

Unaudited Interim Financial Statements

Condensed consolidated statements of financial position
As at 30 June 2021

	Note	Group		Bank	
		30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Assets					
Cash and short-term funds	11	786,092	321,736	786,041	308,360
Financial assets at fair value through profit or loss ("FVTPL")	12	1,096	-	1,096	-
Financial investments at fair value through other comprehensive income ("FVOCI")	13	2,212,108	2,324,776	2,212,108	2,324,776
Financial investments at amortised cost	14	2,318,277	2,299,532	2,318,277	2,299,532
Loans, advances and financing	15	1,463,126	1,369,240	1,463,126	1,369,240
Derivative assets	19	4,367	-	4,367	-
Other assets	16	88,200	72,022	88,194	85,346
Statutory deposits with Bank Negara Malaysia		103,581	104,495	103,581	104,495
Investment in subsidiaries		-	-	*	*
Property, plant and equipment		670	446	670	446
Intangible assets		1,647	1,729	1,647	1,729
Right-of-use asset		3,267	4,355	3,267	4,355
Deferred tax assets		10,150	5,281	10,150	5,281
Total assets		6,992,581	6,503,612	6,992,524	6,503,560
Liabilities					
Deposits from customers	17	4,760,932	4,489,737	4,760,932	4,489,737
Deposits and placements of bank and other financial institutions	18	1,250,041	1,049,399	1,250,041	1,049,399
Derivative liabilities	19	-	86	-	86
Other liabilities	20	95,818	82,388	95,818	82,385
Lease liabilities		3,297	4,355	3,297	4,355
Provision for taxation and zakat		3,771	1,586	3,771	1,584
Total liabilities		6,113,859	5,627,551	6,113,859	5,627,546
Equity					
Share capital		369,111	369,111	369,111	369,111
Reserves		509,611	506,950	509,554	506,903
Total equity		878,722	876,061	878,665	876,014
Total liabilities and equity		6,992,581	6,503,612	6,992,524	6,503,560
Commitments and contingencies					
	29	1,047,125	1,057,125	1,047,125	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 six months ended 30 June 2021

Group	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Operating revenue		69,836	70,144	150,308	139,678
Interest income	21	16,472	13,018	33,834	26,640
Interest expense	22	(6,856)	(7,859)	(14,772)	(16,740)
Net interest income		9,616	5,159	19,062	9,900
Net income from Islamic Banking operation	34(p)	28,851	22,237	55,418	43,191
Non-interest income	23	3,806	5,635	17,206	9,237
		42,273	33,031	91,686	62,328
Operating expenses	24	(17,500)	(14,720)	(37,872)	(32,600)
Operating profit before allowances		24,773	18,311	53,814	29,728
Impairment loss (made)/ written back on:					
- loans, advances and financing	25	(1,751)	(7,630)	(3,188)	(11,430)
- financial investments	26	44	299	323	(776)
- other assets	27	(352)	101	(384)	95
Profit before taxation and zakat		22,714	11,081	50,565	17,617
Taxation		(5,546)	(2,906)	(12,373)	(4,702)
Zakat		(510)	(203)	(961)	(471)
Profit for the period attributable to equity holder of the Bank		16,658	7,972	37,231	12,444
Earnings per ordinary share (sen)					
- Basic and diluted	28	10.75	5.14	24.02	8.03

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 six months ended 30 June 2021**

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Profit for the period attributable to equity holder of the Bank	16,658	7,972	37,231	12,444
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Changes in allowance for expected credit loss ("ECL")	(11)	(53)	23	116
Net (loss)/gain on financial investments at FVOCI:				
- Transfer of gain to profit or loss upon disposal	(226)	(7,413)	(7,101)	(14,244)
- Fair value changes	4,944	16,282	(7,492)	24,400
Other comprehensive (loss)/income for the period, net of tax	4,707	8,816	(14,570)	10,272
Total comprehensive income for the period attributable to equity holder of Bank	21,365	16,788	22,661	22,716

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 six months ended 30 June 2021

Bank	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Operating revenue		69,845	70,097	150,285	139,620
Interest income	21	16,472	13,018	33,834	26,640
Interest expense	22	(6,856)	(7,859)	(14,772)	(16,740)
Net interest income		9,616	5,159	19,062	9,900
Net income from Islamic Banking operation	34(p)	28,851	22,237	55,418	43,191
Non-interest income	23	3,786	5,594	17,183	9,179
		42,253	32,990	91,663	62,270
Operating expenses	24	(17,495)	(14,715)	(37,862)	(32,590)
Operating profit before allowances		24,758	18,275	53,801	29,680
Impairment loss (made)/ written back on:					
- loans, advances and financing	25	(1,751)	(7,630)	(3,188)	(11,430)
- financial investments	26	44	299	323	(776)
- other assets	27	(352)	101	(384)	95
Profit before taxation and zakat		22,699	11,045	50,552	17,569
Taxation		(5,543)	(2,898)	(12,370)	(4,690)
Zakat		(510)	(203)	(961)	(471)
Profit for the period attributable to equity holder of the Bank		16,646	7,944	37,221	12,408

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 six months ended 30 June 2021**

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
Bank	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to equity holder of the Bank	16,646	7,944	37,221	12,408
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Changes in allowance for expected credit loss ("ECL")	(11)	(53)	23	116
Net (loss)/gain on financial investments at FVOCI:				
- Transfer of gain to profit or loss upon disposal	(226)	(7,413)	(7,101)	(14,244)
- Fair value changes	4,944	16,282	(7,492)	24,400
Other comprehensive (loss)/income for the period, net of tax	4,707	8,816	(14,570)	10,272
Total comprehensive income for the period attributable to equity holder of Bank	21,353	16,760	22,651	22,680

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 six months ended 30 June 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	-	-	-	37,231	37,231
Other comprehensive loss for the period	-	-	(14,570)	-	(14,570)
Total comprehensive (loss)/ income for the period	-	-	(14,570)	37,231	22,661
Transactions with owner					
Transfer from regulatory reserve	-	(1,992)	-	1,992	-
Dividends (Note 7)	-	-	-	(20,000)	(20,000)
At 30 June 2021	369,111	14,332	432	494,847	878,722
At 1 January 2020	369,111	17,430	3,687	429,362	819,590
Profit for the financial period	-	-	-	688	688
Other comprehensive income for the period	-	-	10,272	-	10,272
Total comprehensive income for the period	-	-	10,272	688	10,960
Transactions with owner					
Transfer to regulatory reserve	-	(470)	-	470	-
At 30 June 2020	369,111	16,960	13,959	430,520	830,550

