

Industrial and Commercial Bank of China (Malaysia) Berhad

(Company No. 839839 M)

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

30 JUNE 2019

Industrial and Commercial Bank of China (Malaysia) Berhad

(Company No. 839839 M)

(Incorporated in Malaysia)

MANAGEMENT'S CERTIFICATION

I hereby certify that the attached unaudited condensed financial statements for the half year ended 30 June 2019 have been prepared from the Bank's accounting and other records and that they are in accordance with the requirements of MFRS134: 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 on 2 February 2018.

Wang Qiang
Chief Executive Officer/Managing Director

Date: 31 July 2019

Industrial and Commercial Bank of China (Malaysia) Berhad

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(Company No. 839839 M)

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	30 Jun 2019 RM'000	31 Dec 2018 RM'000
ASSETS			
Cash and short-term funds	10	655,491	1,017,586
Deposits and placements with banks and other financial institutions	11	190,831	12,467
Financial investments measured at fair value through other comprehensive income	12	597,628	589,715
Financial investments measured at amortised cost	13	117,191	117,269
Loans, advances and financing	14	3,047,892	3,008,073
Derivative financial assets	15	1,229	8,155
Other assets	16	16,844	15,211
Statutory deposits with Bank Negara Malaysia		43,357	42,602
Plant and equipment		7,315	8,319
Right-of-use assets		11,860	-
Deferred tax assets		8,298	10,298
TOTAL ASSETS		4,697,936	4,829,695
LIABILITIES			
Deposits from customers	17	2,218,364	2,502,567
Deposits and placements of banks and other financial institutions	18	1,224,542	1,130,042
Derivative financial liabilities	15	1,428	7,786
Other liabilities	19	94,189	71,352
Lease liabilities		11,972	-
Provision for credit commitments and contingencies	20	5,020	4,546
Provision for taxation		3,769	7,376
TOTAL LIABILITIES		3,559,284	3,723,669
EQUITY			
Share capital		832,609	832,609
Reserves		306,043	273,417
EQUITY ATTRIBUTABLE TO OWNER OF THE BANK		1,138,652	1,106,026
TOTAL LIABILITIES AND EQUITY		4,697,936	4,829,695
COMMITMENTS AND CONTINGENCIES	28	2,945,479	4,084,834

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 2018 and accompanying explanatory notes on pages 7 to 30 attached to the unaudited condensed interim financial statements.

The financial statements were approved by the Board of Directors on 31 July 2019.

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Note	2nd quarter ended		Year-To-Date ended	
		30 Jun 2019 RM'000	30 Jun 2018 RM'000	30 Jun 2019 RM'000	30 Jun 2018 RM'000
Interest income	21	51,437	50,714	101,869	97,175
Interest expense	21	(21,884)	(21,031)	(43,465)	(38,534)
Net interest income	21	29,553	29,683	58,404	58,641
Net fee income	22	3,021	7,840	5,302	20,152
Net trading income	23	3,629	13,127	7,901	22,292
Other operating income		23	44	56	44
Net operating income		36,226	50,694	71,663	101,129
Other operating expenses	24	(17,996)	(21,585)	(35,017)	(39,977)
Operating profit		18,230	29,109	36,646	61,152
Write back of/(Allowance for) impairment on loans, advances and financing	25	3,852	(3,512)	(2,896)	(4,494)
(Allowance for)/Write back of impairment on other financial assets	26	(187)	75	(104)	(145)
Profit before taxation		21,895	25,672	33,646	56,513
Tax expense		(4,946)	(6,576)	(7,357)	(14,519)
Profit for the financial period		16,949	19,096	26,289	41,994
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		149	(167)	(157)	(253)
Fair value reserve					
- Changes in fair value		3,336	(1,020)	8,332	(482)
- Amount transferred to profit or loss		162	104	162	104
- Deferred tax adjustment		(801)	245	(2,000)	116
		2,697	(671)	6,494	(262)
Total other comprehensive income for the financial period		2,846	(838)	6,337	(515)
Total comprehensive income for the financial period		19,795	18,258	32,626	41,479
Basic earnings per ordinary share (sen):		2.04	2.29	3.16	5.04

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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	← Non-distributable →			Distributable		Total Equity RM'000
	Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Available- for-sale Reserve RM'000	Regulatory Reserve RM'000	Retained Earnings RM'000	
At 1 January 2018	832,609	253	(556)	17,644	175,783	1,025,733
Adjustment on initial application of MFRS 9, net of tax	-	-	601	-	(525)	76
At 1 January 2018, restated	832,609	253	45	17,644	175,258	1,025,809
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 (from)/to profit or loss						
Foreign currency translation reserve						
- Currency translation differences in respect of						
- foreign operations	-	(253)	-	-	-	(253)
Fair value reserve						
- Changes in fair value	-	-	(482)	-	-	(482)
- Amount transferred to profit or loss	-	-	104	-	-	104
- Deferred tax adjustment	-	-	116	-	-	116
	-	-	(262)	-	-	(262)
Total other comprehensive (expense)/income for the financial period	-	(253)	(262)	-	-	(515)
Profit for the financial period	-	-	-	-	41,994	41,994
Total comprehensive (expense)/income for the financial period	-	(253)	(262)	-	41,994	41,479
At 30 June 2018	832,609	-	(217)	17,644	217,252	1,067,288

