

**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021**

|  | Note    | The Group                  |                               | The Bank                   |                               |
|--|---------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|  |         | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| <b>ASSETS</b>  |         |                            |                               |                            |                               |
| Cash and short term funds  | A6      | 14,394,040                 | 12,577,466                    | 14,393,994                 | 12,577,420                    |
| Deposits and placements with banks and other financial institutions            | A6      | 33,219                     | 50,046                        | 33,219                     | 50,046                        |
| Financial investments at fair value through profit or loss                     | A7      | 7,102,646                  | 5,034,429                     | 7,102,646                  | 5,034,429                     |
| Debt instruments at fair value through other comprehensive income              | A8      | 3,588,547                  | 3,670,899                     | 3,588,547                  | 3,670,899                     |
| Debt instruments at amortised cost   | A9      | 8,921,732                  | 8,501,654                     | 8,921,732                  | 8,501,654                     |
| Islamic derivative financial instruments                                       | A27(i)  | 413,288                    | 522,847                       | 413,288                    | 522,847                       |
| Financing, advances and other financing/loans                                  | A10     | 85,829,780                 | 84,916,816                    | 85,829,780                 | 84,916,816                    |
| Other assets   | A11     | 497,108                    | 412,506                       | 678,708                    | 573,186                       |
| Tax recoverable  |         | 11,746                     | 3,007                         | 11,746                     | 3,007                         |
| Deferred taxation  |         | 142,676                    | 85,777                        | 142,676                    | 85,777                        |
| Amount due from holding company and ultimate holding company                   |         | 564,478                    | 311,109                       | 564,478                    | 311,109                       |
| Amount due from related companies  |         | 129                        | 167                           | 129                        | 167                           |
| Investment in subsidiaries   |         | -                          | -                             | 11                         | 11                            |
| Property, plant and equipment  |         | 1,229                      | 1,348                         | 1,229                      | 1,348                         |
| Right-of-use assets  |         | 2,081                      | 2,220                         | 2,081                      | 2,220                         |
| Intangible assets  |         | 54,112                     | 56,112                        | 54,112                     | 56,112                        |
| Goodwill   |         | 136,000                    | 136,000                       | 136,000                    | 136,000                       |
| <b>TOTAL ASSETS</b>  |         | <b>121,692,811</b>         | <b>116,282,403</b>            | <b>121,874,376</b>         | <b>116,443,048</b>            |
| <b>LIABILITIES AND EQUITY</b>  |         |                            |                               |                            |                               |
| Deposits from customers  | A12     | 100,981,590                | 96,302,909                    | 101,330,722                | 96,649,535                    |
| Investment accounts of customers   | A13     | 3,033,161                  | 2,678,870                     | 3,033,161                  | 2,678,870                     |
| Deposits and placements of banks and other financial institutions              | A14     | 3,112,956                  | 2,799,014                     | 3,112,956                  | 2,799,014                     |
| Collateralised Commodity Murabahah   |         | 495,349                    | 299,236                       | 495,349                    | 299,236                       |
| Investment accounts due to designated financial institutions                   | A15     | 4,512,450                  | 4,751,241                     | 4,512,450                  | 4,751,241                     |
| Financial liabilities designated at fair value through profit or loss          | A16     | 150,432                    | 71,610                        | 150,432                    | 71,610                        |
| Islamic derivative financial instruments                                       | A27(i)  | 376,780                    | 557,847                       | 376,780                    | 557,847                       |
| Amount due to related companies  |         | 218                        | 8,643                         | 218                        | 8,643                         |
| Other liabilities  | A17     | 581,207                    | 470,405                       | 579,909                    | 469,317                       |
| Lease liabilities  |         | 2,239                      | 2,365                         | 2,239                      | 2,365                         |
| Provision for taxation   |         | -                          | 3,000                         | -                          | 3,000                         |
| Sukuk  |         | 168,140                    | 186,155                       | -                          | -                             |
| Subordinated Sukuk   | A18     | 1,114,219                  | 1,118,336                     | 1,114,219                  | 1,118,336                     |
| <b>TOTAL LIABILITIES</b>   |         | <b>114,528,741</b>         | <b>109,249,631</b>            | <b>114,708,435</b>         | <b>109,409,014</b>            |
| <b>EQUITY</b>  |         |                            |                               |                            |                               |
| <b>Capital and reserves attributable to equity holder of the Bank</b>          |         |                            |                               |                            |                               |
| Ordinary share capital   |         | 1,000,000                  | 1,000,000                     | 1,000,000                  | 1,000,000                     |
| Reserves   |         | 5,744,070                  | 5,612,772                     | 5,745,941                  | 5,614,034                     |
|  |         | 6,744,070                  | 6,612,772                     | 6,745,941                  | 6,614,034                     |
| Perpetual preference shares  |         | 420,000                    | 420,000                       | 420,000                    | 420,000                       |
| <b>TOTAL EQUITY</b>  |         | <b>7,164,070</b>           | <b>7,032,772</b>              | <b>7,165,941</b>           | <b>7,034,034</b>              |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |         | <b>121,692,811</b>         | <b>116,282,403</b>            | <b>121,874,376</b>         | <b>116,443,048</b>            |
| <b>RESTRICTED AGENCY INVESTMENT ACCOUNT (*)</b>                                | A29     | <b>8,779,643</b>           | <b>8,730,980</b>              | <b>8,779,643</b>           | <b>8,730,980</b>              |
| <b>TOTAL ISLAMIC BANKING ASSET</b>   |         | <b>130,472,454</b>         | <b>125,013,383</b>            | <b>130,654,019</b>         | <b>125,174,028</b>            |
| <b>COMMITMENTS AND CONTINGENCIES</b>   | A27(ii) | <b>46,814,171</b>          | <b>51,459,641</b>             | <b>46,814,171</b>          | <b>51,459,641</b>             |
| <b>Net assets per ordinary share attributable to owners of the Parent (RM)</b> |         | <b>6.74</b>                | <b>6.61</b>                   | <b>6.75</b>                | <b>6.61</b>                   |

\* The disclosure is in accordance with the requirements of Bank Negara Malaysia guideline on Financial Reporting for Islamic Banking Institutions.  
The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF INCOME**  
**FOR THE FINANCIAL PERIOD 31 MARCH 2021**

|   | Note   | The Group                  |                            |                            |                            |
|---|--------|----------------------------|----------------------------|----------------------------|----------------------------|
|   |        | 1st Quarter Ended          |                            | Three Months Ended         |                            |
|   |        | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| Income derived from investment of depositors' funds and others          | A19    | 901,491                    | 1,039,960                  | 901,491                    | 1,039,960                  |
| Income derived from investment of investment account                    | A20    | 67,031                     | 110,099                    | 67,031                     | 110,099                    |
| Income derived from investment of shareholder's funds                   | A21    | 172,453                    | 114,947                    | 172,453                    | 114,947                    |
| Expected credit losses on financing, advances and other financing/loans | A22(a) | (74,745)                   | (60,793)                   | (74,745)                   | (60,793)                   |
| Expected credit losses made for commitments and contingencies           |        | (3,492)                    | (4,839)                    | (3,492)                    | (4,839)                    |
| Other expected credit losses  | A22(b) | (244)                      | (2,454)                    | (244)                      | (2,454)                    |
| <b>Total distributable income</b>                                       |        | <b>1,062,494</b>           | <b>1,196,920</b>           | <b>1,062,494</b>           | <b>1,196,920</b>           |
| Income attributable to depositors and others                            | A23    | (439,685)                  | (625,523)                  | (439,685)                  | (625,523)                  |
| Profit distributed to investment account holder                         | A24    | (35,038)                   | (78,583)                   | (35,038)                   | (78,583)                   |
| <b>Total net income</b>   |        | <b>587,771</b>             | <b>492,814</b>             | <b>587,771</b>             | <b>492,814</b>             |
| Personnel expenses  | A25    | (6,347)                    | (6,358)                    | (6,347)                    | (6,358)                    |
| Other overheads and expenditures  | A26    | (262,330)                  | (230,909)                  | (262,330)                  | (230,909)                  |
| <b>Profit before taxation and zakat</b>                                 |        | <b>319,094</b>             | <b>255,547</b>             | <b>319,094</b>             | <b>255,547</b>             |
| Taxation  |        | (76,966)                   | (60,497)                   | (76,966)                   | (60,497)                   |
| <b>Profit for the financial period</b>                                  |        | <b>242,128</b>             | <b>195,050</b>             | <b>242,128</b>             | <b>195,050</b>             |

**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD 31 MARCH 2021**

|  | The Group         |              |                    |              |
|--|-------------------|--------------|--------------------|--------------|
|  | 1st Quarter Ended |              | Three Months Ended |              |
|  | 31 March          | 31 March     | 31 March           | 31 March     |
|  | 2021              | 2020         | 2021               | 2020         |
|  | RM'000            | RM'000       | RM'000             | RM'000       |
| <b>Profit for the financial period</b>                               | <b>242,128</b>    | 195,050      | <b>242,128</b>     | 195,050      |
| <b>Other comprehensive income/(expense):</b>                         |                   |              |                    |              |
| <b>Items that may be reclassified subsequently to profit or loss</b> |                   |              |                    |              |
| Debt instruments at fair value through other comprehensive income    | <b>(110,267)</b>  | (23,744)     | <b>(110,267)</b>   | (23,744)     |
| - Net gain/(loss) from change in fair value                          | <b>(99,527)</b>   | 1,594        | <b>(99,527)</b>    | 1,594        |
| - Realised gain transferred to statement of income on disposal       | <b>(27,396)</b>   | (35,938)     | <b>(27,396)</b>    | (35,938)     |
| - Changes in expected credit losses                                  | <b>306</b>        | 2,358        | <b>306</b>         | 2,358        |
| - Income tax effects   | <b>16,350</b>     | 8,242        | <b>16,350</b>      | 8,242        |
| Other comprehensive income for the period, net of tax                | <b>(110,267)</b>  | (23,744)     | <b>(110,267)</b>   | (23,744)     |
| <b>Total comprehensive income for the financial period</b>           | <b>131,861</b>    | 171,306      | <b>131,861</b>     | 171,306      |
| Earnings per share (sen)   | B3                | <b>24.21</b> | 19.50              | <b>24.21</b> |

