

Deutsche Bank (Malaysia) Berhad  
(Company No. 199401026871 (312552-W))  
(Incorporated in Malaysia)  
and its subsidiaries

Unaudited Condensed Interim Financial Statements  
for the Financial Period ended 31 March 2021



**Consolidated Statements of Financial Position**  
As at 31 March 2021 – Unaudited

|   | Note | Group                      |   |                                | Bank                       |   |                                |
|---|------|----------------------------|---|--------------------------------|----------------------------|---|--------------------------------|
|   |      | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000<br>Restated | 1.1.2020<br>RM'000<br>Restated | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000<br>Restated | 1.1.2020<br>RM'000<br>Restated |
| <b>Assets</b>   |      |                            |   |                                |                            |   |                                |
| Cash and short-term funds   | 12.1 | 4,485,953                  | 3,813,279                                 | 3,749,550                      | 4,485,953                  | 3,813,279                                 | 3,749,550                      |
| Deposits and placements<br>with banks and other<br>financial institutions | 12.2 | 549,997                    | 1,339,991                                 | 199,993                        | 549,997                    | 1,339,991                                 | 199,993                        |
| Reverse repurchase<br>agreements  |      | 527,987                    | 112,446                                   | 400,307                        | 527,987                    | 112,446                                   | 400,307                        |
| Financial securities  | 13   | 2,179,409                  | 2,273,674                                 | 1,467,364                      | 2,179,409                  | 2,273,674                                 | 1,467,364                      |
| Loans, advances and<br>financing  | 14   | 1,965,444                  | 2,190,021                                 | 2,974,983                      | 1,965,444                  | 2,190,021                                 | 2,974,983                      |
| Derivative assets   |      | 1,106,033                  | 1,406,158                                 | 907,002                        | 1,106,033                  | 1,406,158                                 | 907,002                        |
| Other assets  | 15   | 1,040,162                  | 237,779                                   | 356,117                        | 1,040,162                  | 237,779                                   | 356,117                        |
| Tax recoverable   |      | 4,105                      | -   | 1,980                          | 4,105                      | -   | 1,980                          |
| Statutory deposit with<br>Bank Negara Malaysia                            |      | 20,000                     | 20,000                                    | 10,000                         | 20,000                     | 20,000                                    | 10,000                         |
| Investments in subsidiary<br>companies                                    |      | -                          | -   | -                              | 20                         | 20  | 20                             |
| Property and equipment  |      | 1,630                      | 1,782                                     | 2,538                          | 1,630                      | 1,782                                     | 2,538                          |
| Right-of-use assets   |      | 601                        | 1,063                                     | 2,139                          | 601                        | 1,063                                     | 2,139                          |
| Deferred tax assets   |      | 30,756                     | 23,262                                    | 29,697                         | 30,756                     | 23,262                                    | 29,697                         |
| <b>Total assets</b>   |      | <b>11,912,077</b>          | <b>11,419,455</b>                         | <b>10,101,670</b>              | <b>11,912,097</b>          | <b>11,419,475</b>                         | <b>10,101,690</b>              |
| <b>Liabilities and equity</b>   |      |                            |   |                                |                            |   |                                |
| Deposits from customers   | 16   | 6,517,588                  | 6,405,254                                 | 5,331,773                      | 6,517,608                  | 6,405,274                                 | 5,331,793                      |
| Deposits and placements<br>of banks and other<br>financial institutions   | 17   | 809,207                    | 815,211                                   | 1,249,128                      | 809,207                    | 815,211                                   | 1,249,128                      |
| Repurchase agreement  |      | 196,616                    | -   | -                              | 196,616                    | -   | -                              |
| Lease liabilities   |      | 890                        | 1,257                                     | 2,157                          | 890                        | 1,257                                     | 2,157                          |
| Taxation  |      | -                          | 9,562                                     | -                              | -                          | 9,562                                     | -                              |
| Derivative liabilities  |      | 999,063                    | 1,387,482                                 | 858,058                        | 999,063                    | 1,387,482                                 | 858,058                        |
| Other liabilities   | 18   | 1,416,230                  | 839,556                                   | 747,998                        | 1,416,230                  | 839,556                                   | 747,998                        |
| <b>Total liabilities</b>  |      | <b>9,939,594</b>           | <b>9,458,322</b>                          | <b>8,189,114</b>               | <b>9,939,614</b>           | <b>9,458,342</b>                          | <b>8,189,134</b>               |
| <b>Equity</b>   |      |                            |   |                                |                            |   |                                |
| Share capital   |      | 531,362                    | 531,362                                   | 531,362                        | 531,362                    | 531,362                                   | 531,362                        |
| Reserves  |      | 1,441,121                  | 1,429,771                                 | 1,381,194                      | 1,441,121                  | 1,429,771                                 | 1,381,194                      |
| Total equity attributable to<br>owner of the Bank                         |      | 1,972,483                  | 1,961,133                                 | 1,912,556                      | 1,972,483                  | 1,961,133                                 | 1,912,556                      |
| <b>Total liabilities and equity</b>                                       |      | <b>11,912,077</b>          | <b>11,419,455</b>                         | <b>10,101,670</b>              | <b>11,912,097</b>          | <b>11,419,475</b>                         | <b>10,101,690</b>              |
| Commitments and contingencies   | 25   | 94,137,195                 | 95,945,909                                | 88,963,721                     | 94,137,195                 | 95,945,909                                | 88,963,721                     |

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2020.

Consolidated Statements Of Profit Or Loss And Other Comprehensive Income  
For The Financial Period Ended 31 March 2021 - Unaudited

|  | Note | Group and Bank                                  |                            |  |                            |
|--|------|---|----------------------------|--|----------------------------|
|  |      | 1st quarter ended<br>31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | Three months ended<br>31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| Interest income  | 19   | 44,549  | 71,605                     | 44,549   | 71,605                     |
| Interest expense   | 20   | (4,531)   | (16,918)                   | (4,531)  | (16,918)                   |
| Net interest income  |      | 40,018  | 54,687                     | 40,018   | 54,687                     |
| Net income from Islamic Banking<br>Operations  | 26   | 503   | 607                        | 503  | 607                        |
| Non-interest income  | 21   | 18,411  | 94,820                     | 18,411   | 94,820                     |
| Operating income   |      | 58,932  | 150,114                    | 58,932   | 150,114                    |
| Other operating expenses   | 22   | (37,305)  | (31,653)                   | (37,305)   | (31,653)                   |
| Operating profit   |      | 21,627  | 118,461                    | 21,627   | 118,461                    |
| Allowance written back/(made) for<br>impairment  | 23   | 991   | (177)                      | 991  | (177)                      |
| <b>Profit before tax</b>   |      | 22,618  | 118,284                    | 22,618   | 118,284                    |
| Tax expense  |      | (3,849)   | (28,817)                   | (3,849)  | (28,817)                   |
| <b>Net profit for the period</b>   |      | 18,769  | 89,467                     | 18,769   | 89,467                     |
| <b>Other comprehensive income:</b><br><i>Movement in fair value reserve (debt securities):</i> |      |   |                            |  |                            |
| Net change in fair value   |      | (9,976)   | (80)                       | (9,976)  | (80)                       |
| Net amount transferred to profit or loss   |      | 214   | 187                        | 214  | 187                        |
| Tax expense on other comprehensive<br>income   |      | 2,343   | (26)                       | 2,343  | (26)                       |
| <b>Other comprehensive income for the<br/>period</b>   |      | (7,419)   | 81                         | (7,419)  | 81                         |
| <b>Total comprehensive income for the<br/>period</b>   |      | 11,350  | 89,548                     | 11,350   | 89,548                     |
| <b>Earnings per share (sen)</b>  |      | 10.8 sen  | 51.5 sen                   | 10.8 sen   | 51.5 sen                   |

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2020.*

Consolidated Statements Of Changes In Equity  
For The Financial Period Ended 31 March 2021

| Group and Bank                            | Note | Attributable to owner of the Bank |   |   |                          | Proposed dividend<br>RM'000 | Total<br>RM'000 |
|---|------|-----------------------------------|---|---|--------------------------|-----------------------------|-----------------|
|   |      | Share capital<br>RM'000           | Non-distributable<br>Other reserves<br>RM'000 | Distributable<br>Retained profits<br>RM'000 | Total reserves<br>RM'000 |                             |                 |
| At 1 January 2021                         |      |                                   |   |   |                          |                             |                 |
| As previously stated                      |      | 531,362                           | 47,786  | 1,364,802                                   | 1,412,588                | -                           | 1,943,950       |
| - Release of CVA reserve                  | 27   | -                                 | -   | 17,183                                      | 17,183                   | -                           | 17,183          |
| At 1 January 2021, as restated            |      | 531,362                           | 47,786  | 1,381,985                                   | 1,429,771                | -                           | 1,961,133       |
| Net profit for the period                 |      | -                                 | -   | 18,769                                      | 18,769                   | -                           | 18,769          |
| Other comprehensive income for the period |      | -                                 | (7,419)                                       | -   | (7,419)                  | -                           | (7,419)         |
| Total comprehensive income for the period |      | -                                 | (7,419)                                       | 18,769                                      | 11,350                   | -                           | 11,350          |
| At 31 March 2021                          |      | 531,362                           | 40,367  | 1,400,754                                   | 1,441,121                | -                           | 1,972,483       |
| At 1 January 2020                         |      |                                   |   |   |                          |                             |                 |
| As previously stated                      |      | 531,362                           | 45,872  | 1,318,139                                   | 1,364,011                | -                           | 1,895,373       |
| - Release of CVA reserve                  | 27   | -                                 | -   | 17,183                                      | 17,183                   | -                           | 17,183          |
| At 1 January 2020, as restated            |      | 531,362                           | 45,872  | 1,335,322                                   | 1,381,194                | -                           | 1,912,556       |
| Net profit for the period                 |      | -                                 | -   | 89,467                                      | 89,467                   | -                           | 89,467          |
| Other comprehensive income for the period |      | -                                 | 81  | -   | 81                       | -                           | 81              |
| Total comprehensive income for the period |      | -                                 | 81  | 89,467                                      | 89,548                   | -                           | 89,548          |
| At 31 March 2020                          |      | 531,362                           | 45,953  | 1,424,789                                   | 1,470,742                | -                           | 2,002,104       |

