

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

(Registration No. 201001000001 (839839 M))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
30 SEPTEMBER 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 nine months ended 30 September 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 October 2021

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT  
30 SEPTEMBER 2021**

	Note	30 Sep 2021 RM'000	31 Dec 2020 RM'000
<b>ASSETS</b>			
Cash and short-term funds	10	976,650	744,489
Deposits and placements with banks and other financial institutions	11	221,744	129,834
Financial investments measured at fair value through other comprehensive income ("FVOCI")	12	449,195	542,881
Financial investments measured at amortised cost	13	362,346	223,679
Loans, advances and financing	14	2,164,470	2,379,326
Derivative financial assets	15	4,376	2,313
Other assets	16	15,376	16,549
Statutory deposits with Bank Negara Malaysia		17,397	20,402
Tax recoverable		5,561	9,163
Property and equipment		4,860	3,753
Right-of-use assets		9,317	10,800
Intangible asset		-	-
Deferred tax assets		10,167	11,158
<b>TOTAL ASSETS</b>		<b>4,241,459</b>	<b>4,094,347</b>
<b>LIABILITIES</b>			
Deposits from customers	17	2,079,270	1,976,414
Deposits and placements of banks and other financial institutions	18	861,582	840,051
Derivative financial liabilities	15	2,827	3,190
Other liabilities	19	37,687	44,599
Lease liabilities		9,139	10,549
Provision for commitments and contingencies	20	3,222	5,453
Provision for taxation		53	235
<b>TOTAL LIABILITIES</b>		<b>2,993,780</b>	<b>2,880,491</b>
<b>EQUITY</b>			
Share capital		832,609	832,609
Reserves		415,070	381,247
<b>EQUITY ATTRIBUTABLE TO OWNER OF THE BANK</b>		<b>1,247,679</b>	<b>1,213,856</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,241,459</b>	<b>4,094,347</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	26	<b>2,327,021</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 31 attached to the unaudited condensed interim financial statements.

The financial statements were approved by the Board of Directors on 27 October 2021.

**UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2021**

	Note	3rd quarter ended		Year-To-Date ended	
		30 Sep 2021 RM'000	30 Sep 2020 RM'000	30 Sep 2021 RM'000	30 Sep 2020 RM'000
Interest income	21	27,686	33,837	85,856	120,475
Interest expense	21	(8,287)	(10,121)	(24,172)	(39,575)
Net interest income	21	19,399	23,716	61,684	80,900
Non-interest income	22	9,093	9,024	27,084	22,424
Net operating income		28,492	32,740	88,768	103,324
Other operating expenses	23	(19,754)	(18,698)	(52,075)	(52,465)
Operating profit		8,738	14,042	36,693	50,859
Write-back of/(Allowance for) impairment on loans, advances and financing	24	8,940	(2,669)	17,443	(8,405)
Write-back of/(Allowance for) impairment on other financial assets	25	1,023	(366)	1,059	(461)
Profit before taxation		18,701	11,007	55,195	41,993
Tax expense	26	(4,949)	(3,083)	(14,134)	(9,369)
Profit for the financial period		13,752	7,924	41,061	32,624
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		282	(585)	1,472	685
Fair value reserve					
- Changes in fair value		(3,280)	1,500	(9,895)	10,212
- Amount transferred (from)/to profit or loss		(1,462)	124	(1,566)	124
- Deferred tax adjustment		1,138	(391)	2,751	(2,481)
		(3,604)	1,233	(8,710)	7,855
Total other comprehensive (expense)/income for the financial period		(3,322)	648	(7,238)	8,540
Total comprehensive income for the financial period		10,430	8,572	33,823	41,164
Basic earnings per ordinary share (sen):		1.65	0.95	4.93	3.92

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 31 attached to the unaudited condensed interim financial statements.

The financial statements were approved by the Board of Directors on 27 October 2021.

