

**CIMB INVESTMENT BANK BERHAD**  
*Company Number 197401001266 (18417-M)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021**

		<b>The Group</b>	
		<b>30 June</b>	<b>31 December</b>
		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>			
Cash and short term funds		<b>608,525</b>	544,606
Reverse repurchase agreements		<b>46,803</b>	53,670
Deposits and placements with banks and other financial institutions		<b>10</b>	10
Financial investments at fair value through profit or loss	A6	-	1,978
Equity instruments at fair value through other comprehensive income	A7	<b>866</b>	867
Other assets	A8	<b>30,209</b>	30,402
Tax recoverable		<b>25,401</b>	32,216
Deferred taxation		<b>9,183</b>	9,551
Amounts due from related companies		<b>24,722</b>	40,308
Amounts due from ultimate holding company		<b>2</b>	5
Statutory deposits with Bank Negara Malaysia		<b>50</b>	50
Investment in associates		<b>9,278</b>	8,714
Property, plant and equipment		<b>12,410</b>	14,744
Right-of-use assets		<b>9,010</b>	10,390
Investment property		<b>16,047</b>	16,304
Intangible assets		<b>25,991</b>	27,280
<b>Total assets</b>		<b>818,507</b>	791,095
<b>Liabilities</b>			
Deposits from customers	A9	<b>20,006</b>	45,061
Deposits and placements of banks and other financial institutions	A10	<b>115,888</b>	25,860
Other liabilities	A11	<b>67,562</b>	68,208
Lease liabilities		<b>9,716</b>	11,063
Amounts due to related companies		<b>10,633</b>	9,946
<b>Total liabilities</b>		<b>223,805</b>	160,138
<b>Capital and reserves attributable to equity holders of the Bank</b>			
Ordinary share capital		<b>100,000</b>	100,000
Redeemable preference shares		<b>10</b>	10
Reserves		<b>494,692</b>	530,947
<b>Total equity</b>		<b>594,702</b>	630,957
<b>Total equity and liabilities</b>		<b>818,507</b>	791,095
<b>Net assets per ordinary share (RM)</b>		<b>5.95</b>	6.31

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

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

	Notes	The Bank	
		30 June 2021 RM'000	31 December 2020 RM'000
<b>Assets</b>			
Cash and short term funds		607,600	543,664
Reverse repurchase agreements		46,803	53,670
Financial investments at fair value through profit or loss	A6	-	1,978
Other assets	A8	29,399	29,591
Tax recoverable		25,400	32,216
Deferred taxation		9,183	9,551
Amounts due from related companies		24,722	40,308
Amounts due from ultimate holding company		2	5
Statutory deposits with Bank Negara Malaysia		50	50
Investment in subsidiaries		50	50
Property, plant and equipment		12,410	14,744
Right-of-use assets		9,010	10,390
Investment property		16,047	16,304
Intangible assets		25,991	27,280
<b>Total assets</b>		<b>806,667</b>	<b>779,801</b>
<b>Liabilities</b>			
Deposits from customers	A9	20,006	45,061
Deposits and placements of banks and other financial institutions	A10	115,888	25,860
Other liabilities	A11	67,548	68,202
Lease liabilities		9,716	11,063
Amounts due to related companies		10,628	9,924
<b>Total liabilities</b>		<b>223,786</b>	<b>160,110</b>
<b>Capital and reserves attributable to equity holders of the Bank</b>			
Ordinary share capital		100,000	100,000
Redeemable preference shares		10	10
Reserves		482,871	519,681
<b>Total equity</b>		<b>582,881</b>	<b>619,691</b>
<b>Total equity and liabilities</b>		<b>806,667</b>	<b>779,801</b>
<b>Net assets per ordinary share (RM)</b>		<b>5.83</b>	<b>6.20</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 year ended 31 December 2020.*

**CIMB INVESTMENT BANK BERHAD**  
*Company Number 197401001266 (18417-M)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	Notes	The Group			
		2nd quarter ended		Six months ended	
		30 June	30 June	30 June	30 June
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Interest income	A12	2,167	3,004	4,479	6,968
Interest income for financial assets at fair value through profit and loss	A13	32	6	56	10
Interest expense	A14	(421)	(754)	(845)	(1,923)
Net interest income		1,778	2,256	3,690	5,055
Income from Islamic Banking operations	A20b	2,693	1,807	5,180	6,752
Non-interest income	A15	61,805	48,344	109,329	94,196
Total income		66,276	52,407	118,199	106,003
Overheads	A16	(49,843)	(43,377)	(94,976)	(88,423)
Profit before expected credit losses		16,433	9,030	23,223	17,580
Expected credit losses (made)/written back on trade receivables	A17	(2,386)	1,469	(1,465)	(513)
		14,047	10,499	21,758	17,067
Share of results of associates		330	43	564	96
Profit from continuing operations before taxation		14,377	10,542	22,322	17,163
Taxation		(4,403)	(3,345)	(6,906)	(5,572)
<b>Profit for the financial period</b>		<b>9,974</b>	<b>7,197</b>	<b>15,416</b>	<b>11,591</b>
Profit for the financial period attributable to : Owners of the Group		<b>9,974</b>	<b>7,197</b>	<b>15,416</b>	<b>11,591</b>
<b>Basic earnings per share for profit attributable to ordinary equity holders (sen)</b>	B3	<b>9.97</b>	<b>7.20</b>	<b>15.42</b>	<b>11.59</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 year ended 31 December 2020.*

**CIMB INVESTMENT BANK BERHAD**  
*Company Number 197401001266 (18417-M)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**

