

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

**Unaudited Condensed Interim Financial Statements  
for the Financial Period Ended 30 September 2014**

Domiciled in Malaysia  
Registered office:  
Level 18, Menara IMC  
No. 8 Jalan Sultan Ismail  
50250 Kuala Lumpur



**DEUTSCHE BANK (MALAYSIA) BERHAD**  
**(Company No. 312552-W)**  
**(Incorporated in Malaysia)**  
**AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2014 - UNAUDITED**

	Note	Group		Bank	
		30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
<b>Assets</b>					
Cash and short term funds		2,774,810	2,496,327	2,774,810	2,496,327
Securities purchased under resale agreements		1,998,553	3,015,904	1,998,553	3,015,904
Financial assets held-for-trading	10	467,643	2,853,972	467,643	2,853,972
Financial investments available-for-sale	11	1,591	1,591	1,591	1,591
Loans, advances and financing	12	1,868,138	2,004,478	1,868,138	2,004,478
Other assets	13	1,642,596	2,040,137	1,642,596	2,040,137
Statutory deposit with Bank Negara Malaysia		18,000	6,000	18,000	6,000
Investments in subsidiary companies		-	-	20	20
Property, plant and equipment		2,489	2,766	2,489	2,766
Deferred tax assets		19,933	22,644	19,933	22,644
Tax recoverable		-	27,188	-	27,188
<b>Total assets</b>		<u>8,793,753</u>	<u>12,471,007</u>	<u>8,793,773</u>	<u>12,471,027</u>
<b>Liabilities and shareholders' funds</b>					
Deposits from customers	14	4,345,067	4,748,311	4,345,087	4,748,331
Deposits and placements of banks and other financial institutions	15	727,628	1,538,371	727,628	1,538,371
Obligations on securities sold under repurchase agreements		-	2,089,672	-	2,089,672
Other liabilities	16	2,030,437	2,522,919	2,030,437	2,522,919
Taxation		1,834	-	1,834	-
<b>Total liabilities</b>		<u>7,104,966</u>	<u>10,899,273</u>	<u>7,104,986</u>	<u>10,899,293</u>
<b>Share capital</b>		173,599	173,599	173,599	173,599
<b>Reserves</b>		1,515,188	1,398,135	1,515,188	1,398,135
<b>Shareholders' funds</b>		<u>1,688,787</u>	<u>1,571,734</u>	<u>1,688,787</u>	<u>1,571,734</u>
<b>Total liabilities and shareholders' funds</b>		<u>8,793,753</u>	<u>12,471,007</u>	<u>8,793,773</u>	<u>12,471,027</u>
<b>Commitments and contingencies</b>	24	136,150,393	141,760,260	136,150,393	141,760,260

*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 2013.*

**DEUTSCHE BANK (MALAYSIA) BERHAD**  
**(Company No. 312552-W)**  
**(Incorporated in Malaysia)**  
**AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014 - UNAUDITED**

	Note	Group and Bank			
		Nine months ended		Three months ended	
		30 September	30 September	30 September	30 September
		2014	2013	2014	2013
		RM'000	RM'000	RM'000	RM'000
Interest income	17	166,356	170,228	58,770	58,144
Interest expense	18	(70,746)	(59,643)	(23,555)	(21,999)
Net interest income		<u>95,610</u>	<u>110,585</u>	<u>35,215</u>	<u>36,145</u>
Net income from Islamic Banking Operations	26	939	1,264	216	1,727
Non-interest income	19	157,629	120,267	69,090	39,746
Operating income		<u>254,178</u>	<u>232,116</u>	<u>104,521</u>	<u>77,618</u>
Other operating expenses	20	(96,177)	(84,689)	(30,882)	(29,555)
Operating profit		<u>158,001</u>	<u>147,427</u>	<u>73,639</u>	<u>48,063</u>
Allowance for impairment on loans, advances and financing	21	762	(772)	2,726	628
Profit before taxation		<u>158,763</u>	<u>146,655</u>	<u>76,365</u>	<u>48,691</u>
Tax expense		(41,710)	(38,200)	(19,309)	(12,357)
Net profit / Total comprehensive income for the period		<u>117,053</u>	<u>108,455</u>	<u>57,056</u>	<u>36,334</u>
		=====	=====	=====	=====
Earnings per share (sen)		67.4 sen	62.5 sen	32.9 sen	20.9 sen
		=====	=====	=====	=====

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2013.*

**DEUTSCHE BANK (MALAYSIA) BERHAD**  
**(Company No. 312552-W)**  
**(Incorporated in Malaysia)**  
**AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

	<-----Attributable to owner of the Bank----->					
	<-----Non-distributable----->			Distributable		
	Share capital	Share premium	Other reserves*	Retained profits	Total reserves	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group and Bank</b>						
<b>At 1 January 2014</b>	173,599	357,763	188,280	852,092	1,398,135	1,571,734
Net profit/Total comprehensive income for the period	-	-	-	117,053	117,053	117,053
<b>At 30 September 2014</b>	173,599	357,763	188,280	969,145	1,515,188	1,688,787
<b>At 1 January 2013</b>	173,599	357,763	174,722	748,583	1,281,068	1,454,667
Net profit/Total comprehensive income for the period	-	-	-	108,455	108,455	108,455
<b>At 30 September 2013</b>	173,599	357,763	174,722	857,038	1,389,523	1,563,122

\* Other reserves as at 1 January 2014 and 30 September 2014 include regulatory reserve of RM 13,558,000 which was transferred from retained profits.

*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 2013.*

**DEUTSCHE BANK (MALAYSIA) BERHAD**  
**(Company No. 312552-W)**  
**(Incorporated in Malaysia)**  
**AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

	Group and Bank	
	30 September 2014 RM'000	30 September 2013 RM'000
Profit before taxation	158,763	146,655
Adjustments for non-operating and non-cash items	948	987
Operating profit before working capital changes	159,711	147,642
Changes in working capital:		
Net changes in operating assets	3,925,561	(2,163,042)
Net changes in operating liabilities	(3,796,141)	733,627
Income tax paid	(28,617)	(33,042)
Tax refunds received	18,639	(14)
Net cash generated from/(used in) operations	279,153	(1,314,829)
Net cash used in investing activities	(670)	(285)
	(670)	(285)
Net increase/(decrease) in cash and cash equivalents	278,483	(1,315,114)
Cash and cash equivalents at beginning of the period	2,496,327	3,429,964
Cash and cash equivalents at end of the period	2,774,810	2,114,850
Analysis of cash and cash equivalents:		
Cash and short-term funds	2,774,810	2,114,850

*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 2013.*

DEUTSCHE BANK (MALAYSIA) BERHAD  
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AND ITS SUBSIDIARIES

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014

1. Basis of preparation

The unaudited interim financial statements for the third financial quarter ended 30 September 2014 have been prepared under the historical cost convention except for 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 2013. 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 2013.

