

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

Unaudited Condensed Interim Financial Statements  
for the Financial Period ended 31 March 2016



Consolidated Statements of Financial Position  
As at 31 March 2016 - Unaudited

	Note	Group		Bank	
		31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
<b>Assets</b>					
Cash and short term funds		4,990,940	5,856,232	4,990,940	5,856,232
Securities purchased under resale agreements		98,321	530,140	98,321	530,140
Financial assets held-for-trading	12	901,780	832,514	901,780	832,514
Financial investments available-for-sale	13	1,591	1,591	1,591	1,591
Loans, advances and financing	14	1,541,348	1,332,466	1,541,348	1,332,466
Other assets	15	4,263,613	5,001,317	4,263,613	5,001,317
Tax recoverable		9,449	4,532	9,449	4,532
Statutory deposit with Bank Negara Malaysia		20,000	20,000	20,000	20,000
Investments in subsidiary companies		-	-	20	20
Property, plant and equipment		3,959	4,047	3,959	4,047
Deferred tax assets		23,657	26,543	23,657	26,543
<b>Total assets</b>		<b>11,854,658</b>	<b>13,609,382</b>	<b>11,854,678</b>	<b>13,609,402</b>
<b>Liabilities and shareholders' funds</b>					
Deposits from customers	16	4,181,172	4,817,557	4,181,192	4,817,577
Deposits and placements of banks and other financial institutions	17	1,339,679	1,856,651	1,339,679	1,856,651
Other liabilities	18	4,591,439	5,226,784	4,591,439	5,226,784
<b>Total liabilities</b>		<b>10,112,290</b>	<b>11,900,992</b>	<b>10,112,310</b>	<b>11,901,012</b>
Share capital		173,599	173,599	173,599	173,599
Reserves		1,568,769	1,534,791	1,568,769	1,534,791
<b>Shareholders' funds</b>		<b>1,742,368</b>	<b>1,708,390</b>	<b>1,742,368</b>	<b>1,708,390</b>
<b>Total liabilities and shareholders' funds</b>		<b>11,854,658</b>	<b>13,609,382</b>	<b>11,854,678</b>	<b>13,609,402</b>
Commitments and contingencies	25	120,850,876	120,439,647	120,850,876	120,439,647

*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 2015.*

Consolidated Statements Of Profit Or Loss And Other Comprehensive Income  
For The Financial Period Ended 31 March 2016 - Unaudited

	Note	Group and Bank			
		1 <sup>st</sup> Quarter ended 31 March 2016 RM'000	31 March 2015 RM'000	Three months ended 31 March 2016 RM'000	31 March 2015 RM'000
Interest income	19	45,776	41,370	45,776	41,370
Interest expense	20	(20,846)	(16,005)	(20,846)	(16,005)
Net interest income		<u>24,930</u>	<u>25,365</u>	<u>24,930</u>	<u>25,365</u>
Net income from Islamic Banking Operations	26	301	528	301	528
Non-interest income	21	51,559	48,414	51,559	48,414
Operating income		<u>76,790</u>	<u>74,307</u>	<u>76,790</u>	<u>74,307</u>
Other operating expenses	22	(31,744)	(33,022)	(31,744)	(33,022)
Operating profit		<u>45,046</u>	<u>41,285</u>	<u>45,046</u>	<u>41,285</u>
Allowance written back/(made) for impairment on loans, advances and financing	23	819	(399)	819	(399)
Profit before tax		<u>45,865</u>	<u>40,886</u>	<u>45,865</u>	<u>40,886</u>
Tax expense		(11,887)	(11,180)	(11,887)	(11,180)
Net profit / Total comprehensive income for the period		<u>33,978</u> =====	<u>29,706</u> =====	<u>33,978</u> =====	<u>29,706</u> =====
Earnings per share (sen)		<u>19.6 sen</u> =====	<u>17.1 sen</u> =====	<u>19.6 sen</u> =====	<u>17.1 sen</u> =====

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2015.*

Consolidated Statements Of Changes In Equity  
For The Financial Period Ended 31 March 2016

	<-----Attributable to owner of the Bank----->						
	<-----Non-distributable----->			Distributable			
Group and Bank	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained profits RM'000	Total reserves RM'000	Proposed dividend RM'000	Total RM'000
At 1 January 2016	173,599	357,763	188,280	988,748	1,534,791	-	1,708,390
Net profit/Total comprehensive income for the period	-	-	-	33,978	33,978	-	33,978
At 31 March 2016	173,599	357,763	188,280	1,022,726	1,568,769	-	1,742,368
At 1 January 2015	173,599	357,763	188,280	876,399	1,422,442	117,067	1,713,108
Net profit/Total comprehensive income for the period	-	-	-	29,706	29,706	-	29,706
Dividend paid	-	-	-	-	-	(117,067)	(117,067)
At 31 March 2015	173,599	357,763	188,280	906,105	1,452,148	-	1,625,747

