

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 June 2022



Consolidated Statements of Financial Position
As at 30 June 2022 – Unaudited

| | Note | Group | | Bank | |
|---|------|------------------------------|----------------------------------|------------------------------|----------------------------------|
| | | 30 June 2022 RM'000 | 31 December 2021 RM'000 | 30 June 2022 RM'000 | 31 December 2021 RM'000 |
| Assets | | | | | |
| Cash and short-term funds | 12.1 | 4,748,100 | 3,344,852 | 4,748,100 | 3,344,852 |
| Deposits and placements with banks and other financial institutions | 12.2 | 499,988 | 377,598 | 499,988 | 377,598 |
| Reverse repurchase agreements | | 47,288 | 50,723 | 47,288 | 50,723 |
| Financial securities | 13 | 2,008,525 | 2,329,768 | 2,008,525 | 2,329,768 |
| Loans, advances and financing | 14 | 2,641,024 | 2,429,462 | 2,641,024 | 2,429,462 |
| Derivative assets | | 1,328,587 | 813,346 | 1,328,587 | 813,346 |
| Other assets | 15 | 340,332 | 214,065 | 340,332 | 214,065 |
| Tax recoverable | | 22,909 | 21,513 | 22,909 | 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 | | 2,216 | 2,683 | 2,216 | 2,683 |
| Right-of-use assets | | 5,460 | 5,996 | 5,460 | 5,996 |
| Deferred tax assets | | 29,792 | 25,283 | 29,792 | 25,283 |
| Total assets | | 11,694,221 | 9,635,289 | 11,694,241 | 9,635,309 |
| Liabilities and equity | | | | | |
| Deposits from customers | 16 | 7,356,267 | 6,034,313 | 7,356,287 | 6,034,333 |
| Deposits and placements of banks and other financial institutions | 17 | 504,205 | 525,433 | 504,205 | 525,433 |
| Lease liabilities | | 6,658 | 7,154 | 6,658 | 7,154 |
| Derivative liabilities | | 1,089,911 | 730,664 | 1,089,911 | 730,664 |
| Other liabilities | 18 | 893,631 | 542,157 | 893,631 | 542,157 |
| Total liabilities | | 9,850,672 | 7,839,721 | 9,850,692 | 7,839,741 |
| Equity | | | | | |
| Share capital | | 531,362 | 531,362 | 531,362 | 531,362 |
| Reserves | | 1,202,801 | 1,264,206 | 1,202,801 | 1,264,206 |
| Proposed dividend | | 109,386 | - | 109,386 | - |
| Total equity attributable to owner of the Bank | | 1,843,549 | 1,795,568 | 1,843,549 | 1,795,568 |
| Total liabilities and equity | | 11,694,221 | 9,635,289 | 11,694,241 | 9,635,309 |
| Commitments and contingencies | 26 | 104,449,123 | 82,107,161 | 104,449,123 | 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 June 2022 - Unaudited