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

**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF INCOME**  
**FOR THE FINANCIAL PERIOD 31 MARCH 2021**

**The Bank**

|   | Note   | 1st Quarter Ended          |                            | Three Months Ended         |                            |
|---|--------|----------------------------|----------------------------|----------------------------|----------------------------|
|   |        | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| Income derived from investment of depositors' funds and others          | A19    | 901,491                    | 1,039,960                  | 901,491                    | 1,039,960                  |
| Income derived from investment of investment account                    | A20    | 67,031                     | 110,099                    | 67,031                     | 110,099                    |
| Income derived from investment of shareholder's funds                   | A21    | 172,711                    | 115,311                    | 172,711                    | 115,311                    |
| Expected credit losses on financing, advances and other financing/loans | A22(a) | (74,745)                   | (60,793)                   | (74,745)                   | (60,793)                   |
| Expected credit losses made for commitments and contingencies           |        | (3,492)                    | (4,839)                    | (3,492)                    | (4,839)                    |
| Other expected credit losses  | A22(b) | (244)                      | (2,454)                    | (244)                      | (2,454)                    |
| <b>Total distributable income</b>                                       |        | <b>1,062,752</b>           | <b>1,197,284</b>           | <b>1,062,752</b>           | <b>1,197,284</b>           |
| Income attributable to depositors and others                            | A23    | (439,360)                  | (625,106)                  | (439,360)                  | (625,106)                  |
| Profit distributed to investment account holder                         | A24    | (35,038)                   | (78,583)                   | (35,038)                   | (78,583)                   |
| <b>Total net income</b>   |        | <b>588,354</b>             | <b>493,595</b>             | <b>588,354</b>             | <b>493,595</b>             |
| Personnel costs   | A25    | (6,347)                    | (6,358)                    | (6,347)                    | (6,358)                    |
| Other overheads and expenditures  | A26    | (262,304)                  | (230,877)                  | (262,304)                  | (230,877)                  |
| <b>Profit before taxation and zakat</b>                                 |        | <b>319,703</b>             | <b>256,360</b>             | <b>319,703</b>             | <b>256,360</b>             |
| Taxation  |        | (76,966)                   | (60,497)                   | (76,966)                   | (60,497)                   |
| <b>Profit for the financial period</b>                                  |        | <b>242,737</b>             | <b>195,863</b>             | <b>242,737</b>             | <b>195,863</b>             |

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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD 31 MARCH 2021**

**The Bank**

|  | <b>1st Quarter Ended</b>            |                                     | <b>Three Months Ended</b>           |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> |
| <b>Profit for the financial period</b>                               | <b>242,737</b>                      | 195,863                             | <b>242,737</b>                      | 195,863                             |
| <b>Other comprehensive income/(expense):</b>                         |                                     |                                     |                                     |                                     |
| <b>Items that may be reclassified subsequently to profit or loss</b> |                                     |                                     |                                     |                                     |
| Debt instruments at fair value through other comprehensive income    | <b>(110,267)</b>                    | (23,744)                            | <b>(110,267)</b>                    | (23,744)                            |
| - Net gain/(loss) from change in fair value                          | <b>(99,527)</b>                     | 1,594                               | <b>(99,527)</b>                     | 1,594                               |
| - Realised gain transferred to statement of income on disposal       | <b>(27,396)</b>                     | (35,938)                            | <b>(27,396)</b>                     | (35,938)                            |
| - Changes in expected credit losses                                  | <b>306</b>                          | 2,358                               | <b>306</b>                          | 2,358                               |
| - Income tax effects   | <b>16,350</b>                       | 8,242                               | <b>16,350</b>                       | 8,242                               |
| Other comprehensive income for the period, net of tax                | <b>(110,267)</b>                    | (23,744)                            | <b>(110,267)</b>                    | (23,744)                            |
| <b>Total comprehensive income for the financial period</b>           | <b>132,470</b>                      | 172,119                             | <b>132,470</b>                      | 172,119                             |
| Earnings per share basis (sen)                                       | <b>24.27</b>                        | 19.59                               | <b>24.27</b>                        | 19.59                               |

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

**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

| The Group  | ← Attributable to owners of the Parent → |  |                             |                              |                                 |   |                                |                  |   |                           |
|--|--|--|-----------------------------|------------------------------|---------------------------------|---|--------------------------------|------------------|---|---------------------------|
|  | Ordinary<br>share<br>capital<br>RM'000   | Fair value reserve-<br>debt instruments<br>at fair value<br>through other<br>comprehensive<br>income<br>RM'000 | Merger<br>reserve<br>RM'000 | Capital<br>reserve<br>RM'000 | Regulatory<br>reserve<br>RM'000 | Share-based<br>payment<br>reserve<br>RM'000 | Retained<br>earnings<br>RM'000 | Total<br>RM'000  | Perpetual<br>preference<br>shares<br>RM'000 | Total<br>Equity<br>RM'000 |
| <b>31 March 2021</b>   |  |  |                             |                              |                                 |   |                                |                  |   |                           |
| <b>At 1 January 2021</b>   | 1,000,000                                | 31,312   | (2,457)                     | 458                          | 213,032                         | 1,225                                       | 5,369,202                      | 6,612,772        | 420,000                                     | 7,032,772                 |
| Profit for the financial period  | -  | -  | -                           | -                            | -                               | -   | 242,128                        | 242,128          | -   | 242,128                   |
| Other comprehensive expense (net of tax)                               | -  | (110,267)  | -                           | -                            | -                               | -   | -                              | (110,267)        | -   | (110,267)                 |
| - debt instruments at fair value through other<br>comprehensive income | -  | (110,267)  | -                           | -                            | -                               | -   | -                              | (110,267)        | -   | (110,267)                 |
| Total comprehensive income<br>for the financial period                 | -  | (110,267)  | -                           | -                            | -                               | -   | 242,128                        | 131,861          | -   | 131,861                   |
| Share-based payment expense  | -  | -  | -                           | -                            | -                               | 293   | -                              | 293              | -   | 293                       |
| Shares released under Equity Ownership Plan                            | -  | -  | -                           | -                            | -                               | (856)                                       | -                              | (856)            | -   | (856)                     |
| Total transactions with owners recognised<br>directly in equity        | -  | -  | -                           | -                            | -                               | (563)                                       | -                              | (563)            | -   | (563)                     |
| Transfer to regulatory reserve   | -  | -  | -                           | -                            | (103,391)                       | -   | 103,391                        | -                | -   | -                         |
| <b>At 31 March 2021</b>  | <b>1,000,000</b>                         | <b>(78,955)</b>  | <b>(2,457)</b>              | <b>458</b>                   | <b>109,641</b>                  | <b>662</b>                                  | <b>5,714,721</b>               | <b>6,744,070</b> | <b>420,000</b>                              | <b>7,164,070</b>          |

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**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

← Attributable to owners of the Parent →

| The Group  | Ordinary<br>share<br>capital<br>RM'000 | Fair value reserve-<br>debt instruments<br>at fair value<br>through other<br>comprehensive<br>income<br>RM'000 | Merger<br>reserve<br>RM'000 | Capital<br>reserve<br>RM'000 | Regulatory<br>reserve *<br>RM'000 | Own credit<br>risk<br>reserve<br>RM'000 | Share-based<br>payment<br>reserve<br>RM'001 | Retained<br>earnings<br>RM'000 | Total<br>RM'000  | Perpetual<br>preference<br>shares<br>RM'000 | Total<br>Equity<br>RM'000 |
|--|--|--|-----------------------------|------------------------------|-----------------------------------|---|---|--------------------------------|------------------|---|---------------------------|
| <b>31 March 2020</b>   |  |  |                             |                              |                                   |   |   |                                |                  |   |                           |
| <b>At 1 January 2020</b>   | 1,000,000                              | 22,839   | (2,457)                     | 458                          | 513,533                           | (31)                                    | 1,231                                       | 4,575,241                      | 6,110,814        | 220,000                                     | 6,330,814                 |
| Profit for the financial period  | -                                      | -  | -                           | -                            | -                                 | -                                       | -   | 195,050                        | 195,050          | -   | 195,050                   |
| Other comprehensive income (net of tax)  | -                                      | (23,744)   | -                           | -                            | -                                 | 31                                      | -   | -                              | (23,713)         | -   | (23,713)                  |
| - debt instruments at fair value through other comprehensive income                                    | -                                      | (23,744)   | -                           | -                            | -                                 | -                                       | -   | -                              | (23,744)         | -   | (23,744)                  |
| - fair value changes on financial liabilities designated at fair value attributable to own credit risk | -                                      | -  | -                           | -                            | -                                 | 31                                      | -   | -                              | 31               | -   | 31                        |
| Total comprehensive income for the financial period  | -                                      | (23,744)   | -                           | -                            | -                                 | 31                                      | -   | 195,050                        | 171,337          | -   | 171,337                   |
| Share-based payment expense  | -                                      | -  | -                           | -                            | -                                 | -                                       | 352   | -                              | 352              | -   | 352                       |
| Issuance new shares  | -                                      | -  | -                           | -                            | -                                 | -                                       | -   | -                              | -                | 200,000                                     | 200,000                   |
| Shares released under Equity Ownership Plan  | -                                      | -  | -                           | -                            | -                                 | -                                       | (905)                                       | -                              | (905)            | -   | (905)                     |
| Total transactions with owners recognised directly in equity   | -                                      | -  | -                           | -                            | -                                 | -                                       | (553)                                       | -                              | (553)            | 200,000                                     | 199,447                   |
| Transfer to regulatory reserve   | -                                      | -  | -                           | -                            | (513,533)                         | -                                       | -   | 513,533                        | -                | -   | -                         |
| <b>At 31 March 2020</b>  | <b>1,000,000</b>                       | <b>(905)</b>   | <b>(2,457)</b>              | <b>458</b>                   | <b>-</b>                          | <b>-</b>                                | <b>678</b>                                  | <b>5,283,824</b>               | <b>6,281,598</b> | <b>420,000</b>                              | <b>6,701,598</b>          |

\* The regulatory reserve held against expected losses is reduced to 0%, a Covid-19 related measure to drawdown prudential buffers as permitted by BNM.  
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**CIMB ISLAMIC BANK BERHAD**  
 Company No: 200401032872 (671380-H)  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

|   | ← Non-distributable                              |  |                                      |                                       |  | Distributable →                                       |   |                         |   |                                    |
|---|--|--|--------------------------------------|---------------------------------------|--|---|---|-------------------------|---|------------------------------------|
| <b>The Bank</b>   | <b>Ordinary<br/>share<br/>capital<br/>RM'000</b> | <b>Fair value reserve-debt<br/>instruments<br/>at fair value<br/>through other<br/>comprehensive<br/>income<br/>RM'000</b> | <b>Merger<br/>reserve<br/>RM'000</b> | <b>Capital<br/>reserve<br/>RM'000</b> | <b>Regulatory<br/>reserve<br/>RM'000</b> | <b>Share-based<br/>payment<br/>reserve<br/>RM'000</b> | <b>Retained<br/>earnings<br/>RM'000</b> | <b>Total<br/>RM'000</b> | <b>Perpetual<br/>preference<br/>shares<br/>RM'000</b> | <b>Total<br/>Equity<br/>RM'000</b> |
| <b>31 March 2021</b>  |  |  |                                      |                                       |  |   |   |                         |   |                                    |
| <b>At 1 January 2021</b>  | 1,000,000  | 31,312   | (2,457)                              | 458                                   | 213,032                                  | 1,225   | 5,370,464                               | 6,614,034               | 420,000   | 7,034,034                          |
| Profit for the financial period                                     | -  | -  | -                                    | -                                     | -  | -   | 242,737                                 | 242,737                 | -   | 242,737                            |
| Other comprehensive expense (net of tax)                            | -  | (110,267)  | -                                    | -                                     | -  | -   | -                                       | (110,267)               | -   | (110,267)                          |
| - debt instruments at fair value through other comprehensive income | -  | (110,267)  | -                                    | -                                     | -  | -   | -                                       | (110,267)               | -   | (110,267)                          |
| Total comprehensive income for the financial period                 | -  | (110,267)  | -                                    | -                                     | -  | -   | 242,737                                 | 132,470                 | -   | 132,470                            |
| Share-based payment expense   | -  | -  | -                                    | -                                     | -  | 293   | -                                       | 293                     | -   | 293                                |
| Shares released under Equity Ownership Plan                         | -  | -  | -                                    | -                                     | -  | (856)   | -                                       | (856)                   | -   | (856)                              |
| Total transactions with owners recognised directly in equity        | -  | -  | -                                    | -                                     | -  | (563)   | -                                       | (563)                   | -   | (563)                              |
| Transfer to regulatory reserve                                      | -  | -  | -                                    | -                                     | (103,391)                                | -   | 103,391                                 | -                       | -   | -                                  |
| <b>At 31 March 2021</b>   | <b>1,000,000</b>                                 | <b>(78,955)</b>  | <b>(2,457)</b>                       | <b>458</b>                            | <b>109,641</b>                           | <b>662</b>  | <b>5,716,592</b>                        | <b>6,745,941</b>        | <b>420,000</b>  | <b>7,165,941</b>                   |