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 2013, 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 10, Consolidated Financial Statements: Investment Entities
- Amendments to MFRS 12, Disclosure of Interests in Other Entities: Investment Entities
- Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities
- Amendments to MFRS 132, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136, Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139, Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21, Levies

## 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 July 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits - Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*
- 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*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- MFRS 9, *Financial Instruments - Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*
- Amendments to MFRS 7, *Financial Instruments: Disclosures - Mandatory Effective Date of MFRS 9 and Transition Disclosures*

**1. Basis of preparation (continued)**

The Group and the Bank plan to apply the abovementioned amendments and interpretations:

- from the annual period beginning on 1 January 2015 for those standards, amendments or interpretations that are effective for the annual period beginning on or after 1 July 2014, except for Amendments to MFRS 3, Amendments to MFRS 8 and Amendments to MFRS 138 which are not applicable to the Group and the Bank.
- from the annual period beginning on 1 January 2016 for those standards, amendments or interpretations that are effective for the annual period beginning on or after 1 January 2016, except for MFRS 14, Amendments to MFRS 11 and Amendments to MFRS 116 and MFRS 141 which are not applicable to the Group and the Bank.
- from the annual period beginning on 1 January 2017 for those standards, amendments or interpretations that are effective for the annual period beginning on or after 1 January 2017.

The Group and the Bank is still assessing the impact of adoption of MFRS 9 and MFRS 15. Other than this, the initial application of the standards, amendments and interpretations is not expected to have any material financial impact to the current and prior periods financial statements upon their first adoption.

**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 2013 was not subject to any qualification.

**3. Seasonality or Cyclicity of Operations**

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group and of the Bank for the financial period ended 30 September 2014.

**5. Changes in Estimates**

There were no significant changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the Group and the Bank for the financial period ended 30 September 2014.

**6. Issuance and Repayment of Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities during the financial period ended 30 September 2014.



Company No. 312552-W

**7. Dividend**

No dividend was paid during the financial period ended 30 September 2014. The Directors proposed the payment of an interim single tier dividend of approximately 67.4% on 173,599,037 shares of RM1.00 each, amounting to approximately RM117,067,000 in respect of the financial year ending 31 December 2014 out of the profit after tax for the financial year ended 31 December 2013.

**8. Material Events**

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

**9. Changes in the composition of the Group**

There were no changes in the composition of the Group for the financial period ended 30 September 2014.

**10. Financial assets held-for-trading**

	Group and Bank	
	30 September 2014	31 December 2013
At fair value	RM'000	RM'000
Malaysian Government Securities	216,809	575,054
Malaysian Investment Issue	86,685	182,722
Bank Negara Malaysia Bills	29,402	1,466,387
Treasury Bills	-	29,705
Cagamas bonds	124,770	11,298
Private debt securities	9,977	138,847
Negotiable instruments of deposit	-	449,959
	467,643	2,853,972
	=====	=====

**11. Financial investments available-for-sale**

	Group and Bank	
	30 September 2014	31 December 2013
At cost	RM'000	RM'000
Unquoted securities	1,591	1,591
	=====	=====

## 12. Loans, advances and financing

	Group and Bank	
	30 September 2014	31 December 2013
	RM'000	RM'000
<b>At amortised cost</b>		
Overdrafts	109,132	105,006
Term loans - housing loans	21,851	24,209
- other term loans	248,237	55,304
Bills receivable	581,913	983,353
Claims on customers under acceptance credits	922,879	850,818
Staff loans	3,615	3,999
	<u>1,887,627</u>	<u>2,022,689</u>
Unearned interest	(9,274)	(7,185)
	<u>1,878,353</u>	<u>2,015,504</u>
Gross loans, advances and financing		
Allowance for impaired loans and financing		
- Collective assessment	(9,893)	(10,623)
- Individual assessment	(322)	(403)
	<u>1,868,138</u>	<u>2,004,478</u>
	=====	=====

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

	Group and Bank	
	30 September 2014	31 December 2013
	RM'000	RM'000
Maturing within one year	1,715,051	1,947,934
More than one to three years	129,009	10,151
More than three to five years	11,684	1,936
More than five years	22,609	55,483
	<u>1,878,353</u>	<u>2,015,504</u>
	=====	=====

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

	Group and Bank	
	30 September 2014	31 December 2013
	RM'000	RM'000
Domestic banking institutions	6,205	1,889
Domestic business enterprises - others	1,025,504	1,008,088
Government and statutory bodies	248,232	-
Individuals	25,456	28,245
Foreign entities	572,956	977,282
	<u>1,878,353</u>	<u>2,015,504</u>
	=====	=====

Company No. 312552-W

**12. Loans, advances and financing (continued)**

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

	<b>Group and Bank</b>	
	<b>30 September 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
Fixed rate		
- Other fixed rate loan / financing	3,615	3,845
Variable rate,		
- Base lending rate plus	178,160	67,969
- Cost-plus	1,693,963	1,940,919
- Other variable rates	2,615	2,771
	1,878,353	2,015,504
	=====	=====

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

	<b>Group and Bank</b>	
	<b>30 September 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
Malaysia	1,305,396	1,038,221
China	293,863	625,613
United Arab Emirates	125,763	53,345
Singapore	63,850	180,659
Others	89,481	117,666
	1,878,353	2,015,504
	=====	=====