Industrial and Commercial Bank of China (Malaysia) Berhad

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UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019 (continued)

	← Non-distributable Foreign Currency →			Distributable		Total Equity RM'000
	Share Capital RM'000	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 income for the financial period						
Other comprehensive income for the financial period, net of tax						
Items that are or may be reclassified subsequently (from)/to profit or loss						
Foreign currency translation reserve						
- Currency translation differences in respect of						
- foreign operations	-	(157)	-	-	-	(157)
Fair value reserve						
- Changes in fair value	-	-	8,332	-	-	8,332
- Amount transferred to profit or loss	-	-	162	-	-	162
- Deferred tax adjustment	-	-	(2,000)	-	-	(2,000)
	-	-	6,494	-	-	6,494
Total other comprehensive (expense)/income for the financial period	-	(157)	6,494	-	-	6,337
Profit for the financial period	-	-	-	-	26,289	26,289
Total comprehensive (expense)/income for the financial period	-	(157)	6,494	-	26,289	32,626
At 30 June 2019	832,609	(452)	8,486	17,644	280,365	1,138,652

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 2018 and accompanying explanatory notes on pages 7 to 30 attached to the unaudited condensed interim financial statements.

The financial statements were approved by the Board of Directors on 31 July 2019.

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE
FINANCIAL PERIOD ENDED 30 JUNE 2019**

	Note	30 Jun 2019 RM'000	30 Jun 2018 RM'000
Cash flows from/(used in) operating activities			
Profit before taxation		33,646	56,513
Adjustments for:			
Depreciation of plant and equipment		1,801	1,833
Depreciation of right-of-use assets		2,308	-
Plant and equipment written off		-	43
Allowance for impairment on loans, advances and financing		2,896	4,494
Allowance for impairment on other financial assets		104	145
Interest expense on lease liabilities		228	-
Net unrealised gains arising from derivative trading		568	256
Transfer from foreign currency translation reserve		(157)	(253)
Accretion of discounts net of amortisation of premiums of financial investments measured at FVOCI		419	72
Accretion of discounts net of amortisation of premiums of financial investments measured at amortised cost		52	24
Operating profit before working capital changes		<u>41,865</u>	<u>63,127</u>
Changes in operating assets			
Deposits and placements with banks and other financial institutions		(178,366)	(254,057)
Loans, advances and financing		(42,240)	383,120
Other assets		(1,633)	(4,487)
Statutory deposits with Bank Negara Malaysia		(755)	(15,260)
Changes in operating liabilities			
Deposits from customers		(284,203)	274,109
Deposits and placements of banks and other financial institutions		94,500	(74,614)
Other liabilities		22,837	(281)
Provision for credit commitments and contingencies		(1)	3
Cash (used in)/from operations		<u>(347,996)</u>	<u>371,660</u>
Income taxes paid		(10,964)	(9,170)
Net cash (used in)/from operating activities		<u>(358,960)</u>	<u>362,490</u>
Cash flows used in from investing activities			
Purchase of plant and equipment		(797)	(1,021)
Net purchase from financial investments measured at FVOCI		-	(125,000)
Net purchase from financial investments measured at amortised cost		-	(111,035)
Net cash used in investing activities		<u>(797)</u>	<u>(237,056)</u>

(Company No. 839839 M)

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019 (continued)

	Note	30 Jun 2019 RM'000	30 Jun 2018 RM'000
Cash flows used in financing activities			
Payment of lease liabilities		(2,424)	-
Net cash used in financing activities		<u>(2,424)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		(362,181)	125,434
Cash and cash equivalents at beginning of the financial period		1,017,586	1,062,859
Adjustment on initial application of MFRS 9			(22)
At 1 January 2018, as restated			1,062,837
Less: Write back of credit loss for the financial period		86	12
Cash and cash equivalents at end of the financial period		<u>655,491</u>	<u>1,188,283</u>
Cash and cash equivalents comprise:			
Cash and short-term funds	10	<u>655,491</u>	<u>1,188,283</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 2018 and accompanying explanatory notes on pages 7 to 30 attached to the unaudited condensed interim financial statements.

The financial statements were approved by the Board of Directors on 31 July 2019.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

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 half year ended 30 June 2019 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 on 2 February 2018.

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 2018. 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 2018.

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 2018, except for the adoption of the following MFRSs during the financial period:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

MFRS 16, *Leases*

IC Interpretation 23, *Uncertainty over Income Tax Treatments*

Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*

Amendments to MFRS 9, *Financial Instruments - Prepayment Features with Negative Compensation*

Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*

Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*

Amendments to MFRS 119, *Employee Benefits - Plan Amendment, Curtailment or Settlement*

Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*

The initial applications of the accounting standards, amendments and interpretations do not have any material financial impact to the current period and prior period financial statements of the Bank, except as mentioned below:

2. Basis of Preparation *(continued)*

MFRS 16, Leases

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases - Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to classify a lease as finance or operating lease.