# Industrial and Commercial Bank of China (Malaysia) Berhad

Registration No. 201001000001 (839839 M)

(Incorporated in Malaysia)

3

## UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	685	-	-	-	685
- Currency translation differences in respect of foreign operations						
Fair value reserve						
- Changes in fair value	-	-	10,212	-	-	10,212
- Amount transferred to profit or loss	-	-	124	-	-	124
- Deferred tax adjustment	-	-	(2,481)	-	-	(2,481)
	-	-	7,855	-	-	7,855
<b>Total other comprehensive income for the financial period</b>	-	685	7,855	-	-	8,540
Profit for the financial period	-	-	-	-	32,624	32,624
<b>Total comprehensive income for the financial period</b>	-	685	7,855	-	32,624	41,164
<b>At 30 September 2020</b>	832,609	424	19,238	17,644	337,023	1,206,938

# Industrial and Commercial Bank of China (Malaysia) Berhad

Registration No. 201001000001 (839839 M)

(Incorporated in Malaysia)

4

## UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	1,472	-	-	-	1,472
- Currency translation differences in respect of foreign operations						
Fair value reserve						
- Changes in fair value	-	-	(9,895)	-	-	(9,895)
- Amount transferred from profit or loss	-	-	(1,566)	-	-	(1,566)
- Deferred tax adjustment	-	-	2,751	-	-	2,751
	-	-	(8,710)	-	-	(8,710)
<b>Total other comprehensive income/(expense) for the financial period</b>	-	1,472	(8,710)	-	-	(7,238)
Profit for the financial period	-	-	-	-	41,061	41,061
<b>Total comprehensive income/(expense) for the financial period</b>	-	1,472	(8,710)	-	41,061	33,823
<b>At 30 September 2021</b>	832,609	1,345	10,029	17,644	386,052	1,247,679

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 31 attached to the unaudited condensed interim financial statements.

The financial statements were approved by the Board of Directors on 27 October 2021.

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE  
FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from/(used in) operating activities</b>		
Profit before taxation	55,195	41,993
Adjustments for:		
Depreciation of property and equipment	1,023	2,671
Depreciation of right-of-use assets	3,608	3,541
Interest expense on lease liabilities	139	208
Property and equipment written off	1	4
(Write-back of)/Allowance for impairment on loans, advances and financing	(17,443)	8,405
(Write-back of)/Allowance for impairment on other financial assets	(1,059)	461
Net unrealised gains arising from derivative trading	(2,426)	(873)
Transfer to foreign currency translation reserve	1,472	685
Accretion of discounts net of amortisation of premiums of financial investments measured at FVOCI	746	567
Accretion of discounts net of amortisation of premiums of financial investments measured at amortised cost	1,730	247
Operating profit before working capital changes	<u>42,986</u>	<u>57,909</u>
Changes in operating assets		
Deposits and placements with banks and other financial institutions	(91,910)	130,679
Loans, advances and financing	230,068	354,591
Other assets	1,173	6,791
Statutory deposits with Bank Negara Malaysia	3,005	18,072
Changes in operating liabilities		
Deposits from customers	102,856	(838,488)
Deposits and placements of banks and other financial institutions	21,531	(32,909)
Other liabilities	(6,912)	(26,337)
Cash from/(used in) operations	302,797	(329,692)
Income taxes paid	(7,939)	(16,750)
Income taxes refunded	967	-
<b>Net cash from/(used in) operating activities</b>	<u>295,825</u>	<u>(346,442)</u>
<b>Cash flows used in investing activities</b>		
Purchase of property and equipment	(2,131)	(533)
Net proceeds from financial investments measured at FVOCI	83,045	45,609
Net purchase of financial investments measured at amortised cost	(140,797)	(107,217)
<b>Net cash used in investing activities</b>	<u>(59,883)</u>	<u>(62,141)</u>

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE  
FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (continued)**

