

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

Unaudited Condensed Interim Financial Statements
for the Financial Period ended 31 March 2024

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



Consolidated Statements of Financial Position
 As at 31 March 2024 - Unaudited

	Note	Group		Bank	
		31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Assets					
Cash and short-term funds	12	1,705,137	3,333,275	1,705,137	3,333,275
Reverse repurchase agreements		413,620	320,131	413,620	320,131
Financial securities measured at FVTPL	13	3,154,145	2,399,445	3,154,145	2,399,445
Financial securities measured at FVOCI	14	2,426,722	1,586,931	2,426,722	1,586,931
Loans, advances and financing	15	2,042,014	2,026,863	2,042,014	2,026,863
Derivative assets		2,109,728	2,930,813	2,109,728	2,930,813
Other assets	16	501,906	408,221	501,906	408,221
Statutory deposit with Bank Negara Malaysia		10,000	10,000	10,000	10,000
Investments in subsidiary companies		-	-	20	20
Property and equipment		8,647	8,193	8,647	8,193
Right-of-use assets		371	3,950	371	3,950
Deferred tax assets		3,623	5,388	3,623	5,388
Total assets		<u>12,375,913</u>	<u>13,033,210</u>	<u>12,375,933</u>	<u>13,033,230</u>
Liabilities and equity					
Deposits from customers	17	6,132,744	6,121,494	6,132,764	6,121,514
Deposits and placements of banks and other financial institutions	18	932,728	1,261,534	932,728	1,261,534
Lease liabilities		329	4,497	329	4,497
Derivative liabilities		1,949,379	2,878,227	1,949,379	2,878,227
Other liabilities	19	1,404,028	857,444	1,404,028	857,444
Tax payable		10,792	14,386	10,792	14,386
Total liabilities		<u>10,430,000</u>	<u>11,137,582</u>	<u>10,430,020</u>	<u>11,137,602</u>
Equity					
Share capital		531,362	531,362	531,362	531,362
Reserves		1,414,551	1,364,266	1,414,551	1,364,266
Total equity attributable to owner of the Bank		<u>1,945,913</u>	<u>1,895,628</u>	<u>1,945,913</u>	<u>1,895,628</u>
Total liabilities and equity		<u>12,375,913</u>	<u>13,033,210</u>	<u>12,375,933</u>	<u>13,033,230</u>
Commitments and contingencies	26	<u>163,976,716</u>	<u>132,893,883</u>	<u>163,976,716</u>	<u>132,893,883</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 2023.

Consolidated Statements of Profit or Loss and Other Comprehensive Income
 For The Financial Period Ended 31 March 2024 - Unaudited

	Note	Group and Bank			
		1 st quarter ended		Three months ended	
		31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Interest income	20	99,668	72,778	99,668	72,778
Interest expense	21	(36,942)	(16,601)	(36,942)	(16,601)
Net interest income		62,726	56,177	62,726	56,177
Net income from Islamic Banking Operations	27	1,187	1,211	1,187	1,211
Non-interest income	22	43,385	55,055	43,385	55,055
Operating income		107,298	112,443	107,298	112,443
Other operating expenses	23	(42,342)	(38,912)	(42,342)	(38,912)
Operating profit		64,956	73,531	64,956	73,531
Write-back of/(Allowance for) expected credit losses	24	471	(276)	471	(276)
Profit before tax		65,427	73,255	65,427	73,255
Tax expense		(16,375)	(28,849)	(16,375)	(28,849)
Net profit for the period		49,052	44,406	49,052	44,406
Other comprehensive income:					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Net change in fair value on debt securities measured at FVOCI		1,959	16,267	1,959	16,267
Net changes in ECL reserves		(337)	153	(337)	153
Income tax effect		(389)	(3,941)	(389)	(3,941)
Total other comprehensive income for the period		1,233	12,479	1,233	12,479
Total comprehensive income for the period		50,285	56,885	50,285	56,885
Earnings per share (sen)		28.3 sen	25.6 sen	28.3 sen	25.6 sen

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2023.

