

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Note	Group		Bank	
		30 June	31 December	30 June	31 December
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
Cash and short-term funds	9	<b>2,156,660</b>	2,965,675	<b>2,156,537</b>	2,965,223
Deposits and placements with banks and other financial institutions	10	<b>299,841</b>	100,145	<b>299,841</b>	100,145
Derivative financial assets	11	<b>7,771</b>	18,219	<b>7,771</b>	18,219
Debt instruments at fair value through other comprehensive income ("FVOCI")	12	<b>1,425,239</b>	1,435,343	<b>1,425,239</b>	1,435,343
Equity instruments at FVOCI	13	<b>17,221</b>	18,719	<b>17,221</b>	18,719
Debt instruments at amortised cost	14	<b>802,266</b>	500,233	<b>802,266</b>	500,233
Equity instrument at fair value through profit & loss ("FVTPL")	15	-	-	-	-
Loans and advances	16	<b>8,993,340</b>	8,403,416	<b>8,996,144</b>	8,403,416
Other assets	17	<b>7,954</b>	14,920	<b>7,089</b>	13,918
Right-of-use assets		<b>29,692</b>	33,794	<b>28,187</b>	31,627
Tax recoverable		<b>10,421</b>	15,457	<b>8,593</b>	14,106
Deferred tax assets		<b>15,675</b>	15,588	<b>15,660</b>	15,467
Statutory deposits with Bank Negara Malaysia		<b>7,418</b>	5,580	<b>7,418</b>	5,580
Investment in a subsidiary		-	-	<b>1,000</b>	1,000
Property and equipment		<b>49,896</b>	52,510	<b>47,812</b>	50,457
Intangible assets		<b>2,113</b>	2,040	<b>2,113</b>	2,040
<b>TOTAL ASSETS</b>		<b>13,825,507</b>	13,581,639	<b>13,822,891</b>	13,575,493
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	18	<b>7,864,920</b>	7,376,169	<b>7,865,560</b>	7,377,491
Deposits and placements of banks and other financial institutions	19	<b>2,802,263</b>	3,089,532	<b>2,802,263</b>	3,089,532
Derivative financial liabilities	11	<b>7,498</b>	18,337	<b>7,498</b>	18,337
Other liabilities	20	<b>134,177</b>	168,480	<b>131,874</b>	165,390
Subordinated loan	21	<b>1,287,622</b>	1,246,153	<b>1,287,622</b>	1,246,153
<b>TOTAL LIABILITIES</b>		<b>12,096,480</b>	11,898,671	<b>12,094,817</b>	11,896,903
Share capital		<b>760,518</b>	760,518	<b>760,518</b>	760,518
Reserves		<b>968,509</b>	922,450	<b>967,556</b>	918,072
<b>TOTAL EQUITY</b>		<b>1,729,027</b>	1,682,968	<b>1,728,074</b>	1,678,590
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>13,825,507</b>	13,581,639	<b>13,822,891</b>	13,575,493
<b>COMMITMENTS AND CONTINGENCIES</b>	28	<b>5,492,724</b>	5,941,725	<b>5,496,924</b>	5,941,725

*The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2020*

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	Note	2nd Quarter Ended		Six Months Ended	
		30 June	30 June	30 June	30 June
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
Interest income	22	<b>87,827</b>	103,095	<b>175,317</b>	217,934
Interest expense	23	<b>(33,038)</b>	(52,206)	<b>(66,827)</b>	(114,953)
Net interest income		<b>54,789</b>	50,889	<b>108,490</b>	102,981
Other operating income	24	<b>16,757</b>	15,318	<b>33,527</b>	30,228
Other operating expenses	25	<b>(38,273)</b>	(32,869)	<b>(72,726)</b>	(65,103)
Operating profit before allowance for expected credit losses		<b>33,273</b>	33,338	<b>69,291</b>	68,106
Allowance for impairment on loans and advances and other financial assets	26	<b>(5,695)</b>	(8,761)	<b>5,714</b>	9,242
Profit before taxation		<b>27,578</b>	24,577	<b>75,005</b>	77,348
Taxation		<b>(7,262)</b>	(6,905)	<b>(19,338)</b>	(19,704)
<b>Profit for the financial period</b>		<b>20,316</b>	17,672	<b>55,667</b>	57,644
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified subsequently to profit or loss when specific conditions are met:</b>					
- Net fair value changes in debt instrument at FVOCI, net of tax		<b>(445)</b>	13,397	<b>(9,622)</b>	16,328
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b>					
- Net gain on foreign exchange translation		<b>7</b>	(11)	<b>14</b>	3
Other comprehensive income, net of tax		<b>(438)</b>	13,386	<b>(9,608)</b>	16,331
Total comprehensive income for the period, net of tax		<b>19,878</b>	31,058	<b>46,059</b>	73,975
Earnings per share					
- Basic/fully diluted (sen)				<b>7.32</b>	<b>7.58</b>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2020

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	Note	2nd Quarter Ended		Six Months Ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Bank</b>					
Interest income	22	87,841	103,095	175,331	217,934
Interest expense	23	(33,038)	(52,206)	(66,827)	(114,953)
Net interest income		54,803	50,889	108,504	102,981
Other operating income	24	16,727	24,202	33,513	37,618
Other operating expenses	25	(36,599)	(31,073)	(69,407)	(61,588)
Operating profit before allowance for expected credit losses		34,931	44,018	72,610	79,011
Allowance for impairment on loans and advances and other financial assets	26	(5,695)	(8,761)	5,714	9,242
Profit before taxation		29,236	35,257	78,324	88,253
Taxation		(7,178)	(6,905)	(19,232)	(19,704)
<b>Profit for the financial period</b>		<b>22,058</b>	<b>28,352</b>	<b>59,092</b>	<b>68,549</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified subsequently to profit or loss when specific conditions are met:</b>					
- Net fair value changes in debt instrument at FVOCI, net of tax		(445)	13,397	(9,622)	16,328
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b>					
- Net gain on foreign exchange translation		7	(11)	14	3
Other comprehensive income, net of tax		(438)	13,386	(9,608)	16,331
Total comprehensive income for the period, net of tax		<b>21,620</b>	<b>41,738</b>	<b>49,484</b>	<b>84,880</b>
<b>Earnings per share</b>					
- Basic/fully diluted (sen)				<b>7.77</b>	<b>9.01</b>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2020

