

Industrial and Commercial Bank of China (Malaysia) Berhad

Registration No. 201001000001 (839839 M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
31 MARCH 2020**

Industrial and Commercial Bank of China (Malaysia) Berhad

Registration No. 201001000001 (839839 M)

(Incorporated in Malaysia)

MANAGEMENT'S CERTIFICATION

I hereby certify that the attached unaudited condensed financial statements for the 1st quarter and three months ended 31 March 2020 have been prepared from the Bank's accounting records and that they are in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and the Guidelines on Financial Reporting for Financial Institutions (BNM/RH/PD 032-13) issued by Bank Negara Malaysia ("BNM") on 27 September 2019.

Wang Qiang
Chief Executive Officer/Managing Director

Date: 20 May 2020

Industrial and Commercial Bank of China (Malaysia) Berhad

1

Registration No. 201001000001 (839839 M)

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	31 Mar 2020 RM'000	31 Dec 2019 RM'000
ASSETS			
Cash and short-term funds	10	617,034	1,177,767
Deposits and placements with banks and other financial institutions	11	271,015	171,563
Financial investments measured at fair value through other comprehensive income ("FVOCI")	12	578,123	594,788
Financial investments measured at amortised cost	13	117,138	117,163
Loans, advances and financing	14	3,037,465	2,914,539
Derivative financial assets	15	6,184	2,014
Other assets	16	10,930	15,980
Statutory deposits with Bank Negara Malaysia		31,508	41,317
Tax recoverable		9,144	5,850
Property and equipment		5,584	6,196
Right-of-use assets		8,789	9,936
Intangible asset		-	-
Deferred tax assets		11,310	11,905
TOTAL ASSETS		4,704,224	5,069,018
LIABILITIES			
Deposits from customers	17	2,481,258	2,868,356
Deposits and placements of banks and other financial institutions	18	942,712	933,714
Derivative financial liabilities	15	2,890	2,639
Other liabilities	19	81,552	81,268
Lease liabilities		8,841	9,918
Provision for commitments and contingencies	20	5,781	7,004
Provision for taxation		446	345
TOTAL LIABILITIES		3,523,480	3,903,244
EQUITY			
Share capital		832,609	832,609
Reserves		348,135	333,165
EQUITY ATTRIBUTABLE TO OWNER OF THE BANK		1,180,744	1,165,774
TOTAL LIABILITIES AND EQUITY		4,704,224	5,069,018
COMMITMENTS AND CONTINGENCIES			
	27	2,308,385	2,646,461

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2019 and accompanying explanatory notes on pages 7 to 29 attached to the unaudited condensed interim financial statements.

The financial statements were approved by the Board of Directors on 20 May 2020.

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

	Note	1st quarter ended		Year-To-Date ended	
		31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Interest income	21	45,927	50,432	45,927	50,432
Interest expense	21	(15,311)	(21,581)	(15,311)	(21,581)
Net interest income	21	30,616	28,851	30,616	28,851
Net fee income	22	2,052	2,281	2,052	2,281
Net trading income	23	6,524	4,272	6,524	4,272
Other operating income		29	33	29	33
Net operating income		39,221	35,437	39,221	35,437
Other operating expenses	24	(17,514)	(17,021)	(17,514)	(17,021)
Operating profit		21,707	18,416	21,707	18,416
Allowance for impairment on loans, advances and financing	25	(6,997)	(6,748)	(6,997)	(6,748)
(Allowance for)/Write-back of impairment on other financial assets	26	(11)	83	(11)	83
Profit before taxation		14,699	11,751	14,699	11,751
Tax expense		(3,024)	(2,411)	(3,024)	(2,411)
Profit for the financial period		11,675	9,340	11,675	9,340
Other comprehensive income for the financial period, net of tax					
Items that are or may be reclassified subsequently to/(from) profit or loss					
Foreign currency translation reserve					
- Currency translation differences in respect of foreign operations		1,410	(306)	1,410	(306)
Fair value reserve					
- Changes in fair value		2,480	4,996	2,480	4,996
- Deferred tax adjustment		(595)	(1,199)	(595)	(1,199)
		1,885	3,797	1,885	3,797
Total other comprehensive income for the financial period		3,295	3,491	3,295	3,491
Total comprehensive income for the financial period		14,970	12,831	14,970	12,831
Basic earnings per ordinary share (sen):		1.40	1.12	1.40	1.12

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3

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

	← Non-distributable →			Distributable		Total Equity RM'000
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Fair value Reserve RM'000	Regulatory Reserve RM'000	Retained Earnings RM'000	
At 1 January 2019	832,609	(295)	1,992	17,644	254,076	1,106,026
Total comprehensive (expense)/income for the financial period						
Other comprehensive (expense)/income for the financial period, net of tax						
Items that are or may be reclassified subsequently from profit or loss						
Foreign currency translation reserve						
- Currency translation differences in respect of foreign operations	-	(306)	-	-	-	(306)
Fair value reserve						
- Changes in fair value	-	-	4,996	-	-	4,996
- Deferred tax adjustment	-	-	(1,199)	-	-	(1,199)
	-	-	3,797	-	-	3,797
Total other comprehensive (expense)/income for the financial period	-	(306)	3,797	-	-	3,491
Profit for the financial period	-	-	-	-	9,340	9,340
Total comprehensive (expense)/income for the financial period	-	(306)	3,797	-	9,340	12,831
At 31 March 2019	832,609	(601)	5,789	17,644	263,416	1,118,857

Industrial and Commercial Bank of China (Malaysia) Berhad

Registration No. 201001000001 (839839 M)

(Incorporated in Malaysia)

4

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 (continued)

