

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

Unaudited Condensed Interim Financial Statements
- 31 March 2012

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2012 - UNAUDITED

	Note	Group		Bank	
		31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Assets					
Cash and short term funds		1,686,848	4,478,340	1,686,848	4,478,340
Securities purchased under resale agreements		4,325,724	3,409,464	4,325,724	3,409,464
Financial assets held-for-trading	12	2,556,575	939,707	2,556,575	939,707
Financial investments available-for-sale	13	6,891	7,165	6,891	7,165
Loans, advances and financing	14	618,045	831,064	618,045	831,064
Other assets	15	1,720,222	2,117,101	1,720,222	2,117,101
Statutory deposit with Bank Negara Malaysia		2,000	2,000	2,000	2,000
Investments in subsidiary companies		-	-	20	20
Property, plant and equipment		3,378	3,569	3,378	3,569
Deferred tax assets		19,207	17,746	19,207	17,746
Tax Recoverable		10,796	35,796	10,796	35,796
Total assets		<u>10,949,686</u>	<u>11,841,952</u>	<u>10,949,706</u>	<u>11,841,972</u>
Liabilities and shareholders' funds					
Deposits from customers	16	6,058,108	5,971,441	6,058,128	5,971,461
Deposits and placements of banks and other financial institutions	17	1,160,654	1,941,001	1,160,654	1,941,001
Obligations on securities sold under repurchase agreements		159,192	-	159,192	-
Other liabilities	18	2,109,722	2,534,437	2,109,722	2,534,437
Total liabilities		<u>9,487,676</u>	<u>10,446,879</u>	<u>9,487,696</u>	<u>10,446,899</u>
Share capital		<u>173,599</u>	<u>173,599</u>	<u>173,599</u>	<u>173,599</u>
Reserves		<u>1,288,411</u>	<u>1,221,474</u>	<u>1,288,411</u>	<u>1,221,474</u>
Shareholders' funds		<u>1,462,010</u>	<u>1,395,073</u>	<u>1,462,010</u>	<u>1,395,073</u>
Total liabilities and shareholders' funds		<u>10,949,686</u>	<u>11,841,952</u>	<u>10,949,706</u>	<u>11,841,972</u>
Commitments and contingencies		<u>147,317,325</u>	<u>138,081,992</u>	<u>147,317,325</u>	<u>138,081,992</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 2011.

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2012 - UNAUDITED

	Note	Group and Bank			
		1 st Quarter Ended		Three Months Ended	
		31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Interest income	19	63,893	74,723	63,893	74,723
Interest expense	20	(22,647)	(34,950)	(22,647)	(34,950)
Net interest income		<u>41,246</u>	<u>39,773</u>	<u>41,246</u>	<u>39,773</u>
Net income from Islamic Banking Operations	26	339	381	339	381
Non-interest income	21	73,474	61,076	73,474	61,076
Operating income		<u>115,059</u>	<u>101,230</u>	<u>115,059</u>	<u>101,230</u>
Other operating expenses	22	(24,350)	(31,872)	(24,350)	(31,872)
Operating profit		<u>90,709</u>	<u>69,358</u>	<u>90,709</u>	<u>69,358</u>
Allowance for impairment on loans, advances and financing	23	41	198	41	198
Profit before taxation		<u>90,750</u>	<u>69,556</u>	<u>90,750</u>	<u>69,556</u>
Tax expense		(23,607)	(18,528)	(23,607)	(18,528)
Net profit for the period		<u>67,143</u>	<u>51,028</u>	<u>67,143</u>	<u>51,028</u>
Other comprehensive loss, net of tax					
Fair value of financial investments available-for-sale		(206)	(72)	(206)	(72)
Other comprehensive loss for the period, net of tax		(206)	(72)	(206)	(72)
Total comprehensive income for the period		<u>66,937</u>	<u>50,956</u>	<u>66,937</u>	<u>50,956</u>
Earnings per share (sen)		38.6 sen	29.4 sen	38.6 sen	29.4 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 2011.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2012

	<-----Attributable to equity holders of the Bank----->					
	Share capital RM'000	<--Non-distributable-->		Distributable	Total	
		Share premium RM'000	Other reserves RM'000	Retained profits RM'000	reserves RM'000	Total RM'000
Group and Bank						
At 1 January 2012	173,599	357,763	177,555	686,156	1,221,474	1,395,073
Net profit for the period	-	-	-	67,143	67,143	67,143
Other comprehensive loss	-	-	(206)	-	(206)	(206)
Total comprehensive (loss)/income for the period	-	-	(206)	67,143	66,937	66,937
At 31 March 2012	173,599	357,763	177,349	753,299	1,288,411	1,462,010
At 1 January 2011	173,599	357,763	178,975	630,790	1,167,528	1,341,127
Net profit for the period	-	-	-	51,028	51,028	51,028
Other comprehensive loss	-	-	(72)	-	(72)	(72)
Total comprehensive (loss)/income for the period	-	-	(72)	51,028	50,956	50,956
At 31 March 2011	173,599	357,763	179,903	681,818	1,218,484	1,392,083

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 2011.