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

	<b>The Group</b>			
	<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>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit for the financial period</b>	<b>9,974</b>	7,197	<b>15,416</b>	11,591
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Equity instruments at fair value through other comprehensive income				
- Gain from change in fair value	-	23	-	23
<b>Profit for the financial period</b>	<b>9,974</b>	7,220	<b>15,416</b>	11,614
<b>Total comprehensive income for the financial period</b>	<b>9,974</b>	7,220	<b>15,416</b>	11,614

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

**CIMB INVESTMENT BANK BERHAD**  
*Company Number 197401001266 (18417-M)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	Notes	The Bank			
		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
Interest income	A12	2,164	3,000	4,472	6,957
Interest income for financial assets at fair value through profit and loss	A13	32	6	56	10
Interest expense	A14	(421)	(754)	(845)	(1,923)
Net interest income		1,775	2,252	3,683	5,044
Income from Islamic Banking operations	A20b	2,693	1,807	5,180	6,752
Non-interest income	A15	61,805	48,343	109,329	94,195
Total income		66,273	52,402	118,192	105,991
Overheads	A16	(49,826)	(43,367)	(94,963)	(88,404)
Profit before expected credit losses		16,447	9,035	23,229	17,587
Expected credit losses (made)/written back on trade receivables	A17	(2,386)	1,469	(1,465)	(513)
Profit before taxation		14,061	10,504	21,764	17,074
Taxation		(4,402)	(3,344)	(6,904)	(5,569)
<b>Profit for the financial period</b>		<b>9,659</b>	<b>7,160</b>	<b>14,860</b>	<b>11,505</b>
Profit for the financial period attributable to : Owners of the Bank		<b>9,659</b>	<b>7,160</b>	<b>14,860</b>	<b>11,505</b>
<b>Basic earnings per share for profit attributable to ordinary equity holders (sen)</b>	B3	<b>9.66</b>	<b>7.16</b>	<b>14.86</b>	<b>11.51</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 year ended 31 December 2020.*

**CIMB INVESTMENT BANK BERHAD**  
*Company Number 197401001266 (18417-M)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**

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

<b>Profit/total comprehensive income for the financial period</b>	<b>The Bank</b>			
	<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>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>9,659</b>	7,160	<b>14,860</b>	11,505

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

CIMB INVESTMENT BANK  
Company Number 197401001266 (18417-M)  
CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

The Group	← Attributable to Equity Holder of The Group →							Total
	Ordinary share capital	Redeemable preference shares	Reserve - equity instruments at fair value through other comprehensive income	Share-based payment reserve	Capital contribution by ultimate holding company	Regulatory reserve	Retained profits	
30 June 2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 Jan 2021	100,000	10	(5,968)	2,709	-	-	534,205	630,956
Net profit/total comprehensive income for the financial period	-	-	-	-	-	-	15,416	15,416
Share-based payment expense	-	-	-	1,078	92	-	-	1,170
Shares released under Equity Ownership Plan	-	-	-	(2,020)	-	-	-	(2,020)
Transfer to regulatory reserve	-	-	-	-	-	42	(42)	-
Interim dividend paid in respect of the financial year ended 31 December 2020	-	-	-	-	-	-	(50,820)	(50,820)
<b>At 30 June 2021</b>	<b>100,000</b>	<b>10</b>	<b>(5,968)</b>	<b>1,767</b>	<b>92</b>	<b>42</b>	<b>498,759</b>	<b>594,702</b>

The Group	← Attributable to Equity Holder of The Group →							Total
	Ordinary share capital	Redeemable preference shares	Reserve - equity instruments at fair value through other comprehensive income	Share-based payment reserve	Capital contribution by ultimate holding company	Regulatory reserve	Retained profits	
30 June 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	100,000	10	(5,991)	4,303	-	116	550,932	649,370
Net profit for the financial period	-	-	-	-	-	-	11,591	11,591
Other comprehensive expense (net of tax)	-	-	23	-	-	-	-	23
- Equity instruments at fair value through other comprehensive income	-	-	23	-	-	-	-	23
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,591</b>	<b>11,614</b>
Share-based payment expense	-	-	-	2,080	-	-	-	2,080
Shares released under Equity Ownership Plan	-	-	-	(3,411)	-	-	-	(3,411)
Transfer to regulatory reserve	-	-	-	-	-	(116)	116	-
Interim dividend paid in respect of the financial year ended 31 December 2019	-	-	-	-	-	-	(68,000)	(68,000)
<b>At 30 June 2020</b>	<b>100,000</b>	<b>10</b>	<b>(5,968)</b>	<b>2,972</b>	<b>-</b>	<b>-</b>	<b>494,639</b>	<b>591,653</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 year ended 31 December 2020.

**CIMB INVESTMENT BANK BERHAD**  
*Company Number 197401001266 (18417-M)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	← Attributable to Equity Holder of The Bank →							Total RM'000
	Ordinary share capital	Redeemable preference shares	Share-based payment reserve	Capital contribution ultimate holding company RM'000	Reserve - equity instruments at fair value through other comprehensive income	Regulatory reserve	Retained profits	
<b>The Bank</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>30 June 2021</b>								
<b>At 1 January 2021</b>	100,000	10	2,709	-	(6,331)	-	523,303	619,691
Net profit/total comprehensive income for the financial period	-	-	-	-	-	-	14,860	14,860
Share-based payment expense	-	-	1,078	92	-	-	-	1,170
Shares released under Equity Ownership Plan	-	-	(2,020)	-	-	-	-	(2,020)
Transfer to regulatory reserve	-	-	-	-	-	42	(42)	-
Interim dividend paid in respect of the financial year ended 31 December 2020	-	-	-	-	-	-	(50,820)	(50,820)
<b>At 30 June 2021</b>	<b>100,000</b>	<b>10</b>	<b>1,767</b>	<b>92</b>	<b>(6,331)</b>	<b>42</b>	<b>487,301</b>	<b>582,881</b>