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 six months ended 30 June 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	-	-	-	37,221	37,221
Other comprehensive loss for the period	-	-	(14,570)	-	(14,570)
Total comprehensive (loss)/ income for the period	-	-	(14,570)	37,221	22,651
Transactions with owner					
Transfer from regulatory reserve	-	(1,992)	-	1,992	-
Dividends (Note 7)	-	-	-	(20,000)	(20,000)
At 30 June 2021	<u>369,111</u>	<u>14,332</u>	<u>432</u>	<u>494,790</u>	<u>878,665</u>
At 1 January 2020	369,111	17,430	3,687	429,321	819,549
Profit for the financial period	-	-	-	12,408	12,408
Other comprehensive income for the period	-	-	10,272	-	10,272
Total comprehensive income for the period	-	-	10,272	12,408	22,680
Transactions with owner					
Transfer to regulatory reserve	-	(470)	-	470	-
At 30 June 2020	<u>369,111</u>	<u>16,960</u>	<u>13,959</u>	<u>442,199</u>	<u>842,229</u>

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 six months ended 30 June 2021

	Note	Group		Bank	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Profit before taxation and zakat		50,565	17,617	50,552	17,569
Adjustments for non-cash items		(1,939)	1,409	(1,939)	1,409
Operating profit before changes in working capital		48,626	19,026	48,613	18,978
Changes in working capital:					
Net changes in operating assets		(50,089)	(871,870)	(36,756)	(871,807)
Net changes in operating liabilities		486,478	1,119,587	486,483	1,119,578
Net cash generated from operating activities		485,015	266,743	498,340	266,749
Net cash used in investing activities		(659)	(616)	(659)	(616)
Net cash used in financing activities activities - Dividends paid		(20,000)	-	(20,000)	-
Net change in cash and cash equivalents		464,356	266,127	477,681	266,133
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	786,092	839,664	786,041	837,397
Cash and cash equivalents comprise of:					
Cash and short-term funds		786,092	839,664	786,041	837,397

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.

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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
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 108: <i>Definiton of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from Single Transaction</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.

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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 30 June 2021.

5. Significant estimates and changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 June 2021.

6. Debt and equity instruments

There were no changes to the debt and equity instruments for the quarter ended 30 June 2021.

7. Dividend paid/payable

A single tier interim dividend in respect of the financial year ended 31 December 2020 of 12.903 sen per share on 155,000,000 ordinary shares, amounting to a net dividend of RM20.0 million was been approved by the Board of Directors on 24 February 2021. On 21 June 2021, Bank Negara Malaysia ("BNM") approved this dividend. The dividend has been paid on 29 June 2021.

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 RM22.7 million for the second quarter ended 30 June 2021, as compared to the pre-tax profit of RM11.1 million recorded in the corresponding quarter ended 30 June 2020. The higher profit for the current period is mainly due to higher net operating income by RM9.2 million and lower impairment made by RM5.2 million offset with higher operating expenses by RM2.8 million.

The pre-tax profit for the six months ended 30 June 2021 amounted to RM50.6 million, an increase of RM32.9 million as compared to pre-tax profit of RM17.6 million recorded in the previous corresponding quarter ended 30 June 2020. The higher profit for the period is mainly due to higher finance income for the Islamic banking operations. The higher profit for the current period is mainly due to higher net operating income by RM29.3 million and lower impairment made by RM8.9 million offset with higher operating expenses by RM5.3 million.

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10. Review for 2021

Malaysia's gross domestic product ("GDP") registered a year-on-year ("yoy") GDP of -0.5% in first quarter of 2021 compared to -3.4% yoy recorded in the preceding quarter. The imposition of movement control order (MCO) 2.0 for several weeks during the quarter seemed to have smaller economic impact and did not significantly affected the recovery trajectory.

As of 30 June 2021, the FBM KLCI saw a 5.8% decline in its year-to-date performance. This was largely due to profit taking activity in certain sectors especially in first quarter of 2021 and political uncertainties that caused the sentiment to remain cautious. Meanwhile, the average daily traded value and volume remained strong in second quarter of 2021 as it came in at RM1.59 billion and 6.47 billion shares as compared to RM1.60 billion and 8.45 billion shares registered in first quarter of 2021 respectively.

Concerns over inflationary pressures also eased following tighter lockdown measures imposed by the Government under the First Phase of National Recovery Plan. This had resulted in volatile trading condition in the local bond market. The 10-year benchmark MGS which closed at 3.26% as at end of first quarter of 2021 was seen trading as low as 3.03% in early May and closed the second quarter of 2021 higher at 3.30%. Despite the volatility and uncertain market direction, the local bond market recorded its 12th straight month of positive foreign inflows in May 2021, albeit at slower momentum.

Bank Negara Malaysia ("BNM") continued to keep the Overnight Policy Rate ("OPR") unchanged at 1.75% and maintained surplus liquidity in the banking system throughout second quarter of 2021. This stance reflected BNM's accommodative monetary policy approach in order to provide the enabling environment to support and sustain the pace of economic recovery in Malaysia.

Moving into the second half of 2021, while low interest rate environment is expected to prevail, creeping inflation pressures and tighter lockdown measures could worsen the fiscal outlook. Given these factors and uncertainties surrounding the Covid-19 pandemic, the local bond market is expected to remain volatile and investors remaining cautious to mitigate against any potential downside risk.

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.

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11. Cash and short-term funds

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Cash and balances with banks and other financial institutions	30,592	31,936	30,541	18,560
Money at call and deposits placements maturing within one month	755,500	289,800	755,500	289,800
	<u>786,092</u>	<u>321,736</u>	<u>786,041</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 RM35,741,000 and RM35,264,000 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 assets at FVTPL

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Quoted instruments in Malaysia: Shares	1,096	-
	<u>1,096</u>	<u>-</u>

Unaudited Interim Financial Statements

13. Financial investments at FVOCI

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
At fair value		
Money market instruments:		
Government Investment Issues	1,314,641	1,363,641
Malaysian Treasury Bills	257,716	230,386
Cagamas Berhad Bonds	-	70,000
	<u>1,572,357</u>	<u>1,664,027</u>
Unquoted instruments in Malaysia:		
Corporate Bonds/Sukuk	634,468	655,466
Loan Stocks	3,783	3,783
Shares	1,500	1,500
	<u>639,751</u>	<u>660,749</u>
	<u>2,212,108</u>	<u>2,324,776</u>

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 26]	23	-	23
At 30 June 2021	<u>326</u>	<u>74,427</u>	<u>74,753</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 30 June 2021 and 31 December 2020.