*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 2015.*

Condensed Consolidated Statements Of Cash Flows  
For The Financial Period Ended 31 March 2016

	Group and Bank	
	31 March 2016 RM'000	31 March 2015 RM'000
Profit before taxation	45,865	40,886
Adjustments for non-operating and non-cash items	234	299
Operating profit before working capital changes	46,099	41,185
Changes in working capital:		
Net changes in operating assets	891,375	(3,208,178)
Net changes in operating liabilities	(1,788,702)	1,127,941
Income tax paid	(13,918)	(8,513)
Net cash used in operations	(865,146)	(2,047,565)
Cash flows from investing activities:		
Purchase of plant and equipment	(146)	(56)
Net cash used in investing activities	(146)	(56)
Cash flows from financing activities:		
Dividend paid	-	(117,067)
Net cash used in financing activities	-	(117,067)
Net decrease in cash and cash equivalents	(865,292)	(2,164,688)
Cash and cash equivalents at beginning of the period	5,856,232	5,145,807
Cash and cash equivalents at end of the period	4,990,940	2,981,119
Analysis of cash and cash equivalents:		
Cash and short-term funds	4,990,940	2,981,119

*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 2015.*

Explanatory Notes To The Interim Financial Statements  
For The Financial Period Ended 31 March 2016

1. Basis of preparation

The unaudited interim financial statements for the financial period ended 31 March 2016 have been prepared under the historical cost convention except for securities purchased under resale agreements, financial assets held-for-trading and derivative financial instruments which are stated at fair values.

The unaudited interim financial statements have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”). The unaudited interim financial statements should be read in conjunction with the audited annual financial statements for the Group and the Bank for the financial year ended 31 December 2015. 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 2015.

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 2015, except for the adoption of the following Malaysian Financial Reporting Standard (“MFRS”), Amendments to MFRSs and IC Interpretation that have been issued by the Malaysian Accounting Standard Board (“MASB”):

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investment in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiatives*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

1. Basis of preparation (continued)

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by MASB but have not been adopted by the Group and the Bank:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and amendments effective for 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, amendments and interpretations as follows:

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

The initial application of the applicable accounting standards, amendments or interpretations are not expected to have any material financial impact to the current year and prior year financial statements of the Group and the Bank except as mentioned below:

(i) MFRS 9, *Financial Instruments*

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

The adoption of MFRS 9 may have an impact to the classification and measurement of financial assets and financial liabilities of the Group and the Bank.

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

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

The adoption of MFRS 15 may have an impact to the current revenue recognition policy of the Group and the Bank.

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

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 2015 was not subject to any qualification.

3. Seasonality or Cyclicity of Operations

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group and of the Bank for the financial period ended 31 March 2016.

5. Changes in Estimates

There were no significant changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the Group and the Bank for the financial period ended 31 March 2016.

6. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities during the financial period ended 31 March 2016.

7. Dividend Paid

No dividend was paid during the financial period ended 31 March 2016. The final dividends recommended by the Directors in respect of the financial year ended 31 December 2015 is 81.4 sen and 64.7 sen per ordinary share, amounting to RM141,374,000 and RM112,349,000, respectively representing the profit after tax for the financial year ended 31 December 2014 and 2015, respectively.

8. Material Events

There were no material events subsequent to the reporting date that require disclosure or adjustments to the unaudited condensed interim financial statements.

9. Changes in the composition of the Group

There were no changes in the composition of the Group for the financial period ended 31 March 2016.

10. Review of Performance

The Bank recorded profit before taxation for the financial period ended 31 March 2016 of RM45.9 million compared to RM40.9 million profit for the previous corresponding period. Operating income increased by RM2.5 million (+3.3%) from RM74.3 million to RM76.8 million primarily on higher net fee income of RM12.8 million against net fee income of RM10.1 million in the previous corresponding period. Net interest income decreased by RM0.5 million (-1.7%) from RM25.4 million to RM24.9 million. Operating expenses decreased by RM1.3 million (-3.9%) from RM33.0 million to RM31.7 million mainly attributed to lower personnel cost and intercompany expenses.

Total assets registered a decrease of RM1.8 billion or 12.9% from RM13.6 billion to RM11.9 billion at 31 March 2016. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 20.0% and 20.3% respectively.

## 11. Prospects

Global growth has been slow pace in 2016 with fragile sentiment. The US growth is expected to be lower than 2015's due to weaker net exports amidst domestic fundamentals remains reasonably solid. In the euro zone, growth maintain its recent trend as ECB's credit easing help to limit downside risks from bank stress, whilst emerging market growth outlook remains sluggish mostly owe to recession in Russia and gradual slowdown in China.

On the local front, the Malaysia ringgit experienced a rebound against the dollar in Q1 2016 following the rising of crude oil prices. Nevertheless, the economic growth continues to be hampered by contraction in global demand for Malaysia's exports particularly of crude oil and refined energy products as prices remain at historical lows. Central Bank of Malaysia in its recent policy meeting announced overnight policy rate to remain at 3.25% with uncertainty still lingers surrounding the replacement of Central Bank Governor at the end of April 2016. Nonetheless, the Malaysia growth is expected to be at 4.0% - 4.5% in 2016, buoyed by growth in industrial production and export of electrical and manufacturing products, compounded with a well diversified economy to weather heightened financial volatility.

