

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD**  
**Registration Number: 196001000082 (3755-M)**  
**(Incorporated in Malaysia)**

**Unaudited Condensed Interim Financial Statements**  
**31 March 2020**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	Group		Company	
		31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
<b>ASSETS</b>					
Cash and short-term funds	10	613,076	890,647	347,514	300,285
Deposits and placements with licensed banks and other financial institutions	11	252,997	292,523	246,497	283,223
Financial assets at fair value through profit or loss ("FVTPL")	12	266,988	303,522	261,186	294,240
Financial investments at fair value through other comprehensive income ("FVOCI")	13	2,066,610	1,420,750	146,018	146,018
Financial investments at amortised cost	14	2,564,397	2,590,828	-	-
Loans, advances and financing	15	894,092	786,649	97,452	98,976
Other assets	16	119,058	108,470	12,269	21,393
Statutory deposits with Bank Negara Malaysia		119,514	108,016	-	-
Investment in associate		-	-	-	-
Investment in subsidiaries		-	-	599,723	600,756
Investment properties		2,605	2,627	-	-
Property, plant and equipment		4,954	5,293	3,889	4,196
Intangible assets		6,320	6,432	3,800	3,818
Deferred tax assets		9,545	10,937	4,922	6,100
		<u>6,920,156</u>	<u>6,526,694</u>	<u>1,723,269</u>	<u>1,759,005</u>
Goodwill		86,713	86,713	-	-
Non current assets held for sale		5,325	4,607	2,560	2,560
<b>TOTAL ASSETS</b>		<u>7,012,194</u>	<u>6,618,014</u>	<u>1,725,829</u>	<u>1,761,565</u>
<b>LIABILITIES</b>					
Deposits from customers	17	3,707,283	3,469,155	-	-
Deposits and placements of banks and other financial institutions	18	1,148,364	953,916	-	-
Derivative liabilities	19	1,861	786	-	-
Other liabilities	20	144,328	183,557	63,135	94,229
Borrowings	21	292,705	296,198	292,705	296,198
Provision for taxation and zakat		2,078	1,737	486	400
Employee benefits		11,196	11,877	8,189	8,953
<b>TOTAL LIABILITIES</b>		<u>5,307,815</u>	<u>4,917,226</u>	<u>364,515</u>	<u>399,780</u>
<b>SHAREHOLDER'S EQUITY</b>					
Capital and reserves attributable to shareholder of the Company					
Share capital		879,931	879,931	879,931	879,931
Reserves		824,195	820,603	481,383	481,854
		<u>1,704,126</u>	<u>1,700,534</u>	<u>1,361,314</u>	<u>1,361,785</u>
Non-controlling interests		253	254	-	-
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<u>1,704,379</u>	<u>1,700,788</u>	<u>1,361,314</u>	<u>1,361,785</u>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<u>7,012,194</u>	<u>6,618,014</u>	<u>1,725,829</u>	<u>1,761,565</u>
<b>COMMITMENTS AND CONTINGENCIES</b>	32	<u>981,372</u>	<u>731,389</u>	<u>32,287</u>	<u>36,815</u>
<b>NET ASSETS PER SHARE (RM)</b>		<u>3.55</u>	<u>3.54</u>	<u>2.83</u>	<u>2.83</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2019.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

<u>Group</u>	Note	Individual/Cumulative Quarter 3 Months Ended	
		31 March 2020 RM'000	31 March 2019 RM'000
Operating revenue	31	88,260	77,548
Interest income	22	19,855	28,395
Interest expense	23	(9,812)	(19,175)
Net interest income		10,043	9,220
Net income from Islamic banking operations	37	34,287	20,581
Non-interest income	24	3,115	10,750
		47,445	40,551
Operating expenses	25	(36,558)	(27,987)
<b>Operating profit</b>		<b>10,887</b>	<b>12,564</b>
Expected credit loss allowance (made)/written back on:			
- loans, advances and financing	26	(4,976)	1,385
- financial investments	27	(1,075)	160
- other assets	28	3	(244)
<b>Profit before share of results in associate</b>		<b>4,839</b>	<b>13,865</b>
Share of results in associate		-	-
<b>Profit before taxation and zakat</b>		<b>4,839</b>	<b>13,865</b>
Taxation		(3,067)	(2,045)
Zakat		(355)	(286)
<b>Profit/(loss) for the period from continuing operations</b>		<b>1,417</b>	<b>11,534</b>
<b>Discontinuing operation:</b>			
Profit after taxation for the period from discontinuing operation		719	579
<b>Profit/(loss) for the period</b>		<b>2,136</b>	<b>12,113</b>
Attributable to:			
Shareholder of the Company		2,137	12,113
Non-controlling interests		(1)	-
<b>Profit for the financial period</b>		<b>2,136</b>	<b>12,113</b>
<b>Earnings per share (sen)</b>			
- Basic and diluted	30	0.44	2.52

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2019.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

<u>Group</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000
<b>Profit for the financial period</b>	2,136	12,113
Other comprehensive income/(loss):		
<b>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:</b>		
Changes in allowance for expected credit loss ("ECL")	169	7
Net gain/(loss) on financial investments at FVOCI		
- Transfer of gain to profit or loss upon disposal	(6,831)	(1,187)
- Fair value changes	8,118	8,229
Other comprehensive income for the period, net of tax	1,456	7,049
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>		
Re-measurement gain on defined benefit plans	-	20
Other comprehensive income for the period, net of tax	-	20
<b>Total comprehensive income for the period attributable to equity holder of the Group</b>	<b>3,592</b>	<b>19,182</b>
Total comprehensive income for the financial period attributable to:		
Shareholder of the Company	3,593	19,181
Non-controlling interests	(1)	1
	<b>3,592</b>	<b>19,182</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2019.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

<u>Company</u>	Note	Individual/Cumulative Quarter 3 Months Ended	
		31 March 2020 RM'000	31 March 2019 RM'000
Operating revenue		21,316	25,057
Interest income	22	6,100	5,919
Interest expense	23	(931)	(968)
Net interest income		5,169	4,951
Net income from Islamic banking operations	37	13,333	11,146
Non-interest income	24	2,144	8,892
		20,646	24,989
Operating expenses	25	(20,976)	(15,751)
<b>Operating profit</b>		<b>(330)</b>	<b>9,238</b>
Expected credit loss allowance written back/(made) on:			
- loans, advances and financing	26	(1,254)	(311)
- financial investments	27	-	-
- other assets	28	9	19
- other subsidiary	29	2,366	-
<b>Profit before taxation and zakat</b>		<b>791</b>	<b>8,946</b>
Taxation		(1,179)	(2,179)
Zakat		(83)	(127)
<b>Profit/total comprehensive income for the financial period</b>		<b>(471)</b>	<b>6,640</b>
Attributable to:			
Shareholder of the Company		(471)	6,640
Non-controlling interests		-	-
<b>Profit for the financial period</b>		<b>(471)</b>	<b>6,640</b>
Earnings per share (sen)			
- Basic and diluted	30	(0.10)	1.38

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2019.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	Attributable to shareholder of the Company				Total	Non-controlling interests	Total Equity
	Non-Distributable		Distributable				
<u>Group</u>	Share Capital	FVOCI Reserve #	Regulatory Reserve ^	Retained Profits	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	879,931	5,335	17,430	797,838	1,700,534	254	1,700,788
Other comprehensive income for the period	-	1,456	-	-	1,456	(1)	1,455
Profit for the period	-	-	-	2,136	2,136	-	2,136
Total comprehensive income for the period	-	1,456	-	2,136	3,592	(1)	3,591
Transactions with owner							
Dividends	-	-	-	-	-	-	-
Transfer to regulatory reserve	-	-	3,314	(3,314)	-	-	-
<b>At 31 March 2020</b>	<b>879,931</b>	<b>6,791</b>	<b>20,744</b>	<b>796,660</b>	<b>1,704,126</b>	<b>253</b>	<b>1,704,379</b>

^ The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Group is required to maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of total exposures, net of loss allowance for credit-impaired exposures.

# The FVOCI reserve arises from the change in the fair value of the underlying instruments and it is not distributable as cash dividends.

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2019.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**

<u>Group</u>	Attributable to shareholder of the Company						
	Non-Distributable			Distributable		Total RM'000	Non- controlling interests RM'000
	Share Capital RM'000	FVOCI Reserve # RM'000	Regulatory Reserve ^ RM'000	Retained Profits RM'000			
<b>At 1 January 2019</b>	879,931	(2,114)	19,390	777,544	1,674,751	255	1,675,006
Other comprehensive income for the period	-	7,049	-	20	7,069	1	7,070
Profit for the period	-	-	-	12,113	12,113	-	12,113
<b>Total comprehensive income for the period</b>	-	7,049	-	12,133	19,182	1	19,183
Transfer to regulatory reserve	-	-	1,862	(1,862)	-	-	-
<b>At 31 March 2019</b>	<b>879,931</b>	<b>4,935</b>	<b>21,252</b>	<b>787,815</b>	<b>1,693,933</b>	<b>256</b>	<b>1,694,189</b>

^ The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Group is required to maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of total exposures, net of loss allowance for credit-impaired exposures.

# The FVOCI reserve arises from the change in the fair value of the underlying instruments and it is not distributable as cash dividends.

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2019.

**CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED  
 31 MARCH 2020**

|----- Attributable to shareholder of the Company -----|

|----- Non-distributable -----| Distributable

<u>Company</u>	Share Capital RM'000	FVOCI Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
<b>At 1 January 2020</b>	879,931	(46,154)	528,008	1,361,785
Profit for the financial period	-	-	(471)	(471)
<b>Comprehensive income for the financial period</b>	-	-	(471)	(471)
<b>At 31 March 2020</b>	879,931	(46,154)	527,537	1,361,314

|----- Attributable to shareholder of the Company -----|

|----- Non-distributable -----| Distributable

	Share Capital RM'000	FVOCI Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
<b>At 1 January 2019</b>	879,931	-	554,748	1,434,679
Profit for the financial period	-	-	6,640	6,640
<b>Comprehensive income for the financial period</b>	-	-	6,640	6,640
<b>At 31 March 2019</b>	879,931	-	561,388	1,441,319

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2019.



