

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 30 June 2021



Consolidated Statements of Financial Position
As at 30 June 2021 – Unaudited

	Note	Group			Bank		
		30 June 2021	31 December 2020	1.1.2020	30 June 2021	31 December 2020	1.1.2020
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
			Restated	Restated		Restated	Restated
Assets							
Cash and short-term funds	12.1	3,953,643	3,813,279	3,749,550	3,953,643	3,813,279	3,749,550
Deposits and placements with banks and other financial institutions	12.2	-	1,339,991	199,993	-	1,339,991	199,993
Reverse repurchase agreements		138,961	112,446	400,307	138,961	112,446	400,307
Financial securities	13	2,481,106	2,273,674	1,467,364	2,481,106	2,273,674	1,467,364
Loans, advances and financing	14	2,281,011	2,190,021	2,974,983	2,281,011	2,190,021	2,974,983
Derivative assets		883,794	1,406,158	907,002	883,794	1,406,158	907,002
Other assets	15	555,116	237,779	356,117	555,116	237,779	356,117
Tax recoverable		9,667	-	1,980	9,667	-	1,980
Statutory deposit with Bank Negara Malaysia		20,000	20,000	10,000	20,000	20,000	10,000
Investments in subsidiary companies		-	-	-	20	20	20
Property and equipment		1,866	1,782	2,538	1,866	1,782	2,538
Right-of-use assets		6,966	1,063	2,139	6,966	1,063	2,139
Deferred tax assets		31,649	23,262	29,697	31,649	23,262	29,697
Total assets		10,363,779	11,419,455	10,101,670	10,363,799	11,419,475	10,101,690
Liabilities and equity							
Deposits from customers	16	6,172,807	6,405,254	5,331,773	6,172,827	6,405,274	5,331,793
Deposits and placements of banks and other financial institutions	17	439,631	815,211	1,249,128	439,631	815,211	1,249,128
Lease liabilities		7,412	1,257	2,157	7,412	1,257	2,157
Taxation		-	9,562	-	-	9,562	-
Derivative liabilities		804,100	1,387,482	858,058	804,100	1,387,482	858,058
Other liabilities	18	929,491	839,556	747,998	929,491	839,556	747,998
Total liabilities		8,353,441	9,458,322	8,189,114	8,353,461	9,458,342	8,189,134
Equity							
Share capital		531,362	531,362	531,362	531,362	531,362	531,362
Reserves		1,210,258	1,429,771	1,381,194	1,210,258	1,429,771	1,381,194
Proposed dividend		268,718	-	-	268,718	-	-
Total equity attributable to owner of the Bank		2,010,338	1,961,133	1,912,556	2,010,338	1,961,133	1,912,556
Total liabilities and equity		10,363,779	11,419,455	10,101,670	10,363,799	11,419,475	10,101,690
Commitments and contingencies	26	87,046,026	95,945,909	88,963,721	87,046,026	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 30 June 2021 - Unaudited

	Note	Group and Bank			
		Half year ended		Three months ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Interest income	19	88,171	138,724	43,622	67,119
Interest expense	20	(11,607)	(28,426)	(7,076)	(11,508)
Net interest income		76,564	110,298	36,546	55,611
Net income from Islamic Banking					
Operations	27	1,029	1,141	526	534
Non-interest income	21	67,047	162,251	48,636	67,431
Operating income		144,640	273,690	85,708	123,576
Other operating expenses	22	(76,417)	(70,431)	(39,112)	(38,778)
Operating profit		68,223	203,259	46,596	84,798
Allowance written back/(made) for impairment	23	1,458	(892)	467	(715)
Profit before tax		69,681	202,367	47,063	84,083
Tax expense		(14,880)	(49,919)	(11,031)	(21,102)
Net profit for the period		54,801	152,448	36,032	62,981
Other comprehensive income:					
<i>Movement in fair value reserve (debt securities):</i>					
Net change in fair value		(7,283)	2,461	2,693	2,541
Net amount transferred to profit or loss		(80)	622	(294)	435
Tax expense on other comprehensive income		1,767	(740)	(576)	(714)
Other comprehensive income for the period		(5,596)	2,343	1,823	2,262
Total comprehensive income for the period		49,205	154,791	37,855	65,243
Earnings per share (sen)		31.6 sen	87.8 sen	20.8 sen	36.3 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 30 June 2021