The Bank aims to remain competitive while maintaining strict risk, capital and cost discipline. We will continue to be relentless in our focus on product innovation to broaden and strengthen our suite of products, and at the same time leverage on our global expertise to enhance value-added service to our clients.

The Bank will continue to focus on building our franchise in Markets and Corporate & Investment Banking, with emphasis on client flows in foreign exchange, fixed income, interest rate derivatives, credit derivatives, structured transactions, money markets, repo, capital market instruments, cash management, securities services, trade finance and islamic banking.

The Bank looks forward to serve the best interest of our clients, employees and communities in which we operate in 2016 and beyond.

## 12. Financial assets held-for-trading

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
At fair value		
Malaysian Government Securities	489,932	283,324
Malaysian Investment Issue	384,722	222,048
Cagamas bonds	27,126	27,142
Negotiable instruments of deposit	-	300,000
	901,780	832,514
	901,780	832,514

## 13. Financial investments available-for-sale

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
At cost		
Unquoted securities	1,591	1,591
	1,591	1,591

## 14. Loans, advances and financing

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
At amortised cost		
Overdrafts	119,669	71,394
Term loans - housing loans	17,340	18,110
- other term loans	147,123	196,128
Bills receivable	436,737	240,143
Claims on customers under acceptance credits	831,375	819,245
Staff loans	3,776	3,739
	<u>1,556,020</u>	<u>1,348,759</u>
Unearned interest	(5,908)	(6,710)
	<u>1,550,112</u>	<u>1,342,049</u>
Gross loans, advances and financing		
Allowance for impaired loans and financing		
- Collective assessment	(8,452)	(9,268)
- Individual assessment	(312)	(315)
	<u>1,541,348</u>	<u>1,332,466</u>
Net loans, advances and financing	=====	=====

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

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Maturing within one year	1,501,965	1,290,887
More than one to three years	681	3,696
More than three to five years	31,368	31,368
More than five years	16,098	16,098
	<u>1,550,112</u>	<u>1,342,049</u>
	=====	=====

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

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Domestic banking institutions	1,771	1,729
Domestic business enterprises	1,099,374	973,534
Government and statutory bodies	-	114,888
Individuals	21,117	21,849
Foreign entities	427,850	230,049
	<u>1,550,112</u>	<u>1,342,049</u>
	=====	=====

## 14. Loans, advances and financing (continued)

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

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Fixed rate		
- Other fixed rate loan / financing	3,417	3,739
Variable rate		
- Base lending rate plus	43,717	37,075
- Cost-plus	1,500,781	1,298,911
- Other variable rates	2,197	2,324
	<u>1,550,112</u>	<u>1,342,049</u>
	=====	=====

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

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Malaysia	1,122,260	1,112,000
China	43,055	69,504
Singapore	276,400	48,679
India	33,309	44,144
Holland	-	35,182
Korea	52,834	624
Others	22,254	31,916
	<u>1,550,112</u>	<u>1,342,049</u>
	=====	=====

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

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Manufacturing	337,071	347,618
Construction	57,258	21,628
Wholesale & retail trade and restaurants & hotels	201,588	248,123
Transport, storage and communication	148,271	189,723
Finance, insurance and business services	784,807	513,108
Household	21,117	21,849
	<u>1,550,112</u>	<u>1,342,049</u>
	=====	=====

## 14. Loans, advances and financing (continued)

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

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Balance at 1 January	2,982	3,537
Classified as impaired during the period/year	200	517
Reclassified as non-impaired during the period/year	(170)	(864)
Amount recovered	(221)	(208)
At 31 March 2016/31 December 2015	<u>2,791</u>	<u>2,982</u>
	=====	=====
Gross impaired loans as a percentage of gross loans, advances and financing	0.18%	0.22%
	=====	=====

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

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
<u>Collective Assessment Allowance</u>		
At 1 January	9,268	8,807
Allowance (recovered)/ made during the period/year	(816)	461
At 31 March 2016/31 December 2015	<u>8,452</u>	<u>9,268</u>
	=====	=====

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
<u>Individual Assessment Allowance</u>		
At 1 January	315	304
Allowance made during the period/year	8	42
Amount recovered	(11)	(31)
At 31 March 2016/31 December 2015	<u>312</u>	<u>315</u>
	=====	=====

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

	Group and Bank	
	31 March 2016 RM'000	31 December 2016 RM'000
Household	2,791	2,982
	<u>2,791</u>	<u>2,982</u>
	=====	=====

## 15. Other assets

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Interest / Income receivable	7,023	8,539
Margin placed with exchange	1,189	2,419
Derivatives	3,077,501	3,647,273
Other debtors, deposits and prepayments	1,177,900	1,343,086
	<u>4,263,613</u>	<u>5,001,317</u>
	=====	=====