	← Non-distributable →			Distributable		
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Fair value Reserve RM'000	Regulatory Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 January 2020	832,609	(261)	11,383	17,644	304,399	1,165,774
Total comprehensive income for the financial period						
Other comprehensive income for the financial period, net of tax						
Items that are or may be reclassified subsequently to profit or loss						
Foreign currency translation reserve						
- Currency translation differences in respect of foreign operations	-	1,410	-	-	-	1,410
Fair value reserve						
- Changes in fair value	-	-	2,480	-	-	2,480
- Deferred tax adjustment	-	-	(595)	-	-	(595)
	-	-	1,885	-	-	1,885
Total other comprehensive income for the financial period	-	1,410	1,885	-	-	3,295
Profit for the financial period	-	-	-	-	11,675	11,675
Total comprehensive income for the financial period	-	1,410	1,885	-	11,675	14,970
At 31 March 2020	832,609	1,149	13,268	17,644	316,074	1,180,744

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2019 and accompanying explanatory notes on pages 7 to 29 attached to the unaudited condensed interim financial statements.

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5

Registration No. 201001000001 (839839 M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE
FINANCIAL PERIOD ENDED 31 MARCH 2020**

	Note	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Cash flows used in operating activities			
Profit before taxation		14,699	11,751
Adjustments for:			
Depreciation of property and equipment		892	943
Depreciation of right-of-use assets		1,189	1,151
Interest expense on lease liabilities		77	114
Property and equipment written off		4	-
Allowance for impairment on loans, advances and financing		6,997	6,748
Allowance for impairment on other financial assets		11	(83)
Net unrealised (gains)/losses arising from derivative trading		(3,919)	337
Transfer to/(from) foreign currency translation reserve		1,410	(306)
Accretion of discounts net of amortisation of premiums of financial investments measured at FVOCI		146	139
Accretion of discounts net of amortisation of premiums of financial investments measured at amortised cost		25	22
Operating profit before working capital changes		21,531	20,816
Changes in operating assets			
Deposits and placements with banks and other financial institutions		(99,450)	8,798
Loans, advances and financing		(131,146)	37,953
Other assets		5,050	3,911
Statutory deposits with Bank Negara Malaysia		9,809	3,426
Changes in operating liabilities			
Deposits from customers		(387,098)	(44,790)
Deposits and placements of banks and other financial institutions		8,998	(315,706)
Other liabilities		284	9,387
Provision for commitments and contingencies		-	(4)
Cash used in operations		(572,022)	(276,209)
Income taxes paid		(6,217)	(6,175)
Net cash used in operating activities		(578,239)	(282,384)
Cash flows from/(used in) investing activities			
Purchase of property and equipment		(284)	(307)
Net proceeds from/(purchase of) financial investments measured at FVOCI		18,999	(131)
Net cash from/(used in) investing activities		18,715	(438)

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6

Registration No. 201001000001 (839839 M)

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 (continued)

	Note	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Cash flows used in financing activity			
Payment of lease liabilities		<u>(1,196)</u>	<u>(1,209)</u>
Net cash used in financing activity		<u>(1,196)</u>	<u>(1,209)</u>
Net decrease in cash and cash equivalents		(560,720)	(284,031)
Cash and cash equivalents at beginning of the financial period		<u>1,177,767</u>	<u>1,017,586</u>
		617,047	733,555
(Less)/Add: (Allowance for)/Write-back of credit loss for the financial period		<u>(13)</u>	<u>118</u>
Cash and cash equivalents at end of the financial period		<u>617,034</u>	<u>733,673</u>
Cash and cash equivalents comprise:			
Cash and short-term funds	10	<u>617,034</u>	<u>733,673</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2019 and accompanying explanatory notes on pages 7 to 29 attached to the unaudited condensed interim financial statements.

The financial statements were approved by the Board of Directors on 20 May 2020.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

1. General Information

Industrial and Commercial Bank of China (Malaysia) Berhad is principally engaged in the provision of banking and other related financial services.

There were no significant changes in these activities during the financial period.

2. Basis of Preparation

The unaudited condensed interim financial statements for the 1st quarter and three months ended 31 March 2020 have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and the Guidelines on Financial Reporting for Financial Institutions (BNM/RH/PD 032-13) issued by Bank Negara Malaysia (“BNM”) on 27 September 2019.

The unaudited condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Bank as at and for the financial year ended 31 December 2019. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 December 2019.

All the significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2019, except for the adoption of the following Amendments during the financial period:

Amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations - Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures - Interest Rate Benchmark Reform*

The adoption of the above Amendments does not have any material financial impact to the current period and prior period financial statements of the Bank.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Bank.

MFRSs effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

2. Basis of Preparation (continued)

Amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*

Amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Bank does not plan to apply MFRS 17, *Insurance Contracts* and Amendments to MFRS 101 that are effective for annual periods beginning on 1 January 2021 and 1 January 2022 respectively as they are not applicable to the Bank.

The initial applications of the accounting standards and amendments are not expected to have any material financial impact to the current period and prior period financial statements of the Bank.

3. Auditors' Report on Preceding Annual Financial Statements

The audit report on the audited annual financial statements for the financial year ended 31 December 2019 was not subject to any qualification.

4. Seasonality or Cyclical Factors

The business operations of the Bank are not subject to material seasonal or cyclical fluctuations.

5. Unusual Items due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Bank for the 1st quarter and three months ended 31 March 2020.

6. Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial year that have a material effect on the financial results and position of the Bank for the 1st quarter and three months ended 31 March 2020.

7. Issue of Shares and Debentures

There were no issuance of shares and debentures during the 1st quarter and three months ended 31 March

8. Dividend Paid

No dividend was paid during the 1st quarter and three months ended 31 March 2020.