Group and Bank	Note	Attributable to owner of the Bank				Proposed dividend RM'000	Total RM'000
		Share capital RM'000	Non-distributable Other reserves RM'000	Distributable Retained profits RM'000	Total reserves 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	28	-	-	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		-	-	54,801	54,801	-	54,801
Other comprehensive income for the period		-	(5,596)	-	(5,596)	-	(5,596)
Total comprehensive income for the period		-	(5,596)	54,801	49,205	-	49,205
Proposed dividend		-	-	(268,718)	(268,718)	268,718	-
At 30 June 2021		531,362	42,190	1,168,068	1,210,258	268,718	2,010,338
At 1 January 2020							
As previously stated		531,362	45,872	1,318,139	1,364,011	-	1,895,373
- Release of CVA reserve	28	-	-	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		-	-	152,448	152,448	-	152,448
Other comprehensive income for the period		-	2,343	-	2,343	-	2,343
Total comprehensive income for the period		-	2,343	152,448	154,791	-	154,791
Proposed dividend		-	-	(222,055)	(222,055)	222,055	-
At 30 June 2020		531,362	48,215	1,265,715	1,313,930	222,055	2,067,347

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 30 June 2021

	Group and Bank	
	30 June 2021 RM'000	30 June 2020 RM'000
Profit before taxation	69,681	202,367
Adjustments for non-operating and non-cash items	1,477	1,477
Operating profit before working capital changes	71,158	203,844
Changes in working capital		
Net changes in operating assets	(127,332)	(1,699,277)
Net changes in operating liabilities	(1,101,474)	1,543,174
Income tax paid	(40,729)	(34,333)
Tax refunds received	-	12,580
Net cash (used in) / generated from operations	(1,198,377)	25,988
Cash flows from investing activities:		
Purchase of property and equipment	(574)	(86)
Proceeds from redemption of shares	61	-
Net cash used in investing activities	(513)	(86)
Cash flows from financing activities:		
Payment of lease liabilities	(737)	(822)
Net cash used in financing activities	(737)	(822)
Net (decrease)/increase in cash and cash equivalents	(1,199,627)	25,080
Cash and cash equivalents at beginning of the period	5,153,270	3,949,543
Cash and cash equivalents at end of the period	3,953,643	3,974,623
Analysis of cash and cash equivalents:		
Cash and short-term funds	3,953,643	3,854,624
Deposits and placement with banks and other financial institutions	-	119,999
Cash and Cash equivalents at the end of the period	3,953,643	3,974,623

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 30 June 2021**

1. Basis of preparation

The unaudited interim financial statements for the financial period ended 30 June 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*
- *Amendments to MFRS 112, Income Taxes- Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 30 June 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 30 June 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 30 June 2021.

7. Dividend Paid

No dividend was paid during the financial period ended 30 June 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. The shareholders approved the proposed dividend, and the dividend was paid on 09 July 2021.

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 30 June 2021.

10. Review of Performance

The Bank recorded profit before tax for the financial period ended 30 June 2021 of RM69.7 million compared to RM202.4 million for the previous corresponding period. Operating income decreased by RM129.1 million (-47.2%) from RM273.7 million to RM144.6 million, mainly attributed to lower non-interest income of RM67.0 million against RM162.3 million in the previous corresponding period. Operating expenses increased by RM6.0 million (+8.5%) from RM70.4 million to RM76.4 million mainly attributed to higher intercompany expenses.

Total assets registered a decrease of RM1.0 billion or (-8.8%) from RM11.4 billion as at 31 December 2020 to RM10.4 billion as at 30 June 2021. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 21.4% and 22.0%, respectively.

