CREDIT RATING RATIONALE

FINANCIAL INSTITUTION RATINGS

RAM
RATINGS

HSBC Amanah Malaysia Berhad

- Financial Institution Ratings
- RM3 billion Multi-Currency Sukuk Programme (2012/2032)

July 2020

CREDIT RATING RATIONALE
FINANCIAL INSTITUTION RATINGS
July 2020

HSBC Amanah Malaysia Berhad
Rating Review

Ratings

Financial Institution Ratings:
AAA/Stable/P1 [Reaffirmed]

RM3 billion Multi-Currency Sukuk Programme (2012/2032):
AAA/Stable [Reaffirmed]

Last Rating Action
13 June 2019

Issue Details

Islamic Contract
- Wakalah

Profit Margin
- Determined at issuance

Maturity Date
- 28 September 2032

Lead Arranger
- HSBC Amanah Malaysia Berhad

Trustee
- Malaysian Trustees Berhad

Security
- None

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Related Criteria, Methodologies and Publications
i. Financial Institutions, December 2008
ii. Rating Bank Securities, November 2013
iii. FAQ Methodology for Rating Bank Securities, May 2015
iv. Group Rating Methodology for Banks, June 2015
v. Banking Insight: Weathering the Storm, March 2020
vi. Islamic Banking Insight: Manoeuvring a Bend, March 2020

Rating Action Basis

- The reaffirmation of HSBC Amanah Malaysia Berhad's (HSBC Amanah or the Bank) financial institution ratings (FIRs) is premised on its highly strategic role as the Islamic banking arm of HSBC Bank Malaysia Berhad (HSBC Malaysia, rated AAA/Stable/P1). HSBC Amanah's operations remain highly integrated with that of its parent, with support expected to be forthcoming if required. As such, we have equated its rating with HSBC Malaysia.

Rating Drivers

\+ **Ready parental support expected.** Given that HSBC Amanah serves as HSBC Malaysia's Islamic banking arm and one of HSBC Holdings plc's (the Group) two global "Amanah" or Islamic banking hubs, the Bank has historically enjoyed financial support from its parent and ultimate parent. It received two RM250 mil-equivalent capital injections, totalling RM500 mil, in the form of tier-2 subordinated financing, from The Hongkong and Shanghai Banking Corporation Limited (HSBC HK) – via HSBC Malaysia – in 2014 and 2015. Funding support is also evinced by interbank deposits of RM1.0 bil from HSBC Malaysia as at end-March 2020.

\+ **Closely integrated with parent.** HSBC Amanah is operationally integrated with HSBC Malaysia, sharing back-room operations, risk management capabilities and distribution channels. The Bank leverages substantially on the Group's global franchise, international network and product expertise.

\+ **Strong capitalisation.** HSBC Amanah's capitalisation is deemed strong and is expected to stay healthy throughout the economic downturn. The Bank's common equity tier-1 (CET-1) and total capital ratios improved to a respective 14.4% and 20.3% as at end-March 2020, compared to 12.8% and 18.5% as at end-March 2019 on account of healthy earnings accretion. HSBC Amanah's sturdy capitalisation provides the Bank with sufficient buffer against potential credit deterioration.

\- **Slippage in asset quality.** As at end-March 2020, HSBC Amanah's gross impaired financing (GIF) clocked in at a higher RM398.8 mil, against the restated[1] balance of RM356.3 mil as at end-December 2018. While there was improvement in the residential property financing portfolio, the Bank's GIF increased chiefly due to an uptick in personal financing that was rescheduled and restructured (R&R), as facilitated by Credit Counselling and Debt Management Agency (commonly known as AKPK or Agensi Kaunseling dan Pengurusan Kredit). This, coupled with the Bank's more stringent financing impairment classification policy in classifying R&R retail accounts as impaired financing until maturity - although not required by Bank Negara Malaysia (BNM) - had resulted in its GIF ratio slipping to 2.9% (end-December 2018: 2.5%; industry: 1.6%). Adjusting for differences between the Bank's impairment classification[2] and that of the industry, HSBC Amanah's GIF ratio would be a lower 2.1% as at end-March 2020.