DEUTSCHE BANK (MALAYSIA) BERHAD
(Company No. 312552-W)
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AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2012

	Group and Bank	
	31 March 2012 RM'000	31 March 2011 RM'000
Profit before taxation	90,750	69,556
Adjustments for non-operating and non-cash items	325	396
	<hr/>	<hr/>
Operating profit before working capital changes	91,075	69,952
Changes in working capital:		
Net changes in operating assets	(1,923,230)	(2,506,742)
Net changes in operating liabilities	(959,203)	1,734,602
Income tax paid	-	(21,728)
	<hr/>	<hr/>
Net cash used in operations	(2,791,358)	(723,916)
	<hr/>	<hr/>
Net cash used in investing activities	(134)	(63)
	<hr/>	<hr/>
	(134)	(63)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(2,791,492)	(723,979)
Cash and cash equivalents at beginning of the period	4,478,340	5,405,903
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	1,686,848	4,681,924
	=====	=====
Analysis of cash and cash equivalents		
Cash and short-term funds	1,686,848	4,681,924
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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 2011.

DEUTSCHE BANK (MALAYSIA) BERHAD
(Company No. 312552-W)
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AND ITS SUBSIDIARIES

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2012

1. Basis of preparation

The unaudited interim financial statements for the financial first quarter ended 31 March 2012 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: securities held-for-trading, securities available-for-sale and derivative financial instruments.

The unaudited interim financial statements have been prepared in accordance with FRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Bank Negara Malaysia’s Guidelines on Financial Reporting for Banking Institutions. 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 2011. 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 2011.

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 2011.

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Company:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments* Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*.

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures - Transfers of Financial Assets*
- Amendments to FRS 112, *Income Taxes - Deferred Tax: Recovery of Underlying Assets*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to FRS 101, *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income*

1. Basis of preparation (continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits* (2011)
- FRS 127, *Separate Financial Statements* (2011)
- FRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to FRS 7, *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 7, *Financial Instruments: Disclosures - Mandatory Date of FRS 9 and Transition Disclosures*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to FRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- FRS 9, *Financial Instruments* (2009)
- FRS 9, *Financial Instruments* (2010)

The Company's financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). As a result, the Company will not be adopting the above FRSs, Interpretations and amendments.

2. Audit report

The audit report on the audited annual financial statements for the financial year ended 31 December 2011 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 first financial quarter ended 31 March 2012.

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 first financial quarter ended 31 March 2012.

6. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities during the first financial quarter ended 31 March 2012.

7. Dividend Paid

No dividend was paid during the first financial quarter ended 31 March 2012.

8. Material Events Subsequent to the Balance Sheet Date

There were no material events subsequent to the balance sheet 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 first financial quarter ended 31 March 2012.

10. Review of Performance

The Bank's pre-tax profit for the three months ended 31 March 2012 was RM90.8 million, an increase of RM21.2 million (+30.5%), compared to RM69.6 million for the previous corresponding period. Operating income increased by RM13.8 million (+13.7%) from RM101.2 million to RM115.1 million primarily on higher non-interest income from trading activities of RM73.5 million against non-interest income of RM61.1 million in the previous corresponding period. Net interest income increased by RM1.5 million (3.7%) from RM39.8 million to RM41.2 million. Operating expenses decreased by RM7.5 million (-23.6%) from RM31.9 million to RM24.4 million attributable to lower personnel cost, administration and general expenses.

Total assets as at 31 March 2012 were RM11.0 billion, RM0.9 billion (-7.5%) down against 31 December 2011 of RM11.8 billion. The Bank's core capital ratio and risk weighted capital ratio remained strong at 14.67% and 14.81% respectively.

11. Prospects

Global financial conditions improved in 1Q 2012. Volatilities in financial markets eased and a liquidity crunch was averted as a result of key measures taken to address the Eurozone sovereign debt crisis. Asia ex-Japan continued to outperform more advanced economies. In Malaysia, domestic demand is expected to uphold growth momentum with economic growth for 2012 forecasted at 4% amid a softer global economy.