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	← Non-distributable Fair value →			Distributable		Total RM'000
	Share capital RM'000	Foreign exchange reserve RM'000	through other comprehensive reserve RM'000	Regulatory reserve RM'000	Retained profits RM'000	
<b>Group</b>						
Balance as at 1 January 2021	<b>760,518</b>	-	<b>35,391</b>	<b>14,800</b>	<b>872,259</b>	<b>1,682,968</b>
Profit for the financial period	-	-	-	-	<b>55,667</b>	<b>55,667</b>
Other comprehensive income, net of tax	-	<b>14</b>	<b>(9,622)</b>	-	-	<b>(9,608)</b>
Total comprehensive income for the financial period, net of tax	-	<b>14</b>	<b>(9,622)</b>	-	<b>55,667</b>	<b>46,059</b>
<b>At 30 June 2021</b>	<b>760,518</b>	<b>14</b>	<b>25,769</b>	<b>14,800</b>	<b>927,926</b>	<b>1,729,027</b>
Balance as at 1 January 2020	760,518	-	12,539	33,607	773,105	1,579,769
Profit for the financial period	-	-	-	-	57,644	57,644
Other comprehensive income, net of tax	-	3	16,328	-	-	16,331
Total comprehensive income for the financial period, net of tax	-	3	16,328	-	57,644	73,975
At 30 June 2020	760,518	<b>3</b>	28,867	33,607	830,749	1,653,744

*The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2020*

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	← Non-distributable Fair value →			Distributable		
	Share capital	Foreign exchange reserve	Fair value through other comprehensive reserve	Regulatory reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>						
Balance as at 1 January 2021	<b>760,518</b>	-	<b>35,391</b>	<b>14,800</b>	<b>867,881</b>	<b>1,678,590</b>
Profit for the financial period	-	-	-	-	<b>59,092</b>	<b>59,092</b>
Other comprehensive income, net of tax	-	<b>14</b>	<b>(9,622)</b>	-	-	<b>(9,608)</b>
Total comprehensive income for the financial period, net of tax	-	<b>14</b>	<b>(9,622)</b>	-	<b>59,092</b>	<b>49,484</b>
<b>At 30 June 2021</b>	<b>760,518</b>	<b>14</b>	<b>25,769</b>	<b>14,800</b>	<b>926,973</b>	<b>1,728,074</b>
Balance as at 1 January 2020	760,518	-	12,539	33,607	755,391	1,562,055
Profit for the financial period	-	-	-	-	68,549	68,549
Other comprehensive income, net of tax	-	3	16,328	-	-	16,331
Total comprehensive income for the financial period, net of tax	-	3	16,328	-	68,549	84,880
At 30 June 2020	760,518	3	28,867	33,607	823,940	1,646,935

*The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2020*

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	Note	Group		Bank	
		30 June <u>2021</u> RM'000	30 June <u>2020</u> RM'000	30 June <u>2021</u> RM'000	30 June <u>2020</u> RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before taxation		<b>75,005</b>	77,348	<b>78,324</b>	88,253
<i>Adjustment for:</i>					
Depreciation of property and equipment	25	<b>3,108</b>	3,220	<b>2,815</b>	3,132
Depreciation of right-of-use assets	25	<b>4,124</b>	4,376	<b>3,462</b>	3,707
Amortisation of intangible assets	25	<b>639</b>	406	<b>639</b>	406
Amortisation of premium less accretion of discount	22	<b>5,064</b>	3,000	<b>5,064</b>	3,000
Allowance for impairment on loans and advances and other financial assets	26	<b>(5,678)</b>	(9,259)	<b>(5,678)</b>	(9,259)
Interest income from debt instruments at FVOCI	22	<b>(26,024)</b>	(20,703)	<b>(26,024)</b>	(20,703)
Interest income from debt instruments at amortised cost	22	<b>(6,431)</b>	(6,662)	<b>(6,431)</b>	(6,662)
Interest expense on subordinated loan	23	<b>3,197</b>	12,139	<b>3,197</b>	12,139
Finance cost on lease liabilities	25	<b>638</b>	716	<b>596</b>	646
Unrealised foreign exchange loss	24	<b>1,231</b>	1,207	<b>1,231</b>	1,207
Net gain on revaluation of derivatives	24	<b>(391)</b>	(173)	<b>(391)</b>	(173)
Unrealised loss on equity instrument at FVTPL	24	-	1,486	-	1,486
Property and equipment written off	25	<b>13</b>	-	<b>12</b>	-
Dividend income received from equity instruments at FVOCI		<b>(45)</b>	(45)	<b>(45)</b>	(45)
Dividend income received from subsidiary	24	-	-	-	(8,857)
Operating profit before changes in operating activities		<b>54,450</b>	67,056	<b>56,771</b>	68,277
<b>(INCREASE)/ DECREASE IN OPERATING ASSETS</b>					
Deposits and placements with banks and other financial institutions		<b>(199,698)</b>	(35,034)	<b>(199,698)</b>	(35,034)
Loans and advances		<b>(584,937)</b>	(1,270,469)	<b>(587,741)</b>	(1,270,469)
Right-of-use assets		<b>(22)</b>	(6,345)	<b>(22)</b>	(6,296)
Other assets		<b>3,156</b>	(31,560)	<b>3,019</b>	(31,745)
Statutory deposits with Bank Negara Malaysia		<b>(1,838)</b>	91,750	<b>(1,838)</b>	91,750
<b>INCREASE/(DECREASE) IN OPERATING LIABILITIES</b>					
Deposits from customers		<b>488,751</b>	799,327	<b>488,069</b>	792,176
Deposits and placements of banks and other financial institutions		<b>(287,269)</b>	51,323	<b>(287,269)</b>	51,323
Other liabilities		<b>(29,630)</b>	(10,571)	<b>(29,516)</b>	(5,398)
Subordinated loan		<b>41,559</b>	59,025	<b>41,559</b>	59,025
Cash used in operating activities		<b>(515,478)</b>	(285,498)	<b>(516,666)</b>	(286,391)

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2021</b>	30 June 2020	<b>30 June 2021</b>	30 June 2020
Note	RM'000	RM'000	RM'000	RM'000
<b>INCREASE/(DECREASE) IN OPERATING LIABILITIES (CONTINUED)</b>				
Taxes paid	<b>(11,350)</b>	(15,750)	<b>(10,873)</b>	(14,400)
Net cash used in operating activities	<b>(526,828)</b>	(301,248)	<b>(527,539)</b>	(300,791)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property and equipment	<b>(1,230)</b>	(2,430)	<b>(800)</b>	(2,430)
Proceeds from disposal of property and equipment	<b>105</b>	-	-	-
Purchase of intangible assets	<b>(94)</b>	-	<b>(94)</b>	-
Purchases of debt instruments at FVOCI	<b>(75,000)</b>	(645,867)	<b>(75,000)</b>	(645,867)
Proceeds from maturity of debt instruments at FVOCI	<b>75,000</b>	188,003	<b>75,000</b>	188,003
Purchases of debt instruments at amortised cost	<b>(1,600,000)</b>	(1,600,000)	<b>(1,600,000)</b>	(1,600,000)
Proceeds from maturity of debt instruments at amortised cost	<b>1,300,000</b>	1,890,000	<b>1,300,000</b>	1,890,000
Interest received on debt instruments at FVOCI	<b>22,491</b>	14,083	<b>22,491</b>	14,083
Interest received on debts instruments at amortised cost	<b>4,398</b>	8,658	<b>4,398</b>	8,658
Dividend income received from equity instruments at FVOCI	<b>45</b>	45	<b>45</b>	45
Dividend income received from subsidiary	-	-	-	8,857
Net cash used in investing activities	<b>(274,285)</b>	(147,508)	<b>(273,960)</b>	(138,651)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payment of lease liabilities	<b>(4,615)</b>	(4,721)	<b>(3,900)</b>	(3,998)
Interest paid on subordinated loan	<b>(3,287)</b>	(14,289)	<b>(3,287)</b>	(14,289)
Net cash used in financing activity	<b>(7,902)</b>	(19,010)	<b>(7,187)</b>	(18,287)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD</b>				
	<b>(809,015)</b>	(467,766)	<b>(808,686)</b>	(457,729)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>				
	<b>2,965,675</b>	2,381,504	<b>2,965,223</b>	2,370,512
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>				
9	<b>2,156,660</b>	1,913,738	<b>2,156,537</b>	1,912,783

