

Unaudited Interim Financial Statements

Condensed consolidated statements of financial position
As at 31 March 2021

	Note	Group		Bank	
		31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
Assets					
Cash and short-term funds	11	415,588	321,736	362,417	308,360
Financial investments at fair value through other comprehensive income ("FVOCI")	12	2,455,835	2,324,776	2,455,835	2,324,776
Financial investments at amortised cost	13	2,139,597	2,299,532	2,139,597	2,299,532
Loans, advances and financing	14	1,560,197	1,369,240	1,560,197	1,369,240
Derivative assets	18	5,939	-	5,939	-
Other assets	15	95,076	72,022	148,196	85,346
Statutory deposits with Bank Negara Malaysia		111,012	104,495	111,012	104,495
Investment in subsidiaries		-	-	*	*
Property, plant and equipment		371	446	371	446
Intangible assets		1,944	1,729	1,944	1,729
Right-of-use asset		3,811	4,355	3,811	4,355
Deferred tax assets		11,639	5,281	11,639	5,281
Total assets		6,801,009	6,503,612	6,800,958	6,503,560
Liabilities					
Deposits from customers	16	4,504,386	4,489,737	4,504,386	4,489,737
Deposits and placements of bank and other financial institutions	17	1,323,316	1,049,399	1,323,316	1,049,399
Derivative liabilities	18	-	86	-	86
Other liabilities	19	90,087	82,388	90,081	82,385
Lease liabilities		3,828	4,355	3,828	4,355
Provision for taxation and zakat		2,035	1,586	2,035	1,584
Total liabilities		5,923,652	5,627,551	5,923,646	5,627,546
Equity					
Share capital		369,111	369,111	369,111	369,111
Reserves		508,246	506,950	508,201	506,903
Total equity		877,357	876,061	877,312	876,014
Total liabilities and equity		6,801,009	6,503,612	6,800,958	6,503,560
Commitments and contingencies	28	1,078,106	1,057,125	1,078,106	1,057,125

* Denotes RM4

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

Unaudited Interim Financial Statements

Consolidated statements of profit or loss
For the three months ended 31 March 2021

	Note	Group Individual / Cumulative Quarter 3 Months Ended	
		31 March 2021 RM'000	31 March 2020 RM'000
Operating revenue		80,443	69,540
Interest income	20	17,362	13,622
Interest expense	21	(7,916)	(8,881)
Net interest income		9,446	4,741
Net income from Islamic Banking operation	33(p)	26,567	20,954
Non-interest income	22	13,400	3,602
		49,413	29,297
Operating expenses	23	(20,372)	(17,880)
Operating profit before allowances		29,041	11,417
Impairment loss (made)/ written back on:			
- loans, advances and financing	24	(1,437)	(3,800)
- financial investments	25	279	(1,075)
- other assets	26	(32)	(6)
Profit before taxation and zakat		27,851	6,536
Taxation		(6,827)	(1,796)
Zakat		(451)	(268)
Profit for the period attributable to equity holder of the Bank		20,573	4,472
Earnings per ordinary share (sen)			
- Basic and diluted	27	13.27	2.89

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

Unaudited Interim Financial Statements

**Consolidated statements of comprehensive income
For the three months ended 31 March 2021**

	Group Individual / Cumulative Quarter 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000
Profit for the period attributable to equity holder of the Bank	20,573	4,472
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Changes in allowance for expected credit loss ("ECL")	34	169
Net (loss)/gain on financial investments at FVOCI:		
- Transfer of gain to profit or loss upon disposal	(6,875)	(6,831)
- Fair value changes	(12,436)	8,118
Other comprehensive (loss)/income for the period, net of tax	(19,277)	1,456
Total comprehensive income for the period attributable to equity holder of Bank	1,296	5,928

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

Unaudited Interim Financial Statements

Consolidated statements of profit or loss
For the three months ended 31 March 2021

	Note	Bank Individual / Cumulative Quarter 3 Months Ended	
		31 March 2021 RM'000	31 March 2020 RM'000
Operating revenue		80,440	69,523
Interest income	20	17,362	13,622
Interest expense	21	(7,916)	(8,881)
Net interest income		9,446	4,741
Net income from Islamic Banking operation	33(p)	26,567	20,954
Non-interest income	22	13,397	3,585
		49,410	29,280
Operating expenses	23	(20,367)	(17,875)
Operating profit before allowances		29,043	11,405
Impairment loss (made)/ written back on:			
- loans, advances and financing	24	(1,437)	(3,800)
- financial investments	25	279	(1,075)
- other assets	26	(32)	(6)
Profit before taxation and zakat		27,853	6,524
Taxation		(6,827)	(1,792)
Zakat		(451)	(268)
Profit for the period attributable to equity holder of the Bank		20,575	4,464

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

Unaudited Interim Financial Statements

**Consolidated statements of comprehensive income
For the three months ended 31 March 2021**

	Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2021	2020
	RM'000	RM'000
Profit for the period attributable to equity holder of the Bank	20,575	4,464
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Changes in allowance for expected credit loss ("ECL")	34	169
Net (loss)/gain on financial investments at FVOCI:		
- Transfer of gain to profit or loss upon disposal	(6,875)	(6,831)
- Fair value changes	(12,436)	8,118
Other comprehensive (loss)/income for the period, net of tax	(19,277)	1,456
Total comprehensive income for the period attributable to equity holder of Bank	1,298	5,920

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

Unaudited Interim Financial Statements

Consolidated statements of changes in equity
For the three months ended 31 March 2021

Group	Non-distributable			Distributable	Total RM'000
	Share capital RM'000	Regulatory reserve# RM'000	FVOCI reserve^ RM'000	Retained profits RM'000	
At 1 January 2021	369,111	16,324	15,002	475,624	876,061
Profit for the financial period	-	-	-	20,573	20,573
Other comprehensive loss for the period	-	-	(19,277)	-	(19,277)
Total comprehensive (loss)/ income for the period	-	-	(19,277)	20,573	1,296
Transactions with owner					
Transfer from regulatory reserve	-	(562)	-	562	-
At 31 March 2021	369,111	15,762	(4,275)	496,759	877,357
At 1 January 2020	369,111	17,430	3,687	429,362	819,590
Profit for the financial period	-	-	-	4,472	4,472
Other comprehensive loss for the period	-	-	1,456	-	1,456
Total comprehensive (loss)/ income for the period	-	-	1,456	4,472	5,928
Transactions with owner					
Transfer to regulatory reserve	-	3,314	-	(3,314)	-
At 31 March 2020	369,111	20,744	5,143	430,520	825,518

The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Bank 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 financial investments at 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 Bank for the year ended 31 December 2020.

Unaudited Interim Financial Statements

Consolidated statements of changes in equity
For the three months ended 31 March 2021 (cont'd.)