In accordance with BNM's various financial relief measures in response to the Covid-19 crisis, HSBC Amanah offers an automatic six-month deferment of all financing repayments (except

[1] GIF had been restated from RM430.3 mil to RM356.3 mil following the exclusion of written-off unsecured financing from the Bank's balance sheet, that were subsequently restructured and rescheduled (R&R).
[2] Excludes impaired residential financing facilities that are less than three months past due and impaired personal use facilities that have been performing for at least six months.

credit card balances[3]) by individuals and SMEs (comprised almost 53% of gross financing), with effect from 1 April 2020[4]. The Bank will also facilitate requests by corporates to push back or restructure their financing repayments. Deferred financing repayments will be excluded in determining delinquency status while R&R financing need not be classified as impaired. Although these measures provide some temporary relief to banks' asset quality, the moratorium limits visibility on signs of stress. We expect an eventual deterioration in the Bank's asset quality, the actual impact of which will be more evident after the moratorium ends. That said, we expect the impact to be manageable in view of the Bank's tighter underwriting and risk management in recent years.

HSBC Amanah's annualised credit-cost ratio rose significantly to 180 bps in 1Q FY Dec 2020 (FY Dec 2018: 50 bps) due to a pre-emptive build-up of provisions given the gloomy economic outlook. Despite that, the Bank's adjusted GIF coverage ratio (including regulatory reserves) was a lower 78.5% as at end-March 2020 (end-December 2018: 91.4%) in view of its enlarged GIF base and diminished regulatory reserves[5].

- **Profitability to come under pressure amid pandemic.** HSBC Amanah's pre-tax profit improved 8% y-o-y to RM229.4 mil in FY Dec 2019 (FY Dec 2018: RM211.6 mil) owing to higher financing income stemming from financial assets and deposit placements with financial institutions. The increase in the Bank's current and saving account deposits (+54%) also contributed to an overall lower cost of funds relative to the Islamic banking industry. Pre-tax profit, however, plunged to RM20.3 mil in 1Q FY Dec 2020 (1Q FY Dec 2019: RM58.6 mil) as the Bank set aside higher forward-looking impairment charges on financing, amounting to RM73.3 mil (1Q FY Dec 2019: RM29.9 mil). As a result, its return on risk-weighted assets fell to 0.6% on an annualised basis (FY Dec 2019: 1.8%). The Bank's cost-to-income ratio was marginally better at 42.3% in 1Q FY Dec 2020 (1Q FY Dec 2019: 42.7%).

  Looking ahead, we expect HSBC Amanah's profitability to be crimped in view of subdued[6] financing growth, the low profit rate environment and higher impairment charges owing to the poorer macroeconomic environment. The Bank's net financing margin is anticipated to narrow following four OPR cuts since January this year, totalling 125 bps, with potential further cuts in sight. Like other banks, HSBC Amanah may incur a modification charge arising from hire-purchase and other fixed-rate financing subject to the moratorium (29% of total financing)[7].

Rating Outlook: Stable

- The stable rating outlook mirrors the outlook on the Bank's parent, HSBC Malaysia. We expect HSBC Malaysia to be able to weather the weak economic environment brought about by the impact of the Covid-19 pandemic, given its comfortable financing loss coverage, healthy pre-provision profit and robust capitalisation.

[3] Outstanding credit card balances can be converted into a three-year term financing with reduced profit rates. Cardholders who have missed three consecutive monthly payments will have balances automatically converted.
[4] This treatment applies to ringgit-denominated financing not more than 90 days overdue.
[5] The reduction in regulatory reserves was counterbalanced by an uptick in provisions, thereby still meeting the 1% buffer against the Bank's unimpaired credit exposure.
[6] As with HSBC Malaysia, the Bank will remain selective in financing in the current circumstances and prioritise returns by exiting low-yielding client relationships in line with the group-wide effort to achieve a return on tangible equity of 10% to 12% by 2022.
[7] This is because banks are unable to accrue profit charges on deferred instalments. The actual impact remains to be seen as industry players attempt to resolve the issue collectively.

Rating Triggers

- **Upside potential:** None. HSBC Amanah's FIRs are already the highest on RAM's national scale.

- **Downward pressure:** Although unlikely, the Bank's ratings could be revised downwards if its strategic importance to its parent diminishes. The Bank's ratings are also sensitive to any change in HSBC Malaysia's ratings.