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14. Financial investments at amortised cost

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Money market instruments:		
Government Investment Issues	512,668	563,195
	<u>512,668</u>	<u>563,195</u>
Unquoted instruments in Malaysia:		
Corporate Bonds/Sukuk	1,805,741	1,736,757
Loan stocks	9,854	9,789
	<u>1,815,595</u>	<u>1,746,546</u>
Less: ECL allowance	(9,986)	(10,209)
	<u>2,318,277</u>	<u>2,299,532</u>

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	-	-	138	138
Written back	(361)	-	-	(361)
At 30 June 2021	<u>428</u>	<u>2,426</u>	<u>7,132</u>	<u>9,986</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>

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15. Loans, advances and financing

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Term loans/financing		
Syndicated term loans	61,129	61,129
Other term loans	46,089	91,965
Islamic financing	824,344	738,330
	<u>931,562</u>	<u>891,424</u>
Margin accounts	602,863	546,408
Staff loans	259	333
Gross loans, advances and financing	<u>1,534,684</u>	<u>1,438,165</u>
Less: ECL allowance	(71,558)	(68,925)
Net loans, advances and financing	<u>1,463,126</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.

(a) Gross loans, advances and financing

(i) By type of customer

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Domestic business enterprises		
- Small medium enterprises	1,147,172	1,061,985
Individuals	387,512	376,180
Gross loans, advances and financing	<u>1,534,684</u>	<u>1,438,165</u>

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

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

(ii) By interest rate sensitivity

	Group and Bank	
	30 June	31 December
	2021	2020
	RM'000	RM'000
Fixed rate		
Staff loans	259	333
Margin accounts	602,863	546,408
Variable rate		
Cost-plus	107,218	153,094
Cost-plus (Islamic financing)	824,344	738,330
Gross loans, advances and financing	<u>1,534,684</u>	<u>1,438,165</u>

(iii) By economic sector

	Group and Bank	
	30 June	31 December
	2021	2020
	RM'000	RM'000
Finance, insurance and business services	712,810	446,073
Household	387,512	376,180
Electricity, gas and water supply	173,571	323,724
Construction	83,203	78,817
Manufacturing	74,086	72,584
Transport, storage and communications	33,825	57,072
Mining and quarrying	55,067	55,083
Wholesale & retail trade and restaurants & hotels	10,758	24,159
Others	3,852	4,473
Gross loans, advances and financing	<u>1,534,684</u>	<u>1,438,165</u>

(iv) By maturity profile

	Group and Bank	
	30 June	31 December
	2021	2020
	RM'000	RM'000
Within one year	1,236,957	1,203,386
One year to five years	164,635	122,135
After five years	133,092	112,644
Gross loans, advances and financing	<u>1,534,684</u>	<u>1,438,165</u>

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

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

(i) Movements in ILs are as follows:

	Group and Bank	
	30 June	31 December
	2021	2020
	RM'000	RM'000
At 1 January	61,147	61,189
Classified as impaired during the period/year	-	473
Recovered	-	(515)
	<u>61,147</u>	<u>61,147</u>
Less: ECL allowance	(54,462)	(54,462)
Net ILs	<u>6,685</u>	<u>6,685</u>
Ratio of net ILs to gross loans, advances and financing less ECL allowance	<u>0.45%</u>	<u>0.48%</u>

(ii) ILs by economic sector:

	Group and Bank	
	30 June	31 December
	2021	2020
	RM'000	RM'000
Manufacturing	50,400	50,400
Wholesale & retail trade and restaurants & hotels	10,728	10,728
Household	19	19
	<u>61,147</u>	<u>61,147</u>

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15. 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	568	-	568
Impairment made during the financial period	2,065	-	2,065
At 30 June 2021	<u>17,096</u>	<u>54,462</u>	<u>71,558</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 30 June 2021 and 31 December 2020.

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16. Other assets

	Note	Group		Bank	
		30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Interest/profit receivables		37,599	38,047	37,599	38,047
Amounts due from brokers and clients	(a)	35,718	16,844	35,718	16,844
Deposits, prepayments and other receivables		19,258	17,712	19,258	17,712
Less: ECL allowance	(b)	(4,381)	(4,135)	(4,381)	(4,135)
		<u>14,877</u>	<u>13,577</u>	<u>14,877</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)	-	419	-	419
Amount due from subsidiaries	(c)	-	-	-	13,324
Tax recoverable		6	3,135	-	3,135
		<u>88,200</u>	<u>72,022</u>	<u>88,194</u>	<u>85,346</u>

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16. Other assets (cont'd.)

(a) Amounts due from brokers and clients

	Group and Bank	
	30 June 2021	31 December 2020
	RM'000	RM'000
Brokers	19,074	4,925
Clients	16,644	11,919
	35,718	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 [Note 27]	383
Written off	(137)
At 30 June 2021	4,381
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.

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17. Deposits from customers

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
(a) By types of deposit		
Call deposits	26,842	27,548
Fixed deposits	4,734,090	4,462,189
	<u>4,760,932</u>	<u>4,489,737</u>
(b) By types of customer		
Business enterprises	2,141,491	1,799,303
Government and statutory bodies	2,616,741	2,687,690
Individual	2,700	2,744
	<u>4,760,932</u>	<u>4,489,737</u>
(c) The maturity structure of term deposits is as follows:		
Due within six months	4,333,171	4,023,063
Six months to one year	427,761	466,674
	<u>4,760,932</u>	<u>4,489,737</u>

18. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
(a) Call deposits		
- Other financial institutions	12,072	9,532
(b) Fixed deposits		
- Other financial institutions	1,237,969	1,039,867
	<u>1,250,041</u>	<u>1,049,399</u>

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19. Derivative liabilities

Group and Bank	Contract or underlying principal amount RM'000	Derivative assets RM'000	Derivative liabilities RM'000
30 June 2021			
Interest rate related derivatives:			
- Interest rate swaps	400,000	4,367	-
31 December 2020			
Interest rate related derivatives:			
- Interest rate swaps	400,000	-	(86)

20. Other liabilities

	Note	Group		Bank	
		30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Amounts due to brokers and clients	(a)	36,706	22,353	36,706	22,353
Interest/profit payables		20,704	27,598	20,704	27,598
Accrued liabilities and other payables		31,450	25,552	31,450	25,552
Employee benefits		2,279	2,348	2,279	2,348
Amount due to immediate holding company	(b)	1,631	1,914	1,631	1,914
Amount due to related company	(b)	-	29	-	26
ECL allowances on loans, advances and financing commitments and financial investments	(c)	3,048	2,594	3,048	2,594
		<u>95,818</u>	<u>82,388</u>	<u>95,818</u>	<u>82,385</u>

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20. Other liabilities (cont'd.)

