

**Industrial and Commercial Bank of China (Malaysia) Berhad**

(Registration No. 201001000001 (839839 M))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
31 MARCH 2021**

**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 2021 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  
Managing Director/Chief Executive Officer

Date: 27 April 2021

**Industrial and Commercial Bank of China (Malaysia) Berhad**

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Registration No. 201001000001 (839839 M)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021**

	<b>Note</b>	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
Cash and short-term funds	10	816,905	744,489
Deposits and placements with banks and other financial institutions	11	133,977	129,834
Financial investments measured at fair value through other comprehensive income ("FVOCI")	12	536,739	542,881
Financial investments measured at amortised cost	13	229,992	223,679
Loans, advances and financing	14	2,381,080	2,379,326
Derivative financial assets	15	1,973	2,313
Other assets	16	13,903	16,549
Statutory deposits with Bank Negara Malaysia		18,009	20,402
Tax recoverable		6,633	9,163
Property and equipment		3,456	3,753
Right-of-use assets		9,750	10,800
Intangible asset		-	-
Deferred tax assets		11,526	11,158
<b>TOTAL ASSETS</b>		<b>4,163,943</b>	<b>4,094,347</b>
<b>LIABILITIES</b>			
Deposits from customers	17	2,001,137	1,976,414
Deposits and placements of banks and other financial institutions	18	873,250	840,051
Derivative financial liabilities	15	2,290	3,190
Other liabilities	19	44,699	44,599
Lease liabilities		9,542	10,549
Provision for commitments and contingencies	20	5,344	5,453
Provision for taxation		261	235
<b>TOTAL LIABILITIES</b>		<b>2,936,523</b>	<b>2,880,491</b>
<b>EQUITY</b>			
Share capital		832,609	832,609
Reserves		394,811	381,247
<b>EQUITY ATTRIBUTABLE TO OWNER OF THE BANK</b>		<b>1,227,420</b>	<b>1,213,856</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,163,943</b>	<b>4,094,347</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	27	<b>2,690,562</b>	<b>2,257,653</b>

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 2020 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 27 April 2021.

**UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD 31 MARCH 2021**

	Note	1st quarter ended		Year-To-Date ended	
		31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
		RM'000	RM'000	RM'000	RM'000
Interest income	21	29,476	45,927	29,476	45,927
Interest expense	21	(7,654)	(15,311)	(7,654)	(15,311)
Net interest income	21	21,822	30,616	21,822	30,616
Net fee income	22	2,305	2,052	2,305	2,052
Net trading income	23	7,058	6,524	7,058	6,524
Other operating income		48	29	48	29
Net operating income		31,233	39,221	31,233	39,221
Other operating expenses	24	(16,702)	(17,514)	(16,702)	(17,514)
Operating profit		14,531	21,707	14,531	21,707
Write-back of/(Allowance for) impairment on loans, advances and financing	25	7,937	(6,997)	7,937	(6,997)
Allowance for impairment on other financial assets	26	(31)	(11)	(31)	(11)
Profit before taxation		22,437	14,699	22,437	14,699
Tax expense		(5,530)	(3,024)	(5,530)	(3,024)
Profit for the financial period		16,907	11,675	16,907	11,675
Other comprehensive income, 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		1,140	1,410	1,140	1,410
Fair value reserve					
- Changes in fair value		(5,900)	2,480	(5,900)	2,480
- Deferred tax adjustment		1,417	(595)	1,417	(595)
		(4,483)	1,885	(4,483)	1,885
Total other comprehensive (expense)/income for the financial period		(3,343)	3,295	(3,343)	3,295
Total comprehensive income for the financial period		13,564	14,970	13,564	14,970
Basic earnings per ordinary share (sen):		2.03	1.40	2.03	1.40

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## UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

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

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## UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 (continued)

	← 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	
<b>At 1 January 2021</b>	832,609	(127)	18,739	17,644	344,991	1,213,856
<b>Total comprehensive income/(expense) for the financial period</b>						
<b>Other comprehensive income/(expense), net of tax</b>						
Items that are or may be reclassified subsequently to/(from) profit or loss						
Foreign currency translation reserve	-	1,140	-	-	-	1,140
- Currency translation differences in respect of foreign operations						
Fair value reserve						
- Changes in fair value	-	-	(5,900)	-	-	(5,900)
- Deferred tax adjustment	-	-	1,417	-	-	1,417
	-	-	(4,483)	-	-	(4,483)
<b>Total other comprehensive income/(expense) for the financial period</b>	-	1,140	(4,483)	-	-	(3,343)
Profit for the financial period	-	-	-	-	16,907	16,907
<b>Total comprehensive income/(expense) for the financial period</b>	-	1,140	(4,483)	-	16,907	13,564
<b>At 31 March 2021</b>	832,609	1,013	14,256	17,644	361,898	1,227,420

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 2020 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 27 April 2021.

