

CIMB INVESTMENT BANK BERHAD
Company Number 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

		The Group	
		30 September	31 December
	Notes	2020	2019
		RM'000	RM'000
Assets			
Cash and short term funds		514,346	623,005
Reverse repurchase agreements		51,844	51,024
Deposits and placements with banks and other financial institutions		10	10
Financial investments at fair value through profit or loss	A5	61	573
Equity instruments at fair value through other comprehensive income	A6	867	844
Other assets	A7	29,575	38,118
Tax recoverable		26,571	26,190
Deferred taxation		11,126	16,895
Amounts due from related companies		39,480	37,124
Amounts due from ultimate holding company		-	6,625
Statutory deposits with Bank Negara Malaysia		50	91
Investment in associates		8,617	8,370
Property, plant and equipment		35,293	38,314
Right-of-use assets		11,115	13,586
Investment property		16,433	16,819
Total assets		745,388	877,588
Liabilities			
Deposits from customers	A8	30,028	10,020
Deposits and placements of banks and other financial institutions	A9	25,868	91,068
Other liabilities	A10	55,569	90,700
Lease liabilities		11,755	13,976
Provision for taxation		1	-
Amounts due to related companies		8,811	22,454
Total liabilities		132,032	228,218
Capital and reserves attributable to equity holders of the Bank			
Ordinary share capital		100,000	100,000
Redeemable preference shares		10	10
Reserves		513,346	549,360
Total equity		613,356	649,370
Total equity and liabilities		745,388	877,588
Commitments and contingencies	A17(i)	403,200	-
Net assets per ordinary share (RM)		6.13	6.49

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 2019.

CIMB INVESTMENT BANK BERHAD
Company Number 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	Notes	The Bank	
		30 September 2020 RM'000	31 December 2019 RM'000
Assets			
Cash and short term funds		513,407	622,042
Reverse repurchase agreements		51,844	51,024
Financial investments at fair value through profit or loss	A5	61	573
Other assets	A7	28,763	37,306
Tax recoverable		26,571	26,189
Deferred taxation		11,126	16,895
Amounts due from related companies		39,480	37,124
Amounts due from ultimate holding company		-	6,625
Statutory deposits with Bank Negara Malaysia		50	91
Investment in subsidiaries		50	50
Property, plant and equipment		35,293	38,314
Right-of-use assets		11,115	13,586
Investment property		16,433	16,819
Total assets		734,193	866,638
Liabilities			
Deposits from customers	A8	30,028	10,020
Deposits and placements of banks and other financial institutions	A9	25,868	91,068
Other liabilities	A10	55,542	90,693
Lease liabilities		11,755	13,976
Amounts due to related companies		8,811	22,425
Total liabilities		132,004	228,182
Capital and reserves attributable to equity holders of the Bank			
Ordinary share capital		100,000	100,000
Redeemable preference shares		10	10
Reserves		502,179	538,446
Total equity		602,189	638,456
Total equity and liabilities		734,193	866,638
Commitments and contingencies	A17(i)	403,200	-
Net assets per ordinary share (RM)		6.02	6.38

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 2019.

CIMB INVESTMENT BANK BERHAD
Company Number 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	Notes	The Group			
		3rd quarter ended		Nine months ended	
		30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Interest income	A11	2,229	5,755	9,197	15,092
Interest income for financial assets at fair value through profit and loss	A12	2	22	12	108
Interest expense	A13	(457)	(2,696)	(2,380)	(11,704)
Net interest income		1,774	3,081	6,829	3,496
Income from Islamic Banking operations	A21b	3,545	3,349	10,297	19,998
Non-interest income	A14	64,084	50,613	158,280	570,292
Total income		69,403	57,043	175,406	593,786
Overheads	A15	(42,227)	(58,258)	(130,650)	(154,546)
Profit/(loss) before expected credit losses		27,176	(1,215)	44,756	439,240
Expected credit losses written back/(made) on trade receivables	A16	59	(64)	(454)	(12)
		27,235	(1,279)	44,302	439,228
Share of results of associates		151	49	247	117
Profit/(loss) from continuing operations before taxation		27,386	(1,230)	44,549	439,345
Taxation		(6,523)	1,272	(12,095)	(4,343)
Profit from continuing operations after taxation		20,863	42	32,454	435,002
Loss from discontinued operation		-	-	-	(5,411)
Profit for the financial period		20,863	42	32,454	429,591
Profit for the financial period attributable to : Owners of the Group		20,863	42	32,454	429,591
Basic earnings per share for profit from continuing operations attributable to ordinary equity holders (sen)	B3	20.86	0.04	32.45	435.00
Basic earnings per share for loss from discontinued operation attributable to ordinary equity holders (sen)	B3	-	-	-	(5.41)
Basic earnings per share for profit attributable to ordinary equity holders (sen)	B3	20.86	0.04	32.45	429.59

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 2019.