Consolidated Statements Of Changes In Equity
 For The Financial Period Ended 31 March 2024

Group and Bank	← Attributable to owner of the Bank →					Total RM'000
	Share capital RM'000	Non-distributable Other reserves RM'000	ECL reserves RM'000	Distributable Retained earnings RM'000	Total reserves RM'000	
At 1 January 2024	531,362	57,703	429	1,306,134	1,364,266	1,895,628
Total comprehensive income/(loss) for the period	-	1,490	(257)	49,052	50,285	50,285
At 31 March 2024	531,362	59,193	172	1,355,186	1,414,551	1,945,913
At 1 January 2023	531,362	40,051	534	1,328,780	1,369,365	1,900,727
Total comprehensive income for the period	-	12,363	116	44,406	56,885	56,885
At 31 March 2023	531,362	52,414	650	1,373,186	1,426,250	1,957,612

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 2023.

Condensed Consolidated Statements Of Cash Flows
 For The Financial Period Ended 31 March 2024

	Group and Bank	
	31 March 2024 RM'000	31 March 2023 RM'000
Profit before tax	65,427	73,255
Adjustments for non-operating and non-cash items	(88,620)	(22,262)
Operating (loss)/profit before working capital changes	(23,193)	50,993
Changes in working capital:		
Net changes in operating assets	937,251	(2,244,189)
Net changes in operating liabilities	(2,521,923)	1,957,150
Income tax paid	(18,593)	(4,038)
Tax refund	-	2,319
Net cash used in operations	(1,626,458)	(237,765)
Cash flows from investing activities:		
Purchase of property and equipment	(1,324)	-
Net cash used in investing activities	(1,324)	-
Cash flows from financing activities:		
Payment of lease liabilities	(366)	(368)
Net cash used in financing activities	(366)	(368)
Net decrease in cash and cash equivalents	(1,628,148)	(238,133)
Cash and cash equivalents at beginning of the period	3,333,299	2,396,653
Cash and cash equivalents at end of the period	1,705,151	2,158,520
Analysis of cash and cash equivalents:		
Cash and short-term funds	1,705,151	1,958,520
Deposits and placement with banks and other financial institutions	-	200,000
Cash and cash equivalents at the end of the period	1,705,151	2,158,520

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 2023.

Explanatory Notes to the Interim Financial Statements for the Financial Period Ended 30 September 2023

1. Basis of preparation

The unaudited interim financial statements for the financial period ended 31 March 2024 have been prepared under the historical cost convention except for reverse repurchase agreements, financial securities and derivative financial instruments which are stated at fair values.

The unaudited interim financial statements have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"). The unaudited interim financial statements should be read in conjunction with the audited annual financial statements for the Group and the Bank for the financial year ended 31 December 2023. 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 2023.

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 2023, except for the adoption of the following Malaysian Financial Reporting Standard ("MFRS"), Amendments to MFRSs and IC Interpretation that have been issued by the Malaysian Accounting Standard Board ("MASB"):

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

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

- Amendments to MFRS 16 *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

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

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

1. Basis of preparation (continued)

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

- from the annual period beginning on 1 January 2024 for the amendments that is effective for annual periods beginning on or after 1 January 2024; and
- from the annual period beginning on 1 January 2025 for the amendments, that is effective for annual periods beginning on or after 1 January 2025.

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

2. Audit Report

The audit report on the audited annual financial statements of the Group and the Bank for the financial year ended 31 December 2023 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 2024.

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 2024.

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 2024.

7. Dividend Paid

No dividend was paid during the financial period ended 31 March 2024. The final dividend recommended by the Directors in respect of the financial year ended 31 December 2023 is 110.1 sen per ordinary share totalling RM191,195,000. This dividend will be recognised upon approval by the shareholder of the Bank.

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 2024.

