

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

Unaudited Condensed Interim Financial Statements
for the Financial Period ended 31 March 2020



Consolidated Statements of Financial Position
As at 31 March 2020 - Unaudited

	Note	Group		Bank	
		31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Assets					
Cash and short term funds	12.1	4,971,785	3,749,550	4,971,785	3,749,550
Deposits and placements with banks and other financial institutions	12.2	109,995	199,993	109,995	199,993
Reverse repurchase agreements		250,255	400,307	250,255	400,307
Financial securities	13	1,904,815	1,467,364	1,904,815	1,467,364
Loans, advances and financing	14	3,350,122	2,974,983	3,350,122	2,974,983
Other assets	15	2,719,621	1,240,510	2,719,621	1,240,510
Tax recoverable		-	7,406	-	7,406
Statutory deposit with Bank Negara Malaysia		30,000	10,000	30,000	10,000
Investments in subsidiary companies		-	-	20	20
Property and equipment		2,290	2,538	2,290	2,538
Right-of-use assets		1,670	2,139	1,670	2,139
Deferred tax assets		30,853	29,697	30,853	29,697
Total assets		<u>13,371,406</u>	<u>10,084,487</u>	<u>13,371,426</u>	<u>10,084,507</u>
Liabilities and shareholders' funds					
Deposits from customers	16	6,624,169	5,331,773	6,624,189	5,331,793
Deposits and placements of banks and other financial institutions	17	2,180,740	1,249,128	2,180,740	1,249,128
Lease liabilities		1,895	2,157	1,895	2,157
Other liabilities	18	2,562,903	1,606,056	2,562,903	1,606,056
Taxation		16,778	-	16,778	-
Total liabilities		<u>11,386,485</u>	<u>8,189,114</u>	<u>11,386,505</u>	<u>8,189,134</u>
Share capital		531,362	531,362	531,362	531,362
Reserves		1,453,559	1,364,011	1,453,559	1,364,011
Shareholders' funds		<u>1,984,921</u>	<u>1,895,373</u>	<u>1,984,921</u>	<u>1,895,373</u>
Total liabilities and shareholders' funds		<u>13,371,406</u>	<u>10,084,487</u>	<u>13,371,426</u>	<u>10,084,507</u>
Commitments and contingencies	25	<u>96,888,325</u>	<u>88,963,721</u>	<u>96,888,325</u>	<u>88,963,721</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 2019.

**Consolidated Statements Of Profit Or Loss And Other Comprehensive Income
For The Financial Period Ended 31 March 2020 - Unaudited**

	Note	Group and Bank			
		1 st quarter ended 31 March 2020 RM'000	31 March 2019 RM'000	Three months ended 31 March 2020 RM'000	31 March 2019 RM'000
Interest income	19	71,605	75,068	71,605	75,068
Interest expense	20	(16,918)	(23,295)	(16,918)	(23,295)
Net interest income		<u>54,687</u>	<u>51,773</u>	<u>54,687</u>	<u>51,773</u>
Net income from Islamic Banking Operations	26	607	621	607	621
Non-interest income	21	94,820	79,149	94,820	79,149
Operating income		<u>150,114</u>	<u>131,543</u>	<u>150,114</u>	<u>131,543</u>
Other operating expenses	22	(31,653)	(33,793)	(31,653)	(33,793)
Operating profit		<u>118,461</u>	<u>97,750</u>	<u>118,461</u>	<u>97,750</u>
Allowance made for impairment	23	(177)	(47)	(177)	(47)
Profit before tax		<u>118,284</u>	<u>97,703</u>	<u>118,284</u>	<u>97,703</u>
Tax expense		(28,817)	(23,793)	(28,817)	(23,793)
Net profit for the period		<u>89,467</u>	<u>73,910</u>	<u>89,467</u>	<u>73,910</u>
Other comprehensive income:					
<i>Movement in fair value reserve (debt securities) :</i>					
Net change in fair value		(80)	92	(80)	92
Net amount transferred to profit or loss		187	(51)	187	(51)
Tax expense on other comprehensive income		(26)	(10)	(26)	(10)
Other comprehensive income for the period		<u>81</u>	<u>31</u>	<u>81</u>	<u>31</u>
Total comprehensive income for the period		<u>89,548</u>	<u>73,941</u>	<u>89,548</u>	<u>73,941</u>
Earnings per share (sen)		<u>51.5 sen</u>	<u>42.6 sen</u>	<u>51.5 sen</u>	<u>42.6 sen</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 2019.

