

Deutsche Bank (Malaysia) Berhad

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

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

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



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

	Note	Group		Bank	
		30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Assets					
Cash and short-term funds	12	2,522,889	2,396,612	2,522,889	2,396,612
Reverse repurchase agreements		617,037	111,763	617,037	111,763
Financial securities measured at FVTPL	13	1,472,109	1,671,593	1,472,109	1,671,593
Financial securities measured at FVOCI	14	1,576,514	1,313,648	1,576,514	1,313,648
Loans, advances and financing	15	2,111,002	2,141,896	2,111,002	2,141,896
Derivative assets		2,614,918	1,410,526	2,614,918	1,410,526
Other assets	16	944,285	412,264	944,285	412,264
Tax recoverable		-	13,058	-	13,058
Statutory deposit with Bank Negara Malaysia		10,000	20,000	10,000	20,000
Investments in subsidiary companies		-	-	20	20
Property and equipment		9,783	11,461	9,783	11,461
Right-of-use assets		4,276	4,868	4,276	4,868
Deferred tax assets		6,881	23,986	6,881	23,986
Total assets		11,889,694	9,531,675	11,889,714	9,531,695
Liabilities and equity					
Deposits from customers	17	5,188,075	5,125,270	5,188,095	5,125,290
Deposits and placements of banks and other financial institutions	18	933,025	237,058	933,025	237,058
Lease liabilities		4,870	5,389	4,870	5,389
Derivative liabilities		2,453,516	1,352,400	2,453,516	1,352,400
Other liabilities	19	1,274,953	910,831	1,274,953	910,831
Tax payable		33,093	-	33,093	-
Total liabilities		9,887,532	7,630,948	9,887,552	7,630,968
Equity					
Share capital		531,362	531,362	531,362	531,362
Reserves		1,256,959	1,369,365	1,256,959	1,369,365
Proposed Dividend		213,841	-	213,841	-
Total equity attributable to owner of the Bank		2,002,162	1,900,727	2,002,162	1,900,727
Total liabilities and equity		11,889,694	9,531,675	11,889,714	9,531,695
Commitments and contingencies	27	112,185,605	111,833,000	112,185,605	111,833,000

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

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

	Note	Group and Bank			
		Half year ended		Three months ended	
		30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Interest income	20	148,061	96,555	75,283	51,633
Interest expense	21	(39,748)	(12,945)	(23,147)	(7,141)
Net interest income		108,313	83,610	52,136	44,492
Net income from Islamic Banking Operations	27	2,460	1,270	1,249	594
Non-interest income	22	110,293	76,740	55,238	50,306
Operating income		221,066	161,620	108,623	95,392
Other operating expenses	23	(80,766)	(78,521)	(41,854)	(41,084)
Operating profit		140,300	83,099	66,769	54,308
Write-back of expected credit losses	24	307	489	583	228
Profit before tax		140,607	83,588	67,352	54,536
Tax expense		(49,401)	(21,079)	(20,552)	(13,577)
Net profit for the period		91,206	62,509	46,800	40,959
Other comprehensive income/(loss):					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Net change in fair value on debt securities measured at FVOCI		13,570	(19,179)	(2,697)	(15,623)
Net changes in ECL reserves		(112)	63	(264)	153
Income tax effect		(3,229)	4,588	711	3,713
Total other comprehensive income/(loss) for the period		10,229	(14,528)	(2,250)	(11,757)
Total comprehensive income for the period		101,435	47,981	44,550	29,202
Earnings per share (sen)		52.5 sen	36.0 sen	27.0 sen	23.6 sen