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE  
FINANCIAL PERIOD ENDED 31 MARCH 2021**

	<b>31 Mar 2021</b>	<b>31 Mar 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from/(used in) operating activities</b>		
Profit before taxation	22,437	14,699
Adjustments for:		
Depreciation of property and equipment	369	892
Depreciation of right-of-use assets	1,186	1,189
Interest expense on lease liabilities	48	77
Property and equipment written off	1	4
(Write-back of)/Allowance for impairment on loans, advances and financing	(7,937)	6,997
Allowance for impairment on other financial assets	31	11
Net unrealised gains arising from derivative trading	(560)	(3,919)
Transfer to foreign currency translation reserve	1,140	1,410
Accretion of discounts net of amortisation of premiums of financial investments measured at FVOCI	242	146
Accretion of discounts net of amortisation of premiums of financial investments measured at amortised cost	280	25
Operating profit before working capital changes	17,237	21,531
Changes in operating assets		
Deposits and placements with banks and other financial institutions	(4,143)	(99,450)
Loans, advances and financing	6,074	(131,146)
Other assets	2,646	5,050
Statutory deposits with Bank Negara Malaysia	2,393	9,809
Changes in operating liabilities		
Deposits from customers	24,723	(387,098)
Deposits and placements of banks and other financial institutions	33,199	8,998
Other liabilities	100	284
Cash from/(used in) operations	82,229	(572,022)
Income taxes paid	(1,925)	(6,217)
<b>Net cash from/(used in) operating activities</b>	80,304	(578,239)
<b>Cash flows (used in)/from investing activities</b>		
Purchase of property and equipment	(73)	(284)
Net proceeds from financial investments measured at FVOCI	-	18,999
Net purchase of financial investments measured at amortised cost	(6,637)	-
<b>Net cash (used in)/from investing activities</b>	(6,710)	18,715

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE  
FINANCIAL PERIOD ENDED 31 MARCH 2021 (continued)**

	Note	31 Mar 2021 RM'000	31 Mar 2020 RM'000
<b>Cash flows used in financing activity</b>			
Net payment of lease liabilities		(1,191)	(1,196)
<b>Net cash used in financing activity</b>		<u>(1,191)</u>	<u>(1,196)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		72,403	(560,720)
<b>Cash and cash equivalents at beginning of the financial period</b>		<u>744,489</u>	<u>1,177,767</u>
		816,892	617,047
Add: Write-back of/(Allowance for) credit loss for the financial period		13	(13)
<b>Cash and cash equivalents at end of the financial period</b>		<u><u>816,905</u></u>	<u><u>617,034</u></u>
<b>Cash and cash equivalents comprise:</b>			
Cash and short-term funds	10	<u><u>816,905</u></u>	<u><u>617,034</u></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 2020 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 27 April 2021.



**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021****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 2021 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 2020. 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 2020.

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 2020. The following are the accounting standards, interpretations and amendments that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Bank:-

***Amendment effective for annual periods beginning on or after 1 April 2021***

- Amendment to MFRS 16, Leases - *Covid-19-Related Rent Concessions beyond 30 June 2021*

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

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

***MFRSs and amendments effective for annual periods beginning on or after 1 January 2023***

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*

## 2. Basis of preparation (continued)

### *MFRSs and amendments effective for annual periods beginning on or after 1 January 2023 (continued)*

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

### *MFRSs, interpretations and 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 plans to apply the abovementioned accounting standards and amendments:-

- From the annual period beginning on 1 January 2022 the amendment that is effective for annual periods beginning on or after 1 April 2021.
- From the annual period beginning on 1 January 2022 those amendments that are effective for annual periods beginning on or after 1 January 2022, except for Amendments to MFRS 1, Amendments to MFRS 3, Amendments to MFRS 116, Amendments to MFRS 137 and Amendments to MFRS 141 which are not applicable to the Bank.
- From the annual period beginning on 1 January 2023 those amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and Amendments to MFRS 101, insofar as this standard relates to the *Classification of Liabilities as Current or Non-current* which is 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 2020 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 2021.

## 6. Changes in Estimates

There was 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 2021.

## 7. Issue of Shares and Debentures

There were no issuance of shares and debentures during the 1st quarter and three months ended 31 March 2021.

**8. Dividend Paid**

No dividend was paid during the 1st quarter and three months ended 31 March 2021.

**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**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and balances with banks and other financial institutions	34,481	58,165
Money at call and deposit placements maturing within one month	782,431	686,344
	<u>816,912</u>	<u>744,509</u>
Less: Allowance for credit loss	(7)	(20)
	<u>816,905</u>	<u>744,489</u>

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Gross carrying amount</b>				
At 1 January 2021	744,509	-	-	744,509
New assets originated	498,803	-	-	498,803
Assets derecognised or repaid	(426,400)	-	-	(426,400)
At 31 March 2021	<u>816,912</u>	-	-	<u>816,912</u>
At 1 January 2020	1,177,867	-	-	1,177,867
New assets originated	145,913	-	-	145,913
Assets derecognised or repaid	(579,271)	-	-	(579,271)
At 31 December 2020	<u>744,509</u>	-	-	<u>744,509</u>
<b>Allowance for credit loss</b>				
At 1 January 2021	20	-	-	20
New assets originated	1	-	-	1
Assets derecognised or repaid	(14)	-	-	(14)
At 31 March 2021	<u>7</u>	-	-	<u>7</u>
At 1 January 2020	100	-	-	100
New assets originated	50	-	-	50
Assets derecognised or repaid	(141)	-	-	(141)
Changes in model/risk parameter	12	-	-	12
Foreign exchange adjustments	(1)	-	-	(1)
At 31 December 2020	<u>20</u>	-	-	<u>20</u>