Bank	----- Non-distributable ----->			Distributable	Total RM'000
	Share capital RM'000	Regulatory reserve# RM'000	FVOCI reserve^ RM'000	Retained profits RM'000	
At 1 January 2021	369,111	16,324	15,002	475,577	876,014
Profit for the financial period	-	-	-	20,575	20,575
Other comprehensive loss for the period	-	-	(19,277)	-	(19,277)
Total comprehensive (loss)/ income for the period	-	-	(19,277)	20,575	1,298
Transactions with owner					
Transfer from regulatory reserve	-	(562)	-	562	-
At 31 March 2021	369,111	15,762	(4,275)	496,714	877,312
At 1 January 2020	369,111	17,430	3,687	429,321	819,549
Profit for the financial period	-	-	-	4,464	4,464
Other comprehensive income for the period	-	-	1,456	-	1,456
Total comprehensive income for the period	-	-	1,456	4,464	5,920
Transactions with owner					
Transfer to regulatory reserve	-	3,314	-	(3,314)	-
At 31 March 2020	369,111	20,744	5,143	430,471	825,469

The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Bank 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 financial investments at 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 Bank for the year ended 31 December 2020.

Unaudited Interim Financial Statements

**Consolidated statements of cash flows
For the three months ended 31 March 2021**

	Note	Group		Bank	
		31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Profit before taxation and zakat		27,851	6,536	27,853	6,524
Adjustments for non-cash items		(7,447)	(406)	(7,447)	(406)
Operating profit before changes in working capital		20,404	6,130	20,406	6,118
Changes in working capital:					
Net changes in operating assets		(222,399)	(757,468)	(262,195)	(813,564)
Net changes in operating liabilities		296,216	424,332	296,215	424,330
Net cash generated from/ (used in) operating activities		94,221	(327,006)	54,426	(383,116)
Net cash used in investing activities		(369)	(410)	(369)	(410)
Net change in cash and cash equivalents		93,852	(327,416)	54,057	(383,526)
Cash and cash equivalents at beginning of the period		321,736	573,537	308,360	571,264
Cash and cash equivalents at end of the period	11	415,588	246,121	362,417	187,738
Cash and cash equivalents comprise of:					
Cash and short-term funds		415,588	246,121	362,417	187,738

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

Unaudited Interim Financial Statements

Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134, Interim Financial Reporting ("MFRS 134"), 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") and Bank Negara Malaysia ("BNM") Guidelines. 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 Bank for the financial year ended 31 December 2020.

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 Bank since the financial year ended 31 December 2020.

2. Significant accounting policies

The accounting policies applied by the Group and the Bank in these condensed interim financial statements are the same as those applied by the Group and the Bank in their financial statements for the year ended 31 December 2020.

2.1 Adoption of Amendments and Annual Improvements to Standards

The Group and the Bank have adopted the following Amendments and Annual Improvements to Standards, with a date of initial application of 1 January 2021.

Description

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: *Interest Rate Benchmark Reform - Phase 2*

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

Unaudited Interim Financial Statements

2. Significant accounting policies (cont'd.)

2.2 Standards issued but not yet effective

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

	Effective for financial periods beginning on or after
Amendments to MFRS 116: <i>Covid-19 Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to MFRS 3: <i>Reference to Conceptual Framework</i>	1 January 2022
Annual improvements to MFRS Standards 2018 - 2020 Cycle	1 January 2022
Amendments to MFRS 116: <i>Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137: <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 108: <i>Definitonof Accounting Estimates</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

3. Comments about seasonal or cyclical factors

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

Unaudited Interim Financial Statements

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 March 2021.

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 2021.

6. Debt and equity instruments

There were no changes to the debt and equity instruments for the quarter ended 31 March 2021.

7. Dividend paid/payable

A single tier interim dividend in respect of the current financial year ended 31 December 2020 of 12.903 sen per share on 155,000,000 ordinary shares, amounting to a net dividend payable of RM20.0 million has been approved by the Board of Directors on 24 February 2021. The dividend payment is subject to Bank Negara Malaysia's approval.

8. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2020 was not qualified.

9. Performance review

The Group and the Bank recorded a higher pre-tax profit of RM27.8 million for the first quarter ended 31 March 2021, as compared to the pre-tax profit of RM6.5 million recorded in the corresponding quarter ended 31 March 2020. The higher profit for the current period is mainly due to higher net operating income by RM20.1 million and lower impairment made by RM3.7 million offset with higher operating expenses by RM2.5 million.

Unaudited Interim Financial Statements

10. Review for 2021

As of 31 March 2021, the FBM KLCI saw a 3.3% decline in its year-to-date performance. This was largely due to profit taking in the glove sector as investors switch to a recovery play and lower liners, beside MCO 2.0 which caused the sentiment to turn cautious. However, trading activities remains strong. Average daily traded value rose by 101% to RM5.08 billion in 1Q2021 while average daily traded volume expanded 153%yoy to 8.45 billion shares.

Liquidity condition remained ample in the banking system throughout 1Q2021 in-line with easy and accommodative monetary policy stance adopted by Bank Negara Malaysia (BNM) to foster the enabling condition for a sustainable economic recovery from severe impact of the ongoing Covid-19 pandemic. BNM also maintained the Overnight Policy Rate (OPR) unchanged at 1.75% throughout 1Q2021, indicating the low interest rate environment to stay for now to support the economic growth. Likewise, the benchmark KLIBORs generally stayed put across the board, with 1-, 3-, 6- and 12-mth KLIBOR closed the 1Q2021 at 1.86%, 1.94%, 2.06% and 2.20% respectively.

In the fixed income market, the local sovereign bonds were under selling pressure due to spill-over effect following the spike in the 10-year US Treasury yields to 1.70% at the end of 1Q2021 from 0.93% at the close of last year, which saw the 10-year MGS yield had also spiked to 3.45% from 2.65% within the same period. The yield spike was also believed to be triggered by rising inflation expectations due to the prospects of an earlier and faster economic recovery amid swift global Covid-19 vaccinations as well as the potential increase in new issuances of MGS and GII-i that might also create selling pressure on the existing debt papers outstanding in the market.

The worry of inflation is not unfounded. Driven by the liquidity abundance and specific sector issues, commodity prices have been on an uptrend in 1Q2021.

The Bank will remain vigilant in the evolving 2021 operating landscape, whilst maintaining a cautiously optimistic outlook. The Bank will strive to maintain a healthy balance between growth and diligence as it pursues its activities in 2021.

Unaudited Interim Financial Statements

11. Cash and short-term funds

	Group		Bank	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
Cash and balances with banks and other financial institutions	75,888	31,936	22,717	18,560
Money at call and deposits placements maturing within one month	339,700	289,800	339,700	289,800
	<u>415,588</u>	<u>321,736</u>	<u>362,417</u>	<u>308,360</u>

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group and the Bank amounted to approximately RM9,297,000 and RM7,000,000 respectively (2020: RM6,928,000 and RM6,925,000 respectively). These amounts are excluded from the cash and short-term funds of the Group and of the Bank.