9. Significant Events

Since the beginning of the 2020, novel coronavirus (“COVID-19”) has continued to widely spread across the world. In Malaysia, the Federal Government had announced and implemented Movement Control Order (“MCO”) with a series of precautionary and preventive measures in response to the COVID-19 pandemic on 18 March 2020, including shutting down all businesses except those involved in essential services. Subsequently, foreign net selling activity remained high with investors continued to fear the negative impact of Covid-19 with increasing number of cases and closure of businesses during MCO in Malaysia.

To mitigate the financial liquidity impact, BNM has announced the Statutory Reserve Requirement Rate reduction from 3% to 2% on 20 March 2020 to inject liquidity into the banking system. Besides, the Overnight Policy Rate (“OPR”) has also been further reduced by 50 basis points to 2.00% on 5 May 2020 (cumulative cut of 100 basis points of OPR in 2020) to cushion the economic impact on businesses and households from Covid-19 and support economic activities.

Based on the significant events above, there may be possible resultant deterioration of credit grading of the Bank’s borrowers that may warrant higher expected credit loss allowances. The Bank will continuously monitor the domestic and global economy development to timely identify and assess the potential risk impact to the bank.

There were no material events subsequent to the statement of financial position date that require adjustments to the unaudited condensed interim financial statements.

10. Cash and short-term funds

	31 Mar 2020	31 Dec 2019
	RM’000	RM’000
Cash and balances with banks and other financial institutions	56,718	92,623
Money at call and deposits and placements maturing within one month	560,429	1,085,244
	617,147	1,177,867
Less: Allowance for credit loss	(113)	(100)
	617,034	1,177,767

An analysis of changes in the gross carrying amount and the corresponding allowance for credit loss is as follows:

	Stage 1	Stage 2	Stage 3	Total
	RM’000	RM’000	RM’000	RM’000
Gross carrying amount				
At 1 January 2019	1,017,713	-	-	1,017,713
New assets originated	883,875	-	-	883,875
Assets derecognised or repaid	(723,721)	-	-	(723,721)
At 31 December 2019	1,177,867	-	-	1,177,867
At 1 January 2020	1,177,867	-	-	1,177,867
New assets originated	92,187	-	-	92,187
Assets derecognised or repaid	(652,907)	-	-	(652,907)
At 31 March 2020	617,147	-	-	617,147

10. Cash and short-term funds (continued)

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Allowance for credit loss				
At 1 January 2019	127	-	-	127
New assets originated	139	-	-	139
Assets derecognised or repaid	(203)	-	-	(203)
Changes in model/risk parameter	37	-	-	37
At 31 December 2019	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
At 1 January 2020	100	-	-	100
New assets originated	45	-	-	45
Assets derecognised or repaid	(32)	-	-	(32)
At 31 March 2020	<u>113</u>	<u>-</u>	<u>-</u>	<u>113</u>

11. Deposits and placements with banks and other financial institutions

	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Licensed Malaysian banks	271,015	171,563
Less: Allowance for credit loss	<u>-</u>	<u>-</u>
	<u>271,015</u>	<u>171,563</u>

An analysis of changes in the gross carrying amount and the corresponding allowance for credit loss is as follows:

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount				
At 1 January 2019	12,473	-	-	12,473
New assets originated	171,563	-	-	171,563
Assets derecognised or repaid	(12,473)	-	-	(12,473)
At 31 December 2019	<u>171,563</u>	<u>-</u>	<u>-</u>	<u>171,563</u>
At 1 January 2020	171,563	-	-	171,563
New assets originated	258,777	-	-	258,777
Assets derecognised or repaid	(159,325)	-	-	(159,325)
At 31 March 2020	<u>271,015</u>	<u>-</u>	<u>-</u>	<u>271,015</u>

11. Deposits and placements with banks and other financial institutions (continued)

	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Allowance for credit loss				
At 1 January 2019	6	-	-	6
New assets originated	4	-	-	4
Assets derecognised or repaid	(6)	-	-	(6)
Foreign exchange adjustments	(4)	-	-	(4)
At 31 December 2019	-	-	-	-
<hr/>				
At 1 January 2020	-	-	-	-
New assets originated	5	-	-	5
Assets derecognised or repaid	(7)	-	-	(7)
Foreign exchange adjustments	2	-	-	2
At 31 March 2020	-	-	-	-

12. Financial investments measured at fair value through other comprehensive income

(i) By type	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Malaysian Government Securities	192,027	210,942
Malaysian Government Investment Issues	228,068	227,266
Malaysian Government Guaranteed Sukuk	30,507	30,366
Financial institutions' securities	30,647	29,638
Corporate bonds	81,794	81,463
Other debt securities		
- Cagamas bonds	15,080	15,113
	578,123	594,788
	<hr/>	<hr/>
(ii) By maturity structure	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Within one year	55,777	74,850
More than one year to three years	173,468	172,775
More than three years to five years	348,878	347,163
	578,123	594,788
	<hr/>	<hr/>

12. Financial investments measured at fair value through other comprehensive income (continued)**(iii) Movement of gross carrying amount and the allowance for credit loss to other comprehensive income**

	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Gross carrying amount				
At 1 January 2019	589,715	-	-	589,715
New assets originated	476	-	-	476
Assets derecognised or repaid	(6,886)	-	-	(6,886)
Changes in fair value	11,483	-	-	11,483
At 31 December 2019	<u>594,788</u>	<u>-</u>	<u>-</u>	<u>594,788</u>
At 1 January 2020	594,788	-	-	594,788
New assets originated or purchased	1,178	-	-	1,178
Changes in fair value	2,480	-	-	2,480
Assets derecognised or repaid	(20,323)	-	-	(20,323)
At 31 March 2020	<u>578,123</u>	<u>-</u>	<u>-</u>	<u>578,123</u>
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Allowance for credit loss				
At 1 January 2019	693	-	-	693
New assets originated	507	-	-	507
Assets derecognised or repaid	(28)	-	-	(28)
Changes in model/risk parameter	370	-	-	370
At 31 December 2019	<u>1,542</u>	<u>-</u>	<u>-</u>	<u>1,542</u>
At 1 January/31 March 2020	<u>1,542</u>	<u>-</u>	<u>-</u>	<u>1,542</u>

The carrying amount of financial investments measured at FVOCI is their fair values. Accordingly, the recognition of allowance for credit loss does not affect the carrying amount of those assets, but is reflected as a debit to profit or loss, and credit to other comprehensive income.