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

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed Malaysian banks	133,977	129,834
Less: Allowance for credit loss	-	-
	<u>133,977</u>	<u>129,834</u>

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Gross carrying amount</b>				
At 1 January 2021	129,834	-	-	129,834
New assets originated	124,649	-	-	124,649
Assets derecognised or repaid	(120,506)	-	-	(120,506)
At 31 March 2021	<u>133,977</u>	-	-	<u>133,977</u>
At 1 January 2020	171,563	-	-	171,563
New assets originated	89,665	-	-	89,665
Assets derecognised or repaid	(131,394)	-	-	(131,394)
At 31 December 2020	<u>129,834</u>	-	-	<u>129,834</u>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Allowance for credit loss</b>				
At 1 January 2021	-	-	-	-
New assets originated	-	-	-	-
Assets derecognised or repaid	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 1 January 2020	-	-	-	-
New assets originated	4	-	-	4
Assets derecognised or repaid	(4)	-	-	(4)
Foreign exchange adjustments	-	-	-	-
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**12. Financial investments measured at fair value through other comprehensive income****(i) By type**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysian Government Securities	193,105	195,849
Malaysian Government Investment Issues	242,461	245,251
Malaysian Government Guaranteed Sukuk	30,567	30,771
Corporate bonds	70,606	71,010
	<u>536,739</u>	<u>542,881</u>

**(ii) By maturity structure**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Within one year	135,911	116,289
More than one year to three years	195,419	217,716
More than three years to five years	205,409	208,876
	<u>536,739</u>	<u>542,881</u>

**(iii) Movement of gross carrying amount and the allowance for credit loss to other comprehensive income**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Gross carrying amount</b>				
At 1 January 2021	542,881	-	-	542,881
New assets originated	31	-	-	31
Assets derecognised or repaid	(273)	-	-	(273)
Changes in fair value	(5,900)	-	-	(5,900)
At 31 March 2021	<u>536,739</u>	<u>-</u>	<u>-</u>	<u>536,739</u>
At 1 January 2020	594,788	-	-	594,788
New assets originated or purchased	14,359	-	-	14,359
Assets derecognised or repaid	(75,759)	-	-	(75,759)
Changes in fair value	9,493	-	-	9,493
At 31 December 2020	<u>542,881</u>	<u>-</u>	<u>-</u>	<u>542,881</u>

**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 (continued)**

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<b>Allowance for credit loss</b>				
At 1 January/31 March 2021	1,728	-	-	1,728
At 1 January 2020	1,542	-	-	1,542
Assets derecognised or repaid	(282)	-	-	(282)
Changes due to change in credit risk	80	-	-	80
Changes in model/risk parameter	388	-	-	388
At 31 December 2020	1,728	-	-	1,728

The carrying amounts of financial investments measured at FVOCI are their respective 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 2021 RM'000	31 Dec 2020 RM'000
Malaysian Government Investment Issues	32,106	32,127
Financial institutions' securities	15,251	45,946
Corporate bonds	163,194	126,121
Other debt securities		
- Cagamas bonds	20,000	20,000
	230,551	224,194
Less: Allowance for credit loss	(559)	(515)
	229,992	223,679

**(ii) By maturity structure**

	31 Mar 2021 RM'000	31 Dec 2020 RM'000
Within one year	50,023	50,642
More than one year to three years	143,296	173,552
More than three years to five years	37,232	-
	230,551	224,194

**13. Financial investments measured at amortised cost (continued)****(iii) Movement of gross carrying amount and allowance for credit loss to profit or loss**

	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
<b>Gross carrying amount</b>				
At 1 January 2021	224,194	-	-	224,194
New assets originated or purchased	37,304	-	-	37,304
Assets derecognised or repaid	(30,947)	-	-	(30,947)
At 31 March 2021	230,551	-	-	230,551
At 1 January 2020	117,256	-	-	117,256
New assets originated or purchased	137,669	-	-	137,669
Assets derecognised or repaid	(30,731)	-	-	(30,731)
At 31 December 2020	224,194	-	-	224,194
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
<b>Allowance for credit loss</b>				
At 1 January 2021	515	-	-	515
New assets originated	66	-	-	66
Assets derecognised or repaid	(22)	-	-	(22)
At 31 March 2021	559	-	-	559
At 1 January 2020	93	-	-	93
New assets originated	382	-	-	382
Assets derecognised or repaid	(279)	-	-	(279)
Changes due to change in credit risk	273	-	-	273
Changes in model/risk parameter	40	-	-	40
Foreign exchange adjustments	6	-	-	6
At 31 December 2020	515	-	-	515

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

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Overdrafts	29,188	32,380
Term loans		
- Housing loans	101,942	99,943
- Syndicated term loans	406,565	554,715
- Other term loans	363,918	271,957
Bridging loans	150,295	150,293
Bills receivable	382,747	192,672
Revolving credits	865,387	1,005,863
Bankers' acceptances	124,218	122,140
Staff loans	1,747	1,774
Credit card loans	1,248	1,408
	<hr/>	<hr/>
Gross loans, advances and financing	2,427,255	2,433,145
Less: Allowance for credit loss		
- Stage 1 (12-month ECL)	(36,424)	(35,616)
- Stage 2 (Lifetime ECL - non-credit impaired)	(8,564)	(17,070)
- Stage 3 (Lifetime ECL - credit impaired)	(1,187)	(1,133)
	<hr/>	<hr/>
	(46,175)	(53,819)
	<hr/>	<hr/>
Net loans, advances and financing	2,381,080	2,379,326