**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD  
ENDED 31 MARCH 2020**

	Group		Company	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
<b>Profit before taxation and zakat:</b>	4,839	13,865	791	8,946
Adjustment on non-cash items	24,468	4,959	1,128	1,118
<b>Operating profit before changes in working capital</b>	<u>29,307</u>	<u>18,824</u>	<u>1,919</u>	<u>10,064</u>
<b>Changes in working capital:</b>				
Net changes in operating assets	(731,641)	(302,232)	44,661	254,729
Net changes in operating liabilities	382,383	405,991	(28,316)	(2,267)
Tax expense and zakat paid	7,202	(1,324)	(3,068)	(2,882)
Retirement benefits paid	-	(716)	(764)	(670)
Movements on exchange fluctuations	-	-	-	-
<b>Net cash generated (used in)/from operating activities</b>	<u>(312,749)</u>	<u>120,543</u>	<u>14,432</u>	<u>258,974</u>
Net cash used in investing activities	(856)	(675)	(435)	(190,270)
Net cash used in financing activities	(3,492)	(3,492)	(3,494)	(3,492)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(317,097)</u>	<u>116,376</u>	<u>10,503</u>	<u>65,212</u>
Cash and cash equivalents at beginning of the financial period	1,183,170	705,580	583,508	564,962
<b>Cash and cash equivalents at end of the financial period</b>	<u>866,073</u>	<u>821,956</u>	<u>594,011</u>	<u>630,174</u>

Cash and cash equivalents included in the statements of cash flows comprise the following statement of financial position amounts:

	Group		Company	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Cash and short-term funds	613,076	499,605	347,514	314,323
Deposits and placements with banks and other financial institutions	252,997	322,351	246,497	315,851
Statutory deposits with Bank Negara Malaysia	-	-	-	-
	<u>866,073</u>	<u>821,956</u>	<u>594,011</u>	<u>630,174</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2019.

**Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134, *Interim Financial Reporting* ("MFRS 134"), International Accounting Standard 34 ("IAS 34"), Guidelines on Financial Reporting and Guidelines on Financial Reporting for Islamic Banking Institutions issued by Bank Negara Malaysia**

**1. Basis of preparation**

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34, *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB"), Bank Negara Malaysia ("BNM") Guidelines and the requirements of the Companies Act, 2016 in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 December 2019.

The explanatory notes attached to the unaudited condensed 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 Company since the financial year ended 31 December 2019.

**2. Significant accounting policies**

The accounting policies applied by the Group and the Company in these condensed interim financial statements are the same as those applied by the Group and the Company in their financial statements for the year ended 31 December 2019.

**2.1 Adoption of Amendments and Annual Improvements to Standards**

The Group and the Company have adopted the following Amendments and Annual Improvements to Standards, with a date of initial application of 1 January 2020.

- Revised Conceptual Framework For Financial Reporting (*the Conceptual Framework*)
- Amendments to MFRS 3: *Definition of a Business*
- Amendments to MFRS 101 and MFRS 108: *Definition of Material*
- Amendments to MFRS 9, MFRS 139 and MFRS 7: *Interest Rate Benchmark Reform*

The above adoption did not result in any material impact to the financial statements of the Group and the Company.

**2.2 Standards issued but not yet effective**

At the date of authorisation of the unaudited condensed interim financial statements, the following Standards and Amendments to Standards were issued but not yet effective and have not been adopted by the Group and the Company.

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
MFRS 17: <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2022
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The above adoption did not result in any material impact to the financial statements of the Group and the Company.

### 3. Comments about seasonal or cyclical factors

The Group's and the Company's performance is not materially affected by any seasonal or cyclical factors but is affected by the level of activities in the securities and derivatives markets.

### 4. Unusual items due to their nature, size or incidence

There are significant uncertainties surrounding the growth outlook emanating from (i) novel coronavirus (Covid-19) pandemic; (ii) the sudden drop in oil prices; and (iii) the global supply and demand shocks reverberating as a result. Following this, the Group and the Company has implemented measures such as the granting of six (6) months moratorium on qualifying loans, advances and financing to assist borrowers with short term relief in line with Bank Negara Malaysia's guideline.

At the date of this report, the Group and the Company continues to monitor and assess the developments and its economic impact for significant credit, market, liquidity and operational risks.

### 5. Significant estimates and changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 31 March 2020.

### 6. Debt and equity securities

There were no changes in debt and equity securities during the quarter ended 31 March 2020.

### 7. Dividend paid/payable

No dividend has been proposed for the year ended 31 December 2019 and for period under review.

### 8. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2019 was not qualified.

### 9. Performance review

The Group registered a profit before tax of RM4.8 million for the period ended 31 March 2020, a decline of 65% as compared to the previous corresponding period's profit before tax of RM13.9 million attributable to higher operating expenses and higher credit costs.

### 10. Cash and short-term funds

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Cash and bank balances	82,220	73,057	122	33,365
Deposits and placements maturing within one month	530,856	817,590	347,392	266,920
	<u>613,076</u>	<u>890,647</u>	<u>347,514</u>	<u>300,285</u>

As at the reporting date, the dealer's representatives' and clients' monies held in trust by the Group amounted to RM18,695,000 (2019: RM2,813,000) respectively. These amounts are excluded from the cash and short-term funds of the Group.

11. Deposits and placements with licensed banks and other financial institutions

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Deposits with licensed banks	252,997	292,523	246,497	283,223
	<u>252,997</u>	<u>292,523</u>	<u>246,497</u>	<u>283,223</u>

12. Financial assets at fair value through profit or loss ("FVTPL")

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
<b>At fair value</b>				
Money market instruments:				
Government Investment Issues	29,778	56,067	29,778	56,067
Unquoted securities in Malaysia:				
Corporate Bond and/or Sukuk	89,937	75,045	89,937	75,045
Islamic Commercial Papers	134,682	154,466	134,682	154,466
Shares	1	1	1	1
	<u>224,620</u>	<u>229,512</u>	<u>224,620</u>	<u>229,512</u>
Unit Trust	12,590	17,943	6,788	8,661
	<u>266,988</u>	<u>303,522</u>	<u>261,186</u>	<u>294,240</u>

13. Financial investments at fair value through comprehensive income ("FVOCI")

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
<b>At fair value</b>				
Money market instruments:				
Government Investment Issue	1,294,989	848,578	-	-
Negotiable Instruments of Deposit	399,088	199,724	-	-
	<u>1,694,077</u>	<u>1,048,302</u>	<u>-</u>	<u>-</u>
Unquoted securities in Malaysia:				
Corporate Bond/Sukuk	363,699	363,614	3	3
Loan Stocks	5,608	5,608	1,348	1,348
Redeemable Preference Shares*	-	-	142,198	142,198
Shares	3,226	3,226	2,469	2,469
	<u>372,533</u>	<u>372,448</u>	<u>146,018</u>	<u>146,018</u>
	<u>2,066,610</u>	<u>1,420,750</u>	<u>146,018</u>	<u>146,018</u>

\* The Redeemable Preference Shares are issued by a wholly owned subsidiary and eliminated in the consolidated financial statements

13. Financial investments at fair value through comprehensive income ("FVOCI") (cont'd.)

(a) Movements in expected credit loss allowance

<u>Group</u>	Stage 1 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
ECL as at 1 January 2019	44	122,694	122,738
Made	35	65	100
Written off	-	-	-
Written back	-	(10)	(10)
ECL as at 31 December 2019	<u>79</u>	<u>122,749</u>	<u>122,828</u>
ECL as at 1 January 2020	79	122,749	122,828
Made	169	-	169
Written back	-	-	-
ECL as at 31 March 2020	<u>248</u>	<u>122,749</u>	<u>122,997</u>

<u>Company</u>	Stage 3 Individual RM'000	Total RM'000
ECL as at 1 January 2019	12,531	12,531
Made	-	-
Written off	-	-
Written-back	(10)	(10)
ECL as at 31 December 2019	<u>12,521</u>	<u>12,521</u>
ECL as at 1 January 2020	12,521	12,521
Made	-	-
Written back	-	-
ECL as at 31 March 2020	<u>12,521</u>	<u>12,521</u>

There were no Stage 2 exposure as at 31 March 2020 and 31 December 2019.