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

	<b>Group and Bank</b>	
	<b>30 September 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
Agriculture, hunting, forestry & fishing	-	5
Manufacturing	205,427	230,047
Electricity, gas and water	-	4,506
Construction	34,019	90,845
Purchase of landed property:		
- Residential	24,734	27,085
Wholesale & retail trade and restaurants & hotels	370,654	261,229
Finance, insurance and business services	1,241,225	1,395,124
Purchase of transport vehicles	234	465
Others	2,060	6,198
	1,878,353	2,015,504
	=====	=====

Company No. 312552-W

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

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

	Group and Bank	
	30 September 2014	31 December 2013
	RM'000	RM'000
Balance at 1 January	4,614	8,448
Classified as impaired during the period/year	672	2,082
Reclassified as non-impaired during the period/year	(997)	(1,613)
Amount recovered	(633)	(4,303)
Amount written off	(49)	-
At 30 September 2014/31 December 2013	<u>3,607</u>	<u>4,614</u>
	=====	=====
Gross impaired loans as a percentage of gross loans, advances and financing	0.19%	0.23%
	=====	=====

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

	Group and Bank	
	30 September 2014	31 December 2013
	RM'000	RM'000
<u>Collective Assessment Allowance</u>		
At 1 January	10,623	6,961
Increase/(Decrease) during the period/year	(730)	3,662
At 30 September 2014/31 December 2013	<u>9,893</u>	<u>10,623</u>
	=====	=====

	Group and Bank	
	30 September 2014	31 December 2013
	RM'000	RM'000
<u>Individual Assessment Allowance</u>		
At 1 January	403	2,186
Allowance made during the period/year	39	328
Amount recovered	(73)	(2,111)
Amount written off	(47)	-
At 30 September 2014/31 December 2013	<u>322</u>	<u>403</u>
	=====	=====

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

	Group and Bank	
	30 September 2014	31 December 2013
	RM'000	RM'000
Purchase of landed property - residential	3,607	4,567
Others	-	47
	<u>3,607</u>	<u>4,614</u>
	=====	=====

Company No. 312552-W

## 13. Other assets

	Group and Bank	
	30 September 2014 RM'000	31 December 2013 RM'000
Interest / Income receivable	5,785	16,166
Margin placed with exchange	3,790	1,482
Derivatives	1,039,941	1,500,727
Other debtors, deposits and prepayments	593,080	521,762
	<u>1,642,596</u>	<u>2,040,137</u>
	=====	=====

## 14. Deposits from customers

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Demand deposits	2,677,196	2,574,926	2,677,216	2,574,946
Savings deposits	6,160	3,824	6,160	3,824
Fixed deposits	447,293	270,962	447,293	270,962
Other deposits and negotiable Instrument of deposits	1,214,418	1,898,599	1,214,418	1,898,599
	<u>4,345,067</u>	<u>4,748,311</u>	<u>4,345,087</u>	<u>4,748,331</u>
	=====	=====	=====	=====

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

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Due within six months	1,160,995	1,486,539	1,160,995	1,486,539
More than six months to one year	228,335	90,792	228,335	90,792
More than one year to three years	214,169	550,650	214,169	550,650
More than five years	58,212	41,580	58,212	41,580
	<u>1,661,711</u>	<u>2,169,561</u>	<u>1,661,711</u>	<u>2,169,561</u>
	=====	=====	=====	=====

Company No. 312552-W

**14. Deposits from customers (continued)**

The deposits are sourced from the following types of customers:

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Business enterprises	2,769,554	3,058,136	2,769,574	3,058,156
Individuals	40,101	39,779	40,101	39,779
Foreign customers	204,221	306,299	204,221	306,299
Others	1,331,191	1,344,097	1,331,191	1,344,097
	<u>4,345,067</u>	<u>4,748,311</u>	<u>4,345,087</u>	<u>4,748,331</u>
	=====	=====	=====	=====

**15. Deposits and placements of banks and other financial institutions**

	Group and Bank	
	30 September 2014 RM'000	31 December 2013 RM'000
Other financial institutions	727,628	1,538,371
	=====	=====

**16. Other liabilities**

	Group and Bank	
	30 September 2014 RM'000	31 December 2013 RM'000
Interest payable	1,119	5,224
Bills payable	167,398	161,718
Derivatives	1,263,643	1,736,015
Employee benefits	14,728	28,414
Other liabilities	583,549	591,548
	<u>2,030,437</u>	<u>2,522,919</u>
	=====	=====

Company No. 312552-W

## 17. Interest income

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	40,324	25,129	14,652	9,573
Money at call and deposit placements with financial institutions	18,609	14,587	6,383	4,712
Securities purchased under resale agreement	69,907	67,685	25,455	25,181
Financial assets held for trading	37,516	62,827	12,280	18,678
	<u>166,356</u>	<u>170,228</u>	<u>58,770</u>	<u>58,144</u>
	=====	=====	=====	=====
Of which:				
Interest income earned on impaired loans, advances and financing	39	302	15	113
	=====	=====	=====	=====

## 18. Interest expense

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	7,597	12,179	2,719	4,295
Obligations on securities sold under repurchase agreement	24,069	8,561	9,220	3,812
Deposits from customers	39,080	38,903	11,616	13,892
	<u>70,746</u>	<u>59,643</u>	<u>23,555</u>	<u>21,999</u>
	=====	=====	=====	=====

Company No. 312552-W

## 19. Non-Interest Income

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commissions	7,544	8,366	2,457	2,760
Service charges and fees	19,804	16,969	5,256	7,261
Guarantee fees	5,579	5,758	1,979	1,759
	<u>32,927</u>	<u>31,093</u>	<u>9,692</u>	<u>11,780</u>
	-----	-----	-----	-----
Fee expense:				
Commissions	(2,644)	(2,575)	(873)	(1,189)
Service charges and fees	(3,093)	(2,429)	(1,011)	(890)
	<u>(5,737)</u>	<u>(5,004)</u>	<u>(1,884)</u>	<u>(2,079)</u>
	-----	-----	-----	-----
Net fee income	<u>27,190</u>	<u>26,089</u>	<u>7,808</u>	<u>9,701</u>
	-----	-----	-----	-----
<b>Net gains from financial instruments:</b>				
Net gain/(loss) arising on financial assets held for trading :				
Net gain/(loss) from sale	10,772	2,644	2,916	(1,271)
Unrealised revaluation gain/(loss)	4,221	(1,367)	(104)	(432)
Net (loss)/gain arising on trading derivatives:				
Net (loss)/gain on settlement	(53,466)	(206,562)	12,898	(66,548)
Unrealised revaluation (loss)/gain	(5,701)	64,835	(12,689)	12,115
Net gain arising from dealing in foreign exchange :				
Net gain on settlement	19,218	273,872	15,524	112,541
Unrealised gain/(loss) from foreign exchange translation	145,432	(49,606)	37,818	(33,879)
Net gain arising on financial investments available-for-sale :				
Gross dividend income	85	90	40	56
<b>Other income:</b>				
Other operating income, net	9,878	10,272	4,879	7,463
	<u>130,439</u>	<u>94,178</u>	<u>61,282</u>	<u>30,045</u>
	-----	-----	-----	-----
	<u>157,629</u>	<u>120,267</u>	<u>69,090</u>	<u>39,746</u>
	=====	=====	=====	=====