	← Attributable to Equity Holder of The Bank →							Total RM'000
	Ordinary share capital	Redeemable preference shares	Share-based payment reserve	Capital contribution ultimate holding company RM'000	Reserve - equity instruments at fair value through other comprehensive income	Regulatory reserve	Retained profits	
<b>The Bank</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>30 June 2020</b>								
<b>At 1 January 2020</b>	100,000	10	4,303	-	(6,331)	116	540,358	638,456
Net profit/total comprehensive income for the financial period	-	-	-	-	-	-	11,505	11,505
Share-based payment expense	-	-	2,080	-	-	-	-	2,080
Share released under Equity Ownership Plan	-	-	(3,411)	-	-	-	-	(3,411)
Transfer to regulatory reserve	-	-	-	-	-	(116)	116	-
Interim dividend paid in respect of the financial year ended 31 December 2019	-	-	-	-	-	-	(68,000)	(68,000)
<b>At 30 June 2020</b>	<b>100,000</b>	<b>10</b>	<b>2,972</b>	<b>-</b>	<b>(6,331)</b>	<b>-</b>	<b>483,979</b>	<b>580,630</b>

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**CIMB INVESTMENT BANK BERHAD**  
*Company Number 197401001266 (18417-M)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	The Group		The Bank	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Operating activities</b>				
Profit before taxation	22,322	17,163	21,764	17,074
Adjustments for non-operating and non-cash items	8,314	7,110	8,877	7,206
Cash flow from operating profit before changes in operating assets and liabilities	<b>30,636</b>	24,273	<b>30,641</b>	24,280
Net changes in operating assets	21,370	(1,670)	21,370	(1,669)
Net changes in operating liabilities	64,347	(80,818)	64,356	(80,807)
Cash generated from/(used in) operating activities	<b>116,353</b>	(58,215)	<b>116,367</b>	(58,196)
Taxation refunded/(paid)	277	(6,706)	279	(6,704)
Net cash generated from/(used in) operating activities	<b>116,630</b>	(64,921)	<b>116,646</b>	(64,900)
Net cash used in investing activities	(1,014)	(1,136)	(1,014)	(1,137)
Net cash used in financing activities	(51,696)	(72,728)	(51,696)	(72,728)
	<b>(52,710)</b>	(73,864)	<b>(52,710)</b>	(73,865)
Net increase/(decrease) in cash and cash equivalents during the financial period	<b>63,920</b>	(138,785)	<b>63,936</b>	(138,765)
Cash and cash equivalents at beginning of the financial period	<b>544,605</b>	623,004	<b>543,664</b>	622,041
<b>Cash and cash equivalents at end of the financial period</b>	<b>608,525</b>	484,219	<b>607,600</b>	483,276
<b>Cash and cash equivalents comprise the following:</b>				
Cash and short term funds	<b>608,525</b>	484,219	<b>607,600</b>	483,276
Deposits and placements with banks and other financial institutions	<b>10</b>	10	-	-
	<b>608,535</b>	484,229	<b>607,600</b>	483,276
Less : Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	<b>(10)</b>	(10)	-	-
<b>Cash and cash equivalents at end of the financial period</b>	<b>608,525</b>	484,219	<b>607,600</b>	483,276

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

## **PART A - EXPLANATORY NOTES**

### **A1. Basis of preparation**

The unaudited condensed interim financial statements for the financial period ended 30 June 2021 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and equity instruments at fair value through other comprehensive income that have been measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements.

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

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2020, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2021.

- Amendments to MFRS 16 “COVID-19 Related Rent Concessions” (1 June 2020)
- Interest rate benchmark reform-Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16) (1 January 2021)

The adoption of the above amendments to published standards did not give rise to material financial impact to the Group except for Interest rate benchmark reform-Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16) where the Group is still in the midst of assessing the impact of the above amendments to published standards.

The unaudited condensed interim financial statements incorporate those activities relating to Islamic banking which have been undertaken by the Group. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under Shariah principles.

The preparation of unaudited condensed interim financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and Bank's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

### **A2. Changes in estimates**

There were no material changes to financial estimates made in respect of the current financial period that had previously been announced or disclosed.

### **A3. Dividends paid and proposed**

A single tier interim dividend of 50.82 sen per ordinary share, amounting to RM50,820,000 in respect of the financial year ended 31 December 2020, which was approved by the Board of Directors on 27 January 2021, was paid on 17 March 2021.

No dividend has been proposed during the financial period ended 30 June 2021.

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A4. Significant events during the financial period**

There was no significant events that had occurred during the current reporting period.

**A5. Significant events after the financial period**

There is no significant events that had occurred between 30 June 2021 and the date of this announcement.