	Note	30 Sep 2021 RM'000	30 Sep 2020 RM'000
<b>Cash flows used in financing activity</b>			
Net payment of lease liabilities		(3,674)	(3,598)
<b>Net cash used in financing activity</b>		<u>(3,674)</u>	<u>(3,598)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		232,268	(412,181)
<b>Cash and cash equivalents at beginning of the financial period</b>		744,489	1,177,767
		<u>976,757</u>	<u>765,586</u>
Add: (Allowance for)/Write-back of credit loss for the financial period		(107)	69
<b>Cash and cash equivalents at end of the financial period</b>		<u>976,650</u>	<u>765,655</u>
<b>Cash and cash equivalents comprise:</b>			
Cash and short-term funds	10	<u>976,650</u>	<u>765,655</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 31 attached to the unaudited condensed interim financial statements.

The financial statements were approved by the Board of Directors on 27 October 2021.



**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 nine months ended 30 September 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:-

***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*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

## 2. Basis of preparation (*continued*)

### *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 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 nine months ended 30 September 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 nine months ended 30 September 2021.

## 7. Issue of Shares and Debentures

There were no issuance of shares and debentures during the nine months ended 30 September 2021.

## 8. Dividend Paid

No dividend was paid during the nine months ended 30 September 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>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and balances with banks and other financial institutions	167,431	58,165
Money at call and deposit placements maturing within one month	809,348	686,344
	<u>976,779</u>	<u>744,509</u>
Less: Allowance for credit loss	(129)	(20)
	<u>976,650</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	623,222	-	-	623,222
Assets derecognised or repaid	(390,952)	-	-	(390,952)
At 30 September 2021	<u>976,779</u>	<u>-</u>	<u>-</u>	<u>976,779</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>-</u>	<u>-</u>	<u>744,509</u>
<b>Allowance for credit loss</b>				
At 1 January 2021	20	-	-	20
New assets originated	125	-	-	125
Assets derecognised or repaid	(18)	-	-	(18)
Foreign exchange adjustments	2	-	-	2
At 30 September 2021	<u>129</u>	<u>-</u>	<u>-</u>	<u>129</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>-</u>	<u>-</u>	<u>20</u>

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

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed Malaysian banks	221,744	129,834
Less: Allowance for credit loss	-	-
	<u>221,744</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	133,073	-	-	133,073
Assets derecognised or repaid	(41,163)	-	-	(41,163)
At 30 September 2021	<u>221,744</u>	<u>-</u>	<u>-</u>	<u>221,744</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>-</u>	<u>-</u>	<u>129,834</u>
<b>Allowance for credit loss</b>				
At 1 January 2021	-	-	-	-
New assets originated	104	-	-	104
Assets derecognised or repaid	(104)	-	-	(104)
At 30 September 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 1 January 2020	-	-	-	-
New assets originated	4	-	-	4
Assets derecognised or repaid	(4)	-	-	(4)
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>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysian Government Securities	202,362	195,849
Malaysian Government Investment Issues	211,348	245,251
Malaysian Government Guaranteed Sukuk	30,396	30,771
Corporate bonds	5,089	71,010
	<u>449,195</u>	<u>542,881</u>

**(ii) By maturity structure**

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Within one year	35,485	116,289
More than one year to three years	413,710	217,716
More than three years to five years	-	208,876
	<u>449,195</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	51,933	-	-	51,933
Assets derecognised or repaid	(135,724)	-	-	(135,724)
Changes in fair value	(9,895)	-	-	(9,895)
At 30 September 2021	<u>449,195</u>	-	-	<u>449,195</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>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 2021	1,728	-	-	1,728
Assets derecognised or repaid	(1,566)	-	-	(1,566)
At 30 September 2021	162	-	-	162
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**

	30 Sep 2021 RM'000	31 Dec 2020 RM'000
Malaysian Government Investment Issues	32,062	32,127
Financial institutions' securities	67,295	45,946
Corporate bonds	183,565	126,121
Other debt securities		
- Cagamas bonds	80,339	20,000
	363,261	224,194
Less: Allowance for credit loss	(915)	(515)
	362,346	223,679