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

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

Group and Bank	Note	← Attributable to owner of the Bank →						Total RM'000
		Share capital RM'000	Non-distributable Other reserves RM'000	ECL reserves RM'000	Distributable Retained profits RM'000	Total reserves RM'000	Proposed dividend RM'000	
At 1 January 2023		531,362	40,051	534	1,328,780	1,369,365	-	1,900,727
Net profit for the period		-	-	-	91,206	91,206	-	91,206
Other comprehensive income/(loss) for the period		-	10,314	(85)	-	10,229	-	10,229
Total comprehensive income for the period		-	-	-	-	-	-	101,435
Proposed dividend		-	-	-	(213,841)	(213,841)	213,841	-
At 30 June 2023		531,162	50,365	449	1,206,145	1,256,959	213,841	2,002,162
At 1 January 2022		531,362	41,102	451	1,222,653	1,264,206	-	1,795,568
Net profit for the period		-	-	-	62,509	62,509	-	62,509
Other comprehensive (loss)/income for the period		-	(14,576)	48	-	(14,528)	-	(14,528)
Total comprehensive (loss)/income for the period		-	(14,576)	48	62,509	47,981	-	47,981
Proposed dividend		-	-	-	(109,386)	(109,386)	109,386	-
At 30 June 2022		531,362	26,526	499	1,175,776	1,202,801	109,386	1,843,549

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

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

	Group and Bank	
	30 June 2023 RM'000	30 June 2022 RM'000
Profit before tax	140,607	83,588
Adjustments for non-operating and non-cash items	96,328	1,151
Operating profit before working capital changes	236,935	84,739
Changes in working capital:		
Net changes in operating assets	193,134	(547,509)
Net changes in operating liabilities	(313,790)	2,011,447
Income tax paid	(4,038)	(22,396)
Tax refund	14,663	-
Net cash used in operations	126,904	1,526,281
Cash flows from investing activities:		
Dividend income received	45	-
Purchase of property and equipment	(26)	(21)
Net cash generated from/(used in) investing activities	19	(21)
Cash flows from financing activities:		
Payment of lease liabilities	(623)	(622)
Net cash used in financing activities	(623)	(622)
Net increase in cash and cash equivalents	126,300	1,525,638
Cash and cash equivalents at beginning of the period	2,396,653	3,722,450
Cash and cash equivalents at end of the period	2,522,953	5,248,088
Analysis of cash and cash equivalents:		
Cash and short-term funds	2,522,953	4,748,100
Deposits and placement with banks and other financial institutions	-	499,988
Cash and cash equivalents at the end of the period	2,522,953	5,248,088

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

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

1. Basis of preparation

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

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

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

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

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

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

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

1. Basis of preparation (continued)

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

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

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

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

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

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

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

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

2. Audit Report

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

3. Seasonality or Cyclicity of Operations

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

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

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

5. Changes in Estimates

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

6. Issuance and Repayment of Debt and Equity Securities

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

7. Dividend Paid

No dividend was paid during the financial period ended 30 June 2023. The final dividend recommended by the Directors in respect of the financial year ended 31 December 2022 is 123.2 sen per ordinary share totalling RM213,841,000.

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 30 June 2023.

10. Review of Performance

The Bank recorded profit before tax for the financial period ended 30 June 2023 of RM140.6 million compared to RM83.6 million for the previous corresponding period. Operating income increased by RM59.5 million 36.8% from RM161.6 million to RM221.1 million, mainly attributed to higher non-interest income increased by RM33.6 million (43.8%) to RM110.3 million against RM76.7 million in the previous corresponding period. Net interest income increased by RM24.7 million (29.5%) from RM83.6 million to RM108.3 million.

Total assets registered an increase of RM2.4 billion or 25.3% from RM9.5 billion as at 31 December 2022 to RM11.9 billion as at 30 June 2023. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 22.6% and 23.1%, respectively.

11. Prospects

As the Bank reaches the mid-point of the year, the global economic outlook remains uncertain. The stress on the banking sector earlier this year, as well as the continuing conflict in Ukraine means that expectations on monetary policy is much harder to pin down. Although inflation seemed to have peaked, it remains stubborn, and there is still the risk that it might increase further if the containment of financial stresses is undone by unforeseen developments.

The current environment is extremely challenging for central banks, as they try to combat inflation without inadvertently causing a stagnation or recession. Currently, the US Fed has kept interest rates stable since the beginning of 2023, but a moderate recession is forecasted in the last quarter of 2023. A potential sign of this is the mixed signals from the labour market, with rising layoffs and resignations compared to pre-Covid levels. Over in the Eurozone, a recession was likely avoided this winter, but growth remains stagnant still. Although inflation is expected to fall in 2024, underlying inflation remains high currently, and a tight labour market adds to the persistence of inflationary trends.