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2020.*

**Condensed Consolidated Statements Of Cash Flows  
For The Financial Period Ended 31 March 2021**

|  | <b>Group and Bank</b>               |                                     |
|--|-------------------------------------|-------------------------------------|
|  | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> |
| Profit before taxation   | 22,618                              | 118,284                             |
| Adjustments for non-operating and non-cash items                   | 688                                 | 742                                 |
| <b>Operating profit before working capital changes</b>             | <b>23,306</b>                       | <b>119,026</b>                      |
| Changes in working capital   |                                     |                                     |
| Net changes in operating assets                                    | (608,778)                           | (2,161,542)                         |
| Net changes in operating liabilities                               | 491,201                             | 3,180,855                           |
| Income tax paid  | (22,667)                            | (18,396)                            |
| Tax refunds received   | -                                   | 12,580                              |
| <b>Net cash (used in) / generated from operations</b>              | <b>(116,938)</b>                    | <b>1,132,523</b>                    |
| Cash flows from investing activities:                              |                                     |                                     |
| Purchase of property and equipment                                 | (75)                                | (4)                                 |
| Proceeds from redemption of shares                                 | 61                                  | -                                   |
| <b>Net cash used in investing activities</b>                       | <b>(14)</b>                         | <b>(4)</b>                          |
| Cash flows from financing activities:                              |                                     |                                     |
| Payment of lease liabilities                                       | (368)                               | (282)                               |
| <b>Net cash used in financing activities</b>                       | <b>(368)</b>                        | <b>(282)</b>                        |
| <b>Net (decrease)/increase in cash and cash equivalents</b>        | <b>(117,320)</b>                    | <b>1,132,237</b>                    |
| Cash and cash equivalents at beginning of the period               | 5,153,270                           | 3,949,543                           |
| <b>Cash and cash equivalents at end of the period</b>              | <b>5,035,950</b>                    | <b>5,081,780</b>                    |
| Analysis of cash and cash equivalents:                             |                                     |                                     |
| Cash and short-term funds  | 4,485,953                           | 4,971,785                           |
| Deposits and placement with banks and other financial institutions | 549,997                             | 109,995                             |
| <b>Cash and Cash equivalents at the end of the period</b>          | <b>5,035,950</b>                    | <b>5,081,780</b>                    |

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2020.*

**Explanatory Notes To The Interim Financial Statements  
For The Financial Period Ended 31 March 2021**

**1. Basis of preparation**

The unaudited interim financial statements for the financial period ended 31 March 2021 have been prepared under the historical cost convention except for reverse repurchase agreements, financial securities and derivative financial instruments which are stated at fair values.

The unaudited interim financial statements have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”). The unaudited interim financial statements should be read in conjunction with the audited annual financial statements for the Group and the Bank for the financial year ended 31 December 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 31 December 2020.

The unaudited interim financial statements incorporated those activities relating to the Islamic banking business. Islamic banking business refers generally to the acceptance of deposits under the principles of Shariah.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2020, except for the adoption of the following Malaysian Financial Reporting Standard (“MFRS”), Amendments to MFRSs and IC Interpretation that have been issued by the Malaysian Accounting Standard Board (“MASB”):

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 April 2021

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- *Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018-2020”*
- *Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework*
- *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*

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

- *Amendments to MFRS 17 Insurance Contracts*
- *Amendments to MFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9*
- *Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- *Amendments to MFRS 101, Presentation of Financial Statements – Disclosure of Accounting Policies*
- *Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*

## 1. Basis of preparation (continued)

MFRSs, Interpretations and amendments effective for 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 Group and the Bank plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2022 for the amendment that is effective for annual periods beginning on or after 1 April 2021: and,
- from the annual period beginning on 1 January 2022 for those amendments, that are effective for annual periods beginning on or after 1 January 2022: and,
- from the annual period beginning on 1 January 2023 for those amendments, that are effective for annual periods beginning on or after 1 January 2023

The Group and the Bank do not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on or after 1 January 2023 as it is not applicable to the Group and the Bank.

## 2. Audit report

The audit report on the audited annual financial statements of the Group and the Bank for the financial year ended 31 December 2020 was not subject to any qualification.

## 3. Seasonality or Cyclicity of Operations

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

## 4. 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 Group and of the Bank for the financial period ended 31 March 2021.

## 5. Changes in Estimates

There were no significant changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the Group and the Bank for the financial period ended 31 March 2021.

## 6. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities during the financial period ended 31 March 2021.

## 7. Dividend Paid

No dividend was paid during the financial period ended 31 March 2021. The final dividend recommended by the Directors in respect of the financial year ended 31 December 2020 is 154.8 sen per ordinary share totalling RM268,718,000.

## 8. Material Events

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

## 9. Changes in the composition of the Group

There were no changes in the composition of the Group for the financial period ended 31 March 2021.

## 10. Review of Performance

The Bank recorded profit before tax for the financial period ended 31 March 2021 of RM22.6 million compared to RM118.3 million for the previous corresponding period. Operating income decreased by RM91.2 million (-60.8%) from RM150.1 million to RM58.9 million, mainly attributed to lower non-interest income of RM18.4 million against RM94.8 million in the previous corresponding period. Operating expenses increased by RM5.6 million (+17.7%) from RM31.7 million to RM37.3 million mainly attributed to higher intercompany expenses.

Total assets registered an increase of RM0.5 billion or 4.4% from RM11.4 billion as at 31 December 2020 to RM11.9 billion as at 31 March 2021. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 22.2% and 22.8%, respectively.

## 11. Prospects

In Malaysia, despite starting off slow with the last quarter of 2020 having negative growth, there are signs of improvement in the economy, mainly due to the growth of exports. A rebound in global growth is expected to continue to support the continued growth of exports. However, the outlook is dependent on the path of the pandemic. A resurgence of the pandemic, whether it be due to mutation of a new strain or due to any setbacks in the vaccination program could slow or even reverse this trend.

The Bank remains competitive with the solid frameworks around capital and liquidity management, risk controls and enhanced internal processes. We continue to be relentless in our commitment towards client centricity and in driving product innovation to deliver sustainable performance.

The Bank looks forward to contribute to the economic growth and wellbeing of the communities which we operate and to create positive impact for our clients, investors, employees and society at large.



12. Cash and cash equivalents

12.1 Cash and short-term funds

|  | Group and Bank             |                               |
|--|----------------------------|-------------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Cash and balances with banks and other financial institutions  | 492,141                    | 475,498                       |
| Money at call and deposit placements maturing within one month | <u>3,993,812</u>           | <u>3,337,781</u>              |
|  | <u>4,485,953</u>           | <u>3,813,279</u>              |

12.2 Deposits and placements with banks and other financial institutions

|                              | Group and Bank             |                               |
|------------------------------|----------------------------|-------------------------------|
|                              | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Licensed bank                | 349,999                    | 239,995                       |
| Other financial institutions | <u>199,998</u>             | <u>1,099,996</u>              |
|                              | <u>549,997</u>             | <u>1,339,991</u>              |

## 12. Cash and cash equivalents (continued)

The following table shows reconciliations from the opening to the closing balance of the loss allowance for cash and cash equivalents.

| Group and Bank                               | 2021         |                                    |                                |           | 2020         |                                    |                                |           |
|--|--------------|------------------------------------|--------------------------------|-----------|--------------|------------------------------------|--------------------------------|-----------|
|  | 12-month ECL | Lifetime ECL not credit - impaired | Lifetime ECL credit - impaired | Total     | 12-month ECL | Lifetime ECL not credit - impaired | Lifetime ECL credit - impaired | Total     |
|  | RM'000       | RM'000                             | RM'000                         | RM'000    | RM'000       | RM'000                             | RM'000                         | RM'000    |
| <b>Cash and cash equivalents</b>             |              |                                    |                                |           |              |                                    |                                |           |
| Balance at 1 January                         | 96           | -                                  | -                              | 96        | 116          | -                                  | -                              | 116       |
| Transfer to 12-month ECL                     | -            | -                                  | -                              | -         | -            | -                                  | -                              | -         |
| Transfer to lifetime ECL not credit-impaired | -            | -                                  | -                              | -         | -            | -                                  | -                              | -         |
| Transfer to lifetime ECL credit-impaired     | -            | -                                  | -                              | -         | -            | -                                  | -                              | -         |
| Net remeasurement of loss allowance          | (76)         | -                                  | -                              | (76)      | (17)         | -                                  | -                              | (17)      |
| New financial assets originated or purchased | 6            | -                                  | -                              | 6         | 16           | -                                  | -                              | 16        |
| Financial assets that have been derecognised | (16)         | -                                  | -                              | (16)      | (19)         | -                                  | -                              | (19)      |
| Write-offs                                   | -            | -                                  | -                              | -         | -            | -                                  | -                              | -         |
| Recoveries of amounts previously written off | -            | -                                  | -                              | -         | -            | -                                  | -                              | -         |
| Changes in models/risk parameters            | -            | -                                  | -                              | -         | -            | -                                  | -                              | -         |
| Other movements                              | -            | -                                  | -                              | -         | -            | -                                  | -                              | -         |
| <b>Balance at 31 March / 31 December</b>     | <b>10</b>    | <b>-</b>                           | <b>-</b>                       | <b>10</b> | <b>96</b>    | <b>-</b>                           | <b>-</b>                       | <b>96</b> |