12. Financial investments at FVOCI

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
At fair value		
Money market instruments:		
Government Investment Issues	1,272,405	1,363,641
Malaysian Treasury Bills	487,909	230,386
Cagamas Berhad Bonds	-	70,000
	<u>1,760,314</u>	<u>1,664,027</u>
Unquoted instruments in Malaysia:		
Corporate Bonds/Sukuk	690,238	655,466
Loan Stocks	3,783	3,783
Shares	1,500	1,500
	<u>695,521</u>	<u>660,749</u>
	<u>2,455,835</u>	<u>2,324,776</u>

Unaudited Interim Financial Statements

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

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

Group and Bank	Stage 1 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2021	303	74,427	74,730
Impairment made during the financial period [Note 25]	34	-	34
At 31 March 2021	<u>337</u>	<u>74,427</u>	<u>74,764</u>
At 1 January 2020	79	110,228	110,307
Impairment made during the financial year	224	477	701
Written back	-	(1,609)	(1,609)
Written off	-	(34,669)	(34,669)
At 31 December 2020	<u>303</u>	<u>74,427</u>	<u>74,730</u>

There was no Stage 2 exposure as at 31 March 2021 and 31 December 2020.

13. Financial investments at amortised cost

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Money market instruments:		
Government Investment Issues	512,917	563,195
	<u>512,917</u>	<u>563,195</u>
Unquoted instruments in Malaysia:		
Corporate Bonds/Sukuk	1,626,753	1,736,757
Loan stocks	9,822	9,789
	<u>1,636,575</u>	<u>1,746,546</u>
Less: ECL allowance	(9,895)	(10,209)
	<u>2,139,597</u>	<u>2,299,532</u>

Unaudited Interim Financial Statements

13. Financial investments at amortised cost

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

Group and Bank	Stage 1 Collective RM'000	Stage 2 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2021	789	2,426	6,994	10,209
Impairment made during the financial period	1	-	32	33
Written back	(347)	-	-	(347)
At 31 March 2021	<u>443</u>	<u>2,426</u>	<u>7,026</u>	<u>9,895</u>
At 1 January 2020	207	887	5,532	6,626
Impairment made during the financial year	582	1,539	1,498	3,619
Written back	-	-	(36)	(36)
At 31 December 2020	<u>789</u>	<u>2,426</u>	<u>6,994</u>	<u>10,209</u>

14. Loans, advances and financing

	Group and Bank	
	31 March 2021	31 December 2020
	RM'000	RM'000
Term loans/financing		
Syndicated term loans	61,129	61,129
Other term loans	91,975	91,965
Islamic financing	866,589	738,330
	<u>1,019,693</u>	<u>891,424</u>
Margin accounts	610,644	546,408
Staff loans	285	333
Gross loans, advances and financing	<u>1,630,622</u>	<u>1,438,165</u>
Less: ECL allowance	(70,425)	(68,925)
Net loans, advances and financing	<u>1,560,197</u>	<u>1,369,240</u>

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

Unaudited Interim Financial Statements

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

(a) Gross loans, advances and financing

(i) By type of customer

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Domestic business enterprises		
- Small medium enterprises	1,213,178	1,061,985
Individuals	417,444	376,180
Gross loans, advances and financing	1,630,622	1,438,165

(ii) By interest rate sensitivity

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Fixed rate		
Staff loans	285	333
Margin accounts	610,644	546,408
Variable rate		
Cost-plus	153,104	153,094
Cost-plus (Islamic financing)	866,589	738,330
Gross loans, advances and financing	1,630,622	1,438,165

Unaudited Interim Financial Statements

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

(a) Gross loans, advances and financing

(iii) By economic sector

	Group and Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Finance, insurance and business services	614,717	446,073
Household	417,444	376,180
Electricity, gas and water supply	335,026	323,724
Construction	81,046	78,817
Manufacturing	73,527	72,584
Transport, storage and communications	38,845	57,072
Mining and quarrying	55,075	55,083
Wholesale & retail trade and restaurants & hotels	10,729	24,159
Others	4,213	4,473
Gross loans, advances and financing	<u>1,630,622</u>	<u>1,438,165</u>

(iv) By maturity profile

	Group and Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Within one year	1,363,307	1,203,386
One year to five years	139,624	122,135
After five years	127,691	112,644
Gross loans, advances and financing	<u>1,630,622</u>	<u>1,438,165</u>

Unaudited Interim Financial Statements

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

(b) Impaired loans, advances and financing ("ILs")

(i) Movements in ILs are as follows:

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
At 1 January	61,147	61,189
Classified as impaired during the period/year	-	473
Recovered	-	(515)
	61,147	61,147
Less: ECL allowance	(54,462)	(54,462)
Net ILs	6,685	6,685
Ratio of net ILs to gross loans, advances and financing less ECL allowance	0.42%	0.48%

(ii) ILs by economic sector:

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Manufacturing	50,400	50,400
Wholesale & retail trade and restaurants & hotels	10,728	10,728
Household	19	19
	61,147	61,147

Unaudited Interim Financial Statements

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

(c) Movements in ECL allowances by class of financial assets

An analysis of changes in the corresponding ECL allowances in relation to loan, advances and financing is, as follows:

Group and Bank	Stage 1 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2021	14,463	54,462	68,925
Transfer	313	-	313
Impairment made during the financial period	1,187	-	1,187
At 31 March 2021	<u>15,963</u>	<u>54,462</u>	<u>70,425</u>
At 1 January 2020	1,427	53,669	55,096
Transfer	1,321	-	1,321
Impairment made during the financial year	11,715	834	12,549
Written back	-	(41)	(41)
At 31 December 2020	<u>14,463</u>	<u>54,462</u>	<u>68,925</u>

There was no Stage 2 exposure as at 31 March 2021 and 31 December 2020.

Unaudited Interim Financial Statements

15. Other assets

	Note	Group		Bank	
		31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
Interest/profit receivables		38,548	38,047	38,548	38,047
Amounts due from brokers and clients	(a)	40,812	16,844	40,812	16,844
Deposits, prepayments and other receivables		18,319	17,712	18,319	17,712
Less: ECL allowance	(b)	(4,029)	(4,135)	(4,029)	(4,135)
		<u>14,290</u>	<u>13,577</u>	<u>14,290</u>	<u>13,577</u>
Amount recoverable from Danaharta		96,973	96,973	96,973	96,973
Less: ECL allowance		(96,973)	(96,973)	(96,973)	(96,973)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount due from related companies	(c)	504	419	504	419
Amount due from subsidiaries	(c)	-	-	53,125	13,324
Tax recoverable		922	3,135	917	3,135
		<u>95,076</u>	<u>72,022</u>	<u>148,196</u>	<u>85,346</u>

Unaudited Interim Financial Statements

15. Other assets (cont'd.)

- (a) Amounts due from brokers and clients

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Brokers	15,298	4,925
Clients	25,514	11,919
	40,812	16,844

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

- (b) Deposits, prepayments and other receivables

- (i) ECL allowance

Group and Bank	Total RM'000
At 1 January 2021	4,135
Impairment made during the financial period	31
Written off	(137)
At 31 March 2021	4,029
At 1 January 2020	4,072
Impairment made during the financial year	858
Written back	(33)
Written off	(762)
At 31 December 2020	4,135

- (c) The amounts due from related companies and subsidiaries arose mainly from expenses paid on behalf of the companies. These amounts are non-trade in nature, unsecured, interest-free and are repayable on demand.