14. Financial investments at amortised cost

	Group	
	31 March 2020 RM'000	31 December 2019 RM'000
Money market instruments:		
Government Investment Issue	670,232	670,663
	<u>670,232</u>	<u>670,663</u>
Unquoted securities in Malaysia:		
Corporate Bonds/Sukuk	1,892,031	1,917,185
Loan Stocks	9,651	9,606
	<u>1,901,682</u>	<u>1,926,791</u>
Less: Expected credit loss allowance	(a) (7,517)	(6,626)
	<u>2,564,397</u>	<u>2,590,828</u>

(a) Movements in expected credit loss allowance

<u>Group</u>	Stage 1 Collective RM'000	Stage 2 Individual RM'000	Stage 3 Individual RM'000	Total RM'000
ECL as at 1 January 2019	330	-	5,539	5,869
Transfer to Stage 2	(14)	14	-	-
Made	-	873	149	1,022
Written back	(109)	-	(110)	(219)
Discount unwind	-	-	(46)	(46)
ECL as at 31 December 2019	<u>207</u>	<u>887</u>	<u>5,532</u>	<u>6,626</u>
ECL as at 1 January 2020	207	887	5,532	6,626
Made	404	477	46	927
Written back	-	-	(36)	(36)
ECL as at 31 March 2020	<u>611</u>	<u>1,364</u>	<u>5,542</u>	<u>7,517</u>

15. Loans, advances and financing

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Term loans				
Syndicated term loans/financing	61,170	133,841	-	-
Hire purchase receivables	7,827	7,121	7,827	7,121
Real estate financing	34,143	23,433	-	-
Murabahah financing	132,089	180,471	-	-
Other term loans/financing	530,573	231,479	134,338	134,114
	<u>765,802</u>	<u>576,345</u>	<u>142,165</u>	<u>141,235</u>
Margin accounts	302,314	378,632	-	-
Staff loans	1,116	1,164	673	729
	<u>1,069,232</u>	<u>956,141</u>	<u>142,838</u>	<u>141,964</u>
Less: Unearned interest / income	(11,820)	(10,763)	(11,820)	(10,763)
Gross loans, advances and financing	<u>1,057,412</u>	<u>945,378</u>	<u>131,018</u>	<u>131,201</u>
Less: ECL allowance	(163,320)	(158,729)	(33,566)	(32,225)
Total net loans, advances and financing	<u>894,092</u>	<u>786,649</u>	<u>97,452</u>	<u>98,976</u>

The Group and the Company operate principally in Malaysia and hence, disclosure of information by geographical area is not presented.

a. By type of customer

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Domestic business enterprises				
- Small medium enterprises	620,512	467,744	62,223	61,007
- Others	206,980	208,193	68,122	69,465
Individuals	229,920	269,441	673	729
	<u>1,057,412</u>	<u>945,378</u>	<u>131,018</u>	<u>131,201</u>

b. By interest/profit rate sensitivity

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Fixed rate:				
- Staff loans	1,116	1,164	673	729
- Hire purchase receivables	7,827	7,121	7,827	7,121
- Other fixed rate loan/financing	467,795	543,689	100,112	99,880
Variable rate:				
- BLR plus	22,406	23,471	22,406	23,471
- Cost plus	558,268	369,933	-	-
	<u>1,057,412</u>	<u>945,378</u>	<u>131,018</u>	<u>131,201</u>

15. Loans, advances and financing (cont'd.)

c. By economic sector

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Mining and quarrying	32,565	-	-	-
Manufacturing	113,971	116,413	47,889	47,956
Construction	69,554	59,422	-	-
Wholesale & retail trade and restaurants & hotels	72,806	73,250	47,053	47,497
Transport, storage and communications	48,729	12,928	13,693	12,928
Finance, insurance, and business services	314,266	247,479	14,442	14,726
Real Estate	138,858	138,728	-	-
Household	163,851	203,503	-	-
Others	102,812	93,655	7,941	8,094
Gross loans, advances and financing	<u>1,057,412</u>	<u>945,378</u>	<u>131,018</u>	<u>131,201</u>

d. By residual contractual maturity

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Within one year	529,379	790,980	81,022	81,468
One year to five years	245,647	73,148	47,437	40,975
After five years	282,386	81,250	2,559	8,758
	<u>1,057,412</u>	<u>945,378</u>	<u>131,018</u>	<u>131,201</u>

e. Impaired loans ("ILs"), advances and financing

(i) Movements in ILs

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
At 1 January	332,788	429,564	67,695	66,658
Classified as impaired during the period	785	4,371	-	4,063
Amount recovered	(365)	(76,339)	(365)	(3,026)
Amount written off	-	(24,808)	-	-
At 31 March/31 December	<u>333,208</u>	<u>332,788</u>	<u>67,330</u>	<u>67,695</u>
Less: ECL allowances	<u>(154,471)</u>	<u>(155,022)</u>	<u>(29,317)</u>	<u>(29,945)</u>
Net ILs	<u>178,737</u>	<u>177,766</u>	<u>38,013</u>	<u>37,750</u>
Net ILs as % of gross loans, advances and financing less ECL allowances	<u>19.79%</u>	<u>22.49%</u>	<u>37.38%</u>	<u>37.28%</u>



15. Loans, advances and financing (cont'd.)

e. Impaired loans ("ILs"), advances and financing

(ii) ILs by economic sector

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Mining and quarrying	-	-	-	-
Manufacturing	96,358	96,346	45,958	45,947
Wholesale & retail trade and restaurants hotels	26,433	26,422	15,663	15,652
Transport, storage and communication	1,536	1,867	1,536	1,867
Finance, insurance, and business services	3,751	3,808	3,751	3,808
Real Estate	-	138,728	-	-
Others	205,130	65,617	421	421
	<u>333,208</u>	<u>332,788</u>	<u>67,330</u>	<u>67,695</u>

(iii) Movements in impairment provision

Expected credit loss allowance on loans, advances and financing

	Stage 1 Collective RM'000	Stage 2 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
<b>Group</b>				
ECL as at 1 January 2019	1,405	1,591	211,086	214,082
Transfer	362	-	-	362
Impairment made during the financial year	827	-	2,948	3,775
Amount written-back	-	(478)	(33,157)	(33,635)
Amount written off	-	-	(24,808)	(24,808)
Discount unwind	-	-	(1,047)	(1,047)
ECL as at 31 December 2019	<u>2,594</u>	<u>1,113</u>	<u>155,022</u>	<u>158,729</u>
ECL as at 1 January 2020	2,594	1,113	155,022	158,729
Transfer	133	-	-	133
Impairment made during the financial period	3,250	1,759	182	5,191
Amount written-back	-	-	(390)	(390)
Amount written off	-	-	-	-
Discount unwind	-	-	(343)	(343)
ECL as at 31 March 2020	<u>5,977</u>	<u>2,872</u>	<u>154,471</u>	<u>163,320</u>

15. Loans, advances and financing (cont'd.)

e. Impaired loans ("ILs"), advances and financing

(iii) Movements in impairment provision

<u>Company</u>	Stage 1 Collective RM'000	Stage 2 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
ECL as at 1 January 2019	464	1,591	39,925	41,980
Impairment made during the financial year	703	-	1,861	2,564
Amount written-back	-	(478)	(10,794)	(11,272)
Discount unwind	-	-	(1,047)	(1,047)
ECL as at 31 December 2019	<u>1,167</u>	<u>1,113</u>	<u>29,945</u>	<u>32,225</u>
ECL as at 1 January 2020	1,167	1,113	29,945	32,225
Impairment made during the financial period	210	1,759	105	2,074
Amount written-back	-	-	(390)	(390)
Amount written off	-	-	-	-
Discount unwind	-	-	(343)	(343)
ECL as at 31 March 2020	<u>1,377</u>	<u>2,872</u>	<u>29,317</u>	<u>33,566</u>

16. Other assets

	Note	Group		Company	
		31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Interest/profit receivables		45,898	38,018	3,719	3,432
Amount due from brokers and clients	(b)	29,207	22,762	-	-
Deposits, prepayments and other receivables		22,596	23,279	3,081	3,047
Less: ECL allowance	(c)	(4,077)	(6,527)	(41)	(51)
		<u>18,519</u>	<u>16,752</u>	<u>3,040</u>	<u>2,996</u>
Amount receivables from Danaharta		96,973	96,973	-	-
Less: ECL allowance		(96,973)	(96,973)	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount due from subsidiaries	(a)	-	-	2,349	3,374
Tax recoverable		25,434	30,938	3,161	11,591
		<u>119,058</u>	<u>108,470</u>	<u>12,269</u>	<u>21,393</u>

16. Other assets (cont'd.)

(a) Amount due from subsidiaries

These amounts are unsecured, interest-free and repayable on demand.

(b) Amount due from brokers and clients

<u>Group</u>	Note	31 March 2020 RM'000	31 December 2019 RM'000
Brokers		7,294	-
Amount due from clients		21,913	22,762
		<u>29,207</u>	<u>22,762</u>

Clients' and brokers' debit balances arose from trading of securities through the Group which are not yet due for settlement as at reporting date under the Rules of Bursa Malaysia Securities Berhad.

(c) Deposits, prepayments and other receivables

ECL allowance	Group	
	31 March 2020 RM'000	31 December 2019 RM'000
At 1 January	(6,527)	(6,076)
Impairment made during the financial period/year	(59)	(2,369)
Written back	2,509	279
Written off	-	1,639
At 31 March/31 December	<u>(4,077)</u>	<u>(6,527)</u>

	Company	
	31 March 2020 RM'000	31 December 2019 RM'000
At 1 January	(51)	-
Impairment made during the financial period/year	-	(51)
Written back	10	-
At 31 March/31 December	<u>(41)</u>	<u>(51)</u>

**17. Deposits from customers**

	<b>Group</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
<b>(i) By type of deposit</b>		
- Call deposits	10,489	4,774
- Fixed deposits	3,696,794	3,464,381
	<u>3,707,283</u>	<u>3,469,155</u>
<b>(ii) By type of customer</b>		
- Business enterprises	1,352,064	1,685,339
- Government and statutory bodies	2,352,520	1,781,225
- Individuals	2,699	2,591
	<u>3,707,283</u>	<u>3,469,155</u>
<b>(iii) The maturity structure of term deposits are as follows:</b>		
- Due within six months	2,797,743	3,154,336
- Six months to one year	537,103	280,819
- One year to two years	372,437	34,000
	<u>3,707,283</u>	<u>3,469,155</u>

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

	<b>Group</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
<b>(i) Call deposits</b>		
- Other financial institutions	2,218	2,169
<b>(ii) Fixed deposits</b>		
- Other financial institutions	1,146,146	951,747
	<u>1,146,146</u>	<u>951,747</u>
	<u>1,148,364</u>	<u>953,916</u>

**19. Derivative liabilities**

<u>Group</u>	Contract or underlying principal amount RM'000	Derivative liabilities RM'000
31 March 2020		
Interest rate related derivatives - interest rate swap	100,000	1,861
31 December 2019		
Interest rate related derivatives - interest rate swap	100,000	786

**20. Other liabilities**

	Note	Group		Company	
		31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Amount due to brokers and clients	(a)	29,055	24,452	-	-
Accrued interest and other payables		79,584	83,733	28,497	28,663
Other creditors and accruals	(c)	40,132	57,818	40,132	48,479
Amount due to related companies		-	-	620	620
Amount due to subsidiaries	(b)	-	-	49	68
Amount due (from)/to Government Scheme Fund (GSF)		(6,468)	16,117	(6,468)	16,117
ECL allowances on loan/financing and financial investments	(d)	2,025	1,437	305	282
		<u>144,328</u>	<u>183,557</u>	<u>63,135</u>	<u>94,229</u>

(a) Amount due to clients

	Group	
	2019 RM'000	2019 RM'000
Brokers	11,173	15,126
Clients	17,882	9,326
	<u>29,055</u>	<u>24,452</u>

(b) Amount due to subsidiaries

The amount due to subsidiaries are unsecured, interest-free and repayable on demand.