## 13. Financial securities

|                                    | Group and Bank             |                               |
|------------------------------------|----------------------------|-------------------------------|
|                                    | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| <b>Debt securities at FVTPL</b>    |                            |                               |
| Malaysian Government Securities    | 893,116                    | 910,802                       |
| Malaysian Investment Issue         | 184,233                    | 127,969                       |
| Cagamas bonds                      | 200,013                    | 199,982                       |
|                                    | <u>1,277,362</u>           | <u>1,238,753</u>              |
| <b>Debt securities at FVOCI</b>    |                            |                               |
| Malaysian Government Securities    | 381,825                    | 762,232                       |
| Malaysian Investment Issue         | 118,690                    | 71,098                        |
| Negotiable instruments of deposits | 400,000                    | 200,000                       |
|                                    | <u>900,515</u>             | <u>1,033,330</u>              |
| <b>Equity investments at FVOCI</b> |                            |                               |
| Unquoted shares in Malaysia        | 1,532                      | 1,591                         |
|                                    | <u>2,172,409</u>           | <u>2,273,674</u>              |

## 13. Financial securities (continued)

The following table shows reconciliations from the opening to the closing balance of the loss allowance for debt securities at FVOCI.

| Group and Bank                               | 2021         |                                    |                                |            | 2020         |                                    |                                |            |
|--|--------------|------------------------------------|--------------------------------|------------|--------------|------------------------------------|--------------------------------|------------|
|  | 12-month ECL | Lifetime ECL not credit - impaired | Lifetime ECL credit - impaired | Total      | 12-month ECL | Lifetime ECL not credit - impaired | Lifetime ECL credit - impaired | Total      |
|  | RM'000       | RM'000                             | RM'000                         | RM'000     | RM'000       | RM'000                             | RM'000                         | RM'000     |
| <b>Debt securities at FVOCI</b>              |              |                                    |                                |            |              |                                    |                                |            |
| Balance at 1 January                         | 217          | -                                  | -                              | 217        | 158          | -                                  | -                              | 158        |
| Transfer to 12-month ECL                     | -            | -                                  | -                              | -          | -            | -                                  | -                              | -          |
| Transfer to lifetime ECL not credit-impaired | -            | -                                  | -                              | -          | -            | -                                  | -                              | -          |
| Transfer to lifetime ECL credit-impaired     | -            | -                                  | -                              | -          | -            | -                                  | -                              | -          |
| Net remeasurement of loss allowance          | (64)         | -                                  | -                              | (64)       | (7)          | -                                  | -                              | (7)        |
| New financial assets originated or purchased | 356          | -                                  | -                              | 356        | 212          | -                                  | -                              | 212        |
| Financial assets that have been derecognised | (77)         | -                                  | -                              | (77)       | (146)        | -                                  | -                              | (146)      |
| Write-offs                                   | -            | -                                  | -                              | -          | -            | -                                  | -                              | -          |
| Recoveries of amounts previously written off | -            | -                                  | -                              | -          | -            | -                                  | -                              | -          |
| Changes in models/risk parameters            | -            | -                                  | -                              | -          | -            | -                                  | -                              | -          |
| Other movements                              | -            | -                                  | -                              | -          | -            | -                                  | -                              | -          |
| <b>Balance at 31 March / 31 December</b>     | <b>432</b>   | <b>-</b>                           | <b>-</b>                       | <b>432</b> | <b>217</b>   | <b>-</b>                           | <b>-</b>                       | <b>217</b> |

## 14. Loans, advances and financing

|  | Group and Bank             |                               |
|--|----------------------------|-------------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| <i>At amortised cost</i>                     |                            |                               |
| Overdrafts                                   | 29,067                     | 35,604                        |
| Term loans - housing loans                   | 6,984                      | 7,287                         |
| - Other term loans                           | 568,234                    | 672,014                       |
| Bill receivable                              | 181,296                    | 214,233                       |
| Trust Receipt                                | 184,166                    | 187,396                       |
| Claims on customers under acceptance credits | 1,012,125                  | 1,087,067                     |
| Staff loans                                  | 21                         | 27                            |
|  | <u>1,981,893</u>           | <u>2,203,628</u>              |
| Unearned interest                            | (9,486)                    | (5,524)                       |
| Gross loans, advances and financing          | <u>1,972,407</u>           | <u>2,198,104</u>              |
| Allowance for impaired loans and financing   |                            |                               |
| - Expected credit losses                     | (6,963)                    | (8,083)                       |
| Net loans, advances and financing            | <u>1,965,444</u>           | <u>2,190,021</u>              |

## 14. Loans, advances and financing (continued)

The following table shows reconciliations from the opening to the closing balance of the loss allowance for loans, advances and financing.

| Group and Bank  | 2021         |                                    |                                |              | 2020         |                                    |                                |              |
|---|--------------|------------------------------------|--------------------------------|--------------|--------------|------------------------------------|--------------------------------|--------------|
|   | 12-month ECL | Lifetime ECL not credit – impaired | Lifetime ECL credit – impaired | Total        | 12-month ECL | Lifetime ECL not credit – impaired | Lifetime ECL credit – impaired | Total        |
|   | RM'000       | RM'000                             | RM'000                         | RM'000       | RM'000       | RM'000                             | RM'000                         | RM'000       |
| <b>Loans, advances and financing at amortised cost*</b> |              |                                    |                                |              |              |                                    |                                |              |
| Balance at 1 January                                    | 3,224        | 3,101                              | 1,758                          | 8,083        | 4,073        | 1,193                              | 1,947                          | 7,213        |
| Transfer to 12-month ECL                                | 47           | -                                  | (47)                           | -            | 298          | -                                  | (298)                          | -            |
| Transfer to lifetime ECL not credit-impaired            | (2)          | 2                                  | -                              | -            | (25)         | 25                                 | -                              | -            |
| Transfer to lifetime ECL credit-impaired                | (115)        | -                                  | 115                            | -            | (203)        | -                                  | 203                            | -            |
| Net remeasurement of loss allowance                     | (357)        | 106                                | 101                            | (150)        | (901)        | 909                                | 43                             | 51           |
| New financial assets originated or purchased            | 445          | 1,831                              | -                              | 2,276        | 843          | 1,418                              | -                              | 2,261        |
| Financial assets that have been derecognised            | (190)        | (3,056)                            | -                              | (3,246)      | (861)        | (444)                              | (137)                          | (1,442)      |
| Write-offs  | -            | -                                  | -                              | -            | -            | -                                  | -                              | -            |
| Recoveries of amounts previously written off            | -            | -                                  | -                              | -            | -            | -                                  | -                              | -            |
| Changes in models/risk parameters                       | -            | -                                  | -                              | -            | -            | -                                  | -                              | -            |
| Other movements   | -            | -                                  | -                              | -            | -            | -                                  | -                              | -            |
| <b>Balance at 31 March/<br/>31 December</b>             | <b>3,052</b> | <b>1,984</b>                       | <b>1,927</b>                   | <b>6,963</b> | <b>3,224</b> | <b>3,101</b>                       | <b>1,758</b>                   | <b>8,083</b> |

\* The loss allowance in this table includes ECL on loan commitment and financial guarantees.

## 14. Loans, advances and financing (continued)

The maturity structure of gross loans, advances and financing are as follows:

|                                     | Group and Bank   |                  |
|-------------------------------------|------------------|------------------|
|                                     | 31 March         | 31 December      |
|                                     | 2021             | 2020             |
|                                     | RM'000           | RM'000           |
| Maturing within one year            | 1,633,211        | 1,994,715        |
| More than one year and three years  | 333,157          | 197,125          |
| More than three years to five years | 1,668            | 1,554            |
| Over five years                     | 4,371            | 4,710            |
|                                     | <u>1,972,407</u> | <u>2,198,104</u> |

Gross loans, advances and financing analysed by type of customer are as follows:

|  | Group and Bank   |                  |
|--|------------------|------------------|
|  | 31 March         | 31 December      |
|  | 2021             | 2020             |
|  | RM'000           | RM'000           |
| Domestic banking institutions            | 3,982            | 35,954           |
| Domestic non-bank financial institutions | 112,168          | 251,993          |
| Domestic business enterprises            | 1,446,771        | 1,673,935        |
| Individuals                              | 7,005            | 7,313            |
| Government and statutory bodies          | 228,909          | 59,372           |
| Foreign entities                         | 173,572          | 169,537          |
|  | <u>1,972,407</u> | <u>2,198,104</u> |

Gross loans, advances and financing analysed by interest / profit rate sensitivity are as follows:

|                                     | Group and Bank   |                  |
|-------------------------------------|------------------|------------------|
|                                     | 31 March         | 31 December      |
|                                     | 2021             | 2020             |
|                                     | RM'000           | RM'000           |
| Fixed rate                          |                  |                  |
| - Other fixed rate loan / financing | 54,223           | 34,839           |
| Variable rate                       |                  |                  |
| - Base lending rate plus            | 216,099          | 243,210          |
| - Cost-plus                         | 1,535,422        | 1,903,351        |
| - Other variable rates              | 166,663          | 16,704           |
|                                     | <u>1,972,407</u> | <u>2,198,104</u> |

## 14. Loans, advances and financing (continued)

Gross loans, advances and financing analysed by their geographical distribution are as follows:

|          | Group and Bank   |                     |
|----------|------------------|---------------------|
|          | 31 March<br>2021 | 31 December<br>2020 |
|          | RM'000           | RM'000              |
| Malaysia | 1,798,835        | 2,028,567           |
| China    | -                | 3,025               |
| India    | 80,792           | 124,149             |
| Turkey   | 84,540           | 36,911              |
| Others   | 8,240            | 5,452               |
|          | <u>1,972,407</u> | <u>2,198,104</u>    |