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



CIMB ISLAMIC BANK BERHAD  
Company No: 200401032872 (671380-H)  
CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

| The Bank   | ← Non-distributable                    |  |                             |                              |                                   | → Distributable                         |   |                                |                  |   | Total<br>Equity<br>RM'000 |
|--|--|--|-----------------------------|------------------------------|-----------------------------------|---|---|--------------------------------|------------------|---|---------------------------|
|  | Ordinary<br>share<br>capital<br>RM'000 | Fair value<br>reserve-debt<br>instruments<br>at fair value<br>through other<br>comprehensive<br>income<br>RM'000 | Merger<br>reserve<br>RM'000 | Capital<br>reserve<br>RM'000 | Regulatory<br>reserve *<br>RM'000 | Own credit<br>risk<br>reserve<br>RM'000 | Share-based<br>payment<br>reserve<br>RM'001 | Retained<br>earnings<br>RM'000 | Total<br>RM'000  | Perpetual<br>preference<br>shares<br>RM'000 |                           |
| <b>31 March 2020</b>   |  |  |                             |                              |                                   |   |   |                                |                  |   |                           |
| <b>At 1 January 2020</b>   | 1,000,000                              | 22,839   | (2,457)                     | 458                          | 513,533                           | (31)                                    | 1,231                                       | 4,576,294                      | 6,111,867        | 220,000                                     | 6,331,867                 |
| Profit for the financial period  | -                                      | -  | -                           | -                            | -                                 | -                                       | -   | 195,863                        | 195,863          | -   | 195,863                   |
| Other comprehensive income (net of tax)  | -                                      | (23,744)   | -                           | -                            | -                                 | 31                                      | -   | -                              | (23,713)         | -   | (23,713)                  |
| - debt instruments at fair value through other comprehensive income                                    | -                                      | (23,744)   | -                           | -                            | -                                 | -                                       | -   | -                              | (23,744)         | -   | (23,744)                  |
| - fair value changes on financial liabilities designated at fair value attributable to own credit risk | -                                      | -  | -                           | -                            | -                                 | 31                                      | -   | -                              | 31               | -   | 31                        |
| Total comprehensive income for the period  | -                                      | (23,744)   | -                           | -                            | -                                 | 31                                      | -   | 195,863                        | 172,150          | -   | 172,150                   |
| Share-based payment expense  | -                                      | -  | -                           | -                            | -                                 | -                                       | 352   | -                              | 352              | -   | 352                       |
| Issuance new shares  | -                                      | -  | -                           | -                            | -                                 | -                                       | -   | -                              | -                | 200,000                                     | 200,000                   |
| Shares released under Equity Ownership Plan  | -                                      | -  | -                           | -                            | -                                 | -                                       | (905)                                       | -                              | (905)            | -   | (905)                     |
| Total transactions with owners recognised directly in equity   | -                                      | -  | -                           | -                            | -                                 | -                                       | (553)                                       | -                              | (553)            | 200,000                                     | 199,447                   |
| Transfer to regulatory reserve   | -                                      | -  | -                           | -                            | (513,533)                         | -                                       | -   | 513,533                        | -                | -   | -                         |
| <b>At 31 March 2020</b>  | <b>1,000,000</b>                       | <b>(905)</b>   | <b>(2,457)</b>              | <b>458</b>                   | <b>-</b>                          | <b>-</b>                                | <b>678</b>                                  | <b>5,285,690</b>               | <b>6,283,464</b> | <b>420,000</b>                              | <b>6,703,464</b>          |

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

**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

|   | <b>The Group</b>                    |                                     | <b>The Bank</b>                     |                                     |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|   | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 March<br/>2020<br/>RM'000</b> |
| Profit before taxation and zakat                                    | 319,094                             | 255,547                             | 319,703                             | 256,360                             |
| Adjustments for non-cash items                                      | <u>(75,420)</u>                     | <u>(45,357)</u>                     | <u>(77,507)</u>                     | <u>(48,327)</u>                     |
| Operating profit before changes in working capital                  | 243,674                             | 210,190                             | 242,196                             | 208,033                             |
| Net changes in operating assets                                     | (3,397,226)                         | 934,316                             | (3,418,146)                         | 934,316                             |
| Net changes in operating liabilities                                | 5,424,382                           | (589,123)                           | 5,426,678                           | (610,953)                           |
| Tax paid  | <u>(111,374)</u>                    | <u>(110,475)</u>                    | <u>(111,374)</u>                    | <u>(110,475)</u>                    |
| <b>Net cash generated from operating activities</b>                 | <b>2,159,456</b>                    | 444,908                             | <b>2,139,354</b>                    | 420,921                             |
| Net cash flows generated (used in)/from investing activities        | (324,354)                           | 218,300                             | (324,354)                           | 218,300                             |
| Net cash flows generated (used in)/from financing activities        | <u>(35,355)</u>                     | 150,677                             | <u>(15,253)</u>                     | 174,665                             |
| <b>Net change in cash and cash equivalents</b>                      | <b>1,799,747</b>                    | 813,885                             | <b>1,799,747</b>                    | 813,886                             |
| Cash and cash equivalents at beginning of the financial period      | <u>12,627,512</u>                   | <u>7,782,122</u>                    | <u>12,627,466</u>                   | <u>7,782,076</u>                    |
| Cash and cash equivalents at end of the financial period            | <u><b>14,427,259</b></u>            | <u>8,596,007</u>                    | <u><b>14,427,213</b></u>            | <u>8,595,962</u>                    |
| <b>Cash and cash equivalents comprise :</b>                         |                                     |                                     |                                     |                                     |
| Cash and short-term funds   | <b>14,394,040</b>                   | 8,545,935                           | <b>14,393,994</b>                   | 8,545,890                           |
| Deposits and placements with banks and other financial institutions | <b>33,219</b>                       | 50,072                              | <b>33,219</b>                       | 50,072                              |
| <b>Cash and cash equivalents at end of the financial year</b>       | <u><b>14,427,259</b></u>            | <u>8,596,007</u>                    | <u><b>14,427,213</b></u>            | <u>8,595,962</u>                    |

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

## PART A - EXPLANATORY NOTES

### A1. Basis of preparation

- a) The unaudited condensed interim financial statements for the financial period ended 31 March 2021 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, derivative financial instruments, non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss, 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 June 2020 and 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.

- b) The Covid-19 pandemic is expected to persist in 2021, although global and regional economies are projected to recover meaningfully on the back of positive developments of the Covid-19 vaccines and the various stimulus measures undertaken by government.

Financial institutions continue to provide economic stimulus and financing payment programs as economic headwinds remain within the uncertain environment. Bank Negara Malaysia is implementing fiscal measures to address market disruptions and disparities.

The Bank has been supporting customers impacted by the economic downturn over the past year and continues to provide targeted assistance programs particularly to those within the directly impacted sectors.

The Bank will continuously assess the extent of the impact of the Covid-19 pandemic given the potential disruptions from its possible resurgence.

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 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

### 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 other than those disclosed under the basis of preparation.

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

**A3. Issuance and repayment of debt equity securities**

During the period, Ziya Capital Bhd ("Ziya") undertook a partial redemption of its Sukuk amounting to RM18 million.

**A4. Proposed dividend**

There were no dividends paid or proposed for the financial period ended 31 March 2021.

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

There were no significant events other than those disclosed under issuance and repayment of debt equity securities that had occurred between 31 March 2021 and the date of this announcement.

**A6 Cash and short-term funds and Deposits and placements with banks and other financial institutions**

As at 31 March 2021, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are both RMNil respectively (2020: both RMNil respectively). The 12-month expected credit losses made in the income statement during the financial period is amounting to RMNil (2020: RMNil).

**A7 Financial assets at fair value through profit or loss**

**Money market instruments**

**Unquoted**

In Malaysia

|  |                  |                  |
|--|------------------|------------------|
| Malaysian Government treasury bills        | 458,158          | 288,829          |
| Islamic negotiable instruments of deposits | 2,694,112        | 1,195,653        |
| Islamic commercial papers                  | 2,875,355        | 2,809,208        |
| Government Investment Issues               | 702,162          | 396,416          |
| Islamic Cagamas bonds                      | 7,499            | 7,545            |
|  | <u>6,737,286</u> | <u>4,697,651</u> |

**Unquoted securities**

In Malaysia

|                 |                  |                  |
|-----------------|------------------|------------------|
| Corporate Sukuk | 365,360          | 336,778          |
|                 | <u>7,102,646</u> | <u>5,034,429</u> |

**The Group and the Bank**  
**31 March**      **31 December**  
**2021**            **2020**  
**RM'000**           **RM'000**

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

**A8 Debt instruments at fair value through other comprehensive income**

|                                 | <b>The Group and the Bank</b>       |  |
|---------------------------------|-------------------------------------|--|
|                                 | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 December<br/>2020<br/>RM'000</b> |
| <b>Money market instruments</b> |                                     |  |
| <b>Unquoted</b>                 |                                     |  |
| <u>In Malaysia</u>              |                                     |  |
| Government Investment Issues    | 688,186                             | 628,152                                |
| Islamic Cagamas bonds           | 15,587                              | 57,150                                 |
| Malaysian Government Sukuk      | 15,735                              | 20,997                                 |
| Islamic commercial papers       | 24,959                              | 24,803                                 |
|                                 | <b>744,467</b>                      | <b>731,102</b>                         |
| <b>Unquoted securities</b>      |                                     |  |
| <u>In Malaysia</u>              |                                     |  |
| Corporate Sukuk                 | 2,798,309                           | 2,893,404                              |
| <u>Outside Malaysia</u>         |                                     |  |
| Corporate Sukuk                 | 45,771                              | 46,393                                 |
|                                 | <b>3,588,547</b>                    | <b>3,670,899</b>                       |

**Expected credit losses movement for debt instruments at fair value through other comprehensive income:**

The following expected credit losses is not recognised in the statement of financial position as the carrying amount of debt instruments at fair value through other comprehensive income is equivalent to their fair value.