CIMB INVESTMENT BANK BERHAD
Company Number 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 September 2020

	The Group			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit/total comprehensive income for the financial period	20,863	42	32,454	429,591
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Equity instruments at fair value through other comprehensive income				
- Gain/(loss) from change in fair value	23	(273)	23	(273)
Profit/(loss) for the financial period	20,886	(231)	32,477	429,318
Total comprehensive income for the financial period arises from:				
Continuing operations	20,886	42	32,477	434,729
Discontinued operation	-	-	-	(5,411)
	20,886	42	32,477	429,318

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 2019.

CIMB INVESTMENT BANK BERHAD
Company Number 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

	Notes	The Bank			
		3rd quarter ended		Nine months ended	
		30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Interest income	A11	2,225	5,748	9,182	15,072
Interest income for financial assets at fair value through profit and loss	A12	2	22	12	108
Interest expense	A13	(457)	(2,696)	(2,380)	(11,704)
Net interest income		1,770	3,074	6,814	3,476
Income from Islamic Banking operations	A21b	3,545	3,349	10,297	19,998
Non-interest income	A14	64,085	50,613	158,280	604,825
Total income		69,400	57,036	175,391	628,299
Overheads	A15	(42,218)	(58,250)	(130,622)	(154,517)
Profit/(loss) before expected credit losses		27,182	(1,214)	44,769	473,782
Expected credit losses written back/(made) on trade receivables	A16	59	(64)	(454)	(12)
Profit/(loss) from continuing operations before taxation		27,241	(1,278)	44,315	473,770
Taxation		(6,522)	1,274	(12,091)	(4,245)
Profit/(loss) from continuing operations after taxation		20,719	(4)	32,224	469,525
Loss from discontinued operation		-	-	-	(6,323)
Profit/(loss) for the financial period		20,719	(4)	32,224	463,202
Profit/(loss) for the financial period attributable to : Owners of the Bank		20,719	(4)	32,224	463,202
Basic earnings per share for profit from continuing operations attributable to ordinary equity holders (sen)	B3	20.72	(0.00)	32.22	469.52
Basic earnings per share for loss from discontinued operation attributable to ordinary equity holders (sen)	B3	-	-	-	(6.32)
Basic earnings per share for profit attributable to ordinary equity holders (sen)	B3	20.72	(0.00)	32.22	463.20

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 2019.

CIMB INVESTMENT BANK BERHAD
Company Number 197401001266 (18417-M)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 September 2020

	The Bank			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit/(loss)/total comprehensive income for the financial period	20,719	(4)	32,224	463,202
Total comprehensive income for the financial period arises from:				
Continuing operations	20,719	(4)	32,224	469,525
Discontinued operation	-	-	-	(6,323)
	20,719	(4)	32,224	463,202

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 2019.

CIMB INVESTMENT BANK BERHAD
Company Number 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

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	Regulatory reserve **	Retained profits	
30 September 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 Jan 2020	100,000	10	(5,991)	4,303	116	550,932	649,370
Net profit/total comprehensive income for the financial period	-	-	-	-	-	32,454	32,454
Other comprehensive expense (net of tax)	-	-	23	-	-	-	23
- Equity instruments at fair value through other comprehensive income	-	-	23	-	-	-	23
Total comprehensive income for the financial period	-	-	23	-	-	32,454	32,477
Share-based payment expense	-	-	-	2,920	-	-	2,920
Shares released under Equity Ownership Plan	-	-	-	(3,411)	-	-	(3,411)
Transfer from regulatory reserve	-	-	-	-	(116)	116	-
Interim dividend paid in respect of the financial year ended 31 December 2019	-	-	-	-	-	(68,000)	(68,000)
At 30 September 2020	100,000	10	(5,968)	3,812	-	515,502	613,356

** The regulatory reserve held against expected losses is reduced to 0%, a Covid-19 related measure to drawdown prudential buffers as permitted by BNM.

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	Regulatory reserve	Retained profits	
30 September 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	100,000	10	(5,718)	5,101	-	515,939	615,332
Net profit/total comprehensive income for the financial period	-	-	-	-	-	429,591	429,591
Other comprehensive expense (net of tax)	-	-	(273)	-	-	-	(273)
- Equity instruments at fair value through other comprehensive income	-	-	(273)	-	-	-	(273)
Total comprehensive income for the financial period	-	-	(273)	-	-	429,591	429,318
Share-based payment expense	-	-	-	3,389	-	-	3,389
Shares released under Equity Ownership Plan	-	-	-	(3,868)	-	-	(3,868)
Transfer to regulatory reserve	-	-	-	-	358	(358)	-
Interim dividend paid in respect of the financial year ended 31 December 2018	-	-	-	-	-	(415,990)	(415,990)
At 30 September 2019	100,000	10	(5,991)	4,622	358	529,182	628,181

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 2019.