Gross loans, advances and financing analysed by their economic sector are as follows:

|   | Group and Bank   |                     |
|---|------------------|---------------------|
|   | 31 March<br>2021 | 31 December<br>2020 |
|   | RM'000           | RM'000              |
| Mining and Quarrying                              | 150,134          | 150,134             |
| Manufacturing                                     | 263,120          | 361,086             |
| Construction                                      | 198,290          | 211,462             |
| Wholesale & retail trade and restaurants & hotels | 333,809          | 385,799             |
| Transport, storage and communication              | 460,249          | 551,717             |
| Finance, insurance and business services          | 330,891          | 471,221             |
| Education, health and others                      | 228,909          | 59,372              |
| Household   | 7,005            | 7,313               |
|   | <u>1,972,407</u> | <u>2,198,104</u>    |

Movements in impaired loans, advances and financing are as follows:

|   | Group and Bank   |                     |
|---|------------------|---------------------|
|   | 31 March<br>2021 | 31 December<br>2020 |
|   | RM'000           | RM'000              |
| Balance at 1 January  | 3,000            | 3,526               |
| Classified as impaired during the period/year                               | 314              | 605                 |
| Reclassified as non-impaired during the period/year                         | (122)            | (750)               |
| Amount recovered  | (87)             | (381)               |
| At 31 March 2021 / 31 December 2020   | <u>3,105</u>     | <u>3,000</u>        |
| Gross impaired loans as a percentage of gross loans, advances and financing | <u>0.16%</u>     | <u>0.14%</u>        |



## 14. Loans, advances and financing (continued)

Impaired loans, advances and financing analysed by economic sector and geographical distribution are as follows:

|                      | Group and Bank   |                     |
|----------------------|------------------|---------------------|
|                      | 31 March<br>2021 | 31 December<br>2020 |
|                      | RM'000           | RM'000              |
| Household (Malaysia) | <u>3,105</u>     | <u>3,000</u>        |

## 15. Other assets

|   | Group and Bank   |                     |
|---|------------------|---------------------|
|   | 31 March<br>2021 | 31 December<br>2020 |
|   | RM'000           | RM'000              |
| Interest/Income receivable              | 14,734           | 18,456              |
| Margin placed with exchange             | 11,395           | -                   |
| Other debtors, deposits and prepayments | <u>1,014,033</u> | <u>219,323</u>      |
|   | <u>1,040,162</u> | <u>237,779</u>      |

## 16. Deposits from customers

|                  | Group            |                     | Bank             |                     |
|------------------|------------------|---------------------|------------------|---------------------|
|                  | 31 March<br>2021 | 31 December<br>2020 | 31 March<br>2021 | 31 December<br>2020 |
|                  | RM'000           | RM'000              | RM'000           | RM'000              |
| Demand deposits  | 5,732,768        | 5,611,932           | 5,732,788        | 5,611,952           |
| Savings deposits | 22               | 12                  | 22               | 12                  |
| Fixed deposits   | 563,301          | 590,306             | 563,301          | 590,306             |
| Other deposits   | <u>221,497</u>   | <u>203,004</u>      | <u>221,497</u>   | <u>203,004</u>      |
|                  | <u>6,517,588</u> | <u>6,405,254</u>    | <u>6,517,608</u> | <u>6,405,274</u>    |

The maturity structure of fixed deposits and other deposits are as follows:-

|                                     | Group and Bank   |                     |
|-------------------------------------|------------------|---------------------|
|                                     | 31 March<br>2021 | 31 December<br>2020 |
|                                     | RM'000           | RM'000              |
| Due within six months               | 618,128          | 634,046             |
| More than six months to one year    | 350              | 910                 |
| More than one year to three years   | -                | 350                 |
| More than three years to five years | <u>166,320</u>   | <u>158,004</u>      |
|                                     | <u>784,798</u>   | <u>793,310</u>      |

16. Deposits from customers (continued)

The deposits are sourced from the following types of customers:

|                      | Group                      |                               | Bank                       |                               |
|----------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                      | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Business enterprises | 5,643,133                  | 5,595,073                     | 5,643,153                  | 5,595,093                     |
| Individuals          | 270                        | 258                           | 270                        | 258                           |
| Foreign customers    | 46,311                     | 56,076                        | 46,311                     | 56,076                        |
| Others               | 827,874                    | 753,847                       | 827,874                    | 753,847                       |
|                      | <u>6,517,588</u>           | <u>6,405,254</u>              | <u>6,517,608</u>           | <u>6,405,274</u>              |

17. Deposits and placements of banks and other financial institutions

|                              | Group and Bank             |                               |
|------------------------------|----------------------------|-------------------------------|
|                              | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Licensed bank                | -                          | 80,360                        |
| Other financial institutions | 809,207                    | 734,851                       |
|                              | <u>809,207</u>             | <u>815,211</u>                |

18. Other liabilities

|                   | Group and Bank             |                               |
|-------------------|----------------------------|-------------------------------|
|                   | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Interest payable  | 864                        | 850                           |
| Bills payable     | 15,976                     | 10,239                        |
| Employee benefits | 21,714                     | 25,392                        |
| Other liabilities | 1,377,676                  | 803,075                       |
|                   | <u>1,416,230</u>           | <u>839,556</u>                |

## 19. Interest income

|   | Group and Bank                |               |                    |               |
|---|-------------------------------|---------------|--------------------|---------------|
|   | 1 <sup>st</sup> quarter ended |               | Three months ended |               |
|   | 31 March                      | 31 March      | 31 March           | 31 March      |
|   | 2021                          | 2020          | 2021               | 2020          |
|   | RM'000                        | RM'000        | RM'000             | RM'000        |
| Loans, advances and financing                                       | 16,388                        | 30,919        | 16,388             | 30,919        |
| Money at call and deposit placements<br>with financial institutions | 15,640                        | 21,190        | 15,640             | 21,190        |
| Reverse repurchase agreements                                       | 839                           | 1,052         | 839                | 1,052         |
| Financial securities  | 11,682                        | 18,432        | 11,682             | 18,432        |
| Other interest income   | -                             | 12            | -                  | 12            |
|   | <u>44,549</u>                 | <u>71,605</u> | <u>44,549</u>      | <u>71,605</u> |

## 20. Interest expense

|  | Group and Bank                |               |                    |               |
|--|-------------------------------|---------------|--------------------|---------------|
|  | 1 <sup>st</sup> quarter ended |               | Three months ended |               |
|  | 31 March                      | 31 March      | 31 March           | 31 March      |
|  | 2021                          | 2020          | 2021               | 2020          |
|  | RM'000                        | RM'000        | RM'000             | RM'000        |
| Deposits and placements of banks<br>and other financial institutions | 796                           | 2,925         | 796                | 2,925         |
| Deposits from customers  | 3,720                         | 13,813        | 3,720              | 13,813        |
| Repurchase agreement   | 11                            | 15            | 11                 | 15            |
| Other interest expense   | 4                             | 165           | 4                  | 165           |
|  | <u>4,531</u>                  | <u>16,918</u> | <u>4,531</u>       | <u>16,918</u> |

## 21. Non-interest income

|  | Group and Bank                |                |                    |                |
|--|-------------------------------|----------------|--------------------|----------------|
|  | 1 <sup>st</sup> quarter ended |                | Three months ended |                |
|  | 31 March                      | 31 March       | 31 March           | 31 March       |
|  | 2021                          | 2020           | 2021               | 2020           |
|  | RM'000                        | RM'000         | RM'000             | RM'000         |
| Fee income:                                      |                               |                |                    |                |
| Commissions                                      | 1,795                         | 1,611          | 1,795              | 1,611          |
| Service charges and fees                         | 5,069                         | 6,307          | 5,069              | 6,307          |
| Guarantee fees                                   | 592                           | 690            | 592                | 690            |
|  | <u>7,456</u>                  | <u>8,608</u>   | <u>7,456</u>       | <u>8,608</u>   |
| Fee expense:                                     |                               |                |                    |                |
| Commissions                                      | (1,023)                       | (1,149)        | (1,023)            | (1,149)        |
| Service charges and fees                         | (779)                         | (2,204)        | (779)              | (2,204)        |
|  | <u>(1,802)</u>                | <u>(3,353)</u> | <u>(1,802)</u>     | <u>(3,353)</u> |
| Net fee income                                   | <u>5,654</u>                  | <u>5,255</u>   | <u>5,654</u>       | <u>5,255</u>   |
| Net gains from financial instruments:            |                               |                |                    |                |
| Net (loss)/gain arising on financial securities: |                               |                |                    |                |
| Realised (loss)/gain                             | (25,855)                      | 28,765         | (25,855)           | 28,765         |
| Unrealised (loss)/gain                           | (16,214)                      | 2,094          | (16,214)           | 2,094          |
| Net gain/(loss) arising on trading derivatives:  |                               |                |                    |                |
| Realised loss                                    | (28,133)                      | (20,997)       | (28,133)           | (20,997)       |
| Unrealised gain                                  | 86,852                        | 172,002        | 86,852             | 172,002        |
| Foreign exchange loss                            | (3,739)                       | (90,934)       | (3,739)            | (90,934)       |
| Gain on instruments at FVOCI                     | 2                             | -              | 2                  | -              |
| Other loss:                                      |                               |                |                    |                |
| Other operating loss, net                        | (156)                         | (1,365)        | (156)              | (1,365)        |
|  | <u>12,757</u>                 | <u>89,565</u>  | <u>12,757</u>      | <u>89,565</u>  |
|  | <u>18,411</u>                 | <u>94,820</u>  | <u>18,411</u>      | <u>94,820</u>  |