## 16. Deposits from customers

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Demand deposits	3,482,598	3,660,188	3,482,618	3,660,208
Savings deposits	3,742	3,789	3,742	3,789
Fixed deposits	145,553	326,352	145,553	326,352
Other deposits	549,279	827,228	549,279	827,228
	<u>4,181,172</u>	<u>4,817,557</u>	<u>4,181,192</u>	<u>4,817,577</u>
	=====	=====	=====	=====

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

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Due within six months	599,894	990,951
More than six months to one year	11,586	87,593
More than one year to three years	192	192
More than five years	83,160	74,844
	<u>694,832</u>	<u>1,153,580</u>
	=====	=====

The deposits are sourced from the following types of customers:

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Business enterprises	3,154,737	3,455,672	3,154,757	3,455,692
Individuals	33,508	33,342	33,508	33,342
Foreign customers	217,308	478,933	217,308	478,933
Others	775,619	849,610	775,619	849,610
	<u>4,181,172</u>	<u>4,817,557</u>	<u>4,181,192</u>	<u>4,817,577</u>
	=====	=====	=====	=====

## 17. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Other financial institutions	1,339,679	1,856,651
	<u>1,339,679</u>	<u>1,856,651</u>
	=====	=====

## 18. Other liabilities

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Interest payable	2,800	3,465
Bills payable	72,318	90,612
Derivatives	2,338,085	3,196,221
Employee benefits	6,961	19,660
Other liabilities	2,171,275	1,916,826
	<u>4,591,439</u>	<u>5,226,784</u>
	=====	=====

## 19. Interest income

	Group and Bank			
	1 <sup>st</sup> Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	12,978	13,414	12,978	13,414
Money at call and deposit placements with financial institutions	24,045	6,320	24,045	6,320
Securities purchased under resale agreement	1,266	5,603	1,266	5,603
Financial assets held for trading	7,487	16,033	7,487	16,033
	<u>45,776</u>	<u>41,370</u>	<u>45,776</u>	<u>41,370</u>
	=====	=====	=====	=====
Of which:				
Interest income earned on impaired loans, advances and financing	8	9	8	9
	=====	=====	=====	=====

## 20. Interest expense

	Group and Bank			
	1 <sup>st</sup> Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	4,057	1,334	4,057	1,334
Obligations on securities sold under repurchase agreement	11	314	11	314
Deposits from customers	16,778	14,357	16,778	14,357
	<u>20,846</u>	<u>16,005</u>	<u>20,846</u>	<u>16,005</u>
	=====	=====	=====	=====

## 21. Non-Interest Income

	Group and Bank			
	1 <sup>st</sup> Quarter ended 31 March 2016 RM'000	31 March 2015 RM'000	Three months ended 31 March 2016 RM'000	31 March 2015 RM'000
Fee income:				
Commissions	4,268	2,421	4,268	2,421
Service charges and fees	9,605	6,991	9,605	6,991
Guarantee fees	1,529	1,904	1,529	1,904
	<u>15,402</u>	<u>11,316</u>	<u>15,402</u>	<u>11,316</u>
Fee expense:				
Commissions	(707)	(743)	(707)	(743)
Service charges and fees	(1,847)	(434)	(1,847)	(434)
	<u>(2,554)</u>	<u>(1,177)</u>	<u>(2,554)</u>	<u>(1,177)</u>
Net fee income	<u>12,848</u>	<u>10,139</u>	<u>12,848</u>	<u>10,139</u>
Net gains from financial instruments:				
Net gain arising on financial assets held for trading :				
Realised gain	7,695	3,956	7,695	3,956
Unrealised gain	1,015	5,166	1,015	5,166
Net gain/(loss) arising on trading derivatives:				
Realised loss	(148,809)	(148,418)	(148,809)	(148,418)
Unrealised revaluation gain/(loss)	284,383	(83,213)	284,383	(83,213)
Foreign exchange (loss)/gain	(109,340)	255,931	(109,340)	255,931
Other income:				
Other operating income, net	3,767	4,853	3,767	4,853
	<u>38,711</u>	<u>38,275</u>	<u>38,711</u>	<u>38,275</u>
	<u>51,559</u>	<u>48,414</u>	<u>51,559</u>	<u>48,414</u>

## 22. Other operating expenses

	Group and Bank			
	1 <sup>st</sup> Quarter ended		Three months ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Personnel costs				
-Salaries, allowances and bonuses	12,035	12,124	12,035	12,124
-Others	3,234	3,737	3,234	3,737
Establishment costs				
-Rental	727	619	727	619
-Depreciation	234	299	234	299
-Others	575	1,104	575	1,104
Marketing expenses	525	419	525	419
Administration and general expenses				
-Intercompany expenses	11,996	12,533	11,996	12,533
-Communication	458	400	458	400
-Others	1,960	1,787	1,960	1,787
	<u>31,744</u>	<u>33,022</u>	<u>31,744</u>	<u>33,022</u>
	=====	=====	=====	=====

The number of employees of the Group and the Bank at the end of the period was 223 (March 2015 -202).