13. Financial investments measured at amortised cost

(i) By type	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Malaysian Government Investment Issues	32,186	32,207
Corporate bonds	65,045	65,049
Other debt securities		
- Cagamas bonds	<u>20,000</u>	<u>20,000</u>
	117,231	117,256
Less: Allowance for credit loss	<u>(93)</u>	<u>(93)</u>
	<u>117,138</u>	<u>117,163</u>

13. Financial investments measured at amortised cost (continued)

(ii) By maturity structure	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
More than one year to three years	82,231	82,256
More than three years to five years	35,000	35,000
	<u>117,231</u>	<u>117,256</u>

(iii) Movement of gross carrying amount and allowance for credit loss to profit or loss

	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Gross carrying amount				
At 1 January 2019	117,362	-	-	117,362
Assets derecognised or repaid	(106)	-	-	(106)
At 31 December 2019	<u>117,256</u>	-	-	<u>117,256</u>
At 1 January 2020	117,256	-	-	117,256
Assets derecognised or repaid	(25)	-	-	(25)
At 31 March 2020	<u>117,231</u>	-	-	<u>117,231</u>
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Allowance for credit loss				
At 1 January 2019	93	-	-	93
New assets originated	45	-	-	45
Assets derecognised or repaid	(12)	-	-	(12)
Changes in model/risk parameter	(33)	-	-	(33)
At 31 December 2019	<u>93</u>	-	-	<u>93</u>
At 1 January/31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

14. Loans, advances and financing

(i) By type	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Overdrafts	33,901	32,663
Term loans		
- Housing loans	93,080	92,228
- Syndicated term loans	849,396	871,854
- Other term loans	378,914	468,032
Bridging loans	150,327	150,360
Bills receivable	284,102	45,217
Revolving credits	1,178,327	1,163,572
Bankers' acceptances	117,589	129,072
Staff loans	1,855	1,881
Credit card loans	1,273	2,341
Gross loans, advances and financing	3,088,764	2,957,220
Less: Allowance for credit loss		
- Stage 1 (12-month ECL)	(30,377)	(27,460)
- Stage 2 (Lifetime ECL - non-credit impaired)	(19,719)	(14,104)
- Stage 3 (Lifetime ECL - credit impaired)	(1,203)	(1,117)
	(51,299)	(42,681)
Net loans, advances and financing	3,037,465	2,914,539
(ii) By type of customer	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Domestic banking institutions	38,804	41,605
Domestic non-bank financial institutions		
- Others	100,033	50,011
Domestic business enterprises		
- Small medium enterprises	117,406	159,574
- Others	2,003,217	1,760,138
Individuals	49,258	49,707
Foreign entities	780,046	896,185
	3,088,764	2,957,220
(iii) By interest rate sensitivity	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Fixed rate loans	3,128	4,221
Variable rate		
- Base rate/base lending rate plus	81,566	79,142
- Cost plus	2,903,045	2,770,958
- Other variable rates	101,025	102,899
	3,088,764	2,957,220

14. Loans, advances and financing (continued)

(iv) By sector	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Primary agriculture	-	52,700
Manufacturing	287,807	287,228
Construction	182,182	188,240
Real estate	455,487	465,811
Wholesale & retail trade and restaurants & hotels	603,579	672,883
Transport, storage and communication	337,692	127,928
Finance, insurance and business services	669,748	609,356
Education, health and others	440,948	440,940
Household	111,321	112,134
	<u>3,088,764</u>	<u>2,957,220</u>
(v) By purpose	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Purchase of properties		
- Non residential	149,847	154,884
- Residential	94,573	93,762
Purchase of fixed assets (excluding properties)	183,488	174,162
Construction	209,511	218,733
Credit card	1,273	2,341
Personal use	1,149	1,172
Mergers and acquisitions	150,327	150,360
Working capital	1,996,613	1,838,404
Other purpose	301,983	323,402
	<u>3,088,764</u>	<u>2,957,220</u>
(vi) By geographical distribution	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Within Malaysia	2,553,097	2,300,064
Outside Malaysia	535,667	657,156
	<u>3,088,764</u>	<u>2,957,220</u>
Concentration by location for loans, advances and financing is based on the geographical location where the credit risk resides.		
(vii) By residual contractual maturity	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Maturity within one year	2,062,013	1,757,675
More than one year to three years	599,651	781,213
More than three years to five years	199,640	209,336
More than five years	227,460	208,996
	<u>3,088,764</u>	<u>2,957,220</u>

14. Loans, advances and financing (continued)**(viii) Impaired loans, advances and financing**

(a) Movement in impaired loans, advances and financing	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
At beginning of the financial period	1,117	1,188
Impaired during the financial period	27	41
Reclassified as performing during the financial period	-	(22)
Amount written off during the financial period	-	(73)
Exchange differences	59	(17)
At end of the financial period	<u>1,203</u>	<u>1,117</u>
As % of gross loans, advances and financing	<u>0.04%</u>	<u>0.04%</u>
(b) By sector	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Wholesale & retail trade and restaurants & hotels	1,164	1,105
Household	39	12
	<u>1,203</u>	<u>1,117</u>
(c) By purpose	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Working capital	1,164	1,105
Credit card	39	12
	<u>1,203</u>	<u>1,117</u>
(d) By geographical distribution	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Within Malaysia	39	12
Outside Malaysia	1,164	1,105
	<u>1,203</u>	<u>1,117</u>

Concentration by location for impaired loans, advances and financing is based on the geographical location where the credit risk resides.