**(ii) By type of customer**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic banking institutions	27,602	30,402
Domestic non-bank financial institutions		
- Others	10,009	-
Domestic business enterprises		
- Small medium enterprises	94,835	93,461
- Others	1,647,649	1,728,271
Individuals	48,431	48,615
Foreign entities	598,729	532,396
	<hr/>	<hr/>
	2,427,255	2,433,145

**(iii) By interest rate sensitivity**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate loan	2,994	3,182
Variable rate		
- Base rate/base lending rate plus	87,973	88,442
- Cost plus	2,241,920	2,244,870
- Other variable rates	94,368	96,651
	<hr/>	<hr/>
	2,427,255	2,433,145



**14. Loans, advances and financing (continued)****(iv) By sector**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	30,755	30,111
Manufacturing	272,232	276,409
Electricity, gas and water	64,265	64,615
Construction	232,046	133,218
Real estate	284,773	417,636
Wholesale & retail trade and restaurants & hotels	424,365	406,264
Transport, storage and communication	145,436	105,371
Finance, insurance and business services	574,924	468,086
Education, health and others	279,535	413,899
Household	118,924	117,536
	<u>2,427,255</u>	<u>2,433,145</u>

**(v) By purpose**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of properties		
- Non-residential	129,419	128,374
- Residential	103,328	101,352
Construction	127,911	156,650
Credit card	1,248	1,408
Personal use	1,013	1,110
Mergers and acquisitions	150,295	150,293
Working capital	1,622,517	1,595,483
Other purpose	291,524	298,475
	<u>2,427,255</u>	<u>2,433,145</u>

**(vi) By geographical distribution**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Within Malaysia	1,897,901	1,968,584
Outside Malaysia	529,354	464,561
	<u>2,427,255</u>	<u>2,433,145</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**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturity within one year	1,702,561	1,805,857
More than one year to three years	397,802	353,365
More than three years to five years	110,248	62,269
More than five years	216,644	211,654
	<u>2,427,255</u>	<u>2,433,145</u>

**14. Loans, advances and financing (continued)****(viii) Impaired loans, advances and financing****(a) Movement in impaired loans, advances and financing**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2021/1 January 2020	1,133	1,117
Impaired during the financial period	22	74
Reclassified as performing during the financial period	(3)	(42)
Amount written off during the financial period	-	-
Exchange differences	35	(16)
At 31 March 2021/31 December 2020	<u>1,187</u>	<u>1,133</u>
As % of gross loans, advances and financing	<u><b>0.05%</b></u>	<u><b>0.05%</b></u>

**(b) By sector**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Wholesale & retail trade and restaurants & hotels	1,119	1,085
Household	68	48
	<u>1,187</u>	<u>1,133</u>

**(c) By purpose**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Working capital	1,119	1,085
Credit card	68	48
	<u>1,187</u>	<u>1,133</u>

**(d) By geographical distribution**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Within Malaysia	68	48
Outside Malaysia	1,119	1,085
	<u>1,187</u>	<u>1,133</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**

	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
At 1 January 2021	1,837,621	594,391	1,133	2,433,145
New assets originated	388,425	37,760	2	426,187
Assets derecognised or repaid	(192,756)	(239,356)	-	(432,112)
Transfer to Stage 1	35	(32)	(3)	-
Transfer to Stage 2	(101)	101	-	-
Transfer to Stage 3	-	(20)	20	-
Foreign exchange adjustments	-	-	35	35
At 31 March 2021	<u>2,033,224</u>	<u>392,844</u>	<u>1,187</u>	<u>2,427,255</u>
At 1 January 2020	2,171,675	784,428	1,117	2,957,220
New assets originated	843,155	206,144	2	1,049,301
Assets derecognised or repaid	(1,342,051)	(231,309)	-	(1,573,360)
Transfer to Stage 1	165,636	(165,594)	(42)	-
Transfer to Stage 2	(794)	794	-	-
Transfer to Stage 3	-	(72)	72	-
Foreign exchange adjustments	-	-	(16)	(16)
At 31 December 2020	<u>1,837,621</u>	<u>594,391</u>	<u>1,133</u>	<u>2,433,145</u>

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

	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	<b>Total RM'000</b>
At 1 January 2021	35,616	17,070	1,133	53,819
New assets originated	3,226	649	2	3,877
Assets derecognised or repaid	(3,150)	(6,531)	-	(9,681)
Transfer to Stage 1	4	(1)	(3)	-
Transfer to Stage 2	(1)	1	-	-
Changes due to change in credit risk	580	(2,624)	20	(2,024)
Foreign exchange adjustments	149	-	35	184
At 31 March 2021	<u>36,424</u>	<u>8,564</u>	<u>1,187</u>	<u>46,175</u>
At 1 January 2020	27,460	14,104	1,117	42,681
New assets originated	9,170	4,595	2	13,767
Assets derecognised or repaid	(10,842)	(4,515)	-	(15,357)
Transfer to Stage 1	2,821	(2,779)	(42)	-
Transfer to Stage 2	(3)	3	-	-
Changes due to change in credit risk	4,154	4,412	72	8,638
Changes in model/risk parameter	2,973	1,250	-	4,223
Foreign exchange adjustments	(117)	-	(16)	(133)
At 31 December 2020	<u>35,616</u>	<u>17,070</u>	<u>1,133</u>	<u>53,819</u>