| <b>The Group and the Bank</b>                | <b>12-month<br/>expected credit<br/>losses (Stage 1)</b> | <b>Lifetime<br/>expected<br/>credit losses-<br/>not credit<br/>impaired<br/>(Stage 2)</b> | <b>Lifetime<br/>expected credit<br/>losses<br/>-Credit impaired<br/>(Stage 3)</b> | <b>Total</b> |
|--|--|---|---|--------------|
| <b>At 1 January 2021</b>                     | 1,914  | -   | -   | 1,914        |
| <b>Total charge to Income Statement:</b>     | 306  | -   | -   | 306          |
| New financial assets purchased               | 3,062  | -   | -   | 3,062        |
| Financial assets that have been derecognised | (162)  | -   | -   | (162)        |
| Change in credit risk                        | (2,594)  | -   | -   | (2,594)      |
| <b>At 31 March 2021</b>                      | <b>2,220</b>   | -   | -   | <b>2,220</b> |

| <b>The Group and the Bank</b>                                       | <b>12-month<br/>expected credit<br/>losses (Stage 1)</b> | <b>Lifetime<br/>expected<br/>credit losses-<br/>not credit<br/>impaired<br/>(Stage 2)</b> | <b>Lifetime<br/>expected credit<br/>losses<br/>-Credit impaired<br/>(Stage 3)</b> | <b>Total</b> |
|---|--|---|---|--------------|
| <b>At 1 January 2020</b>  | 1,749  | 99  | -   | 1,848        |
| Changes in expected credit losses due to transferred within stages: | 117  | (117)   | -   | -            |
| Transferred to Stage 1  | 117  | (117)   | -   | -            |
| <b>Total charge to Income Statement:</b>                            | 48   | 18  | -   | 66           |
| New financial assets purchased                                      | 14,376   | -   | -   | 14,376       |
| Financial assets that have been derecognised                        | (450)  | -   | -   | (450)        |
| Change in credit risk   | (13,878)   | 18  | -   | (13,860)     |
| <b>At 31 December 2020</b>  | <b>1,914</b>   | -   | -   | <b>1,914</b> |

PART A - EXPLANATORY NOTES (CONTINUED)

|  | The Group and the Bank     |                               |
|--|----------------------------|-------------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| <b>A9 Debt instruments at amortised cost</b>         |                            |                               |
| <b>Money market instruments</b>                      |                            |                               |
| <b>Unquoted</b>                                      |                            |                               |
| <u>In Malaysia</u>                                   |                            |                               |
| Government Investment Issues                         | 3,035,765                  | 2,926,780                     |
| Islamic Cagamas bonds                                | 53,311                     | 52,912                        |
| Malaysian Government Sukuk                           | 100,234                    | 101,341                       |
| Khazanah bonds                                       | 89,047                     | 89,047                        |
|  | <u>3,278,357</u>           | <u>3,170,080</u>              |
| <b>Unquoted securities</b>                           |                            |                               |
| <u>In Malaysia</u>                                   |                            |                               |
| Corporate Sukuk                                      | 5,647,317                  | 5,333,167                     |
| Amortisation of premium net of accretion of discount | (3,821)                    | (1,409)                       |
| Less: Expected credit loss                           | (121)                      | (184)                         |
|  | <u>8,921,732</u>           | <u>8,501,654</u>              |

(a) Included in debt instruments at amortised cost is exposures to Restricted Profit Sharing Investment Accounts ("RPSIA"), as part of an arrangement between CIMB Islamic Bank Berhad and third party amounting to RM144,434,000 (31 December 2020: RM Nil).

**Expected credit losses movement for debt instruments at amortised cost:**

|  | 12-month<br>expected credit<br>losses (Stage 1) | Lifetime<br>expected credit<br>losses (not<br>credit impaired<br>- Stage 2) | Lifetime   | Total      |
|--|---|---|--|------------|
|  |   |   | expected credit<br>losses<br>(Credit<br>impaired -<br>Stage 3) |            |
| <b>The Group and the Bank</b>            |   |   |  |            |
| <b>At 1 January 2021</b>                 | 184   | -   | -  | 184        |
| <b>Total charge to Income Statement:</b> | (63)  | -   | -  | (63)       |
| New financial assets purchased           | 135   | -   | -  | 135        |
| Change in credit risk                    | (198)   | -   | -  | (198)      |
| <b>At 31 March 2021</b>                  | <u>121</u>                                      | <u>-</u>  | <u>-</u>   | <u>121</u> |

|  | 12-month<br>expected credit<br>losses (Stage 1) | Lifetime<br>expected credit<br>losses (not<br>credit impaired<br>- Stage 2) | Lifetime   | Total      |
|--|---|---|--|------------|
|  |   |   | expected credit<br>losses<br>(Credit<br>impaired -<br>Stage 3) |            |
| <b>The Group and the Bank</b>            |   |   |  |            |
| <b>At 1 January 2020</b>                 | 395   | -   | -  | 395        |
| <b>Total charge to Income Statement:</b> | (211)   | -   | -  | (211)      |
| New financial assets purchased           | 1,113   | -   | -  | 1,113      |
| Change in credit risk                    | (1,324)   | -   | -  | (1,324)    |
| <b>At 31 December 2020</b>               | <u>184</u>                                      | <u>-</u>  | <u>-</u>   | <u>184</u> |

PART A - EXPLANATORY NOTES (CONTINUED)

A10 (i) By type and Shariah contract

31 March 2021

| At amortised cost  | Sale-based contracts |               |               |              | The Group and the Bank |                          |                            | Loan contract | Others  | Total             |      |       |
|--|----------------------|---------------|---------------|--------------|------------------------|--------------------------|----------------------------|---------------|---------|-------------------|------|-------|
|  | Murabahah            | Bai' Bithaman |               | Bai' al-Dayn | Tawarruq               | Lease-based contracts    |                            |               |         |                   | Qard | Ujrah |
|  |                      | Ajil          | Bai' al-'inah |              |                        | Muntahiah Bi-al-Tamlik * | Al-Ijarah Thumma Al-Bai' # |               |         |                   |      |       |
| RM'000   | RM'000               | RM'000        | RM'000        | RM'000       | RM'000                 | RM'000                   | RM'000                     | RM'000        | RM'000  |                   |      |       |
| Cash line <sup>^</sup>   | -                    | 213           | 696           | -            | 1,075,428              | -                        | -                          | 6,864         | -       | 1,083,201         |      |       |
| Term financing   |                      |               |               |              |                        |                          |                            |               |         |                   |      |       |
| House Financing  | -                    | 4,808,329     | -             | -            | 23,002,245             | 1,203,894                | -                          | -             | -       | 29,014,468        |      |       |
| Syndicated Financing   | -                    | -             | 39,036        | -            | 1,869,542              | -                        | -                          | -             | -       | 1,908,578         |      |       |
| Hire purchase receivables  | -                    | -             | -             | -            | -                      | -                        | 11,895,227                 | -             | -       | 11,895,227        |      |       |
| Other term financing   | -                    | 1,136,846     | 4,927,640     | -            | 30,562,143             | 43,705                   | -                          | -             | -       | 36,670,334        |      |       |
| Bills receivable   | 419,990              | -             | -             | 39,290       | -                      | -                        | -                          | -             | -       | 459,280           |      |       |
| Islamic trust receipts   | 87,065               | -             | -             | -            | -                      | -                        | -                          | -             | -       | 87,065            |      |       |
| Claims on customers under acceptance credits                           | 739,713              | -             | -             | 86,452       | -                      | -                        | -                          | -             | -       | 826,165           |      |       |
| Staff financing**  | -                    | -             | -             | -            | 186,875                | -                        | -                          | -             | -       | 186,875           |      |       |
| Revolving credits  | -                    | -             | -             | -            | 4,587,239              | -                        | -                          | -             | -       | 4,587,239         |      |       |
| Credit card receivables  | -                    | -             | -             | -            | -                      | -                        | -                          | -             | 131,598 | 131,598           |      |       |
| Gross financing, advances and other financing/loans, at amortised cost | 1,246,768            | 5,945,388     | 4,967,372     | 125,742      | 61,283,472             | 1,247,599                | 11,895,227                 | 6,864         | 131,598 | 86,850,030        |      |       |
| Fair value changes arising from fair value hedge                       |                      |               |               |              |                        |                          |                            |               |         | 3,032             |      |       |
|  |                      |               |               |              |                        |                          |                            |               |         | 86,853,062        |      |       |
| Less: Expected credit losses   |                      |               |               |              |                        |                          |                            |               |         | (1,023,282)       |      |       |
| Net financing, advances and other financing/loans, at amortised cost   |                      |               |               |              |                        |                          |                            |               |         | 85,829,780        |      |       |
| <b>Total net financing, advances and other financing/loans</b>         |                      |               |               |              |                        |                          |                            |               |         | <b>85,829,780</b> |      |       |

<sup>^</sup> Includes current account in excess

\* The Bank is the beneficial owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

# The Bank is the owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

\*\* Includes financing to Directors of the Group and the Bank amounting to RM2,075,164 (2020:RM2,081,719).

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans

(i) By type and Shariah contract (continued)

31 December 2020

|   | The Group and the Bank |           |               |              |            |                           |                  |               |         |                   |
|---|------------------------|-----------|---------------|--------------|------------|---------------------------|------------------|---------------|---------|-------------------|
|   | Sale-based contracts   |           |               |              |            | Lease-based contracts     |                  | Loan contract | Others  | Total             |
|   | Bai' Bithaman          |           | Bai' al-'inah | Bai' al-Dayn | Tawarruq   | Ijarah                    | Al-Ijarah        |               |         |                   |
|   | Murabahah              | Ajil      |               |              |            | Muntahiah Bi al- Tamlik * | Thumma Al-Bai' # | Qard          | Ujrah   |                   |
| RM'000  | RM'000                 | RM'000    | RM'000        | RM'000       | RM'000     | RM'000                    | RM'000           | RM'000        | RM'000  |                   |
| At amortised cost   |                        |           |               |              |            |                           |                  |               |         |                   |
| Cash line^  | -                      | 268       | 842           | -            | 1,036,198  | -                         | -                | 8,907         | -       | 1,046,215         |
| Term financing  |                        |           |               |              |            |                           |                  |               |         |                   |
| House Financing   | -                      | 4,937,835 | -             | -            | 21,574,218 | 1,227,897                 | -                | -             | -       | 27,739,950        |
| Syndicated Financing  | -                      | -         | 39,111        | -            | 2,082,395  | -                         | -                | -             | -       | 2,121,506         |
| Hire purchase receivables   | -                      | -         | -             | -            | -          | -                         | 11,380,856       | -             | -       | 11,380,856        |
| Other term financing  | -                      | 1,168,761 | 5,004,003     | -            | 31,036,109 | 44,811                    | -                | -             | -       | 37,253,684        |
| Bills receivable  | 334,959                | -         | -             | 31,043       | -          | -                         | -                | -             | -       | 366,002           |
| Islamic trust receipts  | 96,492                 | -         | -             | -            | -          | -                         | -                | -             | -       | 96,492            |
| Claims on customers under acceptance credits  | 691,902                | -         | -             | 84,911       | -          | -                         | -                | -             | -       | 776,813           |
| Staff financing**   | -                      | -         | -             | -            | 171,716    | -                         | -                | -             | -       | 171,716           |
| Revolving credits   | -                      | -         | -             | -            | 4,603,440  | -                         | -                | -             | -       | 4,603,440         |
| Credit card receivables   | -                      | -         | -             | -            | -          | -                         | -                | -             | 134,389 | 134,389           |
| Gross financing, advances and other, at amortised cost financing/loans                    | 1,123,353              | 6,106,864 | 5,043,956     | 115,954      | 60,504,076 | 1,272,708                 | 11,380,856       | 8,907         | 134,389 | 85,691,063        |
| Fair value changes arising from fair value hedges   |                        |           |               |              |            |                           |                  |               |         | 3,835             |
| Less: Expected credit losses  |                        |           |               |              |            |                           |                  |               |         | 85,694,898        |
| Net financing, advances and other financing/loans, at amortised cost                      |                        |           |               |              |            |                           |                  |               |         | (975,403)         |
|   |                        |           |               |              |            |                           |                  |               |         | 84,719,495        |
| <b>At fair value through profit or loss:</b>  |                        |           |               |              |            |                           |                  |               |         |                   |
| Term financing  |                        |           |               |              |            |                           |                  |               |         |                   |
| Syndicated Financing  | -                      | -         | -             | -            | 197,321    | -                         | -                | -             | -       | 197,321           |
| Gross financing, advances and other financing/loans, at fair value through profit or loss | -                      | -         | -             | -            | 197,321    | -                         | -                | -             | -       | 197,321           |
| <b>Total net financing, advances and other financing/loans</b>                            |                        |           |               |              |            |                           |                  |               |         | <b>84,916,816</b> |

^ Includes current account in excess

\* The Bank is the beneficial owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing

# The Bank is the owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

\*\* Includes financing to Directors of the Group and the Bank amounting to RM2,075,164 (2020:RM2,081,719).