The Bank has chosen the cumulative transition approach on initial application at 1 January 2019 by recognising lease liabilities amounting to RM13.97 million with a corresponding right-of-use assets amounting to RM13.97 million, with the difference between the lease liabilities and right-of-use assets being recognised in retained earnings. Except for the onboarding of the lease liabilities and right-of-use assets on the Bank's Statement of Financial Position, there has been no significant impact on the Bank's financial statements following the adoption of MFRS 16.

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.

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 - Definition of Material*

Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*

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

MFRS 17, *Insurance Contracts*

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 Ventures*

The Bank plans to apply the abovementioned accounting standards, interpretations and amendments from the annual period beginning on 1 January 2020 that are effective for annual periods beginning on or after 1 January 2020, except for Amendments to MFRS 3 as they are not applicable to the Bank.

The Bank does not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on 1 January 2021 as it is not applicable to the Bank.

2. Basis of Preparation *(continued)*

The initial applications of the standards, amendments and interpretations 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 2018 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 half year ended 30 June 2019.

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 half year ended 30 June 2019.

7. Issue of Shares and Debentures

There were no issuance of shares and debentures during the half year ended 30 June 2019.

8. Dividend Paid

No dividend was paid during the half year ended 30 June 2019.

9. Significant Events

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

10. Cash and short-term funds

	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Cash and balances with banks and other financial institutions	38,407	470,089
Money at call and deposit placements maturing within one month	617,125	547,624
	655,532	1,017,713
Less: Allowance for credit loss	(41)	(127)
	655,491	1,017,586

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 2018	1,062,859	-	-	1,062,859
New assets originated	801,351	-	-	801,351
Assets derecognised or repaid	(846,497)	-	-	(846,497)
At 31 December 2018	1,017,713	-	-	1,017,713
At 1 January 2019	1,017,713	-	-	1,017,713
New assets originated	486,932	-	-	486,932
Assets derecognised or repaid	(849,113)	-	-	(849,113)
At 30 June 2019	655,532	-	-	655,532
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Allowance for credit loss				
At 1 January 2018				
- as previously stated				-
- adjustment on initial application of MFRS 9				22
At 1 January 2018, as restated	22	-	-	22
New assets originated	124	-	-	124
Assets derecognised or repaid	(19)	-	-	(19)
At 31 December 2018	127	-	-	127
At 1 January 2019	127	-	-	127
New assets originated	39	-	-	39
Assets derecognised or repaid	(125)	-	-	(125)
At 30 June 2019	41	-	-	41

11. Deposits and placements with banks and other financial institutions

	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Foreign banks	20,838	12,473
Licensed Malaysian banks	170,000	-
	190,838	12,473
Less: Allowance for credit loss	(7)	(6)
	190,831	12,467

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 2018	150,000	-	-	150,000
New assets originated	12,473	-	-	12,473
Assets derecognised or repaid	(150,000)	-	-	(150,000)
At 31 December 2018	12,473	-	-	12,473
At 1 January 2019	12,473	-	-	12,473
New assets originated	190,838	-	-	190,838
Assets derecognised or repaid	(12,473)	-	-	(12,473)
At 30 June 2019	190,838	-	-	190,838
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Allowance for credit loss				
At 1 January 2018				
- as previously stated				-
- adjustment on initial application of MFRS 9				27
At 1 January 2018, as restated	27	-	-	27
New assets originated	2	-	-	2
Assets derecognised or repaid	(30)	-	-	(30)
Foreign exchange adjustments	7	-	-	7
At 31 December 2018	6	-	-	6
At 1 January 2019	6	-	-	6
New assets originated	7	-	-	7
Assets derecognised or repaid	(5)	-	-	(5)
Foreign exchange adjustments	(1)	-	-	(1)
At 30 June 2019	7	-	-	7

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

(i) By type	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Malaysian Government Securities	209,568	206,162
Malaysian Government Investment Issues	225,931	222,374
Malaysian Government Sukuk	30,225	29,799
Financial Institutions Securities	30,522	30,630
Private debt securities	81,271	80,747
Other debt securities		
- Cagamas bonds	20,111	20,003
	597,628	589,715

(ii) By maturity structure	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Within one year	25,052	4,993
More than one year to three years	172,345	191,800
More than three years to five years	220,121	196,311
More than five years	180,110	196,611
	597,628	589,715

(iii) Movement of allowance for credit loss

	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Gross carrying amount				
At 1 January 2018	372,094	-	-	372,094
New assets originated or purchased	219,071	-	-	219,071
Assets derecognised or repaid	(1,450)	-	-	(1,450)
At 31 December 2018	589,715	-	-	589,715
At 1 January 2019	589,715	-	-	589,715
New assets originated	8,464	-	-	8,464
Assets derecognised	(551)	-	-	(551)
At 30 June 2019	597,628	-	-	597,628