11. Prospects

The short-term growth outlook remains strong mainly due to successful vaccine rollouts and major fiscal support. The US economy is expected to continue expansion well above its pre-virus path in 2021, driven by the continued fiscal stimulus. However, this expansion is expected to slow down beyond this year, as the effects of the stimulus gradually wear off. The Fed is anticipated to officially announce the reduction of easing measures later in the year. An expansion of the Eurozone economy is anticipated due to the continuing vaccine rollout, which would allow the pent-up demand to be fulfilled. The ECB are expected to be cautious and exit its pandemic policies slowly. Any changes will be slow and transitional, and would likely only fully realised in 2022.

The Malaysian economy was initially improving, with smaller GDP growth declines compared to the previous year. However, the worsening state of the pandemic prompted the re-introduction of containment measures, which have had a detrimental effect on the economy. An ineffective containment of the outbreak could see Malaysia remain in an ongoing cycle of movement controls, posing a further drag on the economy. Further delays in Malaysia's vaccine rollout could also affect the planned reopening of the economy. With the increased pace of vaccination, the government hopes to be able to ease movement restrictions with the intention of ensuring a safe and gradual reopening of the economy.

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	
	30 June 2021 RM'000	31 December 2020 RM'000
Cash and balances with banks and other financial institutions	373,373	475,498
Money at call and deposit placements maturing within one month	<u>3,580,270</u>	<u>3,337,781</u>
	<u>3,953,643</u>	<u>3,813,279</u>

12.2 Deposits and placements with banks and other financial institutions

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Licensed bank	-	239,995
Other financial institutions	<u>-</u>	<u>1,099,996</u>
	<u>-</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
Cash and cash equivalents								
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	10	-	-	10	16	-	-	16
Financial assets that have been derecognised	(17)	-	-	(17)	(19)	-	-	(19)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 30 June / 31 December	13	-	-	13	96	-	-	96

13. Financial securities

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Debt securities at FVTPL		
Malaysian Government Securities	1,121,700	910,802
Malaysian Investment Issue	72,285	127,969
Treasury Bills	17,399	-
Cagamas bonds	100,000	199,982
	<u>1,311,384</u>	<u>1,238,753</u>
Debt securities at FVOCI		
Malaysian Government Securities	631,931	762,232
Malaysian Investment Issue	336,259	71,098
Negotiable instruments of deposits	200,000	200,000
	<u>1,168,190</u>	<u>1,033,330</u>
Equity investments at FVOCI		
Unquoted shares in Malaysia	1,532	1,591
	<u>2,481,106</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
Debt securities at FVOCI								
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	(79)	-	-	(79)	(7)	-	-	(7)
New financial assets originated or purchased	78	-	-	78	212	-	-	212
Financial assets that have been derecognised	(79)	-	-	(79)	(146)	-	-	(146)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 30 June / 31 December	137	-	-	137	217	-	-	217

14. Loans, advances and financing

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
<i>At amortised cost</i>		
Overdrafts	45,356	35,604
Term loans - housing loans	6,603	7,287
- Other term loans	767,226	672,014
Bill receivable	180,168	214,233
Trust Receipt	217,277	187,396
Claims on customers under acceptance credits	1,077,633	1,087,067
Staff loans	15	27
	<u>2,294,278</u>	<u>2,203,628</u>
Unearned interest	(6,479)	(5,524)
Gross loans, advances and financing	<u>2,287,799</u>	<u>2,198,104</u>
Allowance for impaired loans and financing		
- Expected credit losses	(6,788)	(8,083)
Net loans, advances and financing	<u>2,281,011</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
Loans, advances and financing at amortised cost*								
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	34	(1)	(33)	-	298	-	(298)	-
Transfer to lifetime ECL not credit-impaired	(14)	14	-	-	(25)	25	-	-
Transfer to lifetime ECL credit-impaired	(392)	-	392	-	(203)	-	203	-
Net remeasurement of loss allowance	(209)	(857)	249	(817)	(901)	909	43	51
New financial assets originated or purchased	480	1,013	-	1,493	843	1,418	-	2,261
Financial assets that have been derecognised	(554)	(1,417)	-	(1,971)	(861)	(444)	(137)	(1,442)
Write-offs	-	-	-	-	-	-	-	-
Recoveries of amounts previously written off	-	-	-	-	-	-	-	-
Changes in models/risk parameters	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Balance at 30 June / 31 December	2,569	1,853	2,366	6,788	3,224	3,101	1,758	8,083