**(ii) By maturity structure**

	30 Sep 2021 RM'000	31 Dec 2020 RM'000
Within one year	148,398	50,642
More than one year to three years	214,863	173,552
	363,261	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</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>
<b>Gross carrying amount</b>				
At 1 January 2021	224,194	-	-	224,194
New assets originated or purchased	220,036	-	-	220,036
Assets derecognised or repaid	(80,969)	-	-	(80,969)
At 30 September 2021	<u>363,261</u>	<u>-</u>	<u>-</u>	<u>363,261</u>
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	<u>224,194</u>	<u>-</u>	<u>-</u>	<u>224,194</u>
	<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>
<b>Allowance for credit loss</b>				
At 1 January 2021	515	-	-	515
New assets originated or purchased	614	-	-	614
Assets derecognised or repaid	(214)	-	-	(214)
At 30 September 2021	<u>915</u>	<u>-</u>	<u>-</u>	<u>915</u>
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	<u>515</u>	<u>-</u>	<u>-</u>	<u>515</u>

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

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Overdrafts	25,141	32,380
Term loans		
- Housing loans	107,885	99,943
- Syndicated term loans	481,363	554,715
- Other term loans	406,429	271,957
Bridging loans	-	150,293
Bills receivable	233,643	192,672
Revolving credits	830,817	1,005,863
Bankers' acceptances	115,382	122,140
Staff loans	1,666	1,774
Credit card loans	995	1,408
	<hr/>	<hr/>
Gross loans, advances and financing	2,203,321	2,433,145
Less: Allowance for credit loss		
- Stage 1 (12-month ECL)	(30,777)	(35,616)
- Stage 2 (Lifetime ECL - non-credit impaired)	(6,853)	(17,070)
- Stage 3 (Lifetime ECL - credit impaired)	(1,221)	(1,133)
	<hr/>	<hr/>
	(38,851)	(53,819)
	<hr/>	<hr/>
Net loans, advances and financing	2,164,470	2,379,326

**(ii) By type of customer**

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic banking institutions	22,002	30,402
Domestic non-bank financial institutions		
- Others	60,005	-
Domestic business enterprises		
- Small medium enterprises	90,223	93,461
- Others	1,698,123	1,728,271
Individuals	48,365	48,615
Foreign entities	284,603	532,396
	<hr/>	<hr/>
	2,203,321	2,433,145

**(iii) By interest rate sensitivity**

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate loan	2,661	3,182
Variable rate		
- Base rate/base lending rate plus	90,052	88,442
- Cost plus	2,020,184	2,244,870
- Other variable rates	90,424	96,651
	<hr/>	<hr/>
	2,203,321	2,433,145



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

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	30,953	30,111
Manufacturing	273,702	276,409
Electricity, gas and water	60,042	64,615
Construction	226,385	133,218
Real estate	273,389	417,636
Wholesale & retail trade and restaurants & hotels	227,648	406,264
Transport, storage and communication	212,942	105,371
Finance, insurance and business services	575,245	468,086
Education, health and others	199,080	413,899
Household	123,935	117,536
	<u>2,203,321</u>	<u>2,433,145</u>

**(v) By purpose**

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchase of properties		
- Non-residential	179,123	128,374
- Residential	109,233	101,352
Construction	83,392	156,650
Credit card	995	1,408
Personal use	998	1,110
Mergers and acquisitions	-	150,293
Working capital	1,620,561	1,595,483
Other purpose	209,019	298,475
	<u>2,203,321</u>	<u>2,433,145</u>