12. Financial investments measured at fair value through other comprehensive income (continued)**(iii) Movement of allowance for credit loss (continued)**

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Allowance for credit loss				
At 1 January 2018				
- as previously stated				-
- adjustment on initial application of MFRS 9				601
At 1 January 2018, as restated	601	-	-	601
New assets originated or purchased	209	-	-	209
Assets derecognised or repaid	(116)	-	-	(116)
Foreign exchange adjustments	(1)	-	-	(1)
At 31 December 2018	<u>693</u>	<u>-</u>	<u>-</u>	<u>693</u>
At 1 January 2019	693	-	-	693
New assets originated	191	-	-	191
Assets derecognised	(29)	-	-	(29)
At 30 June 2019	<u>855</u>	<u>-</u>	<u>-</u>	<u>855</u>

13. Financial investments measured at amortised cost

(i) By type	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Malaysian Government Investment Issues	32,245	32,283
Private debt securities	65,065	65,079
Other debt securities		
- Cagamas bonds	<u>20,000</u>	20,000
	117,310	117,362
Less: Allowance for credit loss	<u>(119)</u>	<u>(93)</u>
	<u>117,191</u>	<u>117,269</u>
(ii) By maturity structure	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
More than one year to three years	82,310	20,000
More than three years to five years	35,000	97,362
	<u>117,310</u>	<u>117,362</u>

13. Financial investments measured at amortised cost (continued)**(iii) Movement of allowance for credit loss**

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Allowance for credit loss				
At 1 January 2018	-	-	-	-
New assets originated or purchased	93	-	-	93
At 31 December 2018	93	-	-	93
At 1 January 2019	93	-	-	
New assets originated	26	-	-	26
At 30 June 2019	119	-	-	26

14. Loans, advances and financing**(i) By type**

	30 Jun 2019 RM'000	31 Dec 2018 RM'000
Overdrafts	36,242	57,299
Term loans		
- Housing loans	77,742	76,641
- Syndicated term loans	1,042,017	935,364
- Other term loans	415,743	534,029
Bills receivable	16,589	21,123
Revolving credits	1,347,198	1,268,287
Bankers' acceptances	139,720	139,984
Staff loans	1,933	2,004
Credit card loans	1,885	2,124
Gross loans, advances and financing	3,079,069	3,036,855
Less: Allowance for credit loss		
- Stage 1 (12-month ECL)	(18,883)	(15,954)
- Stage 2 (Lifetime ECL - non-credit impaired)	(11,107)	(11,640)
- Stage 3 (Lifetime ECL - credit impaired)	(1,187)	(1,188)
	(31,177)	(28,782)
Net loans, advances and financing	3,047,892	3,008,073

(ii) By type of customer

	30 Jun 2019 RM'000	31 Dec 2018 RM'000
Domestic banking institutions	47,216	52,806
Domestic non-bank financial institutions		
- Others	140,228	140,278
Domestic business enterprises		
- Small medium enterprises	109,371	65,029
- Others	1,557,356	1,530,081
Individuals	44,762	46,452
Foreign entities	1,180,136	1,202,209
	3,079,069	3,036,855

14. Loans, advances and financing (continued)

(iii) By interest rate sensitivity	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Fixed rate loans	3,818	4,128
Variable rate		
- Base rate/base lending rate plus	67,526	82,817
- Cost plus	2,889,926	2,808,749
- Other variable rates	117,799	141,161
	<u>3,079,069</u>	<u>3,036,855</u>
(iv) By sector	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Primary agriculture	60,995	86,591
Manufacturing	181,249	206,698
Electricity, gas and water	-	65,414
Construction	176,917	100,554
Real estate	420,613	476,939
Wholesale & retail trade and restaurants & hotels	844,998	835,595
Transport, storage and communication	165,947	108,308
Finance, insurance and business services	677,824	685,675
Education, health and others	452,111	372,592
Household	98,415	98,489
	<u>3,079,069</u>	<u>3,036,855</u>
(v) By purpose	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Purchase of properties		
- Non residential	176,288	155,994
- Residential	79,258	78,184
Purchase of transport vehicles	-	4
Purchase of fixed assets (excluding properties)	175,972	208,266
Construction	176,082	88,539
Credit card	1,885	2,124
Personal use	1,237	1,332
Working capital	2,092,746	1,870,754
Other purpose	375,601	631,658
	<u>3,079,069</u>	<u>3,036,855</u>
(vi) By geographical distribution	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Within Malaysia	2,159,781	2,140,728
Outside Malaysia	919,288	896,127
	<u>3,079,069</u>	<u>3,036,855</u>