* 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	
	30 June	31 December
	2021	2020
	RM'000	RM'000
Maturing within one year	1,995,347	1,994,715
More than one year and three years	286,773	197,125
More than three years to five years	1,870	1,554
Over five years	3,809	4,710
	<u>2,287,799</u>	<u>2,198,104</u>

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

	Group and Bank	
	30 June	31 December
	2021	2020
	RM'000	RM'000
Domestic banking institutions	1,001	35,954
Domestic non-bank financial institutions	115,662	251,993
Domestic business enterprises	1,747,497	1,673,935
Individuals	6,618	7,313
Government and statutory bodies	245,518	59,372
Foreign entities	171,503	169,537
	<u>2,287,799</u>	<u>2,198,104</u>

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

	Group and Bank	
	30 June	31 December
	2021	2020
	RM'000	RM'000
Fixed rate		
- Other fixed rate loan / financing	51,166	34,839
Variable rate		
- Base lending rate plus	234,656	243,210
- Cost-plus	1,718,272	1,903,351
- Other variable rates	283,705	16,704
	<u>2,287,799</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	
	30 June 2021	31 December 2020
	RM'000	RM'000
Malaysia	2,116,296	2,028,567
China	-	3,025
India	110,084	124,149
Turkey	57,669	36,911
Others	3,750	5,452
	<u>2,287,799</u>	<u>2,198,104</u>

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

	Group and Bank	
	30 June 2021	31 December 2020
	RM'000	RM'000
Mining and Quarrying	150,125	150,134
Manufacturing	573,086	361,086
Construction	198,001	211,462
Wholesale & retail trade and restaurants & hotels	333,567	385,799
Transport, storage and communication	455,675	551,717
Finance, insurance and business services	325,209	471,221
Education, health and others	245,518	59,372
Household	6,618	7,313
	<u>2,287,799</u>	<u>2,198,104</u>

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

	Group and Bank	
	30 June 2021	31 December 2020
	RM'000	RM'000
Balance at 1 January	3,000	3,526
Classified as impaired during the period/year	936	605
Reclassified as non-impaired during the period/year	(223)	(750)
Amount recovered	(242)	(381)
At 30 June 2021 / 31 December 2020	<u>3,471</u>	<u>3,000</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>0.15%</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	
	30 June	31 December
	2021	2020
	RM'000	RM'000
Household (Malaysia)	3,471	3,000

15. Other assets

	Group and Bank	
	30 June	31 December
	2021	2020
	RM'000	RM'000
Interest/Income receivable	26,024	18,456
Margin placed with exchange	6,887	-
Other debtors, deposits and prepayments	522,205	219,323
	<u>555,116</u>	<u>237,779</u>

16. Deposits from customers

	Group		Bank	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Demand deposits	5,682,925	5,611,932	5,682,945	5,611,952
Savings deposits	23	12	23	12
Fixed deposits	233,371	590,306	233,371	590,306
Other deposits	256,488	203,004	256,488	203,004
	<u>6,172,807</u>	<u>6,405,254</u>	<u>6,172,827</u>	<u>6,405,274</u>

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

	Group and Bank	
	30 June	31 December
	2021	2020
	RM'000	RM'000
Due within six months	314,787	634,046
More than six months to one year	8,652	910
More than one year to three years	100	350
More than three years to five years	166,320	158,004
	<u>489,859</u>	<u>793,310</u>