The recent episodes of banking sector stress in advanced economies were fortunately contained, and the fallout has had limited impact on the Malaysian economy. Increased domestic demand, driven by resilient household spending and underpinned by better labour market conditions point towards further expansion in economic activity in the remainder of 2023. After the hikes made last year, an increase in interest rates was made in May 2023. As domestic financial conditions currently remain conducive to economic activity, the Monetary Policy Committee of Malaysia ("MPC") have decided against further rate hikes so far, despite rates being lower than that of other advanced economies. As such, the outlook on the Malaysian economy remains optimistic, albeit marginally so. This is predicated on the assumption that global growth doesn't turn out to be weaker than expected, and that global financial market conditions does not become more volatile.

12. Cash and cash equivalents

Cash and short-term funds

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Cash and balances with banks and other financial institutions	280,244	195,036
Money at call and deposit placements maturing within one month	<u>2,242,708</u>	<u>2,201,617</u>
	2,522,952	2,396,653
Expected credit losses on cash and cash equivalents		
• Stage 1 – 12-month ECL	<u>(63)</u>	<u>(41)</u>
	<u><u>2,522,889</u></u>	<u><u>2,396,612</u></u>

12. Cash and cash equivalents (continued)

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

Group and Bank	2023				2022			
	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000
Cash and cash equivalents								
Balance at 1 January	41	-	-	41	32	-	-	32
Transfer to 12-month ECL	-	-	-	-	-	-	-	-
Transfer to lifetime ECL not credit- impaired	-	-	-	-	-	-	-	-
Transfer to lifetime ECL credit- impaired	-	-	-	-	-	-	-	-
Net remeasurement of expected credit losses	23	-	-	23	12	-	-	12
New financial assets originated or purchased	8	-	-	8	9	-	-	9
Financial assets that have been derecognised	(9)	-	-	(9)	(12)	-	-	(12)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 30 June / 31 December	63	-	-	63	41	-	-	41

13. Financial securities measured at FVTPL

	Group and Bank	
	30 June	31 December
	2023	2022
	RM'000	RM'000
Debt securities at FVTPL		
Treasury Bills	81,084	-
Malaysian Government Securities	796,404	1,032,783
Malaysian Investment Issue	224,610	438,810
Cagamas bonds	270,012	-
Negotiable instruments of deposits	99,999	200,000
	<u>1,472,109</u>	<u>1,671,593</u>

14. Financial securities measured at FVOCI

	Group and Bank	
	30 June	31 December
	2023	2022
	RM'000	RM'000
Debt securities at FVOCI		
Malaysian Government Securities	863,796	638,123
Malaysian Investment Issue	694,699	657,495
Unquoted bonds	5,006	5,017
	<u>1,563,501</u>	<u>1,300,635</u>
Equity investments at FVOCI		
Unquoted shares in Malaysia	13,013	13,013
	<u>1,576,514</u>	<u>1,313,648</u>

14. Financial securities measured at FVOCI (continued)

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

Group and Bank	2023				2022			
	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000
Debt securities at FVOCI								
Balance at 1 January	703	-	-	703	594	-	-	594
Transfer to 12-month ECL	-	-	-	-	-	-	-	-
Transfer to lifetime ECL not credit- impaired	-	-	-	-	-	-	-	-
Transfer to lifetime ECL credit- impaired	-	-	-	-	-	-	-	-
Net remeasurement of expected credit losses	(135)	-	-	(135)	25	-	-	25
New financial assets originated or purchased	23	-	-	23	242	-	-	242
Financial assets that have been derecognised	-	-	-	-	(158)	-	-	(158)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 30 June / 31 December	591	-	-	591	703	-	-	703