| | Note | Group and Bank | | | |
|---|------|---------------------------|---------------------------|---------------------------|---------------------------|
| | | Half year ended | | Three months ended | |
| | | 30 June 2022 RM'000 | 30 June 2021 RM'000 | 30 June 2022 RM'000 | 30 June 2021 RM'000 |
| Interest income | 19 | 96,555 | 88,171 | 51,633 | 43,622 |
| Interest expense | 20 | (12,945) | (11,607) | (7,141) | (7,076) |
| Net interest income | | 83,610 | 76,564 | 44,492 | 36,546 |
| Net income from Islamic Banking Operations | 27 | 1,270 | 1,029 | 594 | 526 |
| Non-interest income | 21 | 76,740 | 67,047 | 50,306 | 48,636 |
| Operating income | | 161,620 | 144,640 | 95,392 | 85,708 |
| Other operating expenses | 22 | (78,521) | (76,417) | (41,084) | (39,112) |
| Operating profit | | 83,099 | 68,223 | 54,308 | 46,596 |
| Allowance written back for impairment | 23 | 489 | 1,458 | 228 | 467 |
| Profit before tax | | 83,588 | 69,681 | 54,536 | 47,063 |
| Tax expense | | (21,079) | (14,880) | (13,577) | (11,031) |
| Net profit for the period | | 62,509 | 54,801 | 40,959 | 36,032 |
| Other comprehensive (loss)/income: <i>Movement in fair value reserve (debt securities):</i> | | | | | |
| Net change in fair value | | (19,179) | (7,283) | (15,623) | 2,693 |
| Net amount transferred to profit or loss | | 63 | (80) | 153 | (294) |
| Tax expense on other comprehensive income | | 4,588 | 1,767 | 3,713 | (576) |
| Total other comprehensive (loss)/ income for the period | | (14,528) | (5,596) | (11,757) | 1,823 |
| Total comprehensive income for the period | | 47,981 | 49,205 | 29,202 | 37,855 |
| Earnings per share (sen) | | 36.0 sen | 31.6 sen | 23.6 sen | 20.8 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 June 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 | | |
| At 1 January 2022 | | 531,362 | 41,553 | 1,222,653 | - | 1,795,568 |
| Net profit for the period | | - | - | 62,509 | - | 62,509 |
| Other comprehensive loss for the period | | - | (14,528) | - | - | (14,528) |
| Total comprehensive income for the period | | - | (14,528) | 62,509 | - | 47,981 |
| Proposed dividend | | - | - | (109,386) | 109,386 | - |
| At 30 June 2022 | | 531,362 | 27,025 | 1,175,776 | 109,386 | 1,843,549 |
| At 1 January 2021 | | 531,362 | 58,579 | 1,381,985 | - | 1,971,926 |
| Net profit for the period | | - | - | 54,801 | - | 54,801 |
| Other comprehensive loss for the period | | - | (5,596) | - | - | (5,596) |
| Total comprehensive income for the period | | - | (5,596) | 54,801 | - | 49,205 |
| Proposed dividend | | - | - | (268,718) | 268,718 | - |
| At 30 June 2021 | | 531,362 | 52,983 | 1,168,068 | 268,718 | 2,021,131 |

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 June 2022

| | Group and Bank | |
|--|---------------------------|---------------------------|
| | 30 June 2022 RM'000 | 30 June 2021 RM'000 |
| Profit before taxation | 83,588 | 69,681 |
| Adjustments for non-operating and non-cash items | 1,151 | 1,477 |
| Operating profit before working capital changes | 84,739 | 71,158 |
| Changes in working capital | | |
| Net changes in operating assets | (547,509) | (127,332) |
| Net changes in operating liabilities | 2,011,447 | (1,101,474) |
| Income tax paid | (22,396) | (40,729) |
| Net cash generated from / (used in) operations | 1,526,281 | (1,198,377) |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (21) | (574) |
| Proceeds from redemption of shares | - | 61 |
| Net cash used in investing activities | (21) | (513) |
| Cash flows from financing activities: | | |
| Payment of lease liabilities | (622) | (737) |
| Net cash used in financing activities | (622) | (737) |
| Net increase / (decrease) in cash and cash equivalents | 1,525,638 | (1,199,627) |
| Cash and cash equivalents at beginning of the period | 3,722,450 | 5,153,270 |
| Cash and cash equivalents at end of the period | 5,248,088 | 3,953,643 |
| Analysis of cash and cash equivalents: | | |
| Cash and short-term funds | 4,748,100 | 3,953,643 |
| Deposits and placement with banks and other financial institutions | 499,988 | - |
| Cash and Cash equivalents at the end of the period | 5,248,088 | 3,953,643 |

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 June 2022

1. Basis of preparation

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

7. Dividend Paid

No dividend was paid during the financial period ended 30 June 2022. The final dividend recommended by the Directors in respect of the financial year ended 31 December 2021 is 63.0 sen per ordinary share totalling RM109,386,000. The shareholders approved the proposed dividend, and the dividend is expected to be 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 June 2022.

10. Review of Performance

The Bank recorded profit before tax for the financial period ended 30 June 2022 of RM83.6 million compared to RM69.7 million for the previous corresponding period. Operating income increased by RM17.0 million (+11.8%) from RM144.6 million to RM161.6 million, mainly attributed to higher non-interest income of RM76.7 million against RM67.0 million in the previous corresponding period. Net interest income increased by RM7.0 million (+9.1%) from RM76.6 million to RM83.6 million, mainly attributed to higher interest income earned from financial securities of RM32.4 million against RM22.1 million in the previous corresponding period, offset by lower interest income earned from deposits placements and reverse repurchase agreements of RM29.2 million compared to RM33.0 million in the previous corresponding period.

Total assets registered an increase of RM2.1 billion or (+21.9%) from RM9.6 billion as at 31 December 2021 to RM11.7 billion as at 30 June 2022. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 21.8% and 22.5%, respectively.