Consolidated Statements Of Changes In Equity
For The Financial Period Ended 31 March 2020

Note	-----Attributable to owner of the Bank----->					
	Share capital RM'000	Non- distributable Other reserves RM'000	Distributable Retained profits RM'000	Total reserves RM'000	Proposed dividend RM'000	Total RM'000
Group and Bank						
At 1 January 2020	531,362	45,872	1,318,139	1,364,011	-	1,895,373
Net profit for the period	-	-	89,467	89,467	-	89,467
Other comprehensive income for the period	-	81	-	81	-	81
Total comprehensive income for the period	-	81	89,467	89,548	-	89,548
At 31 March 2020	531,362	45,953	1,407,606	1,453,559	-	1,984,921
At 1 January 2019	531,362	40,077	1,301,982	1,342,059	-	1,873,421
Net profit for the period	-	-	73,910	73,910	-	73,910
Other comprehensive income for the period	-	31	-	31	-	31
Total comprehensive income for the period	-	31	73,910	73,941	-	73,941
At 31 March 2019	531,362	40,108	1,375,892	1,416,000	-	1,947,362

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 2019.

**Condensed Consolidated Statements Of Cash Flows
For The Financial Period Ended 31 March 2020**

	Group and Bank	
	31 March 2020 RM'000	31 March 2019 RM'000
Profit before taxation	118,284	97,703
Adjustments for non-operating and non-cash items	742	788
Operating profit before working capital changes	119,026	98,491
Changes in working capital:		
Net changes in operating assets	(2,161,542)	110,094
Net changes in operating liabilities	3,180,855	523,325
Income tax paid	(18,396)	(21,217)
Tax refunds received	12,580	-
Net cash generated from operations	1,132,523	710,693
Cash flows from investing activities:		
Purchase of property and equipment	(4)	(16)
Net cash used in investing activities	(4)	(16)
Cash flows from financing activities:		
Payment of lease liabilities	(282)	(368)
Net cash used in financing activities	(282)	(368)
Net increase in cash and cash equivalents	1,132,237	710,309
Cash and cash equivalents at beginning of the period	3,949,543	2,168,551
Cash and cash equivalents at end of the period	5,081,780	2,878,860
Analysis of cash and cash equivalents:		
Cash and short-term funds	4,971,785	2,450,864
Deposits and placements with banks and other financial institutions	109,995	427,996
Cash and cash equivalents at end of the period	5,081,780	2,878,860

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 2019.

**Explanatory Notes To The Interim Financial Statements
For The Financial Period Ended 31 March 2020**

1. Basis of preparation

The unaudited interim financial statements for the financial period ended 31 March 2020 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 2019. 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 2019.

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 2019, 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 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements and MFRS 108, Accounting policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments – MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosure – Interest Rate Benchmark Reform*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

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*

1. Basis of preparation (continued)

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 2022 for the amendment, that is effective for annual periods beginning on or after 1 January 2022.

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 2021 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 2019 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 2020.

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 2020.

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 2020.

7. Dividend Paid

No dividend was paid during the financial period ended 31 March 2020. The final dividend recommended by the Directors in respect of the financial year ended 31 December 2019 is 127.9 sen per ordinary share totalling RM222,055,000 .

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 2020.

10. Review of Performance

The Bank recorded profit before taxation for the financial period ended 31 March 2020 of RM118.3 million compared to RM97.7 million for the previous corresponding period. Operating income increased by RM18.6 million (+14.1%) from RM131.5 million to RM150.1 million, mainly attributed to higher non-interest income of RM94.8 million against RM79.1 million in the previous corresponding period. Operating expenses decreased by RM2.1 million (-6.2%) from RM33.8 million to RM31.7 million mainly attributed to lower other administration and general expenses and personnel costs.

Total assets registered an increase of RM3.3 billion or 32.7% from RM10.1 billion as at 31 December 2019 to RM13.4 billion as at 31 March 2020. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 18.2% and 18.7%, respectively.

11. Prospects

In the first quarter of 2020, the Covid-19 outbreak had a huge impact on the global economy. It is very likely that the global economy will go into recession, due to the decrease in economic activity curtailed by the ongoing threat of the pandemic. The economy is projected to recover at the earliest in 2021, and even then, the recovery would only be partial. Any prediction beyond that is made difficult by the extreme uncertainty about the global growth forecast.