10. Review of Performance

The Bank recorded profit before tax for the financial period ended 31 March 2024 of RM65.4 million compared to RM73.3 million for the previous corresponding period. Operating income decreased by RM5.1 million (4.6%) from RM112.4 million to RM107.3 million, mainly attributed to lower non-interest income by RM11.7 million (-21.2%) to RM43.4 million against RM55.1 million in the previous corresponding period. Net interest income increased by RM6.5 million (+11.7%) from RM56.2 million to RM62.7 million.

Total assets registered a decrease of RM0.6 billion or 5.0% from RM13.0 billion as at 31 December 2023 to RM12.4 billion as at 31 March 2024. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 24.1% and 24.7%, respectively.

11. Prospects

In 2024, the global economy continues to be impacted by the effects of the continued conflict in Ukraine and Middle East as well as unbeaten inflation. While lower energy costs, easing supply chain issues, and declining Chinese export prices have helped cool inflation, the outlook remains uncertain. Inflation in service costs remains high, and recent oil price hikes due to Middle Eastern tensions could reignite overall inflation. Global growth is expected to slowdown the remaining months of 2024.

With the inflation projected to slowly cool from its peak in 2023, major central banks worldwide might cut policy rate by fourth quarter of 2024. The moderate recession forecasted for the US economy last year has largely been averted, but spillover of tight monetary conditions and inflation could result in the soft landing to the economic growth around the world. In Europe, conditions are similar, the persistent economic stagnation, softening of its labour market, and falling inflation suggest that the Europe Central Bank is on track to cut interest rate by second quarter of 2024.

Locally, the trend for the Malaysian economy is in-line with the global economy. Export-oriented sectors likely to see a sustained rebound in the coming months backed mainly by a resurgence in the technology sector and China's anticipated economic upswing fueled by a substantial government stimulus package. However, domestic demand supported by tight labour market conditions and lower inflation will counteract this to some extent. Consumer spending likely to be dampened by the hike in service tax rate and upcoming changes to the domestic policy on subsidies and price control that are expected to push ahead during 2024. On positive side, increased number of tourist arrivals continue to aid in the recovery of the local economy. The Overall Malaysian economy is shifted to a cautious one, albeit subject to the usual downside risks, mainly weaker-than-expected global growth, and further escalation of geopolitical conflict.

12. Cash and cash equivalents

Cash and short-term funds

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Cash and balances with banks and other financial institutions	500,614	228,309
Money at call and deposit placements maturing within one month	1,204,538	3,104,990
	1,705,152	3,333,299
Expected credit losses on cash and cash equivalents		
• Stage 1 – 12-month ECL	(15)	(24)
	<u>1,705,137</u>	<u>3,333,275</u>

12. Cash and cash equivalents (continued)

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

Group and Bank	2024				2023			
	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000
Cash and cash equivalents								
Balance at 1 January	24	-	-	24	41	-	-	41
Net remeasurement of expected credit losses	(4)	-	-	(4)	(14)	-	-	(14)
New financial assets originated or purchased	1	-	-	1	6	-	-	6
Financial assets that have been derecognised	(6)	-	-	(6)	(9)	-	-	(9)
Balance at 31 March / 31 December	15	-	-	15	24	-	-	24

13. Financial securities measured at FVTPL

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Debt securities at FVTPL		
Malaysian Government Securities	1,348,497	1,297,613
Malaysian Investment Issue	334,977	231,057
Bank Negara Malaysia Bills	1,345,673	600,617
Cagamas bonds	124,998	270,158
	<u>3,154,145</u>	<u>2,399,445</u>

14. Financial securities measured at FVOCI

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Debt securities at FVOCI		
Malaysian Government Securities	922,837	872,726
Malaysian Investment Issue	984,819	694,601
Bank Negara Malaysia Bills	499,462	-
	<u>2,407,118</u>	<u>1,567,327</u>
Equity investments at FVOCI		
Unquoted shares in Malaysia	19,604	19,604
	<u>2,426,722</u>	<u>1,586,931</u>