The Bank's strategy remains steadfastly focused on the key business areas of Markets, Global Transaction Banking and Corporate Finance. In addition, we intend to capitalize on the momentum gained from our accomplishments and continue to solidify our Islamic Banking franchise by leveraging on our global franchise, international products platform and network in 2012 and beyond. Our strong client focus and drive to deliver comprehensive and innovative end-to-end solutions will continue to differentiate us and secure our position as a top-tier corporate and investment bank for clients in the local market.

The Bank will continue to manage capital efficiently to support business growth.

12. Financial assets held-for-trading

	Group and Bank	
	31 March 2012	31 December 2011
At fair value	RM'000	RM'000
Malaysian Government Securities	487,521	543,164
Malaysian Investment Issue	80,038	61,087
Bank Negara Malaysia Bills	1,732,256	288,428
Cagamas bonds	6,153	6,211
Private debt securities	10,595	40,817
Negotiable instruments of deposit	240,012	-
	<u>2,556,575</u>	<u>939,707</u>
	=====	=====

13. Financial investments available-for-sale

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
At fair value		
Quoted securities	5,300	5,574
Unquoted securities	1,591	1,591
	<u>6,891</u>	<u>7,165</u>
	=====	=====

14. Loans, advances and financing

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
At amortised cost		
Overdrafts	70,945	78,074
Term loans - housing loans	29,417	30,176
- other term loans	69,325	68,589
Bills receivable	60,558	55,156
Claims on customers under acceptance credits	402,798	614,688
Staff loans	3,036	3,111
	<u>636,079</u>	<u>849,794</u>
Unearned interest	(2,633)	(3,305)
	<u>633,446</u>	<u>846,489</u>
Gross loans, advances and financing		
Allowance for impaired loans and financing		
- Collective assessment	(12,672)	(12,672)
- Individual assessment	(2,729)	(2,753)
	<u>618,045</u>	<u>831,064</u>
	=====	=====

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

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Maturing within one year	583,946	795,505
One year to three years	2,487	3,497
Three years to five years	16,982	16,745
Over five years	30,031	30,742
	<u>633,446</u>	<u>846,489</u>
	=====	=====

14. Loans, advances and financing (continued)

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

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Domestic business enterprises - others	544,842	762,195
Individuals	32,484	33,316
Foreign entities	56,120	50,978
	<u>633,446</u>	<u>846,489</u>
	=====	=====

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

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Fixed rate		
- Other fixed rate loan / financing	3,036	3,111
Variable rate		
- Base lending rate plus	67,781	63,593
- Cost-plus	560,193	777,625
- Other variable rates	2,436	2,160
	<u>633,446</u>	<u>846,489</u>
	=====	=====

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

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Malaysia	577,326	795,511
India	9,906	28,089
Other countries	46,214	22,889
	<u>633,446</u>	<u>846,489</u>
	=====	=====

14. Loans, advances and financing (continued)

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

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Mining	-	769
Manufacturing	371,600	492,371
Electricity, gas and water	1,246	-
Construction	66,194	55,637
Purchase of landed property:		
- Residential	31,929	32,724
Wholesale & retail trade and restaurants & hotels	94,515	205,859
Transport, storage and communication	-	-
Finance, insurance and business services	65,128	57,716
Purchase of transport vehicles	240	256
Others	2,594	1,157
	<u>633,446</u>	<u>846,489</u>
	=====	=====

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

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Balance at 1 January	9,867	11,499
Classified as impaired during the period	496	3,375
Reclassified as non-impaired during the period	(636)	(2,075)
Amounts recovered	(263)	(2,932)
At 31 March 2012	<u>9,464</u>	<u>9,867</u>
	=====	=====
Gross impaired loans as a percentage of gross loans, advances and financing	1.49%	1.17%
	=====	=====

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

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
<u>Collective Assessment Allowance</u>		
At 1 January	12,672	23,946
Allowance written back during the period	-	(11,274)
At 31 March 2012	<u>12,672</u>	<u>12,672</u>
	=====	=====

14. Loans, advances and financing (continued)

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
<u>Individual Assessment Allowance</u>		
At 1 January	2,753	3,419
Allowance made during the period	112	816
Amounts recovered	(136)	(1,482)
At 31 March 2012	<u>2,729</u>	<u>2,753</u>
	=====	=====

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

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Manufacturing	4,180	4,186
Purchase of landed property - residential	5,241	5,638
Others	43	43
	<u>9,464</u>	<u>9,867</u>
	=====	=====

