

Bank	Capital funds RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000
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

Bank	Capital funds RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000
At 1 January 2021	25,000	432	9,644	35,076
Net profit for the period	-	-	1,097	1,097
Other comprehensive loss for the period	-	(161)	-	(161)
Total comprehensive (loss) / income for the period	-	(161)	1,097	936
Dividend paid	-	-	(1,528)	(1,528)
At 30 September 2021	25,000	271	9,213	34,484

26. The operations of Islamic Banking (continued)

Statement Of Cash Flows
For The Financial Period Ended 30 September 2022

	Bank	
	30 September 2022 RM'000	30 September 2021 RM'000
Cash flows from operating activities		
Profit before taxation	1,962	1,443
Operating profit before working capital changes	<u>1,962</u>	<u>1,443</u>
Changes in working capital:		
Net changes in operating assets	(107)	(111)
Net changes in operating liabilities	(95,083)	66,532
Income taxes paid	(425)	(483)
Net cash (used in) / generated from operations	<u>(93,653)</u>	<u>67,381</u>
Cash flows from financing activities		
Dividend paid	(1,347)	(1,528)
Net cash used in financing activities	<u>(1,347)</u>	<u>(1,528)</u>
Net (decrease)/ increase in cash and cash equivalents	(95,000)	65,853
Cash and cash equivalents at beginning of period	240,999	57,147
Cash and cash equivalents at end of period	<u>145,999</u>	<u>123,000</u>
Analysis of cash and cash equivalents:		
Cash and short-term funds	<u>145,999</u>	<u>123,000</u>

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 Uzaimah binti Ibrahim (appointed 12 September 2022), Puan Zarinah binti Mohd Yusof (appointed 05 July 2022) and Encik Ahamad Firdaus bin Kadir (appointed 12 September 2022).

Dr Muhammad Qaseem and Dr Mohd Hilmi bin Ramli resigned from the Shariah Committee with effect from 30 June 2022 and 30 April 2022, respectively.

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	
	30 September 2022 RM'000	31 December 2021 RM'000
Cash and balances with banks and other financial institutions	145,999	240,999

(b) Financial securities

	Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Debt securities at FVOCI Malaysian Investment Issue	20,023	20,220

(c) Deposits from customer

	Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Non-Mudharabah Demand deposits	125,936	217,655

26. The operations of Islamic Banking (continued)

(d) Other liabilities

	Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Bills payable	21	8
Others	5,209	8,586
	<u>5,230</u>	<u>8,594</u>

(e) 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:

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 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	11	79
Retained profits	8,116	9,463
Total common equity tier 1/Total tier 1 capital	33,127	34,542
Total Tier 2 capital	-	-
Total capital base	<u>33,127</u>	<u>34,542</u>
Common equity tier 1/Tier 1 capital ratio	772.191%	799.930%
Total capital ratio	<u>772.191%</u>	<u>799.930%</u>

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

Risk Type		Risk Weighted Assets	
		30 September 2022 RM'000	31 December 2021 RM'000
1	Credit risk	-	-
2	Market risk	-	-
3	Operational risk	4,290	4,318
Total		4,290	4,318

26. 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 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	166,270	166,270	-
	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>	166,270	166,270	-
	<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>	166,270	166,270	-

26. 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 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			4,290	
4	Total RWA			4,290	

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. 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 2021 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	261,312	261,312	-
	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>	261,312	261,312	-
	<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>	261,312	261,312	-

26. 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 2021 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			4,318
4	Total RWA			4,318

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. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 30 September 2022 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'000 166,270	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 166,270	RM'000 -
20%	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	-	-	-	-
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	166,270	-	-	-	-	-	-	-	-	-	166,270	-
Risk-Weighted Assets by Exposures	-	-	-	-	-	-	-	-	-	-	-	-
Average Risk Weight	0.0%	-	-	-	-	-	-	-	-	-	0.0%	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

26. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 31 December 2021 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'000 261,312	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 261,312	RM'000 -
20%	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	-	-	-	-
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	261,312	-	-	-	-	-	-	-	-	-	261,312	-
Risk-Weighted Assets by Exposures	-	-	-	-	-	-	-	-	-	-	-	-
Average Risk Weight	0.0%	-	-	-	-	-	-	-	-	-	0.0%	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-