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 SEPTEMBER 2020

The Bank	Attributable to Equity Holder of The Bank								Total
	Ordinary share capital RM'000	Redeemable preference shares RM'000	Merger reserve RM'000	Share-based payment reserve RM'000	Reserve - equity instruments at fair value through other comprehensive income RM'000	Capital reserve RM'000	Regulatory reserve ** RM'000	Retained profits RM'000	
30 September 2020									
At 1 January 2020	100,000	10	-	4,303	(6,331)	-	116	540,358	638,456
Net profit/total comprehensive income for the financial period	-	-	-	-	-	-	-	32,224	32,224
Share-based payment expense	-	-	-	2,920	-	-	-	-	2,920
Shares released under Equity Ownership Plan	-	-	-	(3,411)	-	-	-	-	(3,411)
Transfer from regulatory reserve	-	-	-	-	-	(116)	-	116	-
Interim dividend paid in respect of the financial year ended 31 December 2019	-	-	-	-	-	-	-	(68,000)	(68,000)
At 30 September 2020	100,000	10	-	3,812	(6,331)	-	-	504,698	602,189

** The regulatory reserve held against expected losses is reduced to 0%, a Covid-19 related measure to drawdown prudential buffers as permitted by BNM.

The Bank	Attributable to Equity Holder of The Bank								Total
	Ordinary share capital RM'000	Redeemable preference shares RM'000	Merger reserve RM'000	Share-based payment reserve RM'000	Reserve - equity instruments at fair value through other comprehensive income RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Retained profits RM'000	
30 September 2019									
At 1 January 2019	100,000	10	(272,007)	5,101	(6,331)	271,377	-	472,440	570,590
Net profit/total comprehensive income for the financial period	-	-	-	-	-	-	-	463,202	463,202
Share-based payment expense	-	-	-	3,389	-	-	-	-	3,389
Share released under Equity Ownership Plan	-	-	-	(3,868)	-	-	-	-	(3,868)
Disposal of equities business	-	-	272,007	-	-	(271,377)	-	(630)	-
Transfer to regulatory reserve	-	-	-	-	-	-	358	(358)	-
Interim dividend paid in respect of the financial year ended 31 December 2018	-	-	-	-	-	-	-	(415,990)	(415,990)
At 30 September 2019	100,000	10	-	4,622	(6,331)	-	358	518,664	617,323

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 2019.

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 SEPTEMBER 2020

	The Group		The Bank	
	30 September 2020 RM'000	September 2019 RM'000	30 September 2020 RM'000	September 2019 RM'000
Operating activities				
Profit before taxation from :				
Continuing operations	44,549	439,345	44,315	473,770
Discontinued operation	-	(5,121)	-	(6,320)
Profit before taxation including discontinued operation	44,549	434,224	44,315	467,450
Adjustments for non-operating and non-cash items	10,848	(420,720)	11,095	(454,166)
Cash flow from operating profit before changes in operating assets and liabilities	55,397	13,504	55,410	13,284
Net changes in operating assets	8,843	576,941	8,843	535,336
Net changes in operating liabilities	(91,041)	(522,134)	(91,032)	(521,152)
Cash (used in)/generated from operating activities	(26,801)	68,311	(26,779)	27,468
Taxation (paid)/refunded	(6,706)	9,826	(6,704)	10,080
Net cash (used in)/generated from operating activities	(33,507)	78,137	(33,483)	37,548
Net cash (used in)/generated from investing activities	(1,638)	399,017	(1,638)	439,616
Net cash used in financing activities	(73,513)	(415,990)	(73,513)	(415,990)
	(75,151)	(16,973)	(75,151)	23,626
Net (decrease)/increase in cash and cash equivalents during the financial period	(108,658)	61,164	(108,634)	61,174
Cash and cash equivalents at beginning of the financial period	623,004	862,704	622,041	861,735
Cash and cash equivalents at end of the financial period	514,346	923,868	513,407	922,909
Cash and cash equivalents comprise the following:				
Cash and short term funds	514,346	923,868	513,407	922,909
Adjustment for monies held in trust:				
Remisiers' balances	-	-	-	-
Cash and cash equivalents at end of the financial period	514,346	923,868	513,407	922,909

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 2019.

PART A - EXPLANATORY NOTES

A1. Basis of preparation

The unaudited condensed interim financial statements for the financial period ended 30 September 2020 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 2019. 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 2019.

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 2019, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2020:

- Amendments to MFRS 3 “Definition of a Business”
- Amendments to MFRS 9, MFRS 139 and MFRS 7 “Interest Rate Benchmark Reform”
- Amendments to MFRS 101 and MFRS 108 “Definition of Material”

The adoption of the above new standards, amendments to published standards and interpretation are not expected to give rise to significant impact on the financial results of the Group and the Bank.

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 68 sen per ordinary share, amounting to RM68,000,000 in respect of the financial year ended 31 December 2019, which was approved by the Board of Directors on 29 January 2020, was paid on 17 March 2020.

No dividend has been proposed during the financial period ended 30 September 2020.