14. Financial securities measured at FVOCI (continued)

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

Group and Bank	2024				2023			
	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000
Debt securities at FVOCI								
Balance at 1 January	565	-	-	565	703	-	-	703
Net remeasurement of expected credit losses	(400)	-	-	(400)	(159)	-	-	(159)
New financial assets originated or purchased	63	-	-	63	26	-	-	26
Financial assets that have been derecognised	-	-	-	-	(5)	-	-	(5)
Balance at 31 March / 31 December	228	-	-	228	565	-	-	565

15. Loans, advances and financing

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
<i>At amortised cost</i>		
Overdrafts	53,628	110,422
Term loans - Housing loans	3,238	3,553
- Other term loans	1,067,868	1,026,155
Bill receivable	5,157	8,214
Trust receipts	118,155	134,629
Claims on customers under acceptance credits	802,631	752,973
	<u>2,050,677</u>	<u>2,035,946</u>
Unearned interest	(5,580)	(5,875)
Gross loans, advances and financing	<u>2,045,097</u>	<u>2,030,071</u>
Expected credit losses for impaired loans and financing	(3,083)	(3,208)
Net loans, advances and financing	<u><u>2,042,014</u></u>	<u><u>2,026,863</u></u>

15. Loans, advances and financing (continued)

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

Group and Bank	2024				2023			
	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000
Loans, advances and financing at amortised cost								
Balance at 1 January	1,822	192	1,194	3,208	2,450	110	1,521	4,081
Transfer to 12-month ECL	65	(17)	(48)	-	116	(27)	(89)	-
Transfer to lifetime ECL not credit-impaired	-	-	-	-	(124)	124	-	-
Transfer to lifetime ECL credit-impaired	(40)	-	40	-	(75)	-	75	-
Net remeasurement of expected credit losses	(174)	(77)	34	(217)	(95)	(23)	(313)	(431)
New financial assets originated or purchased	311	6	-	317	517	81	-	598
Financial assets that have been derecognised	(209)	(16)	-	(225)	(967)	(73)	-	(1,040)
Balance at 31 March / 31 December*	1,775	88	1,220	3,083	1,822	192	1,194	3,208

* The loss allowance in this table includes ECL on loan commitment and financial guarantees of RM1,874,000 (31 December 2023: RM1,912,000) as at the reporting date.

15. Loans, advances and financing (continued)

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

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Maturing within one year	1,966,463	1,946,737
More than one year and three years	41,718	43,481
More than three years to five years	36,095	38,921
Over five years	821	932
	<u>2,045,097</u>	<u>2,030,071</u>

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

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Domestic banking institutions	-	5,239
Domestic non-bank financial institutions	263,409	361,192
Domestic business enterprises	1,540,495	1,441,133
Individuals	3,238	3,553
Government and statutory bodies	232,842	216,102
Foreign entities	5,113	2,852
	<u>2,045,097</u>	<u>2,030,071</u>

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

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Fixed rate		
- Other fixed rate loan/financing	88,313	98,548
Variable rate		
- Base lending rate plus	21,881	26,353
- Cost plus	1,773,798	1,744,004
- Other variable rates	161,105	161,166
	<u>2,045,097</u>	<u>2,030,071</u>

15. Loans, advances and financing (continued)

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

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Malaysia	2,039,984	2,027,219
India	-	2,852
Turkey	5,113	-
	<u>2,045,097</u>	<u>2,030,071</u>

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

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Mining and quarrying	152,227	152,237
Manufacturing	631,927	564,053
Construction	152,745	148,674
Wholesale & retail trade and restaurants & hotels	418,922	370,097
Transport, storage and communication	160,823	162,670
Finance, insurance and business services	292,346	412,685
Education, health and others	232,842	216,102
Household	3,238	3,553
Electricity, Gas and Water Supply	27	-
	<u>2,045,097</u>	<u>2,030,071</u>