Unaudited Interim Financial Statements

16. Deposits from customers

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
(a) By types of deposit		
Call deposits	23,046	27,548
Fixed deposits	4,481,340	4,462,189
	4,504,386	4,489,737
(b) By types of customer		
Business enterprises	1,740,899	1,799,303
Government and statutory bodies	2,760,787	2,687,690
Individual	2,700	2,744
	4,504,386	4,489,737
(c) The maturity structure of term deposits is as follows:		
Due within six months	4,006,403	4,023,063
Six months to one year	497,983	466,674
	4,504,386	4,489,737

17. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
(a) Call deposits		
- Other financial institutions	12,072	9,532
(b) Fixed deposits		
- Other financial institutions	1,311,244	1,039,867
	1,323,316	1,049,399

Unaudited Interim Financial Statements

18. Derivative liabilities

Group and Bank	Contract or underlying principal amount RM'000	Derivative assets RM'000	Derivative liabilities RM'000
31 March 2021			
Interest rate related derivatives:			
- Interest rate swaps	400,000	5,939	-
31 December 2020			
Interest rate related derivatives:			
- Interest rate swaps	400,000	-	(86)

19. Other liabilities

	Note	Group		Bank	
		31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
Amounts due to brokers and clients	(a)	38,523	22,353	38,523	22,353
Interest/profit payables		21,561	27,598	21,561	27,598
Accrued liabilities and other payables		18,038	25,552	18,038	25,552
Employee benefits		2,262	2,348	2,262	2,348
Amount due to immediate holding company	(b)	7,139	1,914	7,139	1,914
Amount due to related company	(b)	32	29	26	26
ECL allowances on loans, advances and financing commitments and financial investments	(c)	2,532	2,594	2,532	2,594
		<u>90,087</u>	<u>82,388</u>	<u>90,081</u>	<u>82,385</u>

Unaudited Interim Financial Statements

19. Other liabilities (cont'd.)

- (a) Amount due to brokers and clients

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Brokers	10,998	8,179
Clients	27,525	14,174
	38,523	22,353

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

- (b) The amounts due to immediate holding company and related company are non-trade in nature, unsecured, interest-free and are repayable on demand.
- (c) Movements in the ECL allowances on loans, financing and advances commitments and financial investments are as follows:

Group and Bank	Loans, advances and financing commitments RM'000	Financial investments RM'000	Total RM'000
At 1 January 2021	2,493	101	2,594
Transfer	(313)	-	(313)
Made during the financial period	250	1	251
At 31 March 2021	2,430	102	2,532
At 1 January 2020	1,149	6	1,155
Transfer	(1,321)	-	(1,321)
Made during the financial period	3,213	106	3,319
Written back	(548)	(11)	(559)
At 31 December 2020	2,493	101	2,594

Unaudited Interim Financial Statements

20. Interest income

	Group and Bank Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000
Loans and advances		
- Interest income on non- impaired loans	11,666	7,322
Money at call and deposit placements with financial institutions	566	962
Financial assets at FVTPL	-	15
Financial investments at FVOCI		
- Interest income on non- impaired instruments	1,076	1,410
Financial investments at amortised cost		
- Interest income on non- impaired instruments	3,865	4,041
- Interest income on impaired instruments	32	46
Others	8	-
	<u>17,213</u>	<u>13,796</u>
Accretion of discount less amortisation of premium	149	(174)
	<u>17,362</u>	<u>13,622</u>

21. Interest expense

	Group and Bank Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000
Deposits from customers	6,036	7,734
Deposits and placements of bank and other financial institutions	1,256	1,084
Derivative instruments	585	63
	<u>7,877</u>	<u>8,881</u>
Lease liabilities	39	-
	<u>7,916</u>	<u>8,881</u>

Unaudited Interim Financial Statements

22. Non-interest income

	Group	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2021	2020
	RM'000	RM'000
Fee income:		
Fees on loans and advances	50	27
Corporate advisory fees	815	990
Underwriting fees	-	67
Brokerage commission	2,634	2,359
Rollover charges	702	740
Facility fee	720	175
Redemption fee	420	-
Placement fees	-	84
Other fee income	5	7
	5,346	4,449
Investment income/(loss):		
Net gain on sale of financial assets at FVTPL	-	120
Net gain on sale of financial investments at FVOCI	1,939	26
Net unrealised gain/(loss) on revaluation of derivative instruments	6,025	(1,075)
	7,964	(929)
Other income:		
Intercompany management fee	45	6
Others	45	76
	90	82
	13,400	3,602

Unaudited Interim Financial Statements

22. Non-interest income (contd.)

	Bank Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000
Fee income:		
Fees on loans and advances	50	27
Corporate advisory fees	815	990
Underwriting fees	-	67
Brokerage commission	2,634	2,359
Rollover charges	702	740
Facility fee	720	175
Redemption fee	420	-
Placement fees	-	84
Other fee income	2	2
	<u>5,343</u>	<u>4,444</u>
Investment income/(loss):		
Net gain on sale of financial assets at FVTPL	-	120
Net gain on sale of financial investments at FVOCI	1,939	26
Net unrealised gain/(loss) on revaluation of derivative instruments	6,025	(1,075)
	<u>7,964</u>	<u>(929)</u>
Other income:		
Intercompany management fee	45	6
Others	45	64
	<u>90</u>	<u>70</u>
	<u>13,397</u>	<u>3,585</u>

Unaudited Interim Financial Statements

23. Operating expenses

	Group	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2021	2020
	RM'000	RM'000
(i) Staff costs:		
Wages, salaries and bonuses	9,723	9,827
Employees' benefits	51	51
Defined contribution plans	1,496	1,515
Social security costs	41	39
Other staff related expenses	1,303	461
	12,614	11,893
(ii) Establishment costs:		
Depreciation and amortisation	246	490
Depreciation of right-of-use assets	544	-
Rental		
- office equipment	7	5
- premises	20	555
General repairs and maintenance	8	12
Insurance	27	13
Electricity	6	8
IT expenses	1,843	1,248
	2,701	2,331
(iii) Promotion and marketing -related expenses:		
Business promotion and advertisement	1,387	269
Entertainment	62	88
	1,449	357