## 23. Allowance for impairment on loans, advances and financing

	Group and Bank			
	1 <sup>st</sup> Quarter ended		Three months ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Individual assessment allowance				
- made during the period	(8)	(9)	(8)	(9)
- written back	11	6	11	6
Collective assessment allowance				
- recovered/(made) during the period	816	(396)	816	(396)
	<u>819</u>	<u>(399)</u>	<u>819</u>	<u>(399)</u>
	=====	=====	=====	=====

## 24. Capital adequacy

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Components of Tier 1 and Tier 2 capital are as follows:-		
Tier 1 capital		
Paid-up share capital	173,599	173,599
Share premium	357,763	357,763
Statutory reserve	174,722	174,722
Retained profits	988,748	988,748
Less: Deferred tax assets	(26,543)	(26,543)
Total common equity tier 1(CET 1) / Total tier 1 capital	1,668,289	1,668,289
Tier 2 capital		
Collective assessment allowance#	6,692	7,460
Regulatory reserve	13,558	13,558
Total Capital / Capital base	1,688,539	1,689,307
Common equity tier 1(CET 1) / Tier 1 capital ratio	20.044%	19.323%
Total capital ratio	20.287%	19.567%

The capital adequacy ratios of the Group and of the Bank are computed in accordance with Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework (RWCAF-Basel II). 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 requirements are 4.5% for CET1 Capital Ratio, 6.0% for Tier 1 Capital Ratio and 8.0% for Total Capital Ratio. In addition, the capital conservation buffer in the form of CET1 Capital above the minimum regulatory capital adequacy ratios requirement is 0.625%, based on the phased-in transitional arrangement for 2016.

# Excludes collective assessment allowance on impaired loan restricted from Tier 2 capital of the Bank of RM1,760,000 (31 December 2015:RM1,808,000)

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

Risk Type		Risk Weighted Assets	
		31 March 2016 RM'000	31 December 2015 RM'000
1	Credit risk	4,156,933	4,367,429
2	Market risk	3,589,633	3,706,633
3	Operational risk	576,767	559,457
Total		8,323,333	8,633,519

## 24. Capital adequacy

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

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
1	Credit Risk	RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>			
	Sovereigns/Central Banks	227,063	128,742	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	1,930,011	1,930,011	755,137
	Insurance Companies, Securities Firms and Fund Managers	-	-	-
	Corporates	1,136,697	1,136,697	1,136,012
	Regulatory Retail	743	743	558
	Residential Mortgages	17,615	17,615	6,271
	Higher Risk Assets	-	-	-
	Other Assets	147,848	147,848	144,869
	Equity Exposure	1,631	1,631	1,861
	Defaulted Exposures	2,479	2,479	2,479
	<i>Total On-Balance Sheet Exposures</i>	<b>3,464,087</b>	<b>3,365,766</b>	<b>2,047,187</b>
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	3,992,945	2,382,960	1,183,234
	Credit Derivatives	50,928	50,928	21,044
	Transaction related contingent Items	462,988	461,586	434,432
	Short Term Self Liquidating trade related contingencies	48,264	48,264	43,974
	Other commitments, such as formal standby facilities and credit lines	438,368	438,368	427,062
	<i>Total for Off-Balance Sheet Exposures</i>	<b>4,993,493</b>	<b>3,382,106</b>	<b>2,109,746</b>
	<b>Total On and Off- Balance Sheet Exposures</b>	<b>8,457,580</b>	<b>6,747,872</b>	<b>4,156,933</b>

## 24. Capital adequacy (continued)

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

RISK TYPE		Gross Exposures		Risk Weighted Assets
		RM'000		RM'000
2	Market Risk	Long Position	Short Position	
		Interest Rate Risk	129,653,923	124,122,058
	Foreign Currency Risk	1,206,080	276,733	1,207,058
	Options	8,383	23,260	293,563
		130,868,386	124,422,051	3,589,633
3	Operational Risk			576,767
4	Total RWA and Capital Requirements			8,323,333

## 24. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category for at 31 December 2015 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	678,451	148,311	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	2,026,106	2,026,106	733,076
	Insurance Companies, Securities Firms and Fund Managers	-	-	-
	Corporates	1,104,133	1,104,133	1,103,181
	Regulatory Retail	830	830	622
	Residential Mortgages	18,037	18,037	6,434
	Higher Risk Assets	-	-	-
	Other Assets	105,883	105,883	103,992
	Equity Exposure	1,631	1,631	1,861
	Defaulted Exposures	2,667	2,667	2,667
	<i>Total On-Balance Sheet Exposures</i>	3,937,738	3,407,598	1,951,833
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	4,385,033	2,563,700	1,413,468
	Credit Derivatives	46,251	46,251	21,206
	Transaction related contingent Items	498,969	496,067	456,566
	Short Term Self Liquidating trade related contingencies	94,240	94,240	81,346
	Other commitments, such as formal standby facilities and credit lines	477,821	477,821	443,010
	<i>Total for Off-Balance Sheet Exposures</i>	5,502,314	3,678,079	2,415,596
	<i>Total On and Off- Balance Sheet Exposures</i>	9,440,052	7,085,677	4,367,429