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

**A10 Financing, advances and other financing/loans (continued)**

**(i) By type and Shariah contract (continued)**

|  | <b>The Group and the Bank</b> |                    |
|--|-------------------------------|--------------------|
|  | <b>31 March</b>               | <b>31 December</b> |
|  | <b>2021</b>                   | <b>2020</b>        |
|  | <b>RM'000</b>                 | <b>RM'000</b>      |
| <b>Total Gross financing, advances and other financing/loans</b> |                               |                    |
| - At amortised cost  | <b>86,850,030</b>             | 85,691,063         |
| - At fair value through profit or loss                           | -                             | 197,321            |
|  | <b>86,850,030</b>             | <b>85,888,384</b>  |

(a) The Group and the Bank have undertaken fair value hedges on the profit rate risk of financing, advances and other financing/loans of RM76,834,000 (2020: RM78,322,000) using Islamic profit rate swaps.

(b) Included in financing, advances and other financing/loans are exposures to Restricted Profit Sharing Investment Accounts ("RPSIA"), as part of an arrangement between CIMB Islamic Bank Berhad and CIMB Bank Berhad. CIMB Bank Berhad is exposed to risks and rewards on RPSIA financing and will account for all the expected credit losses for financing arising thereon.

As at 31 March 2021, the gross carrying amount to RPSIA financing is RM4,455,923,000 (31 December 2020: RM4,703,553,000) and the 12-month expected credit losses relating to this RPSIA amounting to RM109,356,000 (31 December 2020: RM104,169,000) is recognised in the Financial Statements of CIMB Bank Berhad.

**(c) Movement of Qard financing**

|                            | <b>The Group and the Bank</b> |                    |
|----------------------------|-------------------------------|--------------------|
|                            | <b>31 March</b>               | <b>31 December</b> |
|                            | <b>2021</b>                   | <b>2020</b>        |
|                            | <b>RM'000</b>                 | <b>RM'000</b>      |
| At 1 January 2021/2020     | <b>8,907</b>                  | 5,910              |
| New disbursement           | <b>5,244</b>                  | 5,072              |
| Repayment                  | <b>(7,287)</b>                | (2,075)            |
| As at 31 March/31 December | <b>6,864</b>                  | <b>8,907</b>       |
| Sources of Qard fund:      |                               |                    |
| Depositors' fund           | <b>6,409</b>                  | 8,401              |
| Shareholders' fund         | <b>455</b>                    | 506                |
|                            | <b>6,864</b>                  | <b>8,907</b>       |
| Uses of Qard fund:         |                               |                    |
| Personal use               | <b>2,661</b>                  | 469                |
| Business purpose           | <b>4,203</b>                  | 8,438              |
|                            | <b>6,864</b>                  | <b>8,907</b>       |

**(ii) By geographical distribution:**

|          |                   |                   |
|----------|-------------------|-------------------|
| Malaysia | <b>86,850,030</b> | 85,888,384        |
|          | <b>86,850,030</b> | <b>85,888,384</b> |

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

**A10 Financing, advances and other financing/loans (continued)**

|   | <b>The Group and the Bank</b>       |  |
|---|-------------------------------------|--|
|   | <b>31 March<br/>2021<br/>RM'000</b> | <b>31 December<br/>2020<br/>RM'000</b> |
| <b>(iii) By type of customer :</b>                              |                                     |  |
| Domestic non-bank financial institutions                        | 2,385,490                           | 2,307,114                              |
| Domestic business enterprises                                   |                                     |  |
| - Small medium enterprises                                      | 11,914,981                          | 11,717,859                             |
| - Others  | 9,126,038                           | 9,675,087                              |
| Government and statutory bodies                                 | 3,479,998                           | 3,485,484                              |
| Individuals   | 59,104,107                          | 57,876,284                             |
| Other domestic entities   | 235,264                             | 227,451                                |
| Foreign entities  | 604,152                             | 599,105                                |
| Gross financing, advances and other financing/loans             | <u>86,850,030</u>                   | <u>85,888,384</u>                      |
| <b>(iv) By profit rate sensitivity :</b>                        |                                     |  |
| Fixed rate  |                                     |  |
| - House financing   | 182,592                             | 171,776                                |
| - Hire purchase receivables                                     | 10,786,816                          | 10,220,238                             |
| - Others  | 2,401,023                           | 2,460,723                              |
| Variable rate   |                                     |  |
| - House financing   | 28,831,876                          | 27,568,174                             |
| - Others  | 44,647,723                          | 45,467,473                             |
| Gross financing, advances and other financing/loans             | <u>86,850,030</u>                   | <u>85,888,384</u>                      |
| <b>(v) By economic purpose :</b>                                |                                     |  |
| Personal use  | 2,220,511                           | 2,318,285                              |
| Credit card   | 131,598                             | 134,389                                |
| Construction  | 1,802,979                           | 1,801,730                              |
| Residential property  | 29,804,907                          | 28,484,583                             |
| Non-residential property  | 7,919,968                           | 7,885,765                              |
| Purchase of fixed assets other than land and building           | 350,271                             | 340,901                                |
| Merger and acquisition  | 480                                 | 532                                    |
| Purchase of securities  | 13,466,515                          | 14,019,757                             |
| Purchase of transport vehicles                                  | 12,144,209                          | 11,635,714                             |
| Working capital   | 16,163,476                          | 15,992,835                             |
| Other purpose   | 2,845,116                           | 3,273,893                              |
| Gross financing, advances and other financing/loans             | <u>86,850,030</u>                   | <u>85,888,384</u>                      |
| <b>(vi) By economic sector:</b>                                 |                                     |  |
| Primary agriculture   | 3,114,484                           | 3,131,487                              |
| Mining and quarrying  | 433,094                             | 654,850                                |
| Manufacturing   | 3,237,621                           | 3,109,434                              |
| Electricity, gas and water supply                               | 88,678                              | 283,688                                |
| Construction  | 1,672,619                           | 1,647,676                              |
| Transport, storage and communications                           | 2,309,964                           | 2,335,206                              |
| Education, health and others                                    | 4,257,211                           | 4,207,790                              |
| Wholesale and retail trade, and restaurants and hotels          | 3,577,678                           | 3,547,681                              |
| Finance, insurance/takaful, real estate and business activities | 8,629,174                           | 8,688,348                              |
| Household   | 59,447,650                          | 58,200,960                             |
| Others  | 81,857                              | 81,264                                 |
| Gross financing, advances and other financing/loans             | <u>86,850,030</u>                   | <u>85,888,384</u>                      |

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

**A10 Financing, advances and other financing/loans (continued)**

|   | <b>The Group and the Bank</b> |                    |
|---|-------------------------------|--------------------|
|   | <b>31 March</b>               | <b>31 December</b> |
|   | <b>2021</b>                   | <b>2020</b>        |
|   | <b>RM'000</b>                 | <b>RM'000</b>      |
| <b>(vii) By residual contractual maturity :</b>                     |                               |                    |
| Within one year   | <b>10,719,019</b>             | 10,817,368         |
| One year to less than three years                                   | <b>1,465,771</b>              | 1,412,871          |
| Three years to less than five years                                 | <b>3,331,683</b>              | 2,754,591          |
| Five years and more   | <b>71,333,557</b>             | 70,903,554         |
| Gross financing, advances and other financing/loans                 | <b>86,850,030</b>             | 85,888,384         |
| <b>(viii) Credit impaired financing by economic purpose :</b>       |                               |                    |
| Personal use  | <b>21,281</b>                 | 36,843             |
| Credit card   | <b>1,326</b>                  | 1,762              |
| Construction  | <b>3,500</b>                  | 1,312              |
| Residential property  | <b>248,242</b>                | 370,505            |
| Non-residential property  | <b>111,583</b>                | 123,188            |
| Purchase of fixed assets other than land & building                 | <b>-</b>                      | 65                 |
| Purchase of securities  | <b>2,283</b>                  | 87,766             |
| Purchase of transport vehicles                                      | <b>76,212</b>                 | 99,852             |
| Working capital   | <b>743,083</b>                | 757,692            |
| Other purpose   | <b>23,972</b>                 | 18,257             |
| Gross credit impaired financing, advances and other financing/loans | <b>1,231,482</b>              | 1,497,242          |
| <b>(ix) Credit impaired financing by geographical distribution:</b> |                               |                    |
| Malaysia  | <b>1,231,482</b>              | 1,497,242          |
|   | <b>1,231,482</b>              | 1,497,242          |
| <b>(x) Credit impaired financing by economic sector:</b>            |                               |                    |
| Primary agriculture   | <b>19,680</b>                 | 19,370             |
| Mining and quarrying  | <b>-</b>                      | 1,340              |
| Manufacturing   | <b>675,620</b>                | 694,217            |
| Electricity, gas and water supply                                   | <b>1</b>                      | 1                  |
| Construction  | <b>11,363</b>                 | 16,505             |
| Transport, storage and communications                               | <b>2,351</b>                  | 3,796              |
| Education, health and others  | <b>5,984</b>                  | 3,567              |
| Wholesale and retail trade, and restaurants and hotels              | <b>103,544</b>                | 92,310             |
| Finance, insurance/takaful, real estate and business activities     | <b>42,393</b>                 | 39,048             |
| Household   | <b>370,544</b>                | 627,086            |
| Others  | <b>2</b>                      | 2                  |
| Gross credit impaired financing, advances and other financing/loans | <b>1,231,482</b>              | 1,497,242          |

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

**A10 Financing, advances and other financing/loans (continued)**

(xi) Movements in the expected credit losses for financing, advances and other financing/loans are as follows:

Financing, advances and other financing/loans at amortised cost:

| The Group and the Bank  | 12-month<br>expected credit<br>losses (Stage 1)<br>RM'000 | Lifetime expected<br>credit losses-not credit<br>impaired<br>(Stage 2)<br>RM'000 | Lifetime expected credit<br>losses<br>-Credit impaired (Stage<br>3)<br>RM'000 | Total<br>RM'000  |
|---|---|--|---|------------------|
| <b>At 1 January 2021</b>  | 254,404   | 381,846  | 339,153   | 975,403          |
| Changes in expected credit losses due to transferred within stages: | 99,753  | (37,462)   | (62,291)  | -                |
| Transferred to Stage 1  | 130,848   | (121,982)  | (8,866)   | -                |
| Transferred to Stage 2  | (31,021)  | 117,464  | (86,443)  | -                |
| Transferred to Stage 3  | (74)  | (32,944)   | 33,018  | -                |
| <b>Total charge to Income Statement:</b>                            | <b>(59,592)</b>   | <b>113,933</b>   | <b>37,113</b>   | <b>91,454</b>    |
| New financial assets originated                                     | 16,262  | 1,301  | 18,688  | 36,251           |
| Financial assets that have been derecognised                        | (12,049)  | (10,667)   | -   | (22,716)         |
| Writeback in respect of full recoveries                             | -   | -  | (21,331)  | (21,331)         |
| Change in credit risk   | (63,805)  | 123,299  | 39,756  | 99,250           |
| Write-offs  | -   | (4)  | (47,502)  | (47,506)         |
| Foreign exchange differences  | 18  | 83   | -   | 101              |
| Other movements   | -   | 21   | 3,809   | 3,830            |
|   | <b>294,583</b>  | <b>458,417</b>   | <b>270,282</b>  | <b>1,023,282</b> |