15. Other assets

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Interest / Income receivable	18,446	15,769
Margin placed with exchange	6,408	627
Derivatives	1,329,402	1,677,119
Other debtors, deposits and prepayments	365,966	423,586
	<u>1,720,222</u>	<u>2,117,101</u>
	=====	=====

16. Deposits from customers

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Demand deposits	1,589,680	1,870,159	1,589,700	1,870,179
Savings deposits	7,306	9,052	7,306	9,052
Fixed deposits	848,172	599,283	848,172	599,283
Other deposits	3,572,950	3,442,947	3,572,950	3,442,947
Negotiable instruments of deposits	40,000	50,000	40,000	50,000
	<u>6,058,108</u>	<u>5,971,441</u>	<u>6,058,128</u>	<u>5,971,461</u>
	=====	=====	=====	=====

16. Deposits from customers (continued)

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

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Due within six months	2,320,835	2,017,830	2,320,835	2,017,830
More than six months to one year	168,190	132,916	168,190	132,916
More than one year to three years	1,356,834	1,238,583	1,356,834	1,238,583
More than three years to five years	448,631	544,585	448,631	544,585
More than five years	166,632	158,316	166,632	158,316
	<u>4,461,122</u> =====	<u>4,092,230</u> =====	<u>4,461,122</u> =====	<u>4,092,230</u> =====

The deposits are sourced from the following types of customers:

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Business enterprises	3,012,821	2,780,935	3,012,841	2,780,955
Individuals	43,151	45,645	43,151	45,645
Foreign customers	200,566	134,588	200,566	134,588
Others	2,801,570	3,010,273	2,801,570	3,010,273
	<u>6,058,108</u> =====	<u>5,971,441</u> =====	<u>6,058,128</u> =====	<u>5,971,461</u> =====

17. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Other financial institutions	1,160,654	1,941,001
	<u>1,160,654</u> =====	<u>1,941,001</u> =====

18. Other liabilities

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Interest payable	2,320	2,717
Bills payable	168,831	155,145
Derivatives	1,497,041	1,875,631
Employee benefits	5,659	18,426
Other liabilities	435,871	482,518
	<u>2,109,722</u>	<u>2,534,437</u>
	=====	=====

19. Interest income

	Group and Bank			
	1 st Quarter ended		Three months ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Loans, advances and financing	8,936	6,816	8,936	6,816
Money at call and deposit placements with financial institutions	5,427	5,057	5,427	5,057
Securities purchased under resale agreement	26,621	36,264	26,621	36,264
Financial assets held for trading	22,909	26,536	22,909	26,536
Others	-	50	-	50
	<u>63,893</u>	<u>74,723</u>	<u>63,893</u>	<u>74,723</u>
	=====	=====	=====	=====
Of which:				
Interest income earned on impaired loans, advances and financing	112	192	112	192
	=====	=====	=====	=====

20. Interest expense

	Group and Bank			
	1 st Quarter ended		Three months ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Deposits and placements of banks and other financial institutions	5,297	1,639	5,297	1,639
Obligations on securities sold under repurchase agreement	2,251	19,563	2,251	19,563
Deposits from customers	15,099	13,748	15,099	13,748
	<u>22,647</u>	<u>34,950</u>	<u>22,647</u>	<u>34,950</u>
	=====	=====	=====	=====

21. Non-Interest Income

	Group and Bank			
	1 st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commissions	2,273	4,333	2,273	4,333
Service charges and fees	3,319	1,205	3,319	1,205
Guarantee fees	1,698	948	1,698	948
	<u>7,290</u>	<u>6,486</u>	<u>7,290</u>	<u>6,486</u>
	-----	-----	-----	-----
Net (losses)/gain from financial instruments:				
Net loss arising on financial assets held for trading :				
Net loss from sale	(2,400)	(9,657)	(2,400)	(9,657)
Unrealised revaluation loss	(2,330)	(837)	(2,330)	(837)
Net (loss)/ gain arising on trading derivatives :				
Net (loss) / gain on settlement	(47,201)	18,176	(47,201)	18,176
Unrealised revaluation gain	90,115	1,858	90,115	1,858
Net gain/(loss) arising from dealing in foreign exchange :				
Net gain on settlement	60,965	99,709	60,965	99,709
Unrealised loss from foreign exchange translation	(38,307)	(56,617)	(38,307)	(56,617)
Net gain arising on financial investments available-for-sale :				
Gross dividend income	23	15	23	15
Other income :				
Gain on disposal of plant and equipment	95	-	95	-
Other operating income, net	5,224	1,943	5,224	1,943
	<u>66,184</u>	<u>54,590</u>	<u>66,184</u>	<u>54,590</u>
	-----	-----	-----	-----
	<u>73,474</u>	<u>61,076</u>	<u>73,474</u>	<u>61,076</u>
	=====	=====	=====	=====