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

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Balance at 1 January	1,979	2,519
Classified as impaired during the period/year	69	390
Reclassified as non-impaired during the period/year	(75)	(487)
Amounts recovered	(127)	(443)
At 31 March 2024/31 December 2023	<u>1,846</u>	<u>1,979</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>0.09%</u>	<u>0.10%</u>

15. Loans, advances and financing (continued)

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

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Household (Malaysia)	<u>1,846</u>	<u>1,979</u>

16. Other assets

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Interest/Income receivable	44,609	34,579
Margin placed with futures exchange	35,547	33,043
Collateral deposits placed with counterparty financial institutions	142,351	130,146
Securities receivable	184,165	128,446
Other debtors, deposits and prepayments	<u>95,234</u>	<u>82,007</u>
	<u>501,906</u>	<u>408,221</u>

17. Deposits from customers

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Demand deposits	4,368,507	4,716,787	4,368,527	4,716,807
Fixed deposits	805,716	685,111	805,716	685,111
Other deposits	<u>958,521</u>	<u>719,596</u>	<u>958,521</u>	<u>719,596</u>
	<u>6,132,744</u>	<u>6,121,494</u>	<u>6,132,764</u>	<u>6,121,514</u>

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

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Due within six months	1,547,671	1,196,807
More than one year to three years	216,216	207,900
More than six months to one year	350	-
	<u>1,764,237</u>	<u>1,404,707</u>

17. Deposits from customers (continued)

The deposits are sourced from the following types of customers:

	Group		Bank	
	31 March 2024 RM'000	31 December 2023 RM'000	31 March 2024 RM'000	31 December 2023 RM'000
Business enterprises	5,354,795	5,302,063	5,354,815	5,302,083
Foreign customers	103,649	58,853	103,649	58,853
Domestic non-bank Financial institutions	674,300	760,578	674,300	760,578
	<u>6,132,744</u>	<u>6,121,494</u>	<u>6,132,764</u>	<u>6,121,514</u>

18. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Other financial institutions	<u>932,728</u>	<u>1,261,534</u>

19. Other liabilities

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Interest payable	7,132	5,155
Bills payable	6,681	6,147
Employee benefits	17,856	23,595
Collateral deposits received	612,512	614,569
Regulated short-selling activities	65,240	25,670
Other liabilities	694,607	182,308
	<u>1,404,028</u>	<u>857,444</u>

20. Interest income

	Group and Bank			
	1 st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	29,533	27,054	29,533	27,054
Money at call and deposit placements with financial institutions	16,342	15,844	16,342	15,844
Reverse repurchase agreements	3,932	2,724	3,932	2,724
Financial securities	49,601	26,975	49,601	26,975
Others	260	181	260	181
	<u>99,668</u>	<u>72,778</u>	<u>99,668</u>	<u>72,778</u>

21. Interest expense

	Group and Bank			
	Nine months ended		Three months ended	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	12,008	2,893	12,008	2,893
Deposits from customers	24,912	13,602	24,912	13,602
Repurchase agreements	16	53	16	53
Other interest expense	6	53	6	53
	<u>36,942</u>	<u>16,601</u>	<u>36,942</u>	<u>16,601</u>