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. Financial investments at fair value through profit or loss

	The Group and the Bank	
	30 September 2020	31 December 2019
	RM'000	RM'000
<u>At fair value</u>		
Unquoted securities :		
<i>In Malaysia</i>		
Bonds	61	573
Total financial investments at fair value through profit or loss	61	573

A6. Equity instruments at fair value through other comprehensive income

	The Group		The Bank	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
<u>At fair value</u>				
Unquoted securities :				
<i>Outside Malaysia</i>				
Shares	867	844	-	-
Total equity instruments at fair value through other comprehensive income	867	844	-	-

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group		The Bank	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
A7. Other assets				
Other debtors, net of expected credit losses, deposits and prepayments	29,575	38,118	28,763	37,306
	29,575	38,118	28,763	37,306

	The Group and the Bank	
	30 September 2020	31 December 2019
	RM'000	RM'000
A8. Deposits from customers		
<u>(i) By type of deposits</u>		
Short term money market deposits	30,028	10,020
<u>(ii) By type of customers</u>		
Local government and statutory bodies	30,028	10,020
	30,028	10,020

	The Group and the Bank	
	30 September 2020	31 December 2019
	RM'000	RM'000
A9. Deposits and placements of banks and other financial institutions		
Licensed banks	829	683
Other financial institutions	25,039	90,385
	25,868	91,068
<u>The maturity structure of deposits and placements of banks and other financial institutions is as follows:</u>		
Due within six months	25,868	91,068

	The Group		The Bank	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
A10. Other liabilities				
Accruals	50,483	85,641	50,456	85,641
Others	5,086	5,059	5,086	5,052
	55,569	90,700	55,542	90,693

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd quarter ended		Nine months ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000
A11. Interest income				
<u>The Group</u>				
Money at call and deposits placements with banks and other financial institutions	1,941	5,343	8,081	13,928
Reverse repurchase agreements	288	412	1,040	1,134
Others	-	-	76	30
	2,229	5,755	9,197	15,092
<u>The Bank</u>				
Money at call and deposits placements with banks and other financial institutions	1,937	5,336	8,066	13,908
Reverse repurchase agreements	288	412	1,040	1,134
Others	-	-	76	30
	2,225	5,748	9,182	15,072
A12. Interest income for financial assets at fair value through profit and loss				
<u>The Group and The Bank</u>				
Financial investments at fair value through profit or loss	2	21	12	101
Net accretion of discounts less amortisation of premium	-	1	-	7
	2	22	12	108
A13. Interest expense				
<u>The Group and The Bank</u>				
Deposits and placements of banks and other financial institutions	133	1,092	1,310	6,607
Deposits from customers	210	1,455	704	4,636
Lease liabilities	114	149	366	461
	457	2,696	2,380	11,704

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd quarter ended		Nine months ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
A14. Non interest income				
<u>The Group</u>				
a) Net fee income and commission income:				
Commissions	9,465	6,632	24,676	17,614
Service charges and fees	21,666	19,774	64,318	68,471
Advisory and arrangement fees	6,645	7,447	14,918	18,274
Underwriting fees	-	-	435	4,800
Placement, book running and related fees	1,070	12,478	15,532	22,269
Other fee income	1	161	4,896	2,713
	38,847	46,492	124,775	134,141
b) Net (loss)/gain arising from financial investments at fair value through profit or loss :				
- realised (loss)/gain	(6)	71	53	(2,806)
- unrealised loss	(35)	(41)	(11)	(659)
	(41)	30	42	(3,465)
c) Net loss arising from derivative financial instrument :				
- realised loss	-	(2)	(21)	(6,826)
d) Dividend income from:				
Financial investments at fair value through profit or loss	-	-	-	18
e) Other income:				
Foreign exchange gain	993	1,679	3,777	5,185
Gain on disposal of property, plant and equipment	-	48	54	717
Gain on disposal of equities business	-	-	-	432,421
Recoveries from Investment management and securities services	21,569	-	21,569	-
Other non-operating income	783	1,168	3,410	3,196
	23,345	2,895	28,810	441,519
f) Income from asset management and securities services	1,933	1,198	4,674	4,905
Total non interest income	64,084	50,613	158,280	570,292

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
A14. Non interest income (Continued)				
<u>The Bank</u>				
a) Net fee income and commission income:				
Commissions	9,465	6,632	24,676	17,614
Service charges and fees	21,666	19,774	64,318	68,471
Advisory and arrangement fees	6,645	7,447	14,918	18,274
Underwriting fees	-	-	435	4,800
Placement, book running and related fees	1,070	12,478	15,532	22,269
Other fee income	1	161	4,896	2,713
	38,847	46,492	124,775	134,141
b) Net (loss)/gain arising from financial investments at fair value through profit or loss :				
- realised (loss)/gain	(6)	71	53	(2,806)
- unrealised loss	(35)	(41)	(11)	(659)
	(41)	30	42	(3,465)
c) Net loss arising from derivative financial instrument :				
- realised loss	-	(2)	(21)	(6,826)
d) Dividend income from:				
Financial investments at fair value through profit or loss	-	-	-	18
e) Other income:				
Foreign exchange gain	993	1,679	3,777	5,185
Gain on disposal of property, plant and equipment	-	48	54	717
Gain on disposal of equities business	-	-	-	466,954
Recoveries from Investment management and securities services	21,569	-	21,569	-
Other non-operating income	784	1,168	3,410	3,196
	23,346	2,895	28,810	476,052
f) Income from asset management and securities services	1,933	1,198	4,674	4,905
Total non interest income	64,085	50,613	158,280	604,825