Unaudited Interim Financial Statements

23. Operating expenses (cont'd.)

	Group	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2021	2020
	RM'000	RM'000
(iv) Administrative and general expenses:		
Auditors' remuneration		
- Audit	67	67
Non-Executive Directors' remuneration	190	241
Communication expenses	17	50
Management fees	2,328	2,103
Securities commission's levy	145	143
Brokerage fee	150	184
Bursa fee	84	65
License fee and stamp duty	161	165
Corporate dealers' and remisier' commissions	232	25
Regulatory expenses	121	204
Others	113	52
	3,608	3,299
	20,372	17,880

Unaudited Interim Financial Statements

23. Operating expenses (cont'd.)

	Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2021	2020
	RM'000	RM'000
(i) Staff costs:		
Wages, salaries and bonuses	9,723	9,827
Employees' benefits	51	51
Defined contribution plans	1,496	1,515
Social security costs	41	39
Other staff related expenses	1,303	461
	<u>12,614</u>	<u>11,893</u>
(ii) Establishment costs:		
Depreciation and amortisation	246	490
Depreciation of right-of-use assets	544	-
Rental of:		
- office equipment	7	5
- premises	20	555
General repairs and maintenance	8	12
Insurance	27	13
Electricity	6	8
IT expenses	1,843	1,248
	<u>2,701</u>	<u>2,331</u>
(iii) Promotion and marketing -related expenses:		
Business promotion and advertisement	1,387	269
Entertainment	62	88
	<u>1,449</u>	<u>357</u>

Unaudited Interim Financial Statements

23. Operating expenses (cont'd.)

	Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2021	2020
	RM'000	RM'000
(iv) Administrative and general expenses:		
Auditors' remuneration		
- Audit	67	67
Non-Executive Directors' remuneration	190	241
Communication expenses	17	50
Management fees	2,323	2,098
Securities commission's levy	145	143
Brokerage fee	150	184
Bursa fees	84	65
License fee and stamp duty	161	165
Corporate dealers' and remisiers' commissions	232	25
Regulatory expenses	121	204
Others	113	52
	3,603	3,294
	20,367	17,875

Unaudited Interim Financial Statements

24. Impairment loss made on loans, advances and financing

	Group and Bank Individual / Cumulative Quarter 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000
ECL allowance		
- Net made during the financial period	(1,437)	(3,800)
	(1,437)	(3,800)

25. Impairment loss written back/(made) on financial investments

	Group and Bank Individual / Cumulative Quarter 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000
Financial investments at FVOCI [Note 12]	(34)	(169)
Financial investments at amortised cost	313	(906)
	279	(1,075)

Unaudited Interim Financial Statements

26. Impairment loss (made)/written back on other assets

	Group and Bank Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000
Other debtors		
- Net made during the financial period	(31)	(6)
Bad debts written off	(1)	-
	<u>(32)</u>	<u>(6)</u>

27. Basic earnings per ordinary shares

	Group Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000
Profit for the period	<u>20,573</u>	<u>4,472</u>
Weighted average number of ordinary shares	<u>155,000</u>	<u>155,000</u>
Basic and diluted earnings per ordinary share (sen)	<u>13.27</u>	<u>2.89</u>

Unaudited Interim Financial Statements

28. Commitments and contingencies

Group and Bank	<----- 31 March 2021 ----->			<----- 31 December 2020 ----->		
	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
Direct credit substitutes	1,000	1,000	1,000	1,000	1,000	1,000
Interest rate related contract with an original maturity of:						
- over one year to five years	400,000	18,876	3,775	400,000	13,244	2,649
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:						
- not exceeding one year	386,389	77,278	77,278	384,155	76,831	76,831
- exceeding one year	290,717	145,359	145,359	271,970	135,985	135,985
Total	1,078,106	242,513	227,412	1,057,125	227,060	216,465

* 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.

29. Credit exposures arising from credit transactions with connected parties

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
(i) Outstanding credit exposures with connected parties	216,497	244,801
(ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	4.70%	5.23%
(iii) Percentage of outstanding credit exposures to connected parties which is impaired or in default	Nil	Nil

Unaudited Interim Financial Statements

30. Related party disclosures

(a) Significant related party transactions and balances

The following significant transactions between the Group and the Bank and related parties took place at arm's length during the financial period/year.

	Group and Bank	
	31 March 2021 RM'000	31 March 2020 RM'000
Penultimate holding company		
Income:		
Interest income on financial investments	939	1,045
Brokerage fees earned	129	150
	<hr/>	<hr/>
Immediate holding company		
Expenditure:		
Rental of premises	9	552
Management fees	2,323	2,098
	<hr/>	<hr/>
Other related companies		
Income:		
Interest income on financial investments	175	742
Interest income on loans, advances and financing	887	957
Brokerage fees earned	583	663
Fee income	131	81
	<hr/>	<hr/>
Expenditure:		
Interest expense on deposits	1,855	2,760
	<hr/>	<hr/>

Unaudited Interim Financial Statements

30. Related party disclosures (cont'd.)

(a) Significant related party transactions and balances (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 Bank with their related parties are as follows:

	Group and Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Penultimate holding company		
Amount due from:		
Financial investments	81,000	81,000
Other related companies		
Amount due to:		
Deposits from customers	181,853	123,301
Deposits from placements of banks and other financial institutions	51,344	21,516
Other payables	624	341
Amount due from:		
Fee receivable	831	91
Sundry deposits	553	553
Loans, advances and financing	80,810	78,571
Financial investments	-	30,000

Other related companies include companies within the Yayasan Perlaburan Bumiputra Group and companies related to the Directors of the Bank.

Unaudited Interim Financial Statements

31. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's and the Bank'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).

Group and Bank	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 March 2021				
Assets measured at fair value				
Financial investments at FVOCI				
- Money market instruments	-	1,760,314	-	1,760,314
- Unquoted instruments	-	690,238	3,783	694,021
Derivative assets	-	5,939	-	5,939
Assets for which fair values are disclosed:				
Financial investments at amortised cost				
- Money market instruments	-	491,538	-	491,538
- Unquoted instruments	-	1,593,983	9,822	1,603,805
Loans, advances and financing				
- staff loans	-	229	-	229

Unaudited Interim Financial Statements

31. Fair value hierarchy (cont'd.)

Group and Bank	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2020				
Assets measured at fair value				
Financial investments at FVOCI				
- Money market instruments	-	1,664,027	-	1,664,027
- Unquoted instruments	-	655,466	3,783	659,249
Assets for which fair values are disclosed:				
Financial investments at amortised cost				
- Money market instruments	-	531,414	-	531,414
- Unquoted instruments	-	1,686,959	9,789	1,696,748
Loans, advances and financing				
- staff loans	-	271	-	271
Liability measured at fair value				
Derivative liabilities	-	86	-	86

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

Unaudited Interim Financial Statements

31. 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:

Group and Bank	
31 March	31 December
2021	2020
RM'000	RM'000

Financial investments at FVOCI

Unquoted instruments

At 1 January	3,783	4,260
Revaluation gain	-	1,132
	3,783	5,392
Settlements	-	(1,609)
At 31 March 2021 / 31 December 2020	3,783	3,783

Changing one or more of the unobservable inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

Unaudited Interim Financial Statements

32. Capital management

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

	Group		Bank	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
<u>Tier 1 Capital</u>				
Common Equity Tier 1 ("CET1") Capital				
Ordinary shares	369,111	369,111	369,111	369,111
Regulatory reserve	15,762	16,324	15,762	16,324
FVOCI reserve	(4,275)	15,002	(4,275)	15,002
Retained profits	476,186	475,624	476,139	475,577
	<u>856,784</u>	<u>876,061</u>	<u>856,737</u>	<u>876,014</u>
Less: Regulatory adjustments	(29,346)	(31,585)	(29,346)	(31,585)
<i>Total CET1 Capital</i>	<u>827,438</u>	<u>844,476</u>	<u>827,391</u>	<u>844,429</u>
Total Tier 1 Capital	<u>827,438</u>	<u>844,476</u>	<u>827,391</u>	<u>844,429</u>
<u>Tier 2 Capital</u>				
Loss provision and regulatory reserve	29,478	27,330	30,009	27,463
Total Tier 2 capital	<u>29,478</u>	<u>27,330</u>	<u>30,009</u>	<u>27,463</u>
Total Capital	<u>856,916</u>	<u>871,806</u>	<u>857,400</u>	<u>871,892</u>
CET1 Capital Ratio	30.891%	33.855%	30.407%	33.709%
Tier 1 Capital Ratio	30.891%	33.855%	30.407%	33.709%
Total Capital Ratio	31.992%	34.950%	31.510%	34.805%

Unaudited Interim Financial Statements

32. Capital management (cont'd.)

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

	Group		Bank	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
Total risk-weighted assets for credit risk	2,358,266	2,186,373	2,400,751	2,197,022
Total risk-weighted assets equivalent for market risk	124,643	126,987	124,643	126,987
Total risk-weighted assets equivalent for operational risk	195,659	181,066	195,659	181,066
	<u>2,678,568</u>	<u>2,494,426</u>	<u>2,721,053</u>	<u>2,505,075</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI)

Condensed consolidated statements of financial position
As at 31 March 2021

	Note	Group and Bank	
		31 March 2021 RM'000	31 December 2020 RM'000
Assets			
Cash and short-term funds	(a)	205,734	171,599
Financial investments at FVOCI	(b)	2,292,233	2,127,193
Financial investments at amortised cost	(c)	1,827,082	1,937,364
Financing and advances	(d)	851,590	724,819
Other assets	(e)	40,049	38,776
Deferred tax assets		1,201	1,201
Total assets		5,217,889	5,000,952
Liabilities			
Deposits from customers	(f)	3,357,998	3,381,029
Deposits and placements of banks and other financial institutions	(g)	1,016,761	774,671
Other liabilities	(h)	106,272	90,754
Provision for taxation and zakat		7,549	24,434
Total liabilities		4,488,580	4,270,888
Islamic banking capital funds			
Islamic banking funds		426,600	426,600
Reserves		302,709	303,464
Total Islamic banking capital funds		729,309	730,064
Total liabilities and Islamic banking capital funds		5,217,889	5,000,952

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

Condensed consolidated statements of profit or loss
For the three months ended 31 March 2021

	Note	Group and Bank Individual / Cumulative Quarter	
		3 Months Ended	
		31 March 2021 RM'000	31 March 2020 RM'000
Income derived from investment of depositors' funds	(i)	43,320	44,620
Income derived from investment of Islamic Banking funds	(j)	6,406	7,702
Impairment loss made on financing and advances	(k)	(1,423)	(3,723)
Impairment loss made on financial investments	(l)	(8)	(901)
Impairment loss (made)/written back on other assets	(m)	(53)	27
Total attributable income		48,242	47,725
Income attributable to depositors	(n)	(23,159)	(31,368)
Total net income		25,083	16,357
Operating expenses	(o)	(2,107)	(1,784)
Profit before taxation and zakat		22,976	14,573
Taxation		(5,514)	(4,230)
Zakat		(451)	(268)
Profit for the period		17,011	10,075

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

Condensed consolidated statements of comprehensive income
For the three months ended 31 March 2021

	Group and Bank Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000
Profit for the period attributable to equity holder of the Bank	17,011	10,075
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Changes in allowance for ECL for investments at FVOCI	34	169
Net (loss)/gain on financial investments at FVOCI		
- Transfer of gain to profit or loss upon disposal	(4,936)	(6,805)
- Fair value changes	(12,864)	7,229
Other comprehensive (loss)/ income for the period, net of tax	(17,766)	593
Total comprehensive income for the period attributable to equity holder of the Bank	(755)	10,668

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

Condensed consolidated statements of changes in equity
For the three months ended 31 March 2021

Group and Bank	<----- 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 2021	426,600	5,945	12,774	284,745	730,064
Profit for the financial period	-	-	-	17,011	17,011
Other comprehensive loss for the financial period	-	-	(17,766)	-	(17,766)
Total comprehensive (loss)/ income for the financial period	-	-	(17,766)	17,011	(755)
Transactions with owner					
Transfer from regulatory reserve	-	(366)	-	366	-
At 31 March 2021	426,600	5,579	(4,992)	302,122	729,309
At 1 January 2020	396,600	7,603	3,139	223,238	630,580
Profit for the financial period	-	-	-	10,075	10,075
Other comprehensive income for the financial period	-	-	593	-	593
Total comprehensive income for the period	-	-	593	10,075	10,668
Transactions with owner					
Transfer to regulatory reserve	-	5,639	-	(5,639)	-
Allocation from Head Office	30,000	-	-	-	30,000
At 31 March 2020	426,600	13,242	3,732	227,674	671,248

The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Bank 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 financial investments at 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 Bank for the year ended 31 December 2020.