14. Loans, advances and financing (continued)**(ix) Movements in gross loans, advances and financing**

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2019	2,758,952	276,715	1,188	3,036,855
New assets originated	1,506,969	113,636	9	1,620,614
Assets derecognised or repaid	(1,417,642)	(282,459)	(1)	(1,700,102)
Transfer to Stage 1	1,868	(1,847)	(21)	-
Transfer to Stage 2	(678,415)	678,415	-	-
Transfer to Stage 3	-	(32)	32	-
Write-offs	-	-	(73)	(73)
Foreign exchange adjustments	(57)	-	(17)	(74)
At 31 December 2019	2,171,675	784,428	1,117	2,957,220
At 1 January 2020	2,171,675	784,428	1,117	2,957,220
New assets originated	350,907	27,077	1	377,985
Assets derecognised or repaid	(231,888)	(14,612)	-	(246,500)
Transfer to Stage 1	79	(79)	-	-
Transfer to Stage 2	(165)	165	-	-
Transfer to Stage 3	-	(26)	26	-
Foreign exchange adjustments	-	-	59	59
At 31 March 2020	2,290,608	796,953	1,203	3,088,764

(x) Movements in allowance for credit loss on loans, advances and financing

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2019	15,954	11,640	1,188	28,782
New assets originated	21,171	1,859	9	23,039
Assets derecognised or repaid	(10,151)	(13,771)	(1)	(23,923)
Transfer to Stage 1	489	(468)	(21)	-
Transfer to Stage 2	(3,064)	3,064	-	-
Transfer to Stage 3	-	(1)	1	-
Changes due to change in credit risk	2,923	12,085	31	15,039
Changes in model/risk parameter	195	(304)	-	(109)
Write-offs	-	-	(73)	(73)
Foreign exchange adjustments	(57)	-	(17)	(74)
At 31 December 2019	27,460	14,104	1,117	42,681
At 1 January 2020	27,460	14,104	1,117	42,681
New assets originated	3,633	777	1	4,411
Assets derecognised or repaid	(1,992)	(529)	-	(2,521)
Transfer to Stage 1	1	(1)	-	-
Transfer to Stage 2	(1)	1	-	-
Changes due to change in credit risk	937	5,367	26	6,330
Foreign exchange adjustments	339	-	59	398
At 31 March 2020	30,377	19,719	1,203	51,299

15. Derivatives financial assets/liabilities

	31 Mar 2020		
	Contract/ Nominal value RM'000	Assets RM'000	Liabilities RM'000
Foreign exchange contracts			
- Currency forwards and spots	415,192	3,160	2,890
- Currency swaps	223,802	3,024	-
Total recognised derivatives assets/liabilities (Note 27)	<u>638,994</u>	<u>6,184</u>	<u>2,890</u>
	31 Dec 2019		
	Contract/ Nominal value RM'000	Assets RM'000	Liabilities RM'000
Foreign exchange contracts			
- Currency forwards and spots	235,776	1,148	399
- Currency swaps	322,939	866	2,240
Total recognised derivatives assets/liabilities (Note 27)	<u>558,715</u>	<u>2,014</u>	<u>2,639</u>

16. Other assets

	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Interest receivable	7,070	12,808
Deposits	1,756	1,742
Other receivables and prepayments	2,104	1,430
	<u>10,930</u>	<u>15,980</u>

17. Deposits from customers

(i) By type of deposit	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Demand deposits	864,372	1,036,648
Fixed deposits	890,027	891,225
Savings deposits	128,755	121,515
Money market deposits	586,769	808,094
Other deposits	11,335	10,874
	<u>2,481,258</u>	<u>2,868,356</u>
(ii) By type of customer	31 Mar 2020 RM'000	31 Dec 2019 RM'000
Business enterprises	977,831	1,312,581
Individuals	320,036	334,556
Foreign entities	1,183,075	1,220,908
Others	316	311
	<u>2,481,258</u>	<u>2,868,356</u>

17. Deposits from customers (continued)

(iii) By maturity structure of term deposit	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Due within six months	1,264,804	1,427,651
More than six months to one year	211,992	271,668
	<u>1,476,796</u>	<u>1,699,319</u>

18. Deposits and placements of banks and other financial institutions

	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Licensed Malaysian banks	21,510	26,878
Licensed investment banks	50,545	50,528
Licensed Islamic banks	15,589	4,776
Other financial institutions	158,764	182,655
Foreign banks	696,304	668,877
	<u>942,712</u>	<u>933,714</u>

19. Other liabilities

	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Interest payable	17,509	20,189
Other payables and accruals	64,043	61,079
	<u>81,552</u>	<u>81,268</u>

20. Provision for commitments and contingencies

	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2019	2,785	1,761	-	4,546
New assets originated	2,840	508	-	3,348
Assets derecognised or repaid	(2,042)	(706)	-	(2,748)
Transfer to Stage 1	291	(291)	-	-
Transfer to Stage 2	(1,101)	1,101	-	-
Changes due to change in credit risk	1,228	546	-	1,774
Changes in model/risk parameter	45	42	-	87
Foreign exchange adjustments	(3)	-	-	(3)
At 31 December 2019	<u>4,043</u>	<u>2,961</u>	<u>-</u>	<u>7,004</u>
As at 1 January 2020	4,043	2,961	-	7,004
New assets originated	497	32	-	529
Assets derecognised or repaid	(1,242)	(205)	-	(1,447)
Transfer to Stage 1	2	(2)	-	-
Transfer to Stage 2	(366)	366	-	-
Changes due to change in credit risk	44	(349)	-	(305)
At 31 March 2020	<u>2,978</u>	<u>2,803</u>	<u>-</u>	<u>5,781</u>