11. Prospects

Similar to the first quarter of the year, the economic outlook for the second quarter of 2022 also increasingly looking uncertain. Such a gloomy outlook can be mainly attributed to the continuing effects of the Covid-19 epidemic, as well as the on-going war in Ukraine, which is entering its fifth month. This has had an inflationary effect on commodities and energy, and as uncertainty about supply disruptions has grown, this effect is beginning to be seen in the prices of other items as well. As such, most of the world's central banks have been tightening monetary policy. Most notably, there have been an increase in rates by the US Fed and the ECB, in an attempt to dampen the impact of increasing inflation. However, this has the risk of tipping the economy into recession, with many organisations such as the OECD and WTO warning of a darkening economic outlook leading into 2023.

The Malaysian economy was expected to improve in 2022, driven by increased domestic demand, resulting from loosening of Covid-19 precautionary restrictions. However, it isn't entirely immune to the shocks to the global economy, and inflation has been felt locally as well. In line with the actions of central banks worldwide, BNM have increased the OPR by 25 basis points in May 2022. Although BNM is expecting the Malaysian economy to improve further in 2022, it is difficult to overlook the uncertainty of the global economic outlook, especially if there are further disruptions due to the continued conflict or other causes.

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 June 2022 RM'000 | 31 December 2021 RM'000 |
| Cash and balances with banks and other financial institutions | 311,029 | 162,051 |
| Money at call and deposit placements maturing within one month | <u>4,437,071</u> | <u>3,182,801</u> |
| | <u>4,748,100</u> | <u>3,344,852</u> |

12.2 Deposits and placements with banks and other financial institutions

| | Group and Bank | |
|------------------------------|---------------------------|-------------------------------|
| | 30 June 2022 RM'000 | 31 December 2021 RM'000 |
| Other financial institutions | <u>499,988</u> | <u>377,598</u> |
| | <u>499,988</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 | (11) | - | - | (11) | (59) | - | - | (59) |
| New financial assets originated or purchased | 22 | - | - | 22 | 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 June / 31 December | 31 | - | - | 31 | 32 | - | - | 32 |

13. Financial securities

| | Group and Bank | |
|------------------------------------|---------------------------|-------------------------------|
| | 30 June 2022 RM'000 | 31 December 2021 RM'000 |
| Debt securities at FVTPL | | |
| Malaysian Government Securities | 326,495 | 461,956 |
| Malaysian Investment Issue | 265,162 | 237,812 |
| Treasury Bills | 41,474 | - |
| Cagamas bonds | - | 150,002 |
| | <u>633,131</u> | <u>849,770</u> |
| Debt securities at FVOCI | | |
| Malaysian Government Securities | 712,311 | 776,231 |
| Malaysian Investment Issue | 642,225 | 687,971 |
| Corporate bonds | 5,062 | - |
| | <u>1,359,598</u> | <u>1,464,202</u> |
| Equity investments at FVOCI | | |
| Unquoted shares in Malaysia | 15,796 | 15,796 |
| | <u>2,008,525</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 | 62 | - | - | 62 | 159 | - | - | 159 |
| New financial assets originated or purchased | 28 | - | - | 28 | 296 | - | - | 296 |
| Financial assets that have been derecognised | (27) | - | - | (27) | (78) | - | - | (78) |
| Write-offs | - | - | - | - | - | - | - | - |
| Recoveries of amounts previously written off | - | - | - | - | - | - | - | - |
| Changes in models/risk parameters | - | - | - | - | - | - | - | - |
| Other movements | - | - | - | - | - | - | - | - |
| Balance at 30 June / 31 December | 657 | - | - | 657 | 594 | - | - | 594 |