Company No. 312552-W

**20. Other operating expenses**

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
-Salaries, allowances and bonuses	36,600	36,675	11,526	10,032
-Others	11,500	9,674	3,644	2,493
Establishment costs				
-Rental	1,921	1,922	640	667
-Depreciation	948	987	304	324
-Others	3,122	3,122	1,025	1,281
Marketing expenses	1,681	1,456	545	604
Administration and general expenses				
-Intercompany expenses	32,426	24,536	10,198	11,794
-Communication	1,207	1,168	409	389
-Others	6,772	5,149	2,591	1,971
	<u>96,177</u>	<u>84,689</u>	<u>30,882</u>	<u>29,555</u>
	=====	=====	=====	=====

The number of employees of the Group and the Bank at the end of the period was 191 (September 2013 -179).

**21. Allowance for impairment on loans, advances and financing**

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Individual assessment allowance				
- reversal/(made) during the period	(39)	(302)	(15)	(113)
- written back	73	2,091	8	1,447
Collective assessment allowance				
- reversal / ( made) during the period	730	(2,569)	2,735	(714)
Bad Debt Written Off	(2)	-	(2)	-
Recoveries from bad debt written off	-	8	-	8
	<u>762</u>	<u>(772)</u>	<u>2,726</u>	<u>628</u>
	=====	=====	=====	=====

**22. Contingent Liabilities**

In prior years, there was a litigation in process against the Bank by two companies seeking specific damages amounting to RM1 million and general damages for which the amount is not quantifiable.

The Bank was awarded a judgement in its favour and the two companies then appealed against the judgement. The appeal was heard in April 2013 and in June 2013, the Appellate Court allowed the appeal against the Bank with damages to be separately assessed. The Bank applied for leave to appeal further to the Federal Court and this was allowed in January 2014. The appeal before the Federal Court is currently scheduled to be heard on 3<sup>rd</sup> November 2014. The Bank's counsel will be applying for this date to be postponed due to unavailability of the counsel on that date.

Company No. 312552-W

## 23. Capital adequacy

	Group and Bank 30 September 2014 RM'000	31 December 2013 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	969,145	852,092
Less: Deferred tax assets	(19,933)	(22,644)
Total common equity tier 1/Total tier 1 capital	1,655,296	1,535,532
Tier 2 capital		
Collective assessment allowance#	7,826	7,979
Regulatory reserve	13,558	13,558
Total Capital / Capital base	1,676,680	1,557,069
<u>Before deducting interim dividends</u>		
Common equity tier 1/Tier 1 capital ratio	18.321%	14.962%
Total capital ratio	18.557%	15.172%
<u>After deducting interim dividends</u>		
Common equity tier 1/Tier 1 capital ratio	17.025%	14.962%
Total capital ratio	17.262%	15.172%

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 requirement is 8% for the risk-weighted capital ratio.

# Excludes collective assessment allowance on impaired loan restricted from Tier2 capital of the Bank of RM2,067,000 (2013:RM2,644,000)

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

RISK TYPE		Risk Weighted Assets	
		30 September 2014	31 December 2013
		RM'000	RM'000
1	Credit risk	4,511,045	5,088,560
2	Market risk	4,002,576	4,772,403
3	Operational risk	521,480	402,002
<b>Total</b>		<b>9,035,101</b>	<b>10,262,965</b>

## 24. Commitments and contingencies

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

30 September 2014 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000
<b>Direct Credit Substitutes</b>	-	-	-
<b>Transaction Related Contingent Items</b>	1,302,109	651,055	572,629
<b>Short Term Self Liquidating Trade Related Contingencies</b>	76,604	15,321	10,330
<b>Foreign exchange related contracts</b>			
One year or less	31,605,080	525,349	271,853
Over one year to five years	18,031,262	983,033	597,765
Over five years	2,579,750	193,706	62,198
<b>Interest/Profit rate related contracts</b>			
One year or less	26,529,119	43,335	18,639
Over one year to five years	42,108,003	640,819	225,603
Over five years	8,858,981	430,947	161,078
<b>Equity related contracts</b>			
One year or less	114,795	6,380	3,123
Over one year to five years	55,533	11,336	5,445
Over five years	-	-	-
<b>Credit Derivative Contracts</b>			
One year or less	-	-	-
Over one year to five years	1,820,652	92,081	30,066
Over five years	-	-	-
<b>OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements</b>	-	-	-
<b>Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year</b>	29	15	15
<b>Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year</b>	3,068,476	613,695	577,276
<b>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>	-	-	-
<b>Total</b>	<b>136,150,393</b>	<b>4,207,072</b>	<b>2,536,020</b>

Company No. 312552-W

## 24. 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 2013 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000
Direct Credit Substitutes	-	-	-
Transaction Related Contingent Items	1,371,994	685,997	544,681
Short Term Self Liquidating Trade Related Contingencies	102,261	20,452	18,181
<b>Foreign exchange related contracts</b>			
One year or less	27,511,319	844,805	327,901
Over one year to five years	19,269,118	1,631,374	735,783
Over five years	3,470,145	528,088	180,903
<b>Interest/Profit rate related contracts</b>			
One year or less	22,976,056	52,109	13,828
Over one year to five years	49,798,208	1,395,454	455,849
Over five years	12,184,701	979,894	348,969
<b>Equity related contracts</b>			
One year or less	-	-	-
Over one year to five years	171,005	21,091	10,498
Over five years	-	-	-
<b>Credit Derivative Contracts</b>			
One year or less	-	-	-
Over one year to five years	1,775,755	103,650	25,969
Over five years	-	-	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	51	26	26
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	3,129,647	625,929	591,024
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>141,760,260</b>	<b>6,888,869</b>	<b>3,253,612</b>

**25. Liquidity Risk**

Liquidity risk is the risk to a bank's earnings and capital arising from the inability to timely meet obligations when they come due without incurring unacceptable losses.