**(vi) By geographical distribution**

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Within Malaysia	1,936,427	1,968,584
Outside Malaysia	266,894	464,561
	<u>2,203,321</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>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturity within one year	1,290,090	1,805,857
More than one year to three years	456,162	353,365
More than three years to five years	108,269	62,269
More than five years	348,800	211,654
	<u>2,203,321</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>30 Sep 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	90	74
Reclassified as performing during the financial period	(48)	(42)
Amount written off during the financial period	-	-
Exchange differences	46	(16)
At 30 September 2021/31 December 2020	<u>1,221</u>	<u>1,133</u>
As % of gross loans, advances and financing	<u><b>0.06%</b></u>	<u><b>0.05%</b></u>

**(b) By sector**

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Wholesale & retail trade and restaurants & hotels	1,130	1,085
Household	91	48
	<u>1,221</u>	<u>1,133</u>

**(c) By purpose**

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Working capital	1,130	1,085
Credit card	91	48
	<u>1,221</u>	<u>1,133</u>

**(d) By geographical distribution**

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Within Malaysia	91	48
Outside Malaysia	1,130	1,085
	<u>1,221</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	1,039,678	111,114	5	1,150,797
Assets derecognised or repaid	(1,019,447)	(361,220)	-	(1,380,667)
Transfer to Stage 1	112,291	(112,243)	(48)	-
Transfer to Stage 2	(8,658)	8,658	-	-
Transfer to Stage 3	-	(85)	85	-
Foreign exchange adjustments	-	-	46	46
At 30 September 2021	<u>1,961,485</u>	<u>240,615</u>	<u>1,221</u>	<u>2,203,321</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	10,877	2,837	5	13,719
Assets derecognised or repaid	(10,791)	(7,796)	-	(18,587)
Transfer to Stage 1	2,857	(2,809)	(48)	-
Transfer to Stage 2	(57)	57	-	-
Transfer to Stage 3	-	(2)	2	-
Changes due to change in credit risk	(7,923)	(2,504)	83	(10,344)
Foreign exchange adjustments	198	-	46	244
At 30 September 2021	<u>30,777</u>	<u>6,853</u>	<u>1,221</u>	<u>38,851</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>



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

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Business enterprises	1,103,650	1,091,242
Individuals	314,088	334,206
Foreign entities	661,261	550,690
Others	271	276
	<u>2,079,270</u>	<u>1,976,414</u>

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

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	758,116	827,006
More than six months to one year	395,964	228,135
	<u>1,154,080</u>	<u>1,055,141</u>

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

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed Malaysian banks	15,570	19,525
Licensed investment banks	50,556	50,151
Licensed Islamic banks	11,841	15,365
Other financial institutions	115,568	119,020
Foreign banks	668,047	635,990
	<u>861,582</u>	<u>840,051</u>

**19. Other liabilities**

	<b>30 Sep 2021</b>	<b>31 Dec 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest payable	9,161	10,985
Other payables and accruals	28,526	33,614
	<u>37,687</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	897	145	-	1,042
Commitments derecognised	(1,688)	(625)	-	(2,313)
Transfer to Stage 1	662	(662)	-	-
Transfer to Stage 2	(66)	66	-	-
Changes due to change in credit risk	(1,086)	126	-	(960)
At 30 September 2021	<u>2,955</u>	<u>267</u>	<u>-</u>	<u>3,222</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>3rd quarter ended</b>		<b>Year-To-Date ended</b>	
	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Interest income</b>				
Loans, advances and financing	18,394	24,732	58,702	90,400
Money at call and deposits and placements with financial institutions	2,181	1,565	5,675	7,919
Financial investments measured at fair value through other comprehensive income	4,429	5,534	14,582	17,332
Financial investments measured at amortised cost	2,682	2,006	6,897	4,824
	<u>27,686</u>	<u>33,837</u>	<u>85,856</u>	<u>120,475</u>
<b>Interest expense</b>				
Deposits and placements of banks and other financial institutions	(2,756)	(3,388)	(8,421)	(14,555)
Deposits from customers	(5,531)	(6,733)	(15,751)	(25,020)
	<u>(8,287)</u>	<u>(10,121)</u>	<u>(24,172)</u>	<u>(39,575)</u>
<b>Net interest income</b>	<u>19,399</u>	<u>23,716</u>	<u>61,684</u>	<u>80,900</u>