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

14. Loans, advances and financing (continued)

(vii) By residual contractual maturity	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Maturity within one year	1,816,457	1,850,954
More than one year to three years	620,659	457,459
More than three years to five years	486,732	518,431
More than five years	155,221	210,011
	<u>3,079,069</u>	<u>3,036,855</u>
(viii) Impaired loans, advances and financing		
(a) Movement in impaired loans, advances and financing	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
At 1 January	1,188	1,127
Impaired during the financial period	5	816
Reclassified as performing during the financial period	-	(794)
Exchange differences	(6)	39
At 31 December	<u>1,187</u>	<u>1,188</u>
As % of gross loans, advances and financing	<u>0.04%</u>	<u>0.04%</u>
(b) By sector	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Wholesale & retail trade and restaurants & hotels	1,116	1,123
Household	71	65
	<u>1,187</u>	<u>1,188</u>
(c) By purpose	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Working capital	1,116	1,123
Credit card	71	65
	<u>1,187</u>	<u>1,188</u>
(d) By geographical distribution	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Within Malaysia	71	65
Outside Malaysia	1,116	1,123
	<u>1,187</u>	<u>1,188</u>

14. Loans, advances and financing (continued)**(ix) Movements in allowance for impairment on loans, advances and financing**

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2018				
- as previously stated				28,526
- adjustment on initial application of MFRS 9				(8,035)
At 1 January 2018, as restated	19,336	28	1,127	20,491
New assets originated	5,293	302	816	6,411
Assets derecognised or repaid	(2,128)	(1,902)	(794)	(4,824)
Transfer to Stage 1	1	(1)	-	-
Transfer to Stage 2	(4,038)	4,038	-	-
Changes due to change in credit risk	(3,780)	8,791	-	5,011
Changes in model/risk parameter	1,360	384	-	1,744
Foreign exchange adjustments	(90)	-	39	(51)
At 31 December 2018	<u>15,954</u>	<u>11,640</u>	<u>1,188</u>	<u>28,782</u>
At 1 January 2019	15,954	11,640	1,188	28,782
New assets originated	4,831	839	5	5,675
Assets derecognised or repaid	(2,428)	(5,883)	-	(8,311)
Transfer to Stage 1	6	(6)	-	-
Transfer to Stage 2	(1,020)	1,020	-	-
Changes due to change in credit risk	1,560	3,497	-	5,057
Foreign exchange adjustments	(20)	-	(6)	(26)
At 30 June 2019	<u>18,883</u>	<u>11,107</u>	<u>1,187</u>	<u>31,177</u>

15. Derivatives financial assets/liabilities

	30 Jun 2019		
	Contract/ Nominal value RM'000	Assets RM'000	Liabilities RM'000
Foreign exchange contracts			
- Currency forwards and spots	398,373	952	936
- Currency swaps	<u>197,196</u>	<u>277</u>	<u>492</u>
Total recognised derivatives assets/liabilities (Note 28)	<u>595,569</u>	<u>1,229</u>	<u>1,428</u>
	31 Dec 2018		
	Contract/ Nominal value RM'000	Assets RM'000	Liabilities RM'000
Foreign exchange contracts			
- Currency forwards and spots	528,130	1,623	1,600
- Currency swaps	<u>1,167,456</u>	<u>6,532</u>	<u>6,186</u>
Total recognised derivatives assets/liabilities (Note 28)	<u>1,695,586</u>	<u>8,155</u>	<u>7,786</u>

16. Other assets	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Interest receivable	13,166	11,657
Deposits	1,762	1,785
Other receivables and prepayments	1,916	1,769
	16,844	15,211
17. Deposits from customers		
(i) By type of deposit	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Demand deposits	756,312	623,220
Fixed deposits	958,277	1,025,739
Savings deposits	120,078	118,052
Money market deposits	368,424	719,447
Other deposits	15,273	16,109
	2,218,364	2,502,567
(ii) By type of customer	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Business enterprises	1,144,218	1,156,312
Individuals	318,509	251,923
Foreign entities	755,259	1,093,295
Others	378	1,037
	2,218,364	2,502,567
(iii) By maturity structure of term deposit	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Due within six months	1,922,118	2,264,911
More than six months to one year	284,911	227,347
More than one year to three years	11,335	10,309
	2,218,364	2,502,567
18. Deposits and placements of banks and other financial institutions		
	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Licensed Malaysian banks	99,725	154,526
Licensed investment banks	51,089	50,329
Licensed Islamic banks	4,245	2,851
Other financial institutions	322,586	166,114
Foreign banks	746,897	756,222
	1,224,542	1,130,042

19. Other liabilities

	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Interest payable	21,173	15,015
Other payables and accruals	73,016	56,337
	94,189	71,352

20. Provision for credit commitments and contingencies

	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- as previously stated				-
- adjustment on initial application of MFRS 9				7,910
At 1 January 2018, as restated	7,896	14	-	7,910
New assets originated	969	216	-	1,185
Assets derecognised or repaid	(2,455)	(330)	-	(2,785)
Transfer to Stage 1	2	(2)	-	-
Transfer to Stage 2	(2,525)	2,525	-	-
Changes due to change in credit risk	161	(32)	-	129
Changes in model/risk parameter	(1,265)	(630)	-	(1,895)
Foreign exchange adjustments	2	-	-	2
At 31 December 2018	2,785	1,761	-	4,546
As at 1 January 2019	2,785	1,761	-	4,546
New assets originated	870	217	-	1,087
Assets derecognised or repaid	(610)	(371)	-	(981)
Transfer to Stage 1	215	(215)	-	-
Transfer to Stage 2	(623)	623	-	-
Changes due to change in credit risk	829	(460)	-	369
Foreign exchange adjustments	(1)	-	-	(1)
At 30 Jun 2019	3,465	1,555	-	5,020