22. Non-interest income

	Group and Bank			
	1 st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commissions	1,630	1,528	1,630	1,528
Service charges and fees	4,100	3,338	4,100	3,338
Guarantee fees	1,532	1,513	1,532	1,513
	<u>7,262</u>	<u>6,379</u>	<u>7,262</u>	<u>6,379</u>
Fee expense:				
Commissions	(1,069)	(863)	(1,069)	(863)
Service charges and fees	(996)	(875)	(996)	(875)
	<u>(2,065)</u>	<u>(1,738)</u>	<u>(2,065)</u>	<u>(1,738)</u>
Net fee income	<u>5,197</u>	<u>4,641</u>	<u>5,197</u>	<u>4,641</u>
Net gains from financial instruments:				
Net (loss)/gain arising on financial securities:				
Realised (loss)/gain	(4,292)	10,255	(4,292)	10,255
Unrealised loss	(12,188)	(1,394)	(12,188)	(1,394)
Net gain/(loss) arising on trading derivatives:				
Realised (loss)/gain	(66,682)	21,791	(66,682)	21,791
Unrealised gain	100,982	25,135	100,982	25,135
Foreign exchange gain/(loss)	17,807	(8,459)	17,807	(8,459)
Other income:				
Other operating income, net	<u>2,561</u>	<u>3,086</u>	<u>2,561</u>	<u>3,086</u>
	<u>38,188</u>	<u>50,414</u>	<u>38,188</u>	<u>50,414</u>
	<u>43,385</u>	<u>55,055</u>	<u>43,385</u>	<u>55,055</u>

23. Other operating expenses

	Group and Bank			
	1 st quarter ended		Three months ended	
	31	31	31	31
	March	March	March	March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Personnel costs:				
Salaries, allowances and bonuses	12,169	10,423	12,169	10,423
Others	3,295	3,223	3,295	3,223
Establishment costs:				
Rental	84	86	84	86
Depreciation - property and equipment	870	853	870	853
Depreciation - right-of-use assets	260	296	260	296
Others	2,712	2,823	2,712	2,823
Marketing expenses	533	589	533	589
Administration and general expenses:				
Intercompany charges	21,344	18,926	21,344	18,926
Communication	88	241	88	241
Others	987	1,452	987	1,452
	<u>42,342</u>	<u>38,912</u>	<u>42,342</u>	<u>38,912</u>

The number of employees of the Group and the Bank at the end of the period was 201 (March 2023: 192).

24. Write-back of/(Allowance for) expected credit losses

	Group and Bank			
	1 st quarter ended		Three months ended	
	31	31	31	31
	March	March	March	March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Write-back of/(Allowance for) expected credit losses				
- loans, advances and financing	125	(102)	125	(102)
- cash and cash equivalents	9	(21)	9	(21)
- debt securities at FVOCI	337	(153)	337	(153)
	<u>471</u>	<u>(276)</u>	<u>471</u>	<u>(276)</u>

25. Capital adequacy

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Components of Tier 1 and Tier 2 capital are as follows:		
Tier 1 capital		
Paid-up share capital	531,362	531,362
Other disclosed reserves	59,193	57,703
Retained earnings #	1,306,134	1,306,134
	<u>1,896,689</u>	<u>1,895,199</u>
Less: Deferred tax assets	(3,623)	(5,388)
Cumulative gains of FVOCI	(7,806)	(6,987)
Regulatory reserve	<u>(45,000)</u>	<u>(45,000)</u>
Total common equity tier 1/Total tier 1 capital	1,840,260	1,837,824
Tier 2 capital		
Expected credit losses ("ECL")*	1,862	2,014
Regulatory reserve	<u>45,000</u>	<u>45,000</u>
Total capital base	<u><u>1,887,122</u></u>	<u><u>1,884,838</u></u>
Common equity tier 1/Tier 1 capital ratio	24.112%	22.210%
Total capital ratio	<u><u>24.726%</u></u>	<u><u>22.778%</u></u>

Retained earnings after dividend paid and before the final dividend declared for 31 March 2024 and 31 December 2023 respectively.

* Refers to ECL for Stage 1 and Stage 2.