**22. Non-interest income****(i) Net fee income**

	<b>3rd quarter ended</b>		<b>Year-To-Date ended</b>	
	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fee income:				
- Commission	28	15	57	41
- Service charges and fees	750	715	2,604	2,087
- Loan processing fees	172	97	492	443
- Syndication fees	1,954	864	2,254	1,414
- Guarantee fees	1,552	547	4,134	2,380
- Commitment fees	180	176	505	763
- Other loan related fee income	23	19	25	54
- Other fee income	3	59	36	255
	<b>4,662</b>	<b>2,492</b>	<b>10,107</b>	<b>7,437</b>
Fee expense:				
- Brokerage fees	(43)	(16)	(124)	(83)
- Other fee expense	(11)	(18)	(537)	(82)
	<b>(54)</b>	<b>(34)</b>	<b>(661)</b>	<b>(165)</b>
Net fee income	<b>4,608</b>	<b>2,458</b>	<b>9,446</b>	<b>7,272</b>

**(ii) Net trading income**

	<b>3rd quarter ended</b>		<b>Year-To-Date ended</b>	
	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>	<b>30 Sep 2021</b>	<b>30 Sep 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	5,949	12,126	18,273	(7,777)
Net (losses)/gains arising from derivative trading	(2,822)	(3,905)	(4,953)	19,744
Net unrealised revaluation gains in foreign exchange	504	183	669	2,246
Net unrealised gains/(losses) arising from derivative trading	823	(1,840)	2,426	873
	<b>4,454</b>	<b>6,564</b>	<b>16,415</b>	<b>15,086</b>

**(iii) Net investment income**

	<b>3rd quarter ended</b>		<b>Year-To-Date ended</b>	
	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net gains on redemption on financial investments at FVOCI	-	-	459	-
Net gains on redemption on financial investments at amortised cost	-	-	683	-
	<b>-</b>	<b>-</b>	<b>1,142</b>	<b>-</b>

**22. Non-interest income (continued)****(iv) Other income**

	3rd quarter ended		Year-To-Date ended	
	30 Sep 2021 RM'000	30 Sep 2020 RM'000	30 Sep 2021 RM'000	30 Sep 2020 RM'000
Other operating income	31	2	81	66
<b>Total non-interest income</b>	<b>9,093</b>	<b>9,024</b>	<b>27,084</b>	<b>22,424</b>

**23. Other operating expenses**

	3rd quarter ended		Year-To-Date ended	
	30 Sep 2021 RM'000	30 Sep 2020 RM'000	30 Sep 2021 RM'000	30 Sep 2020 RM'000
Personnel costs:				
- Salaries, allowance and bonuses	13,041	11,682	32,874	31,279
- Pension fund contributions	1,282	1,334	3,423	3,476
- Other staff costs	1,106	996	3,706	3,745
Promotion and marketing related expenses:				
- Advertising and promotion	16	21	172	238
- Others	8	11	54	164
Establishment costs:				
- Depreciation of property and equipment	316	891	1,023	2,671
- Depreciation of right-of-use assets	1,191	1,152	3,608	3,541
- Interest expense on lease liabilities	45	62	139	208
- Expenses relating to short-term leases	-	-	3	-
- Expenses relating to leases of low-value assets	30	9	86	26
- Property and equipment written off	-	-	1	4
- Others	869	526	1,774	1,593
Administrative expenses:				
- Auditors' remuneration				
• statutory audit fees	80	74	223	217
• audit related services	3	28	10	86
- Professional fees	134	225	320	538
- Licence fee	84	82	255	251
- Membership fee	135	140	317	322
- Others	1,414	1,465	4,087	4,106
	<b>19,754</b>	<b>18,698</b>	<b>52,075</b>	<b>52,465</b>