Bank Profile

In 2008, HSBC Amanah became the first locally incorporated foreign bank to be awarded an Islamic banking licence and is the largest Islamic bank to date. The Bank started as an Islamic banking window in 1994, providing Islamic banking services alongside HSBC Malaysia's conventional offerings. HSBC Amanah commanded 2.2% of the domestic Islamic banking system's financing and deposits as at end-March 2020.

The Bank is wholly owned by HSBC Malaysia which, in turn, is ultimately owned by HSBC Holdings, a leading global banking group. As part of the HSBC Group's global network, the Bank benefits from the former's established franchise, knowledge base and network. The Bank is one of two global hubs in HSBC Group's Amanah network. In addition, Malaysia stands among the Group's eight "markets at scale" in which HSBC Holdings targets increased market shares.

The Bank accounted for 23.9% of HSBC Malaysia's assets as at end-March 2020, having contributed 17.6% of the Group's pre-tax profit in FY Dec 2019. Other than its 26-branch network in Malaysia, HSBC Amanah can also leverage on HSBC Malaysia's 41 branches nationwide. Underlining its strategic importance to the Group are two RM250 million-equivalent capital injections received by the Bank, each in the form of Basel III-compliant, tier-2 subordinated financing from HSBC HK – via HSBC Malaysia – in 2014 and 2015, respectively.

HSBC Amanah's sustainable finance practices mirror that of HSBC Holdings – a leader in this area. In 2018, HSBC Amanah issued the world's first United Nations Sustainable Development Goals (SDG) sukuk amounting to RM500 mil, as part of the Group's commitment to providing USD100 bil of sustainable financing and investment by 2025. In support of shifting to a low-carbon economy, the Bank is providing RM200 mil of financing to Yinson Holdings Bhd, an energy solutions provider. HSBC Amanah is also among the pioneer Islamic banks to have adopted the value-based intermediation initiative championed by BNM, which is largely in line with environmental, social and governance principles.

Peer Comparison

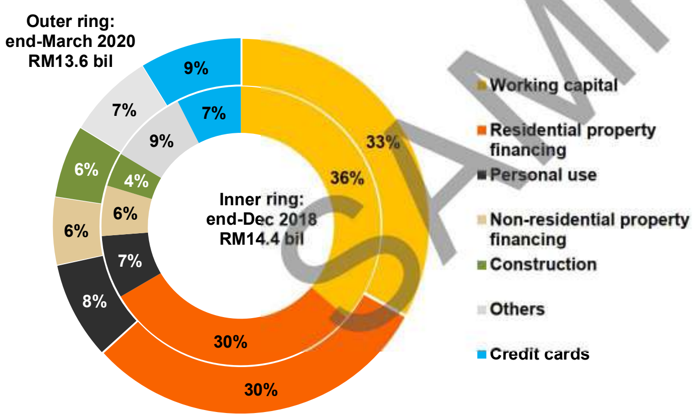
Table 1: Peer Comparison

	HSBC Amanah Malaysia Berhad		Standard Chartered Saadiq Berhad		Hong Leong Islamic Bank Berhad	
FIR	AAA/Stable/P1		AAA/Stable/P1		AAA/Stable/P1	
FY	Dec 2018	Dec 2019	Dec 2018	Dec 2019	Jun 2019	Dec 2019
Total assets (RM bil)	20.3	21.2	7.9	7.1	35.1	37.5
Gross financing (RM bil)	14.4	13.3	5.4	4.4	26.1	28.2
Pre-tax profit/(loss) (RM bil)	0.2	0.2	0.0	0.0	0.4	0.2
Gross impaired financing ratio (%)	2.5	2.9	1.2	1.6	0.7	0.9
Financing credit cost ratio (%)	0.5	0.5	(0.3)	(0.1)	0.2	0.4*
Gross impaired financing coverage ratio (%)^	91.4	80.6	132.6	118.3	213.5	177.8
Net financing margin (%)	2.5	2.4	1.8	1.7	2.0	2.1*
Non-financing income / Gross income (%)	13.2	12.0	9.5	18.3	11.2	11.3
Return on risk-weighted assets (%)	1.6	1.8	1.9	2.1	2.0	2.0*
Customer deposits / Profit-bearing funds (%)	66.9	76.0	37.9	48.4	95.1	94.9
Financing-to-deposits ratio (%)	123.5	97.9	203.9	152.0	86.7	89.7
Common-equity tier-1 capital ratio (%)	12.7	14.6	23.5	22.9	10.5	11.0
Total capital ratio (%)	18.4	20.4	27.7	26.9	15.2	15.6