PART A - EXPLANATORY NOTES (CONTINUED)**A15. Overheads**

The Group	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	24,985	27,255	73,240	101,433
- Pension cost (defined contribution plan)	2,898	2,888	8,657	8,851
- Transformation initiative expenses	615	8,627	990	8,627
- Others	1,004	1,280	3,012	3,117
	29,502	40,050	85,899	122,028
Establishment costs				
- Depreciation of property, plant and equipment	1,541	1,991	4,678	4,903
- Depreciation of investment property	129	129	386	386
- Depreciation of right-of-use assets	730	779	2,200	2,310
- Equipment and other rental	476	760	2,388	2,699
- Others	1,208	2,849	4,087	4,916
	4,084	6,508	13,739	15,214
Marketing expenses				
- Advertisement and entertainment expenses	151	935	1,201	2,093
- Others	64	57	303	437
	215	992	1,504	2,530
Administration and general expenses				
- Legal and professional fees	439	974	1,947	2,160
- Communication	122	205	355	466
- Printing and stationery	47	172	277	304
- Administrative vehicle, travelling and insurance expenses	90	404	463	1,169
- Service expenses	6,775	7,164	22,306	7,164
- Others	953	1,789	4,160	3,511
	8,426	10,708	29,508	14,774
Total overhead expenses	42,227	58,258	130,650	154,546

PART A - EXPLANATORY NOTES (CONTINUED)

A15. Overheads (Continued)

	3rd quarter ended		Nine months ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<u>The Bank</u>				
Personnel costs				
- Salaries, allowances and bonuses	24,985	27,256	73,240	101,433
- Pension cost (defined contribution plan)	2,898	2,888	8,657	8,851
- Transformation initiative expenses	615	8,627	990	8,627
- Others	1,004	1,279	3,012	3,117
	29,502	40,050	85,899	122,028
Establishment costs				
- Depreciation of property, plant and equipment	1,541	1,991	4,678	4,903
- Depreciation of investment property	129	129	386	386
- Depreciation of right-of-use assets	730	779	2,200	2,310
- Equipment and other rental	476	760	2,388	2,699
- Others	1,208	2,849	4,087	4,916
	4,084	6,508	13,739	15,214
Marketing expenses				
- Advertisement and entertainment expenses	151	935	1,201	2,093
- Others	64	57	303	437
	215	992	1,504	2,530
Administration and general expenses				
- Legal and professional fees	438	974	1,942	2,158
- Communication	122	205	355	466
- Printing and stationery	47	172	277	304
- Administrative vehicle, travelling and insurance expenses	90	404	463	1,169
- Service expenses	6,768	7,137	22,283	7,137
- Others	952	1,808	4,160	3,511
	8,417	10,700	29,480	14,745
Total overhead expenses	42,218	58,250	130,622	154,517

A16. Expected credit losses made/(written back) on trade receivables

The Group and The Bank

Expected credit losses (written back)/made on:

- Trade receivables	(59)	64	454	12
	(59)	64	454	12

PART A - EXPLANATORY NOTES (CONTINUED)

A17. Derivative financial instruments and commitment and contingencies (Continued)

i) Commitment and contingencies

In the normal course of business, the Group and the Bank enter into various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

These commitments and contingencies are not secured over the assets of the Group and the Bank.

The notional or principal amount of the commitments and contingencies constitute the following :

	The Group and the Bank	
	30 September 2020	31 December 2019
	Principal amount RM'000	Principal amount RM'000
<u>Credit-related</u>		
Obligations under underwriting agreement	403,200	-
Total credit-related commitments and contingencies	403,200	-

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 5 February 2020. The revised guidelines took effect on 1 January 2018 and 1 January 2019 for all banking institutions and financial holding companies respectively. 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:

	The Group		The Bank	
	30 September 2020	31 December 2019	September 2020	31 December 2019
Before deducting proposed dividend				
Common Equity Tier 1 ratio	26.314%	69.095%	26.412%	70.335%
Tier 1 ratio	26.314%	69.095%	26.412%	70.335%
Total capital ratio	26.314%	69.095%	26.412%	70.335%
After deducting proposed dividend				
Common Equity Tier 1 ratio	26.314%	61.549%	26.412%	62.633%
Tier 1 ratio	26.314%	61.549%	26.412%	62.633%
Total capital ratio	26.314%	61.549%	26.412%	62.633%

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

	The Group		The Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	September 2020 RM'000	31 December 2019 RM'000
Credit risk	1,512,427	341,536	1,512,578	341,675
Market risk	149,202	4,925	149,202	4,925
Operational risk	511,113	554,745	497,401	536,302
Total risk-weighted assets	2,172,742	901,206	2,159,181	882,902

c) Components of Common Equity Tier I and Tier II capital are as follows :