14. Loans, advances and financing

| | Group and Bank | |
|--|---------------------------|-------------------------------|
| | 30 June 2022 RM'000 | 31 December 2021 RM'000 |
| <i>At amortised cost</i> | | |
| Overdrafts | 129,290 | 92,359 |
| Term loans - housing loans | 5,287 | 6,053 |
| - Other term loans | 1,361,413 | 1,068,430 |
| Bill receivable | 140,530 | 179,784 |
| Trust Receipt | 173,987 | 230,131 |
| Claims on customers under acceptance credits | 840,745 | 861,007 |
| Staff loans | - | 4 |
| | <u>2,651,252</u> | <u>2,437,768</u> |
| Unearned interest | (5,294) | (2,821) |
| Gross loans, advances and financing | <u>2,645,958</u> | <u>2,434,947</u> |
| Allowance for impaired loans and financing | | |
| - Expected credit losses | (4,934) | (5,485) |
| Net loans, advances and financing | <u>2,641,024</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 | 178 | - | (178) | - | 75 | - | (75) | - |
| Transfer to lifetime ECL not credit-impaired | - | - | - | - | - | - | - | - |
| Transfer to lifetime ECL credit-impaired | (33) | - | 33 | - | (405) | - | 405 | - |
| Net remeasurement of loss allowance | (123) | (135) | (129) | (387) | (350) | (1,135) | (202) | (1,687) |
| New financial assets originated or purchased | 737 | 330 | - | 1,067 | 932 | 478 | - | 1,410 |
| Financial assets that have been derecognised | (754) | (477) | - | (1,231) | (903) | (1,418) | - | (2,321) |
| Write-offs | - | - | - | - | - | - | - | - |
| Recoveries of amounts previously written off | - | - | - | - | - | - | - | - |
| Changes in models/risk parameters | - | - | - | - | - | - | - | - |
| Other movements | - | - | - | - | - | - | - | - |
| Balance at 30 June / 31 December | 2,578 | 744 | 1,612 | 4,934 | 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 June | 31 December |
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Maturing within one year | 2,326,638 | 2,138,436 |
| More than one year and three years | 290,666 | 263,402 |
| More than three years to five years | 26,752 | 30,247 |
| Over five years | 1,902 | 2,862 |
| | <u>2,645,958</u> | <u>2,434,947</u> |

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

| | Group and Bank | |
|--|------------------|------------------|
| | 30 June | 31 December |
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Domestic banking institutions | - | 2,688 |
| Domestic non-bank financial institutions | 230,520 | 175,713 |
| Domestic business enterprises | 2,025,672 | 1,833,762 |
| Individuals | 5,287 | 6,057 |
| Government and statutory bodies | 245,660 | 247,476 |
| Foreign entities | 138,819 | 169,251 |
| | <u>2,645,958</u> | <u>2,434,947</u> |

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

| | Group and Bank | |
|-------------------------------------|------------------|------------------|
| | 30 June | 31 December |
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Fixed rate | | |
| - Other fixed rate loan / financing | 108,079 | 123,567 |
| Variable rate | | |
| - Base lending rate plus | 388,191 | 373,412 |
| - Cost-plus | 1,928,175 | 1,654,311 |
| - Other variable rates | 221,513 | 283,657 |
| | <u>2,645,958</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 June | 31 December |
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Malaysia | 2,507,139 | 2,265,696 |
| China | 7,067 | 4,240 |
| India | 7,459 | 46,436 |
| Turkey | 118,387 | 115,324 |
| Others | 5,906 | 3,251 |
| | <u>2,645,958</u> | <u>2,434,947</u> |

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

| | Group and Bank | |
|---|------------------|------------------|
| | 30 June | 31 December |
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Mining and Quarrying | 152,187 | 150,147 |
| Manufacturing | 731,535 | 661,249 |
| Construction | 181,834 | 165,353 |
| Wholesale & retail trade and restaurants & hotels | 418,187 | 513,278 |
| Transport, storage and communication | 467,002 | 317,492 |
| Finance, insurance and business services | 444,266 | 373,895 |
| Education, health and others | 245,660 | 247,476 |
| Household | 5,287 | 6,057 |
| | <u>2,645,958</u> | <u>2,434,947</u> |

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

| | Group and Bank | |
|---|----------------|--------------|
| | 30 June | 31 December |
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Balance at 1 January | 3,258 | 3,000 |
| Classified as impaired during the period/year | 329 | 1,293 |
| Reclassified as non-impaired during the period/year | (562) | (520) |
| Amount recovered | (304) | (515) |
| At 30 June 2022 / 31 December 2021 | <u>2,721</u> | <u>3,258</u> |
| Gross impaired loans as a percentage of gross loans, advances and financing | <u>0.10%</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 June | 31 December |
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Household (Malaysia) | 2,721 | 3,258 |

15. Other assets

| | Group and Bank | |
|---|----------------|----------------|
| | 30 June | 31 December |
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Interest/Income receivable | 23,792 | 24,686 |
| Margin placed with exchange | 21,807 | 5,842 |
| Other debtors, deposits and prepayments | 294,733 | 183,537 |
| | <u>340,332</u> | <u>214,065</u> |