** Annualised*
^ Includes regulatory reserves

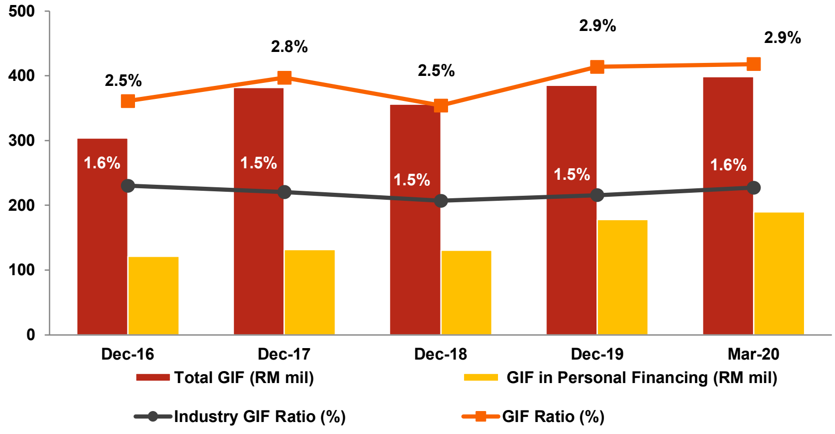
Risk Profile

Figure 1: Working capital financing still makes up bulk of gross financing (by purpose)



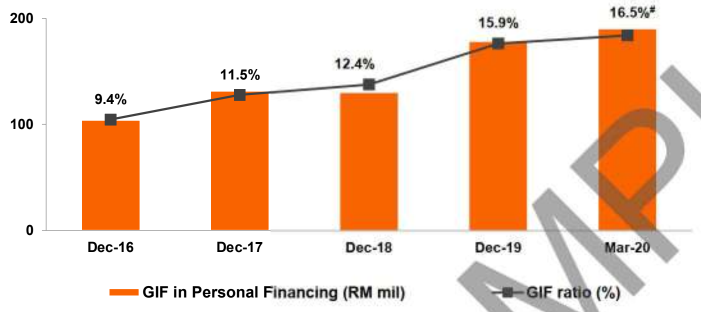
Source: HSBC Amanah
Note: Percentages in charts may not add up due to rounding

Figure 2: Weakening asset quality mainly due to slippages in personal use financing portfolio



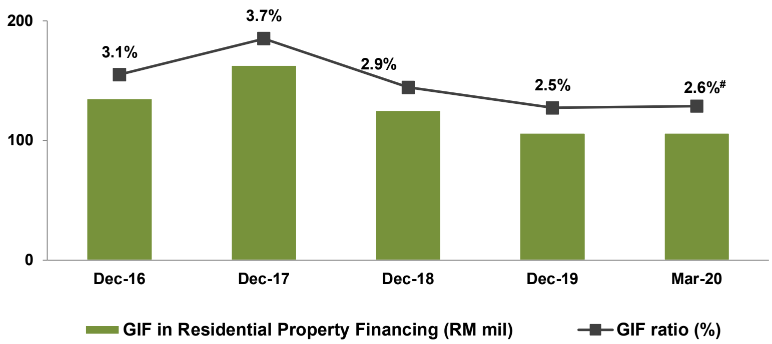
Source: HSBC Amanah
** Annualised*
# Adjusting for differences in impairment classifications, the GIF ratio would be 2.1%. Due to a lack of data, we are unable to provide adjusted GIF ratios for previous years.

Figure 3: Higher impaired financing in personal use portfolio driven by uptick in R&R activity



Source: HSBC Amanah
Excluding R&R financing that has been performing for at least six months, the GIF ratio would be 8.7%. Due to a lack of data, we are unable to provide adjusted GIF ratios for previous years.