**15. Derivative financial assets/liabilities**

	<b>31 Mar 2021</b>		
	<b>Contract/ Nominal value RM'000</b>	<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
<b>Foreign exchange contracts</b>			
- Currency forwards and spots	294,547	326	759
- Currency swaps	300,140	1,321	1,205
- Interest rate swaps	200,000	326	326
Total recognised derivative assets/liabilities (Note 27)	<u>794,687</u>	<u>1,973</u>	<u>2,290</u>
	<b>31 Dec 2020</b>		
	<b>Contract/ Nominal value RM'000</b>	<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
<b>Foreign exchange contracts</b>			
- Currency forwards and spots	158,625	1,565	362
- Currency swaps	285,185	748	2,828
Total recognised derivative assets/liabilities (Note 27)	<u>443,810</u>	<u>2,313</u>	<u>3,190</u>

**16. Other assets**

	<b>31 Mar 2021 RM'000</b>	<b>31 Dec 2020 RM'000</b>
Interest receivable	6,691	11,714
Deposits	1,684	1,817
Other receivables and prepayments	5,008	3,018
Collateral pledged for derivative transactions	520	-
	<u>13,903</u>	<u>16,549</u>

**17. Deposits from customers****(i) By type of deposits**

	<b>31 Mar 2021 RM'000</b>	<b>31 Dec 2020 RM'000</b>
Demand deposits	637,428	756,639
Fixed deposits	963,217	953,084
Savings deposits	157,824	161,608
Money market deposits	105,165	102,057
Others	137,503	3,026
	<u>2,001,137</u>	<u>1,976,414</u>

**17. Deposits from customers (continued)****(ii) By type of customers**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Business enterprises	1,008,601	1,091,242
Individuals	327,106	334,206
Foreign entities	665,168	550,690
Others	262	276
	<u>2,001,137</u>	<u>1,976,414</u>

**(iii) By maturity structure of term deposits**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	824,199	827,006
More than six months to one year	244,183	228,135
	<u>1,068,382</u>	<u>1,055,141</u>

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

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed Malaysian banks	22,858	19,525
Licensed investment banks	50,048	50,151
Licensed Islamic banks	17,414	15,365
Other financial institutions	119,142	119,020
Foreign banks	663,788	635,990
	<u>873,250</u>	<u>840,051</u>

**19. Other liabilities**

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest payable	9,544	10,985
Other payables and accruals	35,155	33,614
	<u>44,699</u>	<u>44,599</u>

**20. Provision for commitments and contingencies**

	<b>Stage 1</b> <b>RM'000</b>	<b>Stage 2</b> <b>RM'000</b>	<b>Stage 3</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
At 1 January 2021	4,236	1,217	-	5,453
New commitments originated	559	8	-	567
Commitments derecognised	(683)	(117)	-	(800)
Transfer to Stage 1	1	(1)	-	-
Transfer to Stage 2	(1)	1	-	-
Changes due to change in credit risk	128	(4)	-	124
At 31 March 2021	<u>4,240</u>	<u>1,104</u>	<u>-</u>	<u>5,344</u>
At 1 January 2020	4,043	2,961	-	7,004
New commitments originated	1,799	637	-	2,436
Commitments derecognised	(2,133)	(2,707)	-	(4,840)
Transfer to Stage 1	19	(19)	-	-
Transfer to Stage 2	(369)	369	-	-
Transfer to Stage 3	-	(3)	3	-
Changes due to change in credit risk	568	(167)	(3)	398
Changes in model/risk parameter	309	146	-	455
At 31 December 2020	<u>4,236</u>	<u>1,217</u>	<u>-</u>	<u>5,453</u>

**21. Net Interest income**

	<b>1st quarter ended</b>		<b>Year-To-Date ended</b>	
	<b>31 Mar 2021</b> <b>RM'000</b>	<b>31 Mar 2020</b> <b>RM'000</b>	<b>31 Mar 2021</b> <b>RM'000</b>	<b>31 Mar 2020</b> <b>RM'000</b>
<b>Interest income</b>				
Loans, advances and financing	20,370	34,487	20,370	34,487
Money at call and deposits and placements with financial institutions	1,847	4,150	1,847	4,150
Financial investments measured at fair value through other comprehensive income	5,190	5,978	5,190	5,978
Financial investments measured at amortised cost	2,069	1,312	2,069	1,312
	<u>29,476</u>	<u>45,927</u>	<u>29,476</u>	<u>45,927</u>
<b>Interest expense</b>				
Deposits and placements of banks and other financial institutions	(2,579)	(6,243)	(2,579)	(6,243)
Deposits from customers	(5,075)	(9,068)	(5,075)	(9,068)
	<u>(7,654)</u>	<u>(15,311)</u>	<u>(7,654)</u>	<u>(15,311)</u>
<b>Net interest income</b>	<u>21,822</u>	<u>30,616</u>	<u>21,822</u>	<u>30,616</u>