***Risk management objectives, policies and processes for managing the risk***

Liquidity risk is managed through the Asset and Liability Committee ("ALCO"). This committee, chaired by Treasury is responsible for both statutory and prudential liquidity.

Liquidity risk is monitored through the Bank Negara Malaysia New Liquidity Framework and the internal liquidity risk management policy. A prudent liquidity limit setting process includes maximum cash outflow ("MCO") limits and unsecured funding limits. Both limits are reviewed on a regular basis and can be quickly adjusted to changing market circumstances.

**(a) Maturity analysis of financial liabilities based on remaining contractual maturity**

The following tables present the maturity analysis for financial liabilities as at 30 September 2014 and 31 December 2013.

Group	Up to 7 Days RM'000	> 7 Days - 1 Month RM'000	> 1 - 3 Months RM'000	> 3 - 6 Months RM'000	> 6 - 12 Months RM'000	> 1 Year RM'000	Total RM'000
<b>30 September 2014</b>							
Deposit from customers	3,243,937	495,538	31,357	73,519	228,335	272,381	4,345,067
Deposits and placements of banks and other financial institutions	723,519	1,981	2,128	-	-	-	727,628
Derivative liabilities	133,358	52,133	44,732	54,812	157,445	821,163	1,263,643
Other liabilities	671,431	351	154	1,694	5,073	88,091	766,794
Tax liabilities	-	-	-	-	-	1,834	1,834
<b>Total Liabilities</b>	<b>4,772,245</b>	<b>550,003</b>	<b>78,371</b>	<b>130,025</b>	<b>390,853</b>	<b>1,183,469</b>	<b>7,104,966</b>

## 25.Liquidity Risk (continued)

## (a) Maturity analysis of financial liabilities based on remaining contractual maturity (continued)

Group	Up to 7 Days RM'000	> 7 Days - 1 Month RM'000	> 1 - 3 Months RM'000	> 3 - 6 Months RM'000	> 6 - 12 Months RM'000	> 1 Year RM'000	Total RM'000
<b>31 December 2013</b>							
Deposit from customers	3,491,887	427,973	91,255	54,174	90,792	592,230	4,748,311
Deposits and placements of banks and other financial institutions	1,387,545	1,986	148,840	-	-	-	1,538,371
Obligations on securities sold under repurchase agreements	810,556	1,085,580	193,536	-	-	-	2,089,672
Derivative liabilities	40,093	58,860	94,255	224,829	132,416	1,185,562	1,736,015
Other liabilities	766,859	2,702	755	506	234	15,848	786,904
<b>Total Liabilities</b>	<b>6,496,940</b>	<b>1,577,101</b>	<b>528,641</b>	<b>279,509</b>	<b>223,442</b>	<b>1,793,640</b>	<b>10,899,273</b>

The above disclosure remains appropriate for the Bank level except that included in the deposits from customers is RM20,000 (31.12.2013: RM20,000) cash consolidated from the subsidiaries with remaining contractual maturity of up to 7 days.

**25.Liquidity Risk (continued)****(b) Maturity analysis of financial liabilities on an undiscounted basis**

The following tables show the contractual undiscounted cash flows payable for financial liabilities by remaining contractual maturity. The financial liabilities in the tables below will not agree to the carrying amounts reported in the statements of financial position as the tables incorporate all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments.

Group	Up to 7 Days RM'000	> 7 Days - 1 Month RM'000	> 1 - 3 Months RM'000	> 3 - 6 Months RM'000	> 6 - 12 Months RM'000	> 1 Year RM'000	Total RM'000
<b>30 September 2014</b>							
Deposit from customers	3,244,001	495,908	31,531	73,948	230,296	289,119	4,364,803
Deposits and placements of banks and other financial institutions	723,535	1,984	2,140	-	-	-	727,659
Derivative liabilities	109,978	53,529	54,665	47,561	168,178	675,590	1,109,501
Other liabilities	671,431	351	154	1,694	5,073	88,091	766,794
Tax liabilities	-	-	-	-	-	1,834	1,834
<b>Total Liabilities</b>	<b>4,748,945</b>	<b>551,772</b>	<b>88,490</b>	<b>123,203</b>	<b>403,547</b>	<b>1,054,634</b>	<b>6,970,591</b>

## 25.Liquidity Risk (continued)

## (b) Maturity analysis of financial liabilities based on an undiscounted basis (continued)

Group	Up to 7 Days RM'000	> 7 Days - 1 Month RM'000	> 1 - 3 Months RM'000	> 3 - 6 Months RM'000	> 6 - 12 Months RM'000	> 1 Year RM'000	Total RM'000
<b>31 December 2013</b>							
Deposit from customers	3,492,018	428,175	91,516	54,215	92,432	634,498	4,792,854
Deposits and placements of banks and other financial institutions	1,387,599	1,986	148,921	-	-	-	1,538,506
Obligations on securities sold under repurchase agreements	810,809	1,087,521	194,175	-	-	-	2,092,505
Derivative liabilities	36,875	58,590	82,563	219,007	113,374	1,010,785	1,521,194
Other liabilities	766,859	2,702	755	506	234	15,848	786,904
<b>Total Liabilities</b>	<b>6,494,160</b>	<b>1,578,954</b>	<b>517,930</b>	<b>273,728</b>	<b>206,040</b>	<b>1,661,131</b>	<b>10,731,963</b>

The above disclosure remains appropriate for the Bank level except that included in the deposits from customers is RM20,000 (31.12.2013: RM20,000) cash consolidated from the subsidiaries with remaining contractual maturity of up to 7 days.