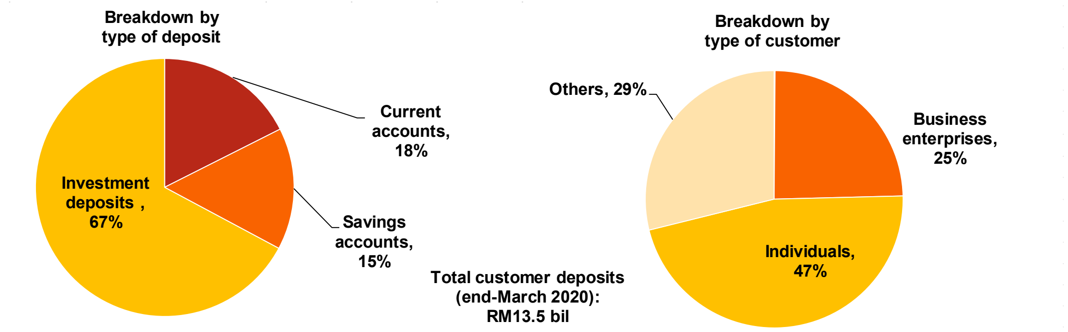
Figure 4: Improved credit quality of residential property financing portfolio attributed to tighter underwriting criteria since 2017 as well as proactive collection and recovery efforts



Source: HSBC Amanah
Excluding impaired residential financing facilities that are less than three months past due, the GIF ratio would be 1.9%.

Funding & Liquidity

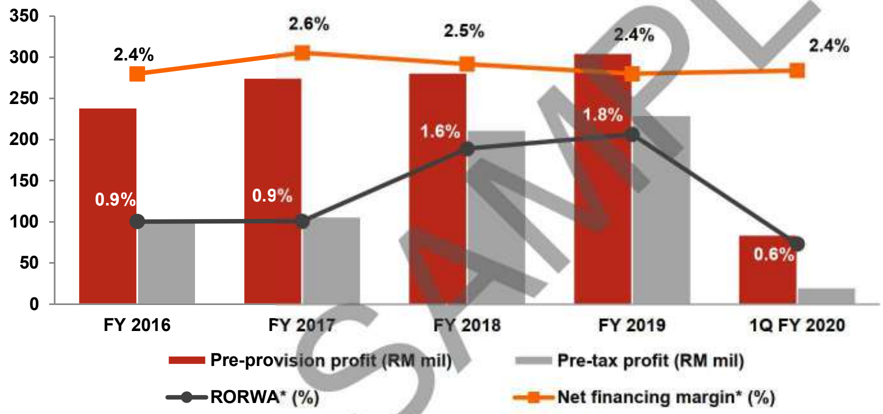
Figures 5 and 6: Customer deposits largely comprise costlier investment deposits (LHS) and stable individual deposits (RHS)



Source: HSBC Amanah
Note: Percentages in charts may not add up due to rounding

Financial Performance

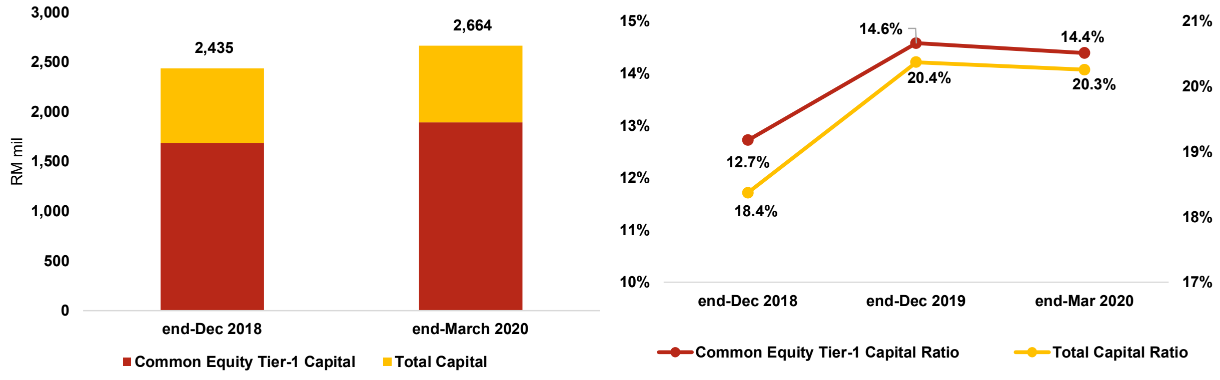
Figure 7: RoRWA declined sharply in 1Q FY 2020 on account of higher forward-looking impairment charges