(a) Amount due to brokers and clients

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Brokers	76	8,179
Clients	36,630	14,174
	36,706	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	(568)	-	(568)
Made during the financial period	1,123	-	1,123
Written back	-	(101)	(101)
At 30 June 2021	3,048	-	3,048
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

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21. Interest income

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income on non- impaired loans	14,603	6,673	26,269	13,995
Money at call and deposit placements with financial institutions	459	1,486	1,025	2,448
Financial assets at FVTPL	-	-	-	15
Financial investments at FVOCI				
- Interest income on non- impaired instruments	951	846	2,027	2,256
Financial investments at amortised cost				
- Interest income on non- impaired instruments	2,419	4,031	6,284	8,072
- Interest income on impaired instruments	1	70	33	116
Others	(8)	5	-	5
	<u>16,198</u>	<u>13,111</u>	<u>33,411</u>	<u>26,907</u>
Accretion of discount less amortisation of premium	274	(93)	423	(267)
	<u>16,472</u>	<u>13,018</u>	<u>33,834</u>	<u>26,640</u>

22. Interest expense

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	4,779	6,050	10,815	13,784
Deposits and placements of bank and other financial institutions	1,449	1,645	2,705	2,729
Derivative instruments	594	164	1,179	227
	<u>6,822</u>	<u>7,859</u>	<u>14,699</u>	<u>16,740</u>
Lease liabilities	34	-	73	-
	<u>6,856</u>	<u>7,859</u>	<u>14,772</u>	<u>16,740</u>

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23. Non-interest income

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Fee income:				
Fees on loans and advances	50	13	100	40
Corporate advisory fees	2,304	115	3,119	1,105
Underwriting fees	-	527	-	594
Management fees	74	-	74	-
Brokerage commission	1,527	2,250	4,161	4,609
Rollover charges	796	601	1,498	1,341
Facility fee	390	360	1,110	535
Redemption fee	95	191	515	191
Placement fees	-	-	-	84
Other fee income	172	16	177	23
	<u>5,408</u>	<u>4,073</u>	<u>10,754</u>	<u>8,522</u>
Investment income/(loss):				
Net gain on sale of financial assets at FVTPL	-	-	-	120
Net gain on sale of financial investments at FVOCI	40	1,521	1,979	1,547
Net unrealised loss on revaluation of financial assets at FVTPL	(114)	-	(114)	-
Net unrealised gain/(loss) on revaluation of derivative instruments	(1,572)	(65)	4,453	(1,140)
	<u>(1,646)</u>	<u>1,456</u>	<u>6,318</u>	<u>527</u>
Other income:				
Intercompany management fee	(29)	6	16	12
Others	73	100	118	176
	<u>44</u>	<u>106</u>	<u>134</u>	<u>188</u>
	<u>3,806</u>	<u>5,635</u>	<u>17,206</u>	<u>9,237</u>

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23. Non-interest income (contd.)

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
Bank	RM'000	RM'000	RM'000	RM'000
Fee income:				
Fees on loans and advances	50	13	100	40
Corporate advisory fees	2,304	115	3,119	1,105
Underwriting fees	-	527	-	594
Management fees	74	-	74	-
Brokerage commission	1,527	2,250	4,161	4,609
Rollover charges	796	601	1,498	1,341
Facility fee	390	360	1,110	535
Redemption fee	95	191	515	191
Placement fees	-	-	-	84
Other fee income	152	1	154	3
	<u>5,388</u>	<u>4,058</u>	<u>10,731</u>	<u>8,502</u>
Investment income/(loss):				
Net gain on sale of financial assets at FVTPL	-	-	-	120
Net gain on sale of financial investments at FVOCI	40	1,521	1,979	1,547
Net unrealised loss on revaluation of financial assets at FVTPL	(114)	-	(114)	-
Net unrealised gain/(loss) on revaluation of derivative instruments	(1,572)	(65)	4,453	(1,140)
	<u>(1,646)</u>	<u>1,456</u>	<u>6,318</u>	<u>527</u>
Other income:				
Intercompany management fee	(29)	6	16	12
Others	73	74	118	138
	<u>44</u>	<u>80</u>	<u>134</u>	<u>150</u>
	<u>3,786</u>	<u>5,594</u>	<u>17,183</u>	<u>9,179</u>

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24. Operating expenses

Group	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
(i) Staff costs:				
Wages, salaries and bonuses	9,872	7,567	19,595	17,365
Employees' benefits	51	52	102	103
Defined contribution plans	1,505	1,084	3,001	2,599
Social security costs	41	38	82	77
Other staff related expenses	432	362	1,735	852
	<u>11,901</u>	<u>9,103</u>	<u>24,515</u>	<u>20,996</u>
(ii) Establishment costs:				
Depreciation and amortisation	301	318	547	808
Depreciation of right-of-use assets	545	-	1,089	-
Rental				
- office equipment	6	4	13	9
- premises	5	548	25	1,103
General repairs and maintenance	10	10	18	22
Insurance	27	66	54	79
Electricity	4	8	10	16
IT expenses	1,021	1,389	2,864	2,637
	<u>1,919</u>	<u>2,343</u>	<u>4,620</u>	<u>4,674</u>
(iii) Promotion and marketing -related expenses:				
Business promotion and advertisement	70	195	1,457	464
Entertainment	47	21	109	109
	<u>117</u>	<u>216</u>	<u>1,566</u>	<u>573</u>

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24. Operating expenses (cont'd.)

Group	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
(iv) Administrative and general expenses:				
Auditors' remuneration				
- Audit	64	66	131	133
Non-Executive Directors' remuneration	190	212	380	453
Management fees	2,561	1,969	4,889	4,072
Securities commission's levy	87	128	232	271
Brokerage fee	120	378	270	562
Bursa fee	70	58	154	123
License fee and stamp duty	-	-	161	165
Corporate dealers' and remisier' commissions	108	27	340	52
Regulatory expenses	87	90	208	294
Professional fee	246	(8)	246	32
Others	30	138	160	200
	<u>3,563</u>	<u>3,058</u>	<u>7,171</u>	<u>6,357</u>
	<u>17,500</u>	<u>14,720</u>	<u>37,872</u>	<u>32,600</u>

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24. Operating expenses (cont'd.)