## 22. Other operating expenses

|   | Group and Bank                |               |                    |               |
|---|-------------------------------|---------------|--------------------|---------------|
|   | 1 <sup>st</sup> quarter ended |               | Three months ended |               |
|   | 31 March                      | 31 March      | 31 March           | 31 March      |
|   | 2021                          | 2020          | 2021               | 2020          |
|   | RM'000                        | RM'000        | RM'000             | RM'000        |
| Personnel costs                         |                               |               |                    |               |
| - Salaries, allowances and bonuses      | 11,314                        | 11,115        | 11,314             | 11,115        |
| - Others                                | 2,802                         | 2,010         | 2,802              | 2,010         |
| Establishment costs                     |                               |               |                    |               |
| - Rental                                | 297                           | 170           | 297                | 170           |
| - Depreciation - property and equipment | 227                           | 252           | 227                | 252           |
| - Depreciation - right-of-use assets    | 461                           | 469           | 461                | 469           |
| - Others                                | 2,045                         | 1,190         | 2,045              | 1,190         |
| Marketing expenses                      | 468                           | 616           | 468                | 616           |
| Administration and general expenses     |                               |               |                    |               |
| - Intercompany charges                  | 17,763                        | 14,120        | 17,763             | 14,120        |
| - Communication                         | 282                           | 378           | 282                | 378           |
| - Others                                | 1,646                         | 1,333         | 1,646              | 1,333         |
|   | <u>37,305</u>                 | <u>31,653</u> | <u>37,305</u>      | <u>31,653</u> |

The number of employees of the Group and the Bank at the end of the period was 198 (March 2020 – 194).

## 23. Allowance for impairment

|   | Group and Bank                |              |                    |              |
|---|-------------------------------|--------------|--------------------|--------------|
|   | 1 <sup>st</sup> quarter ended |              | Three months ended |              |
|   | 31 March                      | 31 March     | 31 March           | 31 March     |
|   | 2021                          | 2020         | 2021               | 2020         |
|   | RM'000                        | RM'000       | RM'000             | RM'000       |
| Expected credit losses                        |                               |              |                    |              |
| Allowance written back /(made) for impairment |                               |              |                    |              |
| - loans, advances and financing               | 1,120                         | 83           | 1,120              | 83           |
| - cash and cash equivalents                   | 86                            | (73)         | 86                 | (73)         |
| - debt securities at FVOCI                    | (215)                         | (187)        | (215)              | (187)        |
|   | <u>991</u>                    | <u>(177)</u> | <u>991</u>         | <u>(177)</u> |

## 24. Capital adequacy

|   | Group and Bank             |   |                                |
|---|----------------------------|---|--------------------------------|
|   | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000<br>Restated | 1.1.2020<br>RM'000<br>Restated |
| Components of Tier 1 and Tier 2 capital are as follows: |                            |   |                                |
| Tier 1 capital  |                            |   |                                |
| Paid-up share capital                                   | 531,362                    | 531,362                                   | 531,362                        |
| Other disclosed reserves                                | (4,961)                    | 1,179                                     | 338                            |
| Retained profits  | 1,381,985                  | 1,381,985                                 | 1,335,322                      |
| Less: Deferred tax assets                               | (23,262)                   | (23,262)                                  | (29,697)                       |
| Total common equity tier 1/Total tier 1 capital         | <u>1,885,124</u>           | <u>1,891,264</u>                          | <u>1,837,325</u>               |
| Tier 2 capital  |                            |   |                                |
| Expected credit losses ("ECL")*                         | 5,036                      | 6,325                                     | 5,266                          |
| Regulatory reserve                                      | 45,000                     | 45,000                                    | 45,000                         |
| Total capital base                                      | <u>1,935,160</u>           | <u>1,942,589</u>                          | <u>1,887,591</u>               |
| Common equity tier 1/Tier 1 capital ratio               | 22.201 %                   | 23.084 %                                  | 19.577 %                       |
| Total capital ratio                                     | <u>22.790 %</u>            | <u>23.710 %</u>                           | <u>20.112 %</u>                |

\* Refers to ECL for Stage 1 and Stage 2.

## 24. Capital adequacy (continued)

The capital adequacy ratios of the Group and of the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components and Basel II – Risk-weighted Assets) reissued on 2 February 2018. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer (CCyB) are 4.5% for CET1 Capital Ratio, 6.0% for Tier 1 Capital Ratio and 8.0% for Total Capital Ratio.

The capital conservation buffer required to be maintained in the form of CET1 Capital above the minimum regulatory capital adequacy ratios requirement is at 2.5%.

The CCyB which is in a range of between 0% and 2.5% is not a requirement for exposure in Malaysia yet but may be applied by regulators in the future.

The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

| Risk Type |                  | Risk Weighted Assets    |  |                                |
|-----------|------------------|-------------------------|--|--------------------------------|
|           |                  | 31 March 2021<br>RM'000 | 31 December 2020<br>RM'000<br>Restated | 1.1.2020<br>RM'000<br>Restated |
| 1         | Credit risk      | 5,544,177               | 4,904,608                              | 5,399,155                      |
| 2         | Market risk      | 2,099,834               | 2,393,224                              | 3,132,398                      |
| 3         | Operational risk | 847,308                 | 895,230                                | 853,743                        |
| Total     |                  | 8,491,319               | 8,193,062                              | 9,385,296                      |

## 24. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 March 2021 are as follows:

| RISK TYPE |  | Gross Exposures | Net Exposures | Risk-Weighted Assets |
|-----------|--|-----------------|---------------|----------------------|
| 1         | Credit Risk  | RM'000          | RM'000        | RM'000               |
|           | <u>On-Balance Sheet Exposures</u>  |                 |               |                      |
|           | Sovereigns/Central Banks   | 5,187,107       | 4,758,487     | -                    |
|           | Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs") | 2,323,276       | 2,323,276     | 1,122,399            |
|           | Insurance Companies, Securities Firms and Fund Managers  | -               | -             | -                    |
|           | Corporates   | 1,522,968       | 1,522,968     | 1,519,218            |
|           | Regulatory Retail  | -               | -             | -                    |
|           | Residential Mortgages  | 3,879           | 3,879         | 1,358                |
|           | Higher Risk Assets   | -               | -             | -                    |
|           | Other Assets   | 659,435         | 659,435       | 658,289              |
|           | Equity Exposure  | 1,552           | 1,552         | 1,782                |
|           | Defaulted Exposures  | 1,230           | 1,230         | 1,230                |
|           | <i>Total On-Balance Sheet Exposures</i>  | 9,699,447       | 9,270,827     | 3,304,276            |
|           | <u>Off-Balance Sheet Exposures</u>   |                 |               |                      |
|           | OTC Derivatives  | 1,808,639       | 1,446,789     | 835,623              |
|           | Credit Derivatives   | -               | -             | -                    |
|           | Transaction related contingent Items   | 300,957         | 300,402       | 280,816              |
|           | Short Term Self Liquidating trade related contingencies  | 20,717          | 20,717        | 17,926               |
|           | Other commitments, such as formal standby facilities and credit lines                          | 1,105,536       | 1,105,536     | 1,105,536            |
|           | <i>Total for Off-Balance Sheet Exposures</i>   | 3,235,849       | 2,873,444     | 2,239,901            |
|           | <i>Total On and Off- Balance Sheet Exposures</i>   | 12,935,296      | 12,144,271    | 5,544,177            |



## 24. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 March 2021 are as follows (continued):

| RISK TYPE |                       | Gross Exposures |                | Risk Weighted Assets |
|-----------|-----------------------|-----------------|----------------|----------------------|
|           |                       | RM'000          |                | RM'000               |
| 2         | Market Risk           | Long Position   | Short Position |                      |
|           | Interest Rate Risk    | 95,819,190      | 94,299,136     | 1,538,626            |
|           | Foreign Currency Risk | 340,494         | 190,741        | 340,494              |
|           | Options               | 28,341          | -              | 220,714              |
|           |                       |                 |                | 2,099,834            |
| 3         | Operational Risk      |                 |                | 847,308              |
| 4         | Total RWA             |                 |                | 8,491,319            |

For interest rate risk, the gross exposures represent the sum of notional and mark-to-market value.

For foreign currency risk, the gross exposures represent net open position.

For options, the gross exposures represent net market value of option portfolio.

## 24. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category for at 31 December 2020 are as follows:

| RISK TYPE |  | Gross Exposures   | Net Exposures     | Risk-Weighted Assets |
|-----------|--|-------------------|-------------------|----------------------|
| 1         | Credit Risk  | RM'000            | RM'000            | RM'000               |
|           | <u>On-Balance Sheet Exposures</u>  |                   |                   |                      |
|           | Sovereigns/Central Banks   | 4,924,813         | 4,812,367         | -                    |
|           | Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs") | 1,756,108         | 1,756,108         | 847,378              |
|           | Insurance Companies, Securities Firms and Fund Managers  | -                 | -                 | -                    |
|           | Corporates   | 1,548,767         | 1,548,767         | 1,513,217            |
|           | Regulatory Retail  | -                 | -                 | -                    |
|           | Residential Mortgages  | 4,289             | 4,289             | 1,501                |
|           | Higher Risk Assets   | -                 | -                 | -                    |
|           | Other Assets   | 520,798           | 520,798           | 519,808              |
|           | Equity Exposure  | 1,611             | 1,611             | 1,841                |
|           | Defaulted Exposures  | 1,241             | 1,241             | 1,241                |
|           | <i>Total On-Balance Sheet Exposures</i>  | <i>8,757,627</i>  | <i>8,645,181</i>  | <i>2,884,986</i>     |
|           | <u>Off-Balance Sheet Exposures</u>   |                   |                   |                      |
|           | OTC Derivatives  | 1,791,453         | 1,328,645         | 769,387              |
|           | Credit Derivatives   | -                 | -                 | -                    |
|           | Transaction related contingent Items   | 270,564           | 269,759           | 250,292              |
|           | Short Term Self Liquidating trade related contingencies  | 31,604            | 31,604            | 31,098               |
|           | Other commitments, such as formal standby facilities and credit lines                          | 968,845           | 968,845           | 968,845              |
|           | <i>Total for Off-Balance Sheet Exposures</i>   | <i>3,062,466</i>  | <i>2,598,853</i>  | <i>2,019,622</i>     |
|           | <i>Total On and Off- Balance Sheet Exposures</i>   | <i>11,820,093</i> | <i>11,244,034</i> | <i>4,904,608</i>     |

## 24. Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category for at 31 December 2020 are as follows (continued):

| RISK TYPE |                       | Gross Exposures |                | Risk Weighted Assets |
|-----------|-----------------------|-----------------|----------------|----------------------|
|           |                       | RM'000          |                | RM'000               |
| 2         | Market Risk           | Long Position   | Short Position |                      |
|           | Interest Rate Risk    | 96,807,054      | 95,495,401     | 1,858,774            |
|           | Foreign Currency Risk | 170,169         | 136,169        | 170,175              |
|           | Options               | 24,543          | 231            | 364,275              |
|           |                       |                 |                | 2,393,224            |
| 3         | Operational Risk      |                 |                | 895,230              |
| 4         | Total RWA             |                 |                | 8,193,062            |

For interest rate risk, the gross exposures represent the sum of notional and mark-to-market value.