15. Loans, advances and financing

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
<i>At amortised cost</i>		
Overdrafts	181,795	172,300
Term loans - Housing loans	4,227	4,797
- Other term loans	1,126,130	1,049,715
Bill receivable	7,803	62,416
Trust receipts	177,639	155,595
Claims on customers under acceptance credits	619,270	704,441
	<u>2,116,864</u>	<u>2,149,264</u>
Unearned interest	(1,998)	(3,287)
Gross loans, advances and financing	2,114,866	2,145,977
Expected credit losses for impaired loans and financing	(3,864)	(4,081)
Net loans, advances and financing	<u>2,111,002</u>	<u>2,141,896</u>

15. Loans, advances and financing (continued)

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

Group and Bank	2023				2022			
	12-month ECL RM'000	Lifetime ECL not credit – impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000	12-month ECL RM'000	Lifetime ECL not credit – impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000
Loans, advances and financing at amortised cost*								
Balance at 1 January	2,450	110	1,521	4,081	2,573	1,026	1,886	5,485
Transfer to 12-month ECL	95	(27)	(68)	-	311	(33)	(278)	-
Transfer to lifetime ECL not credit-impaired	-	-	-	-	-	-	-	-
Transfer to lifetime ECL credit-impaired	(92)	-	92	-	(97)	-	97	-
Net remeasurement of expected credit losses	(161)	(7)	(98)	(266)	20	(484)	(184)	(648)
New financial assets originated or purchased	635	227	-	862	823	80	-	903
Financial assets that have been derecognised	(741)	(72)	-	(813)	(1,180)	(479)	-	(1,659)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 31 June / 31 December	2,186	231	1,447	3,864	2,450	110	1,521	4,081

15. Loans, advances and financing (continued)

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

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Maturing within one year	2,036,345	2,046,804
More than one year and three years	75,729	95,697
More than three years to five years	1,654	2,030
Over five years	1,138	1,446
	<u>2,114,866</u>	<u>2,145,977</u>

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

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Domestic banking institutions	5,303	5,664
Domestic non-bank financial institutions	281,380	224,318
Domestic business enterprises	1,699,948	1,657,144
Individuals	4,227	4,797
Government and statutory bodies	121,545	197,310
Foreign entities	2,463	56,744
	<u>2,114,866</u>	<u>2,145,977</u>

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

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Fixed rate		
- Other fixed rate loan/financing	87,432	102,921
Variable rate		
- Base lending rate plus	164,810	355,578
- Cost plus	1,699,589	1,529,987
- Other variable rates	163,035	157,491
	<u>2,114,866</u>	<u>2,145,977</u>

15. Loans, advances and financing (continued)

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

	Group and Bank	
	30 June	31 December
	2023	2022
	RM'000	RM'000
Malaysia	2,112,403	2,089,233
India	-	22,027
Egypt	2,157	-
Turkey	-	34,042
Others	306	675
	<u>2,114,866</u>	<u>2,145,977</u>

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

	Group and Bank	
	30 June	31 December
	2023	2022
	RM'000	RM'000
Mining and Quarrying	150,187	150,212
Manufacturing	659,438	444,849
Construction	136,506	169,391
Wholesale & retail trade and restaurants & hotels	281,987	415,019
Transport, storage and communication	426,915	428,878
Finance, insurance and business services	334,061	335,521
Education, health and others	121,545	197,310
Household	4,227	4,797
	<u>2,114,866</u>	<u>2,145,977</u>

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

	Group and Bank	
	30 June	31 December
	2023	2022
	RM'000	RM'000
Balance at 1 January	2,519	3,258
Classified as impaired during the period/year	242	513
Reclassified as non-impaired during the period/year	(188)	(767)
Amounts recovered	(193)	(485)
At 30 June 2023/31 December 2022	<u>2,380</u>	<u>2,519</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>0.11%</u>	<u>0.12%</u>

15. Loans, advances and financing (continued)

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

	Group and Bank	
	30 June	31 December
	2023	2022
	RM'000	RM'000
Household (Malaysia)	<u>2,380</u>	<u>2,519</u>