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
Bank	RM'000	RM'000	RM'000	RM'000
(i) Staff costs:				
Wages, salaries and bonuses	9,872	7,567	19,595	17,365
Employees' benefits	51	52	102	103
Defined contribution plans	1,505	1,084	3,001	2,599
Social security costs	41	38	82	77
Other staff related expenses	432	362	1,735	852
	<u>11,901</u>	<u>9,103</u>	<u>24,515</u>	<u>20,996</u>
(ii) Establishment costs:				
Depreciation and amortisation	301	318	547	808
Depreciation of right-of-use assets	545	-	1,089	-
Rental of:				
- office equipment	6	4	13	9
- premises	5	548	25	1,103
General repairs and maintenance	10	10	18	22
Insurance	27	66	54	79
Electricity	4	8	10	16
IT expenses	1,021	1,389	2,864	2,637
	<u>1,919</u>	<u>2,343</u>	<u>4,620</u>	<u>4,674</u>
(iii) Promotion and marketing -related expenses:				
Business promotion and advertisement	70	195	1,457	464
Entertainment	47	21	109	109
	<u>117</u>	<u>216</u>	<u>1,566</u>	<u>573</u>

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24. Operating expenses (cont'd.)

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Bank				
(iv) Administrative and general expenses:				
Auditors' remuneration				
- Audit	64	66	131	133
Non-Executive Directors' remuneration	190	212	380	453
Management fees	2,556	1,964	4,879	4,062
Securities commission's levy	87	128	232	271
Brokerage fee	120	378	270	562
Bursa fees	70	58	154	123
License fee and stamp duty	-	-	161	165
Corporate dealers' and remisiers' commissions	108	27	340	52
Regulatory expenses	87	90	208	294
Professional fee	206	(8)	246	32
Others	70	138	160	200
	<u>3,558</u>	<u>3,053</u>	<u>7,161</u>	<u>6,347</u>
	<u>17,495</u>	<u>14,715</u>	<u>37,862</u>	<u>32,590</u>

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25. Impairment loss made on loans, advances and financing

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Group and Bank				
ECL allowance				
- Net made during the financial period	(1,751)	(7,630)	(3,188)	(11,430)
	<u>(1,751)</u>	<u>(7,630)</u>	<u>(3,188)</u>	<u>(11,430)</u>

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Group and Bank				
Financial investments at FVOCI [Note 13]	11	1,662	(23)	1,493
Financial investments at amortised cost	11	(1,363)	324	(2,269)
Bad debts recovered	22	-	22	-
	<u>44</u>	<u>299</u>	<u>323</u>	<u>(776)</u>

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Group and Bank				
Other debtors				
- Net (made)/written back during the financial period [Note 16(b)(i)]	(352)	101	(383)	95
Bad debts written off	-	-	(1)	-
	<u>(352)</u>	<u>101</u>	<u>(384)</u>	<u>95</u>

28. Basic earnings per ordinary shares

	Cumulative Quarter 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000
Group		
Profit for the period	<u>37,231</u>	<u>12,444</u>
Weighted average number of ordinary shares	<u>155,000</u>	<u>155,000</u>
Basic and diluted earnings per ordinary share (sen)	<u>24.02</u>	<u>8.03</u>

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29. Commitments and contingencies

	<----- 30 June 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
Group and Bank						
Direct credit substitutes	26,000	26,000	26,000	1,000	1,000	1,000
Interest rate related contract with an original maturity of:						
- over one year to five years	400,000	16,715	3,343	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	253,169	50,634	50,634	384,155	76,831	76,831
- exceeding one year	367,956	183,978	183,978	271,970	135,985	135,985
Total	<u>1,047,125</u>	<u>277,327</u>	<u>263,955</u>	<u>1,057,125</u>	<u>227,060</u>	<u>216,465</u>

* 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.

30. Credit exposures arising from credit transactions with connected parties

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
(i) Outstanding credit exposures with connected parties	<u>226,655</u>	<u>244,801</u>
(ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>4.97%</u>	<u>5.23%</u>
(iii) Percentage of outstanding credit exposures to connected parties which is impaired or in default	<u>Nil</u>	<u>Nil</u>

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31. 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	
	30 June	30 June
	2021	2020
	RM'000	RM'000
Penultimate holding company		
Income:		
Interest income on financial investments	2,099	2,097
Brokerage fees earned	325	485
	<u> </u>	<u> </u>
Immediate holding company		
Income		
Fee income	-	1,200
	<u> </u>	<u> </u>
Expenditure:		
Rental of premises	10	1,102
Management fees	4,879	4,062
	<u> </u>	<u> </u>
Other related companies		
Income:		
Interest income on financial investments	-	1,134
Interest income on loans, advances and financing	1,807	1,985
Brokerage fees earned	893	1,084
Fee income	146	162
	<u> </u>	<u> </u>
Expenditure:		
Interest expense on deposits	5,071	4,583
	<u> </u>	<u> </u>

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31. 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	
	30 June	31 December
	2021	2020
	RM'000	RM'000
Penultimate holding company		
Amount due from:		
Financial investments	100,000	81,000
	<hr/>	<hr/>
Other related companies		
Amount due to:		
Deposits from customers	267,404	123,301
Deposits from placements of banks and other financial institutions	32,150	21,516
Other payables	617	341
Amount due from:		
Fee receivable	160	91
Sundry deposits	553	553
Loans, advances and financing	82,970	78,571
Financial investments	-	30,000
	<hr/>	<hr/>

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

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32. 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
30 June 2021				
Assets measured at fair value				
Financial assets at FVTPL				
- Quoted instruments	1,096	-	-	1,096
Financial investments at FVOCI				
- Money market instruments	-	1,572,357	-	1,572,357
- Unquoted instruments	-	634,468	3,783	638,251
Derivative assets	-	4,367	-	4,367
Assets for which fair values are disclosed:				
Financial investments at amortised cost				
- Money market instruments	-	491,289	-	491,289
- Unquoted instruments	-	1,772,880	9,854	1,782,734
Loans, advances and financing				
- staff loans	-	205	-	205

Unaudited Interim Financial Statements

32. 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
	<u>-</u>	<u>655,466</u>	<u>3,783</u>	<u>659,249</u>
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
	<u>-</u>	<u>271</u>	<u>-</u>	<u>271</u>
Liability measured at fair value				
Derivative liabilities	-	86	-	86
	<u>-</u>	<u>86</u>	<u>-</u>	<u>86</u>

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

Unaudited Interim Financial Statements

32. 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	
	30 June	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 30 June 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