On the local front the Malaysian economy is experiencing a slowdown, mainly due to the impact of the Covid-19 outbreak. Bank Negara Malaysia (BNM) has projected Malaysia's economic growth (as measured by GDP) at between -2.0% to 0.5% in 2020. Exports have contracted due to a decrease in manufactured and commodities exports. The domestic financial markets experienced non-resident outflows amid the higher global risk aversion following the worsening of the outbreak.

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	
	31 March 2020 RM'000	31 December 2019 RM'000
Cash and balances with banks and other financial institutions	164,464	304,703
Money at call and deposit placements maturing within one month	4,807,321	3,444,847
	-----	-----
	4,971,785	3,749,550
	=====	=====

12.2 Deposits and placements with banks and other financial institutions

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Licensed bank	109,995	-
Other financial institutions	-	199,993
	-----	-----
	109,995	199,993
	=====	=====

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	2020				2019			
	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	116	-	-	116	219	-	-	219
Transfer to 12-month ECL	-	-	-	-	-	-	-	-
Transfer to lifetime ECL not credit-impaired	-	-	-	-	-	-	-	-
Transfer to lifetime ECL credit-impaired	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	73	-	-	73	(107)	-	-	(107)
New financial assets originated or purchased	19	-	-	19	19	-	-	19
Financial assets that have been derecognised	(19)	-	-	(19)	(15)	-	-	(15)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 31 March / 31 December	189	-	-	189	116	-	-	116

13. Financial securities

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Debt securities at FVTPL		
Malaysian Government Securities	703,222	485,124
Malaysian Investment Issue	310,409	301,966
Cagamas bonds	230,020	235,062
Negotiable instruments of deposits	100,000	150,009
	-----	-----
	1,343,651	1,172,161
	-----	-----
Debt securities at FVOCI		
Malaysian Government Securities	182,382	222,902
Malaysian Investment Issue	277,191	70,710
Negotiable instruments of deposits	100,000	-
	-----	-----
	559,573	293,612
	-----	-----
Equity investments at FVOCI		
Unquoted shares in Malaysia	1,591	1,591
	-----	-----
	1,904,815	1,467,364
	=====	=====

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	2020				2019			
	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	158	-	-	158	207	-	-	207
Transfer to 12-month ECL	-	-	-	-	-	-	-	-
Transfer to lifetime ECL not credit-impaired	-	-	-	-	-	-	-	-
Transfer to lifetime ECL credit-impaired	-	-	-	-	-	-	-	-
Net remeasurement of loss allowance	20	-	-	20	-	-	-	-
New financial assets originated or purchased	284	-	-	284	158	-	-	158
Financial assets that have been derecognised	(117)	-	-	(117)	(207)	-	-	(207)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 31 March / 31 December	345	-	-	345	158	-	-	158

14. Loans, advances and financing

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
<i>At amortised cost</i>		
Overdrafts	237,786	63,513
Term loans - housing loans	7,920	8,323
- other term loans	827,248	727,285
Bills receivable	82,111	127,861
Trust Receipt	171,530	171,530
Claims on customers under acceptance credits	2,047,817	1,905,015
Staff loans	46	52
	<u>3,374,458</u>	<u>3,003,579</u>
Unearned interest	(17,206)	(21,383)
	<u>3,357,252</u>	<u>2,982,196</u>
Gross loans, advances and financing		
Allowance for impaired loans and financing		
- Expected credit losses	(7,130)	(7,213)
	<u>3,350,122</u>	<u>2,974,983</u>
Net loans, advances and financing	<u>3,350,122</u>	<u>2,974,983</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	2020				2019			
	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	4,073	1,193	1,947	7,213	5,146	623	1,582	7,351
Transfer to 12-month ECL	181	-	(181)	-	247	(18)	(229)	-
Transfer to lifetime ECL not credit-impaired	(8)	8	-	-	(2)	2	-	-
Transfer to lifetime ECL credit-impaired	(114)	-	114	-	(613)	-	613	-
Net remeasurement of loss allowance	(616)	(170)	(33)	(819)	(864)	305	(19)	(578)
New financial assets originated or purchased	624	776	-	1,400	1,084	444	-	1,528
Financial assets that have been derecognised	(245)	(419)	-	(664)	(925)	(163)	-	(1,088)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 31 March / 31 December	3,895	1,388	1,847	7,130	4,073	1,193	1,947	7,213