16. Deposits from customers

| | Group | | Bank | |
|------------------|------------------|------------------|------------------|------------------|
| | 30 June | 31 December | 30 June | 31 December |
| | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Demand deposits | 6,716,755 | 5,636,004 | 6,716,775 | 5,636,024 |
| Savings deposits | 12 | 12 | 12 | 12 |
| Fixed deposits | 153,320 | 138,491 | 153,320 | 138,491 |
| Other deposits | 486,180 | 259,806 | 486,180 | 259,806 |
| | <u>7,356,267</u> | <u>6,034,313</u> | <u>7,356,287</u> | <u>6,034,333</u> |

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

| | Group and Bank | |
|-------------------------------------|----------------|----------------|
| | 30 June | 31 December |
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Due within six months | 447,285 | 222,651 |
| More than six months to one year | 9,263 | 910 |
| More than one year to three years | - | 100 |
| More than three years to five years | 182,952 | 174,636 |
| | <u>639,500</u> | <u>398,297</u> |

16. Deposits from customers (continued)

The deposits are sourced from the following types of customers:

| | Group | | Bank | |
|----------------------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | 30 June 2022 RM'000 | 31 December 2021 RM'000 | 30 June 2022 RM'000 | 31 December 2021 RM'000 |
| Business enterprises | 5,734,564 | 5,104,111 | 5,734,584 | 5,104,131 |
| Individuals | 272 | 224 | 272 | 224 |
| Foreign customers | 127,822 | 69,228 | 127,822 | 69,228 |
| Others | 1,493,609 | 860,750 | 1,493,609 | 860,750 |
| | <u>7,356,267</u> | <u>6,034,313</u> | <u>7,356,287</u> | <u>6,034,333</u> |

17. Deposits and placements of banks and other financial institutions

| | Group and Bank | |
|------------------------------|---------------------------|-------------------------------|
| | 30 June 2022 RM'000 | 31 December 2021 RM'000 |
| Licensed bank | 6,241 | - |
| Other financial institutions | 497,964 | 525,433 |
| | <u>504,205</u> | <u>525,433</u> |

18. Other liabilities

| | Group and Bank | |
|-------------------|---------------------------|-------------------------------|
| | 30 June 2022 RM'000 | 31 December 2021 RM'000 |
| Interest payable | 739 | 628 |
| Bills payable | 31,046 | 11,989 |
| Employee benefits | 16,269 | 23,609 |
| Other liabilities | 845,577 | 505,931 |
| | <u>893,631</u> | <u>542,157</u> |

19. Interest income

| | Group and Bank | | | |
|---|-----------------|---------------|--------------------|---------------|
| | Half year ended | | Three months ended | |
| | 30 June | 30 June | 30 June | 30 June |
| | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Loans, advances and financing | 34,906 | 33,086 | 18,761 | 16,698 |
| Money at call and deposit placements with financial institutions | 27,925 | 30,626 | 16,778 | 14,986 |
| Reverse repurchase agreements | 1,279 | 2,388 | 771 | 1,549 |
| Financial securities | 32,439 | 22,071 | 15,317 | 10,389 |
| Other interest income | 6 | - | 6 | - |
| | <u>96,555</u> | <u>88,171</u> | <u>51,633</u> | <u>43,622</u> |

20. Interest expense

| | Group and Bank | | | |
|--|-----------------|---------------|--------------------|--------------|
| | Half year ended | | Three months ended | |
| | 30 June | 30 June | 30 June | 30 June |
| | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Deposits and placements of banks and other financial institutions | 2,260 | 1,883 | 1,113 | 1,087 |
| Deposits from customers | 10,547 | 9,614 | 5,956 | 5,894 |
| Repurchase agreement | 9 | 11 | 9 | - |
| Other interest expense | 129 | 99 | 63 | 95 |
| | <u>12,945</u> | <u>11,607</u> | <u>7,141</u> | <u>7,076</u> |