33. Capital management

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Tier 1 Capital				
Common Equity Tier 1 ("CET1") Capital				
Ordinary shares	369,111	369,111	369,111	369,111
Regulatory reserve	14,332	16,324	14,332	16,324
FVOCI reserve	432	15,002	432	15,002
Retained profits	457,616	475,624	457,569	475,577
	<u>841,491</u>	<u>876,061</u>	<u>841,444</u>	<u>876,014</u>
Less: Regulatory adjustments	(26,366)	(31,585)	(26,366)	(31,585)
<i>Total CET1 Capital</i>	<u>815,125</u>	<u>844,476</u>	<u>815,078</u>	<u>844,429</u>
Total Tier 1 Capital	<u>815,125</u>	<u>844,476</u>	<u>815,078</u>	<u>844,429</u>
Tier 2 Capital				
Loss provision and regulatory reserve	29,357	27,330	29,357	27,463
Total Tier 2 capital	<u>29,357</u>	<u>27,330</u>	<u>29,357</u>	<u>27,463</u>
Total Capital	<u>844,482</u>	<u>871,806</u>	<u>844,435</u>	<u>871,892</u>
CET1 Capital Ratio	30.283%	33.855%	30.281%	33.709%
Tier 1 Capital Ratio	30.283%	33.855%	30.281%	33.709%
Total Capital Ratio	31.373%	34.950%	31.372%	34.805%

Unaudited Interim Financial Statements

33. Capital management (cont'd.)

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Total risk-weighted assets for credit risk	2,348,581	2,186,373	2,348,564	2,197,022
Total risk-weighted assets equivalent for market risk	127,620	126,987	127,620	126,987
Total risk-weighted assets equivalent for operational risk	215,528	181,066	215,528	181,066
	<u>2,691,729</u>	<u>2,494,426</u>	<u>2,691,712</u>	<u>2,505,075</u>

Unaudited Interim Financial Statements

34. The operations of Islamic Banking Scheme (SPI)

Condensed consolidated statements of financial position
As at 30 June 2021

	Note	Group and Bank	
		30 June 2021 RM'000	31 December 2020 RM'000
Assets			
Cash and short-term funds	(a)	647,456	171,599
Financial investments at FVOCI	(b)	2,052,245	2,127,193
Financial investments at amortised cost	(c)	1,985,820	1,937,364
Financing and advances	(d)	807,728	724,819
Other assets	(e)	40,209	38,776
Deferred tax assets		1,201	1,201
Total assets		5,534,659	5,000,952
Liabilities			
Deposits from customers	(f)	3,709,427	3,381,029
Deposits and placements of banks and other financial institutions	(g)	969,736	774,671
Other liabilities	(h)	119,947	90,754
Provision for taxation and zakat		2,545	24,434
Total liabilities		4,801,655	4,270,888
Islamic banking capital funds			
Islamic banking funds		426,600	426,600
Reserves		306,404	303,464
Total Islamic banking capital funds		733,004	730,064
Total liabilities and Islamic banking capital funds		5,534,659	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

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

Condensed consolidated statements of profit or loss
For the six months ended 30 June 2021

Group and Bank	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Income derived from investment of depositors' funds	(i)	39,230	45,060	82,550	89,680
Income derived from investment of Islamic Banking funds	(j)	10,328	6,431	16,734	14,133
Impairment loss made on financing and advances	(k)	(1,941)	(7,305)	(3,364)	(11,028)
Impairment loss written back/(made) on financial investments	(l)	63	(632)	55	(1,533)
Impairment loss (made)/written back on other assets	(m)	(169)	108	(222)	135
Total attributable income		47,511	43,662	95,753	91,387
Income attributable to depositors	(n)	(20,707)	(29,254)	(43,866)	(60,622)
Total net income		26,804	14,408	51,887	30,765
Operating expenses	(o)	(1,061)	(1,228)	(3,168)	(3,012)
Profit before taxation and zakat		25,743	13,180	48,719	27,753
Taxation		(6,176)	(5,271)	(11,690)	(9,501)
Zakat		(510)	(203)	(961)	(471)
Profit for the period		19,057	7,706	36,068	17,781

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

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

Condensed consolidated statements of comprehensive income
For the six months ended 30 June 2021

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
Group and Bank	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to equity holder of the Bank	19,057	7,706	36,068	17,781
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	(42)	(53)	(8)	116
Net (loss)/gain on financial investments at FVOCI				
- Transfer of gain to profit or loss upon disposal	(186)	(5,892)	(5,122)	(12,697)
- Fair value changes	4,866	14,973	(7,998)	22,202
Other comprehensive (loss)/income for the period, net of tax	4,638	9,028	(13,128)	9,621
Total comprehensive income for the period attributable to equity holder of the Bank	23,695	16,734	22,940	27,402

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

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

Condensed consolidated statements of changes in equity
For the six months ended 30 June 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	-	-	-	36,068	36,068
Other comprehensive loss for the financial period	-	-	(13,128)	-	(13,128)
Total comprehensive (loss)/ income for the financial period	-	-	(13,128)	36,068	22,940
Transactions with owner					
Transfer from regulatory reserve	-	(1,906)	-	1,906	-
Dividends (Note 7)	-	-	-	(20,000)	(20,000)
At 30 June 2021	<u>426,600</u>	<u>4,039</u>	<u>(354)</u>	<u>302,719</u>	<u>733,004</u>
At 1 January 2020	396,600	7,603	3,139	223,238	630,580
Profit for the financial period	-	-	-	17,781	17,781
Other comprehensive income for the financial period	-	-	9,621	-	9,621
Total comprehensive income for the period	-	-	9,621	17,781	27,402
Transactions with owner					
Transfer to regulatory reserve	-	856	-	(856)	-
Allocation from Head Office	30,000	-	-	-	30,000
At 30 June 2020	<u>426,600</u>	<u>8,459</u>	<u>12,760</u>	<u>240,163</u>	<u>687,982</u>

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

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

Condensed consolidated statements of cash flows
For the six months ended 30 June 2021

	Group and Bank	
	30 June	30 June
Profit before taxation and zakat	48,719	27,753
Adjustments for non-cash items	4,730	42
Operating profit before changes in working capital	53,449	27,795
Changes in working capital:		
Net changes in operating assets	(87,398)	(924,266)
Net changes in operating liabilities	529,806	1,016,502
Net cash generated from operating liabilities	495,857	120,031
Net cash generated from financing activities		
- Dividend paid	(20,000)	-
- Allocation of capital from Head Office	-	30,000
	(20,000)	30,000
Net change in cash and cash equivalents	475,857	150,031
Cash and cash equivalents at beginning of the period	171,599	416,493
Cash and cash equivalents at end of the period	647,456	566,524
	34(a)	
Cash and cash equivalents comprise of:		
Cash and short-term funds	647,456	566,524