22. Other operating expenses

	Group and Bank			
	1 st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
-Salaries, allowances and bonuses	12,315	14,551	12,315	14,551
-Others	3,024	2,897	3,024	2,897
Establishment costs				
-Rental	568	677	568	677
-Depreciation	420	396	420	396
-Others	772	812	772	812
Marketing expenses	484	671	484	671
Administration and general expenses				
-Intercompany expenses	4,447	10,072	4,447	10,072
-Communication	425	376	425	376
-Others	1,895	1,420	1,895	1,420
	<u>24,350</u>	<u>31,872</u>	<u>24,350</u>	<u>31,872</u>
	=====	=====	=====	=====

The number of employees of the Group and the Bank at the end of the period was 152 (March 2011 - 150).

23. Allowance for impairment on loans, advances and financing

	Group and Bank			
	1 st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Individual assessment allowance				
- made during the year	(112)	(192)	(112)	(192)
- written back	136	390	136	390
Collective assessment allowance				
- reversal during the year	-	-	-	-
Recoveries from bad debt written off	17	-	17	-
	<u>41</u>	<u>198</u>	<u>41</u>	<u>198</u>
	=====	=====	=====	=====

24. Contingent Liabilities

As at 31 March 2012, there is a litigation in process against the Bank arising from an action by two companies, seeking specific damages amounting to RM1 million and general damages for which the amount is not quantifiable at this stage.

The information usually required by FRS137, Provision, Contingent Liabilities and Contingent Assets is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation.

25. Capital adequacy

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Components of Tier 1 and Tier 2 capital are as follows:-		
<u>Tier 1 capital</u>		
Paid-up share capital	173,599	173,599
Share premium	357,763	357,763
Statutory reserve	174,722	174,722
Retained profits	686,156	686,156
Less: Deferred tax assets	(17,746)	(17,746)
Total Tier 1 capital	<u>1,374,494</u>	<u>1,374,494</u>
<u>Tier 2 capital</u>		
Collective assessment allowance	12,672	12,672
Total Capital	<u>1,387,166</u>	<u>1,387,166</u>
Less: Investments in subsidiary companies	(20)	(20)
Capital base	<u>1,387,146</u> =====	<u>1,387,146</u> =====
Core capital ratio	14.67%	14.39%
Risk-weighted capital ratio	14.81%	14.52%
	=====	=====

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.

25. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 March 2012 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets	Capital Requirements
1	Credit Risk	RM'000	RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>				
	Sovereigns/Central Banks	4,450,931	116,490	-	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	453,597	453,597	208,923	16,714
	Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
	Corporates	538,284	538,284	493,262	39,460
	Regulatory Retail	511	511	383	31
	Residential Mortgages	26,981	26,981	9,587	767
	Higher Risk Assets	-	-	-	-
	Other Assets	218,090	218,090	215,915	17,273
	Equity Exposure	6,931	6,931	5,833	467
	Defaulted Exposures	6,763	6,763	6,763	541
	Total On-Balance Sheet Exposures	5,702,088	1,367,647	940,666	75,253
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	6,691,352	6,519,160	2,930,936	234,476
	Credit Derivatives	110,424	110,424	41,056	3,284
	Total for Off-Balance Sheet Exposures	6,801,776	6,629,584	2,971,992	237,760
	Total On and Off- Balance Sheet Exposures	12,503,864	7,997,231	3,912,658	313,013

25. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 March 2012 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	175,631,125	168,721,960		3,294,005	263,520
	Foreign Currency Risk	1,407,182	831		1,407,187	112,575
	Options	94,790	-		344,638	27,571
		177,133,097	168,722,791		5,045,830	403,666
4	Operational Risk				409,099	32,728
5	Total RWA and Capital Requirements				9,367,587	749,407

25. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category for 2011 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets	Capital Requirements
1	Credit Risk	RM'000	RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>				
	Sovereigns/Central Banks	3,508,037	91,540	-	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	544,465	544,465	260,724	20,858
	Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
	Corporates	756,286	756,286	712,506	57,000
	Regulatory Retail	549	549	412	33
	Residential Mortgages	27,398	27,398	9,745	780
	Higher Risk Assets	-	-	-	-
	Other Assets	96,403	96,403	92,825	7,426
	Equity Exposure	7,205	7,205	6,107	489
	Defaulted Exposures	7,114	7,114	7,114	569
	Total On-Balance Sheet Exposures	4,947,457	1,530,960	1,089,433	87,155
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	6,653,399	6,423,504	2,898,948	231,916
	Credit Derivatives	43,321	43,321	16,143	1,291
	Total for Off-Balance Sheet Exposures	6,696,720	6,466,825	2,915,091	233,207
	Total On and Off- Balance Sheet Exposures	11,644,177	7,997,785	4,004,524	320,362

25. Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category for 2011 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	161,287,799	154,477,733		3,688,871	295,110
	Foreign Currency Risk	1,096,395	274		1,096,400	87,712
	Options	104,168	-		304,338	24,347
		162,488,362	154,478,007		5,089,609	407,169
4	Operational Risk				457,788	36,623
5	Total RWA and Capital Requirements				9,551,921	764,154

25. Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 31 March 2012 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%	121,084	-	-	-	-	-	-	-	2,175	20	123,279	-
20%	-	-	2,776,080	-	63,815	-	-	-	-	1,348	2,841,243	568,249
35%	-	-	-	-	-	-	25,987	-	-	-	25,987	9,096
50%	-	-	3,255,842	-	85,724	-	994	-	-	-	3,342,560	1,671,279
75%	-	-	-	-	-	511	-	-	-	-	511	383
100%	-	26,830	10,613	2,194	1,397,695	-	4,841	-	215,915	5,563	1,663,651	1,663,651
150%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	121,084	26,830	6,042,535	2,194	1,547,234	511	31,822	-	218,090	6,931	7,997,231	3,912,658
Risk-Weighted Assets by Exposures	-	26,830	2,193,750	2,194	1,453,320	383	14,433	-	215,915	5,833	3,912,658	
Average Risk Weight	-	100.0%	36.3%	100.0%	93.9%	75.0%	45.4%	0.0%	99.0%	84.2%	48.9%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

25. Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights for 2011 are as follows:

Risk Weights	Exposures after Netting & Credit Risk Mitigation										Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, DFIs and MDBs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures		
0%	RM'000 93,295	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 -	RM'000 3,578	RM'000 20	RM'000 96,893	RM'000 -
20%	-	-	2,620,912	-	64,327	-	-	-	-	1,348	2,686,587	537,317
35%	-	-	-	-	-	-	26,360	-	-	-	26,360	9,226
50%	-	-	3,356,210	-	102,406	-	1,038	-	-	-	3,459,654	1,729,827
75%	-	-	-	-	-	549	-	-	-	-	549	412
100%	-	26,830	-	2,166	1,594,896	-	5,188	-	92,825	5,837	1,727,742	1,727,742
150%	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	93,295	26,830	5,977,122	2,166	1,761,629	549	32,586	-	96,403	7,205	7,997,785	4,004,524
Risk-Weighted Assets by Exposures	-	26,830	2,202,287	2,166	1,658,964	412	14,933	-	92,825	6,107	4,004,524	
Average Risk Weight	-	100.0%	36.8%	100.0%	94.2%	75.0%	45.8%	0.0%	96.3%	84.8%	50.1%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-

25. Capital adequacy (continued)

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

31 March 2012 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000
Direct Credit Substitutes	-	-	-
Transaction Related Contingent Items	1,061,036	530,518	440,591
Short Term Self Liquidating Trade Related Contingencies	178,125	35,625	30,261
Foreign exchange related contracts			
One year or less	14,681,500	330,260	187,141
Over one year to five years	11,100,522	936,074	410,755
Over five years	5,528,866	1,095,726	488,290
Interest/Profit rate related contracts			
One year or less	28,865,719	75,810	20,398
Over one year to five years	68,012,193	2,060,106	631,342
Over five years	14,751,557	1,232,114	420,388
Equity related contracts			
One year or less	35,363	3,536	1,768
Over one year to five years	1,104,237	138,692	69,346
Over five years	-	-	-
Credit Derivative Contracts			
One year or less	117,073	13,001	6,500
Over one year to five years	616,677	97,423	34,556
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	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	1,264,457	252,891	230,656
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-	-	-
Total	147,317,325	6,801,776	2,971,992