**A6. Financial investments at fair value through profit or loss**

	<b>The Group and the Bank</b>	
	<b>30 June</b>	31 December
	<b>2021</b>	2020
	<b>RM'000</b>	RM'000
<b><u>At fair value</u></b>		
<b>Unquoted securities :</b>		
<i>In Malaysia</i>		
Bonds	-	1,978
Total financial investments at fair value through profit or loss	-	1,978

**A7. Equity instruments at fair value through other comprehensive income**

	<b>The Group</b>		<b>The 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
<b><u>At fair value</u></b>				
<b>Unquoted securities :</b>				
<i>Outside Malaysia</i>				
Shares	<b>866</b>	867	-	-
Total equity instruments at fair value through other comprehensive income	<b>866</b>	867	-	-

**A8. Other assets**

	<b>The Group</b>		<b>The 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
Trade and other receivables, net of expected credit losses	<b>14,122</b>	20,940	<b>14,122</b>	20,940
Deposits, prepayments and others	<b>16,087</b>	9,462	<b>15,277</b>	8,651
	<b>30,209</b>	30,402	<b>29,399</b>	29,591

**PART A - EXPLANATORY NOTES (CONTINUED)**

		<b>The Group and the Bank</b>	
		<b>30 June</b>	31 December
		<b>2021</b>	2020
		<b>RM'000</b>	RM'000
<b>A9. Deposits from customers</b>			
	<u>(i) By type of deposits</u>		
	Short term money market deposits	<b>20,006</b>	45,061
	<u>(ii) By type of customers</u>		
	Local government and statutory bodies	<b>20,006</b>	45,061
		<b>20,006</b>	45,061

		<b>The Group and the Bank</b>	
		<b>30 June</b>	31 December
		<b>2021</b>	2020
		<b>RM'000</b>	RM'000
<b>A10. Deposits and placements of banks and other financial institutions</b>			
	Licensed banks	<b>90,844</b>	840
	Other financial institutions	<b>25,044</b>	25,020
		<b>115,888</b>	25,860

The maturity structure of deposits and placements of banks and other financial institutions is as follows:

Due within six months	<b>115,888</b>	25,860
-----------------------	----------------	--------

	<b>The Group</b>		<b>The 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
<b>A11. Other liabilities</b>				
Trade and sundry creditors	<b>18,939</b>	29,685	<b>18,939</b>	29,685
Expenditure payable	<b>38,676</b>	28,000	<b>38,662</b>	27,994
Others	<b>9,947</b>	10,523	<b>9,947</b>	10,523
	<b>67,562</b>	68,208	<b>67,548</b>	68,202

**PART A - EXPLANATORY NOTES (CONTINUED)**

	2nd quarter ended		Six months ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>A12. Interest income</b>				
<b><u>The Group</u></b>				
Money at call and deposits placements with banks and other financial institutions	1,925	2,564	3,959	6,140
Reverse repurchase agreements	226	364	460	752
Others	16	76	60	76
	<b>2,167</b>	<b>3,004</b>	<b>4,479</b>	<b>6,968</b>
<b><u>The Bank</u></b>				
Money at call and deposits placements with banks and other financial institutions	1,922	2,560	3,952	6,129
Reverse repurchase agreements	226	364	460	752
Others	16	76	60	76
	<b>2,164</b>	<b>3,000</b>	<b>4,472</b>	<b>6,957</b>
<b>A13. Interest income for financial assets at fair value through profit and loss</b>				
<b><u>The Group and The Bank</u></b>				
Financial investments at fair value through profit or loss	36	6	63	10
Net accretion of discounts less amortisation of premium	(4)	-	(7)	-
	<b>32</b>	<b>6</b>	<b>56</b>	<b>10</b>
<b>A14. Interest expense</b>				
<b><u>The Group and The Bank</u></b>				
Deposits and placements of banks and other financial institutions	210	397	334	1,177
Deposits from customers	116	236	315	494
Lease liabilities	95	121	196	252
	<b>421</b>	<b>754</b>	<b>845</b>	<b>1,923</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

	2nd quarter ended		Six months ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>A15. Non interest income</b>				
<b><u>The Group</u></b>				
a) <b>Net fee income and commission income:</b>				
Commissions	11,738	6,985	27,104	15,211
Service charges and fees	10,534	17,847	28,450	42,652
Advisory and arrangement fees	16,730	4,218	24,615	8,273
Underwriting fees	872	-	872	435
Placement, book running and related fees	15,432	8,262	17,717	11,181
Other fee income	1,018	7,095	1,034	8,176
	<b>56,324</b>	<b>44,407</b>	<b>99,792</b>	<b>85,928</b>
b) <b>Net (loss)/gain arising from financial investments at fair value through profit or loss :</b>				
- realised gain/(loss)	11	(12)	11	59
- unrealised (loss)/gain	(16)	31	(17)	24
	<b>(5)</b>	<b>19</b>	<b>(6)</b>	<b>83</b>
c) <b>Net loss arising from derivative financial instrument :</b>				
- realised loss	-	-	-	(21)
d) <b>Other income:</b>				
Foreign exchange gain	1,923	1,022	3,502	2,784
Gain on disposal of property, plant and equipment	47	-	47	54
Other non-operating income	1,035	1,385	2,032	2,627
	<b>3,005</b>	<b>2,407</b>	<b>5,581</b>	<b>5,465</b>
e) <b>Income from asset management and securities services</b>	<b>2,481</b>	<b>1,511</b>	<b>3,962</b>	<b>2,741</b>
<b>Total non interest income</b>	<b>61,805</b>	<b>48,344</b>	<b>109,329</b>	<b>94,196</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