(c) Included in the above is the Shariah non-compliance income amounting to RM23,000 (2019: RM23,000) for the Group and the Company respectively.

20. Other liabilities (cont'd.)

(d) Movements in the ECL allowances on loan, advances and financing commitments and financial investments are as follows:

<b>Group</b>	<b>Loans, advances and financing commitments RM'000</b>	<b>Financial investments RM'000</b>	<b>Total RM'000</b>
At 1 January 2019	632	5	637
Transfer	(362)	-	(362)
Impairment made during the financial year	1,525	1	1,526
Written back	(364)	-	(364)
At 31 December 2019	<u>1,431</u>	<u>6</u>	<u>1,437</u>
At 1 January 2020	1,431	6	1,437
Transfer	(133)	-	(133)
Impairment made during the financial year	817	15	832
Written back	(111)	-	(111)
At 31 March 2020	<u>2,004</u>	<u>21</u>	<u>2,025</u>

<b>Company</b>	<b>Loans, advances and financing commitments RM'000</b>	<b>Total RM'000</b>
At 1 January 2019	142	142
Impairment made during the financial year	504	504
Written back	(364)	(364)
At 31 December 2019	<u>282</u>	<u>282</u>
At 1 January 2020	282	282
Transfer	-	-
Impairment made during the financial year	23	23
Written back	-	-
At 31 March 2020	<u>305</u>	<u>305</u>

**21. Borrowings**

	<b>Group and Company</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
<b>(a) Short Term:</b>		
Loan from JBIC - FSMI	6,984	6,984
	<u>6,984</u>	<u>6,984</u>
<b>(b) Long Term:</b>		
Loan from JBIC - FSMI	125,721	129,214
Loan From MITI	160,000	160,000
	<u>285,721</u>	<u>289,214</u>
 Total borrowings	 <u>292,705</u>	 <u>296,198</u>

**22. Interest income**

	<b>Individual/Cumulative Quarter</b>	
	<b>3 Months Ended</b>	
	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
<b><u>Group</u></b>		
Loans, advances and financing		
- Interest income on non-impaired loans	7,378	6,843
- Interest income on impaired loans ("ILs")	268	153
 Money at call and deposit placements with financial institutions	 5,258	 2,740
 Financial assets at FVTPL	 1,628	 3,707
Financial investments at FVOCI		
- Interest income on non-impaired investments	1,410	3,144
- Interest income on impaired investments	-	-
Financial investments at amortised cost		
- Interest income on non-impaired investments	4,041	11,862
 Accretion of discount less amortisation of premium	 (174)	 (150)
	<u>19,855</u>	<u>28,395</u>

**22. Interest income (cont'd.)**

<u>Company</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
Loans, advances and financing		
- Interest income on non-impaired loans	56	253
- Interest income on impaired loans ("ILs")	268	153
Money at call and deposit placements with financial institutions	4,163	1,564
Financial assets at FVTPL	1,613	3,949
	<u>6,100</u>	<u>5,919</u>

**23. Interest expense**

<u>Group</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
Deposits and placements of banks and other financial institutions	1,084	13,173
Deposits from customers	7,734	5,021
Borrowings	931	968
Derivatives liabilities	63	13
	<u>9,812</u>	<u>19,175</u>
 <u>Company</u>		
Borrowings	<u>931</u>	<u>968</u>



**24. Non-interest income**

<b>Group</b>	<b>Individual/Cumulative Quarter 3 Months Ended</b>	
	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
Fee income:		
Underwriting fees	67	-
Management fees	1,662	1,142
Corporate advisory fees	990	390
Brokerage fees	2,359	2,703
Income from Government Scheme Funds	724	1,361
Other fees	1,033	998
	<u>6,835</u>	<u>6,594</u>
<b>Investment income:</b>		
Net gain on sales of financial assets at investments at:		
- FVTPL	1,115	1,530
- FVOCI	26	82
- Amortised cost	-	97
Net unrealised (loss)/gain on revaluation of financial assets at FVTPL	(4,433)	2,264
Net unrealised loss on revaluation of derivative instruments	(1,075)	(380)
	<u>(4,367)</u>	<u>3,593</u>
<b>Gross dividend income:</b>		
Financial assets at FVTPL	42	29
	<u>42</u>	<u>29</u>
<b>Other income:</b>		
Rental from:		
- Office premises	425	323
Others	180	211
	<u>605</u>	<u>534</u>
Total non-interest income	<u>3,115</u>	<u>10,750</u>

24. Non-interest income (cont'd.)

<u>Company</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000
<b>Fee income:</b>		
Management fees	3,838	2,871
Income from Government Scheme Funds	724	1,361
	<u>4,562</u>	<u>4,232</u>
<b>Investment income:</b>		
Net gain on sales of financial assets at FVTPL	995	1,387
Net unrealised (loss)/gain on revaluation of financial assets at FVTPL	(4,433)	2,264
	<u>(3,438)</u>	<u>3,651</u>
<b>Other income:</b>		
Rental from:		
- Office premises	943	972
Others	77	37
	<u>1,020</u>	<u>1,009</u>
Total non-interest income	<u>2,144</u>	<u>8,892</u>

25. Operating expenses

	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000
<b><u>Group</u></b>		
<b>Staff costs</b>		
Wages, salaries and bonuses	22,686	16,019
Employee benefits:		
Current period	256	258
Social security costs	106	99
Defined contribution plan	3,568	2,538
Other staff related expenses	1,314	1,186
	<u>27,930</u>	<u>20,100</u>
<b>Establishment costs</b>		
Depreciation	1,329	1,167
Office rental	1,941	1,700
Equipment rental	17	26
Others	2,435	2,463
	<u>5,722</u>	<u>5,356</u>
<b>Promotion and marketing-related expenses</b>		
Business promotion and advertisement	544	477
Entertainment	92	104
	<u>636</u>	<u>581</u>
<b>General and administrative expenses</b>		
Auditors' remuneration		
- Audit fees	151	133
Directors' fees and meeting allowances	630	580
Communication expenses	126	90
Professional fees	313	330
Others	1,050	816
	<u>2,270</u>	<u>1,949</u>
	<u>36,558</u>	<u>27,987</u>

25. Operating expenses (cont'd.)

<u>Company</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
Personnel costs		
Wages, salaries and bonuses	11,359	7,905
Employee benefits:		
Current period	188	174
Social security costs	63	59
Defined contribution plan	1,864	1,345
Other staff related expenses	1,208	1,304
	<u>14,682</u>	<u>10,787</u>
Establishment costs		
Depreciation	760	564
Office rental	1,950	1,950
Equipment rental	10	12
Others	1,081	783
	<u>3,801</u>	<u>3,309</u>
Promotion and marketing-related expenses		
Business promotion and advertisement	242	217
Entertainment	3	7
	<u>245</u>	<u>224</u>
General and administrative expenses		
Auditors' remuneration		
- Audit fees	62	59
Directors' fees and meeting allowances	319	274
Communication expenses	69	65
Management fees	1,367	694
Professional fees	337	277
Others	94	62
	<u>2,248</u>	<u>1,431</u>
	<u>20,976</u>	<u>15,751</u>

26. Expected credit loss allowance written back/(made) on loan, advances and financing

<u>Group</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
(a) Expected credit loss allowance		
- made in the financial period	(6,008)	(1,329)
- written-back	501	532
(b) Recoveries from impaired loans	531	2,182
	<u>(4,976)</u>	<u>1,385</u>

26. Expected credit loss allowance written back/(made) on loan, advances and financing (cont'd.)

	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000
<b><u>Company</u></b>		
(a) Expected credit loss allowance		
- made in the financial period	(2,097)	(1,013)
- written-back	390	460
(b) Recoveries from impaired loans	453	242
	<u>(1,254)</u>	<u>(311)</u>

27. Expected credit loss allowance written back on financial investments

	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000
<b><u>Group</u></b>		
Financial investments at FVOCI	(169)	(3)
Financial investments at amortised cost	(906)	163
	<u>(1,075)</u>	<u>160</u>

28. Expected credit loss allowance written back/(made) on other assets

	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000
<b><u>Group</u></b>		
(a) Expected credit loss allowance		
- Made during the financial period	(6)	(371)
- Written back	-	5
- Bad debt written off	-	103
- Bad debt recovery	9	19
	<u>3</u>	<u>(244)</u>

28. Expected credit loss allowance (made)/written back on other assets (cont'd.)

	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
<b><u>Company</u></b>		
(a) Expected credit loss allowance		
- Bad debt recovery	9	19
	<hr/>	<hr/>

29. Expected credit loss allowance written back on subsidiary

	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
<b><u>Company</u></b>		
(a) Expected credit loss allowance		
- Written back	2,366	-
	<hr/>	<hr/>

30. Basic and diluted earnings per ordinary share

	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
<b><u>Group</u></b>		
Profit for the period	2,136	12,113
Weighted average number of ordinary shares	480,356	480,356
Basic and diluted earning per ordinary shares	0.44	2.52
	<hr/>	<hr/>

	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
<b><u>Company</u></b>		
Profit for the period	(471)	6,640
Weighted average number of ordinary shares	480,356	480,356
Basic and diluted earning per ordinary shares	(0.10)	1.38
	<hr/>	<hr/>

### 31. Segment information

For management purposes, the Group is organised into business units based on their products and services, has five reportable operating segments as follows:

	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000
<b>Segment Revenue</b>		
Investment banking	69,463	54,762
Development finance	13,678	14,628
Asset management	2,041	1,239
Investment holding	8,540	11,477
Others	58	176
Subtotal	93,780	82,282
Inter-segment elimination	(5,520)	(4,734)
	<u>88,260</u>	<u>77,548</u>

	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000
<b>Segment Profit After Tax</b>		
Investment banking	4,472	3,457
Development finance	5,064	6,708
Asset management	136	17
Investment holding	(5,548)	(88)
Others	(342)	1,440
Inter-segment elimination	(2,368)	-
Subtotal	1,415	11,534
Discontinued operation: Share of results in associate	719	579
	<u>2,134</u>	<u>12,113</u>

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The Group operates principally in Malaysia and hence, disclosure of information by geographical area is not presented.