21. Interest income	1st quarter ended		Year-To-Date ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Loans, advances and financing:				
- interest income other than from impaired loans	34,487	35,768	34,487	35,768
Money at call and deposit placements with financial institutions	4,150	7,370	4,150	7,370
Financial investments measured at FVOCI	5,978	5,991	5,978	5,991
Financial investments measured at amortised cost	1,312	1,303	1,312	1,303
	<u>45,927</u>	<u>50,432</u>	<u>45,927</u>	<u>50,432</u>
Interest expense				
Deposits and placements of banks and other financial institutions	(6,243)	(7,975)	(6,243)	(7,975)
Deposits from customers	(9,068)	(13,606)	(9,068)	(13,606)
	<u>(15,311)</u>	<u>(21,581)</u>	<u>(15,311)</u>	<u>(21,581)</u>
Net interest income	<u>30,616</u>	<u>28,851</u>	<u>30,616</u>	<u>28,851</u>

22. Net fee income	1st quarter ended		Year-To-Date ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Fee income:				
- Commission	17	5	17	5
- Service charges and fees	764	694	764	694
- Loan processing fees	167	251	167	251
- Syndication fees	-	200	-	200
- Guarantee fees	725	859	725	859
- Commitment fees	376	210	376	210
- Other loans related fee income	-	25	-	25
- Other fees income	74	83	74	83
	<u>2,123</u>	<u>2,327</u>	<u>2,123</u>	<u>2,327</u>
Fee expense:				
- Brokerage fees	(35)	(22)	(35)	(22)
- Other fees expense	(36)	(24)	(36)	(24)
	<u>(71)</u>	<u>(46)</u>	<u>(71)</u>	<u>(46)</u>
Net fee income	<u>2,052</u>	<u>2,281</u>	<u>2,052</u>	<u>2,281</u>

23. Net trading income

	1st quarter ended		Year-To-Date ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Net (losses)/gains from dealing in foreign exchange	(22,574)	16,961	(22,574)	16,961
Net gains/(losses) arising from derivative trading	23,805	(12,382)	23,805	(12,382)
Net unrealised revaluation gains in foreign exchange	1,374	30	1,374	30
Net unrealised gains/(losses) arising from derivative trading	3,919	(337)	3,919	(337)
	6,524	4,272	6,524	4,272

24. Other operating expenses

	1st quarter ended		Year-To-Date ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Personnel costs:				
- Salaries, allowances and bonuses	10,119	10,188	10,119	10,188
- Pension fund contributions	1,095	1,042	1,095	1,042
- Other staff costs	1,448	1,066	1,448	1,066
Promotion and marketing related expenses:				
- Advertising and promotion	189	184	189	184
- Others	132	154	132	154
Establishment costs:				
- Depreciation of property and equipment	892	943	892	943
- Depreciation of right-of-use assets	1,189	1,151	1,189	1,151
- Interest expense of lease liabilities	77	114	77	114
- Rental of premises, motor vehicles, equipment and others	28	45	28	45
- Expenses relating to leases of low-value assets	6	11	6	11
- Property and equipment written off	4	-	4	-
- Others	509	461	509	461
Administrative expenses:				
- Auditors' remuneration				
• statutory audit fees	72	67	72	67
• audit related services	29	27	29	27
- Professional fees	196	31	196	31
- Licence fee	86	77	86	77
- Membership fee	85	28	85	28
- Others	1,358	1,432	1,358	1,432
	17,514	17,021	17,514	17,021

25. Allowance for impairment on loans, advances and financing

	1st quarter ended		Year-To-Date ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM'000	RM'000	RM'000	RM'000
Allowance for/(Write-back of) credit loss				
- Loans, advances and financing	8,220	7,003	8,220	7,003
- Provision for commitments and contingencies	(1,223)	(255)	(1,223)	(255)
	<u>6,997</u>	<u>6,748</u>	<u>6,997</u>	<u>6,748</u>

26. Allowance for/(Write-back of) impairment on other financial assets

	1st quarter ended		Year-To-Date ended	
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	RM'000	RM'000	RM'000	RM'000
Allowance for/(Write-back of) credit loss				
- Cash and short-term funds	13	(118)	13	(118)
- Deposits and placements with banks and other financial institutions	(2)	35	(2)	35
	<u>11</u>	<u>(83)</u>	<u>11</u>	<u>(83)</u>

27. Commitments and contingencies

The commitments and contingencies comprise the following:

	31 Mar 2020			
	Principal Amount	Positive Value of Derivative Contracts ^	Credit Equivalent Amount *	Risk-Weighted Assets *
	RM'000	RM'000	RM'000	RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	77,633	-	77,633	15,527
Transaction-related contingent items	471,623		235,812	157,652
Short term self-liquidating trade-related contingencies	183,236	-	36,647	26,539
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- Exceeding one year	82,680	-	41,340	39,574
- Not exceeding one year	812,572	-	162,514	145,403
Unutilised credit card lines	41,647	-	8,329	6,247
<u>Derivative financial contracts</u>				
Foreign exchange related contracts:				
- Less than one year	638,994	6,184	14,423	5,644
Total	<u>2,308,385</u>	<u>6,184</u>	<u>576,698</u>	<u>396,586</u>

Note 15

27. Commitments and contingencies (continued)

- ^ The foreign exchange related contracts are off-balance sheet derivative financial instruments whose values change in response to changes in prices or rates (such as foreign exchange rates and interest rates) of the underlying instruments. The underlying principal amounts of these derivative financial instruments and their corresponding gross positive fair values (derivative financial assets) as at respective reporting dates are as shown above.
- * The credit equivalent and risk-weighted amounts are computed using credit conversion factors and risk-weighting rules as per Bank Negara Malaysia (“BNM”) guidelines. The credit conversion factors and risk-weighting rules are based on guidelines of the revised Capital Adequacy Framework on the Standardised Approach.