25. Capital adequacy (continued)

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

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

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

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

Risk Type	Risk-Weighted Assets	
	31 March 2024 RM'000	31 December 2023 RM'000
1. Credit risk	5,047,574	5,095,297
2. Market risk	1,829,944	2,455,189
3. Operational risk	754,626	724,398
Total	7,632,144	8,274,884

26. Commitments and contingencies

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

Group and Bank 31 March 2024	Principal Amount	Credit Equivalent Amount	Risk- Weighted Assets
	RM'000	RM'000	RM'000
<u>Contingent liabilities</u>			
Direct credit substitutes	-	-	-
Transaction related contingent items	862,991	431,496	364,736
Short-term self liquidating trade related contingencies	13,858	2,772	2,772
<u>Commitments</u>			
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	826,331	413,166	413,166
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,062,260	812,452	812,452
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	-	-	-
<u>Derivative financial instruments</u>			
Foreign exchange related contracts			
One year or less	19,671,196	409,874	297,478
Over one year to five years	666,274	35,411	23,013
Over five years	-	-	-
Interest/profit rate related contracts			
One year or less	11,095,455	12,075	2,543
Over one year to five years	363,663	7,868	6,643
Over five years	-	-	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements			
- Foreign exchange related contracts	55,890,023	842,327	211,664
- Interest/profit rate related contracts	70,524,665	757,100	217,805
Total	163,976,716	3,724,541	2,352,272

26. Commitments and contingencies (continued)

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

Group and Bank 31 December 2023	Principal Amount	Credit Equivalent Amount	Risk- Weighted Assets
	RM'000	RM'000	RM'000
<u>Contingent liabilities</u>			
Direct credit substitutes	-	-	-
Transaction related contingent items	801,214	400,607	337,970
Short-term self liquidating trade related contingencies	55,702	11,140	10,724
<u>Commitments</u>			
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	826,911	413,455	413,455
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,186,370	837,274	837,274
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	-	-	-
<u>Derivative financial instruments</u>			
Foreign exchange related contracts			
One year or less	21,716,466	456,914	410,917
Over one year to five years	613,871	33,891	26,129
Over five years	-	-	-
Interest/profit rate related contracts			
One year or less	50,000	90	58
Over one year to five years	363,663	9,269	8,042
Over five years	-	-	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements			
- Foreign exchange related contracts	47,892,318	659,920	146,721
- Interest/profit rate related contracts	56,387,368	821,356	228,722
Total	132,893,883	3,643,916	2,420,012

27. The operations of Islamic Banking

Statement of Financial Position
 As at 31 March 2024 – Unaudited

	Note	Group and Bank	
		31 March 2024 RM'000	31 December 2023 RM'000
Assets			
Cash and short-term funds	(a)	270,675	216,147
Other assets		62	48
Total assets		<u>270,737</u>	<u>216,195</u>
Liabilities and Islamic Banking funds			
Deposits from customers	(b)	232,009	178,421
Other liabilities	(c)	968	32
Tax payable		271	1,110
Total liabilities		<u>233,248</u>	<u>179,563</u>
Capital funds		25,000	25,000
Reserves		12,489	11,632
Islamic Banking funds		<u>37,489</u>	<u>36,632</u>
Total liabilities and Islamic Banking funds		<u>270,737</u>	<u>216,195</u>
Commitments and contingencies		<u>-</u>	<u>-</u>

27. The operations of Islamic Banking (continued)

Statement Of Profit or Loss and Other Comprehensive Income
 For The Financial Period Ended 31 March 2024 - Unaudited

	Note	Group and Bank			
		1 st quarter ended 31 March 2024 RM'000	31 March 2023 RM'000	Three months ended 31 March 2024 RM'000	31 March 2023 RM'000
Income derived from investment of Islamic funds	(d)	1,187	1,211	1,187	1,211
Total net income		1,187	1,211	1,187	1,211
Other operating expenses		(59)	(7)	(59)	(7)
Operating profit		1,128	1,204	1,128	1,204
Write-back of expected credit losses		-	3	-	3
Profit before tax		1,128	1,207	1,128	1,207
Tax expense		(271)	(290)	(271)	(290)
Profit for the period		857	917	857	917
Other comprehensive income/(loss):					
<i>Movement in fair value reserve (debt securities):</i>					
Net change in fair value		-	7	-	7
Net amount transferred to profit or loss		-	(3)	-	(3)
Income tax effect relating to component of other comprehensive income		-	(1)	-	(1)
Other comprehensive income for the period		-	3	-	3
Total comprehensive income for the period		857	920	857	920