* 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	
	31 March 2020 RM'000	31 December 2019 RM'000
Maturing within one year	3,063,329	2,804,093
More than one to three years	286,889	170,659
More than three to five years	1,269	1,266
More than five years	5,765	6,178
	<u>3,357,252</u>	<u>2,982,196</u>
	=====	=====

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

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Domestic non-bank financial institutions	420,362	410,306
Domestic business enterprises	2,674,466	2,361,447
Individuals	7,966	8,375
Government and statutory bodies	173,801	74,240
Foreign entities	80,657	127,828
	<u>3,357,252</u>	<u>2,982,196</u>
	=====	=====

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

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Fixed rate		
- Other fixed rate loan / financing	7,802	9,837
Variable rate		
- Base lending rate plus	254,176	225,194
- Cost-plus	3,083,204	2,735,059
- Other variable rates	12,070	12,106
	<u>3,357,252</u>	<u>2,982,196</u>
	=====	=====

14. Loans, advances and financing (continued)

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

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Malaysia	3,276,595	2,854,368
China	-	751
India	71,343	118,661
Turkey	1,982	1,763
Others	7,332	6,653
	<u>3,357,252</u> =====	<u>2,982,196</u> =====

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

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Mining and Quarrying	150,182	150,215
Manufacturing	745,177	460,813
Construction	190,782	203,901
Wholesale & retail trade and restaurants & hotels	434,616	326,070
Transport, storage and communication	1,016,582	1,080,433
Finance, insurance and business services	638,147	678,147
Education, health and others	173,801	74,240
Household	7,965	8,375
Others	-	2
	<u>3,357,252</u> =====	<u>2,982,196</u> =====

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

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Balance at 1 January	3,526	2,965
Classified as impaired during the period/ year	266	2,070
Reclassified as non-impaired during the period/ year	(344)	(648)
Amount recovered	(182)	(861)
At 31 March 2020 / 31 December 2019	<u>3,266</u> =====	<u>3,526</u> =====
Gross impaired loans as a percentage of gross loans, advances and financing	0.10% =====	0.12% =====

14. Loans, advances and financing (continued)

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

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Household (Malaysia)	3,266	3,526
	<u>3,266</u>	<u>3,526</u>
	=====	=====

15. Other assets

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Interest / Income receivable	19,071	14,658
Margin placed with exchange	-	1,611
Derivatives	1,719,622	884,393
Other debtors, deposits and prepayments	980,928	339,848
	<u>2,719,621</u>	<u>1,240,510</u>
	=====	=====

16. Deposits from customers

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Demand deposits	5,837,765	5,000,687	5,837,785	5,000,707
Savings deposits	109	102	109	102
Fixed deposits	377,541	123,389	377,541	123,389
Other deposits	408,754	207,595	408,754	207,595
	<u>6,624,169</u>	<u>5,331,773</u>	<u>6,624,189</u>	<u>5,331,793</u>
	=====	=====	=====	=====

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

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Due within six months	635,992	188,142
More than six months to one year	515	1,470
More than one year to five years	100	-
More than five years	149,688	141,372
	<u>786,295</u>	<u>330,984</u>
	=====	=====

16. Deposits from customers (continued)

The deposits are sourced from the following types of customers:

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Business enterprises	5,705,661	4,742,810	5,705,681	4,742,830
Individuals	359	405	359	405
Foreign customers	83,211	123,658	83,211	123,658
Others	834,938	464,900	834,938	464,900
	<u>6,624,169</u>	<u>5,331,773</u>	<u>6,624,189</u>	<u>5,331,793</u>
	=====	=====	=====	=====

17. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Other financial institutions	2,180,740	1,249,128
	<u>2,180,740</u>	<u>1,249,128</u>
	=====	=====

18. Other liabilities

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Interest payable	1,173	2,587
Bills payable	22,458	23,561
Derivatives	1,504,431	858,058
Employee benefits	18,614	22,023
Other liabilities	1,016,227	699,827
	<u>2,562,903</u>	<u>1,606,056</u>
	=====	=====

19. Interest income

	Group and Bank			
	1 st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	30,919	25,362	30,919	25,362
Money at call and deposit placements with financial institutions	21,190	21,098	21,190	21,098
Reverse repurchase agreements	1,052	608	1,052	608
Financial securities	18,432	27,953	18,432	27,953
Other interest income	12	47	12	47
	<u>71,605</u>	<u>75,068</u>	<u>71,605</u>	<u>75,068</u>
	=====	=====	=====	=====