	31 Dec 2019			
	Principal Amount RM'000	Positive Value of Derivative Contracts ^ RM'000	Credit Equivalent Amount * RM'000	Risk- Weighted Assets * RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	73,674	-	73,674	14,735
Transaction-related contingent items	528,489	-	264,244	186,131
Short term self-liquidating trade-related contingencies	127,550	-	25,510	21,238
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- Exceeding one year	206,672	-	103,336	69,814
- Not exceeding one year	1,110,377	-	222,076	200,122
Unutilised credit card lines	40,984	-	8,197	6,148
<u>Derivative financial contracts</u>				
Foreign exchange related contracts:				
- Less than one year	558,715	2,014	6,643	2,741
Total	2,646,461	2,014	703,680	500,929

Note 15

- ^ The foreign exchange related contracts are off-balance sheet derivative financial instruments whose values change in response to changes in prices or rates (such as foreign exchange rates and interest rates) of the underlying instruments. The underlying principal amounts of these derivative financial instruments and their corresponding gross positive fair values (derivative financial assets) as at respective reporting dates are as shown above.
- * The credit equivalent and risk-weighted amounts are computed using credit conversion factors and risk-weighting rules as per BNM guidelines. The credit conversion factors and risk-weighting rules are based on guidelines of the revised Capital Adequacy Framework on the Standardised Approach.

28. Capital adequacy

The total risk-weighted assets of the Bank are computed based on the following approaches:

- (i) Standardised Approach for Credit risk;
- (ii) Standardised Approach for Market risk;
- (iii) Basic Indicator Approach for Operational risk.

The capital adequacy ratios of the Bank are analysed as follows:

	31 Mar 2020	31 Dec 2019
	RM'000	RM'000
Common Equity Tier 1 (“CET1”) Capital		
Paid-up share capital	832,609	832,609
Retained earnings	304,399	304,399
Regulatory reserve	17,644	17,644
Foreign currency translation reserve	1,149	(261)
Unrealised gains on financial investments measured at FVOCI	11,725	9,841
	1,167,526	1,164,232
Less: Regulatory adjustments applied in calculation of CET1 Capital		
- Deferred tax assets	(11,310)	(11,905)
- 55% cumulative gains of financial investments measured at FVOCI	(6,449)	(5,412)
- Regulatory reserve attributable to loans, advances and financing	(17,644)	(17,644)
	(35,403)	(34,961)
Total CET1 Capital	1,132,123	1,129,271
Tier 2 Capital		
Allowance for credit loss	24,737	25,223
Regulatory reserve	17,644	17,644
Total Tier 2 Capital	42,381	42,867
Total Capital	1,174,504	1,172,138
CET1 capital ratio	30.367%	29.937%
Tier 1 capital ratio	30.367%	29.937%
Total capital ratio	31.503%	31.073%

Breakdown of gross risk-weighted assets (“RWA”) in the various categories of risk-weights:

	31 Mar 2020		31 Dec 2019	
	Principal RM'000	Risk- Weighted RM'000	Principal RM'000	Risk- Weighted RM'000
Total RWA for credit risk	5,313,730	3,390,475	5,800,536	3,429,422
Total RWA for market risk	-	9,777	-	14,229
Total RWA for operational risk	-	327,918	-	328,538
	5,313,730	3,728,170	5,800,536	3,772,189

28. Capital adequacy (continued)

(a) The breakdown of RWA by exposures in each major risk category under standardised approach are as follows:

Risk Type	31 Mar 2020			
	Gross	Net	Risk-	Capital
	Exposures	Exposures	Weighted	Requirement
	RM'000	RM'000	Assets	RM'000
	RM'000	RM'000	RM'000	RM'000
<i>Credit Risk</i>				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	645,597	645,597	-	-
Banks, Development Financial Institutions and MDBs	826,588	826,588	186,153	14,892
Corporates	2,951,922	2,951,922	2,562,574	205,006
Regulatory Retail	177,762	177,762	175,014	14,001
Residential Mortgages	93,235	93,235	35,701	2,856
Other Assets	41,928	41,928	34,447	2,756
Total On-Balance Sheet Exposures	4,737,032	4,737,032	2,993,889	239,511
<u>Off-Balance Sheet Exposures</u>				
Credit-related off-balance sheet exposures	562,275	562,275	390,942	31,275
OTC derivatives	14,423	14,423	5,644	452
Total Off-Balance Sheet Exposures	576,698	576,698	396,586	31,727
Total On and Off-Balance Sheet Exposures	5,313,730	5,313,730	3,390,475	271,238
Large exposure risk requirement*	-	-	-	-
<i>Market Risk</i>				
	<u>Long</u>	<u>Short</u>		
	<u>Position</u>	<u>Position</u>		
Foreign currency risk	9,777	193	9,777	782
<i>Operational Risk</i>	-	-	-	327,918
Total RWA and Capital Requirements			3,728,170	298,253

Note:

MDBs - Multilateral Development Banks

OTC - Over the counter

* The Bank does not need to fulfill the capital requirement for Large Exposure Risk as there is no amount in excess of the lowest threshold arising from equity holdings as specified in the BNM's Risk-Weighted Capital Adequacy Framework ("RWCAF").