16. Deposits from customers (continued)

The deposits are sourced from the following types of customers:

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Business enterprises	5,408,321	5,595,073	5,408,341	5,595,093
Individuals	325	258	325	258
Foreign customers	63,820	56,076	63,820	56,076
Others	700,341	753,847	700,341	753,847
	<u>6,172,807</u>	<u>6,405,254</u>	<u>6,172,827</u>	<u>6,405,274</u>

17. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Licensed bank	-	80,360
Other financial institutions	439,631	734,851
	<u>439,631</u>	<u>815,211</u>

18. Other liabilities

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Interest payable	679	850
Bills payable	7,362	10,239
Employee benefits	20,003	25,392
Other liabilities	901,447	803,075
	<u>929,491</u>	<u>839,556</u>

19. Interest income

	Group and Bank			
	Half year ended		Three months ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	33,086	58,681	16,698	27,762
Money at call and deposit placements with financial institutions	30,626	40,575	14,986	19,385
Reverse repurchase agreements	2,388	1,127	1,549	75
Financial securities	22,071	38,327	10,389	19,895
Other interest income	-	14	-	2
	<u>88,171</u>	<u>138,724</u>	<u>43,622</u>	<u>67,119</u>

20. Interest expense

	Group and Bank			
	Half year ended		Three months ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	1,883	4,875	1,087	1,950
Deposits from customers	9,614	23,348	5,894	9,535
Repurchase agreement	11	15	-	-
Other interest expense	99	188	95	23
	<u>11,607</u>	<u>28,426</u>	<u>7,076</u>	<u>11,508</u>

21. Non-interest income

	Group and Bank			
	Half year ended		Three months ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commissions	4,188	2,982	2,393	1,371
Service charges and fees	10,173	11,305	5,104	4,998
Guarantee fees	1,399	1,384	807	694
	<u>15,760</u>	<u>15,671</u>	<u>8,304</u>	<u>7,063</u>
Fee expense:				
Commissions	(1,876)	(2,351)	(853)	(1,202)
Service charges and fees	(1,590)	(3,079)	(811)	(875)
	<u>(3,466)</u>	<u>(5,430)</u>	<u>(1,664)</u>	<u>(2,077)</u>
Net fee income	<u>12,294</u>	<u>10,241</u>	<u>6,640</u>	<u>4,986</u>
Net gains from financial instruments:				
Net (loss)/gain arising on financial securities:				
Realised (loss)/gain	(33,811)	58,811	(7,956)	30,046
Unrealised (loss)/gain	(1,662)	(1,038)	14,552	(3,132)
Net gain/(loss) arising on trading derivatives:				
Realised gain/(loss)	48,046	(36,805)	76,179	(15,808)
Unrealised gain/(loss)	59,826	148,751	(27,026)	(23,251)
Foreign exchange (loss)/gain	(15,384)	(15,541)	(11,645)	75,393
Gain on instruments at FVOCI	2	-	-	-
Gross dividend income	85	45	85	45
Other loss:				
Other operating loss, net	(2,349)	(2,213)	(2,193)	(848)
	<u>54,753</u>	<u>152,010</u>	<u>41,996</u>	<u>62,445</u>
	<u>67,047</u>	<u>162,251</u>	<u>48,636</u>	<u>67,431</u>

22. Other operating expenses

	Group and Bank			
	Half year ended		Three months ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	23,671	22,232	12,357	11,117
- Others	5,521	5,160	2,719	3,150
Establishment costs				
- Rental	593	295	296	125
- Depreciation - property and equipment	490	503	263	251
- Depreciation - right-of-use assets	895	938	434	469
- Others	2,957	2,926	912	1,736
Marketing expenses	708	866	240	250
Administration and general expenses				
- Intercompany charges	37,742	30,783	19,979	16,663
- Communication	671	642	389	264
- Others	3,169	6,086	1,523	4,753
	<u>76,417</u>	<u>70,431</u>	<u>39,112</u>	<u>38,778</u>

The number of employees of the Group and the Bank at the end of the period was 197 (June 2020 – 195).