27. The operations of Islamic Banking (continued)

Statement Of Changes In Islamic Banking Funds
 For The Financial Period Ended 31 March 2024

Group and Bank	Capital funds RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2024	25,000	-	11,632	36,632
Total comprehensive income for the period	-	-	857	857
At 31 March 2024	25,000	-	12,489	37,489
At 1 January 2023	25,000	7	10,327	35,334
Total comprehensive income for the period	-	3	917	920
At 31 March 2023	25,000	10	11,254	36,254

27. The operations of Islamic Banking (continued)

Statement Of Cash Flows
 For The Financial Period Ended 31 March 2024

	Group and Bank	
	31 March 2024 RM'000	31 March 2023 RM'000
Cash flows from operating activities		
Profit before taxation	1,128	1,207
Adjustments for non-operating and non-cash items	-	-
Operating profit before working capital changes	<u>1,128</u>	<u>1,207</u>
Changes in working capital:		
Net changes in operating assets	(14)	(152)
Net changes in operating liabilities	54,524	60,543
Income taxes paid	(1,110)	(698)
Net cash generated from operations	<u>54,528</u>	<u>60,900</u>
Net increase in cash and cash equivalents	54,528	60,900
Cash and cash equivalents at beginning of period	<u>216,147</u>	<u>179,099</u>
Cash and cash equivalents at end of period	<u><u>270,675</u></u>	<u><u>239,999</u></u>
Analysis of cash and cash equivalents:		
Cash and short-term funds	<u>270,675</u>	<u>239,999</u>

27. The operations of Islamic Banking (continued)

Shariah Committee

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

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

Basis of measurement

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

(a) Cash and short-term funds

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Cash and balances with banks and other financial institutions	<u>270,675</u>	<u>216,147</u>

(b) Deposits from customers

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Demand deposits	<u>232,009</u>	<u>178,421</u>

(c) Other liabilities

	Group and Bank	
	31 March 2024 RM'000	31 December 2023 RM'000
Bills payable	<u>968</u>	<u>32</u>

27. The operations of Islamic Banking (continued)

(d) Income derived from investment of Islamic banking funds

	Group and Bank			
	1 st quarter ended		Three months ended	
	31	31	31	31
	March	March	March	March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deposits or placement with BNM	1,535	1,384	1,535	1,384
Financial securities (Sukuk)	-	157	-	157
Hibah on Qard Islamic Current Account	(368)	(347)	(368)	(347)
Other Income	20	17	20	17
	<u>1,187</u>	<u>1,211</u>	<u>1,187</u>	<u>1,211</u>

(e) Capital adequacy

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

Components of Tier I and Tier II Capital:

	Group and Bank	
	31 March	31 December
	2024	2023
	RM'000	RM'000
Components of Tier 1 and Tier 2 capital are as follows:		
Tier 1 capital		
Capital funds	25,000	25,000
Other disclosed reserves	-	-
Retained earnings [#]	<u>11,632</u>	<u>11,632</u>
Total common equity tier 1/Total tier 1 capital	36,632	36,632
Total Tier 2 capital	<u>-</u>	<u>-</u>
Total capital base	<u>36,632</u>	<u>36,632</u>
Common equity tier 1/Tier 1 capital ratio	553.928%	592.272%
Total capital ratio	<u>553.928%</u>	<u>592.272%</u>

[#] Retained earnings after dividend paid and before the final dividend declared for 31 March 2024 and 31 December 2023 respectively.

27. The operations of Islamic Banking (continued)

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

Risk Type	Risk-Weighted Assets	
	31 March 2024 RM'000	31 December 2023 RM'000
1. Credit risk	-	-
2. Market risk	-	-
3. Operational risk	6,613	6,185
Total	6,613	6,185