**22. Net fee income**

	<b>1st quarter ended</b>		<b>Year-To-Date ended</b>	
	<b>31 Mar 2021</b>	<b>31 Mar 2020</b>	<b>31 Mar 2021</b>	<b>31 Mar 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fee income:				
- Commission	2	17	2	17
- Service charges and fees	1,109	764	1,109	764
- Loan processing fees	143	167	143	167
- Guarantee fees	1,423	725	1,423	725
- Commitment fees	154	376	154	376
- Other fee income	25	74	25	74
	<u>2,856</u>	<u>2,123</u>	<u>2,856</u>	<u>2,123</u>
Fee expense:				
- Brokerage fees	(40)	(35)	(40)	(35)
- Other fee expense	(511)	(36)	(511)	(36)
	<u>(551)</u>	<u>(71)</u>	<u>(551)</u>	<u>(71)</u>
Net fee income	<u>2,305</u>	<u>2,052</u>	<u>2,305</u>	<u>2,052</u>

**23. Net trading income**

	<b>1st quarter ended</b>		<b>Year-To-Date ended</b>	
	<b>31 Mar 2021</b>	<b>31 Mar 2020</b>	<b>31 Mar 2021</b>	<b>31 Mar 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net gains/(losses) from dealing in foreign exchange	10,286	(22,574)	10,286	(22,574)
Net (losses)/gains arising from derivative trading	(3,410)	23,805	(3,410)	23,805
Net unrealised revaluation (losses)/gains in foreign exchange	(378)	1,374	(378)	1,374
Net unrealised gains arising from derivative trading	560	3,919	560	3,919
	<u>7,058</u>	<u>6,524</u>	<u>7,058</u>	<u>6,524</u>

**24. Other operating expenses**

	<b>1st quarter ended</b>		<b>Year-To-Date ended</b>	
	<b>31 Mar 2021</b>	<b>31 Mar 2020</b>	<b>31 Mar 2021</b>	<b>31 Mar 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel costs:				
- Salaries, allowance and bonuses	10,725	10,119	10,725	10,119
- Pension fund contributions	1,172	1,095	1,172	1,095
- Other staff costs	921	1,448	921	1,448
Promotion and marketing related expenses:				
- Advertising and promotion	110	189	110	189
- Others	37	132	37	132
Establishment costs:				
- Depreciation of property and equipment	369	892	369	892
- Depreciation of right-of-use assets	1,186	1,189	1,186	1,189
- Interest expense on lease liabilities	48	77	48	77
- Expenses relating to short-term leases	3	28	3	28
- Expenses relating to leases of low-value assets	26	6	26	6
- Property and equipment written off	1	4	1	4
- Others	454	509	454	509
Administrative expenses:				
- Auditors' remuneration				
• statutory audit fees	71	72	71	72
• audit related services	4	29	4	29
- Professional fees	71	196	71	196
- Licence fee	86	86	86	86
- Membership fee	71	85	71	85
- Others	1,347	1,358	1,347	1,358
	<u>16,702</u>	<u>17,514</u>	<u>16,702</u>	<u>17,514</u>

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

	<b>1st quarter ended</b>		<b>Year-To-Date ended</b>	
	<b>31 Mar 2021</b>	<b>31 Mar 2020</b>	<b>31 Mar 2021</b>	<b>31 Mar 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Write-back of)/Allowance for credit loss				
- Loans, advances and financing	(7,828)	8,220	(7,828)	8,220
- Provision for commitments and contingencies	(109)	(1,223)	(109)	(1,223)
	<u>(7,937)</u>	<u>6,997</u>	<u>(7,937)</u>	<u>6,997</u>



**26. Allowance for impairment on other financial assets**

	1st quarter ended		Year-To-Date ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	RM'000	RM'000	RM'000	RM'000
(Write-back of)/Allowance for credit loss				
- Cash and short-term funds	(13)	13	(13)	13
- Deposits and placements with banks and other financial institutions	-	(2)	-	(2)
- Financial investments measured at amortised cost	44	-	44	-
	<u>31</u>	<u>11</u>	<u>31</u>	<u>11</u>

**27. Commitments and contingencies**

The commitments and contingencies comprise the following:-

	31 Mar 2021			
	Principal amount	Positive value of derivative contracts <sup>^</sup>	Credit equivalent amount*	Risk-weighted assets*
	RM'000	RM'000	RM'000	RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes	94,565	-	94,565	41,301
Transaction-related contingent items	432,743	-	216,372	103,211
Short-term self-liquidating trade-related contingencies	179,807	-	35,961	28,269
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- Exceeding one year	82,423	-	41,211	38,689
- Not exceeding one year	1,065,390	-	213,078	208,291
Unutilised credit card lines	40,947	-	8,190	6,142
<u>Derivative financial contracts</u>				
Foreign exchange related contracts:				
- Less than one year	594,687	1,647	8,246	2,910
Interest rate related contracts:				
- One year to five years	200,000	326	8,326	6,326
Total	<u>2,690,562</u>	<u>1,973</u>	<u>625,949</u>	<u>435,139</u>