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

	<b>3rd quarter ended</b>		<b>Year-To-Date ended</b>	
	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>	<b>30 Sep 2021</b>	<b>30 Sep 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	(8,224)	2,405	(15,212)	10,267
- Provision for commitments and contingencies	(716)	264	(2,231)	(1,862)
	<u>(8,940)</u>	<u>2,669</u>	<u>(17,443)</u>	<u>8,405</u>

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

	<b>3rd quarter ended</b>		<b>Year-To-Date ended</b>	
	<b>30 Sep 2021</b>	<b>30 Sep 2020</b>	<b>30 Sep 2021</b>	<b>30 Sep 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				
- Cash and short-term funds	98	(56)	107	(69)
- Deposits and placements with banks and other financial institutions	-	2	-	-
- Financial investments measured at FVOCI	(1,462)	124	(1,566)	124
- Financial investments measured at amortised cost	341	296	400	406
	<u>(1,023)</u>	<u>366</u>	<u>(1,059)</u>	<u>461</u>

**26. Tax expense**

The Inland Revenue Board of Malaysia (“IRB”) commenced in June 2020 a desk audit of the Bank's taxation affairs for the Years of Assessment 2016, 2017 and 2018. The desk audit was stalled due to the COVID-19 pandemic. On 3 September 2021, the IRB wrote to the Bank on its tax findings for the said Years of Assessment, to which the Bank has submitted its response. The Bank is unable to determine at this stage whether there is additional tax, if any, to be paid arising from the desk audit.

**27. Commitments and contingencies**

The commitments and contingencies comprise the following:-

	<b>30 Sep 2021</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	19,939	-	19,939	3,988
Transaction-related contingent items	471,281	-	235,640	110,257
Short-term self-liquidating trade-related contingencies	161,125	-	32,225	22,445
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- Exceeding one year	72,559	-	36,279	34,162
- Not exceeding one year	898,512	-	179,703	173,850
Unutilised credit card lines	40,919	-	8,184	6,138
<u>Derivative financial contracts</u>				
Foreign exchange related contracts:				
- Less than one year	253,326	1,375	3,713	857
Interest rate related contracts:				
- One year to five years	409,360	3,001	29,843	21,927
<b>Total</b>	<b>2,327,021</b>	<b>4,376</b>	<b>545,526</b>	<b>373,624</b>

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>	<b>2,257,653</b>	<b>2,313</b>	<b>565,844</b>	<b>440,522</b>

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>30 Sep 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	1,345	(127)
Unrealised gains on financial investments measured at FVOCI	9,867	17,010
	<u>1,206,456</u>	<u>1,212,127</u>
Less: Regulatory adjustments applied in calculation of CET1 Capital		
- Deferred tax assets	(10,167)	(11,158)
- 55% cumulative gains of financial investments measured at FVOCI	(5,427)	(9,356)
- Regulatory reserve attributable to loans, advances and financing	(17,644)	(17,644)
	<u>(33,238)</u>	<u>(38,158)</u>
Total CET1 Capital/Tier 1 Capital	<u>1,173,218</u>	<u>1,173,969</u>
<b>Tier 2 Capital</b>		
Allowance for credit loss	16,626	16,386
Regulatory reserve	17,644	17,644
Total Tier 2 Capital	<u>34,270</u>	<u>34,030</u>
Total Capital	<u>1,207,488</u>	<u>1,207,999</u>
CET1 capital ratio	39.055%	38.629%
Tier 1 capital ratio	39.055%	38.629%
Total capital ratio	40.196%	39.749%