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**1 Review of Group Performance and Commentary of Prospects**

The Group had registered profit before taxation ("PBT") of RM75.01 million, a decrease from RM77.35 million registered in the corresponding period. Lower PBT was attributable to a higher other operating expenses by RM7.62 million coupled by a lower write back of allowance for impairment on loans and advances by RM3.53 million. This was however offset by increase in net interest income and other operating income by RM5.51 million and RM3.30 million respectively.

Total assets stood at RM13.83 billion as at 30 June 2021, an increase of RM0.24 billion or 1.8% compared to 31 December 2020. This was mainly contributed by loan growth of RM0.59 billion and increase of debt instruments at amortised cost by RM0.30 billion. The increase in asset however was offset by a drop in cash and short term funds of RM0.81 billion. Gross impaired loan ratio recorded a reduction of 0.15% to 2.17%.

Total liabilities stood at RM12.10 billion as at 30 June 2021, an increase of RM0.20 billion or 1.7% compared to 31 December 2020. This was mainly contributed by the growth in customer deposits of RM0.49 billion, offset by a drop in deposits and placements of banks and other FI of RM0.29 billion.

Global economy recovery momentum continues to be dragged despite promising signs shown in the first quarter 2021. The resurging of Covid-19 pandemic with new variant has put the anticipated vaccine driven recovery under threat. In addition, the continuation of tension in international trade complicates the global economy recovery progress.

At domestic front, uncertainties continue to surround the outlook of Malaysian economy. This is despite of the ongoing national immunisation program and implementation of government fiscal and economic stimulus packages. The unprecedented spike in Covid-19 cases, imposition of movement control order and downward revisions of GDP forecast all lead to downside risk over optimism for a local economy recovery.

Nevertheless, the Group remains confident in the strength, resilience and fundamentals of the Malaysian economy and supports the government economy recovery efforts. The Group continues to practice vigilance in strategy, cost discipline and prudence in risk management to ensure its success in navigation through these challenging environment and uncertainties laying ahead.

**2 Group Accounting Policies**

The unaudited condensed consolidated interim financial statements for the financial period ended 30 June 2021 have been prepared in accordance with MFRS134 Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB"). The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2020.

The accounting policies adopted by the Bank for the interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2020.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**2 Group Accounting Policies (Continued)**

The Group and the Bank will apply the following standards from financial years beginning on or after 1 January 2021:

- Amendments to MFRS 16 *Covid-19 Related Rent Concession*
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 *Interest Rate Benchmark Reform Phase 2*
- Amendments to MFRS 3 *Business Combination ("MFRS 3") - Reference to the Conceptual Framework*
- Amendments to MFRS 116 *Property, Plant and Equipment ("MFRS 116") - Proceeds before Intended Use*
- Annual Improvement to MFRS Standards 2018-2020 Cycle
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
- Amendments to MFRS 101 - *Presentation of Financial Statements ("MFRS 101") - Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 10 and MFRS 128 - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

**3 Audit Report**

The audit report for the financial year ended 31 December 2020 was not qualified.

**4 Seasonal or Cyclical Factors**

The business operations of the Bank have not been affected by any material seasonal cyclical factors.

**5 Exceptional or Extraordinary Items**

There were no exceptional or extraordinary items in the six months ended 30 June 2021.

**6 Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the six months ended 30 June 2021.

**7 Changes in Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period under review.

**8 Dividend Paid**

No dividend was paid during the six months ended 30 June 2021.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**9 Cash and Short-term Funds**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and balances with banks and other financial institutions	<b>148,031</b>	258,399	<b>147,908</b>	257,947
Money at call and deposit placements maturing within one month	<b>2,008,678</b>	2,707,361	<b>2,008,678</b>	2,707,361
	<b>2,156,709</b>	2,965,760	<b>2,156,586</b>	2,965,308
Less: allowance for ECL	<b>(49)</b>	(85)	<b>(49)</b>	(85)
	<b>2,156,660</b>	2,965,675	<b>2,156,537</b>	2,965,223

**Movements in allowance for impairment on cash and short-term funds**

	<b>Group and Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	<b>85</b>	49
ECL allowance (written-back)/charge (Note 26)	<b>(36)</b>	36
As at 30 June 2021/31 December 2020	<b>49</b>	85

**10 Deposits and Placements with Banks and Other Financial Institutions**

	<b>Group and Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank Negara Malaysia	-	100,145
Licensed banks	<b>299,843</b>	-
	<b>299,843</b>	100,145
Less: allowance for ECL	<b>(2)</b>	-
	<b>299,841</b>	100,145

**Movements in allowance for impairment on deposits and placements with banks and other financial institutions**

	<b>Group and Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	-	62
ECL allowance charge/(written-back) (Note 26)	<b>2</b>	(62)
As at 30 June 2021/31 December 2020	<b>2</b>	-

**11 Derivative Financial Assets/(Liabilities)**

	<b>Group and Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Derivative financial assets	<b>7,771</b>	18,219
Derivative financial liabilities	<b>(7,498)</b>	(18,337)
	<b>273</b>	(118)

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**12 Debt Instruments at Fair Value Through Other Comprehensive Income ("FVOCI")**

	<b>Group and Bank</b>	
	<b>30 June</b>	31 December
	<b><u>2021</u></b>	<u>2020</u>
	<b>RM'000</b>	RM'000
Money market instrument:		
Malaysian Government Securities ("MGS")	<b>517,317</b>	524,335
Malaysian Government Investment Issue ("MGII")	<b>790,248</b>	726,117
Unquoted securities		
Corporate bond	<b>51,022</b>	122,024
Foreign bond	<b>66,807</b>	63,064
Less: allowance for ECL	<b>(155)</b>	(197)
	<b><u>117,674</u></b>	<u>184,891</u>
	<b><u>1,425,239</u></b>	<u>1,435,343</u>

Included in debt instruments at FVOCI of the Group and the Bank are MGS of RM80 million as part of the Bank Statutory Reserve Requirement ("SRR") compliance effective 16 May 2020.