23. Allowance for impairment

	Group and Bank			
	Half year ended		Three months ended	
	30 June	30 June	30 June	30 June
	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	1,295	(170)	175	(253)
- cash and cash equivalents	80	(100)	(6)	(27)
- debt securities at FVOCI	83	(622)	298	(435)
	<u>1,458</u>	<u>(892)</u>	<u>467</u>	<u>(715)</u>

24. Credit transactions and exposures with connected parties

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Outstanding credit exposures with connected parties	147,940	385,753
Of which:		
Total credit exposures which is non-performing	-	-
Total credit exposures	10,786,315	11,244,034
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	1.37%	3.43%
- as a proportion of capital base	8.87%	20.03%
which is non performing	0%	0%

25. Capital adequacy

	Group and Bank		
	30 June 2021 RM'000	31 December 2020 RM'000 Restated	1.1.2020 RM'000 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	(2,915)	1,179	338
Retained profits	1,113,267	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	1,618,452	1,891,264	1,837,325
Tier 2 capital			
Expected credit losses ("ECL")*	4,422	6,325	5,266
Regulatory reserve	45,000	45,000	45,000
Total capital base	1,667,874	1,942,589	1,887,591
Common equity tier 1/Tier 1 capital ratio	21.354%	23.084 %	19.577 %
Total capital ratio	22.006%	23.710 %	20.112 %

* Refers to ECL for Stage 1 and Stage 2.

25. 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		
		30 June 2021 RM'000	31 December 2020 RM'000 Restated	1.1.2020 RM'000 Restated
1	Credit risk	4,974,982	4,904,608	5,399,155
2	Market risk	1,753,274	2,393,224	3,132,398
3	Operational risk	851,003	895,230	853,743
Total		7,579,259	8,193,062	9,385,296

26. Commitments and contingencies

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

30 June 2021 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk Weighted Assets
	RM'000	RM'000	RM'000
Direct Credit Substitutes	-	-	-
Transaction Related Contingent Items	590,496	295,248	269,181
Short Term Self Liquidating Trade Related Contingencies	209,871	41,974	35,896
Foreign exchange related contracts			
One year or less	14,036,072	308,563	289,535
Over one year to five years	1,797,110	135,769	121,798
Over five years	-	-	-
Interest/Profit rate related contracts			
One year or less	80,000	1,271	333
Over one year to five years	110,000	3,086	2,606
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	65,402,250	1,180,118	349,593
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	600,331	300,165	300,165
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,192,833	838,567	838,567
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	-	-	-
Total	87,046,026	3,106,385	2,209,298

26. 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 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk Weighted 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 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 credit derivative contracts subject to valid bilateral netting agreements	75,537,697	1,313,938	328,663
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	400,093	200,046	200,046
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	3,843,995	768,799	768,799
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	-	-	-
Total	95,945,909	3,062,466	2,019,622

27. The operations of Islamic Banking

Statement of Financial Position
As at 30 June 2021 – Unaudited

	Note	30 June 2021 RM'000	Bank 31 December 2020 RM'000
Assets			
Cash and short-term funds	(a)	65,000	57,147
Financial securities	(b)	20,400	20,560
Other assets		84	85
Total assets		<u>85,484</u>	<u>77,792</u>
Liabilities and Islamic Banking funds			
Deposits from customers	(c)	42,847	41,045
Other liabilities	(d)	6,665	1,188
Tax payable		245	483
Total liabilities		<u>49,757</u>	<u>42,716</u>
Capital funds		25,000	25,000
Retained earnings		10,727	10,076
Islamic Banking funds		<u>35,727</u>	<u>35,076</u>
Total liabilities and Islamic Banking funds		<u>85,484</u>	<u>77,792</u>
Commitments and contingencies		<u>-</u>	<u>-</u>