Source: HSBC Amanah
** Annualised*
RoRWA = Return on risk-weighted assets

Capitalisation

Figure 8: Stronger capital ratios due to healthy earnings accretion



Source: HSBC Amanah

Bank Information

Date of Incorporation	26 February 2008
Commencement of Business	24 August 2008
Major Shareholder	HSBC Bank Malaysia Berhad (100%)
Directors	Datuk Kamaruddin bin Taib (Chairman) Stuart Paterson Milne Mukhtar Malik Hussain Adil Ahmad Lee Choo Hock Albert Quah Chei Jin Ho Chai Huey
Auditor	PricewaterhouseCoopers (PwC)
Listing	Not listed
Key Management	Arsalaan Ahmed (Chief Executive Officer) Wong Yeong Wai (Chief Financial Officer) Tengku Faradiza Binti Tengku Baharuddin (Director of Amanah Wholesale Banking) Daniel Lim Yit Chon (Head of Retail Business Wealth Management) Lum Kok Huat (Senior Legal Counsel) Dafinah Hilmi (Head of Commercial Banking) Anna Tan Geok Hui (Senior Regulatory Compliance Lead) Ahmed Firas (Head of Shariah)
Major Subsidiaries	None

Financials

STATEMENT OF FINANCIAL POSITION (RM million)	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	unaudited 31-Mar-20
Cash & Short-Term Funds	2,359.59	1,465.92	2,804.49	4,781.96	2,289.52
Deposits & Placements with Financial Institutions	0.00	0.00	0.00	139.15	1,421.48
Securities Purchased Under Resale Agreements	0.00	0.00	0.00	0.00	0.00
Financial Investments	1,369.06	2,221.04	2,725.68	2,719.98	2,983.31
Gross Financing & Advances	12,006.04	13,739.61	14,371.87	13,300.22	13,625.29
Total Impairment Allowances	*(262.77)*	*(355.81)*	*(234.53)*	*(257.27)*	*(304.80)*
Net Financing & Advances	11,743.26	13,383.80	14,137.34	13,042.95	13,320.49
Statutory Deposits	325.46	361.36	364.66	329.66	250.16
Investments in Subsidiaries/Associates/Jointly-Controlled Entities	0.00	0.00	0.00	0.00	0.00
Goodwill & Intangibles	0.00	0.00	0.00	0.00	0.00
Property, Plant & Equipment	7.24	5.52	6.87	7.10	6.94
Other Assets	496.47	338.09	310.31	218.22	366.01
Total Assets	**16,301.08**	**17,775.74**	**20,349.36**	**21,239.03**	**20,637.91**
Customer Deposits	8,666.76	10,034.53	11,444.58	13,320.33	13,511.92
Current Account Deposits	*1,902.32*	*2,114.17*	*1,770.37*	*3,451.21*	*2,371.65*
Savings Account Deposits	*1,627.18*	*1,644.03*	*1,689.42*	*1,872.65*	*2,062.18*
Investment Deposits	*5,137.26*	*6,276.33*	*7,984.78*	*7,996.47*	*9,078.09*
Negotiable Instruments of Deposits	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Other Deposits	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Interbank Deposits	1,951.60	3,361.94	3,299.96	2,339.95	2,277.15
Bills & Acceptances Payable	23.63	16.68	18.59	22.04	12.07
Securities Sold Under Repurchase Agreements	59.78	0.00	0.00	0.00	0.00
Senior Islamic Securities	1,756.00	1,252.83	1,755.28	1,265.93	520.58
Subordinated Islamic Securities	646.27	583.60	595.99	589.61	620.55
Hybrid Capital Islamic Securities	0.00	0.00	0.00	0.00	0.00
Other Sources of Funds	0.00	0.00	0.00	0.00	0.00
Other Liabilities	1,675.89	909.84	1,412.69	1,730.48	1,696.33
Total Liabilities	**14,779.93**	**16,159.41**	**18,527.09**	**19,268.35**	**18,638.60**
Equity Share Capital	50.00	660.00	660.00	660.00	660.00
Share Premium	610.00	0.00	0.00	0.00	0.00
Treasury Shares	0.00	0.00	0.00	0.00	0.00
Statutory Reserve	50.00	0.00	0.00	0.00	0.00
Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
Available-For-Sale Reserve	(6.55)	0.18	0.00	0.00	0.00
Fair Value Through Other Comprehensive Income Reserve	0.00	0.00	0.48	6.29	5.14
Other Reserves	34.40	34.64	88.61	45.38	14.10
Retained Profits/(Accumulated Losses)	783.30	921.51	1,073.17	1,259.01	1,320.08
Non-Controlling Interests	0.00	0.00	0.00	0.00	0.00
Total Equity	**1,521.15**	**1,616.33**	**1,822.27**	**1,970.69**	**1,999.31**
Total Liabilities + Total Equity	**16,301.08**	**17,775.74**	**20,349.36**	**21,239.03**	**20,637.91**
Additional Disclosure:					
Commitments & Contingencies	22,149.85	20,501.74	23,162.91	20,854.03	19,946.02
Risk-Weighted Assets	11,726.80	12,860.78	13,256.57	12,679.04	13,151.55
Common Equity Tier-1 Capital	1,472.11	1,559.43	1,686.64	1,848.58	1,892.68
Tier-1 Capital	1,472.11	1,559.43	1,686.64	1,848.58	1,892.68
Total Capital	2,253.63	2,292.29	2,435.40	2,583.21	2,664.21