## 26. The Operations of Islamic Banking

STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2014 - UNAUDITED

	Note	Bank	
		30 September 2014 RM'000	31 December 2013 RM'000
<b>Assets</b>			
Cash and short term funds	(a)	57,199	6,859
Financial assets-held-for-trading		50,582	83,474
Other assets		2,145	249
<b>Total assets</b>		<u>109,926</u> =====	<u>90,582</u> =====
<b>Liabilities and shareholders' funds</b>			
Deposits from customer	(b)	69,304	57,465
Deposits and placements of banks and other financial institutions	(c)	576	779
Other liabilities	(d)	8,560	1,780
Taxation		1,558	1,326
<b>Total liabilities</b>		<u>79,998</u> -----	<u>61,350</u> -----
Capital funds		25,000	25,000
Retained profits		4,928	4,232
Islamic banking funds		<u>29,928</u> -----	<u>29,232</u> -----
<b>Total liabilities and Islamic banking funds</b>		<u>109,926</u> =====	<u>90,582</u> =====
<b>Commitments and contingencies</b>		- =====	- =====

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014 - UNAUDITED

	Bank		Three months ended	
	Nine months ended 30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000R	30 September 2013 M'000
Income derived from investment of Islamic banking funds	939	1,264	216	1,727
Total net income	939	1,264	216	1,727
Other operating expenses	(11)	(12)	(4)	(4)
<b>Profit before taxation</b>	<b>928</b>	<b>1,252</b>	<b>212</b>	<b>1,723</b>
Taxation	(232)	(313)	(53)	(431)
<b>Profit and total comprehensive income for the period</b>	<b>696</b>	<b>939</b>	<b>159</b>	<b>1,292</b>

STATEMENT OF CHANGES IN ISLAMIC BANKING FUNDS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014

	Capital funds RM'000	Retained profits RM'000	Total RM'000
<b>Bank</b>			
At 1 January 2014	25,000	4,232	29,232
Profit and total comprehensive income for the period	-	696	696
<b>At 30 September 2014</b>	<b>25,000</b>	<b>4,928</b>	<b>29,928</b>
At 1 January 2013	25,000	3,881	28,881
Profit and total comprehensive income for the period	-	939	939
<b>At 30 September 2013</b>	<b>25,000</b>	<b>4,820</b>	<b>29,820</b>

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

STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014

	Bank	
	30 September 2014 RM'000	30 September 2013 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	928	1,252
Operating profit before working capital changes	<u>928</u>	<u>1,252</u>
Changes in working capital:		
Net changes in operating assets	30,996	(284)
Net changes in operating liabilities	18,416	4,357
Net cash generated from operations	<u>50,340</u>	<u>5,325</u>
Net increase in cash and cash equivalents	50,340	5,325
Cash and cash equivalents at beginning of period	6,859	1,920
Cash and cash equivalents at end of period	<u>57,199</u>	<u>7,245</u>
	=====	=====
Analysis of cash and cash equivalents:		
Cash and short term funds	<u>57,199</u>	<u>7,245</u>

**Company No. 312552-W**

## 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 Hussein 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 and have been prepared under the accrual basis of accounting.

#### (a) Cash and short term funds

	Bank	
	30 September 2014 RM'000	31 December 2013 RM'000

Cash and balances with banks and other financial institutions

57,199	6,859
=====	=====

#### (b) Deposits from customer

	Bank	
	30 September 2014 RM'000	31 December 2013 RM'000

##### Non-Mudharabah

Demand deposits  
Other deposits

19,304	7,465
50,000	50,000
<u>69,304</u>	<u>57,465</u>
=====	=====

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

	Bank	
	30 September 2014 RM'000	31 December 2013 RM'000

Licensed bank

576	779
=====	=====

Company No. 312552-W

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

## (d) Other liabilities

	Bank	
	30 September 2014 RM'000	31 December 2013 RM'000
Bills payable	233	380
Others	8,327	1,400
	8,560	1,780
	=====	=====

## (e) Capital adequacy

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

Components of Tier I and Tier II Capital:

	Bank	
	30 September 2014 RM'000	31 December 2013 RM'000
Components of Tier I and Tier II capital are as follows:-		
Tier 1 capital		
Capital funds	25,000	25,000
Retained profits	4,928	4,232
Total common equity tier 1/ Total tier 1 capital	29,928	29,232
Total Tier 2 capital	-	-
Capital base	29,928	29,232
	=====	=====
Common equity tier 1/ Tier 1 capital ratio	608.710%	627.811%
Total capital ratio	608.710%	627.811%
	=====	=====

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

RISK TYPE		Risk Weighted Assets	
		30 September 2014 RM'000	31 December 2013 RM'000
1	Credit risk	1,520	117
2	Market risk	199	430
3	Operational risk	3,198	4,109
<b>Total</b>		<b>4,917</b>	<b>4,656</b>

**SUPPLEMENTARY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**

**1. Review of Performance**

The Bank recorded profit before taxation for the financial period ended 30 September 2014 of RM158.8 million compared to RM146.7 million profit for the previous corresponding period. Operating income increased by RM22.1 million (+9.5%) from RM232.1 million to RM254.2 million primarily on higher non-interest income from trading activities of RM157.6 million against non-interest income of RM120.3 million in the previous corresponding period. Net interest income decreased by RM15.0 million (-13.6%) from RM110.6 million to RM95.6 million. Operating expenses increased by RM11.5 million (+13.6%) from RM84.7 million to RM96.2 million mainly attributed to higher intercompany expenses.

Total assets registered a decrease of RM3.7 billion or 29.5% from RM12.5 billion to RM8.8 billion at 30 September 2014. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 18.3% and 18.6% respectively.

**2. Prospects**

The global growth in 2014 is forecasted to remain unchanged from 2013, averaging at 3.3%. The weaker than expected global growth outlook reflects setbacks to economic activity in the advanced economies during 1H 2014 and the adjustment to slower growth in several emerging market economies with escalating geopolitical tensions. Locally, the Malaysia economy is seen to coast on a steady growth path, where GDP growth is expected to come within 5.5%-6.0% in 2014, expected to be supported by sustained pace of domestic investment activity and higher capital spending by public investment.