A15. Non interest income	2nd quarter ended		Six months ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b><u>The Bank</u></b>				
<b>Net fee income and commission income:</b>				
Commissions	11,738	6,985	27,104	15,211
Service charges and fees	10,534	17,847	28,450	42,652
Advisory and arrangement fees	16,730	4,218	24,615	8,273
Underwriting fees	872	-	872	435
Placement, book running and related fees	15,432	8,262	17,717	11,181
Other fee income	1,018	7,095	1,034	8,176
	<b>56,324</b>	<b>44,407</b>	<b>99,792</b>	<b>85,928</b>
<b>Net (loss)/gain arising from financial investments at fair value through profit or loss :</b>				
- realised gain	11	(12)	11	59
- unrealised loss	(16)	31	(17)	24
	<b>(5)</b>	<b>19</b>	<b>(6)</b>	<b>83</b>
<b>Net loss arising from derivative financial instrument :</b>				
- realised loss	-	-	-	(21)
<b>Other income:</b>				
Foreign exchange gain	1,923	1,022	3,502	2,784
Gain on disposal of property, plant and equipment	47	-	47	54
Other non-operating income	1,035	1,384	2,032	2,626
	<b>3,005</b>	<b>2,406</b>	<b>5,581</b>	<b>5,464</b>
<b>Income from asset management and securities services</b>	<b>2,481</b>	<b>1,511</b>	<b>3,962</b>	<b>2,741</b>
<b>Total non interest income</b>	<b>61,805</b>	<b>48,343</b>	<b>109,329</b>	<b>94,195</b>

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A16. Overheads**

	<b>2nd quarter ended</b>		<b>Six months ended</b>	
	<b>30 June</b>	30 June	<b>30 June</b>	30 June
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b><u>The Group</u></b>				
<b>Personnel costs</b>				
- Salaries, allowances and bonus	<b>26,197</b>	22,246	<b>53,678</b>	48,255
- Pension cost (defined contribution plan)	<b>3,192</b>	2,863	<b>6,328</b>	5,759
- Transformation initiative expenses	<b>2,001</b>	375	<b>4,074</b>	375
- Share-based expense <sup>1</sup>	<b>92</b>	-	<b>92</b>	-
- Others	<b>950</b>	888	<b>1,821</b>	2,008
	<b>32,432</b>	26,372	<b>65,993</b>	56,397
<b>Establishment costs</b>				
- Depreciation of property, plant and equipment	<b>1,187</b>	1,361	<b>2,397</b>	2,416
- Depreciation of investment property	<b>128</b>	128	<b>257</b>	257
- Depreciation of right-of-use assets	<b>703</b>	735	<b>1,409</b>	1,470
- Amortisation of intangible assets	<b>2,046</b>	638	<b>2,286</b>	721
- Equipment and other rental	<b>1,347</b>	759	<b>1,896</b>	1,988
- Others	<b>1,558</b>	1,558	<b>3,979</b>	2,803
	<b>6,969</b>	5,179	<b>12,224</b>	9,655
<b>Marketing expenses</b>				
- Advertisement and entertainment expenses	<b>344</b>	120	<b>(355)</b>	1,051
- Others	<b>57</b>	35	<b>205</b>	238
	<b>401</b>	155	<b>(150)</b>	1,289
<b>Administration and general expenses</b>				
- Legal and professional fees	<b>524</b>	977	<b>789</b>	1,515
- Communication	<b>134</b>	138	<b>223</b>	233
- Printing and stationery	<b>69</b>	151	<b>105</b>	238
- Administrative vehicle, travelling and insurance expenses	<b>94</b>	149	<b>199</b>	373
- Service expenses	<b>7,456</b>	8,037	<b>13,035</b>	15,531
- Others	<b>1,764</b>	2,219	<b>2,558</b>	3,192
	<b>10,041</b>	11,671	<b>16,909</b>	21,082
Total overhead expenses	<b>49,843</b>	43,377	<b>94,976</b>	88,423

<sup>1</sup> The long term incentive plan ("LTIP") was implemented by CIMB Group Holdings Berhad in June 2021. The LTIP awards ordinary shares and share options of CIMB Group to eligible employees of the Group and the Bank. The eligibility of participation in the LTIP shall be at the discretion of the LTIP Committee of CIMB Group Holdings Berhad, and the awarded shares and share options will be vested in stages at predetermined dates subject to continued employment and performance conditions.



## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A16. Overheads (Continued)**

	<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>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>The Bank</u></b>				
<b>Personnel costs</b>				
- Salaries, allowances and bonus	<b>26,197</b>	22,246	<b>53,678</b>	48,255
- Pension cost (defined contribution plan)	<b>3,192</b>	2,863	<b>6,328</b>	5,759
- Transformation initiative expenses	<b>2,001</b>	375	<b>4,074</b>	375
- Share-based expense <sup>1</sup>	<b>92</b>	-	<b>92</b>	-
- Others	<b>950</b>	888	<b>1,821</b>	2,008
	<b>32,432</b>	26,372	<b>65,993</b>	56,397
<b>Establishment costs</b>				
- Depreciation of property, plant and equipment	<b>1,187</b>	1,361	<b>2,397</b>	2,416
- Depreciation of investment property	<b>128</b>	128	<b>257</b>	257
- Depreciation of right-of-use assets	<b>703</b>	735	<b>1,409</b>	1,470
- Amortisation of intangible assets	<b>2,046</b>	638	<b>2,286</b>	721
- Equipment and other rental	<b>1,347</b>	759	<b>1,896</b>	1,988
- Others	<b>1,558</b>	1,558	<b>3,979</b>	2,803
	<b>6,969</b>	5,179	<b>12,224</b>	9,655
<b>Marketing expenses</b>				
- Advertisement and entertainment expenses	<b>344</b>	120	<b>(355)</b>	1,051
- Others	<b>57</b>	35	<b>205</b>	238
	<b>401</b>	155	<b>(150)</b>	1,289
<b>Administration and general expenses</b>				
- Legal and professional fees	<b>522</b>	976	<b>785</b>	1,512
- Communication	<b>134</b>	138	<b>223</b>	233
- Printing and stationery	<b>69</b>	151	<b>105</b>	238
- Administrative vehicle, travelling and insurance expenses	<b>94</b>	149	<b>199</b>	373
- Service expenses	<b>7,441</b>	8,029	<b>13,026</b>	15,516
- Others	<b>1,764</b>	2,218	<b>2,558</b>	3,191
	<b>10,024</b>	11,661	<b>16,896</b>	21,063
Total overhead expenses	<b>49,826</b>	43,367	<b>94,963</b>	88,404