27. The operations of Islamic Banking (continued)

Statement Of Profit Or Loss And Other Comprehensive Income
For The Financial Period Ended 30 June 2021 - Unaudited

	Bank			
	Half year ended 30 June 2021 RM'000	30 June 2020 RM'000	Three months ended 30 June 2021 RM'000	30 June 2020 RM'000
Income derived from investment of Islamic banking funds	1,029	1,141	526	534
Total net income	1,029	1,141	526	534
Other operating expenses	(12)	(11)	(6)	(8)
Operating profit	1,017	1,130	520	526
Allowance written back/(made)for impairment	3	(34)	1	(33)
Profit before tax	1,020	1,096	521	493
Taxation	(245)	(263)	(125)	(118)
Profit for the period	775	833	396	375
Other comprehensive income:				
<i>Movement in fair value reserve (debt securities):</i>				
Net change in fair value	(160)	456	-	348
Net amount transferred to profit or loss	(3)	34	(1)	33
Tax expense on other comprehensive income	39	(118)	1	(92)
Other comprehensive income for the year	(124)	372	-	289
Total comprehensive income for the year	651	1,205	396	664

27. The operations of Islamic Banking (continued)

Statement Of Changes In Islamic Banking Funds
For The Financial Period Ended 30 June 2021

Bank	Capital funds RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000
At 1 January 2021	25,000	432	9,644	35,076
Net profit for the period	-	-	775	775
Other comprehensive income for the period	-	(124)	-	(124)
Total comprehensive income for the period	-	(124)	775	651
At 30 June 2021	25,000	308	10,419	35,727

Bank	Capital funds RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000
At 1 January 2020	25,000	19	10,056	35,075
Net profit for the period	-	-	833	833
Other comprehensive income for the period	-	372	-	372
Total comprehensive income for the period	-	372	833	1,205
At 30 June 2020	25,000	391	10,889	36,280

27. The operations of Islamic Banking (continued)

Statement Of Cash Flows
For The Financial Period Ended 30 June 2021

	Bank	
	30 June 2021 RM'000	30 June 2020 RM'000
Cash flows from operating activities		
Profit before taxation	1,020	1,096
Operating profit before working capital changes	<u>1,020</u>	<u>1,096</u>
Changes in working capital:		
Net changes in operating assets	37	(112)
Net changes in operating liabilities	7,279	188,629
Income taxes paid	(483)	(613)
Net cash generated from operations	<u>7,853</u>	<u>189,000</u>
Net increase in cash and cash equivalents	7,853	189,000
Cash and cash equivalents at beginning of period	57,147	56,000
Cash and cash equivalents at end of period	<u>65,000</u>	<u>245,000</u>
Analysis of cash and cash equivalents:		
Cash and short term funds	<u>65,000</u>	<u>245,000</u>

27. 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	
	30 June 2021 RM'000	31 December 2020 RM'000
Cash and balances with banks and other financial institutions	65,000	57,147

(b) Financial securities

	Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Debt securities at FVOCI Malaysian Investment Issue	20,400	20,560

(c) Deposits from customer

	Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Non-Mudharabah Demand deposits	42,847	41,045

27. The operations of Islamic Banking (continued)

(d) Other liabilities

	Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Bills payable	48	15
Others	6,617	1,173
	<u>6,665</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	
	30 June 2021 RM'000	31 December 2020 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	138	194
Retained profits	8,116	9,644
Total common equity tier 1/Total tier 1 capital	33,254	34,838
Total Tier 2 capital	-	-
Total capital base	<u>33,254</u>	<u>34,838</u>
Common equity tier 1/Tier 1 capital ratio	696.692%	662.240 %
Total capital ratio	<u>696.692%</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	
		30 June 2021 RM'000	31 December 2020 RM'000
1	Credit risk	-	-
2	Market risk	-	-
3	Operational risk	4,773	5,261
Total		4,773	5,261

28. 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 RM'000	Adjustment RM'000	Restated RM'000
01 January 2020			
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
31 December 2020			
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