	The Group		The Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	September 2020 RM'000	31 December 2019 RM'000
Common Equity Tier I capital				
Ordinary share capital	100,000	100,000	100,000	100,000
Other reserves	492,396	549,360	481,459	538,446
Less : Proposed dividends	-	(68,000)	-	(68,000)
Common Equity Tier I capital before regulatory adjustments	592,396	581,360	581,459	570,446
<u>Less: Regulatory adjustments</u>				
Deferred tax assets	(11,126)	(16,895)	(11,126)	(16,895)
Deduction in excess of Tier II Capital	(58)	(450)	(58)	(450) N1
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(9,483)	(9,212)	-	-
Regulatory reserve	-	(116)	-	(116)
Common equity tier I capital after regulatory adjustments / Total Tier I Capital	571,729	554,687	570,275	552,985
Tier II capital				
Redeemable Preference Shares	2	3	2	3
General provisions	-	116	-	116
Tier II capital before regulatory adjustments	2	119	2	119
<u>Less: Regulatory adjustments</u>				
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(60)	(569)	(60)	(569)
Total Tier II capital	-	-	-	- N1
Total capital	571,729	554,687	570,275	552,985

N1 The excess of deductions over available Tier II capital was deducted under Common Equity Tier I capital.

PART A - EXPLANATORY NOTES (CONTINUED)

A19. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Group Executive Committee as its chief operating decision-maker.

The business segment results are prepared based on the Group's internal management reporting, which reflect the organisation's management reporting structure.

Definition of segments

The Group is organized into five major business segments which form the basis on which the Group reports its segment information:

i. Investment Banking

Investment Banking includes end-to-end client coverage and advisory services. Client coverage focuses on marketing and delivering solutions to corporate and financial institutional clients whereas advisory offers financial advisory services to corporations on issuance of equity and equity-linked products, debt restructuring, initial public offerings, secondary offerings and general corporate advisory.

ii. Treasury & Markets

Treasury focuses on treasury activities and services which include foreign exchange, money market and derivatives.

iii. Asset Management & Securities Services

Asset Management & Securities Services offer a full suite of wealth management solutions and trust services.

iv. Equities

Equity provide broking services to corporate, institutional and retail clients. This segment has been classified as discontinuing operation in 2018. In 2019, the Bank has completed the sale of cash equities business.

v. Support & Others

Support and others comprise middle and back office processes and other non-core services.

PART A - EXPLANATORY NOTES (CONTINUED)

A19. Segment reporting (Continued)

The following table presents an analysis of the Group's results and statements of financial position by business segments:

	← Continuing operations →				← Discontinued operation →		Total RM'000
	Investment Banking RM'000	Treasury & Markets RM'000	Asset Management & Securities Services RM'000	Support and others RM'000	Total continuing operations RM'000	Equities RM'000	
The Group							
30 September 2020							
Net interest income	-	6,829	-	-	6,829	-	6,829
Non interest income	49,380	10,091	95,423	3,386	158,280	-	158,280
Income from Islamic Banking operations	213	6,815	3,230	39	10,297	-	10,297
	49,593	23,735	98,653	3,425	175,406	-	175,406
Overheads	(45,503)	(20,236)	(63,883)	(1,028)	(130,650)	-	(130,650)
<i>of which :</i>							
<i>Depreciation of property, plant and equipment</i>	(1,204)	(2)	(3,381)	(91)	(4,678)	-	(4,678)
<i>Depreciation of Investment Property</i>	-	-	(386)	-	(386)	-	(386)
Profit before expected credit losses	4,090	3,499	34,770	2,397	44,756	-	44,756
Expected credit losses (made)/ written back on trade receivables	(488)	(148)	(2)	184	(454)	-	(454)
Segment results	3,602	3,351	34,768	2,581	44,302	-	44,302
Share of results of associates					247	-	247
Profit before taxation					44,549	-	44,549
Taxation					(12,095)	-	(12,095)
Net profit for the financial period					32,454	-	32,454
30 September 2020							
Segment assets	12,426	578,760	50,848	26,171	668,205	-	668,205
Unallocated assets							77,183
Total assets							745,388
Segment liabilities	17,141	59,505	26,493	20,052	123,191	-	123,191
Unallocated liabilities							8,841
Total liabilities							132,032
Other segment items							
Capital expenditure:	347	-	4,759	4	5,110	-	5,110

PART A - EXPLANATORY NOTES (CONTINUED)

A19. Segment reporting (Continued)

The following table presents an analysis of the Group's results and statements of financial position by business segments: (continued)