21. Interest income	2nd quarter ended		Year-To-Date ended	
	30 Jun 2019 RM'000	30 Jun 2018 RM'000	30 Jun 2019 RM'000	30 Jun 2018 RM'000
Loans, advances and financing:	36,662	33,108	72,430	64,469
Money at call and deposit placements with financial institutions	7,389	12,177	14,759	23,123
Financial investments measured at fair value through other comprehensive income	6,076	4,494	12,067	8,330
Financial investments measured at amortised cost	1,310	935	2,613	1,252
Others	-	-	-	1
	51,437	50,714	101,869	97,175
Interest expense				
Deposits and placements of banks and other financial institutions	(9,438)	(6,034)	(17,413)	(11,751)
Deposits from customers	(12,445)	(14,994)	(26,051)	(26,779)
Others	(1)	(3)	(1)	(4)
	(21,884)	(21,031)	(43,465)	(38,534)
Net interest income	29,553	29,683	58,404	58,641

22. Net fee income	2nd quarter ended		Year-To-Date ended	
	30 Jun 2019 RM'000	30 Jun 2018 RM'000	30 Jun 2019 RM'000	30 Jun 2018 RM'000
Fee income:				
- Commission	12	12	17	16
- Service charges and fees	692	616	1,386	1,211
- Loan processing fees	95	354	346	6,608
- Syndication fees	972	2,760	1,172	3,558
- Guarantee fees	841	755	1,700	2,025
- Commitment fees	334	239	544	530
- Other loans related fees income	33	160	58	3,441
- Other fees income	85	3,006	168	3,127
	3,064	7,902	5,391	20,516
Fee expense:				
- Brokerage fees	(32)	(33)	(54)	(51)
- Other fees expense	(11)	(29)	(35)	(313)
	(43)	(62)	(89)	(364)
Net fee income	3,021	7,840	5,302	20,152

23. Net trading income	2nd quarter ended		Year-To-Date ended	
	30 Jun 2019 RM'000	30 Jun 2018 RM'000	30 Jun 2019 RM'000	30 Jun 2018 RM'000
Net (losses)/gains from dealing in foreign exchange	(7,683)	1,125	9,278	25,832
Net gains/(losses) arising from derivative trading	11,603	12,421	(779)	(3,038)
Net unrealised revaluation losses in foreign exchange	(60)	(255)	(30)	(246)
Net unrealised losses arising from derivative trading	(231)	(164)	(568)	(256)
	<u>3,629</u>	<u>13,127</u>	<u>7,901</u>	<u>22,292</u>

24. Other operating expenses	2nd quarter ended		Year-To-Date ended	
	30 Jun 2019 RM'000	30 Jun 2018 RM'000	30 Jun 2019 RM'000	30 Jun 2018 RM'000
Personnel costs:				
- Salaries, allowances and bonuses	10,238	13,485	20,426	24,328
- Pension fund contributions	1,046	775	2,088	1,515
- Other staff costs	1,701	1,840	2,767	3,019
Promotion and marketing related expenses:				
- Advertising and promotion	48	62	232	199
- Others	111	184	265	288
Establishment costs:				
- Depreciation of plant and equipment	858	911	1,801	1,833
- Depreciation of right-of-use assets	1,157	-	2,308	-
- Interest expense of right-of-use assets	114	-	228	-
- Rental	50	1,229	106	3,220
- Others	504	511	965	985
Administrative expenses:				
- Auditors' remuneration				
• statutory audit fees	68	71	135	142
• audit related services	27	24	54	161
- Professional fees	238	164	269	222
- Licence fee	77	79	154	156
- Membership fee	41	28	69	88
- Plant and equipment written off	-	-	-	43
- Others	1,718	2,222	3,150	3,778
	<u>17,996</u>	<u>21,585</u>	<u>35,017</u>	<u>39,977</u>

25. (Write back of)/Allowance for impairment on loans, advances and financing

	2nd quarter ended		Year-To-Date ended	
	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018
	RM'000	RM'000	RM'000	RM'000
(Write back of)/Allowance for credit loss				
- Loans, advances and financing	(4,582)	3,788	2,421	6,289
- Provision for commitments and contingencies	730	(276)	475	(1,795)
	<u>(3,852)</u>	<u>3,512</u>	<u>2,896</u>	<u>4,494</u>

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

	2nd quarter ended		Year-To-Date ended	
	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018
	RM'000	RM'000	RM'000	RM'000
Allowance for/(Write back of) credit loss				
- Cash and short-term funds	32	(18)	(86)	(12)
- Deposits and placements with banks and other financial institutions	(33)	(231)	2	(17)
- Financial investments measured at fair value through other comprehensive income	162	104	162	104
- Financial investments measured at amortised cost	26	70	26	70
	<u>187</u>	<u>(75)</u>	<u>104</u>	<u>145</u>