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

	<b>30 Sep 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	4,811,116	2,741,613	4,699,942	2,741,626
Total RWA for market risk	-	6,845	-	8,266
Total RWA for operational risk	-	255,546	-	289,193
	<u>4,811,116</u>	<u>3,004,004</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	30 Sep 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	891,794	891,794	-	-
Banks, Development Financial Institutions and MDBs	924,156	924,156	211,620	16,930
Corporates	2,069,557	2,069,557	1,849,774	147,982
Regulatory Retail	235,149	235,149	231,594	18,527
Residential Mortgages	102,936	102,936	39,887	3,191
Other assets	41,998	41,998	35,114	2,809
<b>Total On-Balance Sheet Exposures</b>	<b>4,265,590</b>	<b>4,265,590</b>	<b>2,367,989</b>	<b>189,439</b>
<u>Off-balance sheet Exposures</u>				
Credit-related off-balance sheet exposures	511,970	511,970	350,839	28,067
OTC derivatives	33,556	33,556	22,785	1,823
<b>Total Off-Balance Sheet Exposures</b>	<b>545,526</b>	<b>545,526</b>	<b>373,624</b>	<b>29,890</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>4,811,116</b>	<b>4,811,116</b>	<b>2,741,613</b>	<b>219,329</b>
Large exposure risk requirement*	-	-	-	-
<i>Market Risk</i>				
	<b>Long Position</b>	<b>Short Position</b>		
Foreign currency risk	6,322	13	6,322	506
Interest rate risk	209,361	209,361	523	42
<b>Total</b>	<b>215,683</b>	<b>209,374</b>	<b>6,845</b>	<b>548</b>
<i>Operational risk</i>	-	-	255,546	20,444
<b>Total RWA and Capital Requirements</b>			<b>3,004,004</b>	<b>240,321</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>				
	<b>Long Position</b>	<b>Short Position</b>		
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:-

30 Sep 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%	891,794	-	76,080	6,687	559	6,884	982,004	-
20%	-	834,860	288,945	-	-	3,569	1,127,374	225,475
35%	-	-	-	-	80,959	-	80,959	28,336
50%	-	89,296	129,029	-	19,732	15,832	253,889	126,945
75%	-	-	-	24,130	-	-	24,130	18,097
100%	-	-	2,037,092	254,713	1,686	49,269	2,342,760	2,342,760
Total Exposures	891,794	924,156	2,531,146	285,530	102,936	75,554	4,811,116	2,741,613
Risk-Weighted Assets by Exposures	-	211,620	2,159,396	272,810	39,888	57,899	2,741,613	
Average Risk Weight	0.0%	22.9%	85.3%	95.5%	38.8%	76.6%	57.%	
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 nine months ended 30 September 2021, the Bank recorded profit before tax of RM55.20 million, which is higher by RM13.20 million or 31.4% when compared with the previous corresponding period in 2020. The Bank's total operating income was made up of net interest income of RM61.68 million and non-interest income of RM27.08 million, which contributed 69.5% and 30.5% respectively to the Bank's total operating income (nine months ended 30 September 2020: RM80.90 million (78.3%) and RM22.42 million (21.7%) respectively).

Net interest income declined by RM19.22 million or 23.8% when compared to the corresponding period of 2020 as a result of lower interest margin following the overnight policy rate cuts in 2020. However, non-interest income improved year-on-year by RM4.66 million or 20.8% contributed by greater net fee income of RM2.17 million, greater net trading income of RM1.33 million and higher net investment income of RM1.14 million.

The Bank incurred other operating expenses of RM52.08 million for the financial period, RM0.39 million or 0.7% lower as compared to the operating expenses for the financial period ended 30 September 2020. During the financial period, a write-back of allowance for impairment of RM17.44 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 RM25.85 million or 307.5%.

As at 30 September 2021, total assets improved by RM147.11 million or 3.6% to RM4.24 billion as compared to 31 December 2020. The Bank's gross, loans advances and financing has declined by RM229.82 million or 9.4% to RM2.20 billion as compared to RM2.43 billion as at 31 December 2020. However, deposits from customers has grown by RM102.86 million or 5.2% and stood at RM2.08 billion as compared to the balance of RM1.98 billion as at the end of financial year 2020.