21. Non-interest income

| | Group and Bank | | | |
|--|-----------------|----------------|--------------------|----------------|
| | Half year ended | | Three months ended | |
| | 30 June | 30 June | 30 June | 30 June |
| | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Fee income: | | | | |
| Commissions | 5,132 | 4,188 | 2,932 | 2,393 |
| Service charges and fees | 9,097 | 10,173 | 4,607 | 5,104 |
| Guarantee fees | 1,361 | 1,399 | 462 | 807 |
| | <u>15,590</u> | <u>15,760</u> | <u>8,001</u> | <u>8,304</u> |
| Fee expense: | | | | |
| Commissions | (1,922) | (1,876) | (937) | (853) |
| Service charges and fees | (1,840) | (1,590) | (967) | (811) |
| | <u>(3,762)</u> | <u>(3,466)</u> | <u>(1,904)</u> | <u>(1,664)</u> |
| Net fee income | <u>11,828</u> | <u>12,294</u> | <u>6,097</u> | <u>6,640</u> |
| Net gains from financial instruments: | | | | |
| Net (loss)/gain arising on financial securities: | | | | |
| Realised loss | (27,228) | (33,811) | (19,299) | (7,956) |
| Unrealised (loss)/gain | (437) | (1,662) | 3,407 | 14,552 |
| Net gain/(loss) arising on trading derivatives: | | | | |
| Realised (loss)/gain | (28,250) | 48,046 | (14,262) | 76,179 |
| Unrealised gain/(loss) | 148,282 | 59,826 | 142,939 | (27,026) |
| Foreign exchange loss | (31,395) | (15,384) | (72,297) | (11,645) |
| Gain on instruments at FVOCI | - | 2 | - | - |
| Gross dividend income | 101 | 85 | 101 | 85 |
| Other income/(loss): | | | | |
| Other operating income/(loss), net | <u>3,839</u> | <u>(2,349)</u> | <u>3,620</u> | <u>(2,193)</u> |
| | <u>64,912</u> | <u>54,753</u> | <u>44,209</u> | <u>41,996</u> |
| | <u>76,740</u> | <u>67,047</u> | <u>50,306</u> | <u>48,636</u> |

22. Other operating expenses

| | Group and Bank | | | |
|---|-----------------|---------------|--------------------|---------------|
| | Half year ended | | Three months ended | |
| | 30 June | 30 June | 30 June | 30 June |
| | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Personnel costs | | | | |
| - Salaries, allowances and bonuses | 20,636 | 23,671 | 10,326 | 12,357 |
| - Others | 5,100 | 5,521 | 2,410 | 2,719 |
| Establishment costs | | | | |
| - Rental | 407 | 593 | 225 | 296 |
| - Depreciation - property and equipment | 488 | 490 | 244 | 263 |
| - Depreciation - right-of-use assets | 536 | 895 | 240 | 434 |
| - Others | 3,575 | 2,957 | 2,621 | 912 |
| Marketing expenses | 666 | 708 | 252 | 240 |
| Administration and general expenses | | | | |
| - Intercompany charges | 43,259 | 37,742 | 22,573 | 19,979 |
| - Communication | 477 | 671 | 172 | 389 |
| - Others | 3,377 | 3,169 | 2,021 | 1,523 |
| | <u>78,521</u> | <u>76,417</u> | <u>41,084</u> | <u>39,112</u> |

The number of employees of the Group and the Bank at the end of the period was 173 (June 2022 – 197).

23. Allowance for impairment

| | Group and Bank | | | |
|---------------------------------------|-----------------|--------------|--------------------|------------|
| | Half year ended | | Three months ended | |
| | 30 June | 30 June | 30 June | 30 June |
| | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Expected credit losses | | | | |
| Allowance written back for impairment | | | | |
| - loans, advances and financing | 551 | 1,295 | 394 | 175 |
| - cash and cash equivalents | 1 | 80 | (13) | (6) |
| - debt securities at FVOCI | (63) | 83 | (153) | 298 |
| | <u>489</u> | <u>1,458</u> | <u>228</u> | <u>467</u> |

24. Credit transactions and exposures with connected parties

| | Group and Bank | |
|---|---------------------------|-------------------------------|
| | 30 June 2022 RM'000 | 31 December 2021 RM'000 |
| Outstanding credit exposures with connected parties | 236,633 | 105,876 |
| Of which: | | |
| Total credit exposures which is non-performing | - | - |
| Total credit exposures | <u>12,781,228</u> | <u>10,493,659</u> |
| Percentage of outstanding credit exposures to connected parties | | |
| - as a proportion of total credit exposures | 1.85% | 1.01% |
| - as a proportion of capital base which is non-performing | 13.46% | 5.97% |
| | 0% | 0% |