For foreign currency risk, the gross exposures represent net open position.

For options, the gross exposures represent net market value of option portfolio.

## 24. Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 31 March 2021 are as follows:

| Risk Weights                      | Exposures after Netting & Credit Risk Mitigation |                        |                      |   |             |                   |                       |                    |                 |                  | Total Exposures after Netting and Credit Risk Mitigation | Total Risk Weighted Assets |
|-----------------------------------|--|------------------------|----------------------|---|-------------|-------------------|-----------------------|--------------------|-----------------|------------------|--|----------------------------|
|                                   | Sovereigns and Central Banks                     | Public Sector Entities | Banks, DFIs and MDBs | Insurance Companies, Securities Firms and Fund Managers | Corporates  | Regulatory Retail | Residential Mortgages | Higher Risk Assets | Other Assets    | Equity Exposures |  |                            |
| 0%                                | RM'000<br>4,794,461                              | RM'000<br>-            | RM'000<br>-          | RM'000<br>-   | RM'000<br>- | RM'000<br>-       | RM'000<br>-           | RM'000<br>-        | RM'000<br>1,145 | RM'000<br>-      | RM'000<br>4,795,606                                      | RM'000<br>-                |
| 20%                               | -  | -                      | 426,101              | 1,624   | 4,342       | -                 | -                     | -                  | -               | -                | 432,067  | 86,413                     |
| 35%                               | -  | -                      | -                    | -   | -           | -                 | 3,879                 | -                  | -               | -                | 3,879  | 1,358                      |
| 50%                               | -  | -                      | 2,878,746            | -   | 34,340      | -                 | -                     | -                  | -               | -                | 2,913,086  | 1,456,543                  |
| 75%                               | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -               | -                | -  | -                          |
| 100%                              | -  | -                      | 182                  | 62,857  | 3,275,523   | -                 | 1,230                 | -                  | 658,289         | 1,532            | 3,999,613  | 3,999,613                  |
| 1250%                             | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -               | 20               | 20   | 250                        |
| Total Exposures                   | 4,794,461  | -                      | 3,305,029            | 64,481  | 3,314,205   | -                 | 5,109                 | -                  | 659,434         | 1,552            | 12,144,271   | 5,544,177                  |
| Risk-Weighted Assets by Exposures | -  | -                      | 1,524,775            | 63,182  | 3,293,561   | -                 | 2,588                 | -                  | 658,289         | 1,782            | 5,544,177  |                            |
| Average Risk Weight               | 0.0%   | 0.0%                   | 46.1%                | 98.0%   | 99.4%       | 0.0%              | 50.7%                 | 0.0%               | 99.8%           | 114.8%           | 45.7%  |                            |
| Deduction from Capital Base       | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -               | -                | -  | -                          |

24. Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights for 31 December 2020 are as follows:

| Risk Weights                      | Exposures after Netting & Credit Risk Mitigation |                        |                      |   |             |                   |                       |                    |               |                  | Total Exposures after Netting and Credit Risk Mitigation | Total Risk Weighted Assets |
|-----------------------------------|--|------------------------|----------------------|---|-------------|-------------------|-----------------------|--------------------|---------------|------------------|--|----------------------------|
|                                   | Sovereigns and Central Banks                     | Public Sector Entities | Banks, DFIs and MDBs | Insurance Companies, Securities Firms and Fund Managers | Corporates  | Regulatory Retail | Residential Mortgages | Higher Risk Assets | Other Assets  | Equity Exposures |  |                            |
| 0%                                | RM'000<br>4,828,603                              | RM'000<br>-            | RM'000<br>-          | RM'000<br>-   | RM'000<br>- | RM'000<br>-       | RM'000<br>-           | RM'000<br>-        | RM'000<br>989 | RM'000<br>-      | RM'000<br>4,829,592                                      | RM'000<br>-                |
| 20%                               | -  | -                      | 429,921              | 1,624   | 43,935      | -                 | -                     | -                  | -             | -                | 475,480  | 95,096                     |
| 35%                               | -  | -                      | -                    | -   | -           | -                 | 4,289                 | -                  | -             | -                | 4,289  | 1,501                      |
| 50%                               | -  | -                      | 2,224,994            | -   | 28,790      | -                 | -                     | -                  | -             | -                | 2,253,784  | 1,126,892                  |
| 75%                               | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -             | -                | -  | -                          |
| 100%                              | -  | -                      | 213                  | 43,523  | 3,114,493   | -                 | 1,241                 | -                  | 519,808       | 1,591            | 3,680,869  | 3,680,869                  |
| 1250%                             | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -             | 20               | 20   | 250                        |
| Total Exposures                   | 4,828,603  | -                      | 2,655,128            | 45,147  | 3,187,218   | -                 | 5,530                 | -                  | 520,797       | 1,611            | 11,244,034   | 4,904,608                  |
| Risk-Weighted Assets by Exposures | -  | -                      | 1,198,694            | 43,848  | 3,137,675   | -                 | 2,742                 | -                  | 519,808       | 1,841            | 4,904,608  |                            |
| Average Risk Weight               | 0.0%   | 0.0%                   | 45.1%                | 97.1%   | 98.4%       | 0.0%              | 49.6%                 | 0.0%               | 99.8%         | 114.3%           | 43.6%  |                            |
| Deduction from Capital Base       | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -             | -                | -  | -                          |

## 25. Commitments and contingencies

The Off-Balance Sheet exposures and their related counterparty credit risk of the Group and of the Bank are as follows:

| 31 March 2021<br>Group and Bank  | Principal Amount  | Credit Equivalent Amount | Risk Weighted Assets |
|--|-------------------|--------------------------|----------------------|
|  | RM'000            | RM'000                   | RM'000               |
| Direct Credit Substitutes  | -                 | -                        | -                    |
| Transaction Related Contingent Items   | 601,914           | 300,957                  | 280,816              |
| Short Term Self Liquidating Trade Related Contingencies  | 103,587           | 20,717                   | 17,926               |
| Foreign exchange related contracts   |                   |                          |                      |
| One year or less   | 14,118,327        | 358,950                  | 319,436              |
| Over one year to five years  | 1,810,121         | 147,941                  | 133,969              |
| Over five years  | -                 | -                        | -                    |
| Interest/Profit rate related contracts   |                   |                          |                      |
| One year or less   | 105,000           | 808                      | 376                  |
| Over one year to five years  | 110,000           | 3,692                    | 1,924                |
| Over five years  | 27,063            | 1,624                    | 1,624                |
| Equity related contracts   |                   |                          |                      |
| One year or less   | -                 | -                        | -                    |
| Over one year to five years  | -                 | -                        | -                    |
| Over five years  | -                 | -                        | -                    |
| Credit Derivative Contracts  |                   |                          |                      |
| One year or less   | -                 | -                        | -                    |
| Over one year to five years  | -                 | -                        | -                    |
| Over five years  | -                 | -                        | -                    |
| OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements  | 72,656,243        | 1,295,623                | 378,293              |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year  | 615,162           | 307,581                  | 307,581              |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year   | 3,989,778         | 797,956                  | 797,956              |
| Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness | -                 | -                        | -                    |
| <b>Total</b>   | <b>94,137,195</b> | <b>3,235,849</b>         | <b>2,239,901</b>     |