27. Credit exposure to connected parties

The credit exposures of the Bank to connected parties, as defined by BNM's "Guidelines on Credit

	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Aggregate value of outstanding credit exposures to connected parties	<u>267,123</u>	<u>273,694</u>
As a percentage of total credit exposures	<u>4.90%</u>	<u>5.26%</u>
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<u>0%</u>	<u>0%</u>

28. Commitments and contingencies

The commitments and contingencies comprise the following:

	30 Jun 2019			
	Principal	Positive Value	Credit	Risk-
	Amount	of Derivative	Equivalent	Weighted
	RM'000	Contracts ^	Amount *	Assets *
	RM'000	RM'000	RM'000	RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	74,420	-	74,420	14,884
Transaction-related contingent items	642,403	-	321,201	221,373
Short term self-liquidating trade-related contingencies	126,026	-	25,205	16,177
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- Exceeding one year	290,130	-	145,065	110,399
- Not exceeding one year	1,176,077	-	235,216	218,158
Unutilised credit card lines	40,854	-	8,171	6,128
<u>Derivative financial contracts</u>				
Foreign exchange related contracts:				
- Less than one year	595,569	1,229	7,764	3,583
Total	2,945,479	1,229	817,042	590,702

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 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.

28. Commitments and contingencies (continued)

	31 Dec 2018			
	Principal	Positive Value	Credit	Risk-
	Amount	of Derivative	Equivalent	Weighted
RM'000	Contracts ^	Amount *	Assets *	
	RM'000	RM'000	RM'000	RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	74,835	-	74,835	14,967
Transaction-related contingent items	564,904	-	282,452	201,988
Short term self-liquidating trade-related contingencies	154,257	-	30,851	20,153
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- Exceeding one year	526,420	-	263,210	214,946
- Not exceeding one year	1,028,727	-	205,746	188,852
Unutilised credit card lines	40,105	-	8,021	6,015
<u>Derivative financial contracts</u>				
Foreign exchange related contracts:				
- Less than one year	1,695,586	8,155	29,636	12,873
Total	4,084,834	8,155	894,751	659,794

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.

29. 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:

	30 Jun 2019	31 Dec 2018
	RM'000	RM'000
Common Equity Tier 1 (“CET1”) Capital		
Paid-up share capital	832,609	832,609
Retained earnings	254,076	254,076
Regulatory reserve	17,644	17,644
Foreign currency translation reserve	(452)	(295)
Unrealised gains on financial investments measured at FVOCI	7,631	1,299
	1,111,508	1,105,333
Less: Regulatory adjustments applied in calculation of CET1 Capital		
- Deferred tax assets	(8,298)	(10,298)
- 55% cumulative gains of financial investments measured at FVOCI	(4,197)	(714)
- Regulatory reserve attributable to loans, advances and financing	(17,644)	(17,644)
	(30,139)	(28,656)
Total CET1 Capital	1,081,369	1,076,677
Tier 2 Capital		
Allowance for credit loss	26,889	27,684
Regulatory reserve	17,644	17,644
Total Tier 2 Capital	44,533	45,328
Total Capital	1,125,902	1,122,005
CET1 capital ratio	27.829%	27.370%
Tier 1 capital ratio	27.829%	27.370%
Total capital ratio	28.975%	28.523%

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

	30 Jun 2019		31 Dec 2018	
	Principal	Risk-Weighted	Principal	Risk-Weighted
	RM'000	RM'000	RM'000	RM'000
Total RWA for credit risk	5,535,608	3,562,677	5,733,813	3,626,253
Total RWA for market risk	-	6,334	-	1,973
Total RWA for operational risk	-	316,779	-	305,504
	5,535,608	3,885,790	5,733,813	3,933,730

29. Capital adequacy (continued)

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

Risk Type	30 Jun 2019			
	Gross	Net	Risk-Weighted	Capital
	Exposures	Exposures	Assets	Requirement
	RM'000	RM'000	RM'000	RM'000
<i>Credit Risk</i>				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	608,831	608,831	-	-
Banks, Development Financial Institutions and MDBs	859,715	859,715	195,264	15,621
Corporates	2,999,101	2,999,101	2,590,268	207,221
Regulatory Retail	132,392	132,392	122,541	9,803
Residential Mortgages	74,206	74,206	27,883	2,231
Other Assets	44,321	44,321	36,019	2,882
Total On-Balance Sheet Exposures	4,718,566	4,718,566	2,971,975	237,758
<u>Off-Balance Sheet Exposures</u>				
Credit-related off-balance sheet exposures	809,278	809,278	587,119	46,969
OTC derivatives	7,764	7,764	3,583	287
Total Off-Balance Sheet Exposures	817,042	817,042	590,702	47,256
Total On and Off-Balance Sheet Exposures	5,535,608	5,535,608	3,562,677	285,014
Large exposure risk requirement*	-	-	-	-
<i>Market Risk</i>				
	<u>Long</u>	<u>Short</u>		
	<u>Position</u>	<u>Position</u>		
Foreign currency risk	6,334	114	6,334	507
<i>Operational Risk</i>	-	-	316,779	25,342
Total RWA and Capital Requirements			3,885,790	310,863

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").