**Movements in allowance for impairment on corporate bond**

	<b>Group and Bank</b>	
	<b>30 June</b>	31 December
	<b><u>2021</u></b>	<u>2020</u>
	<b>RM'000</b>	RM'000
As at 1 January	<b>197</b>	89
ECL allowance (written-back)/charge (Note 26)	<b>(42)</b>	108
As at 30 June 2021/31 December 2020	<b><u>155</u></b>	<u>197</u>

**13 Equity Instruments at FVOCI**

	<b>Group and Bank</b>	
	<b>30 June</b>	31 December
	<b><u>2021</u></b>	<u>2020</u>
	<b>RM'000</b>	RM'000
At fair value:		
Unquoted securities		
Shares of corporations in Malaysia	<b>17,221</b>	18,719
	<b><u>17,221</u></b>	<u>18,719</u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**14 Debt Instruments at Amortised Cost**

	<u>Group and Bank</u>	
	<u>30 June</u>	<u>31 December</u>
	<u>2021</u>	<u>2020</u>
	RM'000	RM'000
At amortised cost:		
Money market instrument:		
Negotiable instruments of deposits	<u>802,266</u>	<u>500,233</u>
	<u><u>802,266</u></u>	<u><u>500,233</u></u>

**15 Equity Instrument at Fair Value Through Profit & Loss ("FVTPL")**

	<u>Group and Bank</u>	
	<u>30 June</u>	<u>31 December</u>
	<u>2021</u>	<u>2020</u>
	RM'000	RM'000
At fair value:		
Quoted securities		
Shares of corporations outside Malaysia	-	-
	<u>-</u>	<u>-</u>

**16 Loans and Advances**

**At amortised cost**

**(i) By type**

	<u>Group</u>		<u>Bank</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM'000	RM'000	RM'000	RM'000
Overdrafts	<b>330,880</b>	336,496	<b>330,880</b>	336,496
Terms loans				
- Housing loans	<b>506,665</b>	445,808	<b>506,665</b>	445,808
- Syndicated term loans	<b>3,436,742</b>	3,671,806	<b>3,436,742</b>	3,671,806
- Other term loans	<b>1,657,013</b>	1,732,750	<b>1,657,013</b>	1,732,750
Bills receivables	<b>661,193</b>	314,185	<b>661,193</b>	314,185
Trust receipts	-	131	-	131
Claims on customers under acceptance credits	<b>794,292</b>	548,325	<b>794,292</b>	548,325
Revolving credits	<b>1,809,769</b>	1,561,928	<b>1,812,573</b>	1,561,928
Staff loans	<b>1,641</b>	1,829	<b>1,641</b>	1,829
Gross loans and advances	<b>9,198,195</b>	8,613,258	<b>9,200,999</b>	8,613,258
Less: allowance for ECL	<b>(204,855)</b>	(209,842)	<b>(204,855)</b>	(209,842)
Total net loans and advances	<u><u>8,993,340</u></u>	<u><u>8,403,416</u></u>	<u><u>8,996,144</u></u>	<u><u>8,403,416</u></u>

**(ii) By geographical distribution**

	<u>Group</u>		<u>Bank</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM'000	RM'000	RM'000	RM'000
Malaysia	<b>5,561,970</b>	4,970,051	<b>5,564,774</b>	4,970,051
Other countries	<b>3,636,225</b>	3,643,207	<b>3,636,225</b>	3,643,207
Gross loans and advances	<u><u>9,198,195</u></u>	<u><u>8,613,258</u></u>	<u><u>9,200,999</u></u>	<u><u>8,613,258</u></u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**16 Loans and Advances (Continued)**

**At amortised cost (continued)**

**(iii) By interest rate sensitivity**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed rate				
- Other fixed rate loans	<b>1,902,632</b>	1,358,283	<b>1,902,632</b>	1,358,283
Variable rate				
- Base lending rate/base rate plus	<b>1,582,376</b>	1,519,266	<b>1,582,376</b>	1,519,266
- Cost of funds plus	<b>5,298,853</b>	5,192,412	<b>5,301,657</b>	5,192,412
- Other variable rates	<b>414,334</b>	543,297	<b>414,334</b>	543,297
Gross loans and advances	<b>9,198,195</b>	8,613,258	<b>9,200,999</b>	8,613,258

**(iv) By economic sector**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	<b>378,687</b>	327,757	<b>378,687</b>	327,757
Mining and quarrying	<b>705,625</b>	731,064	<b>705,625</b>	731,064
Manufacturing	<b>1,724,217</b>	1,544,849	<b>1,724,217</b>	1,544,849
Electricity, gas and water supply	<b>772,149</b>	645,348	<b>772,149</b>	645,348
Construction	<b>494,766</b>	464,616	<b>494,766</b>	464,616
Real estate	<b>2,236,608</b>	2,279,239	<b>2,236,608</b>	2,279,239
Wholesale and retail trade and restaurants and hotels	<b>179,356</b>	154,040	<b>179,356</b>	154,040
Transport, storage and communication	<b>62,771</b>	70,563	<b>62,771</b>	70,563
Finance, insurance and business services	<b>1,487,097</b>	1,291,909	<b>1,487,097</b>	1,291,909
Education, health and others	<b>310,090</b>	306,731	<b>312,894</b>	306,731
Household	<b>846,829</b>	797,142	<b>846,829</b>	797,142
	<b>9,198,195</b>	8,613,258	<b>9,200,999</b>	8,613,258

**(v) By residual contractual maturity - remaining**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Up to one month	<b>1,709,993</b>	1,335,969	<b>1,712,797</b>	1,335,969
More than one month to three months	<b>1,302,055</b>	993,821	<b>1,302,055</b>	993,821
More than three months to six months	<b>212,011</b>	163,980	<b>212,011</b>	163,980
More than six months to twelve months	<b>224,060</b>	355,146	<b>224,060</b>	355,146
More than twelve months	<b>5,750,076</b>	5,764,342	<b>5,750,076</b>	5,764,342
Gross loans and advances	<b>9,198,195</b>	8,613,258	<b>9,200,999</b>	8,613,258

The loans and advances were based on the remaining length of time that will be carried and from the report date to the expiry date of the contract created.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**16 Loans and Advances (Continued)**