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

Condensed consolidated statements of cash flows
For the three months ended 31 March 2021

	Note	Group and Bank	
		31 March 2021 RM'000	31 March 2020 RM'000
Profit before taxation and zakat		22,976	14,573
Adjustments for non-cash items		673	(2,963)
Operating profit before changes in working capital		23,649	11,610
Changes in working capital:			
Net changes in operating assets		(206,755)	(814,603)
Net changes in operating liabilities		217,241	463,848
Net cash generated from/(used in) operating activities		34,135	(339,145)
Net cash generated from financing activities			
- Allocation of capital from Head Office		-	30,000
Net change in cash and cash equivalents		34,135	(309,145)
Cash and cash equivalents at beginning of the period		171,599	416,493
Cash and cash equivalents at end of the period	33(a)	205,734	107,348
Cash and cash equivalents comprise of:			
Cash and short-term funds		205,734	107,348

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(a) Cash and short-term funds

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Cash and balances with banks and other financial institutions	1,734	1,599
Money at call and deposit placements maturing within one month	204,000	170,000
	205,734	171,599

(b) Financial investments at FVOCI

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Money market instruments:		
Government Investment Issues	1,272,405	1,320,469
Malaysian Treasury Bills	428,563	230,386
Cagamas Berhad Bonds	-	20,000
	1,700,968	1,570,855
Corporate Sukuk	591,265	556,338
	2,292,233	2,127,193

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

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

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

Group and Bank	Stage 1 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2021	303	8,112	8,415
Impairment made during the financial period [Note 33(l)]	34	-	34
At 31 March 2021	<u>337</u>	<u>8,112</u>	<u>8,449</u>
At 1 January 2020	79	8,112	8,191
Impairment made during the financial year	224	-	224
At 31 December 2020	<u>303</u>	<u>8,112</u>	<u>8,415</u>

There was no Stage 2 exposure as at 31 March 2021 and 31 December 2020.

(c) Financial investments at amortised costs

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Money market instruments:		
Government Investment Issues	512,917	563,195
Corporate Sukuk	1,316,363	1,376,394
	<u>1,829,280</u>	<u>1,939,589</u>
Less: ECL allowance	(2,198)	(2,225)
	<u>1,827,082</u>	<u>1,937,364</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(c) Financial investments at amortised costs (cont'd.)

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

Group and Bank	Stage 1 Collective RM'000	Stage 2 Collective RM'000	Total RM'000
At 1 January 2021	341	1,884	2,225
Impairment made during the financial period	(27)	-	(27)
At 31 March 2021	314	1,884	2,198
At 1 January 2020	187	671	858
Impairment made during the financial year	154	1,213	1,367
At 31 December 2020	341	1,884	2,225

There was no Stage 3 exposure as at 31 March 2021 and 31 December 2020.

(d) Financing and advances

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Term financing		
- Syndicated term financing	234,357	203,088
- Other term financing	632,233	535,242
	866,590	738,330
Staff financing	7	9
Gross financing and advances	866,597	738,339
Less: ECL allowance	(15,007)	(13,520)
Net financing and advances	851,590	724,819

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

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

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

(a) Gross financing and advances

(i) By type of customer

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Domestic business enterprises	866,590	738,330
Individuals	7	9
Gross financing and advances	<u>866,597</u>	<u>738,339</u>

(ii) By profit rate sensitivity

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Fixed rate		
Staff financing	7	9
Variable rate		
Cost-plus	866,590	738,330
Gross financing and advances	<u>866,597</u>	<u>738,339</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

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

(a) Gross financing and advances (cont'd.)

(iii) By economic sector

	Group and Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Finance, insurance and business services	425,445	293,416
Electricity, gas and water supply	243,051	231,759
Construction	81,046	78,817
Transport, storage and communications	38,845	57,072
Mining and quarrying	55,075	55,083
Manufacturing	23,127	22,183
Household	7	9
Gross financing and advances	<u>866,596</u>	<u>738,339</u>

(iv) By maturity profile

	Group and Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Within one year	599,536	503,788
One year to five years	139,539	121,927
After five years	127,522	112,624
Gross financing and advances	<u>866,597</u>	<u>738,339</u>

(v) By classification of Shariah contracts

	Group and Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Term financing		
Commodity Murabahah	866,590	738,330
Staff financing	7	9
Gross financing and advances	<u>866,597</u>	<u>738,339</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

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

(b) Movement in impairment allowances by class of financial assets

(i) ECL allowances

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

Group and Bank	Stage 1 Collective RM'000	Total RM'000
At 1 January 2021	13,520	13,520
Transfer	313	313
Impairment made during the financial period	1,174	1,174
At 31 March 2021	15,007	15,007
At 1 January 2020	1,427	1,427
Transfer	1,112	1,112
Impairment made during the financial year	10,981	10,981
At 31 December 2020	13,520	13,520

There was no Stage 2 exposure as at 31 March 2021 and 31 December 2020.

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(e) Other assets

		Group and Bank	
		31 March	31 December
		2021	2020
Note		RM'000	RM'000
Other debtors, deposits and prepayments		5,747	5,152
Less: ECL allowance	(i)	<u>(1,639)</u>	<u>(1,587)</u>
		4,108	3,565
Profit receivables		35,678	34,575
Amounts due from brokers and clients	(ii)	<u>263</u>	<u>636</u>
		<u>40,049</u>	<u>38,776</u>

(i) Other debtors, deposits and prepayments

Movement in ECL allowance

Group and Bank

**Total
RM'000**

At 1 January 2021	1,587
Impairment made during the financial period (Note 33(m))	<u>52</u>
At 31 March 2021	<u>1,639</u>
At 1 January 2020	1,168
Impairment made during the financial year	705
Written off	<u>(286)</u>
At 31 December 2020	<u>1,587</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(e) Other assets (cont'd.)

(ii) Amounts due from brokers and clients

	Group and Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Brokers	34	635
Clients	229	1
	<u>263</u>	<u>636</u>

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

(f) Deposits from customers

	Group and Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
(i) By type of deposit		
Commodity Murabahah fund		
Term deposits	<u>3,357,998</u>	<u>3,381,029</u>
(ii) By type of customer		
Commodity Murabahah fund		
Business enterprises	988,215	997,632
Government and statutory bodies	<u>2,369,782</u>	<u>2,383,397</u>
	<u>3,357,997</u>	<u>3,381,029</u>
(iii) The maturity structure of term deposits is as follows:		
Due within six months	3,025,397	2,927,930
Six months to one year	<u>332,601</u>	<u>453,099</u>
	<u>3,357,998</u>	<u>3,381,029</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

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

	Group and Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
(i) By types of deposit		
Commodity Murabahah fund		
Term deposits	1,016,761	774,671
(ii) By type of customer		
Commodity Murabahah fund		
Other financial institutions	1,016,761	774,671

(h) Other liabilities

	Note	Group and Bank	
		31 March	31 December
		2021	2020
		RM'000	RM'000
Profit payable to depositors		17,789	20,414
Amount due to brokers and clients		262	633
Sundry creditors and accruals		5,403	6,163
Employee benefits		13	-
Amount due to immediate holding company		206	-
Amount due to Head Office		80,283	61,165
ECL allowances on financing and advances commitments and financial investments	(a)	2,316	2,379
		106,272	90,754

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(h) Other liabilities (cont'd.)