16. Other assets

	Group and Bank	
	30 June	31 December
	2023	2022
	RM'000	RM'000
Interest/Income receivable	28,444	31,222
Margin placed with exchange	30,935	26,912
Collateral deposits placed	250,567	124,206
Other debtors, deposits and prepayments	<u>634,339</u>	<u>229,924</u>
	<u>944,285</u>	<u>412,264</u>

17. Deposits from customers

	Group		Bank	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Demand deposits	4,566,026	4,659,594	4,566,046	4,659,614
Savings deposits	-	1	-	1
Fixed deposits	168,042	138,297	168,042	138,297
Other deposits	<u>454,007</u>	<u>327,378</u>	<u>454,007</u>	<u>327,378</u>
	<u>5,188,075</u>	<u>5,125,270</u>	<u>5,188,095</u>	<u>5,125,290</u>

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

	Group and Bank	
	30 June	31 December
	2023	2022
	RM'000	RM'000
Due within six months	420,615	274,407
More than six months to one year	1,850	-
More than one year to three years	<u>199,584</u>	<u>191,268</u>
	<u>622,049</u>	<u>465,675</u>

17. Deposits from customers (continued)

The deposits are sourced from the following types of customers:

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Business enterprises	4,416,393	4,075,278	4,416,413	4,075,298
Individuals	-	1	-	1
Foreign customers	59,193	43,121	59,193	43,121
Domestic non-bank financial institutions	712,489	1,006,870	712,489	1,006,870
	<u>5,188,075</u>	<u>5,125,270</u>	<u>5,188,095</u>	<u>5,125,290</u>

18. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Licensed banks	-	-
Other financial institutions	933,025	237,058
	<u>933,025</u>	<u>237,058</u>

19. Other liabilities

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Interest payable	4,874	2,556
Bills payable	5,115	44,003
Employee benefits	19,574	22,769
Collateral deposits received	488,618	670,637
Regulated short-selling activities	103,955	31,946
Other liabilities	652,817	138,920
	<u>1,274,953</u>	<u>910,831</u>

20. Interest income

	Group and Bank			
	Half year ended		Three months ended	
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	55,629	34,906	28,575	18,761
Money at call and deposit placements with financial institutions	37,730	27,925	21,886	16,778
Reverse repurchase agreements	5,158	1,279	2,434	771
Financial securities	49,151	32,439	22,176	15,317
Others	393	6	212	6
	<u>148,061</u>	<u>96,555</u>	<u>75,283</u>	<u>51,633</u>

21. Interest expense

	Group and Bank			
	Half year ended		Three months ended	
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	11,903	2,260	9,010	1,113
Deposits from customers	27,687	10,547	14,085	5,956
Repurchase agreement	53	9	-	9
Other interest expense	105	129	52	63
	<u>39,748</u>	<u>12,945</u>	<u>23,147</u>	<u>7,141</u>

22. Non-interest income

	Group and Bank			
	Half year ended		Three months ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Fee income:				
Commissions	3,223	5,132	1,695	2,932
Service charges and fees	7,118	9,097	3,780	4,607
Guarantee fees	2,272	1,361	759	462
	<u>12,613</u>	<u>15,590</u>	<u>6,234</u>	<u>8,001</u>
Fee expense:				
Commissions	(1,796)	(1,922)	(933)	(937)
Service charges and fees	(1,864)	(1,840)	(989)	(967)
	<u>(3,660)</u>	<u>(3,762)</u>	<u>(1,922)</u>	<u>(1,904)</u>
Net fee income	<u>8,953</u>	<u>11,828</u>	<u>4,312</u>	<u>6,097</u>
Net gains from financial instruments:				
Net (loss)/gain arising on financial securities:				
Realised gain/(loss)	14,023	(27,228)	3,768	(19,299)
Unrealised (loss)/gain	(1,001)	(437)	393	3,407
Net (loss)/gain arising on trading derivatives:				
Realised gain/(loss)	77,283	(28,250)	55,492	(14,262)
Unrealised gain	97,732	148,282	72,597	142,939
Foreign exchange loss	(98,006)	(31,395)	(89,547)	(72,297)
Gross dividend income	45	101	45	101
Other income:				
Other operating income, net	11,264	3,839	8,178	3,620
	<u>101,340</u>	<u>64,912</u>	<u>50,926</u>	<u>44,209</u>
	<u>110,293</u>	<u>76,740</u>	<u>55,238</u>	<u>50,306</u>