**(vi) Changes in gross loans and advances carrying amount**

<b>Group</b>	<b>12 months ECL (Stage 1) RM'000</b>	<b>Lifetime ECL (non- credit impaired) (Stage 2) RM'000</b>	<b>Lifetime ECL (credit impaired) (Stage 3) RM'000</b>	<b>Total RM'000</b>
As at 1 January 2021	7,863,757	549,553	199,948	8,613,258
Transferred to 12-month ECL (stage 1)	5,597	(5,597)	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(56,466)	56,466	-	-
Transferred to lifetime ECL (credit impaired) (stage 3)	-	(5,202)	5,202	-
Changes due to change in credit risk	(211,752)	(20,350)	(5,500)	(237,602)
New loans and advances originated	822,539	-	-	822,539
Gross carrying amount as at 30 June 2021	<u>8,423,675</u>	<u>574,870</u>	<u>199,650</u>	<u>9,198,195</u>
	12 months ECL (Stage 1) RM'000	Lifetime ECL (non- credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	Total RM'000
As at 1 January 2020	6,155,452	1,299,280	241,978	7,696,710
Transferred to 12-month ECL (stage 1)	601,965	(600,827)	(1,138)	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(93,490)	94,279	(789)	-
Transferred to lifetime ECL (credit impaired) (stage 3)	(426)	(12,848)	13,274	-
Changes due to change in credit risk	(1,734,759)	(325,404)	(44,781)	(2,104,944)
New loans and advances originated	2,935,015	95,073	-	3,030,088
Bad debts written off	-	-	(8,596)	(8,596)
Gross carrying amount as at 31 December 2020	<u>7,863,757</u>	<u>549,553</u>	<u>199,948</u>	<u>8,613,258</u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**16 Loans and Advances (Continued)**

**(vi) Changes in gross loans and advances carrying amount**

<b>Bank</b>	<b>12 months ECL (Stage 1) RM'000</b>	<b>Lifetime ECL (non- credit impaired) (Stage 2) RM'000</b>	<b>Lifetime ECL (credit impaired) (Stage 3) RM'000</b>	<b>Total RM'000</b>
As at 1 January 2021	7,863,757	549,553	199,948	8,613,258
Transferred to 12-month ECL (stage 1)	5,597	(5,597)	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(56,466)	56,466	-	-
Transferred to lifetime ECL (credit impaired) (stage 3)	-	(5,202)	5,202	-
Changes due to change in credit risk	(211,752)	(20,350)	(5,500)	(237,602)
New loans and advances originated	825,343	-	-	825,343
Gross carrying amount as at 30 June 2021	<u>8,426,479</u>	<u>574,870</u>	<u>199,650</u>	<u>9,200,999</u>
	<b>12 months ECL (Stage 1) RM'000</b>	<b>Lifetime ECL (non- credit impaired) (Stage 2) RM'000</b>	<b>Lifetime ECL (credit impaired) (Stage 3) RM'000</b>	<b>Total RM'000</b>
As at 1 January 2020	6,155,452	1,299,280	241,978	7,696,710
Transferred to 12-month ECL (stage 1)	601,965	(600,827)	(1,138)	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(93,490)	94,279	(789)	-
Transferred to lifetime ECL (credit impaired) (stage 3)	(426)	(12,848)	13,274	-
Changes due to change in credit risk	(1,734,759)	(325,404)	(44,781)	(2,104,944)
New loans and advances originated	2,935,015	95,073	-	3,030,088
Bad debts written off	-	-	(8,596)	(8,596)
Gross carrying amount as at 31 December 2020	<u>7,863,757</u>	<u>549,553</u>	<u>199,948</u>	<u>8,613,258</u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**16 Loans and Advances (Continued)**

**(vii) Movements in allowance for impairment on loans and advances measured at amortised cost**

<b>Group and Bank</b>	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL (non- credit impaired) (Stage 2) RM'000</b>	<b>Lifetime ECL (credit impaired) (Stage 3) RM'000</b>	<b>Total RM'000</b>
As at 1 January 2021	62,750	49,117	97,975	209,842
Transferred to 12-month ECL (stage 1)	327	(327)	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(1,811)	1,811	-	-
Transferred to lifetime ECL (credit impaired) (stage 3)	-	(417)	417	-
New loans and advances originated	2,846	-	-	2,846
(Reversal)/allowance during the financial period	(7,487)	1,050	(957)	(7,394)
Full settlement	(354)	(85)	-	(439)
Allowance for ECL as at 30 June 2021	<b>56,271</b>	<b>51,149</b>	<b>97,435</b>	<b>204,855</b>
	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL (non- credit impaired) (Stage 2) RM'000</b>	<b>Lifetime ECL (credit impaired) (Stage 3) RM'000</b>	<b>Total RM'000</b>
As at 1 January 2020	20,427	67,052	121,823	209,302
Transferred to 12-month ECL (stage 1)	31,153	(31,105)	(48)	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(591)	767	(176)	-
Transferred to lifetime ECL (credit impaired) (stage 3)	(3)	(762)	765	-
New loans and advances originated	14,260	4,849	-	19,109
(Reversal)/allowance during the financial year	(1,433)	15,098	(4,064)	9,601
Full settlement	(1,063)	(6,782)	(11,729)	(19,574)
Amount written-off	-	-	(8,596)	(8,596)
Allowance for ECL as at 31 December 2020	<b>62,750</b>	<b>49,117</b>	<b>97,975</b>	<b>209,842</b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**16 Loans and Advances (Continued)**

**(viii) Gross credit impaired loans and advances**

**(a) Movements in credit impaired loans and advances**

	<b>Group and Bank</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
As at 1 January	<b>199,948</b>	241,978
Classified as credit impaired during the financial period/year	<b>6,628</b>	7,154
Reclassified as non-credit impaired during the financial period/year	-	(1,927)
Amount recovered	<b>(6,926)</b>	(38,661)
Amount written-off	-	(8,596)
As at 30 June 2021/31 December 2020	<b>199,650</b>	199,948
Less: Lifetime ECL (credit impaired) (Stage 3)	<b>(97,435)</b>	(97,975)
	<b>102,215</b>	101,973
Ratio of net impaired loans and advances to gross loans and advances less Lifetime ECL (credit impaired) (Stage 3)	<b>1.123%</b>	1.198%

**(b) By geographical distribution**

	<b>Group and Bank</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	<b>175,802</b>	176,899
Other countries	<b>23,848</b>	23,049
	<b>199,650</b>	199,948

**(c) By economic sector**

	<b>Group and Bank</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	<b>6,400</b>	9,809
Manufacturing	<b>58,256</b>	57,969
Electricity, gas and water supply	<b>23,848</b>	23,049
Construction	<b>2,709</b>	2,871
Real estate	<b>12,100</b>	10,535
Education, health and others	<b>75,247</b>	75,522
Household	<b>21,090</b>	20,193
	<b>199,650</b>	199,948

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**17 Other Assets**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other receivables	4,018	11,145	3,600	10,620
Sundry deposits	2,851	2,845	2,442	2,436
Prepayment	1,332	1,072	1,278	988
Precious metal inventories	190	250	190	250
	<b>8,391</b>	<b>15,312</b>	<b>7,510</b>	<b>14,294</b>
Less: allowance for ECL	<b>(437)</b>	<b>(392)</b>	<b>(421)</b>	<b>(376)</b>
	<b>7,954</b>	<b>14,920</b>	<b>7,089</b>	<b>13,918</b>