Note 15

**27. Commitments and contingencies (continued)**

	<b>31 Dec 2020</b>			
	<b>Principal amount RM'000</b>	<b>Positive value of derivative contracts<sup>^</sup> RM'000</b>	<b>Credit equivalent amount* RM'000</b>	<b>Risk- weighted assets* RM'000</b>
<u>Credit-related exposures</u>				
Direct credit substitutes	92,242	-	92,242	40,140
Transaction-related contingent items	325,894	-	162,947	111,875
Short-term self-liquidating trade-related contingencies	162,483	-	32,496	20,765
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- Exceeding one year	83,240	-	41,620	39,723
- Not exceeding one year	1,108,773	-	221,755	219,376
Unutilised credit card lines	41,211	-	8,242	6,182
<u>Derivative financial contracts</u>				
Foreign exchange related contracts:				
- Less than one year	443,810	2,313	6,542	2,461
<b>Total</b>	<u>2,257,653</u>	<u>2,313</u>	<u>565,844</u>	<u>440,522</u>

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:-

	<b>31 Mar 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Common Equity Tier 1 (“CET1”) Capital/Tier 1 Capital</b>		
Paid-up share capital	832,609	832,609
Retained earnings	344,991	344,991
Regulatory reserve	17,644	17,644
Foreign currency translation reserve	1,013	(127)
Unrealised gains on financial investments measured at FVOCI	12,527	17,010
	<u>1,208,784</u>	<u>1,212,127</u>
Less: Regulatory adjustments applied in calculation of CET1 Capital		
- Deferred tax assets	(11,525)	(11,158)
- 55% cumulative gains of financial investments measured at FVOCI	(6,890)	(9,356)
- Regulatory reserve attributable to loans, advances and financing	(17,644)	(17,644)
	<u>(36,059)</u>	<u>(38,158)</u>
Total CET1 Capital/Tier 1 Capital	<u>1,172,725</u>	<u>1,173,969</u>
<b>Tier 2 Capital</b>		
Allowance for credit loss	17,611	16,386
Regulatory reserve	17,644	17,644
Total Tier 2 Capital	<u>35,255</u>	<u>34,030</u>
Total Capital	<u>1,207,980</u>	<u>1,207,999</u>
CET1 capital ratio	37.684%	38.629%
Tier 1 capital ratio	37.684%	38.629%
Total capital ratio	38.817%	39.749%

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

	<b>31 Mar 2021</b>		<b>31 Dec 2020</b>	
	<b>Exposures</b>	<b>Risk-weighted</b>	<b>Exposures</b>	<b>Risk-weighted</b>
	<b>RM'000</b>	<b>Assets</b>	<b>RM'000</b>	<b>Assets</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Total RWA for credit risk	4,821,949	2,820,453	4,699,942	2,741,626
Total RWA for market risk	-	14,360	-	8,266
Total RWA for operational risk	-	277,192	-	289,193
	<u>4,821,949</u>	<u>3,112,005</u>	<u>4,699,942</u>	<u>3,039,085</u>

**28. Capital adequacy (continued)**

- (a) The breakdown of RWA by exposures in each major risk category under standardised approach as at the respective reporting dates are as follows:-

Risk Type	31 Mar 2021			
	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weighted Assets RM'000	Capital Requirement RM'000
<i>Credit Risk</i>				
<u>On-balance sheet Exposures</u>				
Sovereigns/Central Banks	627,359	627,359	-	-
Banks, Development Financial Institutions and MDBs	1,092,245	1,092,245	270,005	21,601
Corporates	2,222,859	2,222,859	1,933,115	154,649
Regulatory Retail	112,899	112,899	109,950	8,796
Residential Mortgages	99,675	99,675	38,502	3,080
Other assets	40,963	40,963	33,742	2,699
<b>Total On-Balance Sheet Exposures</b>	<b>4,196,000</b>	<b>4,196,000</b>	<b>2,385,314</b>	<b>190,825</b>
<u>Off-balance sheet Exposures</u>				
Credit-related off-balance sheet exposures	609,377	609,377	425,903	34,072
OTC derivatives	16,572	16,572	9,236	739
<b>Total Off-Balance Sheet Exposures</b>	<b>625,949</b>	<b>625,949</b>	<b>435,139</b>	<b>34,811</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>4,821,949</b>	<b>4,821,949</b>	<b>2,820,453</b>	<b>225,636</b>
Large exposure risk requirement*	-	-	-	-
<i>Market Risk</i>				
	<u>Long Position</u>	<u>Short Position</u>		
Foreign currency risk	14,360	-	14,360	1,149
Operational risk	-	-	277,192	22,175
<b>Total RWA and Capital Requirements</b>			<b>3,112,005</b>	<b>248,960</b>