25. Capital adequacy (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 2011 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000
Direct Credit Substitutes	-	-	-
Transaction Related Contingent Items	963,205	481,603	416,700
Short Term Self Liquidating Trade Related Contingencies	120,479	24,096	19,344
Foreign exchange related contracts			
One year or less	14,952,336	344,037	194,372
Over one year to five years	8,949,139	769,683	360,775
Over five years	5,597,133	1,209,122	546,968
Interest/Profit rate related contracts			
One year or less	29,067,309	81,646	22,988
Over one year to five years	60,292,816	1,941,932	580,580
Over five years	15,443,759	1,417,324	474,950
Equity related contracts			
One year or less	36,658	3,666	1,833
Over one year to five years	1,139,334	141,351	70,676
Over five years	-	-	-
Credit Derivative Contracts			
One year or less	79,425	8,345	4,173
Over one year to five years	245,700	34,975	11,970
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	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	1,194,699	238,940	209,762
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-	-	-
Total	138,081,992	6,696,720	2,915,091

26. The Operations of Islamic Banking

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2012 - UNAUDITED

	Note	Bank	
		31 March 2012 RM'000	31 December 2011 RM'000
Assets			
Cash and short term funds	(a)	25,200	12,099
Financial assets held-for-trading	(b)	80,952	80,821
Other assets		728	247
Total assets		<u>106,880</u> =====	<u>93,167</u> =====
Liabilities and shareholders' funds			
Deposits from customer	(c)	60,339	59,240
Deposits and placements of banks and other financial institutions	(d)	4,474	4,779
Other liabilities	(e)	13,724	1,144
Taxation		773	688
Total liabilities		<u>79,310</u> -----	<u>65,851</u> -----
Capital funds		25,000	25,000
Retained profits		2,570	2,316
Islamic banking funds		<u>27,570</u> -----	<u>27,316</u> -----
Total liabilities and Islamic banking funds		<u>106,880</u> =====	<u>93,167</u> =====
Commitments and contingencies		- =====	- =====

26. The operations of Islamic Banking (continued)

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2012 - UNAUDITED**

	Bank			
	1 st Quarter ended 31 March 2012 RM'000	31 March 2011 RM'000	Three months ended 31 March 2012 RM'000	31 March 2011 RM'000
Income derived from investment of Islamic banking funds	339	381	339	381
Profit before taxation	<u>339</u>	<u>381</u>	<u>339</u>	<u>381</u>
Taxation	(85)	(95)	(85)	(95)
Profit after taxation	<u>254</u> =====	<u>286</u> =====	<u>254</u> =====	<u>286</u> =====

**STATEMENTS OF CHANGES IN ISLAMIC BANKING FUNDS
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2012**

	Capital funds RM'000	Retained profits RM'000	Total RM'000
At 1 January 2012	25,000	2,316	27,316
Profit after taxation	-	254	254
At 31 March 2012	<u>25,000</u>	<u>2,570</u>	<u>27,570</u>
=====			
At 1 January 2011	25,000	1,109	26,109
Profit after taxation	-	286	286
At 31 March 2011	<u>25,000</u>	<u>1,395</u>	<u>26,395</u>
=====			

26. The operations of Islamic Banking (continued)

**STATEMENTS OF CASH FLOW
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2012**

	31 March 2012 RM'000	31 March 2011 RM'000
Cash flows from operating activities		
Profit before taxation	339	381
Operating profit before working capital changes	<u>339</u>	<u>381</u>
Changes in working capital:		
Increase in operating assets	(612)	(54,291)
Decrease in operating liabilities	13,374	759
Net cash generated / (used in) from operations	<u>13,101</u>	<u>(53,151)</u>
Net cash used in investing activity	-	-
	<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	<u>13,101</u>	<u>(53,151)</u>
Cash and cash equivalents at beginning of period	12,099	54,065
Cash and cash equivalents at end of period	<u>25,200</u>	<u>914</u>
	=====	=====
Analysis of cash and cash equivalents		
Cash and short term funds	<u>25,200</u>	<u>914</u>

26. The operations of Islamic Banking (continued)

Shariah Committee

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

The committee comprises: Dr Hussein Hamed Sayed Hassan, Dr Muhammad Qaseem and Haji Ismail Aminuddin.

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

	Group and Bank	
	31 March 2011 RM'000	31 December 2011 RM'000
Cash and balances with banks and other financial institutions	200	6,099
Money at call and deposit placements maturing within one month	25,000	6,000
	25,200	12,099
	25,200	12,099

(b) Financial assets held-for-trading

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
At fair value		
Malaysian Government Investment Issue	80,952	80,821
	80,952	80,821

(c) Deposits from customer

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Non-Mudharabah		
Demand deposits	10,339	9,240
Other deposits	50,000	50,000
	60,339	59,240
	60,339	59,240

26. The operations of Islamic Banking (continued)

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

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Licensed bank	4,474	4,779
	<u>4,474</u>	<u>4,779</u>
	=====	=====

(e) Other liabilities

	Group and Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Bills payable	37	65
Others	13,687	1,079
	<u>13,724</u>	<u>1,144</u>
	=====	=====