25. Capital adequacy

| | Group and Bank | |
|---|---------------------------|---|
| | 30 June 2022 RM'000 | 31 December 2021 RM'000 Restated |
| 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 | (18,474) | (3,898) |
| Retained profits | 1,222,653 | 1,222,653 |
| Less: Deferred tax assets | (25,283) | (25,283) |
| Total common equity tier 1/Total tier 1 capital | <u>1,710,258</u> | <u>1,724,834</u> |
| Tier 2 capital | | |
| Expected credit losses ("ECL")* | 3,322 | 3,599 |
| Regulatory reserve | 45,000 | 45,000 |
| Total capital base | <u>1,758,580</u> | <u>1,773,433</u> |
| Common equity tier 1/Tier 1 capital ratio | 21.848% | 23.761% |
| Total capital ratio | <u>22.465%</u> | <u>24.431%</u> |

* Refers to ECL for Stage 1 and Stage 2.

25. Capital adequacy (continued)

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

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

The CCyB which is in a range of between 0% and 2.5% 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 June 2022 RM'000 | 31 December 2021 RM'000 |
| 1 | Credit risk | 5,564,594 | 4,640,612 |
| 2 | Market risk | 1,520,358 | 1,815,354 |
| 3 | Operational risk | 743,043 | 802,999 |
| Total | | 7,827,995 | 7,258,965 |

26. Commitments and contingencies

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

| 30 June 2022 Group and Bank | Principal Amount | Credit Equivalent Amount | Risk Weighted Assets |
|---|--------------------|-----------------------------|----------------------------|
| | RM'000 | RM'000 | RM'000 |
| Direct Credit Substitutes | - | - | - |
| Transaction Related Contingent Items | 641,046 | 320,523 | 286,027 |
| Short Term Self Liquidating Trade Related Contingencies | 57,784 | 11,557 | 10,515 |
| Foreign exchange related contracts | | | |
| One year or less | 19,330,515 | 574,518 | 463,150 |
| Over one year to five years | 1,063,847 | 78,868 | 56,599 |
| Over five years | - | - | - |
| Interest/Profit rate related contracts | | | |
| One year or less | 40,000 | 247 | 247 |
| Over one year to five years | 120,000 | 3,202 | 2,962 |
| 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 | 78,394,539 | 1,358,531 | 385,508 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year | 892,628 | 446,314 | 446,314 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year | 3,881,701 | 776,340 | 776,340 |
| 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 | 104,449,123 | 3,571,453 | 2,429,015 |

26. Commitments and contingencies (continued)

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

| 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 |

27. The operations of Islamic Banking

Statement of Financial Position
As at 30 June 2022 – Unaudited

| | Note | 30 June 2022 RM'000 | Bank 31 December 2021 RM'000 |
|--|------|---------------------------|---------------------------------------|
| Assets | | | |
| Cash and short-term funds | (a) | 172,000 | 240,999 |
| Financial securities | (b) | 20,000 | 20,220 |
| Other assets | | 89 | 93 |
| Total assets | | <u>192,089</u> | <u>261,312</u> |
| Liabilities and Islamic Banking funds | | | |
| Deposits from customers | (c) | 153,129 | 217,655 |
| Other liabilities | (d) | 3,232 | 8,594 |
| Tax payable | | 302 | 425 |
| Total liabilities | | <u>156,663</u> | <u>226,674</u> |
| Capital funds | | 25,000 | 25,000 |
| Retained earnings | | 10,426 | 9,638 |
| Islamic Banking funds | | <u>35,426</u> | <u>34,638</u> |
| Total liabilities and Islamic Banking funds | | <u>192,089</u> | <u>261,312</u> |
| Commitments and contingencies | | <u>-</u> | <u>-</u> |