	← Continuing operations →				← Discontinued operation →		
	Investment Banking RM'000	Treasury & Markets RM'000	Asset Management & Securities Services RM'000	Support and others RM'000	Total continuing operations RM'000	Equities RM'000	Total RM'000
The Group							
30 September 2019							
External net interest income	-	3,496	-	-	3,496	5,978	9,474
Non interest income	46,621	21,321	498,569	3,781	570,292	51,658	621,950
Income from Islamic Banking operations	4,916	11,417	3,665	-	19,998	795	20,793
	51,537	36,234	502,234	3,781	593,786	58,431	652,217
Overheads	(60,665)	(16,529)	(76,650)	(702)	(154,546)	(63,772)	(218,318)
<i>of which :</i>							
<i>Depreciation of property, plant and equipment</i>	(437)	(435)	(4,010)	(21)	(4,903)	(741)	(5,644)
<i>Depreciation of Investment Property</i>	-	-	(386)	-	(386)	-	(386)
(Loss)/profit before expected credit losses	(9,128)	19,705	425,584	3,079	439,240	(5,341)	433,899
Expected credit losses written back/(made) on trade receivables	214	(29)	(197)	-	(12)	220	208
Segment results	(8,914)	19,676	425,387	3,079	439,228	(5,121)	434,107
Share of results of associates					117	-	117
Profit/(loss) before taxation					439,345	(5,121)	434,224
Taxation					(4,343)	(290)	(4,633)
Net profit/(loss) for the financial period					435,002	(5,411)	429,591
31 December 2019							
Segment assets	16,528	688,286	47,240	38,699	790,753	-	790,753
Unallocated assets							86,835
Total assets							<u>877,588</u>
Segment liabilities	22,801	110,542	58,143	14,271	205,757	-	205,757
Unallocated liabilities							22,461
Total liabilities							<u>228,218</u>
Other segment items							
Capital expenditure:	-	-	1,667	92	1,759	2,165	3,924

PART A - EXPLANATORY NOTES (CONTINUED)

A20. 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;
- Mark-to-Model process shall be carried out by Market Risk Management within Group Risk. Group Risk Management Quantitative Analysts are responsible for independent evaluation and validation of the Group's financial models used for valuation;
- 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;
- 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)

A20. 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 September 2020 and 31 December 2019.

	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<u>The Group</u>					
30 September 2020					
<i>Recurring fair value measurement</i>					
<u>Financial assets</u>					
Financial assets at fair value through profit or loss					
- Unquoted securities	61	-	61	-	61
Equity instruments at fair value through other comprehensive income					
- Unquoted securities	867	-	-	867	867
Total	928	-	61	867	928

	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<u>The Bank</u>					
30 September 2020					
<i>Recurring fair value measurement</i>					
<u>Financial assets</u>					
Financial assets at fair value through profit or loss					
- Unquoted securities	61	-	61	-	61
Total	61	-	61	-	61

PART A - EXPLANATORY NOTES (CONTINUED)

A20. 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 September 2020 and 31 December 2019. (Continued)

	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<u>The Group</u>					
31 December 2019					
<i>Recurring fair value measurement</i>					
<u>Financial assets</u>					
Financial investments at fair value through profit or loss					
- Unquoted securities	573	-	573	-	573
Equity instruments at fair value through other comprehensive income					
- Unquoted securities	844	-	-	844	844
Total	1,417	-	573	844	1,417

	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<u>The Bank</u>					
31 December 2019					
<i>Recurring fair value measurement</i>					
<u>Financial assets</u>					
Financial investments at fair value through profit or loss					
- Unquoted securities	573	-	573	-	573
Total	573	-	573	-	573

PART A - EXPLANATORY NOTES (CONTINUED)

A20. FAIR VALUE ESTIMATION (CONTINUED)

The following represents the movement in Level 3 instruments for the financial period/year ended 30 September 2020 and 31 December 2019 for The Group and The Bank.

	Financial Investments -	
	Equity instruments at fair value through other comprehensive income	Total
	RM'000	RM'000
The Group		
<u>30 September 2020</u>		
At 1 January 2020	844	844
Total gain recognised in other comprehensive income	23	23
At 30 September 2020	<u>867</u>	<u>867</u>

	Financial Investments -	
	Equity instruments at fair value through other comprehensive income	Total
	RM'000	RM'000
The Group		
<u>31 December 2019</u>		
At 1 January 2019	1,117	1,117
Total loss recognised in other comprehensive income	(273)	(273)
At 31 December 2019	<u>844</u>	<u>844</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A21. The operations of Islamic Banking

A21a. Unaudited Statements of Financial Position as at 30 September 2020

	The Group and The Bank	
	30 September	31 December
	2020	2019
	RM'000	RM'000
Assets		
Cash and short-term funds	75,781	117,060
Other assets	1,107	2,065
Tax recoverable	-	8,547
Deferred taxation	145	185
Property, plant and equipment	2	3
Amount due from related companies	676	255
Total assets	77,711	128,115
Liabilities and Islamic Banking capital funds		
Other liabilities	9,455	3,966
Total liabilities	9,455	3,966
Islamic Banking capital funds	55,696	55,696
Reserves	12,560	68,453
Total Islamic Banking capital funds	68,256	124,149
Total liabilities and Islamic Banking capital funds	77,711	128,115

PART A - EXPLANATORY NOTES (CONTINUED)