**Movements in allowance for impairment on other assets**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	392	523	376	517
ECL allowance charge/(written-back) (Note 26)	45	(60)	45	(70)
Amounts written-off	-	(71)	-	(71)
As at 30 June 2021/31 December 2020	<b>437</b>	<b>392</b>	<b>421</b>	<b>376</b>

**18 Deposits From Customers**

**(i) By type of deposits**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Demand deposits	1,802,130	1,865,648	1,802,770	1,866,970
Savings deposits	431,956	392,585	431,956	392,585
Fixed deposits	5,130,674	4,617,423	5,130,674	4,617,423
Negotiable instruments of deposits	500,160	500,513	500,160	500,513
	<b>7,864,920</b>	<b>7,376,169</b>	<b>7,865,560</b>	<b>7,377,491</b>

**(ii) By type of customers**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Business enterprises	2,568,537	2,312,617	2,569,177	2,313,939
Individuals	3,409,899	3,288,062	3,409,899	3,288,062
Others	1,886,484	1,775,490	1,886,484	1,775,490
	<b>7,864,920</b>	<b>7,376,169</b>	<b>7,865,560</b>	<b>7,377,491</b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**18 Deposits From Customers (Continued)**

(iii) The maturity structure of fixed deposits and negotiable instruments of deposits are as follows:

	<b>Group and Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	3,608,777	3,795,179
Six months to one year	2,010,514	1,322,757
One year to three years	11,543	-
	<b><u>5,630,834</u></b>	<b><u>5,117,936</u></b>

**19 Deposits and Placements Of Banks and Other Financial Institutions**

	<b>Group and Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank Negara Malaysia	16,078	15,415
Licensed banks	2,778,615	3,069,775
Licensed investment banks	5,734	3,261
Licensed Islamic banks	1,833	1,077
Other financial institutions	3	4
	<b><u>2,802,263</u></b>	<b><u>3,089,532</u></b>

**20 Other Liabilities**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Accrued expenses	15,801	29,484	15,619	28,999
Margin deposits	37,532	46,386	37,532	46,386
Other liabilities	42,075	49,179	41,536	48,828
Lease liabilities	30,811	34,777	29,229	32,523
Allowance for ECL on commitments and contingencies (Note 20 (i))	7,958	8,654	7,958	8,654
	<b><u>134,177</u></b>	<b><u>168,480</u></b>	<b><u>131,874</u></b>	<b><u>165,390</u></b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**20 Other Liabilities (Continued)**

**(i) Movements in allowance for impairment on commitment and contingencies:**

	<b>Group and Bank 30 June 2021</b>			
	<b>12 months</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
	<b>ECL</b>	<b>(non-credit</b>	<b>(credit</b>	
	<b>(Stage 1)</b>	<b>impaired)</b>	<b>impaired)</b>	
<b>RM'000</b>	<b>(Stage 2)</b>	<b>(Stage 3)</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2021	8,424	230	-	8,654
Transferred to 12 months ECL (stage 1)	-	-	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(24)	24	-	-
Transferred to lifetime ECL (credit impaired) (stage 3)	-	-	-	-
New loans and advances originated	1,658	-	-	1,658
Reversal during the financial period	(2,206)	(134)	-	(2,340)
Full settlement	(14)	-	-	(14)
As at 30 June 2021	<b>7,838</b>	<b>120</b>	<b>-</b>	<b>7,958</b>

	<b>Group and Bank 31 December 2020</b>			
	<b>12 months</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
	<b>ECL</b>	<b>(non-credit</b>	<b>(credit</b>	
	<b>(Stage 1)</b>	<b>impaired)</b>	<b>impaired)</b>	
<b>RM'000</b>	<b>(Stage 2)</b>	<b>(Stage 3)</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2020	2,831	2,695	-	5,526
Transferred to 12 months ECL (stage 1)	2,169	(2,169)	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(4)	4	-	-
Transferred to lifetime ECL (credit impaired) (stage 3)	-	(20)	20	-
New loans and advances originated	3,691	25	-	3,716
Reversal during the financial year	(215)	(288)	(20)	(523)
Full settlement	(48)	(17)	-	(65)
As at 31 December 2020	<b>8,424</b>	<b>230</b>	<b>-</b>	<b>8,654</b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**21 Subordinated Loan**

	<b>Group and Bank</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
At cost	<b>1,254,725</b>	1,254,725
Interest accrued	<b>1,122</b>	1,193
Foreign exchange difference	<b>31,775</b>	(9,765)
	<b><u>1,287,622</u></b>	<u>1,246,153</u>

On 26 July 2017, the Bank has issued an USD310 million subordinated loan (ten (10) years maturity, non-callable five (5) years) which bears interest rate equal to 0.30% plus 3-month USD LIBOR, payable 3 months in arrears.

The subordinated loan was approved by BNM for inclusion as Tier-2 capital of the Bank under BNM's capital adequacy regulations.

The tenor of the Subordinated Loan facility is the 10 years (non-callable five (5) years) from the drawdown date with interest payable in arrears, and is prepayable after 5 years subject to BNM's approval and other conditions.

The subordinated loan constitutes a direct, unsecured and subordinated obligation of the Bank.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**22 Interest Income**

	<b>2nd Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans and advances				
- Interest income on non-credit impaired loans and advances	<b>60,514</b>	73,206	<b>120,342</b>	150,456
- Interest income on credit impaired loans and advances	<b>1,554</b>	2,693	<b>2,749</b>	4,382
Money at call and deposit placement with financial institutions	<b>11,144</b>	14,698	<b>23,778</b>	38,310
Debt instruments at FVOCI	<b>13,118</b>	11,584	<b>26,024</b>	20,703
Debt instruments at amortised cost	<b>3,606</b>	2,505	<b>6,431</b>	6,662
Other interest income	<b>538</b>	331	<b>1,057</b>	421
	<b>90,474</b>	105,017	<b>180,381</b>	220,934
Amortisation of premium less accretion of discount	<b>(2,647)</b>	(1,922)	<b>(5,064)</b>	(3,000)
<b>Total interest income</b>	<b>87,827</b>	103,095	<b>175,317</b>	217,934

	<b>2nd Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
<b>Bank</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans and advances				
- Interest income on non-credit impaired loans and advances	<b>60,528</b>	73,206	<b>120,356</b>	150,456
- Interest income on credit impaired loans and advances	<b>1,554</b>	2,693	<b>2,749</b>	4,382
Money at call and deposit placement with financial institutions	<b>11,144</b>	14,698	<b>23,778</b>	38,310
Debt instruments at FVOCI	<b>13,118</b>	11,584	<b>26,024</b>	20,703
Debt instruments at amortised cost	<b>3,606</b>	2,505	<b>6,431</b>	6,662
Other interest income	<b>538</b>	331	<b>1,057</b>	421
	<b>90,488</b>	105,017	<b>180,395</b>	220,934
Amortisation of premium less accretion of discount	<b>(2,647)</b>	(1,922)	<b>(5,064)</b>	(3,000)
<b>Total interest income</b>	<b>87,841</b>	103,095	<b>175,331</b>	217,934