Financials

STATEMENT OF COMPREHENSIVE INCOME (RM million)	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	unaudited 31-Mar-20 3 months
Financing Income	757.49	770.24	899.81	922.71	216.15
Financing Expense	(351.15)	(344.36)	(434.35)	(438.64)	(92.42)
Net Financing Income	**406.35**	**425.88**	**465.47**	**484.07**	**123.74**
Fee Income	56.30	68.45	62.61	67.32	23.75
Investment Income	(0.36)	16.05	5.96	(3.93)	(2.36)
Other Income	9.56	3.26	2.40	2.49	0.63
Gross Income	**471.85**	**513.63**	**536.44**	**549.95**	**145.76**
Personnel Expenses	(41.05)	(46.05)	(48.96)	(48.79)	(11.67)
Other Operating Expenses	(192.31)	(192.67)	(206.47)	(196.29)	(49.91)
Operating Income before Impairment Charges	**238.49**	**274.92**	**281.01**	**304.87**	**84.17**
Net Impairment Charges on Financing	(136.87)	(168.60)	(70.31)	(75.76)	(60.49)
Net Impairment Charges on Financial Investments	0.00	0.00	0.00	0.00	0.00
Net Impairment Charges on Commitments, Contingencies & Other Assets	0.00	0.00	0.87	0.28	(3.43)
Operating Income after Impairment Charges	**101.62**	**106.31**	**211.57**	**229.39**	**20.26**
Non-Recurring Items	0.00	0.00	0.00	0.00	0.00
Share of Associates/Jointly-Controlled Entities Profits/(Losses)	0.00	0.00	0.00	0.00	0.00
Pre-Tax Profit/(Loss)	**101.62**	**106.31**	**211.57**	**229.39**	**20.26**
Taxation & Zakat	(20.23)	(19.93)	(48.87)	(41.57)	(4.05)
Net Profit/(Loss)	**81.39**	**86.38**	**162.70**	**187.82**	**16.21**
Other Comprehensive Income	(11.49)	8.80	(3.52)	0.55	12.40
Total Comprehensive Income/(Loss)	**69.90**	**95.18**	**159.18**	**188.37**	**28.60**
Additional Disclosure:					
Net Profit/(Loss) Attributable to Non-Controlling Interests	0.00	0.00	0.00	0.00	0.00
Dividends Paid	0.00	0.00	10.00	40.00	0.00