## 24. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category for at 31 December 2015 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	131,548,434	126,030,607
	Foreign Currency Risk	1,413,543	116,911	1,413,538
	Options	33,151	-	267,000
		132,995,128	126,147,518	3,706,633
3	Operational Risk			559,457
4	Total RWA and Capital Requirements			8,633,519

## 24. Capital adequacy (continued)

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

Risk Weights	Exposures after Netting & Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures		
0%	RM'000 144,847	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 2,979	RM'000 -	RM'000 147,826	RM'000 -
20%	-	-	1,478,973	3,703	14,131	-	-	-	-	-	1,496,807	299,361
35%	-	-	-	-	-	-	16,810	-	-	-	16,810	5,883
50%	-	-	2,153,639	-	315,125	-	805	-	-	-	2,469,569	1,234,784
75%	-	-	-	-	-	743	-	-	-	-	743	558
100%	-	-	280	8,044	2,458,814	-	2,479	-	144,869	1,611	2,616,097	2,616,097
1250%	-	-	-	-	-	-	-	-	-	20	20	250
Total Exposures	144,847	-	3,632,892	11,747	2,788,070	743	20,094	-	147,848	1,631	6,747,872	4,156,933
Risk-Weighted Assets by Exposures	-	-	1,372,894	8,784	2,619,202	558	8,765	-	144,869	1,861	4,156,933	
Average Risk Weight	0.0%	0.0%	37.8%	74.8%	93.9%	75.1%	43.6%	0.0%	98.0%	114.1%	61.6%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

## 24. Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights for 31 December 2015 are as follows:

Risk Weights	Exposures after Netting & Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures		
0%	RM'000 154,813	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 1,891	RM'000 -	RM'000 156,704	RM'000 -
20%	-	-	1,588,645	3,703	35,064	-	-	-	-	-	1,627,412	325,482
35%	-	-	-	-	-	-	17,229	-	-	-	17,229	6,030
50%	-	-	2,217,831	-	278,239	-	808	-	-	-	2,496,878	1,248,439
75%	-	-	-	-	-	830	-	-	-	-	830	622
100%	-	-	6,604	9,932	2,661,798	-	2,667	-	103,992	1,611	2,786,604	2,786,606
1250%	-	-	-	-	-	-	-	-	-	20	20	250
Total Exposures	154,813	-	3,813,080	13,635	2,975,101	830	20,704	-	105,883	1,631	7,085,677	4,367,429
Risk-Weighted Assets by Exposures	-	-	1,433,248	10,672	2,807,933	622	9,101	-	103,992	1,861	4,367,429	
Average Risk Weight	0.0%	0.0%	37.6%	78.3%	94.4%	74.9%	44.0%	0.0%	98.2%	114.1%	61.6%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

## 25. Commitments and contingencies

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

31 March 2016 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000
Direct Credit Substitutes	-	-	-
Transaction Related Contingent Items	925,976	462,988	434,432
Short Term Self Liquidating Trade Related Contingencies	241,322	48,264	43,974
Foreign exchange related contracts			
One year or less	15,088,330	931,686	400,133
Over one year to five years	2,244,778	204,154	204,153
Over five years	310,475	34,153	17,076
Interest/Profit rate related contracts			
One year or less	1,047,000	2,220	1,504
Over one year to five years	908,883	31,124	19,271
Over five years	33,663	3,703	740
Equity related contracts			
One year or less	-	-	-
Over one year to five years	-	-	-
Over five years	-	-	-
Credit Derivative Contracts			
One year or less	-	-	-
Over one year to five years	-	-	-
Over five years	-	-	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	97,858,655	2,836,833	561,400
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	29	15	15
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	2,191,765	438,353	427,048
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	-	-	-
<b>Total</b>	<b>120,850,876</b>	<b>4,993,493</b>	<b>2,109,746</b>

## 25. Commitments and contingencies (continued)

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

31 December 2015 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000
Direct Credit Substitutes	-	-	-
Transaction Related Contingent Items	997,938	498,969	456,566
Short Term Self Liquidating Trade Related Contingencies	471,201	94,240	81,346
Foreign exchange related contracts			
One year or less	9,732,796	289,204	273,484
Over one year to five years	6,915,014	1,116,077	510,014
Over five years	311,586	34,312	17,237
Interest/Profit rate related contracts			
One year or less	1,136,150	2,952	2,202
Over one year to five years	872,040	31,010	18,646
Over five years	33,663	3,703	741
Equity related contracts			
One year or less	-	-	-
Over one year to five years	-	-	-
Over five years	-	-	-
Credit Derivative Contracts			
One year or less	-	-	-
Over one year to five years	-	-	-
Over five years	-	-	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	97,580,200	2,954,026	612,350
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	29	15	15
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	2,389,030	477,806	442,995
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	-	-	-
<b>Total</b>	<b>120,439,647</b>	<b>5,502,314</b>	<b>2,415,596</b>