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

**A10 Financing, advances and other financing/loans (continued)**

(xi) Movements in the expected credit losses for financing, advances and other financing/loans are as follows:

**Financing, advances and other financing/loans at amortised cost:**

| <b>The Group and the Bank</b>  | <b>12-month<br/>expected credit<br/>losses<br/>(Stage 1)<br/>RM'000</b> | <b>Lifetime expected<br/>credit losses-not credit<br/>impaired<br/>(Stage 2)<br/>RM'000</b> | <b>Lifetime expected credit<br/>losses<br/>-Credit impaired<br/>(Stage 3)<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|---|---|--|-------------------------|
| <b>At 1 January 2020</b>   | 134,567   | 132,054   | 168,027  | 434,648                 |
| Changes in expected credit losses due to transferred<br>within stages: | (126,796)   | 115,144   | 11,652   | -                       |
| Transferred to Stage 1   | 105,759   | (82,281)  | (23,478)   | -                       |
| Transferred to Stage 2   | (231,780)   | 339,942   | (108,162)  | -                       |
| Transferred to Stage 3   | (775)   | (142,517)   | 143,292  | -                       |
| <b>Total charge to Income Statement:</b>                               | 246,643   | 134,861   | 244,907  | 626,411                 |
| New financial assets originated  | 81,920  | 5,138   | 61,547   | 148,605                 |
| Financial assets that have been derecognised                           | (51,255)  | (19,025)  | -  | (70,280)                |
| Writeback in respect of full recoveries                                | -   | -   | (60,469)   | (60,469)                |
| Change in credit risk  | 215,978   | 148,748   | 243,829  | 608,555                 |
| Write-offs   | (221)   | (70)  | (89,915)   | (90,206)                |
| Other movements  | 211   | (143)   | 4,482  | 4,550                   |
|  | <b>254,404</b>  | <b>381,846</b>  | <b>339,153</b>   | <b>975,403</b>          |

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

**A10 Financing, advances and other financing/loans (continued)**

**(xii) Movements in credit impaired financing, advances and other financing/loans**

**Gross carrying amount movement of financing, advances and other financing/loans at amortised cost classified as credit impaired:**

|                                 | <b>The Group and the Bank</b>          |                  |
|---------------------------------|--|------------------|
|                                 | <b>Lifetime expected credit losses</b> |                  |
|                                 | <b>-Credit impaired</b>                |                  |
|                                 | <b>(Stage 3)</b>                       | <b>Total</b>     |
|                                 | <b>RM'000</b>                          | <b>RM'000</b>    |
| <b>At 1 January 2021</b>        | <b>1,497,242</b>                       | <b>1,497,242</b> |
| Transfer within stages          | (176,277)                              | (176,277)        |
| Transferred to Stage 1          | (29,007)                               | (29,007)         |
| Transferred to Stage 2          | (396,954)                              | (396,954)        |
| Transferred to Stage 3          | 249,684                                | 249,684          |
| New financial assets originated | 78,623                                 | 78,623           |
| Write-offs                      | (47,502)                               | (47,502)         |
| Amount fully recovered          | (118,732)                              | (118,732)        |
| Other movements                 | (1,872)                                | (1,872)          |
| <b>At 31 March 2021</b>         | <b>1,231,482</b>                       | <b>1,231,482</b> |

|  | <b>The Group and the Bank</b>          |               |
|--|--|---------------|
|  | <b>Lifetime expected credit losses</b> |               |
|  | <b>-Credit impaired (Stage 3)</b>      |               |
|  | <b>(Stage 3)</b>                       | <b>Total</b>  |
|  | <b>RM'000</b>                          | <b>RM'000</b> |
| At 1 January 2020  | 1,242,097                              | 1,242,097     |
| Transfer within stages   | 493,309                                | 493,309       |
| Transferred to Stage 1   | (156,296)                              | (156,296)     |
| Transferred to Stage 2   | (475,367)                              | (475,367)     |
| Transferred to Stage 3   | 1,124,972                              | 1,124,972     |
| New financial assets originated                                | 358,118                                | 358,118       |
| Write-offs   | (89,915)                               | (89,915)      |
| Amount fully recovered   | (391,882)                              | (391,882)     |
| Other changes in financing, advances and other financing/loans | (114,485)                              | (114,485)     |
| At 31 December 2020  | 1,497,242                              | 1,497,242     |

|   | <b>The Group and the Bank</b> |                    |
|---|-------------------------------|--------------------|
|   | <b>31 March</b>               | <b>31 December</b> |
|   | <b>2021</b>                   | <b>2020</b>        |
| Ratio of credit impaired financing to total financing, advances and other financing/loans | <b>1.42%</b>                  | <b>1.74%</b>       |

PART A - EXPLANATORY NOTES (CONTINUED)

A11 Other assets

|  | The Group                  |                               | The Bank                   |                               |
|--|----------------------------|-------------------------------|----------------------------|-------------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Deposits and prepayments                       | 6,677                      | 9,069                         | 6,677                      | 9,069                         |
| Sundry debtors net of expected credit losses*  | 208,099                    | 235,912                       | 389,699                    | 396,592                       |
| Collateral pledged for derivative transactions | 104,700                    | 25,250                        | 104,700                    | 25,250                        |
| Treasury related receivables                   | 151,372                    | 35,678                        | 151,372                    | 35,678                        |
| Clearing accounts                              | 26,260                     | 106,597                       | 26,260                     | 106,597                       |
|  | <b>497,108</b>             | <b>412,506</b>                | <b>678,708</b>             | <b>573,186</b>                |

A12 Deposits from customers

(i) By type of deposit

|  | The Group                  |                               | The Bank                   |                               |
|--|----------------------------|-------------------------------|----------------------------|-------------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| Savings deposits   | 6,024,582                  | 5,195,321                     | 6,024,582                  | 5,195,321                     |
| Commodity Murabahah (via Tawarruq arrangement)*  | <b>6,024,582</b>           | <b>5,195,321</b>              | <b>6,024,582</b>           | <b>5,195,321</b>              |
| Demand deposits  | 16,131,514                 | 15,123,852                    | 16,131,514                 | 15,123,852                    |
| Qard   | <b>13,908,679</b>          | <b>12,859,028</b>             | <b>13,908,679</b>          | <b>12,859,028</b>             |
| Commodity Murabahah (via Tawarruq arrangement)*  | <b>2,222,835</b>           | <b>2,264,824</b>              | <b>2,222,835</b>           | <b>2,264,824</b>              |
| Term deposits  | 78,688,985                 | 75,847,891                    | 79,038,117                 | 76,194,517                    |
| Commodity Murabahah Deposits-i<br>(via Tawarruq arrangement)                                   | <b>47,993,224</b>          | 46,720,074                    | <b>48,342,356</b>          | 47,066,700                    |
| Fixed Return Income Account-i<br>(via Tawarruq arrangement)*                                   | <b>30,347,290</b>          | 29,028,255                    | <b>30,347,290</b>          | 29,028,255                    |
| Negotiable Islamic Debt Certificate (NIDC)<br>Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn) | <b>348,471</b>             | 99,562                        | <b>348,471</b>             | 99,562                        |
| Specific investment account  | 98,869                     | 98,672                        | 98,869                     | 98,672                        |
| Mudharabah   | <b>98,869</b>              | <b>98,672</b>                 | <b>98,869</b>              | <b>98,672</b>                 |
| Others   | 37,640                     | 37,173                        | 37,640                     | 37,173                        |
| Qard   | <b>37,640</b>              | <b>37,173</b>                 | <b>37,640</b>              | <b>37,173</b>                 |
|  | <b>100,981,590</b>         | <b>96,302,909</b>             | <b>101,330,722</b>         | <b>96,649,535</b>             |

\*included Qard contract of RM302,389,000 (2020:RM429,534,000)

PART A - EXPLANATORY NOTES (CONTINUED)

|   | The Group                  |                               | The Bank                   |                               |
|---|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| <b>A12 Deposits from customers (continued)</b>                            |                            |                               |                            |                               |
| <b>(ii) Maturity structures of term deposits and investment accounts.</b> |                            |                               |                            |                               |
| Due within six months   | 66,701,414                 | 66,419,984                    | 67,050,546                 | 66,766,610                    |
| Six months to less than one year  | 11,909,260                 | 9,365,547                     | 11,909,260                 | 9,365,547                     |
| One year to less than three years   | 150,284                    | 134,341                       | 150,284                    | 134,341                       |
| Three years to less than five years                                       | 3,743                      | 3,589                         | 3,743                      | 3,589                         |
| Five years and more   | 23,153                     | 23,102                        | 23,153                     | 23,102                        |
|   | <b>78,787,854</b>          | <b>75,946,563</b>             | <b>79,136,986</b>          | <b>76,293,189</b>             |

**(iii) By type of customer**

|                                 |                    |                   |                    |                   |
|---------------------------------|--------------------|-------------------|--------------------|-------------------|
| Government and statutory bodies | 6,274,352          | 4,755,946         | 6,274,352          | 4,755,946         |
| Business enterprises            | 29,477,173         | 29,739,057        | 29,477,173         | 29,739,057        |
| Individuals                     | 31,765,111         | 29,055,068        | 31,765,111         | 29,055,068        |
| Others                          | 33,464,954         | 32,752,838        | 33,814,086         | 33,099,464        |
|                                 | <b>100,981,590</b> | <b>96,302,909</b> | <b>101,330,722</b> | <b>96,649,535</b> |

|  | The Group and the Bank     |                               |
|--|----------------------------|-------------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 December<br>2020<br>RM'000 |
| <b>A13 Investment accounts of customers</b>          |                            |                               |
| Unrestricted investment accounts (Mudharabah)        |                            |                               |
| -without maturity                                    |                            |                               |
| Special Mudharabah Investment Account                | 873,234                    | 831,454                       |
| -with maturity                                       |                            |                               |
| Term Investment Account-i                            | 2,015,493                  | 1,847,416                     |
| Restricted investment accounts (Mudharabah)          |                            |                               |
| -with maturity                                       |                            |                               |
| Restricted Profit Sharing Investment Account (RPSIA) | 144,434                    | -                             |
|  | <b>3,033,161</b>           | <b>2,678,870</b>              |

The underlying assets for the investments are hire purchase, house financing, other term financing and marketable securities.