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

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

(a) Cash and short-term funds

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Cash and balances with banks and other financial institutions	1,456	1,599
Money at call and deposit placements maturing within one month	646,000	170,000
	647,456	171,599

(b) Financial investments at FVOCI

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Money market instruments:		
Government Investment Issues	1,314,641	1,320,469
Malaysian Treasury Bills	198,099	230,386
Cagamas Berhad Bonds	-	20,000
	1,512,740	1,570,855
Corporate Sukuk	539,505	556,338
	2,052,245	2,127,193

Unaudited Interim Financial Statements

34. 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
Written back [Note 34(l)]	(8)	-	(8)
At 30 June 2021	295	8,112	8,407
At 1 January 2020	79	8,112	8,191
Impairment made during the financial year	224	-	224
At 31 December 2020	303	8,112	8,415

There was no Stage 2 exposure as at 30 June 2021 and 31 December 2020.

(c) Financial investments at amortised costs

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Money market instruments:		
Government Investment Issues	512,667	563,195
Corporate Sukuk	1,475,337	1,376,394
	1,988,004	1,939,589
Less: ECL allowance	(2,184)	(2,225)
	1,985,820	1,937,364

Unaudited Interim Financial Statements

34. 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
Written back	(41)	-	(41)
At 30 June 2021	300	1,884	2,184
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 30 June 2021 and 31 December 2020.

(d) Financing and advances

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Term financing		
- Syndicated term financing	264,905	203,088
- Other term financing	559,439	535,242
	824,344	738,330
Staff financing	7	9
Gross financing and advances	824,351	738,339
Less: ECL allowance	(16,623)	(13,520)
Net financing and advances	807,728	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

34. 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	
	30 June 2021 RM'000	31 December 2020 RM'000
Domestic business enterprises	824,344	738,330
Individuals	7	9
Gross financing and advances	<u>824,351</u>	<u>738,339</u>

(ii) By profit rate sensitivity

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Fixed rate		
Staff financing	7	9
Variable rate		
Cost-plus	824,344	738,330
Gross financing and advances	<u>824,351</u>	<u>738,339</u>

Unaudited Interim Financial Statements

34. 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	
	30 June 2021 RM'000	31 December 2020 RM'000
Finance, insurance and business services	501,450	293,416
Electricity, gas and water supply	127,113	231,759
Construction	83,203	78,817
Transport, storage and communications	33,825	57,072
Mining and quarrying	55,067	55,083
Manufacturing	23,686	22,183
Household	7	9
Gross financing and advances	<u>824,351</u>	<u>738,339</u>

(iv) By maturity profile

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Within one year	526,853	503,788
One year to five years	164,522	121,927
After five years	132,976	112,624
Gross financing and advances	<u>824,351</u>	<u>738,339</u>

Unaudited Interim Financial Statements

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

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

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

(v) By classification of Shariah contracts

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Term financing		
Commodity Murabahah	824,344	738,330
Staff financing	7	9
Gross financing and advances	<u>824,351</u>	<u>738,339</u>

(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	568	568
Impairment made during the financial period	<u>2,535</u>	<u>2,535</u>
At 30 June 2021	<u>16,623</u>	<u>16,623</u>
At 1 January 2020	1,427	1,427
Transfer	1,112	1,112
Impairment made during the financial year	<u>10,981</u>	<u>10,981</u>
At 31 December 2020	<u>13,520</u>	<u>13,520</u>

There was no Stage 2 exposure as at 30 June 2021 and 31 December 2020.

Unaudited Interim Financial Statements

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

(e) Other assets

	Note	Group and Bank	
		30 June 2021 RM'000	31 December 2020 RM'000
Other debtors, deposits and prepayments		7,381	5,152
Less: ECL allowance	(i)	(1,809)	(1,587)
		5,572	3,565
Profit receivables		34,560	34,575
Amounts due from brokers and clients	(ii)	77	636
		40,209	38,776

(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 34(m))	222
At 30 June 2021	1,809
At 1 January 2020	1,168
Impairment made during the financial year	705
Written off	(286)
At 31 December 2020	1,587

(ii) Amounts due from brokers and clients

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Brokers	34	635
Clients	229	1
	263	636

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.

Unaudited Interim Financial Statements

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

(f) Deposits from customers

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
(i) By type of deposit		
Commodity Murabahah fund		
Term deposits	3,709,427	3,381,029
(ii) By type of customer		
Commodity Murabahah fund		
Business enterprises	1,307,705	997,632
Government and statutory bodies	2,401,722	2,383,397
	<u>3,709,427</u>	<u>3,381,029</u>
(iii) The maturity structure of term deposits is as follows:		
Due within six months	3,518,773	2,927,930
Six months to one year	190,654	453,099
	<u>3,709,427</u>	<u>3,381,029</u>

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

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
(i) By types of deposit		
Commodity Murabahah fund		
Term deposits	969,736	774,671
(ii) By type of customer		
Commodity Murabahah fund		
Other financial institutions	969,736	774,671

Unaudited Interim Financial Statements

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

(h) Other liabilities

	Note	Group and Bank	
		30 June 2021 RM'000	31 December 2020 RM'000
Profit payable to depositors		17,286	20,414
Amount due to brokers and clients		114	633
Sundry creditors and accruals		6,075	6,163
Amount due to Head Office		93,838	61,165
ECL allowances on financing and advances commitments and financial investments	(a)	2,634	2,379
		<u>119,947</u>	<u>90,754</u>

(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	568	-	568
Written back	(307)	(6)	(313)
At 30 June 2021	<u>2,633</u>	<u>1</u>	<u>2,634</u>
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	<u>2,372</u>	<u>7</u>	<u>2,379</u>

Unaudited Interim Financial Statements

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

(i) Income derived from investment of depositors' funds

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Finance income and hibah:				
Financing and advances	8,710	5,830	16,590	9,470
Money at call and deposit placements with financial institutions	1,410	2,100	2,210	3,490
Financial assets at FVTPL	-	-	-	60
Financial investments at FVOCI				
- Profit on non-impaired instruments	15,710	12,540	32,100	24,470
Financial investments at amortised costs				
- Profit on non-impaired instruments	15,210	20,220	32,730	40,940
	<u>41,040</u>	<u>40,690</u>	<u>83,630</u>	<u>78,430</u>
Accretion of discount less amortisation of premium	(3,590)	(940)	(7,300)	120
Total finance income and hibah	<u>37,450</u>	<u>39,750</u>	<u>76,330</u>	<u>78,550</u>
Other operating income:				
Net loss on sale of financial assets at FVTPL	1,610	-	1,610	(300)
Net gain on sale of financial investments at FVOCI	170	5,310	4,610	11,430
	<u>1,780</u>	<u>5,310</u>	<u>6,220</u>	<u>11,130</u>
	<u>39,230</u>	<u>45,060</u>	<u>82,550</u>	<u>89,680</u>