## 25. Commitments and contingencies (continued)

The Off-Balance Sheet exposures and their related counterparty credit risk of the Group and of the Bank are as follows (continued):

| 31 December 2020<br>Group and Bank  | Principal Amount  | Credit Equivalent<br>Amount | Risk<br>Weighted<br>Assets |
|---|-------------------|-----------------------------|----------------------------|
|   | RM'000            | RM'000                      | RM'000                     |
| Direct Credit Substitutes   | -                 | -                           | -                          |
| Transaction Related Contingent Items  | 541,127           | 270,564                     | 250,292                    |
| Short Term Self Liquidating Trade<br>Related Contingencies  | 158,020           | 31,604                      | 31,098                     |
| Foreign exchange related contracts  |                   |                             |                            |
| One year or less  | 13,364,383        | 300,944                     | 280,853                    |
| Over one year to five years   | 1,803,531         | 169,311                     | 155,339                    |
| Over five years   | -                 | -                           | -                          |
| Interest/Profit rate related contracts  |                   |                             |                            |
| One year or less  | 160,000           | 1,402                       | 628                        |
| Over one year to five years   | 110,000           | 4,234                       | 2,280                      |
| Over five years   | 27,063            | 1,624                       | 1,624                      |
| Equity related contracts  |                   |                             |                            |
| One year or less  | -                 | -                           | -                          |
| Over one year to five years   | -                 | -                           | -                          |
| Over five years   | -                 | -                           | -                          |
| Credit Derivative Contracts   |                   |                             |                            |
| One year or less  | -                 | -                           | -                          |
| Over one year to five years   | -                 | -                           | -                          |
| Over five years   | -                 | -                           | -                          |
| OTC Derivative transactions and<br>credit derivative contracts subject to<br>valid bilateral netting agreements   | 75,537,697        | 1,313,938                   | 328,663                    |
| Other commitments, such as formal<br>standby facilities and credit lines, with<br>an original maturity of over one year   | 400,093           | 200,046                     | 200,046                    |
| Other commitments, such as formal<br>standby facilities and credit lines, with<br>an original maturity of up to one year  | 3,843,995         | 768,799                     | 768,799                    |
| Any commitments that are<br>unconditionally cancelled at any time<br>by the bank without prior notice or<br>that effectively provide for automatic<br>cancellation due to deterioration in a<br>borrower's creditworthiness | -                 | -                           | -                          |
| <b>Total</b>  | <b>95,945,909</b> | <b>3,062,466</b>            | <b>2,019,622</b>           |

## 26. The operations of Islamic Banking

Statement of Financial Position  
As at 31 March 2021 – Unaudited

|  | Note | Bank<br>31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
|--|------|------------------------------------|-------------------------------|
| <b>Assets</b>                                      |      |                                    |                               |
| Cash and short-term funds                          | (a)  | 71,000                             | 57,147                        |
| Financial securities                               | (b)  | 20,400                             | 20,560                        |
| Other assets                                       |      | 242                                | 85                            |
| <b>Total assets</b>                                |      | <u>91,642</u>                      | <u>77,792</u>                 |
| <b>Liabilities and Islamic Banking funds</b>       |      |                                    |                               |
| Deposits from customers                            | (c)  | 50,139                             | 41,045                        |
| Other liabilities                                  | (d)  | 6,052                              | 1,188                         |
| Tax payable  |      | 120                                | 483                           |
| <b>Total liabilities</b>                           |      | <u>56,311</u>                      | <u>42,716</u>                 |
| Capital funds                                      |      | 25,000                             | 25,000                        |
| Retained earnings                                  |      | 10,331                             | 10,076                        |
| <b>Islamic Banking funds</b>                       |      | <u>35,331</u>                      | <u>35,076</u>                 |
| <b>Total liabilities and Islamic Banking funds</b> |      | <u>91,642</u>                      | <u>77,792</u>                 |
| <b>Commitments and contingencies</b>               |      | <u>-</u>                           | <u>-</u>                      |



## 26. The operations of Islamic Banking (continued)

Statement Of Profit Or Loss And Other Comprehensive Income  
For The Financial Period Ended 31 March 2021 - Unaudited

|  | Bank  |                            |  |                            |
|--|---|----------------------------|--|----------------------------|
|  | 1st quarter ended<br>31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | Three months ended<br>31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| Income derived from investment of Islamic banking funds  | 503   | 607                        | 503  | 607                        |
| <b>Total net income</b>                                  | <u>503</u>                                      | <u>607</u>                 | <u>503</u>                                       | <u>607</u>                 |
| Other operating expenses                                 | (6)   | (3)                        | (6)  | (3)                        |
| <b>Operating profit</b>                                  | <u>497</u>                                      | <u>604</u>                 | <u>497</u>                                       | <u>604</u>                 |
| Allowance written back/(made)for impairment              | 2   | (1)                        | 2  | (1)                        |
| <b>Profit before tax</b>                                 | <u>499</u>                                      | <u>603</u>                 | <u>499</u>                                       | <u>603</u>                 |
| Taxation   | (120)   | (145)                      | (120)  | (145)                      |
| <b>Profit for the period</b>                             | <u>379</u>                                      | <u>458</u>                 | <u>379</u>                                       | <u>458</u>                 |
| <b>Other comprehensive income:</b>                       |   |                            |  |                            |
| <i>Movement in fair value reserve (debt securities):</i> |   |                            |  |                            |
| Net change in fair value                                 | (160)   | 108                        | (160)  | 108                        |
| Net amount transferred to profit or loss                 | (2)   | 1                          | (2)  | 1                          |
| Tax expense on other comprehensive income                | 38  | (26)                       | 38   | (26)                       |
| <b>Other comprehensive income for the year</b>           | <u>(124)</u>                                    | <u>83</u>                  | <u>(124)</u>                                     | <u>83</u>                  |
| <b>Total comprehensive income for the year</b>           | <u>255</u>                                      | <u>541</u>                 | <u>255</u>                                       | <u>541</u>                 |

## 26. The operations of Islamic Banking (continued)

Statement Of Changes In Islamic Banking Funds  
For The Financial Period Ended 31 March 2021

| Bank                                      | Capital funds<br>RM'000 | Other reserves<br>RM'000 | Retained profits<br>RM'000 | Total<br>RM'000 |
|---|-------------------------|--------------------------|----------------------------|-----------------|
| At 1 January 2021                         | 25,000                  | 432                      | 9,644                      | 35,076          |
| Net profit for the period                 | -                       |                          | 379                        | 379             |
| Other comprehensive income for the period | -                       | (124)                    | -                          | (124)           |
| Total comprehensive income for the period | -                       | (124)                    | 379                        | 255             |
| At 31 March 2021                          | 25,000                  | 308                      | 10,023                     | 35,331          |

| Bank                                      | Capital funds<br>RM'000 | Other reserves<br>RM'000 | Retained profits<br>RM'000 | Total<br>RM'000 |
|---|-------------------------|--------------------------|----------------------------|-----------------|
| At 1 January 2020                         | 25,000                  | 19                       | 10,056                     | 35,075          |
| Net profit for the period                 | -                       | -                        | 458                        | 458             |
| Other comprehensive income for the period | -                       | 83                       | -                          | 83              |
| Total comprehensive income for the period | -                       | 83                       | 458                        | 541             |
| At 31 March 2020                          | 25,000                  | 102                      | 10,514                     | 35,616          |

## 26. The operations of Islamic Banking (continued)

Statement Of Cash Flows  
For The Financial Period Ended 31 March 2021

|  | Bank                       |                            |
|--|----------------------------|----------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| Cash flows from operating activities                   |                            |                            |
| Profit before taxation                                 | 499                        | 603                        |
| <b>Operating profit before working capital changes</b> | 499                        | 603                        |
| Changes in working capital:                            |                            |                            |
| Net changes in operating assets                        | (121)                      | 35                         |
| Net changes in operating liabilities                   | 13,958                     | (7,025)                    |
| Income taxes paid                                      | (483)                      | (613)                      |
| <b>Net cash generated from/(used in) operations</b>    | 13,853                     | (7,000)                    |
| Net increase/(decrease) in cash and cash equivalents   | 13,853                     | (7,000)                    |
| Cash and cash equivalents at beginning of period       | 57,147                     | 56,000                     |
| <b>Cash and cash equivalents at end of period</b>      | 71,000                     | 49,000                     |
| Analysis of cash and cash equivalents:                 |                            |                            |
| Cash and short term funds                              | 71,000                     | 49,000                     |

## 26. The operations of Islamic Banking (continued)

**Shariah Committee**

The Shariah Committee was established under BNM's "Guidelines on the Governance of Shariah Committee for the Islamic Financial Institutions" (BNM/GPS1) to advise the Board of Directors on Shariah matters in its Islamic business operations and to provide technical assistance in ensuring the Islamic banking products and services offered by the Bank and the relevant documentation are in compliance with Shariah principles.

The Shariah Committee comprises of Dr Muhammad Qaseem and Dr Mohd Hilmi bin Ramli.

The Bank operate with 2 committee members until the appointment of new Shariah Committee member.

**Basis of measurement**

The financial statements of the Islamic banking business have been prepared on the basis consistent with that of the Group and of the Bank as disclosed in Note 1 to the financial statements of the Group and of the Bank.

**(a) Cash and short term funds**

|   | Bank                       |                               |
|---|----------------------------|-------------------------------|
|   | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Cash and balances with banks and other financial institutions | 71,000                     | 57,147                        |

**(b) Financial securities**

|  | Bank                       |                               |
|--|----------------------------|-------------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Debt securities at FVOCI<br>Malaysian Investment Issue | 20,400                     | 20,560                        |

**(c) Deposits from customer**

|                                   | Bank                       |                               |
|-----------------------------------|----------------------------|-------------------------------|
|                                   | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Non-Mudharabah<br>Demand deposits | 50,139                     | 41,045                        |

## 26. The operations of Islamic Banking (continued)

## (d) Other liabilities

|               | Bank                       |                               |
|---------------|----------------------------|-------------------------------|
|               | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Bills payable | 24                         | 15                            |
| Others        | 6,028                      | 1,173                         |
|               | <u>6,052</u>               | <u>1,188</u>                  |

## (e) Capital adequacy

The capital adequacy ratios of the Islamic banking business of the Bank are computed in accordance with the Capital Adequacy Framework for Islamic Banks (CAFIB). The Bank's Islamic banking business has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

Components of Tier I and Tier II Capital:

|  | Group and Bank             |                               |
|--|----------------------------|-------------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |

Components of Tier 1 and Tier 2 capital are as follows:

|   |                 |                  |
|---|-----------------|------------------|
| Tier 1 capital                                  |                 |                  |
| Capital funds                                   | 25,000          | 25,000           |
| Other disclosed reserves                        | 139             | 194              |
| Retained profits                                | 9,644           | 9,644            |
| Total common equity tier 1/Total tier 1 capital | 34,783          | 34,838           |
| Total Tier 2 capital                            | -               | -                |
| Total capital base                              | <u>34,783</u>   | <u>34,838</u>    |
| Common equity tier 1/Tier 1 capital ratio       | 695.051%        | 662.240 %        |
| Total capital ratio                             | <u>695.051%</u> | <u>662.240 %</u> |