### 32. Commitments and contingencies

In the normal course of business, the Group and the Company made various commitments and incurred certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

The commitments and contingencies and the related risk-weighted exposures of the Group and the Company as at the end of financial period/year are as follows:

<b><u>Group</u></b>	<b>As at 31 March 2020</b>			<b>As at 31 December 2019</b>		
	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000
Obligations under an on-going underwriting agreement	21,080	10,540	10,540	-	-	-
Interest rate related contracts with an original maturity						
- Not exceeding one year	100,000	1,000	200	100,000	1,000	200
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	595,785	119,157	119,157	441,992	88,399	88,399
- Maturity exceeding one year	264,507	132,254	132,254	189,397	94,699	94,699
<b>Total</b>	<b>981,372</b>	<b>262,951</b>	<b>262,151</b>	<b>731,389</b>	<b>184,098</b>	<b>183,298</b>
<b><u>Company</u></b>						
Irrevocable commitments to extend credit:						
- Maturity exceeding one year	32,287	16,144	16,144	36,815	18,408	18,408
<b>Total</b>	<b>32,287</b>	<b>16,144</b>	<b>16,144</b>	<b>36,815</b>	<b>18,408</b>	<b>18,408</b>

\* The credit equivalent and risk weighted amount are arrived at using the credit conversion factors and risk weights respectively as per Bank Negara Malaysia Guidelines.



### 33. Related party disclosures

The following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Group		Company	
	As at 31 March 2020 RM'000	As at 31 March 2019 RM'000	As at 31 March 2020 RM'000	As at 31 March 2019 RM'000
<b>Penultimate holding company</b>				
Income:				
Interest income on securities	1,045	1,995	-	-
Brokerage fees earned	150	668	-	-
Fee income	-	38	-	-
Expenditures:				
Rental expense	1,860	1,860	1,860	1,860
<b>Subsidiaries</b>				
Income:				
Interest on loans	-	-	-	49
Rental of premises	-	-	649	654
Management fees	-	-	3,507	2,626
Expenditures:				
Management fees	-	-	1,299	508
Expenditures:				
Other expenses	-	-	-	15
<b>Associate</b>				
Income:				
Management fees	1	-	1	-
Rental received	109	109	109	109
<b>Other related companies</b>				
Income:				
Interest income on financial investments	742	1,410	-	-
Interest income on loans and advances	957	-	-	-
Fee income	981	111	-	-
Brokerage fees earned	663	845	-	-
Expenditures:				
Interest expense on deposits	2,760	7,771	-	-

**33. Related party disclosures (cont'd.)**

In addition to the related party information disclosed elsewhere in the financial statements, the significant outstanding balances of the Group and of the Company with their related parties are as follows:

	Group		Company	
	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
<b>Penultimate holding company</b>				
Amount due from:				
Fee receivable	100	138	-	-
Financial investments	81,000	81,000	-	-
Sundry deposit received	1,861	1,861	1,861	1,861
	<u>1,961</u>	<u>1,999</u>	<u>1,861</u>	<u>1,861</u>
Amount due to:				
Other payables	620	620	620	620
	<u>620</u>	<u>620</u>	<u>620</u>	<u>620</u>
<b>Subsidiaries</b>				
Amount due from:				
Trade receivables	-	-	2,346	5,459
	<u>-</u>	<u>-</u>	<u>2,346</u>	<u>5,459</u>
Amount due to:				
Rental deposit received	-	-	649	649
Other payables	-	-	50	304
	<u>-</u>	<u>-</u>	<u>700</u>	<u>953</u>
<b>Associate</b>				
Amount due from:				
Trade receivables	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Amount due to:				
Rental deposit received	109	109	109	109
	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>
<b>Other related companies</b>				
Amount due from:				
Loans, advances and financing	69,305	59,204	-	-
Sundry deposits	553	553	-	-
Fee receivable	921	1,001	-	-
Financial investments	130,000	30,000	-	-
	<u>199,780</u>	<u>90,758</u>	<u>-</u>	<u>-</u>
Amount due to:				
Deposits from customer	45,923	184,742	-	-
Deposits from placements of banks and other financial institutions	15,373	13,216	-	-
Other payables	204	379	-	-
	<u>61,500</u>	<u>208,337</u>	<u>-</u>	<u>-</u>

Other related companies include companies within the Yayasan Pelaburan Bumiputera Group and companies related to the Directors of the Group and of the Company.

### 34. Credit exposures arising from credit transactions with connected parties

	Group	
	As at 31 March 2020	As at 31 December 2019
(i) Outstanding credit exposures with connected parties	265,173	260,102
(ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	6.69%	7.24%
(iii) Percentage of outstanding credit exposures to connected parties which is impaired or in default	Nil	Nil

### 35. Capital adequacy

(i) The capital adequacy ratio of the Group and of the Company are as follows:

	Group		Company	
	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
<b>Tier 1 Capital</b>				
Common Equity Tier 1 ("CET1")				
Capital				
Share capital	879,931	879,931	879,931	879,931
FVOCI reserve	6,791	5,335	(46,154)	(46,154)
Regulatory reserve	20,744	17,430	-	-
Retained profits	794,524	797,838	527,537	528,008
	<u>1,701,990</u>	<u>1,700,534</u>	<u>1,361,314</u>	<u>1,361,785</u>
Less: Regulatory adjustments	(165,451)	(156,621)	(644,074)	(640,802)
Total CET1 Capital / Tier 1 Capital	<u>1,536,539</u>	<u>1,543,913</u>	<u>717,240</u>	<u>720,983</u>
<b>Tier 2 Capital</b>				
Loss provision/loss provision and regulatory reserve	25,733	22,734	4,595	2,562
Total Tier 2 capital	<u>25,733</u>	<u>22,734</u>	<u>4,595</u>	<u>2,562</u>
<b>Total Capital</b>	<u>1,562,272</u>	<u>1,566,647</u>	<u>721,835</u>	<u>723,545</u>
CET 1 Capital	60.735%	66.886%	102.515%	99.884%
Tier 1 Capital	60.735%	66.886%	102.515%	99.884%
Total Capital	61.752%	67.871%	103.172%	100.239%

### 35. Capital adequacy (cont'd)

(ii) Breakdown of gross risk-weighted assets in the various categories of risk-weights are as follows:

	Group		Company	
	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000	As at 31 March 2020 RM'000	As at 31 December 2019 RM'000
Total risk weighted assets for credit risk	2,058,653	1,818,714	404,477	414,604
Total risk weighted assets for market risk	110,555	128,808	106,411	119,452
Total risk weighted assets for operational risk	360,703	360,749	188,753	187,762
	<u>2,529,911</u>	<u>2,308,271</u>	<u>699,641</u>	<u>721,818</u>

### 36. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

<u>Group</u>	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>At 31 March 2020</b>				
<b>Financial assets</b>				
<b>Assets measured at fair value:</b>				
Financial assets at FVTPL				
- Money market instruments	-	29,778	-	29,778
- Unquoted securities	-	224,619	1	224,620
- Unit trusts	-	12,590	-	12,590
Financial investments at FVOCI				
Money market instruments	-	1,694,077	-	1,694,077
Unquoted securities	-	366,922	5,611	372,533
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- Hire purchase	-	6,554	-	
- Staff loans	-	849	-	849
Investment properties				
Residential properties	-	-	6,007	6,007
Office property	-	-	1,025	1,025

36. Fair value hierarchy (cont'd.)

<u>Group (cont'd.)</u>	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>At 31 March 2020</b>				
<b>Liability for which fair values are disclosed:</b>				
Derivative liabilities	-	1,861	-	1,861
<b>At 31 December 2019</b>				
<b>Financial assets</b>				
<b>Assets measured at fair value:</b>				
Financial assets at FVTPL				
- Money market instruments	-	56,067	-	56,067
- Unquoted securities	-	229,511	1	229,512
- Unit trusts	-	17,943	-	17,943
Financial investments at FVOCI				
- Money market instruments	-	1,048,302	-	1,048,302
- Unquoted securities	-	363,614	8,834	372,448
<b>Liability measured at fair value</b>				
Derivative liabilities	-	786	-	786
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- Hire purchase	-	7,112	-	7,112
- Staff loans	-	947	-	947
Investment properties				
- Residential properties	-	-	6,007	6,007
- Office property	-	-	1,025	1,025

36. Fair value hierarchy (cont'd.)

**Company**

<b>At 31 March 2020</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
Financial assets at FVTPL				
- Money market instruments	-	29,778	-	29,778
- Unquoted securities	-	224,619	1	224,620
- Unit trusts	-	6,788	-	6,788
	<hr/>	<hr/>	<hr/>	<hr/>
Financial investments at FVOCI				
- Unquoted securities	-	2,469	1,351	3,820
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- Hire purchase	-	6,554	-	6,554
- Staff loans	-	551	-	551
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2019</b>				
<b>Assets measured at fair value:</b>				
Financial assets at FVTPL				
- Money market instruments	-	56,067	-	56,067
- Unquoted securities	-	229,511	1	229,512
- Unit trusts	-	8,661	-	8,661
	<hr/>	<hr/>	<hr/>	<hr/>
Financial investments at FVOCI				
- Unquoted securities	-	2,469	1,351	3,820
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- Hire purchase	-	7,112	-	7,112
- Staff loans	-	606	-	606
	<hr/>	<hr/>	<hr/>	<hr/>

There was no transfer between Level 1 and Level 2 of the fair value hierarchy during the financial period.