23. Other operating expenses

	Group and Bank			
	Half year ended		Three months ended	
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	22,610	20,636	12,187	10,326
- Others	5,716	5,100	2,493	2,410
Establishment costs				
- Rental	171	407	85	225
- Depreciation - property and equipment	1,704	488	851	244
- Depreciation - right-of-use assets	592	536	296	240
- Others	4,036	3,575	1,213	2,621
Marketing expenses	939	666	350	252
Administration and general expenses				
- Intercompany charges	41,488	43,259	22,562	22,573
- Communication	369	477	128	172
- Others	3,141	3,377	1,689	2,021
	<u>80,766</u>	<u>78,521</u>	<u>41,854</u>	<u>41,084</u>

The number of employees of the Group and the Bank at the end of the period was 194 (June 2022: 172).

24. Write-back of expected credit losses

	Group and Bank			
	Half year ended		Three months ended	
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(Allowance for)/Write-back of expected credit losses				
- loans, advances and financing	217	551	319	394
- cash and cash equivalents	(22)	1	(1)	(13)
- debt securities at FVOCI	112	(63)	265	(153)
	<u>307</u>	<u>489</u>	<u>583</u>	<u>228</u>

25. Credit transactions and exposures with connected parties

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Outstanding credit exposures with connected parties	275,319	163,781
Of which:		
Total credit exposures which is non-performing	-	-
Total credit exposures	<u>10,416,882</u>	<u>9,309,705</u>
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	2.64%	1.76%
- as a proportion of capital base	14.50%	8.72%
- which is non-performing	<u>0%</u>	<u>0%</u>

26. Capital adequacy

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Components of Tier 1 and Tier 2 capital are as follows:		
Tier 1 capital		
Paid-up share capital	531,362	531,362
Other disclosed reserves	47,414	40,051
Retained profits #	1,328,780	1,328,780
	<u>1,907,556</u>	<u>1,900,193</u>
Less: Deferred tax assets	(6,881)	(23,986)
Regulatory reserve	(45,000)	(45,000)
55% of fair value reserve	-	-
Total common equity tier 1/Total tier 1 capital	<u>1,855,675</u>	<u>1,831,207</u>
Tier 2 capital		
Expected credit losses ("ECL")*	2,416	2,560
Regulatory reserve	45,000	45,000
Total capital base	<u>1,903,091</u>	<u>1,878,767</u>
Common equity tier 1/Tier 1 capital ratio	22.552%	24.102%
Total capital ratio	<u>23.128%</u>	<u>24.728%</u>

Retained profits before the final dividend declared.

* Refers to ECL for Stage 1 and Stage 2.

26. Capital adequacy (continued)

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

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

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

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

Risk Type		Risk-Weighted Assets	
		30 June 2023 RM'000	31 December 2022 RM'000
1	Credit risk	5,613,297	4,868,323
2	Market risk	1,888,711	1,970,009
3	Operational risk	726,546	759,436
Total		8,228,554	7,597,768

26. Capital adequacy (continued)

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

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
		RM'000	RM'000	RM'000
1	Credit Risk			
	<u>On-Balance Sheet Exposures</u>			
	Sovereigns/Central Banks	3,263,090	3,146,416	-
	Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	2,224,831	1,724,467	787,915
	Corporates	2,107,879	2,107,879	2,102,226
	Residential Mortgages	1,848	1,848	647
	Other Assets	163,598	163,598	162,834
	Equity Exposure	13,033	13,033	13,263
	Defaulted Exposures	994	994	994
	<i>Total On-Balance Sheet Exposures</i>	<i>7,775,273</i>	<i>7,158,235</i>	<i>3,067,879</i>
	<u>Off-Balance Sheet Exposures</u>			
	OTC derivatives	2,029,732	1,580,215	919,012
	Direct credit substitutes	315	315	315
	Transaction related contingent Items	352,358	351,065	299,053
	Short term self liquidating trade related contingencies	2,475	2,475	2,461
	Other commitments, such as formal standby facilities and credit lines	1,324,577	1,324,577	1,324,577
	<i>Total for Off-Balance Sheet Exposures</i>	<i>3,709,457</i>	<i>3,258,647</i>	<i>2,545,418</i>
	<i>Total On and Off- Balance Sheet Exposures</i>	<i>11,484,730</i>	<i>10,416,882</i>	<i>5,613,297</i>