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 Transaction 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 2014 and beyond.

Company No. 312552-W

## 3. Capital adequacy

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 30 September 2014 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets	Capital Requirements
1	<b>Credit Risk</b>	RM'000	RM'000	RM'000	RM'000
	<b><u>On-Balance Sheet Exposures</u></b>				
	Sovereigns/Central Banks	2,134,156	135,603	-	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	1,782,763	1,782,763	819,177	65,534
	Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
	Corporates	1,105,849	987,462	981,132	78,491
	Regulatory Retail	722	722	541	43
	Residential Mortgages	21,195	21,195	7,519	602
	Higher Risk Assets	-	-	-	-
	Other Assets	165,477	165,477	161,510	12,921
	Equity Exposure	1,631	1,631	1,861	149
	Defaulted Exposures	3,285	3,285	3,285	263
	<b>Total On-Balance Sheet Exposures</b>	<b>5,215,078</b>	<b>3,098,138</b>	<b>1,975,025</b>	<b>158,003</b>
	<b><u>Off-Balance Sheet Exposures</u></b>				
	OTC Derivatives	4,114,991	3,852,456	2,505,954	200,476
	Credit Derivatives	92,081	92,081	30,066	2,405
	<b>Total for Off-Balance Sheet Exposures</b>	<b>4,207,072</b>	<b>3,944,537</b>	<b>2,536,020</b>	<b>202,881</b>
	<b>Total On and Off- Balance Sheet Exposures</b>	<b>9,422,150</b>	<b>7,042,675</b>	<b>4,511,045</b>	<b>360,884</b>

## 3. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 30 September 2014 are as follows (continued):

RISK TYPE		Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
		RM'000	RM'000	RM'000	RM'000	RM'000
2	Large Exposures Risk Requirements	-	-	-	-	-
3	Market Risk	Long Position	Short Position			
	Interest Rate Risk	156,733,358	153,072,471		1,996,464	159,717
	Foreign Currency Risk	1,739,003	216,793		1,739,199	139,136
	Options	3,297	20,278		266,913	21,353
		158,475,658	153,309,542		4,002,576	320,206
4	Operational Risk				521,480	41,718
5	Total RWA and Capital Requirements				9,035,101	722,808



## 3. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category for at 31 December 2013 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets	Capital Requirements
1	<b>Credit Risk</b>	RM'000	RM'000	RM'000	RM'000
	<b><u>On-Balance Sheet Exposures</u></b>				
	Sovereigns/Central Banks	3,133,981	118,077	-	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	1,648,743	1,648,743	694,935	55,594
	Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
	Corporates	1,014,295	1,014,295	1,014,070	81,126
	Regulatory Retail	1,114	1,114	835	67
	Residential Mortgages	22,711	22,711	8,066	645
	Higher Risk Assets	-	-	-	-
	Other Assets	113,927	113,927	110,970	8,878
	Equity Exposure	1,631	1,631	1,861	149
	Defaulted Exposures	4,211	4,211	4,211	337
	<b>Total On-Balance Sheet Exposures</b>	<b>5,940,613</b>	<b>2,924,709</b>	<b>1,834,948</b>	<b>146,796</b>
	<b><u>Off-Balance Sheet Exposures</u></b>				
	OTC Derivatives	6,785,219	6,473,586	3,227,643	258,211
	Credit Derivatives	103,650	103,650	25,969	2,078
	<b>Total for Off-Balance Sheet Exposures</b>	<b>6,888,869</b>	<b>6,577,236</b>	<b>3,253,612</b>	<b>260,289</b>
	<b>Total On and Off- Balance Sheet Exposures</b>	<b>12,829,482</b>	<b>9,501,945</b>	<b>5,088,560</b>	<b>407,085</b>

## 3. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category for at 31 December 2013 are as follows (continued):

RISK TYPE		Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
		RM'000		RM'000	RM'000	RM'000
2	Large Exposures Risk Requirements	-		-	-	-
3	Market Risk	Long Position	Short Position			
	Interest Rate Risk	150,729,827	146,286,165		2,462,852	197,028
	Foreign Currency Risk	1,760,351	215,451		1,760,588	140,847
	Options	30,253	-		548,963	43,917
		152,520,431	146,501,616	-	4,772,403	381,792
4	Operational Risk				402,002	32,160
5	Total RWA and Capital Requirements				10,262,965	821,037

3. Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 30 September 2014 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			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	145,603	-	-	-	-	-	-	-	3,967	-	149,570	-	
20%	-	-	1,032,638	-	33,671	-	-	-	-	-	1,066,309	213,262	
35%	-	-	-	-	-	20,430	-	-	-	-	20,430	7,150	
50%	-	-	2,910,109	-	120,691	765	-	-	-	-	3,031,565	1,515,784	
75%	-	-	-	-	-	722	-	-	-	-	722	541	
100%	-	5,520	-	5,061	2,597,071	-	3,285	-	161,510	1,611	2,774,058	2,774,058	
1250%	-	-	-	-	-	-	-	-	-	20	20	250	
<b>Total Exposures</b>	145,603	5,520	3,942,747	5,061	2,751,433	722	24,480	-	165,477	1,631	7,042,674	4,511,045	
<b>Risk-Weighted Assets by Exposures</b>	-	5,520	1,661,582	5,061	2,664,152	541	10,818	-	161,510	1,861	4,511,045		
<b>Average Risk Weight</b>	-	100.0%	42.1%	100.0%	96.8%	75.0%	44.2%	0.0%	97.6%	114.1%	64.0%		
<b>Deduction from Capital Base</b>	-	-	-	-	-	-	-	-	-	-	-	-	

3. Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights for 31 December 2013 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			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	-	-	-	-	-	-	-	-	2,956	-	-	147,764	-
20%	-	-	2,859,651	-	29,352	-	-	-	-	-	-	2,889,003	577,801
35%	-	-	-	-	-	-	21,931	-	-	-	-	21,931	7,676
50%	-	-	3,792,083	-	87,366	-	781	-	-	-	-	3,880,230	1,940,115
75%	-	-	-	-	-	1,114	-	-	-	-	-	1,114	835
100%	-	14,390	4,669	5,101	2,420,931	-	4,211	-	110,970	1,611	-	2,561,883	2,561,883
1250%	-	-	-	-	-	-	-	-	-	20	-	20	250
<b>Total Exposures</b>	<b>144,808</b>	<b>14,390</b>	<b>6,656,403</b>	<b>5,101</b>	<b>2,537,649</b>	<b>1,114</b>	<b>26,923</b>	<b>-</b>	<b>113,926</b>	<b>1,631</b>	<b>-</b>	<b>9,501,945</b>	<b>5,088,560</b>
<b>Risk-Weighted Assets by Exposures</b>	<b>-</b>	<b>14,390</b>	<b>2,472,641</b>	<b>5,101</b>	<b>2,470,485</b>	<b>835</b>	<b>12,277</b>	<b>-</b>	<b>110,970</b>	<b>1,861</b>	<b>-</b>	<b>5,088,560</b>	<b>-</b>
<b>Average Risk Weight</b>	<b>-</b>	<b>100.0%</b>	<b>37.1%</b>	<b>100.0%</b>	<b>97.4%</b>	<b>75.0%</b>	<b>45.6%</b>	<b>0.0%</b>	<b>97.4%</b>	<b>114.1%</b>	<b>-</b>	<b>53.6%</b>	<b>-</b>
<b>Deduction from Capital Base</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 4. Capital adequacy - Islamic Banking Window

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 30 September 2014 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets	Capital Requirements
1	<b>Credit Risk</b>	RM'000	RM'000	RM'000	RM'000
	<b><u>On-Balance Sheet Exposures</u></b>				
	Sovereigns/Central Banks	57,726	57,726	-	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	199	199	100	8
	Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
	Corporates	-	-	-	-
	Regulatory Retail	-	-	-	-
	Residential Mortgages	-	-	-	-
	Higher Risk Assets	-	-	-	-
	Other Assets	1,420	1,420	1,420	114
	Equity Exposure	-	-	-	-
	Defaulted Exposures	-	-	-	-
	<b>Total On-Balance Sheet Exposures</b>	<b>59,345</b>	<b>59,345</b>	<b>1,520</b>	<b>122</b>
	<b><u>Off-Balance Sheet Exposures</u></b>				
	OTC Derivatives	-	-	-	-
	Credit Derivatives	-	-	-	-
	<b>Total for Off-Balance Sheet Exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total On and Off- Balance Sheet Exposures</b>	<b>59,345</b>	<b>59,345</b>	<b>1,520</b>	<b>122</b>

Company No. 312552-W

## 4. Capital adequacy - Islamic Banking Window (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 30 September 2014 are as follows (continued):

RISK TYPE		Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
		RM'000		RM'000	RM'000	RM'000
2	Large Exposures Risk Requirements	-		-	-	-
3	Market Risk	Long Position	Short Position			
	Interest Rate Risk	57,000	-		-	-
	Foreign Currency Risk	199	-		199	16
	Options	-	-		-	-
		57,199	-		199	16
4	Operational Risk				3,198	255
5	Total RWA and Capital Requirements				4,917	393

## 4. Capital adequacy - Islamic Banking Window (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 December 2013 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets	Capital Requirements
1	<b>Credit Risk</b>	RM'000	RM'000	RM'000	RM'000
	<b><u>On-Balance Sheet Exposures</u></b>				
	Sovereigns/Central Banks	8,786	8,786	-	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	231	231	116	9
	Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
	Corporates	-	-	-	-
	Regulatory Retail	-	-	-	-
	Residential Mortgages	-	-	-	-
	Higher Risk Assets	-	-	-	-
	Other Assets	1	1	1	-
	Equity Exposure	-	-	-	-
	Defaulted Exposures	-	-	-	-
	<b>Total On-Balance Sheet Exposures</b>	<b>9,018</b>	<b>9,018</b>	<b>117</b>	<b>9</b>
	<b><u>Off-Balance Sheet Exposures</u></b>				
	OTC Derivatives	-	-	-	-
	Credit Derivatives	-	-	-	-
	<b>Total for Off-Balance Sheet Exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total On and Off- Balance Sheet Exposures</b>	<b>9,018</b>	<b>9,018</b>	<b>117</b>	<b>9</b>

4. Capital adequacy - Islamic Banking Window (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 December 2013 are as follows (continued):

RISK TYPE		Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
		RM'000		RM'000	RM'000	RM'000
2	Large Exposures Risk Requirements	-		-	-	-
3	Market Risk	Long Position	Short Position			
	Interest Rate Risk	32,954	-		199	16
	Foreign Currency Risk	231	-		231	18
	Options	-	-		-	-
		33,185	-		430	34
4	Operational Risk				4,109	329
5	Total RWA and Capital Requirements				4,656	372



## 4. Capital adequacy - Islamic Banking Window (continued)

The breakdown of credit risk exposures by risk weights as at 30 September 2014 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		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	57,726	-	-	-	-	-	-	-	-	-	57,726	-
20%	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	199	-	-	-	-	-	-	-	199	100
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	1,420	-	1,420	1,420
150%	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Exposures</b>	<b>57,726</b>	<b>-</b>	<b>199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,420</b>	<b>-</b>	<b>59,345</b>	<b>1,520</b>
<b>Risk-Weighted Assets by Exposures</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,420</b>	<b>-</b>	<b>1,520</b>	
<b>Average Risk Weight</b>		<b>-</b>	<b>50%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100%</b>	<b>-</b>	<b>2.6%</b>	
<b>Deduction from Capital Base</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

## 4. Capital adequacy - Islamic Banking Window (continued)

The breakdown of credit risk exposures by risk weights as at 31 December 2013 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		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	8,786	-	-	-	-	-	-	-	-	-	8,786	-
20%	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	231	-	-	-	-	-	-	-	231	116
75%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	1	-	1	1
150%	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Exposures</b>	<b>8,786</b>	<b>-</b>	<b>231</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>9,018</b>	<b>117</b>
<b>Risk-Weighted Assets by Exposures</b>	<b>-</b>	<b>-</b>	<b>116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>117</b>	
<b>Average Risk Weight</b>	<b>0%</b>	<b>-</b>	<b>50.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100%</b>	<b>-</b>	<b>1.3%</b>	
<b>Deduction from Capital Base</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	