## 26. The Operations of Islamic Banking

Statement Of Financial Position  
As At 31 March 2016 – Unaudited

	Note	Bank	
		31 March 2016 RM'000	31 December 2015 RM'000
<b>Assets</b>			
Cash and short term funds	(a)	70,966	67,923
Financial assets-held-for-trading	(b)	50,315	50,275
Other assets		1,901	1,251
<b>Total assets</b>		<u>123,182</u> =====	<u>119,449</u> =====
<b>Liabilities and shareholders' funds</b>			
Deposits from customer	(c)	78,013	77,464
Deposits and placements of banks and other financial institutions	(d)	251	254
Other liabilities	(e)	12,081	9,191
Taxation		1,893	1,822
<b>Total liabilities</b>		<u>92,238</u> -----	<u>88,731</u> -----
Capital funds		25,000	25,000
Retained profits		5,944	5,718
<b>Islamic banking funds</b>		<u>30,944</u> -----	<u>30,718</u> -----
<b>Total liabilities and Islamic banking funds</b>		<u>123,182</u> =====	<u>119,449</u> =====
<b>Commitments and contingencies</b>		<u>-</u> =====	<u>-</u> =====

## 26. The operations of Islamic Banking (continued)

Statement Of Profit Or Loss And Other Comprehensive Income  
For The Financial Period Ended 31 March 2016 - Unaudited

	1 <sup>st</sup> Quarter ended		Bank Three months ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Income derived from investment of Islamic banking funds	301	528	301	528
Total net income	<u>301</u>	<u>528</u>	<u>301</u>	<u>528</u>
Other operating expenses	(4)	(4)	(4)	(4)
Profit before taxation	<u>297</u>	<u>524</u>	<u>297</u>	<u>524</u>
Taxation	(71)	(131)	(71)	(131)
Profit and total comprehensive income for the period	<u>226</u>	<u>393</u>	<u>226</u>	<u>393</u>

Statement Of Changes In Islamic Banking Funds  
For The Financial Period Ended 31 March 2016

	Capital funds RM'000	Retained profits RM'000	Total RM'000
Bank			
At 1 January 2016	25,000	5,718	30,718
Profit and total comprehensive income for the period	-	226	226
At 31 March 2016	<u>25,000</u>	<u>5,944</u>	<u>30,944</u>
At 1 January 2015	25,000	4,757	29,757
Profit and total comprehensive income for the period	-	393	393
At 31 March 2015	<u>25,000</u>	<u>5,150</u>	<u>30,150</u>

## 26. The operations of Islamic Banking (continued)

Statement Of Cash Flows  
For The Financial Period Ended 31 March 2016

	Bank	
	31 March 2016 RM'000	31 March 2015 RM'000
Cash flows from operating activities		
Profit before taxation	297	524
Operating profit before working capital changes	<u>297</u>	<u>524</u>
Changes in working capital:		
Net changes in operating assets	(690)	(62,755)
Net changes in operating liabilities	3,436	(10,189)
Net cash generated from/(used in) operations	<u>3,043</u>	<u>(72,420)</u>
Net increase/ (decrease) in cash and cash equivalents	3,043	(72,420)
Cash and cash equivalents at beginning of period	67,923	74,200
Cash and cash equivalents at end of period	<u>70,966</u>	<u>1,780</u>
	=====	=====
Analysis of cash and cash equivalents:		
Cash and short term funds	<u>70,966</u>	<u>1,780</u>

## 26. The operations of Islamic Banking (continued)

## Shariah Committee

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

The Shariah Committee comprises of Dr Sheikh Hussain Hamed Sayed Hassan, Dr Muhammad Qaseem and Encik Mohd Hilmi bin Ramli.

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

## Basis of measurement

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

## (a) Cash and short term funds

	Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Cash and balances with banks and other financial institutions	70,966 =====	67,923 =====

## (b) Financial assets held-for-trading

	Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Malaysian Investment Issue	50,315 =====	50,275 =====

## (c) Deposits from customer

	Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Non-Mudharabah		
Demand deposits	28,013	27,464
Other deposits	50,000	50,000
	78,013 =====	77,464 =====

## 26. The operations of Islamic Banking (continued)

## (d) Deposits and placements of banks and other financial institutions

	Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Licensed bank	251	254
	=====	=====

## (e) Other liabilities

	Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Bills payable	593	81
Others	11,488	9,110
	<u>12,081</u>	<u>9,191</u>
	=====	=====

## (f) Capital adequacy

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

Components of Tier I and Tier II Capital:

	Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
Components of Tier I and Tier II capital are as follows:-		
Tier 1 capital		
Capital funds	25,000	25,000
Retained profits	5,718	5,718
Total common equity tier 1/ Total tier 1 capital	<u>0,718</u>	<u>30,718</u>
Total Tier 2 capital	-	-
Capital base	<u>30,718</u>	<u>30,718</u>
	=====	=====
Common equity tier 1/ Tier 1 capital ratio	542.338%	707.543%
Total capital ratio	542.338%	707.543%
	=====	=====

## 26. The operations of Islamic Banking (continued)

## (f) Capital adequacy (continued)

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

Risk Type		Risk Weighted Assets	
		31 March 2016 RM'000	31 December 2015 RM'000
1	Credit risk	1,604	1,104
2	Market risk	983	206
3	Operational risk	3,077	3,033
Total		5,664	4,343

## 26. The operations of Islamic Banking (continued)

## (f) Capital adequacy (continued)

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

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
1		RM'000	RM'000	RM'000
	<i>On-Balance Sheet Exposures</i>			
	Sovereigns/Central Banks	70,772	70,772	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	983	983	492
	Insurance Companies, Securities Firms and Fund Managers	-	-	-
	Corporates	-	-	-
	Regulatory Retail	-	-	-
	Residential Mortgages	-	-	-
	Higher Risk Assets	-	-	-
	Other Assets	1,112	1,112	1,112
	Equity Exposure	-	-	-
	Defaulted Exposures	-	-	-
	<i>Total On-Balance Sheet Exposures</i>	<i>72,867</i>	<i>72,867</i>	<i>1,604</i>
	<i>Off-Balance Sheet Exposures</i>			
	OTC Derivatives	-	-	-
	Credit Derivatives	-	-	-
	<i>Total for Off-Balance Sheet Exposures</i>	<i>-</i>	<i>-</i>	<i>-</i>
	<i>Total On and Off- Balance Sheet Exposures</i>	<i>72,867</i>	<i>72,867</i>	<i>1,604</i>

## 26. The operations of Islamic Banking (continued)

## (f) Capital adequacy (continued)

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

RISK TYPE		Gross Exposures		Risk Weighted Assets
		RM'000		RM'000
2	Market Risk	Long Position	Short Position	
			Interest Rate Risk	65,000
	Foreign Currency Risk	983	-	983
	Options	-	-	-
		65,983	-	983
3	Operational Risk			3,077
4	Total RWA and Capital Requirements			5,664

## 26. The operations of Islamic Banking (continued)

## (f) Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 December 2015 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets
1		RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>			
	Sovereigns/Central Banks	67,968	67,968	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	206	206	103
	Insurance Companies, Securities Firms and Fund Managers	-	-	-
	Corporates	-	-	-
	Regulatory Retail	-	-	-
	Residential Mortgages	-	-	-
	Higher Risk Assets	-	-	-
	Other Assets	1,000	1,000	1,000
	Equity Exposure	-	-	-
	Defaulted Exposures	-	-	-
	<i>Total On-Balance Sheet Exposures</i>	69,174	69,174	1,103
	<u>Off-Balance Sheet Exposures</u>			
	OTC Derivatives	-	-	-
	Credit Derivatives	-	-	-
	<i>Total for Off-Balance Sheet Exposures</i>	-	-	-
	<b>Total On and Off- Balance Sheet Exposures</b>	<b>69,174</b>	<b>69,174</b>	<b>1,103</b>

## 26. The operations of Islamic Banking (continued)

## (f) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 December 2015 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	54,841	-	-
		Foreign Currency Risk	206	-	206
		Options	-	-	-
			55,047	-	206
3	Operational Risk			3,033	
4	Total RWA and Capital Requirements			4,342	

## 26. The operations of Islamic Banking (continued)

## (f) Capital adequacy (continued)

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

Risk Weights	Exposures after Netting & Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures		
0%	RM'000 70,772	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 70,772	RM'000 -
20%	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	983	-	-	-	-	-	-	-	983	492
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	1,112	-	1,112	1,112
150%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	70,772	-	983	-	-	-	-	-	1,112	-	72,867	1,604
Risk-Weighted Assets by Exposures	0%	-	492	-	-	-	-	-	1,112	-	1,604	
Average Risk Weight	-	-	50.0%	-	-	-	-	-	100.0%	-	2.2%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

## 26. The operations of Islamic Banking (continued)

## (f) Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 31 December 2015 are as follows:

Risk Weights	Exposures after Netting & Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures		
0%	RM'000 67,968	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 67,968	RM'000 -
20%	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	206	-	-	-	-	-	-	-	206	104
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	1,000	-	1,000	1,000
150%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	67,968	-	206	-	-	-	-	-	1,000	-	69,174	1,104
Risk-Weighted Assets by Exposures	0%	-	104	-	-	-	-	-	1,000	-	1,104	
Average Risk Weight	-	-	50.0%	-	-	-	-	-	100.0%	-	1.6%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	