(f) Capital adequacy

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

Components of Tier I and Tier II Capital:

	Bank	
	31 March 2012 RM'000	31 December 2011 RM'000
Components of Tier I and Tier II capital are as follows:-		
Tier 1 capital		
Capital funds	25,000	25,000
Retained profits	2,316	2,316
	<u>27,316</u>	<u>27,316</u>
Total Tier 1 capital		
Total Tier 2 capital	-	-
	<u>27,316</u>	<u>27,316</u>
Capital base	=====	=====
Core capital ratio	116.49%	122.06%
Risk-weighted capital ratio	116.49%	122.06%
	=====	=====

26. The operations of Islamic Banking (continued)

(g) Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 March 2012 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets	Capital Requirements
1	Credit Risk	RM'000	RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>				
	Sovereigns/Central Banks	25,728	25,728	-	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	200	200	100	8
	Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
	Corporates	-	-	-	-
	Regulatory Retail	-	-	-	-
	Residential Mortgages	-	-	-	-
	Higher Risk Assets	-	-	-	-
	Other Assets	-	-	-	-
	Equity Exposure	-	-	-	-
	Defaulted Exposures	-	-	-	-
	Total On-Balance Sheet Exposures	25,928	25,928	100	8
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	-	-	-	-
	Credit Derivatives	-	-	-	-
	Total for Off-Balance Sheet Exposures	-	-	-	-
	Total On and Off- Balance Sheet Exposures	25,928	25,928	100	8

26. The operations of Islamic Banking (continued)

(g) Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 March 2012 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	105,952	-		21,206	1,696
	Foreign Currency Risk	-	-		-	-
	Options	-	-		-	-
		105,952	-		21,206	1,696
4	Operational Risk				2,143	172
5	Total RWA and Capital Requirements				23,449	1,876

26. The operations of Islamic Banking (continued)

(g) Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 December 2011 are as follows:

RISK TYPE		Gross Exposures	Net Exposures	Risk-Weighted Assets	Capital Requirements
1	Credit Risk	RM'000	RM'000	RM'000	RM'000
	<u>On-Balance Sheet Exposures</u>				
	Sovereigns/Central Banks	12,141	12,141	-	-
	Banks, Development Financial Institutions (“DFIs”) and Multilateral Development Banks (“MDBs”)	205	205	103	8
	Insurance Companies, Securities Firms and Fund Managers	-	-	-	-
	Corporates	-	-	-	-
	Regulatory Retail	-	-	-	-
	Residential Mortgages	-	-	-	-
	Higher Risk Assets	-	-	-	-
	Other Assets	-	-	-	-
	Equity Exposure	-	-	-	-
	Defaulted Exposures	-	-	-	-
	Total On-Balance Sheet Exposures	12,346	12,346	103	8
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	-	-	-	-
	Credit Derivatives	-	-	-	-
	Total for Off-Balance Sheet Exposures	-	-	-	-
	Total On and Off- Balance Sheet Exposures	12,346	12,346	103	8

26. The operations of Islamic Banking (continued)

(g) Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 December 2011 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	86,821	-		20,346	1,628
	Foreign Currency Risk	-	-		-	-
	Options	-	-		-	-
		86,821	-		20,346	1,628
4	Operational Risk				1,931	154
5	Total RWA and Capital Requirements				22,380	1,790

26. The operations of Islamic Banking (continued)

(g) Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 31 March 2012 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%	25,728	-	-	-	-	-	-	-	-	-	-	25,728	-
20%	-	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	200	-	-	-	-	-	-	-	-	200	100
75%	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	25,728	-	200	-	-	-	-	-	-	-	-	25,928	100
Risk-Weighted Assets by Exposures	-	-	100	-	-	-	-	-	-	-	-	100	
Average Risk Weight	-	-	50.0%	-	-	-	-	-	-	-	-	0.4%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	

26. The operations of Islamic Banking (continued)

(g) Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 31 December 2011 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%	12,141	-	-	-	-	-	-	-	-	-	-	12,141	-
20%	-	-	-	-	-	-	-	-	-	-	-	-	-
35%	-	-	-	-	-	-	-	-	-	-	-	-	-
50%	-	-	205	-	-	-	-	-	-	-	-	205	103
75%	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Exposures	12,141	-	205	-	-	-	-	-	-	-	-	12,346	103
Risk-Weighted Assets by Exposures	-	-	103	-	-	-	-	-	-	-	-	103	
Average Risk Weight	0%	-	50.2%	-	-	-	-	-	-	-	-	0.8%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	