28. Capital adequacy (continued)

Risk Type	31 Dec 2019			
	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weighted Assets RM'000	Capital Requirements RM'000
<i>Credit Risk</i>				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	729,916	729,916	-	-
Banks, Development Financial Institutions and MDBs	1,233,265	1,233,265	268,026	21,442
Corporates	2,816,685	2,816,685	2,411,632	192,931
Regulatory Retail	179,250	179,250	175,888	14,071
Residential Mortgages	91,342	91,342	34,985	2,799
Other Assets	46,398	46,398	37,962	3,037
Total On-Balance Sheet Exposures	<u>5,096,856</u>	<u>5,096,856</u>	<u>2,928,493</u>	<u>234,280</u>
<u>Off-Balance Sheet Exposures</u>				
Credit-related off-balance sheet exposures	697,037	697,037	498,188	39,855
OTC derivatives	6,643	6,643	2,741	219
Total Off-Balance Sheet Exposures	<u>703,680</u>	<u>703,680</u>	<u>500,929</u>	<u>40,074</u>
Total On and Off-Balance Sheet Exposures	<u>5,800,536</u>	<u>5,800,536</u>	<u>3,429,422</u>	<u>274,354</u>
Large exposure risk requirement*	-	-	-	-
<i>Market Risk</i>				
	Long Position	Short Position		
Foreign currency risk	14,229	34	14,229	1,138
<i>Operational Risk</i>				
	-	-	-	328,538
Total RWA and Capital Requirements			<u>3,772,189</u>	<u>301,775</u>

Note:

MDBs - Multilateral Development Banks

OTC - Over the counter

* The Bank does not need to fulfill the capital requirement for Large Exposure Risk as there is no amount in excess of the lowest threshold arising from equity holdings as specified in the BNM's RWCAF.

28. Capital adequacy (continued)

(b) The breakdown of credit risk exposures by risk weights for the respective reporting dates are as follows:

31 Mar 2020 Risk Weights	Exposures after Netting and Credit Risk Mitigation						Total Exposures after Netting & Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
	Sovereigns/ Central Bank RM'000	Banks, MDBs and DFIs RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Other Assets RM'000		
0%	645,597	9,057	248,983	7,162	569	7,481	918,849	-
20%	-	834,771	207,427	-	-	10,808	1,053,006	210,601
35%	-	-	-	-	75,211	-	75,211	26,323
50%	-	69,450	131,268	-	16,155	265	217,138	108,569
75%	-	-	-	18,177	-	-	18,177	13,633
100%	-	-	2,780,201	212,051	1,300	37,797	3,031,349	3,031,349
Total Exposures	645,597	913,278	3,367,879	237,390	93,235	56,351	5,313,730	3,390,475
Risk-Weighted Assets by Exposures	-	201,679	2,887,320	225,684	35,701	40,091	3,390,475	
Average Risk Weight	0.0%	22.1%	85.7%	95.1%	38.3%	71.1%	63.8%	
Deduction from Capital Base	-	-	-	-	-	-	-	-

The above are disclosures on credit risk by risk weights of the Bank at the end of the respective reporting periods as required by the guidelines in the Revised Capital Adequacy Framework on Standardised Approach.

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

28. Capital adequacy (continued)

31 Dec 2019 Risk Weights	Exposures after Netting and Credit Risk Mitigation						Total Exposures after Netting & Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
	Sovereigns/ Central Bank RM'000	Banks, MDBs and DFIs RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Other Assets RM'000		
0%	729,916	-	264,922	7,217	570	8,436	1,011,061	-
20%	-	1,235,696	206,850	-	-	4,542	1,447,088	289,418
35%	-	-	-	-	73,703	-	73,703	25,796
50%	-	79,838	203,974	-	15,760	537	300,109	150,054
75%	-	-	-	17,686	-	-	17,686	13,265
100%	-	-	2,701,932	208,122	1,309	39,526	2,950,889	2,950,889
Total Exposures	729,916	1,315,534	3,377,678	233,025	91,342	53,041	5,800,536	3,429,422
Risk-Weighted Assets by Exposures	-	287,058	2,845,289	221,387	34,985	40,703	3,429,422	
Average Risk Weight	0.0%	21.8%	84.2%	95.0%	38.3%	76.7%	59.1%	
Deduction from Capital Base	-	-	-	-	-	-	-	-

The above are disclosures on credit risk by risk weights of the Bank at the end of the respective reporting periods as required by the guidelines in the Revised Capital Adequacy Framework on Standardised Approach.

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

29. Performance review

The Bank registered profit before tax of RM14.70 million for the three months ended 31 March 2020, higher by RM2.95 million or 25.1% when compared against the previous corresponding period in 2019. The Bank's total operating income were made up of net interest income of RM30.62 million, net trading income of RM6.52 million and net fee income of RM2.05 million (31 March 2019: RM28.85 million, RM4.27 million and RM2.28 million respectively). Net Interest income which contributed 78.1% to the Bank's total operating income grew by RM1.77 million or 6.1% when compared to the three months ended 31 March 2019. Net trading income which contributed 16.6% of the Bank's total operating income, has improved by RM2.25 million or 52.7% during the financial period. However, net fee income has decreased by RM0.23 million or 10%.

The Bank's other operating expenses increased by RM0.49 million or 2.9% to RM17.51 million, attributable to higher personnel and administrative costs. During the financial period, additional allowance of RM7.01 million was made for impairment on loans, advances and financing and other financial assets.

As at 31 March 2020, gross loan, advances and financing grew by RM131.54 million or 4.4% to RM3.09 billion as compared to RM2.96 billion as at 31 December 2019. However, the Bank's deposits from customers decreased by RM0.39 billion or 13.5% to RM2.48 billion as compared against RM2.87 billion 31 December 2019.