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

Group and Bank	Financing and advances commitments RM'000	Financial investments RM'000	Total RM'000
Stage 1 Collective			
At 1 January 2021	2,372	7	2,379
Transfer	(313)	-	(313)
Made during the financial period	249	1	250
At 31 March 2021	2,308	8	2,316
At 1 January 2020	1,149	3	1,152
Transfer	(1,112)	-	(1,112)
Made during the financial year	2,335	4	2,339
At 31 December 2020	2,372	7	2,379

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(i) Income derived from investment of depositors' funds

	Group and Bank Individual / Cumulative Quarter 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000
Finance income and hibah:		
Financing and advances	7,880	3,640
Money at call and deposit placements with financial institutions	800	1,390
Financial assets at FVTPL	-	60
Financial investments at FVOCI		
- Profit on non-impaired instruments	16,390	11,930
Financial investments at amortised costs		
- Profit on non-impaired instruments	17,520	20,720
	42,590	37,740
Accretion of discount less amortisation of premium	(3,710)	1,060
Total finance income and hibah	38,880	38,800
Other operating income:		
Net loss on sale of financial assets at FVTPL	-	(300)
Net gain on sale of financial investments at FVOCI	4,440	6,120
	4,440	5,820
	43,320	44,620

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(j) Income derived from investment of Islamic Banking funds

	Group and Bank Individual / Cumulative Quarter 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000
Finance income and hibah:		
Financing and advances	872	405
Money at call and deposit placements with financial institutions	87	153
Financial assets at FVTPL	-	11
Financial investments at FVOCI		
- Profit on non-impaired instruments	1,821	1,329
Financial investments at amortised costs		
- Profit on non-impaired instruments	1,951	2,303
	<u>4,731</u>	<u>4,201</u>
Accretion of discount less amortisation of premium	(415)	114
Total finance income and hibah	<u>4,316</u>	<u>4,315</u>
Other operating income:		
Net loss on sale of financial assets at FVTPL	-	(28)
Net gain on sale of financial investments at FVOCI	496	685
	<u>496</u>	<u>657</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(j) Income derived from investment of Islamic Banking funds (cont'd.)

	Group and Bank Individual / Cumulative Quarter 3 Months Ended		
	31 March 2021 RM'000	31 March 2020 RM'000	
	Fees and others:		
	Fee income		
- Fees on financing and advances	149	172	
- Corporate advisory fees	1,095	1,350	
- Management fees	210	-	
- Brokerage commission	49	26	
- Participation fees	88	921	
- Placement fee	-	260	
- Other fee income	2	-	
	1,593	2,729	
Other income	1	1	
	1,594	2,730	
	6,406	7,702	

(k) Impairment loss made on financing and advances

	Group and Bank Individual / Cumulative Quarter 3 Months Ended		
	31 March 2021 RM'000	31 March 2020 RM'000	
	ECL allowance		
	- Made in the financial period	(1,423)	(3,723)
	(1,423)	(3,723)	

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(l) Impairment loss made on financial investments

	Group and Bank Individual / Cumulative Quarter 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000
Financial investments at FVOCI [Note 33(b)]	(34)	(169)
Financial investments at amortised cost	26	(732)
	<u>(8)</u>	<u>(901)</u>

(m) Impairment loss (made)/written back on other assets

	Group and Bank Individual / Cumulative Quarter 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000
Other assets		
- (Made)/written back during the financial period [Note 33(e)(i)]	(53)	27
	<u>(53)</u>	<u>27</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(n) Income attributable to depositors

	Group and Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2021	2020
	RM'000	RM'000
Commodity Murabahah fund		
Deposits from customers	19,101	24,560
Deposits and placements of banks and other financial institutions	4,058	6,808
	<u>23,159</u>	<u>31,368</u>

(o) Operating expenses

	Group and Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2021	2020
	RM'000	RM'000
(i) Staff costs:		
Wages, salaries and bonuses	494	849
Social security costs	3	3
Defined contribution plan	98	158
Other staff related expenses	27	14
	<u>622</u>	<u>1,024</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(o) Operating expenses (cont'd.)

	Group and Bank	
	Individual / Cumulative	
	3 Months Ended	
	31 March	31 March
	2021	2020
	RM'000	RM'000
(ii) Establishment costs:		
Amortisation	-	91
Rental	38	36
IT expenses	167	83
Others	12	8
	217	218
(iii) Promotion and marketing related expenses		
Business promotion and advertisement	-	2
Entertainment	-	6
	-	8
(iv) Administrative and general expenses:		
Audit fees	6	6
Non-Executive Directors' remuneration	18	23
Management fees	1,119	374
Professional fees	21	17
Brokerage fees	66	84
Others	38	30
	1,268	534
	2,107	1,784

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(p) Net income from Islamic banking

For consolidation with conventional business, net income from operations of Islamic Banking comprises the followings:

	Group and Bank Individual / Cumulative 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000
Income derived from investment of depositors' funds	43,320	44,620
Income derived from investment of Islamic banking funds	6,406	7,702
Less: Income attributable to depositors	(23,159)	(31,368)
	<u>26,567</u>	<u>20,954</u>

(q) Capital adequacy

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

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
<u>Tier 1 Capital</u>		
Common Equity Tier 1 ("CET1") Capital		
Islamic banking fund	426,600	426,600
Regulatory reserve	5,579	5,945
FVOCI reserve	(4,992)	12,774
Retained profits	285,111	284,745
	<u>712,298</u>	<u>730,064</u>
Less: Regulatory adjustments	(6,780)	(14,172)
Total CET 1 Capital, representing Total Tier 1 Capital	<u>705,518</u>	<u>715,892</u>
<u>Tier 2 Capital</u>		
Loss provision and regulatory reserve	17,841	16,239
Total Tier 2 capital	<u>17,841</u>	<u>16,239</u>
Total Capital	<u>723,359</u>	<u>732,131</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(q) Capital adequacy (cont'd.)

(i) The capital adequacy ratio of the Group and of the Bank are as follows: (cont'd.)

CET1 Capital Ratio	46.001%	51.241%
Tier 1 Capital Ratio	46.001%	51.241%
Total Capital Ratio	47.164%	52.404%

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

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Total risk-weighted assets for credit risk	1,427,291	1,299,140
Total risk-weighted assets equivalent for market risk	-	-
Total risk-weighted assets equivalent for operational risk	106,407	97,961
	<u>1,533,698</u>	<u>1,397,101</u>

Unaudited Interim Financial Statements

I, Datuk Joseph Dominic Silva being the Chief Executive Officer primarily responsible for the financial management of MIDF Amanah Investment Bank Berhad, do hereby state that, the unaudited interim financial statements for the three months ended 31 March 2021, as set out on pages 1 to 64 have been prepared from the Group and the Bank'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 Bank as at 31 March 2021. The financial performance and cash flows of the Group and the Bank for the period ended on that date are prepared in accordance with the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

A handwritten signature in black ink, appearing to read "Datuk Joseph Dominic Silva", with a long horizontal stroke extending to the right.

DATUK JOSEPH DOMINIC SILVA
CHIEF EXECUTIVE OFFICER

Date: 26 April 2021