29. Capital adequacy (continued)

Risk Type	31 Dec 2018			
	Gross	Net	Risk-Weighted	Capital
	Exposures	Exposures	Assets	Requirements
	RM'000	RM'000	RM'000	RM'000
<i>Credit Risk</i>				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	909,239	909,239	-	-
Banks, Development Financial Institutions and MDBs	745,271	745,271	176,704	14,136
Corporates	2,991,405	2,991,405	2,662,537	213,003
Regulatory Retail	88,601	88,601	76,304	6,104
Residential Mortgages	73,730	73,730	27,384	2,191
Other Assets	30,816	30,816	23,530	1,882
Total On-Balance Sheet Exposures	<u>4,839,062</u>	<u>4,839,062</u>	<u>2,966,459</u>	<u>237,316</u>
<u>Off-Balance Sheet Exposures</u>				
Credit-related off-balance sheet exposures	865,115	865,115	646,921	51,754
OTC derivatives	29,636	29,636	12,873	1,030
Total Off-Balance Sheet Exposures	<u>894,751</u>	<u>894,751</u>	<u>659,794</u>	<u>52,784</u>
Total On and Off-Balance Sheet Exposures	<u>5,733,813</u>	<u>5,733,813</u>	<u>3,626,253</u>	<u>290,100</u>
Large exposure risk requirement*	-	-	-	-
<i>Market Risk</i>				
	Long Position	Short Position		
Foreign currency risk	1,973	91	1,973	158
<i>Operational Risk</i>				
Total RWA and Capital Requirements	-	-	<u>305,504</u>	<u>24,440</u>
			<u>3,933,730</u>	<u>314,698</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.

29. Capital adequacy (continued)

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

30 Jun 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%	608,831	-	263,044	7,511	705	8,302	888,393	-
20%	-	856,398	215,341	-	-	1,525	1,073,264	214,653
35%	-	-	-	-	61,114	-	61,114	21,390
50%	-	86,420	241,018	15,707	11,789	5,923	360,857	180,429
75%	-	-	-	23,101	-	-	23,101	17,326
100%	-	-	2,937,412	154,534	598	36,335	3,128,879	3,128,879
Total Exposures	608,831	942,818	3,656,815	200,853	74,206	52,085	5,535,608	3,562,677
Risk-Weighted Assets by Exposures	-	214,490	3,100,989	179,713	27,883	39,602	3,562,677	
Average Risk Weight	0.0%	22.7%	84.8%	89.5%	37.6%	76.0%	64.4%	
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. Capital adequacy (continued)

31 Dec 2018 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%	909,239	-	182,914	9,961	840	7,286	1,110,240	-
20%	-	727,938	215,936	-	-	8,185	952,059	190,412
35%	-	-	-	-	62,428	-	62,428	21,850
50%	-	100,898	234,928	12,954	9,857	20,432	379,069	189,535
75%	-	-	-	22,242	-	-	22,242	16,681
100%	-	-	3,081,484	101,136	605	24,550	3,207,775	3,207,775
Total Exposures	909,239	828,836	3,715,262	146,293	73,730	60,453	5,733,813	3,626,253
Risk-Weighted Assets by Exposures	-	196,037	3,242,135	124,295	27,383	36,403	3,626,253	
Average Risk Weight	0.0%	23.7%	87.3%	85.0%	37.1%	60.2%	63.2%	
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

30. Performance review

The Bank registered profit before tax of RM33.65 million for the half year ended 30 June 2019, lower by RM22.87 million when compared against the corresponding period in 2018. The Bank's total operating income was made up of net interest income of RM58.40 million, net trading income of RM7.90 million and net fee income of RM5.30 million (30 June 2018: RM58.64 million, RM22.29 million and RM20.15 million respectively). For the half year ended 30 June 2019, net interest income which contributed 81.5% to the Bank's total operating income, was lower by RM0.24 million or 0.4% when compared with the corresponding period of year 2018. Whereas, net trading income and net fee income which contributed 11.0% and 7.4% of total operating income respectively, decreased by RM14.39 million and RM14.85 million respectively as a result of lower fee income received and lower volume of foreign exchange transactions during the financial period.

The Bank's other operating expenses decreased by RM4.96 million or 12.4% to RM35.02 million, attributable to lower personnel, administrative and establishment costs. During the second quarter ended 30 June 2019, there was a write back of impairment loss on loans, advances and financing amounted to RM3.85 million, bringing the total allowance for impairment loss of loans, advances and financing for the financial period ended 30 June 2019 to RM2.90 million.

Gross loan, advances and financing recorded a year-on-year growth of RM0.25 billion or 8.8% and stood at RM3.08 billion. However, the Bank's deposits from customers reduced by RM0.90 billion or 28.8% during the first half of 2019 to RM2.22 billion as compared against the corresponding period in 2018.