**A14 Deposits and placements of banks and other financial institutions**

|                              |                  |                  |
|------------------------------|------------------|------------------|
| Licensed investment banks    | 820              | 1,050            |
| Licensed banks               | 2,638,437        | 2,536,685        |
| Bank Negara Malaysia         | 5,000            | 5,000            |
| Other financial institutions | 468,699          | 256,279          |
|                              | <b>3,112,956</b> | <b>2,799,014</b> |

The maturity structure of deposits and placements from financial institutions are as follows:

|                           |                  |                  |
|---------------------------|------------------|------------------|
| Due within six months     | 2,958,523        | 2,645,844        |
| Three years to five years | 154,433          | 153,170          |
|                           | <b>3,112,956</b> | <b>2,799,014</b> |



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

**The Group and the Bank**  
**31 March**                      **31 December**  
**2021**                              **2020**  
**RM'000**                              **RM'000**

**A15 Investment accounts due to designated financial institutions**

|                                |                  |                  |  |
|--------------------------------|------------------|------------------|--|
| Restricted investment accounts |                  |                  |  |
| Mudharabah                     | <u>4,512,450</u> | <u>4,751,241</u> |  |
| By type of counterparty        |                  |                  |  |
| Licensed banks                 | <u>4,512,450</u> | <u>4,751,241</u> |  |

The underlying assets for the investments are deposit placement with financial institutions, syndicated term financing, revolving credit and other term financing.

**A16 Financial liabilities designated at fair value through profit or loss**

|  |                |               |  |
|--|----------------|---------------|--|
| Deposits from customers - structured investments |                |               |  |
|  | <u>150,432</u> | <u>71,610</u> |  |

The Group and the Bank have issued structured investments, and have designated them at fair value in accordance with MFRS9. The Group and the Bank have the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group and the Bank on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of the Group and the Bank as at 31 March 2021 of financial liabilities designated at fair value were RM 8,522,000 lower (31 December 2020:RM650,000 lower) than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

|  |  | <b>The Group</b> |                    | <b>The Bank</b> |                    |
|--|--|------------------|--------------------|-----------------|--------------------|
|  |  | <b>31 March</b>  | <b>31 December</b> | <b>31 March</b> | <b>31 December</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>      |

**A17 Other liabilities**

|  |        |                       |                |                       |                |
|--|--------|-----------------------|----------------|-----------------------|----------------|
| Accruals and other payables                              |        |                       |                |                       |                |
| Clearing accounts  |        | <b>109,934</b>        | 53,168         | <b>109,934</b>        | 53,168         |
| Expected credit losses for commitments and contingencies |        | <b>46,094</b>         | 170,168        | <b>46,094</b>         | 170,168        |
| Collateral received for derivative transactions          | A17(a) | <b>79,962</b>         | 76,450         | <b>79,962</b>         | 76,450         |
| Structured deposits                                      |        | <b>21,280</b>         | 86,100         | <b>21,280</b>         | 86,100         |
| Treasury related payables                                |        | <b>22,303</b>         | 38,448         | <b>22,303</b>         | 38,448         |
| Others   |        | <b>252,185</b>        | 13,960         | <b>252,185</b>        | 13,960         |
|  |        | <b>49,449</b>         | 32,111         | <b>48,151</b>         | 31,023         |
|  |        | <u><b>581,207</b></u> | <u>470,405</u> | <u><b>579,909</b></u> | <u>469,317</u> |

PART A - EXPLANATORY NOTES (CONTINUED)

A17 Other liabilities (continued)

(a) Expected credit losses movement of financing commitments and financial guarantee contracts are as follows:

| The Group and the Bank  | 12-month expected credit losses (Stage 1) | Lifetime expected credit losses -not credit impaired (Stage 2) | Lifetime expected credit losses -Credit impaired (Stage 3) | Total           |
|---|---|--|--|-----------------|
| <b>At 1 January 2021</b>  | <b>46,852</b>                             | <b>23,066</b>  | <b>6,532</b>   | <b>76,450</b>   |
| Changes in expected credit losses due to transferred within stages: | <b>13,852</b>                             | <b>(9,801)</b>   | <b>(4,051)</b>   | <b>-</b>        |
| Transferred to Stage 1  | <b>15,085</b>                             | <b>(12,873)</b>  | <b>(2,212)</b>   | <b>-</b>        |
| Transferred to Stage 2  | <b>(1,195)</b>                            | <b>3,917</b>   | <b>(2,722)</b>   | <b>-</b>        |
| Transferred to Stage 3  | <b>(38)</b>                               | <b>(845)</b>   | <b>883</b>   | <b>-</b>        |
| <b>Total charge to Income Statement:</b>                            | <b>(6,240)</b>                            | <b>7,747</b>   | <b>1,985</b>   | <b>3,492</b>    |
| New exposures   | <b>21,768</b>                             | <b>-</b>   | <b>-</b>   | <b>21,768</b>   |
| Exposures derecognised or matured                                   | <b>(9,753)</b>                            | <b>(1,713)</b>   | <b>(98)</b>  | <b>(11,564)</b> |
| Change in credit risk   | <b>(18,255)</b>                           | <b>9,460</b>   | <b>2,083</b>   | <b>(6,712)</b>  |
| Foreign exchange differences  | <b>4</b>                                  | <b>17</b>  | <b>-</b>   | <b>21</b>       |
| Other movements   | <b>(17)</b>                               | <b>13</b>  | <b>3</b>   | <b>(1)</b>      |
| <b>At 31 March 2021</b>   | <b>54,451</b>                             | <b>21,042</b>  | <b>4,469</b>   | <b>79,962</b>   |

| The Group and the Bank  | 12-month expected credit losses (Stage 1) | Lifetime expected credit losses -not credit impaired (Stage 2) | Lifetime expected credit losses -Credit impaired (Stage 3) | Total    |
|---|---|--|--|----------|
| At 1 January 2020   | 36,471                                    | 6,572  | 2,500  | 45,543   |
| Changes in expected credit losses due to transferred within stages: | 1,427                                     | (4,348)  | 2,921  | -        |
| Transferred to Stage 1  | 7,306                                     | (6,029)  | (1,277)  | -        |
| Transferred to Stage 2  | (5,868)                                   | 7,771  | (1,903)  | -        |
| Transferred to Stage 3  | (11)                                      | (6,090)  | 6,101  | -        |
| Total charge to Income Statement:                                   | 8,224                                     | 21,473   | 1,235  | 30,932   |
| New exposures   | 70,168                                    | 183  | -  | 70,351   |
| Exposures derecognised or matured                                   | (30,359)                                  | (4,816)  | (1,068)  | (36,243) |
| Change in credit risk   | (31,585)                                  | 26,106   | 2,303  | (3,176)  |
| Other movements   | 730                                       | (631)  | (124)  | (25)     |
| At 31 December 2020   | 46,852                                    | 23,066   | 6,532  | 76,450   |

As at 31 March 2021, the gross carrying amount of financing commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM34,367,000 (2020: RM40,036,000) respectively.

## PART A - EXPLANATORY NOTES (CONTINUED)

### A18 Subordinated sukuk

#### The Group and the Bank

a) The RM850 million unsecured subordinated Sukuk ("the Sukuk") is part of the Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 May 2009. Under the programme, the Bank is allowed to raise Tier II capital of up to RM2.0 billion in nominal value outstanding at any one time.

The first tranche of the Sukuk of RM300 million under the first issuance was issued at par on 25 September 2009 and is due on 25 September 2024, with optional redemption on 25 September 2019 or any periodic payment date thereafter. The Sukuk bears a profit rate of 5.85% per annum payable semi-annually in arrears.

The Bank redeemed in full, the first tranche of the Sukuk of RM300 million on its first optional redemption date of 25 September 2019.

On 21 April 2011, the second tranche of the Sukuk of RM250 million was issued at par and is due on 21 April 2021, with optional redemption on 21 April 2016 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.2% per annum payable semi-annually in arrears.

The Bank redeemed in full, the second tranche of the Sukuk of RM250 million on its first optional redemption date of 21 April 2016.

On 18 September 2012, the third tranche of the Sukuk of RM300 million was issued at par and is due on 15 September 2022, with the optional redemption on 18 September 2017 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.00% per annum, payable semi-annually in arrears.

The Bank redeemed in full, the third tranche of the Sukuk of RM300 million on its first optional redemption date of 18 September 2017.

The Sukuk qualify as Tier II capital for the purpose of the total capital ratio computation (subject to gradual phase-out treatment under Basel III).

b) On 21 September 2016, the Bank had issued RM10 million Tier II Junior Sukuk ("the Sukuk") at par and is due on 21 September 2026, with optional redemption on 21 September 2021 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.55% per annum.

The Sukuk is part of the Basel III Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier II capital of up to RM5.0 billion in nominal value outstanding at any one time.

The RM10 million Sukuk qualify as Tier II Capital for the purpose of the total capital ratio computation of the Bank.

c) On 28 December 2017, the Bank had issued RM300 million Tier II Junior Sukuk ("the Sukuk") at par and is due on 28 December 2027, with optional redemption on 28 December 2022 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.70% per annum.

The Sukuk is part of the Basel III Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier II capital of up to RM5.0 billion nominal value outstanding at any one time.

The RM300 million Sukuk qualify as Tier II Capital for the purpose of the total capital ratio computation of the Bank.

d) On 25 September 2019, the Bank had issued RM800 million Tier II Junior Sukuk ("the Sukuk") at par and is due on 25 September 2029, with optional redemption on 25 September 2024 or any periodic payment date thereafter. The Sukuk bears a profit rate of 3.75% per annum.

The Sukuk is part of the Basel III Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier II capital of up to RM5.0 billion nominal value outstanding at any one time.

The RM800 million Sukuk qualify as Tier II Capital for the purpose of the total capital ratio computation of the Bank.

PART A - EXPLANATORY NOTES (CONTINUED)

|  | 1st Quarter Ended          |                            | Three Months Ended         |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| <b>A19 Income derived from investment of depositors' funds and others</b>  |                            |                            |                            |                            |
| <b>The Group and the Bank</b>  |                            |                            |                            |                            |
| Income derived from investment of :  |                            |                            |                            |                            |
| a) General investment deposits   | 671,950                    | 749,488                    | 671,950                    | 749,488                    |
| b) Specific investment deposits  | 473                        | 806                        | 473                        | 806                        |
| c) Other deposits  | 229,068                    | 289,666                    | 229,068                    | 289,666                    |
|  | <b>901,491</b>             | <b>1,039,960</b>           | <b>901,491</b>             | <b>1,039,960</b>           |
| <b>a) Income derived from investment of general investment deposits</b>  |                            |                            |                            |                            |
| Financing, advances and other financing/loans  |                            |                            |                            |                            |
| - Profit income  | 530,062                    | 556,119                    | 530,062                    | 556,119                    |
| - Unwinding income <sup>^</sup>  | 6,757                      | 7,180                      | 6,757                      | 7,180                      |
| Debt instruments at fair value through other comprehensive income  | 23,177                     | 23,741                     | 23,177                     | 23,741                     |
| Debt instrument at amortised cost  | 61,185                     | 56,327                     | 61,185                     | 56,327                     |
| Money at call and deposit with financial institutions  | 41,797                     | 38,826                     | 41,797                     | 38,826                     |
| Reverse Collateralised Commodity Murabahah   | 3                          | -                          | 3                          | -                          |
|  | <b>662,981</b>             | 682,193                    | <b>662,981</b>             | 682,193                    |
| Accretion of discount less amortisation of premium   | (5,485)                    | (2,764)                    | (5,485)                    | (2,764)                    |
|  | <b>657,496</b>             | 679,429                    | <b>657,496</b>             | 679,429                    |
| Other finance income for financial assets at fair value through profit or loss                                   |                            |                            |                            |                            |
| - Financial investments at fair value through profit or loss   | 10,257                     | 14,032                     | 10,257                     | 14,032                     |
| - Financing, advances and other financing/loans  | 908                        | 1,760                      | 908                        | 1,760                      |
| - Net accretion of discount less amortisation of premium   | 17,957                     | 16,596                     | 17,957                     | 16,596                     |
| Total finance income and hibah   | <b>29,122</b>              | 32,388                     | <b>29,122</b>              | 32,388                     |
| Other operating income   |                            |                            |                            |                            |
| - Net (loss)/gain arising from financial investments at fair value through profit or loss:                       |                            |                            |                            |                            |
| - realised   | (7,766)                    | 3,080                      | (7,766)                    | 3,080                      |
| - unrealised   | (588)                      | 3,259                      | (588)                      | 3,259                      |
|  | <b>(7,178)</b>             | (179)                      | <b>(7,178)</b>             | (179)                      |
| - Net gain from sale of investment in debt instruments at fair value through comprehensive income                | 19,149                     | 24,199                     | 19,149                     | 24,199                     |
| - Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss | 3,603                      | 207                        | 3,603                      | 207                        |
| - Net (loss)/gain from foreign exchange transactions   | (32,213)                   | 8,204                      | (32,213)                   | 8,204                      |
|  | <b>(17,227)</b>            | 35,690                     | <b>(17,227)</b>            | 35,690                     |
| Fee and commission income  |                            |                            |                            |                            |
| - Guarantee fee  | 2,559                      | 1,981                      | 2,559                      | 1,981                      |
|  | <b>671,950</b>             | 749,488                    | <b>671,950</b>             | 749,488                    |
| <b>b) Income derived from investment of specific investment deposits</b>   |                            |                            |                            |                            |
| Money at call and deposit with financial institutions  | 473                        | 806                        | 473                        | 806                        |