27. The operations of Islamic Banking (continued)

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

| | Bank | | | |
|--|---|------------------------------|--|------------------------------|
| | Half year ended 30 June 2022 RM'000 | 30 June 2021 RM'000 | Three months ended 30 June 2022 RM'000 | 30 June 2021 RM'000 |
| Income derived from investment of Islamic banking funds | 1,270 | 1,029 | 594 | 526 |
| Total net income | 1,270 | 1,029 | 594 | 526 |
| Other operating expenses | (13) | (12) | (6) | (6) |
| Operating profit | 1,257 | 1,017 | 588 | 520 |
| Allowance written back for impairment | - | 3 | (2) | 1 |
| Profit before tax | 1,257 | 1,020 | 586 | 521 |
| Tax expense | (302) | (245) | (141) | (125) |
| Profit for the period | 955 | 775 | 445 | 396 |
| Other comprehensive income: | | | | |
| <i>Movement in fair value reserve (debt securities):</i> | | | | |
| Net change in fair value | (220) | (160) | (200) | - |
| Net amount transferred to profit or loss | - | (3) | 1 | (1) |
| Tax expense on other comprehensive income | 53 | 39 | 48 | 1 |
| Other comprehensive loss for the period | (167) | (124) | (151) | - |
| Total comprehensive income for the period | 788 | 651 | 294 | 396 |

27. The operations of Islamic Banking (continued)

Statement Of Changes In Islamic Banking Funds
For The Financial Period Ended 30 June 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 | - | - | 955 | 955 |
| Other comprehensive loss for the period | - | (167) | - | (167) |
| Total comprehensive (loss) / income for the period | - | (167) | 955 | 788 |
| At 30 June 2022 | 25,000 | 8 | 10,418 | 35,426 |

| 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 | - | - | 775 | 775 |
| Other comprehensive loss for the period | - | (124) | - | (124) |
| Total comprehensive (loss) / income for the period | - | (124) | 775 | 651 |
| At 30 June 2021 | 25,000 | 308 | 10,419 | 35,727 |

27. The operations of Islamic Banking (continued)

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

| | Bank | |
|--|---------------------------|---------------------------|
| | 30 June 2022 RM'000 | 30 June 2021 RM'000 |
| Cash flows from operating activities | | |
| Profit before taxation | 1,257 | 1,020 |
| Operating profit before working capital changes | <u>1,257</u> | <u>1,020</u> |
| Changes in working capital: | | |
| Net changes in operating assets | 57 | 37 |
| Net changes in operating liabilities | (69,888) | 7,279 |
| Income taxes paid | (425) | (483) |
| Net cash (used in) / generated from operations | <u>(68,999)</u> | <u>7,853</u> |
| Net (decrease) / increase in cash and cash equivalents | (68,999) | 7,853 |
| Cash and cash equivalents at beginning of period | 240,999 | 57,147 |
| Cash and cash equivalents at end of period | <u>172,000</u> | <u>65,000</u> |
| Analysis of cash and cash equivalents: | | |
| Cash and short-term funds | <u>172,000</u> | <u>65,000</u> |

27. The operations of Islamic Banking (continued)

Shariah Committee

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

The Shariah Committee comprises of Dr Muhammad Qaseem and Dr Mohd Hilmi bin Ramli.

The Bank operate with 2 committee members until the appointment of new Shariah Committee member.

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 June 2022 RM'000 | 31 December 2021 RM'000 |
| Cash and balances with banks and other financial institutions | 172,000 | 240,999 |

(b) Financial securities

| | Bank | |
|--|---------------------------|-------------------------------|
| | 30 June 2022 RM'000 | 31 December 2021 RM'000 |
| Debt securities at FVOCI Malaysian Investment Issue | 20,000 | 20,220 |

(c) Deposits from customer

| | Bank | |
|-----------------------------------|---------------------------|-------------------------------|
| | 30 June 2022 RM'000 | 31 December 2021 RM'000 |
| Non-Mudharabah Demand deposits | 153,129 | 217,655 |

27. The operations of Islamic Banking (continued)

(d) Other liabilities

| | Bank | |
|---------------|---------------------------|-------------------------------|
| | 30 June 2022 RM'000 | 31 December 2021 RM'000 |
| Bills payable | 8 | 8 |
| Others | 3,224 | 8,586 |
| | <u>3,232</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 June 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 | 4 | 79 |
| Retained profits | 9,463 | 9,463 |
| Total common equity tier 1/Total tier 1 capital | 34,467 | 34,542 |
| Total Tier 2 capital | - | - |
| Total capital base | <u>34,467</u> | <u>34,542</u> |
| Common equity tier 1/Tier 1 capital ratio | 804.129% | 799.930% |
| Total capital ratio | <u>804.129%</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 June 2022 RM'000 | 31 December 2021 RM'000 |
| 1 | Credit risk | - | - |
| 2 | Market risk | - | - |
| 3 | Operational risk | 4,286 | 4,318 |
| Total | | 4,286 | 4,318 |