Unaudited Interim Financial Statements

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

(j) Income derived from investment of Islamic Banking funds

Group and Bank	Individual Quarter		Cumulative quarter	
	3 Months Ended		6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Finance income and hibah:				
Financing and advances	971	652	1,843	1,057
Money at call and deposit placements with financial institutions	164	235	251	388
Financial assets at FVTPL	-	-	-	11
Financial investments at FVOCI				
- Profit on non-impaired instruments	1,745	1,393	3,566	2,722
Financial investments at amortised costs				
- Profit on non-impaired instruments	1,686	2,251	3,637	4,554
	<u>4,566</u>	<u>4,531</u>	<u>9,297</u>	<u>8,732</u>
Accretion of discount less amortisation of premium	(398)	(98)	(813)	16
Total finance income and hibah	<u>4,168</u>	<u>4,433</u>	<u>8,484</u>	<u>8,748</u>
Other operating income:				
Net loss on sale of financial assets at FVTPL	182	-	182	(28)
Net gain on sale of financial investments at FVOCI	16	582	512	1,267
	<u>198</u>	<u>582</u>	<u>694</u>	<u>1,239</u>

Unaudited Interim Financial Statements

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

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

Group and Bank	Individual Quarter		Cumulative quarter	
	3 Months Ended		6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Fees and others:				
Fee income				
- Fees on financing and advances	140	188	289	360
- Corporate advisory fees	2,523	1,200	3,618	2,550
- Management fees	2,568	-	2,778	-
- Brokerage commission	7	7	56	33
- Participation fees	79	21	167	942
- Placement fee	250	-	250	260
- Other fee income	395	-	397	-
	<u>5,962</u>	<u>1,416</u>	<u>7,555</u>	<u>4,145</u>
Other income	-	-	1	1
	<u>5,962</u>	<u>1,416</u>	<u>7,556</u>	<u>4,146</u>
	<u>10,328</u>	<u>6,431</u>	<u>16,734</u>	<u>14,133</u>

(k) Impairment loss made on financing and advances

Group and Bank	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
ECL allowance				
- Made in the financial period	(1,941)	(7,305)	(3,364)	(11,028)
	<u>(1,941)</u>	<u>(7,305)</u>	<u>(3,364)</u>	<u>(11,028)</u>

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

(l) Impairment loss written back/(made) on financial investments

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Financial investments at FVOCI [Note 34(b)]	42	53	8	(116)
Financial investments at amortised cost	21	(685)	47	(1,417)
	<u>63</u>	<u>(632)</u>	<u>55</u>	<u>(1,533)</u>

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Other assets				
- (Made)/written back during the financial period [Note 34(e)(i)]	(169)	108	(222)	135
	<u>(169)</u>	<u>108</u>	<u>(222)</u>	<u>135</u>

(n) Income attributable to depositors

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Commodity Murabahah fund				
Deposits from customers	15,938	22,824	35,039	47,384
Deposits and placements of banks and other financial institutions	4,769	6,430	8,827	13,238
	<u>20,707</u>	<u>29,254</u>	<u>43,866</u>	<u>60,622</u>

Unaudited Interim Financial Statements

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

(o) Operating expenses

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
(i) Staff costs:				
Wages, salaries and bonuses	490	451	984	1,300
Social security costs	3	3	6	6
Defined contribution plan	95	76	193	234
Other staff related expenses	31	37	58	51
	<u>619</u>	<u>567</u>	<u>1,241</u>	<u>1,591</u>
(ii) Establishment costs:				
Amortisation	-	30	-	121
Rental	12	35	50	71
IT expenses	57	121	224	204
Others	4	13	16	21
	<u>73</u>	<u>199</u>	<u>290</u>	<u>417</u>
(iii) Promotion and marketing related expenses				
Business promotion and advertisement	1	-	1	2
Entertainment	-	-	-	6
	<u>1</u>	<u>-</u>	<u>1</u>	<u>8</u>
(iv) Administrative and general expenses:				
Audit fees	3	7	9	13
Non-Executive Directors' remuneration	7	21	25	44
Management fees	266	194	1,385	424
Professional fees	(20)	12	1	29
Brokerage fees	68	93	134	177
Others	44	135	82	309
	<u>368</u>	<u>462</u>	<u>1,636</u>	<u>996</u>
	<u>1,061</u>	<u>1,228</u>	<u>3,168</u>	<u>3,012</u>

Unaudited Interim Financial Statements

34. 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 Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Income derived from investment of depositors' funds	39,230	45,060	82,550	89,680
Income derived from investment of Islamic banking funds	10,328	6,431	16,734	14,133
Less: Income attributable to depositors	(20,707)	(29,254)	(43,866)	(60,622)
	<u>28,851</u>	<u>22,237</u>	<u>55,418</u>	<u>43,191</u>

(q) Capital adequacy

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

	Group and Bank	
	30 June 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	4,039	5,945
FVOCI reserve	(354)	12,774
Retained profits	266,651	284,745
	<u>696,936</u>	<u>730,064</u>
Less: Regulatory adjustments	(5,240)	(14,172)
Total CET 1 Capital, representing Total Tier 1 Capital	<u>691,696</u>	<u>715,892</u>
<u>Tier 2 Capital</u>		
Loss provision and regulatory reserve	18,131	16,239
Total Tier 2 capital	<u>18,131</u>	<u>16,239</u>
Total Capital	<u>709,827</u>	<u>732,131</u>

Unaudited Interim Financial Statements

34. 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	43.931%	51.241%
Tier 1 Capital Ratio	43.931%	51.241%
Total Capital Ratio	45.082%	52.404%

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

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Total risk-weighted assets for credit risk	1,450,497	1,299,140
Total risk-weighted assets equivalent for market risk	-	-
Total risk-weighted assets equivalent for operational risk	124,014	97,961
	<u>1,574,511</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 six months ended 30 June 2021, as set out on pages 1 to 62 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 30 June 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.



DATUK JOSEPH DOMINIC SILVA
CHIEF EXECUTIVE OFFICER

Date: 27 JULY 2021