**36. Fair value hierarchy (cont'd.)**

The following table shows a reconciliation of the opening and closing amounts of Level 3 financial instruments which are recorded at fair value:

<u>Group</u>	Financial investments at FVOCI RM'000	Financial asset at FVTPL RM'000	Total RM'000
<b>At 31 March 2020</b>			
At 1 January 2020/ 31 March 2020	5,611	12	5,623
<b>At 31 December 2019</b>			
At 1 January 2019	5,679	12	5,691
Additional unquoted securities	-	-	-
Total gains/(losses) recognised in profit or loss:			
Included within interest income	7	-	7
Included within net income from Islamic Banking Operation	-	-	-
Included within impairment loss on securities	(54)	-	(54)
	(47)	-	(47)
Settlements/(adjustments)	(21)	-	(21)
At 31 December 2019	5,611	12	5,623

36. Fair value hierarchy (cont'd.)

<u>Company</u>	Financial investments at FVOCI RM'000	Financial asset at FVTPL RM'000	Total RM'000
<b>At 31 March 2020</b>			
At 1 January 2020/ 31 March 2020	1,351	1	1,352
<b>At 31 December 2019</b>			
At 1 January 2019	1,355	1	1,356
Total gains/(losses) recognised in profit or loss:			
Included within interest income	7	-	7
Included within net income from Islamic Banking operation	-	-	-
Included within impairment loss on securities	10	-	10
	17	-	17
Settlements	(21)	-	(21)
At 31 December 2019	1,351	1	1,352



**37. Operations of Islamic Banking Business**

**(a) CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020**

	Note	Group		Company	
		31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
<b>ASSETS</b>					
Cash and short-term funds	(f)	192,294	522,611	84,946	106,118
Deposits and placements with licensed banks and other financial institutions	(g)	41,700	42,700	41,700	42,700
Financial assets at FVTPL	(h)	-	-	-	-
Financial investments at FVOCI	(h)	1,913,975	1,268,607	-	-
Financial investments at amortised cost	(i)	2,194,442	2,220,744	-	-
Financing and advances	(j)	415,369	226,996	61,728	58,386
Other assets	(k)	95,169	85,502	53,604	53,862
Intangible asset		30	121	-	-
Deferred tax assets		984	479	968	461
Amount due from Head Office		14,660	3,161	14,660	3,161
<b>TOTAL ASSETS</b>		<b>4,868,623</b>	<b>4,370,921</b>	<b>257,606</b>	<b>264,688</b>
<b>LIABILITIES</b>					
Deposits from customers	(l)	2,947,239	2,595,861	-	-
Deposits and placements of banks and other financial institutions	(m)	903,048	795,614	-	-
Borrowings (unsecured)	(n)	153,016	160,000	153,016	160,000
Amount due to clients		-	-	-	-
Other liabilities	(o)	107,898	102,142	24,749	29,066
Provision for taxation and zakat		6,284	10,970	486	404
Deferred tax liabilities		-	-	-	-
Amount due to Head Office		-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>4,117,485</b>	<b>3,664,587</b>	<b>178,251</b>	<b>189,470</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>					
Funds allocated from Head Office		486,600	456,600	60,000	60,000
Reserves		264,538	249,734	19,355	15,218
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>751,138</b>	<b>706,334</b>	<b>79,355</b>	<b>75,218</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>4,868,623</b>	<b>4,370,921</b>	<b>257,606</b>	<b>264,688</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		<b>981,372</b>	<b>731,389</b>	<b>32,287</b>	<b>36,815</b>

37. Operations of Islamic Banking Business (cont'd.)

(b) CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD

<u>Group</u>	Note	Individual/Cumulative 3 Months Ended	
		31 March 2020 RM'000	31 March 2019 RM'000
Income derived from investment of depositors' funds	(p)	57,953	33,066
Income derived from investment of Islamic Banking funds	(q)	7,702	5,931
Expected credit loss allowance written back/ (made)			
- financing and advances	(r)	(5,543)	(670)
- financial investments	(s)	(901)	1
- other assets	(t)	36	(189)
<b>Total attributable income</b>		<b>59,247</b>	<b>38,139</b>
Income attributable to depositors	(u)	(31,368)	(18,416)
<b>Total net income</b>		<b>27,879</b>	<b>19,723</b>
Other operating expenses		(9,593)	(5,854)
<b>Profit before taxation and zakat</b>		<b>18,286</b>	<b>13,870</b>
Taxation		(3,724)	(3,273)
Zakat		(351)	(286)
<b>Profit for the financial period</b>		<b>14,211</b>	<b>10,311</b>
 <u>Company</u>			
Income derived from investment of Islamic Banking funds	(q)	13,333	11,146
Expected credit loss allowance (made)/ written back			
- financing and advances	(r)	(1,820)	(385)
- other assets	(t)	9	-
<b>Total attributable income</b>		<b>11,522</b>	<b>10,761</b>
Other operating expenses		(7,809)	(4,906)
<b>Profit before taxation and zakat</b>		<b>3,713</b>	<b>5,856</b>
Taxation		506	(1,375)
Zakat		(83)	(127)
<b>Profit for the financial period</b>		<b>4,137</b>	<b>4,354</b>

**37. Operations of Islamic Banking Business (cont'd.)**

**(c) CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	<b>Cumulative Quarter 3 Months Ended</b>	
	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
<b><u>Group</u></b>		
Profit for the financial period	14,211	10,311
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Charges in allowance for ECL	169	7
Net realised gain transferred to profit or loss on disposal of financial investments at FVOCI	(6,805)	(1,105)
Fair value changes	7,229	2,913
Other comprehensive income for the period net of tax	<u>593</u>	<u>1,815</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>593</u>	<u>1,815</u>
<b>Total comprehensive income for the period</b>	<u>14,804</u>	<u>12,126</u>

37. Operations of Islamic Banking Business (cont'd.)

(d) CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED  
 31 MARCH 2020

<u>Group</u>	----- Non-distributable -----			Distributable	
	Islamic banking funds RM'000	Regulatory reserve RM'000	FVOCI reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2019	416,600	9,982	1,198	194,785	622,565
Profit for the financial year	-	-	-	10,311	10,311
Other comprehensive income	-	-	1,815	-	1,815
Total comprehensive income for the period	-	-	1,815	10,311	12,126
Transfer to regulatory reserve	-	1,173	-	(1,173)	-
At 31 March 2019	<u>416,600</u>	<u>11,155</u>	<u>3,013</u>	<u>203,923</u>	<u>634,691</u>
At 1 January 2020	456,600	7,603	3,139	238,992	706,334
Profit for the financial year	-	-	-	14,211	14,211
Other comprehensive income	-	-	593	-	593
Total comprehensive income for the period	-	-	593	14,211	14,804
Additional capital fund	30,000				30,000
Transfer to regulatory reserve	-	5,639	-	(5,639)	-
At 31 March 2020	<u>486,600</u>	<u>13,242</u>	<u>3,732</u>	<u>247,564</u>	<u>751,138</u>

37. Operations of Islamic Banking Business (cont'd.)

(d) CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED  
 31 MARCH 2020 (CONT'D.)

<u>Company</u>	Non-distributable	Distributable	Total RM'000
	Islamic banking funds RM'000	Retained profits RM'000	
At 1 January 2019	20,000	22,581	42,581
Total comprehensive income for the period	-	4,354	4,354
At 31 March 2019	<u>20,000</u>	<u>26,935</u>	<u>46,935</u>
At 1 January 2020	60,000	15,218	75,218
Total comprehensive income for the period	-	4,137	4,137
At 31 March 2020	<u>60,000</u>	<u>19,355</u>	<u>79,355</u>

37. Operations of Islamic Banking Business (cont'd.)

(e) CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED  
 31 MARCH 2020

	Group		Company	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
<b>Profit before taxation and zakat</b>	18,286	13,870	3,713	5,856
Adjustments for non-cash items	(4,774)	(294)	(1,811)	415
Operating profit before changes in working capital	13,512	13,576	1,902	6,271
<b>Changes in working capital:</b>				
Net changes in operating assets	(811,283)	(364,377)	3,320	(3,107)
Net changes in operating liabilities	439,526	408,473	(24,322)	(3,179)
Tax and zakat paid	(3,072)	-	(3,072)	-
<b>Net cash generated from/(used in) operating activities</b>	(361,317)	57,672	(22,172)	(15)
<b>Net cash generated from/ (used in) financing activities</b>	30,000	(3,492)	-	(3,492)
<b>Net increase/(decrease) in cash and cash equivalents</b>	(331,317)	54,180	(22,172)	(3,507)
Cash and cash equivalents at beginning of the period	565,311	219,834	148,818	170,123
<b>Cash and cash equivalents at end of the period</b>	233,994	274,014	126,646	166,616

Cash and cash equivalents comprise:

	Group		Company	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Cash and short-term funds	192,294	226,814	84,946	119,416
Deposits and placements	41,700	47,200	41,700	47,200
	233,994	274,014	126,646	166,616

37. Operations of Islamic Banking Business (cont'd.)

(f) Cash and short-term funds

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Cash and bank balances	2,994	29,611	2,646	28,118
Money at call and deposit placements maturing within one month	189,300	493,000	82,300	78,000
	<u>192,294</u>	<u>522,611</u>	<u>84,946</u>	<u>106,118</u>

(g) Deposits and placements with licensed banks and other financial institutions

	Group and Company	
	31 March 2020 RM'000	31 December 2019 RM'000
Deposits with other financial institutions	41,700	42,700
	<u>41,700</u>	<u>42,700</u>

(h) Financial investments at FVOCI

	Group	
	31 March 2020 RM'000	31 December 2019 RM'000
<b>At fair value</b>		
Money market instruments:		
Government Investment Issue	1,161,265	715,384
Islamic Negotiable Instruments	399,088	199,724
	<u>1,560,353</u>	<u>915,108</u>
Corporate Sukuk	353,622	353,499
	<u>1,913,975</u>	<u>1,268,607</u>

37. Operations of Islamic Banking Business (cont'd.)

(h) Financial investments at FVOCI (cont'd.)