The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

| Risk Type |                  | Risk Weighted Assets    |                            |
|-----------|------------------|-------------------------|----------------------------|
|           |                  | 31 March 2021<br>RM'000 | 31 December 2020<br>RM'000 |
| 1         | Credit risk      | -                       | -                          |
| 2         | Market risk      | -                       | -                          |
| 3         | Operational risk | 5,004                   | 5,261                      |
| Total     |                  | 5,004                   | 5,261                      |

## 26. The operations of Islamic Banking (continued)

## (e) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 March 2021 are as follows:

| RISK TYPE |  | Gross Exposures | Net Exposures | Risk-Weighted Assets |
|-----------|--|-----------------|---------------|----------------------|
| 1         | Credit Risk  | RM'000          | RM'000        | RM'000               |
|           | <u>On-Balance Sheet Exposures</u>  |                 |               |                      |
|           | Sovereigns/Central Banks   | 91,642          | 91,642        | -                    |
|           | Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs") | -               | -             | -                    |
|           | Insurance Companies, Securities Firms and Fund Managers  | -               | -             | -                    |
|           | Corporates   | -               | -             | -                    |
|           | Regulatory Retail  | -               | -             | -                    |
|           | Residential Mortgages  | -               | -             | -                    |
|           | Higher Risk Assets   | -               | -             | -                    |
|           | Other Assets   | -               | -             | -                    |
|           | Equity Exposure  | -               | -             | -                    |
|           | Defaulted Exposures  | -               | -             | -                    |
|           | <i>Total On-Balance Sheet Exposures</i>  | 91,642          | 91,642        | -                    |
|           | <u>Off-Balance Sheet Exposures</u>   |                 |               |                      |
|           | OTC Derivatives  | -               | -             | -                    |
|           | Credit Derivatives   | -               | -             | -                    |
|           | <i>Total for Off-Balance Sheet Exposures</i>   | -               | -             | -                    |
|           | <b>Total On and Off- Balance Sheet Exposures</b>   | <b>91,642</b>   | <b>91,642</b> | <b>-</b>             |

26. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 March 2021 are as follows (continued):

| RISK TYPE |                       | Gross Exposures |                | Risk Weighted Assets |
|-----------|-----------------------|-----------------|----------------|----------------------|
|           |                       | RM'000          |                | RM'000               |
|           |                       | Long Position   | Short Position |                      |
| 2         | Market Risk           |                 |                |                      |
|           | Interest Rate Risk    | -               | -              | -                    |
|           | Foreign Currency Risk | -               | -              | -                    |
|           | Options               | -               | -              | -                    |
|           |                       |                 |                | -                    |
| 3         | Operational Risk      |                 |                | 5,004                |
| 4         | Total RWA             |                 |                | 5,004                |

For interest rate risk, the gross exposures represent the sum of notional and mark-to-market value.

For foreign currency risk, the gross exposures represent net open position.

For options, the gross exposures represent net market value of option portfolio.

## 26. The operations of Islamic Banking (continued)

## (e) Capital adequacy (continued)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category as at 31 December 2020 are as follows:

| RISK TYPE |  | Gross Exposures | Net Exposures | Risk-Weighted Assets |
|-----------|--|-----------------|---------------|----------------------|
| 1         |  | RM'000          | RM'000        | RM'000               |
|           | <u>On-Balance Sheet Exposures</u>  |                 |               |                      |
|           | Sovereigns/Central Banks   | 77,792          | 77,792        | -                    |
|           | Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs") | -               | -             | -                    |
|           | Insurance Companies, Securities Firms and Fund Managers  | -               | -             | -                    |
|           | Corporates   | -               | -             | -                    |
|           | Regulatory Retail  | -               | -             | -                    |
|           | Residential Mortgages  | -               | -             | -                    |
|           | Higher Risk Assets   | -               | -             | -                    |
|           | Other Assets   | -               | -             | -                    |
|           | Equity Exposure  | -               | -             | -                    |
|           | Defaulted Exposures  | -               | -             | -                    |
|           | <i>Total On-Balance Sheet Exposures</i>  | <i>77,792</i>   | <i>77,792</i> | <i>-</i>             |
|           | <u>Off-Balance Sheet Exposures</u>   |                 |               |                      |
|           | OTC Derivatives  | -               | -             | -                    |
|           | Credit Derivatives   | -               | -             | -                    |
|           | <i>Total for Off-Balance Sheet Exposures</i>   | <i>-</i>        | <i>-</i>      | <i>-</i>             |
|           | <i>Total On and Off- Balance Sheet Exposures</i>   | <i>77,792</i>   | <i>77,792</i> | <i>-</i>             |



26. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category as at 31 December 2020 are as follows (continued):

| RISK TYPE |                       | Gross Exposures |                | Risk Weighted Assets |
|-----------|-----------------------|-----------------|----------------|----------------------|
|           |                       | RM'000          |                | RM'000               |
| 2         | Market Risk           | Long Position   | Short Position |                      |
|           | Interest Rate Risk    | -               | -              | -                    |
|           | Foreign Currency Risk | -               | -              | -                    |
|           | Options               | -               | -              | -                    |
|           |                       |                 |                | -                    |
| 3         | Operational Risk      |                 |                | 5,261                |
| 4         | Total RWA             |                 |                | 5,261                |

For interest rate risk, the gross exposures represent the sum of notional and mark-to-market value.

For foreign currency risk, the gross exposures represent net open position.

For options, the gross exposures represent net market value of option portfolio.

26. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 31 March 2021 are as follows:

| Risk Weights                      | Exposures after Netting & Credit Risk Mitigation |                        |                      |   |             |                   |                       |                    |              |                  | Total Exposures after Netting and Credit Risk Mitigation | Total Risk Weighted Assets |
|-----------------------------------|--|------------------------|----------------------|---|-------------|-------------------|-----------------------|--------------------|--------------|------------------|--|----------------------------|
|                                   | Sovereigns and Central Banks                     | Public Sector Entities | Banks, DFIs and MDBs | Insurance Companies, Securities Firms and Fund Managers | Corporates  | Regulatory Retail | Residential Mortgages | Higher Risk Assets | Other Assets | Equity Exposures |  |                            |
| 0%                                | RM'000<br>91,642                                 | RM'000<br>-            | RM'000<br>-          | RM'000<br>-   | RM'000<br>- | RM'000<br>-       | RM'000<br>-           | RM'000<br>-        | RM'000<br>-  | RM'000<br>-      | RM'000<br>91,642   | RM'000<br>-                |
| 20%                               | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |
| 35%                               | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |
| 50%                               | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |
| 75%                               | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |
| 100%                              | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |
| 150%                              | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |
| Total Exposures                   | 91,642   | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | 91,642   | -                          |
| Risk-Weighted Assets by Exposures | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |
| Average Risk Weight               | 0.0%   | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | 0.0%   | -                          |
| Deduction from Capital Base       | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |

26. The operations of Islamic Banking (continued)

(e) Capital adequacy (continued)

The breakdown of credit risk exposures by risk weights as at 31 December 2020 are as follows:

| Risk Weights                      | Exposures after Netting & Credit Risk Mitigation |                        |                      |   |             |                   |                       |                    |              |                  | Total Exposures after Netting and Credit Risk Mitigation | Total Risk Weighted Assets |
|-----------------------------------|--|------------------------|----------------------|---|-------------|-------------------|-----------------------|--------------------|--------------|------------------|--|----------------------------|
|                                   | Sovereigns and Central Banks                     | Public Sector Entities | Banks, DFIs and MDBs | Insurance Companies, Securities Firms and Fund Managers | Corporates  | Regulatory Retail | Residential Mortgages | Higher Risk Assets | Other Assets | Equity Exposures |  |                            |
| 0%                                | RM'000<br>77,792                                 | RM'000<br>-            | RM'000<br>-          | RM'000<br>-   | RM'000<br>- | RM'000<br>-       | RM'000<br>-           | RM'000<br>-        | RM'000<br>-  | RM'000<br>-      | RM'000<br>77,792   | RM'000<br>-                |
| 20%                               | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |
| 35%                               | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |
| 50%                               | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |
| 75%                               | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |
| 100%                              | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |
| 150%                              | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |
| Total Exposures                   | 77,792   | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | 77,792   | -                          |
| Risk-Weighted Assets by Exposures | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |
| Average Risk Weight               | 0.0%   | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | 0.0%   | -                          |
| Deduction from Capital Base       | -  | -                      | -                    | -   | -           | -                 | -                     | -                  | -            | -                | -  | -                          |

## 27. Comparative Figures

The Bank has identified legacy reserves relating to derivatives that are no longer required.

The adjustment has now been effected by restating the relevant financial statement line items for the prior periods as follows:

| Statement of financial position | Previously Stated<br>RM'000 | Adjustment<br>RM'000 | Restated<br>RM'000 |
|---------------------------------|-----------------------------|----------------------|--------------------|
| <b>01 January 2020</b>          |                             |                      |                    |
| Derivative assets               | 884,393                     | 22,609               | 907,002            |
| Tax Recoverable                 | 7,406                       | (5,426)              | 1,980              |
| Reserves                        | 1,364,011                   | 17,183               | 1,381,194          |
| <b>31 December 2020</b>         |                             |                      |                    |
| Derivative assets               | 1,383,549                   | 22,609               | 1,406,158          |
| Taxation                        | 4,136                       | 5,426                | 9,562              |
| Reserves                        | 1,412,588                   | 17,183               | 1,429,771          |