A21. The operations of Islamic Banking (Continued)

A21b. Unaudited Statements of Income for the financial period ended 30 September 2020

	The Group and The Bank			
	3rd quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of shareholders' funds	3,545	3,349	10,297	19,998
Expected credit losses (made)/written back on trade receivables	(66)	9	248	(148)
Total attributable income/ total net income	3,479	3,358	10,545	19,850
Personnel expenses	(178)	(174)	(520)	(517)
Other overheads and expenditures	(1,078)	(4,536)	(4,532)	(9,502)
Profit/(loss) before taxation from continuing operation	2,223	(1,352)	5,493	9,831
Taxation	(546)	64	(1,387)	(2,228)
Profit/(loss) from continuing operations	1,677	(1,288)	4,106	7,603
Loss from discontinued operation	-	(842)	-	(1,260)
Profit/(loss) after taxation/total comprehensive income for the period	1,677	(2,130)	4,106	6,343
<u>Income from Islamic operations (per page 3 and page 5)</u>				
Total net income	3,479	3,358	10,545	19,850
Less : Expected credit losses made/(written back) on trade receivables	66	(9)	(248)	148
	3,545	3,349	10,297	19,998

PART A - EXPLANATORY NOTES (CONTINUED)**A21c. Capital Adequacy**

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

	The Group and The Bank	
	30 September 2020	31 December 2019
Before deducting proposed dividend		
Common Equity Tier 1 Ratio	98.441%	150.216%
Tier 1 ratio	98.441%	150.216%
Total capital ratio	98.441%	150.216%
After deducting proposed dividend		
Common Equity Tier 1 Ratio	98.441%	77.510%
Tier 1 ratio	98.441%	77.510%
Total capital ratio	98.441%	77.510%

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

	The Group and The Bank	
	30 September 2020	31 December 2019
	RM'000	RM'000
Credit risk	756	2,521
Operational risk	68,433	80,003
Total risk-weighted assets	69,189	82,524

c) Components of Common Equity Tier I and Tier II capital are as follows :

	The Group and The Bank	
	30 September 2020	31 December 2019
	RM'000	RM'000
Common Equity Tier I capital		
Islamic Banking capital funds	55,696	55,696
Other reserves	12,559	68,453
Less : Proposed dividends	-	(60,000)
Common Equity Tier I capital / Total Tier I Capital	68,255	64,149
<u>Less: Regulatory adjustments</u>		
Deferred Tax Assets	(145)	(185)
Common Equity Tier I capital after regulatory adjustments / Total Tier I capital	68,110	63,964
Total capital base	68,110	63,964

PART B - EXPLANATORY NOTES

B1. Group Performance Review

The Group reported a profit after taxation of RM32.5 million for the financial period ended 30 September 2020 compared to RM429.6million for the same period in the preceding year. The lower current year profit was due to gain on disposal of equities business of RM432.4 million in 2019 offset by lower overhead by RM23.9 million in 2020.

B2. Prospects for the Current Financial Year

The Bank remains cautious on the prospects for the rest of 2020 given the challenging outlook as operations will likely continue to be adversely impacted by the Covid-19 economic disruption. The capital market is showing encouraging levels of activity within the Investment Banking space with good momentum in Debt Capital Market (DCM) transactions. Equity Capital Markets (ECM) remains active in the secondary market with a large Malaysian IPO in the fourth quarter of the year. Mergers & Acquisition (M&A) deals will remain opportunistic

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.

	The Group			
	3rd quarter ended		Nine months ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Net profit from continuing operations (RM '000)	20,863	42	32,454	435,002
Net profit from discontinued operation (RM '000)	-	-	-	(5,411)
	20,863	42	32,454	429,591
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Basic earnings per share for profit from continuing operations (expressed in sen per share)	20.86	0.04	32.45	435.00
Basic earnings per share for profit from discontinued operation (expressed in sen per share)	-	-	-	(5.41)
Total basic earnings per share for profit attributable to equity shareholders (expressed in sen per share)	20.86	0.04	32.45	429.59

PART B - EXPLANATORY NOTES (CONTINUED)

B3. COMPUTATION OF EARNINGS PER SHARE (EPS) (Continued)

a) Basic EPS (Continued)

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. (Continued)

	The Bank			
	3rd quarter ended		Nine months ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Net profit from continuing operations (RM '000)	20,719	(4)	32,224	469,525
Net profit from discontinued operation (RM '000)	-	-	-	(6,323)
	<u>20,719</u>	<u>(4)</u>	<u>32,224</u>	<u>463,202</u>
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Basic earnings per share for profit from continuing operations (expressed in sen per share)	20.72	(0.00)	32.22	469.52
Basic earnings per share for profit from discontinued operation (expressed in sen per share)	-	-	-	(6.32)
Total basic earnings per share for profit attributable to equity shareholders (expressed in sen per share)	<u>20.72</u>	<u>(0.00)</u>	<u>32.22</u>	<u>463.20</u>

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 September 2020 and 30 September 2019 respectively.