26. Capital adequacy (continued)

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

RISK TYPE		Gross Exposures		Risk-Weighted Assets
		RM'000		RM'000
		Long Position	Short Position	
2	Market Risk			
	Interest Rate Risk	106,213,766	104,083,643	994,413
	Foreign Currency Risk	821,726	548,588	821,725
	Options	3,349	-	72,573
				1,888,711
3	Operational Risk			726,546
4	Total RWA			8,228,554

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. Capital adequacy (continued)

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

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

26. Capital adequacy (continued)

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

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

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

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

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

27. Commitments and contingencies

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

Group and Bank 30 June 2023	Principal Amount	Credit Equivalent Amount	Risk- Weighted Assets
	RM'000	RM'000	RM'000
Direct credit substitutes	315	315	315
Transaction related contingent items	704,716	352,358	299,053
Short term self liquidating trade related contingencies	12,377	2,475	2,461
Foreign exchange related contracts			
One year or less	17,757,474	602,338	492,224
Over one year to five years	665,325	42,271	31,404
Over five years	-	-	-
Interest/Profit rate related contracts			
One year or less	133,450	182	72
Over one year to five years	397,201	8,860	6,292
Over five years	-	-	-
Equity related contracts			
One year or less	-	-	-
Over one year to five years	-	-	-
Over five years	-	-	-
Credit derivative contracts			
One year or less	-	-	-
Over one year to five years	-	-	-
Over five years	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	87,100,039	1,376,081	389,020
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	805,451	402,726	402,726
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,609,257	921,851	921,851
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-	-	-
Total	112,185,605	3,709,457	2,545,418

27. Commitments and contingencies (continued)

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

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

28. The operations of Islamic Banking

Statement of Financial Position
 As at 30 June 2023 – Unaudited

	Note	Group and Bank	
		30 June 2023 RM'000	31 December 2022 RM'000
Assets			
Cash and short-term funds	(a)	279,383	179,099
Financial securities	(b)	-	20,005
Other assets		22	109
Total assets		<u>279,405</u>	<u>199,213</u>
Liabilities and Islamic Banking funds			
Deposits from customers	(c)	241,497	162,945
Other liabilities	(d)	131	236
Tax payable		588	698
Total liabilities		<u>242,216</u>	<u>163,879</u>
Capital funds		25,000	25,000
Reserves		12,189	10,334
Islamic Banking funds		<u>37,189</u>	<u>35,334</u>
Total liabilities and Islamic Banking funds		<u>279,405</u>	<u>199,213</u>
Commitments and contingencies		<u>-</u>	<u>-</u>

28. The operations of Islamic Banking (continued)

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

	Group and Bank			
	Half year ended 30 June 2023 RM'000	30 June 2022 RM'000	Three months ended 30 June 2023 RM'000	30 June 2022 RM'000
Income derived from investment of Islamic funds	2,460	1,270	1,249	594
Total net income	2,460	1,270	1,249	594
Other operating expenses	(14)	(13)	(7)	(6)
Operating profit	2,446	1,257	1,242	588
Write-back of/(Allowance for) expected credit losses	4	-	1	(2)
Profit before tax	2,450	1,257	1,243	586
Tax expense	(588)	(302)	(298)	(141)
Profit for the period	1,862	955	945	445
Other comprehensive (loss)/income:				
<i>Movement in fair value reserve (debt securities):</i>				
Net change in fair value	(9)	(220)	(16)	(200)
Net amount transferred to profit or loss	-	-	3	1
Income tax effect relating to component of other comprehensive income	2	53	3	48
Other comprehensive loss for the period	(7)	(167)	(10)	(151)
Total comprehensive income for the period	1,855	788	935	294