An analysis of changes in the corresponding ECL allowances in relation to FVOCI is, as follows:

<b>Expected credit loss allowance</b>	<b>Stage 1 Collective RM'000</b>	<b>Stage 3 Individual RM'000</b>	<b>Total RM'000</b>
At 1 January 2019	40	8,112	8,152
Impairment made during the financial year	39	-	39
At 31 December 2019	<u>79</u>	<u>8,112</u>	<u>8,191</u>
At 1 January 2020	79	8,112	8,191
Impairment made during the financial period	169	-	169
At 31 March 2020	<u>248</u>	<u>8,112</u>	<u>8,360</u>

There were no Stage 2 exposure as at 31 March 2020 and 31 December 2019.

(i) Financial investments at amortised costs

	<b>Group</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Money market instruments:		
Government Investment Issue	664,303	664,733
Corporate bond/sukuk	1,531,723	1,556,869
Less: ECL allowance	<u>(1,584)</u>	<u>(858)</u>
	<u>2,194,442</u>	<u>2,220,744</u>

An analysis of changes in the corresponding ECL allowances in relation to amortised cost is, as follows:

<b>Expected credit loss allowance</b>	<b>Stage 1 Collective RM'000</b>	<b>Stage 2 Individual RM'000</b>	<b>Total RM'000</b>
At 1 January 2019	251	-	251
Transfers	(8)	8	-
Impairment made during the financial year	-	663	663
Impairment written back during the financial year	(56)	-	(56)
At 31 December 2019	<u>187</u>	<u>671</u>	<u>858</u>
At 1 January 2020	187	671	858
Impairment made during the financial period	360	366	726
At 31 March 2020	<u>547</u>	<u>1,037</u>	<u>1,584</u>

There were no Stage 2 exposure as at 31 March 2020 and 31 December 2019.



37. Operations of Islamic Banking Business (cont'd.)

(j) Financing and advances

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Term financing				
Syndicated term financing	193,253	72,671	-	-
Islamic hire purchase/leasing	7,026	7,243	7,026	7,243
Other term financing	237,348	163,363	72,360	65,997
	<u>437,627</u>	<u>243,277</u>	<u>79,386</u>	<u>73,240</u>
Less: Unearned income	(11,820)	(10,763)	(11,820)	(10,763)
Gross financing and advances	<u>425,807</u>	<u>232,514</u>	<u>67,566</u>	<u>62,477</u>
Less: Expected credit losses allowance	(10,438)	(5,518)	(5,838)	(4,091)
Total net financing and advances	<u>415,369</u>	<u>226,996</u>	<u>61,728</u>	<u>58,386</u>

(i) By contract

Group

	Sale-based contract		Lease-based contract	Total financing and advances
	Commodity Murabahah RM'000	Bai Bithaman Ajil RM'000	Al-Ijarah Thumma Al-Bai RM'000	RM'000
<b>31 March 2020</b>				
Syndicated term financing	358,241	-	-	358,241
Deferred payment sales	-	60,540	-	60,540
Finance lease	-	-	7,026	7,026
	<u>358,241</u>	<u>60,540</u>	<u>7,026</u>	<u>425,807</u>

**31 December 2019**

	Sale-based contract		Lease-based contract	Total financing and advances
	Commodity Murabahah RM'000	Bai Bithaman Ajil RM'000	Al-Ijarah Thumma Al-Bai RM'000	RM'000
Syndicated term financing	170,037	-	-	170,037
Deferred payment sales	-	55,234	-	55,234
Finance lease	-	-	7,243	7,243
	<u>170,037</u>	<u>55,234</u>	<u>7,243</u>	<u>232,514</u>

37. Operations of Islamic Banking Business (cont'd.)

(j) Financing and advances (cont'd.)

(i) By contract (cont'd.)

Company

31 March 2020

	Sale-based contract Bai Bithaman Ajil RM'000	Lease-based contract Al-Ijarah Thumma Al-Bai RM'000	Total financing and advances RM'000
Deferred payment sales	60,540	-	60,540
Finance lease	-	7,026	7,026
	<u>60,540</u>	<u>7,026</u>	<u>67,566</u>

31 December 2019

	Sale-based contract Bai Bithaman Ajil RM'000	Lease-based contract Al-Ijarah Thumma Al-Bai RM'000	Total financing and advances RM'000
Deferred payment sales	55,234	-	55,234
Finance lease	-	7,243	7,243
	<u>55,234</u>	<u>7,243</u>	<u>62,477</u>

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
(ii) By types of customer				
Domestic business enterprise	425,807	232,514	67,566	62,477
Foreign business enterprise	-	-	-	-
	<u>425,807</u>	<u>232,514</u>	<u>67,566</u>	<u>62,477</u>

(iii) By profit rate sensitivity

Variable rate				
Cost-plus	358,241	170,037	-	-
Fixed rate				
Al-Ijarah Thumma Al-Bai (finance lease)	7,026	7,243	7,026	7,243
Bai Bithaman Ajil (deferred payment sales)	60,540	55,234	60,540	55,234
	<u>425,807</u>	<u>232,514</u>	<u>67,566</u>	<u>62,477</u>

37. Operations of Islamic Banking Business (cont'd.)

(j) Financing and advances (cont'd.)

(iv) By economic sector

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Mining and quarrying	32,565	-	-	-
Manufacturing	15,051	13,774	1,259	525
Wholesale and retail trade and restaurants and hotels	33,307	30,349	33,307	30,349
Transport, storage and communications	47,249	11,428	12,214	11,428
Finance, insurance and business services	211,068	110,176	13,518	12,810
Construction	69,554	59,422	-	-
Others	17,013	7,365	7,268	7,365
	<u>425,807</u>	<u>232,514</u>	<u>67,566</u>	<u>62,477</u>

(vi) By residual contractual maturity

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Within one year	165,440	83,637	19,399	17,938
One year to five years	176,342	68,412	39,467	36,494
After five years	84,025	80,465	8,700	8,045
	<u>425,807</u>	<u>232,514</u>	<u>67,566</u>	<u>62,477</u>

37. Operations of Islamic Banking Business (cont'd.)

(j) Financing and advances (cont'd.)

(viii) Movements in impaired financing and advances

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
At 1 January	9,079	94,982	9,079	8,782
Impaired during the financial period/year	-	2,578	-	2,578
Amount written off	-	(23,301)	-	-
Amount recovered	(340)	(65,180)	(340)	(2,281)
At 31 March/31 December	8,739	9,079	8,739	9,079
Less: ECL allowance	(2,114)	(2,451)	(2,114)	(2,451)
Net impaired financing and advances	6,625	6,628	6,625	6,628
As % of gross financing and advances less ECL allowance	1.56%	2.88%	10.12%	11.04%

Expected credit loss allowance

	Stage 1 Collective RM'000	Stage 2 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
<b>Group</b>				
At 1 January 2019	1,292	650	37,202	39,144
Transfer	362	-	-	362
Impairment made during the financial year	810	-	1,085	1,895
Amount written back	-	(47)	(12,299)	(12,346)
Amount written off	-	-	(23,301)	(23,301)
Discount unwind	-	-	(236)	(236)
At 31 December 2019	2,464	603	2,451	5,518
At 1 January 2020	2,464	603	2,451	5,518
Transfer	133	-	-	133
Impairment made during the financial period	3,365	1,759	65	5,189
Amount written back	-	-	(327)	(327)
Amount written off	-	-	-	-
Discount unwind	-	-	(75)	(75)
At 31 March 2020	5,962	2,362	2,114	10,438

37. Operations of Islamic Banking Business (cont'd.)

(j) Financing and advances (cont'd.)

Expected credit loss allowance

<u>Company</u>	Stage 1 Collective RM'000	Stage 2 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2019	351	650	1,953	2,954
Impairment made during the financial year	686	-	1,085	1,771
Amount written back	-	(47)	(351)	(398)
Discount unwind	-	-	(236)	(236)
At 31 December 2019	<u>1,037</u>	<u>603</u>	<u>2,451</u>	<u>4,091</u>
At 1 January 2020	1,037	603	2,451	4,091
Impairment made during the financial period	325	1,759	65	2,149
Amount written back	-	-	(327)	(327)
Discount unwind	-	-	(75)	(75)
At 31 March 2020	<u>1,362</u>	<u>2,362</u>	<u>2,114</u>	<u>5,838</u>

(k) Other assets

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Profit receivables	39,190	30,206	232	252
Other debtors, deposits and prepayment	4,063	3,440	315	586
Less: ECL allowance (a)	<u>(1,183)</u>	<u>(1,219)</u>	<u>(41)</u>	<u>(51)</u>
	2,880	2,221	274	535
Amount due from MITI (SLSSS)	4,550	7,253	4,550	7,253
Amount due from MIDF DFD Conventional	28,301	32,582	28,301	32,582
Amount due from Government Scheme Funds	15,436	-	15,436	-
Tax recoverable	4,811	13,240	4,811	13,240
	<u>95,169</u>	<u>85,502</u>	<u>53,604</u>	<u>53,862</u>

(a) Other debtors, deposits and prepayments

Movement in ECL allowance

	Group	
	31 March 2020 RM'000	31 December 2019 RM'000
At 1 January	1,219	553
Made	-	1,631
Written back	(36)	(321)
Write off	-	(644)
At 31 March/31 December	<u>1,183</u>	<u>1,219</u>
	Company	
	31 March 2020 RM'000	31 December 2019 RM'000
At 1 January	51	-
Made	-	51
Written back	(9)	-
At 31 March/31 December	<u>41</u>	<u>51</u>