Financials

KEY RATIOS	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	unaudited 31-Mar-20
PROFITABILITY (%)					
Net Financing Margin	2.40%	2.62%	2.53%	2.40%	2.43% *
Non-Financing Income to Gross Income	13.88%	17.09%	13.23%	11.98%	15.11%
Cost to Income	49.46%	46.48%	47.62%	44.6%	42.25%
Return on Assets	0.57%	0.62%	1.11%	1.10%	0.39% *
Return on Risk-Weighted Assets	0.86%	0.86%	1.62%	1.77%	0.63% *
Return on Equity	6.84%	6.78%	12.31%	12.10%	4.08% *
ASSET QUALITY (%)					
Gross Impaired Financing Ratio	2.53%	2.78%	2.48%	2.90%	2.93%
Net Newly Classified Impaired Financing Ratio	1.54%	1.67%	1.33%	0.94%	1.17% *
Financing Credit Cost Ratio	1.13%	1.31%	0.50%	0.55%	1.80% *
Impairment Charge Ratio	1.00%	1.15%	0.43%	0.46%	1.48% *
Gross Impaired Financing Coverage Ratio	86.57%	93.13%	65.82%	66.77%	76.42%
LIQUIDITY & FUNDING (%)					
Interbank Deposits to Total Profit Bearing Funds	14.89%	22.05%	19.28%	13.34%	13.44%
Customer Deposits to Total Profit Bearing Funds	66.14%	65.80%	66.87%	75.95%	79.75%
CASA Deposits to Total Deposits	40.72%	37.45%	30.23%	39.97%	32.81%
Financing to Deposits Ratio	135.50%	133.38%	123.53%	97.92%	98.58%
CAPITALISATION (%)					
Internal Rate of Capital Generation	5.48%	5.51%	8.88%	7.79%	n.a.
Common Equity Tier-1 Capital Ratio	12.55%	12.13%	12.72%	14.58%	14.39%
Tier-1 Capital Ratio	12.55%	12.13%	12.72%	14.58%	14.39%
Total Capital Ratio	19.22%	17.82%	18.37%	20.37%	20.26%

Notes:
* annualised
n.a. = not available / not applicable

Financials

KEY RATIOS	FORMULAE
PROFITABILITY (%)	
Net Financing Margin	Net Finance Income / Average Profit Earning Assets
Non-Financing Income to Gross Income	Non-Finance Income / Gross Income
Cost to Income	(Personnel Expenses + Other Operating Expenses) / Gross Income
Return on Assets	Pre-Tax Profit/(Loss) / Average Total Assets
Return on Risk-Weighted Assets	Pre-Tax Profit/(Loss) / Average Total Risk-Weighted Assets
Return on Equity	Pre-Tax Profit/(Loss) / Average Total Equity
Non-Finance Income	Fee Income + Investment Income + Other Income
Profit Earning Assets	Cash & Short-Term Funds + Deposits & Placements with Financial Institutions + Securities Purchased Under Resale Agreements + Financial Investments + Net Financing & Advances
ASSET QUALITY (%)	
Gross Impaired Financing Ratio	Total Impaired Financing / Gross Financing & Advances
Net Newly Classified Impaired Financing Ratio	Net Newly Classified Impaired Financing / Average Gross Financing & Advances
Financing Credit Cost Ratio	Net Impairment Charges on Financing / Average Gross Financing & Advances
Impairment Charge Ratio	(Net Impairment Charges on Financing + Net Impairment Charges on Financial Investments) / (Average Gross Financing & Advances + Average Financial Investments)
Gross Impaired Financing Coverage Ratio	Total Impairment Allowances / Gross Impaired Financing
Net Newly Classified Impaired Financing	Newly Classified Impaired Financing - Recoveries on Impaired Financing - Impaired Financing Reclassified As Performing
LIQUIDITY & FUNDING (%)	
Interbank Deposits to Total Profit Bearing Funds	Interbank Deposits / Profit Bearing Funds
Customer Deposits to Total Profit Bearing Funds	Customer Deposits / Profit Bearing Funds
CASA Deposits to Total Deposits	(Current Account + Savings Account Deposits) / Customer Deposits
Financing to Deposits Ratio	Net Financing & Advances / Customer Deposits
Profit Bearing Funds	Customer Deposits + Interbank Deposits + Bills & Acceptances Payable + Securities Sold Under Repurchase Agreements + Total Borrowings
Total Borrowings	Senior Islamic Securities + Subordinated Islamic Securities Hybrid Capital Islamic Securities + Other Borrowings
CAPITALISATION (%)	
Internal Rate of Capital Generation	(Net Profit/(Loss) - Dividends) / Average Total Equity
Common Equity Tier-1 Capital Ratio	Common Equity Tier-1 Capital / Total Risk-Weighted Assets
Tier-1 Capital Ratio	Tier-1 Capital / Total Risk-Weighted Assets
Total Capital Ratio	Total Capital / Total Risk-Weighted Assets

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