28. The operations of Islamic Banking (continued)

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

Group and Bank	Capital funds RM'000	Other reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2023	25,000	7	10,327	35,334
Net profit for the period	-	-	1,862	1,862
Other comprehensive loss for the period	-	(7)	-	(7)
Total comprehensive (loss)/income for the period	-	(7)	1,862	1,855
At 30 June 2023	25,000	-	12,189	37,189
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

28. The operations of Islamic Banking (continued)

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

	Group and Bank	
	30 June 2023 RM'000	30 June 2022 RM'000
Cash flows from operating activities		
Profit before taxation	2,450	1,257
Adjustments for non-operating and non-cash items	4	-
Operating profit before working capital changes	2,454	1,257
Changes in working capital:		
Net changes in operating assets	20,081	57
Net changes in operating liabilities	78,447	(69,888)
Income taxes paid	(698)	(425)
Net cash generated from/(used in) operations	100,284	(68,999)
Net increase/(decrease) in cash and cash equivalents	100,284	(68,999)
Cash and cash equivalents at beginning of period	179,099	240,999
Cash and cash equivalents at end of period	279,383	172,000
Analysis of cash and cash equivalents:		
Cash and short-term funds	279,383	172,000

28. The operations of Islamic Banking (continued)

Shariah Committee

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

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

Basis of measurement

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

(a) Cash and short-term funds

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Cash and balances with banks and other financial institutions	<u>279,383</u>	<u>179,099</u>

(b) Financial securities

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Debt securities at FVOCI Malaysian Investment Issue	<u>-</u>	<u>20,005</u>

(c) Deposits from customers

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Qard Demand deposits	<u>241,497</u>	<u>162,945</u>

28. The operations of Islamic Banking (continued)

(d) Other liabilities

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Bills payable	117	8
Others	14	228
	<u>131</u>	<u>236</u>

(e) Capital adequacy

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

Components of Tier I and Tier II Capital:

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Components of Tier 1 and Tier 2 capital are as follows:		
Tier 1 capital		
Capital funds	25,000	25,000
Other disclosed reserves	-	6
Retained profits [#]	10,327	10,327
	<u>35,327</u>	<u>35,333</u>
Less: 55% of fair value reserve	-	(3)
	<u>35,327</u>	<u>35,330</u>
Total common equity tier 1/Total tier 1 capital		
Total Tier 2 capital	-	-
	<u>35,327</u>	<u>35,330</u>
Total capital base	<u>35,327</u>	<u>35,330</u>
Common equity tier 1/Tier 1 capital ratio	662.050%	783.023%
Total capital ratio	<u>662.050%</u>	<u>783.023%</u>

[#] Retained profits before the final dividend declared.

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

Risk Type		Risk-Weighted Assets	
		30 June 2023 RM'000	31 December 2022 RM'000
1	Credit risk	-	-
2	Market risk	-	-
3	Operational risk	5,336	4,512
Total		5,336	4,512

28. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

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

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
1	Credit Risk	RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>	279,405	279,405	-
	Sovereigns/Central Banks	-	-	-
	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	-	-	-
	<u>Total On-Balance Sheet Exposures</u>	279,405	279,405	-
	<u>Off-Balance Sheet Exposures</u>	-	-	-
	OTC Derivatives	-	-	-
	Credit Derivatives	-	-	-
	<u>Total for Off-Balance Sheet Exposures</u>	-	-	-
	<u>Total On and Off- Balance Sheet Exposures</u>	279,405	279,405	-

28. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

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

RISK TYPE		Gross Exposures		Risk-Weighted Assets	
		RM'000		RM'000	
2	Market Risk	Long Position	Short Position		
		Interest Rate Risk	-	-	-
		Foreign Currency Risk	-	-	-
		Options	-	-	-
					-
3	Operational Risk			5,336	
4	Total RWA			5,336	

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.

28. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

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

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

28. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

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

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

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

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

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