<sup>1</sup> The long term incentive plan ("LTIP") was implemented by CIMB Group Holdings Berhad in June 2021. The LTIP awards ordinary shares and share options of CIMB Group to eligible employees of the Group and the Bank. The eligibility of participation in the LTIP shall be at the discretion of the LTIP Committee of CIMB Group Holdings Berhad, and the awarded shares and share options will be vested in stages at predetermined dates subject to continued employment and performance conditions.

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A17. Expected credit losses made/(written back)  
on trade receivables**

**The Group and The Bank**

Expected credit losses made/(written back) on:

- Trade receivables	<b>2,386</b>	(1,469)	<b>1,465</b>	513
	<b>2,386</b>	(1,469)	<b>1,465</b>	513

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A18. Capital Adequacy**

The capital adequacy ratios of the Bank and the Group are calculated based on the Bank Negara Malaysia ("BNM") Capital Adequacy Framework (Capital Components) of which the latest revision was issued on 9 December 2020. The revised guidelines took effect on 9 December 2020. The revised guideline sets out the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

The risk-weighted assets of the Group and The Bank are computed in accordance with the Capital Adequacy Framework (Basel II - Risk Weighted Assets) of which the latest revision was issued on 3 May 2019.

The Standardised Approach is applied for Credit Risk and Market Risk while Operational Risk is based on Basic Indicator Approach.

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

	<b>The Group</b>		<b>The Bank</b>	
	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Before deducting proposed dividend</b>				
Common Equity Tier 1 ratio	87.366%	91.131%	88.200%	92.472%
Tier 1 ratio	87.366%	91.131%	88.200%	92.472%
Total capital ratio	87.373%	91.131%	88.207%	92.472%
<b>After deducting proposed dividend</b>				
Common Equity Tier 1 ratio	87.366%	83.181%	88.200%	84.382%
Tier 1 ratio	87.366%	83.181%	88.200%	84.382%
Total capital ratio	87.373%	83.181%	88.207%	84.382%

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

	<b>The Group</b>		<b>The 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>
Credit risk	144,260	168,269	144,417	168,418
Market risk	29,957	11,261	29,957	11,261
Operational risk	453,919	459,765	446,549	448,522
Total risk-weighted assets	<u>628,136</u>	<u>639,295</u>	<u>620,923</u>	<u>628,201</u>

c) Components of Common Equity Tier 1 and Tier 2 capital are as follows :

	<b>The Group</b>		<b>The 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>Common Equity Tier 1 capital</b>				
Ordinary share capital	100,000	100,000	100,000	100,000
Other reserves	494,136	530,947	482,870	519,681
Less : Proposed dividends	-	(50,820)	-	(50,820)
Common Equity Tier 1 capital before regulatory adjustments	594,136	580,127	582,870	568,861
<b>Less: Regulatory adjustments</b>				
Deferred tax assets	(9,183)	(9,551)	(9,183)	(9,551)
Deduction in excess of Tier 2 Capital	-	(1,943)	-	(1,943) N1
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(10,143)	(9,580)	-	-
Regulatory reserve	(42)	-	(42)	-
Intangible assets	(25,991)	(27,280)	(25,991)	(27,280)
<b>Common equity Tier 1 capital after regulatory adjustments / Total Tier 1 Capital</b>	<u>548,777</u>	<u>531,773</u>	<u>547,654</u>	<u>530,087</u>
Total Tier 1 Capital	<u>548,777</u>	<u>531,773</u>	<u>547,654</u>	<u>530,087</u>
<b>Tier 2 capital</b>				
Redeemable Preference Shares	1	2	1	2
Regulatory reserve	42	-	42	-
Tier 2 capital before regulatory adjustments	43	2	43	2
<b>Less: Regulatory adjustments</b>				
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	-	(1,945)	-	(1,945)
<b>Total Tier 2 capital</b>	<u>43</u>	<u>-</u>	<u>43</u>	<u>-</u> N1
<b>Total capital</b>	<u>548,820</u>	<u>531,773</u>	<u>547,697</u>	<u>530,087</u>

N1 The excess of deductions over available Tier 2 capital was deducted under Common Equity Tier 1 capital.

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A19. FAIR VALUE ESTIMATION**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### **Determination of fair value and fair value hierarchy**

The fair value hierarchy has the following levels:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets; or
- Quoted prices for identical or similar assets and liabilities in non-active markets; or
- Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - One or more inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Assets/liabilities are classified as Level 1 when the valuation is based on quoted prices for identical assets or liabilities in active markets.

Assets/liabilities are regarded as being quoted in an active market if the prices are readily available from a published and reliable source and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When fair value is determined using quoted prices of similar assets/liabilities in active markets or quoted prices of identical or similar assets and liabilities in non-active markets, such assets/liabilities are classified as Level 2. In cases where quoted prices are generally not available, the Group determines fair value based upon valuation techniques that use market parameters as inputs. Most valuation techniques employ observable market data, including but not limited to yield curves, equity prices, volatilities and foreign exchange rates.

Assets/liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data. Such inputs are determined based on observable inputs of a similar nature, historical observations or other analytical techniques.