20. Interest expense

	Group and Bank			
	1 st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	2,925	9,067	2,925	9,067
Deposits from customers	13,813	14,170	13,813	14,170
Repurchase agreement	15	19	15	19
Other interest expense	165	39	165	39
	<u>16,918</u>	<u>23,295</u>	<u>16,918</u>	<u>23,295</u>
	=====	=====	=====	=====

21. Non-interest income

	Group and Bank			
	1 st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commissions	1,611	2,143	1,611	2,143
Service charges and fees	6,307	7,650	6,307	7,650
Guarantee fees	690	867	690	867
	<u>8,608</u>	<u>10,660</u>	<u>8,608</u>	<u>10,660</u>
Fee expense:				
Commissions	(1,149)	(1,406)	(1,149)	(1,406)
Service charges and fees	(2,204)	(3,308)	(2,204)	(3,308)
	<u>(3,353)</u>	<u>(4,714)</u>	<u>(3,353)</u>	<u>(4,714)</u>
Net fee income	<u>5,255</u>	<u>5,946</u>	<u>5,255</u>	<u>5,946</u>
Net gains from financial instruments:				
Net gain arising from financial securities:				
Realised gain	28,765	16,408	28,765	16,408
Unrealised gain	2,094	4,026	2,094	4,026
Net gain/(loss) arising from derivatives:				
Realised loss	(20,997)	(13,596)	(20,997)	(13,596)
Unrealised revaluation gain/(loss)	172,002	(15,442)	172,002	(15,442)
Foreign exchange (loss)/gain	(90,934)	75,844	(90,934)	75,844
Other (loss) / income:				
Other operating (loss)/ income, net	(1,365)	5,963	(1,365)	5,963
	<u>89,565</u>	<u>73,203</u>	<u>89,565</u>	<u>73,203</u>
	<u>94,820</u>	<u>79,149</u>	<u>94,820</u>	<u>79,149</u>
	=====	=====	=====	=====

22. Other operating expenses

	Group and Bank			
	1 st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	11,115	11,139	11,115	11,139
- Others	2,010	2,936	2,010	2,936
Establishment costs				
- Rental	170	84	170	84
- Depreciation – property and equipment	252	281	252	281
- Depreciation – right-of-use assets	469	469	469	469
- Others	1,190	1,123	1,190	1,123
Marketing expenses	616	712	616	712
Administration and general expenses				
- Intercompany expenses	14,120	13,914	14,120	13,914
- Communication	378	433	378	433
- Others	1,333	2,702	1,333	2,702
	<u>31,653</u>	<u>33,793</u>	<u>31,653</u>	<u>33,793</u>
	=====	=====	=====	=====

The number of employees of the Group and the Bank at the end of the period was 194 (March 2019 – 195).

23. Allowance for impairment

	Group and Bank			
	1 st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Expected credit losses				
Written back / (allowance) for impairment				
- loans, advances and financing	83	(303)	83	(303)
- cash and cash equivalent	(73)	205	(73)	205
- debt securities at FVOCI	(187)	51	(187)	51
	<u>(177)</u>	<u>(47)</u>	<u>(177)</u>	<u>(47)</u>
	=====	=====	=====	=====

24. Capital adequacy

	Group and Bank	
	31 March 2020	31 December 2019
	RM'000	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	311	338
Retained profits	1,318,139	1,318,139
Less: Deferred tax assets	(29,697)	(29,697)
Total common equity tier 1 / Total tier 1 capital	<u>1,820,115</u>	<u>1,820,142</u>
Tier 2 capital		
Expected credit losses ("ECL")*	5,283	5,266
Regulatory reserve	45,000	45,000
Total capital base	<u>1,870,398</u>	<u>1,870,408</u>
	=====	=====
Common equity tier 1 / Tier 1 capital ratio	18.151%	19.423%
Total capital ratio	18.652%	19.959%
	=====	=====

* 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	
		31 March 2020 RM'000	31 December 2019 RM'000
1	Credit risk	6,160,038	5,399,155
2	Market risk	3,009,663	3,132,398
3	Operational risk	858,144	839,613
Total		10,027,845	9,371,166

24. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 March 2020 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	4,964,362	4,714,107	-
	Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,960,882	1,960,882	912,239
	Insurance Companies, Securities Firms and Fund Managers	-	-	-
	Corporates	2,914,324	2,914,324	2,914,008
	Regulatory Retail	-	-	-
	Residential Mortgages	4,660	4,660	1,631
	Higher Risk Assets	-	-	-
	Other Assets	435,325	435,325	434,433
	Equity Exposure	1,611	1,611	1,841
	Defaulted Exposures	1,419	1,419	1,419
	<i>Total On-Balance Sheet Exposures</i>	10,282,583	10,032,328	4,265,571
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	2,334,324	1,701,780	866,807
	Credit Derivatives	-	-	-
	Transaction related contingent Items	296,701	296,068	285,581
	Short Term Self Liquidating trade related contingencies	4,469	4,469	2,963
	Other commitments, such as formal standby facilities and credit lines	739,116	739,116	739,116
	<i>Total for Off-Balance Sheet Exposures</i>	3,374,610	2,741,433	1,894,467
	<i>Total On and Off- Balance Sheet Exposures</i>	13,657,193	12,773,761	6,160,038

24. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 March 2020 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	102,990,819	101,181,225	2,006,198
	Foreign Currency Risk	768,742	698,442	768,742
	Options	29,836	-	234,723
				3,009,663
3	Operational Risk			858,144
4	Total RWA			10,027,845

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 2019 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	3,657,800	3,257,493	-
	Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,374,986	1,374,986	642,924
	Insurance Companies, Securities Firms and Fund Managers	-	-	-
	Corporates	2,561,559	2,561,559	2,561,143
	Regulatory Retail	-	-	-
	Residential Mortgages	4,804	4,804	1,681
	Higher Risk Assets	-	-	-
	Other Assets	394,391	394,391	392,955
	Equity Exposure	1,611	1,611	1,841
	Defaulted Exposures	1,579	1,579	1,579
	<i>Total On-Balance Sheet Exposures</i>	<i>7,996,730</i>	<i>7,596,423</i>	<i>3,602,123</i>
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	1,772,932	1,386,942	768,379
	Credit Derivatives	-	-	-
	Transaction related contingent Items	259,757	258,924	246,797
	Short Term Self Liquidating trade related contingencies	15,074	15,074	13,516
	Other commitments, such as formal standby facilities and credit lines	768,340	768,340	768,340
	<i>Total for Off-Balance Sheet Exposures</i>	<i>2,816,103</i>	<i>2,429,280</i>	<i>1,797,032</i>
	<i>Total On and Off- Balance Sheet Exposures</i>	<i>10,812,833</i>	<i>10,025,703</i>	<i>5,399,155</i>

24. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category for at 31 December 2019 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	94,036,306	92,442,222	2,249,823
	Foreign Currency Risk	175,073	322,271	322,275
	Options	1,013	-	560,300
				3,132,398
3	Operational Risk			839,613
4	Total RWA			9,371,166

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 31 March 2020 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 4,881,730	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 892	RM'000 -	RM'000 4,882,622	RM'000 -
20%	-	-	623,426	1,894	-	-	-	-	-	-	625,320	125,064
35%	-	-	-	-	-	-	4,660	-	-	-	4,660	1,631
50%	-	-	2,424,401	-	31,692	-	-	-	-	-	2,456,093	1,228,047
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	8	20,102	4,347,493	-	1,419	-	434,433	1,591	4,805,046	4,805,046
1250%	-	-	-	-	-	-	-	-	-	20	20	250
Total Exposures	4,881,730	-	3,047,835	21,996	4,379,185	-	6,079	-	435,325	1,611	12,773,761	6,160,038
Risk-Weighted Assets by Exposures	-	-	1,336,894	20,481	4,363,340	-	3,049	-	434,433	1,841	6,160,038	
Average Risk Weight	0.0%	0.0%	43.9%	93.1%	99.6%	0.0%	50.2%	0.0%	99.8%	114.3%	48.2%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

24. Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights for 31 December 2019 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 3,304,607	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 1,436	RM'000 -	RM'000 3,306,043	RM'000 -
20%	-	-	482,216	1,894	-	-	-	-	-	-	484,110	96,822
35%	-	-	-	-	-	-	4,804	-	-	-	4,804	1,681
50%	-	-	1,828,768	-	31,880	-	-	-	-	-	1,860,648	930,324
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	18,605	3,955,348	-	1,579	-	392,955	1,591	4,370,078	4,370,078
1250%	-	-	-	-	-	-	-	-	-	20	20	250
Total Exposures	3,304,607	-	2,310,984	20,499	3,987,228	-	6,383	-	394,391	1,611	10,025,703	5,399,155
Risk-Weighted Assets by Exposures	-	-	1,010,827	18,984	3,971,288	-	3,260	-	392,955	1,841	5,399,155	
Average Risk Weight	0.0%	0.0%	43.7%	92.6%	99.6%	0.0%	51.1%	0.0%	99.6%	114.3%	53.9%	
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 2020 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000
Direct Credit Substitutes	-	-	-
Transaction Related Contingent Items	593,401	296,701	285,581
Short Term Self Liquidating Trade Related Contingencies	22,345	4,469	2,963
Foreign exchange related contracts			
One year or less	14,046,029	466,437	297,137
Over one year to five years	1,589,997	136,712	136,712
Over five years	310,475	31,048	15,524
Interest/Profit rate related contracts			
One year or less	201,504	1,670	789
Over one year to five years	215,000	7,785	4,021
Over five years	27,063	1,894	1,894
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	76,693,080	1,688,778	410,730
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	337,433	168,716	168,716
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	2,851,998	570,400	570,400
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	96,888,325	3,374,610	1,894,467

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 2019 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000
Direct Credit Substitutes	-	-	-
Transaction Related Contingent Items	519,514	259,757	246,797
Short Term Self Liquidating Trade Related Contingencies	75,372	15,074	13,516
Foreign exchange related contracts			
One year or less	13,110,350	282,876	235,748
Over one year to five years	1,705,634	159,315	159,315
Over five years	310,475	31,048	15,524
Interest/Profit rate related contracts			
One year or less	230,127	835	579
Over one year to five years	270,000	6,497	2,948
Over five years	27,063	1,894	1,894
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	69,441,961	1,290,467	352,371
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	378,985	189,492	189,492
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	2,894,240	578,848	578,848
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	88,963,721	2,816,103	1,797,032

26. The operations of Islamic Banking

Statement of Financial Position
As at 31 March 2020 – Unaudited

	Note	Bank	
		31 March 2020 RM'000	31 December 2019 RM'000
Assets			
Cash and short term funds	(a)	49,000	56,000
Financial securities	(b)	20,119	20,010
Other assets		5	66
Total assets		<u>69,124</u> =====	<u>76,076</u> =====
Liabilities and shareholders' funds			
Deposits from customer	(c)	30,233	35,196
Other liabilities	(d)	3,130	5,192
Tax payable		145	613
Total liabilities		<u>33,508</u> -----	<u>41,001</u> -----
Capital funds		25,000	25,000
Retained profits		10,616	10,075
Islamic banking funds		<u>35,616</u> -----	<u>35,075</u> -----
Total liabilities and Islamic banking funds		<u>69,124</u> =====	<u>76,076</u> =====
Commitments and contingencies		- =====	- =====

26. The operations of Islamic Banking (continued)

**Statement Of Profit Or Loss And Other Comprehensive Income
For The Financial Period Ended 31 March 2020 - Unaudited**

	1 st quarter ended		Bank Three months ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Income derived from investment of Islamic banking funds	607	621	607	621
Total net income	<u>607</u>	<u>621</u>	<u>607</u>	<u>621</u>
Other operating expenses	(3)	(5)	(3)	(5)
Operating profit	<u>604</u>	<u>616</u>	<u>604</u>	<u>616</u>
Allowance made for impairment	(1)	-	(1)	-
Profit before tax	<u>603</u>	<u>616</u>	<u>603</u>	<u>616</u>
Taxation	(145)	(148)	(145)	(148)
Profit for the period	<u>458</u>	<u>468</u>	<u>458</u>	<u>468</u>
Other comprehensive income:				
<i>Movement in fair value reserve (debt securities) :</i>				
Net change in fair value	108	-	108	-
Net amount transferred to profit or loss	1	-	1	-
Tax expense on other comprehensive income	(26)	-	(26)	-
Other comprehensive income for the period	<u>83</u>	<u>-</u>	<u>83</u>	<u>-</u>
Total comprehensive income for the period	<u>541</u>	<u>-</u>	<u>541</u>	<u>-</u>

26. The operations of Islamic Banking (continued)

Statement Of Changes In Islamic Banking Funds
For The Financial Period Ended 31 March 2020