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 2020			
	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weighted Assets RM'000	Capital Requirement RM'000
<i>Credit Risk</i>				
<u>On-balance sheet Exposures</u>				
Sovereigns/Central Banks	671,826	671,826	-	-
Banks, Development Financial Institutions and MDBs	885,374	885,374	191,655	15,332
Corporates	2,317,311	2,317,311	1,922,576	153,806
Regulatory Retail	111,447	111,447	108,598	8,688
Residential Mortgages	98,418	98,418	38,010	3,041
Other assets	49,722	49,722	40,265	3,221
<b>Total On-Balance Sheet Exposures</b>	<b>4,134,098</b>	<b>4,134,098</b>	<b>2,301,104</b>	<b>184,088</b>
<u>Off-balance sheet Exposures</u>				
Credit-related off-balance sheet exposures	559,302	559,302	438,061	35,045
OTC derivatives	6,542	6,542	2,461	197
<b>Total Off-Balance Sheet Exposures</b>	<b>565,844</b>	<b>565,844</b>	<b>440,522</b>	<b>35,242</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>4,699,942</b>	<b>4,699,942</b>	<b>2,741,626</b>	<b>219,330</b>
Large exposure risk requirement*	-	-	-	-
<i>Market Risk</i>				
	<u>Long Position</u>	<u>Short Position</u>		
Foreign currency risk	8,266	-	8,266	661
Operational risk	-	-	289,193	23,135
<b>Total RWA and Capital Requirements</b>			<b>3,039,085</b>	<b>243,126</b>

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 as at the respective reporting dates are as follows:-

31 Mar 2021 Risk Weights	Exposures after Netting and Credit Risk Mitigation						Total Exposures after Netting & Credit Risk Mitigation RM'000	Total Risk- Weighted Assets RM'000
	Sovereign/ Central Banks RM'000	Banks, MDBs, and DFIs RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Other Assets RM'000		
0%	627,359	-	153,963	6,684	560	7,221	795,787	-
20%	-	920,394	273,751	-	-	6,670	1,200,815	240,163
35%	-	-	-	-	79,402	-	79,402	27,791
50%	-	246,478	106,741	-	18,003	4,000	375,222	187,611
75%	-	-	-	23,338	-	-	23,338	17,503
100%	-	-	2,167,152	138,879	1,710	39,644	2,347,385	2,347,385
Total Exposures	627,359	1,166,872	2,701,607	168,901	99,675	57,535	4,821,949	2,820,453
Risk-Weighted Assets by Exposures	-	307,318	2,275,272	156,383	38,502	42,978	2,820,453	
Average Risk Weight	0.0%	26.3%	84.2%	92.6%	38.6%	74.7%	58.5%	
Deduction from Capital Base	-	-	-	-	-	-	-	

The above are disclosures as required by the guidelines in the RWCAF on Standardised Approach.

Note:

*MDBs - Multilateral Development Banks*

*OTC - Over the counter*

**28. Capital adequacy (continued)**

31 Dec 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
	Sovereign/ Central Banks RM'000	Banks, MDBs, and DFIs RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Other Assets RM'000		
0%	671,826	-	221,070	6,721	559	9,458	909,634	-
20%	-	843,070	239,601	-	-	5,101	1,087,772	217,555
35%	-	-	-	-	78,537	-	78,537	27,488
50%	-	120,904	106,157	-	17,599	-	244,660	122,330
75%	-	-	-	20,343	-	-	20,343	15,257
100%	-	-	2,175,459	140,109	1,723	41,705	2,358,996	2,358,996
Total Exposures	671,826	963,974	2,742,287	167,173	98,418	56,264	4,699,942	2,741,626
Risk-Weighted Assets by Exposures	-	229,066	2,276,458	155,366	38,010	42,726	2,741,626	
Average Risk Weight	0.0%	23.8%	83.0%	92.9%	38.6%	75.9%	58.3%	
Deduction from Capital Base	-	-	-	-	-	-	-	

The above are disclosures as required by the guidelines in the RWCAF on Standardised Approach.

Note:

*MDBs - Multilateral Development Banks*

*OTC - Over the counter*

## 29. Performance Review

For the three months ended 31 March 2021, the Bank recorded profit before tax of RM22.44 million, higher by RM7.74 million or 52.6% when compared with the previous corresponding period in 2020. The Bank's total operating income was made up of net interest income of RM21.82 million, net trading income of RM7.06 million and net fee income of RM2.31 million (31 March 2020: RM30.62 million, RM6.52 million and RM2.05 million respectively).

Net Interest income which contributed 69.9% to the Bank's total operating income decreased by RM8.79 million or 28.7% when compared with the three months ended 31 March 2020 as a result of lower interest margin following the overnight policy rate cuts in 2020. Net trading income which contributed 22.6% to the Bank's total operating income, has improved by RM0.53 million or 8.2% during the financial period. In addition, net fee income has increased by RM0.25 million or 10%, contributed by greater guarantee fee earned during the three months ended 31 March 2021.

In line with the lower net operating income, the Bank's other operating expenses decreased by RM0.81 million or 4.6% to RM16.70 million, attributable to lower establishment costs incurred. During the financial period, a write-back of allowance for impairment of RM7.94 million was made on loans, advances and financing due to repayments from borrowers and upgrade of certain borrowers' credit rating. As compared with the same period in prior year, allowance for impairment for loans, advances and financing has decreased by RM14.93 million or 213.4%.

As at 31 March 2021, gross loans, advances and financing decreased by RM5.89 million or 0.2% to RM2,427.26 million as compared with RM2,433.15 million as at 31 December 2020. The Bank's deposits from customers improved by RM24.72 million or 1.2% to RM2.00 billion as compared with RM1.98 billion as at 31 December 2020.