If prices or quotes are not available for an instrument or a similar instrument, fair value will be established by using valuation techniques or Mark-to-Model. Judgment may be required to assess the need for valuation adjustments to appropriately reflect unobservable parameters.

The valuation models shall also consider relevant transaction data such as maturity. The inputs are then benchmarked and extrapolated to derive the fair value.

#### **Valuation model review and approval**

- Fair valuation of financial instruments is determined either through Mark-to-Market or Mark-to-Model methodology, as appropriate;
- Market Risk Management is mandated to perform mark-to-market, mark-to-model and rate reasonableness verification. Market price and/or rate sources for Mark-to-Market are validated by Market Risk Management as part and parcel of rate reasonableness verification;
- Valuation methodologies for the purpose of determining Mark-to-Model prices will be verified by Group Risk Management Quantitative Analysts before submitting to the Group Market Risk Committee for approval;
- Mark-to-Model process shall be carried out by Market Risk Management in accordance with the approved valuation methodologies. Group Risk Management Quantitative Analysts are responsible for independent evaluation and validation of the Group's financial models used for valuation;
- Group Risk Management Quantitative Analysts are the guardian of the financial models and valuation methodologies. Market rate sources and model inputs for the purpose of Mark-to-Model must be verified by Group Risk Management Quantitative Analysts and approved by Regional Head, Market Risk Management and/or the Group Market Risk Committee;
- Model risk and unobservable parameter reserve must be considered to provide for the uncertainty of the model assumptions;
- The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer; and
- Independent price verification process shall be carried out by Market Risk Management to ensure that financial assets/liabilities are recorded at fair value.

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A19. FAIR VALUE ESTIMATION (CONTINUED)**

The following table represents The Group's and The Bank's financial assets measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 June 2021 and 31 December 2020.

	Fair Value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b><u>The Group</u></b>				
<b>30 June 2021</b>				
<i>Recurring fair value measurement</i>				
<b><u>Financial assets</u></b>				
Equity instruments at fair value through other comprehensive income				
- Unquoted securities	-	-	866	866
<b>Total</b>	<b>-</b>	<b>-</b>	<b>866</b>	<b>866</b>

	Fair Value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b><u>The Bank</u></b>				
<b>30 June 2021</b>				
<i>Recurring fair value measurement</i>				
<b><u>Financial assets</u></b>				
Financial investments at fair value through profit or loss				
- Unquoted securities	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A19. FAIR VALUE ESTIMATION (CONTINUED)**

The following table represents The Group's and The Bank's financial assets measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 June 2021 and 31 December 2020. (Continued)

	Fair Value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b><u>The Group</u></b>				
<b>31 December 2020</b>				
<i>Recurring fair value measurement</i>				
<b><u>Financial assets</u></b>				
Financial investments at fair value through profit or loss				
- Unquoted securities	-	1,978	-	1,978
Equity instruments at fair value through other comprehensive income				
- Unquoted securities	-	-	867	867
<b>Total</b>	<b>-</b>	<b>1,978</b>	<b>867</b>	<b>2,845</b>

	Fair Value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b><u>The Bank</u></b>				
<b>31 December 2020</b>				
<i>Recurring fair value measurement</i>				
<b><u>Financial assets</u></b>				
Financial investments at fair value through profit or loss				
- Unquoted securities	-	1,978	-	1,978
<b>Total</b>	<b>-</b>	<b>1,978</b>	<b>-</b>	<b>1,978</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A19. FAIR VALUE ESTIMATION (CONTINUED)**

The following represents the changes in Level 3 instruments for the financial period/year ended 30 June 2021 and 31 December 2020 for The Group and The Bank.

	<b><u>Financial Investments -</u></b> <b>Equity instruments at</b> <b>fair value through other</b> <b>comprehensive income</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>The Group</b>		
<b><u>30 June 2021</u></b>		
At 1 January 2021/ 30 June 2021	<b>867</b>	<b>867</b>

	<b><u>Financial Investments -</u></b> <b>Equity instruments at</b> <b>fair value through other</b> <b>comprehensive income</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>The Group</b>		
<b><u>31 December 2020</u></b>		
At 1 January 2020	844	844
Total gain recognised in other comprehensive income	23	23
At 31 December 2020	<b>867</b>	<b>867</b>

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A20. The operations of Islamic Banking**

#### **A20a. Unaudited Statements of Financial Position as at 30 June 2021**

	<b>The Group and The Bank</b>	
	<b>30 June 2021</b>	<b>31 December</b>
	<b>RM'000</b>	<b>2020</b>
		<b>RM'000</b>
<b>Assets</b>		
Cash and short-term funds	<b>76,874</b>	80,087
Other assets	<b>297</b>	421
Deferred taxation	<b>62</b>	102
Property, plant and equipment	<b>3</b>	5
Intangible assets	<b>-</b>	-
Amount due from related companies	<b>92</b>	375
<b>Total assets</b>	<b>77,328</b>	80,990
<b>Liabilities and Islamic Banking capital funds</b>		
Other liabilities	<b>10,044</b>	4,102
Amount due to related companies	<b>403</b>	101
<b>Total liabilities</b>	<b>10,447</b>	4,203
Islamic Banking capital funds	<b>55,696</b>	55,696
Reserves	<b>11,185</b>	21,091
<b>Total Islamic Banking capital funds</b>	<b>66,881</b>	76,787
<b>Total liabilities and Islamic Banking capital funds</b>	<b>77,328</b>	80,990