37. Operations of Islamic Banking Business (cont'd.)

(l) Deposits from customers

	Group	
	31 March 2020 RM'000	31 December 2019 RM'000
<b>(i) Commodity Murabahah</b>		
Term deposits	2,947,239	2,595,861
<b>(ii) By type of customers</b>		
Business enterprises	777,280	957,095
Government and statutory bodies	2,169,959	1,638,766
	<u>2,947,239</u>	<u>2,595,861</u>
<b>(iii) The maturity structure of term deposits is as follows:</b>		
Due within six months	2,230,757	2,306,688
Six months to one year	492,155	255,173
One year or two years	224,327	34,000
	<u>2,947,239</u>	<u>2,595,861</u>

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

	Group	
	31 March 2020 RM'000	31 December 2019 RM'000
<b>(i) By type of deposits</b>		
<b>Commodity Murabahah Fund</b>		
Term deposits	903,048	795,614
<b>(ii) By type of customers</b>		
<b>Commodity Murabahah Fund</b>		
Other financial institutions	903,048	795,614

(n) Borrowings (unsecured)

	Group and Company	
	31 March 2020 RM'000	31 December 2019 RM'000
Funds from MITI Soft Loans Scheme for Services Sector	153,016	160,000
	<u>153,016</u>	<u>160,000</u>

(o) Other liabilities

	Note	Group		Company	
		31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Profit payable		44,756	42,201	22,541	20,166
Sundry creditors and accruals		6,182	6,140	1,903	1,490
Amount due to Government Scheme Funds		18	7,128	-	7,128
ECL allowance on financing and advances and financial investments commitments	(a)	2,013	1,434	305	282
Amount due to head office		54,929	45,239	-	-
		<u>107,898</u>	<u>102,142</u>	<u>24,749</u>	<u>29,066</u>

37. Operations of Islamic Banking Business (cont'd.)

(o) Other liabilities (cont'd.)

(a) Movements in the ECL allowances on financing and advances commitments and financial investments are as follows:

Group	Loans, advances and financing commitments	Financial investments	Total
	RM'000	RM'000	RM'000
At 1 January 2019	632	-	632
Transfer	(362)	-	(362)
Impairment made during the financial year	1,525	3	1,528
Written back	(364)	-	(364)
At 31 December 2019	<u>1,431</u>	<u>3</u>	<u>1,434</u>
At 1 January 2020	1,431	3	1,434
Transfer	(133)	-	(133)
Impairment made during the financial year	817	6	823
Written back	(111)	-	(111)
At 31 March 2020	<u>2,004</u>	<u>9</u>	<u>2,013</u>

Company	Loans, advances and financing commitments	Total
	RM'000	RM'000
At 1 January 2019	142	142
Impairment made during the financial year	504	504
Written back	(364)	(364)
At 31 December 2019	<u>282</u>	<u>282</u>
At 1 January 2020	282	282
Transfer	-	-
Impairment made during the financial year	23	23
Written back	-	-
At 31 March 2020	<u>305</u>	<u>305</u>

37. Operations of Islamic Banking Business (cont'd.)

(p) Income derived from investment of depositors funds

<u>Group</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000
<b>Finance income and hibah</b>		
Financing and advances	3,640	950
Money at call placements with financial and deposit institutions	1,390	1,370
Financial asset at FVTPL	60	20
Financial investments at FVOCI	11,930	5,110
Financial investments at amortised cost	20,720	13,450
	<u>37,740</u>	<u>20,900</u>
Accretion of discounts less amortisation of premiums	1,060	30
Total finance income and hibah	<u>38,800</u>	<u>20,930</u>
<b>Other operating income</b>		
Net gain on sale of financial investments at FVOCI	6,120	880
Net loss on sale of financial investments at FVTPL	(300)	-
Net gain on sale of financial investments at amortised cost	-	80
Net unrealised gain on revaluation of financial assets at FVTPL	-	30
	<u>5,820</u>	<u>990</u>
	<u>44,620</u>	<u>21,920</u>



37. Operations of Islamic Banking Business (cont'd.)

(q) Income derived from investment of Islamic Banking funds

<u>Group</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000
	<b>Finance income and hibah</b>	
Financing and advances	1,089	655
Money at call and deposit placements with financial institutions	265	623
Financial asset at FVTPL	11	8
Financial investments at FVOCI	1,329	1,280
Financial investments at amortised cost	2,303	3,357
	<u>4,997</u>	<u>5,923</u>
Accretion of discounts less amortisation of premiums	114	3
Total finance income and hibah	<u>5,111</u>	<u>5,926</u>
<b>Other operating income</b>		
Net loss on sale of financial investments at FVTPL	(28)	-
Net gain on sale of financial investments at FVOCI	685	225
Net gain on sale of financial investments at amortised cost	-	17
Net realised gain on sale of financial at FVTPL	-	-
Net unrealised gain on revaluation of financial assets at FVTPL	-	9
	<u>657</u>	<u>251</u>
<b>Fees and others</b>		
Management fee from Government Scheme Funds	12,073	9,627
Fee income	3,009	890
Other income	185	383
	<u>15,267</u>	<u>10,900</u>
	<u>21,035</u>	<u>17,077</u>
 <u>Company</u>		
<b>Finance income and hibah</b>		
Financing and advances	684	423
Money at call and deposit placements with financial institutions	112	278
	<u>796</u>	<u>701</u>
<b>Fees and others</b>		
Management fee from Government Scheme Funds	12,073	9,627
Fee income	280	436
Other income	184	382
	<u>12,537</u>	<u>10,445</u>
	<u>13,333</u>	<u>11,146</u>

37. Operations of Islamic Banking Business (cont'd.)

(r) Expected credit loss allowance (made)/written-back on financing and advances

<u>Group</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000
Expected credit loss		
- written back during the period	438	31
Profit on impaired financing recovered	25	30
	<u>(5,543)</u>	<u>(670)</u>

<u>Company</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000
Expected credit loss		
- written back during the period	327	-
Profit on impaired financing recovered	25	30
	<u>(1,820)</u>	<u>(385)</u>

(s) Expected credit loss allowance (made)/written-back on financial investments

<u>Group</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000
Financial investments at FVOCI	(169)	(7)
Financial investments at amortised cost	(732)	8
Profit on impaired debt instruments recovered	-	-
	<u>(901)</u>	<u>1</u>

37. Operations of Islamic Banking Business (cont'd.)

(t) Expected credit loss allowance (made)/written-back on other assets

	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
<b>Group</b>		
Other assets		
- Made during the financial period	-	(189)
- Written back during the financial period	36	-
	<u>36</u>	<u>(189)</u>

	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
<b>Company</b>		
Other assets		
- Written back during the financial period	9	-
	<u>9</u>	<u>-</u>

(u) Income attributable to depositors

	Individual/Cumulative 3 Months Ended	
	31 March 2020	31 March 2019
	RM'000	RM'000
<b>Group</b>		
<b>Commodity Fund</b>		
Deposits from customers	24,560	12,226
Deposits and placements of banks and financial institutions	6,808	6,190
	<u>31,368</u>	<u>18,416</u>



37. Operations of Islamic Banking Business (cont'd.)

(w) Capital adequacy

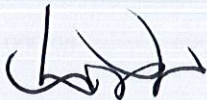
(i) The capital adequacy ratio of the Group and of the Company are as follows:

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
<b>Common Equity Tier 1 (CET1)</b>				
Islamic capital fund	486,600	456,600	60,000	60,000
Regulatory reserve	13,242	7,603	-	-
FVOCI reserve	3,732	3,139	-	-
Retained profits	233,353	238,992	15,218	15,218
	<u>736,927</u>	<u>706,334</u>	<u>75,218</u>	<u>75,218</u>
Less:				
Regulatory adjustments	(37,973)	(27,027)	(22,632)	(17,559)
<b>Total Tier-1 capital</b>	<u><b>698,954</b></u>	<u><b>679,307</b></u>	<u><b>52,586</b></u>	<u><b>57,659</b></u>
<b>Tier 2 Capital</b>				
Loss provision and regulatory reserve	15,197	11,672	2,207	2,082
<b>Total Tier-2 capital</b>	<u>15,197</u>	<u>11,672</u>	<u>2,207</u>	<u>2,082</u>
<b>Total capital</b>	<u><b>714,151</b></u>	<u><b>690,979</b></u>	<u><b>54,793</b></u>	<u><b>59,741</b></u>
CET1 Capital	50.560%	61.990%	20.090%	23.120%
Tier 1 Capital	50.560%	61.990%	20.090%	23.120%
Total Capital	51.659%	63.056%	20.934%	23.954%

(ii) Breakdown of gross risk-weighted assets in the various categories of risk-weights are as follows:

	Group		Company	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Total risk weighted assets for credit risk	1,215,735	933,757	176,546	166,564
Total risk weighted assets equivalent for market risk	-	-	-	-
Total risk weighted assets for operational risk	166,703	162,069	85,200	82,831
	<u>1,382,438</u>	<u>1,095,826</u>	<u>261,746</u>	<u>249,395</u>

I, Foo Wei Hoong, the officer primarily responsible for the financial management of Malaysian Industrial Development Finance Berhad, do hereby state that, the unaudited condensed interim financial statements for the period ended 31 March 2020, as set out on pages 1 to 60, have been prepared from the Group and the Company's accounting and other records and that to the best of my knowledge and belief, are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2020. The results and cash flows of the Group and the Company for the period ended on that date are prepared in accordance with the MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Board Standards Board ("MASB"), IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), Bank Negara Malaysia ("BNM") Guidelines and the requirements of the Companies Act, 2016 in Malaysia.



**FOO WEI HOONG  
HEAD - FINANCE AND INFORMATION TECHNOLOGY**

**08 May 2020**