**23 Interest Expense**

	<b>2nd Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>Group and Bank</b>		<b>Group and Bank</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions	<b>2,140</b>	7,378	<b>4,235</b>	17,489
Deposits from customers	<b>28,720</b>	39,270	<b>58,204</b>	84,748
Subordinated loan	<b>1,574</b>	5,156	<b>3,197</b>	12,139
Others	<b>604</b>	402	<b>1,191</b>	577
	<b>33,038</b>	52,206	<b>66,827</b>	114,953



**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**25 Other Operating Expenses**

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	RM'000	RM'000	RM'000	RM'000
<u>Personnel expenses</u>				
Salaries & wages	17,863	16,486	35,218	31,812
Bonuses	6,161	4,266	10,223	7,098
Defined contribution plan ("EPF")	2,730	2,132	5,497	4,508
Staff welfare expenses	1,334	588	1,979	1,118
Other personnel costs	2,355	1,208	3,858	2,880
	<b>30,443</b>	<b>24,680</b>	<b>56,775</b>	<b>47,416</b>
<u>Marketing expenses</u>				
Entertainment	75	147	160	956
Other marketing	91	97	380	443
	<b>166</b>	<b>244</b>	<b>540</b>	<b>1,399</b>
<u>Establishment costs</u>				
Rental of premises	1	13	1	25
Depreciation of property and equipment	1,568	1,570	3,108	3,220
Depreciation of right-of-use assets	2,068	2,136	4,124	4,376
Finance cost on lease liabilities	309	332	638	716
Amortisation of intangible assets	323	200	639	406
Repairs and maintenance	196	374	295	549
Property and equipment written off	2	-	13	-
Information technology expenses	836	919	1,754	1,669
Other establishment costs	410	555	1,041	1,287
	<b>5,713</b>	<b>6,099</b>	<b>11,613</b>	<b>12,248</b>
<u>Administration and general expenses</u>				
Insurance premium	129	-	132	128
Auditors' remuneration				
- statutory audit fees	56	86	111	142
- regulatory related service	76	36	129	67
Travelling and accommodation	10	111	19	405
Telecommunication and utilities	314	310	626	622
Printing, stationery and postage	217	219	399	809
Legal and professional fees	124	105	230	172
Other administration and general expenses	989	956	2,067	1,654
	<b>1,915</b>	<b>1,823</b>	<b>3,713</b>	<b>3,999</b>
<u>Other expenses</u>				
Cost of sales of precious metal	36	23	85	41
	<b>36</b>	<b>23</b>	<b>85</b>	<b>41</b>
	<b>38,273</b>	<b>32,869</b>	<b>72,726</b>	<b>65,103</b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**25 Other Operating Expenses**

	2nd Quarter Ended		Six Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Bank</b>				
<u>Personnel expenses</u>				
Salaries & wages	16,992	15,654	33,563	30,216
Bonuses	6,163	3,935	10,225	6,654
Defined contribution plan ("EPF")	2,684	2,094	5,374	4,384
Staff welfare expenses	1,265	561	1,883	1,033
Other personnel costs	2,310	1,180	3,774	2,791
	<b>29,414</b>	<b>23,424</b>	<b>54,819</b>	<b>45,078</b>
<u>Marketing expenses</u>				
Entertainment	75	146	160	953
Other marketing	91	97	380	443
	<b>166</b>	<b>243</b>	<b>540</b>	<b>1,396</b>
<u>Establishment costs</u>				
Rental of premises	1	1	1	5
Depreciation of property and equipment	1,383	1,526	2,815	3,132
Depreciation of right-of-use assets	1,737	1,804	3,462	3,707
Finance cost on lease liabilities	290	298	596	646
Amortisation of intangible assets	323	200	639	406
Repairs and maintenance	191	374	283	547
Property and equipment written off	1	-	12	-
Information technology expenses	833	915	1,751	1,663
Other establishment costs	406	555	892	1,281
	<b>5,165</b>	<b>5,673</b>	<b>10,451</b>	<b>11,387</b>
<u>Administration and general expenses</u>				
Insurance premium	119	-	122	120
Auditors' remuneration				
- statutory audit fees	46	71	93	116
- regulatory related service	73	33	123	61
Travelling and accommodation	10	83	19	358
Telecommunication and utilities	293	295	588	575
Printing, stationery and postage	215	215	397	736
Legal and professional fees	125	105	176	172
Other administration and general expenses	937	908	1,994	1,548
	<b>1,818</b>	<b>1,710</b>	<b>3,512</b>	<b>3,686</b>
<u>Other expenses</u>				
Cost of sales of precious metal	36	23	85	41
	<b>36</b>	<b>23</b>	<b>85</b>	<b>41</b>
	<b>36,599</b>	<b>31,073</b>	<b>69,407</b>	<b>61,588</b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**26 Allowance For Impairment On Loans and Advances and Other Financial Assets**

	<b>2nd Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Group and Bank</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance/(written-back) for impairment on:				
Cash and short-term funds				
- Stage 1	<b>19</b>	43	<b>(36)</b>	17
Deposits and placements with banks and other financial institutions				
- Stage 1	<b>(2)</b>	27	<b>2</b>	(20)
Debt instruments at FVOCI				
- Stage 1	<b>(39)</b>	69	<b>(42)</b>	59
Other assets				
- Stage 1	-	(303)	<b>45</b>	(235)
Loans and advances				
- Stage 1	<b>2,524</b>	20,085	<b>(4,995)</b>	(2,806)
- Stage 2	<b>3,949</b>	(5,257)	<b>965</b>	7,991
- Stage 3	<b>(723)</b>	(7,079)	<b>(957)</b>	(15,508)
Commitments and contingencies				
- Stage 1	<b>81</b>	1,182	<b>(562)</b>	1,313
- Stage 2	<b>(114)</b>	(6)	<b>(134)</b>	(33)
- Stage 3	-	-	-	(20)
	<b>5,695</b>	<b>8,761</b>	<b>(5,714)</b>	<b>(9,242)</b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**27 Capital Adequacy**

(a) The capital adequacy ratios of the Group and Bank are as follows:

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Common Equity Tier 1 ("CET1") Capital</u></b>				
Paid-up ordinary share capital	<b>760,518</b>	760,518	<b>760,518</b>	760,518
Retained profits	<b>872,259</b>	872,259	<b>867,881</b>	867,881
Regulatory reserve	<b>14,800</b>	14,800	<b>14,800</b>	14,800
Fair value through other comprehensive reserve	<b>25,769</b>	35,391	<b>25,769</b>	35,391
Foreign exchange reserve	<b>14</b>	-	<b>14</b>	-
	<b>1,673,360</b>	1,682,968	<b>1,668,982</b>	1,678,590
Regulatory adjustment applied in the calculation of CET 1 Capital				
- Deferred tax assets	<b>(15,675)</b>	(15,588)	<b>(15,660)</b>	(15,467)
- 55% of cumulative unrealised gains of FVOCI financial instruments	<b>(14,173)</b>	(19,465)	<b>(14,173)</b>	(19,465)
- Regulatory reserve attributable to financial assets	<b>(14,800)</b>	(14,800)	<b>(14,800)</b>	(14,800)
- Transitional arrangements	<b>22,293</b>	27,466	<b>22,283</b>	27,456
	<b>(22,355)</b>	(22,387)	<b>(22,350)</b>	(22,276)
Total CET1 capital / Total Tier 1 capital	<b>1,651,005</b>	1,660,581	<b>1,646,632</b>	1,656,314
<b><u>Tier-2 capital</u></b>				
General provision*	<b>108,529</b>	108,529	<b>108,523</b>	108,523
Subordinated loan	<b>1,286,500</b>	1,244,960	<b>1,286,500</b>	1,244,960
Less: Investment in a subsidiary company	-	-	<b>(1,000)</b>	(1,000)
Total Tier-2 capital	<b>1,395,029</b>	1,353,489	<b>1,394,023</b>	1,352,483
Total capital base	<b>3,046,034</b>	3,014,070	<b>3,040,655</b>	3,008,797
<b><u>With transitional arrangements</u></b>				
CET 1 capital ratio	<b>17.126%</b>	17.413%	<b>17.136%</b>	17.448%
Tier 1 capital ratio	<b>17.126%</b>	17.413%	<b>17.136%</b>	17.448%
Total capital ratio	<b>31.596%</b>	31.606%	<b>31.644%</b>	31.695%
<b><u>Without transitional arrangements</u></b>				
CET 1 capital ratio	<b>16.894%</b>	17.125%	<b>16.904%</b>	17.158%
Tier 1 capital ratio	<b>16.894%</b>	17.125%	<b>16.904%</b>	17.158%
Total capital ratio	<b>31.417%</b>	31.353%	<b>31.464%</b>	31.441%

\*General provision is subject to a maximum of 1.25% of total credit risk-weighted assets determined under the Standardised Approach for credit risk.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**27 Capital Adequacy (Continued)**

(b) Breakdown of risk-weighted assets in the various categories of risk-weights are as follows :

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	31 December	<b>30 June</b>	31 December
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Credit risk	<b>9,081,495</b>	8,956,638	<b>9,080,599</b>	8,951,938
Market risk	<b>5,932</b>	6,021	<b>5,932</b>	6,021
Operational risk	<b>552,868</b>	573,786	<b>522,202</b>	535,135
Total risk-weighted assets	<b>9,640,295</b>	9,536,445	<b>9,608,733</b>	9,493,094

The total capital and capital adequacy ratios of the Group and Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components) dated 2 February 2018. The Group and Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and Basic Indicator Approach for Operational Risk.

On 2 February 2018, Bank Negara Malaysia issued Policy Document on Financial Reporting. Pursuant to paragraph 10.5 of the Policy Document, effective 1 January 2018 banking institution must maintain, in aggregate, loss allowances for non-credit-impaired exposures and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures.

The regulatory reserve is maintained in addition to the credit impairment losses that have been assessed in accordance with MFRS 9. It will be transferred from the retained profits to a separate reserve namely regulatory reserve within the equity.

General provision is qualified as Tier 2 Capital, subject to maximum of 1.25% of total credit RWA determined under the Standardised Approach for credit risk.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**28 Commitments and Contingencies**

Group	30 June 2021			31 December 2020		
	Principal RM'000	Credit equivalent RM'000	Risk weighted RM'000	Principal RM'000	Credit equivalent RM'000	Risk weighted RM'000
Direct credit substitutes	25,076	25,076	12,128	6,285	6,285	2,842
Transaction-related contingent items	2,196,896	1,098,448	569,212	2,154,624	1,077,312	558,390
Short-term self-liquidation trade related contingencies	73,572	14,714	12,604	272,719	54,544	52,728
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	2,116,812	423,362	346,786	2,517,649	503,530	377,460
- Maturity exceeding one year	336,426	168,213	148,828	318,650	159,325	140,747
Foreign exchange related contracts:						
- Less than one year	283,851	3,601	2,043	231,536	1,929	1,045
Interest/Profit rate related contracts:						
- Less than one year	149,138	2,292	2,151	122,889	11,565	2,358
- More than five year	310,953	21,464	17,069	317,373	22,984	18,784
<b>Total</b>	<b>5,492,724</b>	<b>1,757,170</b>	<b>1,110,821</b>	<b>5,941,725</b>	<b>1,837,474</b>	<b>1,154,354</b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**28 Commitments and Contingencies (continued )**

<b>Bank</b>	<b>30 June 2021</b>			<b>31 December 2020</b>		
	<b>Principal RM'000</b>	<b>Credit equivalent RM'000</b>	<b>Risk weighted RM'000</b>	<b>Principal RM'000</b>	<b>Credit equivalent RM'000</b>	<b>Risk weighted RM'000</b>
Direct credit substitutes	25,076	25,076	12,128	6,285	6,285	2,842
Transaction-related contingent items	2,196,896	1,098,448	569,212	2,154,624	1,077,312	558,390
Short-term self-liquidation trade related contingencies	73,572	14,714	12,604	272,719	54,544	52,728
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	2,121,012	424,203	347,626	2,517,649	503,530	377,460
- Maturity exceeding one year	336,426	168,213	148,828	318,650	159,325	140,747
Foreign exchange related contracts:						
- Less than one year	283,851	3,601	2,043	231,536	1,929	1,045
Interest/Profit rate related contracts:						
- Less than one year	149,138	2,292	2,151	122,889	11,565	2,358
- More than five year	310,953	21,464	17,069	317,373	22,984	18,784
<b>Total</b>	<b>5,496,924</b>	<b>1,758,011</b>	<b>1,111,661</b>	<b>5,941,725</b>	<b>1,837,474</b>	<b>1,154,354</b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

**29 Credit Exposures Arising From Credit Transactions With Connected Parties**

	<b>Group and Bank</b>	
	<b>30 June 2021</b>	31 December <u>2020</u>
Outstanding credit exposures with connected parties (RM'000)	<b>1,347,088</b>	1,401,496
Percentage of outstanding credit exposures to connected parties as total credit exposures	<b>12%</b>	15%
Percentage of outstanding credit exposures with connected parties non-performing or in default	<b>Nil</b>	Nil

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008. However, the Bank has obtained exemption from Bank Negara Malaysia's for the above credit transaction exposures with connected parties.

**30 Operations of Islamic Banking**

No Islamic banking activities was involved for the second quarter ended 30 June 2021.

**31 Valuation of Property, Plant and Equipment**

The Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements.

**32 Events Subsequent to Reporting Date**

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

**33 Changes in the Composition of the Group**

There were no significant changes in the composition of the Group for the second quarter ended 30 June 2021.