**PART A - EXPLANATORY NOTES (CONTINUED)**

**A20. The operations of Islamic Banking (Continued)**

**A20b. Unaudited Statements of Income for the financial period ended 30 June 2021**

	<b>The Group and The Bank</b>			
	<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>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of shareholders' funds	<b>2,693</b>	1,807	<b>5,180</b>	6,752
Expected credit losses written back on trade receivables	<b>53</b>	1,774	<b>30</b>	314
<b>Total attributable income/ total net income</b>	<b>2,746</b>	3,581	<b>5,210</b>	7,066
Personnel expenses	<b>(174)</b>	(174)	<b>(347)</b>	(342)
Other overheads and expenditures	<b>(538)</b>	(1,530)	<b>(1,228)</b>	(3,454)
<b>Profit before taxation</b>	<b>2,034</b>	1,877	<b>3,635</b>	3,270
Taxation	<b>(506)</b>	(485)	<b>(910)</b>	(841)
<b>Profit after taxation/total comprehensive</b>	<b>1,528</b>	1,392	<b>2,725</b>	2,429
<u>Income from Islamic operations (per page 3 and page 5)</u>				
<b>Total net income</b>	<b>2,746</b>	3,581	<b>5,210</b>	7,066
Less : Expected credit losses written back on trade receivables	<b>(53)</b>	(1,774)	<b>(30)</b>	(314)
	<b>2,693</b>	1,807	<b>5,180</b>	6,752

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A20c. Capital Adequacy**

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

	<b>The Group and The Bank</b>	
	<b>31 December</b>	
	<b>30 June 2021</b>	<b>2020</b>
<b>Before deducting proposed dividend</b>		
Common Equity Tier 1 Ratio	145.601%	134.826%
Tier 1 ratio	145.601%	134.826%
Total capital ratio	145.601%	134.826%
<b>After deducting proposed dividend</b>		
Common Equity Tier 1 Ratio	145.601%	112.620%
Tier 1 ratio	145.601%	112.620%
Total capital ratio	145.601%	112.620%

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

	<b>The Group and The Bank</b>	
	<b>31 December</b>	
	<b>30 June 2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Credit risk	370	831
Operational risk	45,522	56,046
Total risk-weighted assets	<u>45,892</u>	<u>56,877</u>

c) Components of Common Equity Tier 1 and Tier 2 capital are as follows :

	<b>The Group and The Bank</b>	
	<b>31 December</b>	
	<b>30 June 2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Common Equity Tier 1 capital</b>		
Islamic Banking capital funds	55,696	55,696
Other reserves	11,185	21,091
Less : Proposed dividends	-	(12,630)
Common Equity Tier 1 capital / Total Tier 1 Capital	66,881	64,157
<u>Less: Regulatory adjustments</u>		
Deferred Tax Assets	(62)	(102)
Common Equity Tier 1 capital after regulatory adjustments / Total Tier 1 capital	<u>66,819</u>	<u>64,055</u>
Total capital base	<u>66,819</u>	<u>64,055</u>

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A21. Credit transactions and exposures with connected parties**

	<b>The Group</b>	
	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Outstanding credit exposures with connected parties	<b>24,951</b>	42,463
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	<b>3.8%</b>	6.2%
Percentage of outstanding credit exposures to connected parties which is impaired or in default	<b>0.0%</b>	0.0%

## **PART B - EXPLANATORY NOTES**

### **B1. Group Performance Review**

The Group reported a profit after taxation of RM15.4 million for the financial period ended 30 June 2021 compared to RM11.6 million for the same period in the preceding year. The higher current year profit was due to higher fee and commission income of RM13.9 million offset by lower Income from Islamic Banking Operations by RM1.6 million and Net interest Income of RM 1.4 million and higher overhead by RM6.6 million.

### **B2. Prospects for the Current Financial Year**

The significant increase in Covid-19 cases has resulted in economic activity disruptions from the prolonged lockdowns. This may lead to headwinds on the top-line growth momentum. The Investment Bank remains focused on executing the Forward23+ strategies, non-interest income growth and prudent cost management. The Investment Banking business will likely be slower in line with our cautious stance, while capital market activity may remain muted.

## **PART B (CONTINUED)**

### **B3. COMPUTATION OF EARNINGS PER SHARE (EPS)**

#### **a) Basic EPS**

Basic earnings per share of The Group and The Bank are calculated by dividing the net profit attributable to owners of The Group and The Bank by the weighted average number of ordinary shares issued during the financial period.

	<b>The Group</b>			
	<b>2nd quarter ended</b>		<b>Six months ended</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
Net profit (RM '000)	<u>9,974</u>	<u>7,197</u>	<u>15,416</u>	<u>11,591</u>
Weighted average number of ordinary shares in issue ( '000)	<b>100,000</b>	100,000	<b>100,000</b>	100,000
Total basic earnings per share for profit attributable to equity shareholders (expressed in sen per share)	<u>9.97</u>	<u>7.20</u>	<u>15.42</u>	<u>11.59</u>

	<b>The Bank</b>			
	<b>2nd quarter ended</b>		<b>Six months ended</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
Net profit (RM '000)	<u>9,659</u>	<u>7,160</u>	<u>14,860</u>	<u>11,505</u>
Weighted average number of ordinary shares in issue ( '000)	<b>100,000</b>	100,000	<b>100,000</b>	100,000
Total basic earnings per share for profit attributable to equity shareholders (expressed in sen per share)	<u>9.66</u>	<u>7.16</u>	<u>14.86</u>	<u>11.51</u>

#### **b) Diluted EPS**

There were no dilutive potential ordinary shares outstanding as at 30 June 2021 and 30 June 2020 respectively.