Bank	Capital funds RM'000	Other reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2020	25,000	19	10,056	35,075
Net profit for the period	-	-	458	458
Other comprehensive income for the period	-	83	-	83
Total comprehensive income for the period	-	83	458	541
At 31 March 2020	25,000	102	10,514	35,616
=====				
	Capital funds RM'000	Other reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2019	25,000	-	10,643	35,643
Net profit for the period	-	-	468	468
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	468	468
At 31 March 2019	25,000	-	11,111	36,111
=====				

26. The operations of Islamic Banking (continued)

Statement Of Cash Flows
For The Financial Period Ended 31 March 2020

	Bank	
	31 March 2020 RM'000	31 March 2019 RM'000
Cash flows from operating activities		
Profit before taxation	603	616
Operating profit before working capital changes	603	616
Changes in working capital:		
Net changes in operating assets	35	(17)
Net changes in operating liabilities	(7,025)	2,133
Income taxes paid	(613)	(798)
Net cash (used in) / generated from operations	(7,000)	1,934
Net (decrease)/increase in cash and cash equivalents	(7,000)	1,934
Cash and cash equivalents at beginning of period	56,000	94,593
Cash and cash equivalents at end of period	49,000	96,527
Analysis of cash and cash equivalents:		
Cash and short term funds	49,000	96,527

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 Hussein Hamed Sayed Hassan, Dr Muhammad Qaseem and Dr 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 2020 RM'000	31 December 2019 RM'000
Cash and balances with banks and other financial institutions	49,000 =====	56,000 =====

(b) Financial securities

	Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Debt securities at FVOCI Malaysian Investment Issue	20,119 =====	20,010 =====

26. The operations of Islamic Banking (continued)

(c) Deposits from customer

	Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Non-Mudharabah		
Demand deposits	30,233	35,196
	=====	=====

(d) Other liabilities

	Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Bills payable	31	12
Others	3,099	5,180
	-----	-----
	3,130	5,192
	=====	=====

26. The operations of Islamic Banking (continued)

(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:

	Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Components of Tier I and Tier II capital are as follows:-		
Tier 1 capital		
Capital funds	25,000	25,000
Other disclosed reserves	46	9
Retained profits	10,056	10,056
Total common equity tier 1/ Total tier 1 capital	35,102	35,065
Total Tier 2 capital	-	-
Capital base	35,102	35,065
Common equity tier 1 / Tier 1 capital ratio	620.574%	618.362%
Total capital ratio	620,574%	618.362%

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

Risk Type		Risk Weighted Assets	
		31 March 2020 RM'000	31 December 2019 RM'000
1	Credit risk	2	-
2	Market risk	-	-
3	Operational risk	5,654	5,671
Total		5,656	5,671

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 March 2020 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	69,122	69,122	-
	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	2	2	2
	Equity Exposure	-	-	-
	Defaulted Exposures	-	-	-
	<i>Total On-Balance Sheet Exposures</i>	69,124	69,124	2
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	-	-	-
	Credit Derivatives	-	-	-
	<i>Total for Off-Balance Sheet Exposures</i>	-	-	-
	Total On and Off- Balance Sheet Exposures	69,124	69,124	2

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 March 2020 are as follows (continued):

RISK TYPE		Gross Exposures		Risk Weighted Assets
		RM'000		RM'000
		Long Position	Short Position	
2	Market Risk			
	Interest Rate Risk	-	-	-
	Foreign Currency Risk	-	-	-
	Options	-	-	-
				-
3	Operational Risk			5,654
4	Total RWA			5,656

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 2019 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	76,076	76,076	-
	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>	76,076	76,076	-
	<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>	76,076	76,076	-

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 2019 are as follows (continued):

RISK TYPE		Gross Exposures		Risk Weighted Assets
		RM'000		RM'000
2	Market Risk			
	Interest Rate Risk	-	-	-
	Foreign Currency Risk	-	-	-
	Options	-	-	-
				-
3	Operational Risk			5,671
4	Total RWA			5,671

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 31 March 2020 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 69,122	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 69,122	RM'000 -
20%	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	-	-	-	-
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	2	-	2	2
150%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	69,122	-	-	-	-	-	-	-	2	-	69,124	2
Risk-Weighted Assets by Exposures	-	-	-	-	-	-	-	-	-	-	-	-
Average Risk Weight	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	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 2019 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 76,076	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 76,076	RM'000 -
20%	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	-	-	-	-	-	-	-	-	-	-
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	76,076	-	-	-	-	-	-	-	-	-	76,076	-
Risk-Weighted Assets by Exposures	-	-	-	-	-	-	-	-	-	-	-	-
Average Risk Weight	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-