<sup>^</sup> Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

|  | 1st Quarter Ended          |                            | Three Months Ended         |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| <b>A19 Income derived from investment of depositors funds and others (continued)</b>                             |                            |                            |                            |                            |
| <b>The Group and the Bank</b>  |                            |                            |                            |                            |
| <b>c) Income derived from investment of other deposits</b>   |                            |                            |                            |                            |
| Financing, advances and other financing/loans  |                            |                            |                            |                            |
| - Profit income  | 180,698                    | 214,931                    | 180,698                    | 214,931                    |
| - Unwinding income <sup>^</sup>  | 2,304                      | 2,775                      | 2,304                      | 2,775                      |
| Debt instruments at fair value through other comprehensive income  | 7,901                      | 9,176                      | 7,901                      | 9,176                      |
| Debt instrument at amortised cost  | 20,858                     | 21,769                     | 20,858                     | 21,769                     |
| Money at call and deposit with financial institutions  | 14,249                     | 15,006                     | 14,249                     | 15,006                     |
|  | <u>226,010</u>             | <u>263,657</u>             | <u>226,010</u>             | <u>263,657</u>             |
| Accretion of discount less amortisation of premium   | (1,870)                    | (1,068)                    | (1,870)                    | (1,068)                    |
|  | <u>224,140</u>             | <u>262,589</u>             | <u>224,140</u>             | <u>262,589</u>             |
| Other finance income for financial assets at fair value through profit or loss                                   |                            |                            |                            |                            |
| - Financial investments at fair value through profit or loss   | 3,497                      | 5,423                      | 3,497                      | 5,423                      |
| - Financing, advances and other financing/loans  | 310                        | 680                        | 310                        | 680                        |
| - Net accretion of discount less amortisation of premium   | 6,121                      | 6,414                      | 6,121                      | 6,414                      |
| Total finance income and hibah   | <u>9,928</u>               | <u>12,517</u>              | <u>9,928</u>               | <u>12,517</u>              |
| Other operating income   |                            |                            |                            |                            |
| - Net (loss)/gain arising from financial investments at fair value through profit or loss:                       |                            |                            |                            |                            |
| - realised   | (200)                      | 1,259                      | (200)                      | 1,259                      |
| - unrealised   | (2,447)                    | (69)                       | (2,447)                    | (69)                       |
| - Net gain from sale of investment in debt instruments at fair value through comprehensive income                | 6,528                      | 9,353                      | 6,528                      | 9,353                      |
| - Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss | 1,228                      | 80                         | 1,228                      | 80                         |
| - Net (loss)/gain from foreign exchange transactions   | (10,981)                   | 3,171                      | (10,981)                   | 3,171                      |
|  | <u>(5,872)</u>             | <u>13,794</u>              | <u>(5,872)</u>             | <u>13,794</u>              |
| Fee and commission income  |                            |                            |                            |                            |
| - Guarantee fee  | 872                        | 766                        | 872                        | 766                        |
|  | <u>229,068</u>             | <u>289,666</u>             | <u>229,068</u>             | <u>289,666</u>             |

<sup>^</sup> Unwinding income is income earned on credit impaired financing, advances and other financing/loans

**A20 Income derived from investment of investment account**

**The Group and The Bank**

|   |               |                |               |                |
|---|---------------|----------------|---------------|----------------|
| Financing, advances and other financing/loans         |               |                |               |                |
| - Profit income                                       | 66,025        | 107,551        | 66,025        | 107,551        |
| Money at call and deposit with financial institutions | 958           | 2,545          | 958           | 2,545          |
|   | <u>66,983</u> | <u>110,096</u> | <u>66,983</u> | <u>110,096</u> |
| Accretion of discount less amortisation of premium    | 20            | -              | 20            | -              |
|   | <u>67,003</u> | <u>110,096</u> | <u>67,003</u> | <u>110,096</u> |
| Fees and commission income                            |               |                |               |                |
| - Service charges and fees                            | 28            | 3              | 28            | 3              |
|   | <u>67,031</u> | <u>110,099</u> | <u>67,031</u> | <u>110,099</u> |

<sup>^</sup> Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

|  | 1st Quarter Ended          |                            | Three Months Ended         |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| <b>A21 Income derived from investment of shareholder's funds</b>   |                            |                            |                            |                            |
| <b>The Group</b>   |                            |                            |                            |                            |
| Financing, advances and other financing/loans  |                            |                            |                            |                            |
| - Profit income  | 47,573                     | 54,801                     | 47,573                     | 54,801                     |
| - Unwinding income <sup>^</sup>  | 606                        | 708                        | 606                        | 708                        |
| Debt instruments at fair value through other comprehensive income  | 2,080                      | 2,340                      | 2,080                      | 2,340                      |
| Debt instrument at amortised cost  | 5,491                      | 5,550                      | 5,491                      | 5,550                      |
| Money at call and deposit with financial institutions  | 3,751                      | 3,826                      | 3,751                      | 3,826                      |
|  | <b>59,501</b>              | <b>67,225</b>              | <b>59,501</b>              | <b>67,225</b>              |
| Accretion of discount less amortisation of premium   | (492)                      | (272)                      | (492)                      | (272)                      |
|  | <b>59,009</b>              | <b>66,953</b>              | <b>59,009</b>              | <b>66,953</b>              |
| Other finance income for financial assets at fair value through profit or loss                                   |                            |                            |                            |                            |
| - Financial investments at fair value through profit or loss   | 921                        | 1,383                      | 921                        | 1,383                      |
| - Financing, advances and other financing/loans  | 81                         | 173                        | 81                         | 173                        |
| - Net accretion of discount less amortisation of premium   | 1,612                      | 1,635                      | 1,612                      | 1,635                      |
| Total finance income and hibah   | <b>2,614</b>               | <b>3,191</b>               | <b>2,614</b>               | <b>3,191</b>               |
| Other operating income   |                            |                            |                            |                            |
| - Net (loss)/gain arising from financial assets at fair value through profit or loss:                            | (697)                      | 303                        | (697)                      | 303                        |
| - realised   | (53)                       | 321                        | (53)                       | 321                        |
| - unrealised   | (644)                      | (18)                       | (644)                      | (18)                       |
| - Net gain from sale of investment in debt instruments at fair value through comprehensive income                | 1,719                      | 2,385                      | 1,719                      | 2,385                      |
| - Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss | 323                        | 20                         | 323                        | 20                         |
| - Net (loss)/gain from foreign exchange transactions   | (2,891)                    | 808                        | (2,891)                    | 808                        |
| - Net loss arising from hedging activities   | (4)                        | (1,174)                    | (4)                        | (1,174)                    |
| - Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss             | 7,651                      | (3,719)                    | 7,651                      | (3,719)                    |
| - realised   | (222)                      | (113)                      | (222)                      | (113)                      |
| - unrealised   | 7,873                      | (3,606)                    | 7,873                      | (3,606)                    |
| - Net gain/(loss) arising from derivative financial instrument   | 54,874                     | 7,714                      | 54,874                     | 7,714                      |
| - realised   | (14,392)                   | (15,374)                   | (14,392)                   | (15,374)                   |
| - unrealised   | 69,266                     | 23,088                     | 69,266                     | 23,088                     |
|  | <b>60,975</b>              | <b>6,337</b>               | <b>60,975</b>              | <b>6,337</b>               |
| Fee and commission income  |                            |                            |                            |                            |
| - Guarantee fee  | 230                        | 195                        | 230                        | 195                        |
| - Service charge and fee   | 14,259                     | 14,208                     | 14,259                     | 14,208                     |
| - Commission fee   | 42,395                     | 28,633                     | 42,395                     | 28,633                     |
| Total fee and commission income  | 56,884                     | 43,036                     | 56,884                     | 43,036                     |
| Less : fee and commission expense  | (7,142)                    | (5,139)                    | (7,142)                    | (5,139)                    |
| Net fee and commission income  | <b>49,742</b>              | <b>37,897</b>              | <b>49,742</b>              | <b>37,897</b>              |
| Other income   | 113                        | 569                        | 113                        | 569                        |
|  | <b>172,453</b>             | <b>114,947</b>             | <b>172,453</b>             | <b>114,947</b>             |

<sup>^</sup> Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

|  | 1st Quarter Ended |                | Three Months Ended |                |
|--|-------------------|----------------|--------------------|----------------|
|  | 31 March          | 31 March       | 31 March           | 31 March       |
|  | 2021              | 2020           | 2021               | 2020           |
|  | RM'000            | RM'000         | RM'000             | RM'000         |
| <b>A21 Income derived from investment of shareholder's funds (continued)</b>                                     |                   |                |                    |                |
| <b>The Bank</b>  |                   |                |                    |                |
| Financing, advances and other financing/loans  |                   |                |                    |                |
| - Profit income  | 47,573            | 54,801         | 47,573             | 54,801         |
| - Unwinding income <sup>^</sup>  | 606               | 708            | 606                | 708            |
| Debt instruments at fair value through other comprehensive income  | 2,080             | 2,340          | 2,080              | 2,340          |
| Debt instrument at amortised cost  | 5,491             | 5,550          | 5,491              | 5,550          |
| Money at call and deposit with financial institutions  | 3,751             | 3,826          | 3,751              | 3,826          |
|  | <b>59,501</b>     | <b>67,225</b>  | <b>59,501</b>      | <b>67,225</b>  |
| Accretion of discount less amortisation of premium   | (492)             | (272)          | (492)              | (272)          |
|  | <b>59,009</b>     | <b>66,953</b>  | <b>59,009</b>      | <b>66,953</b>  |
| Other finance income for financial assets at fair value through profit or loss                                   |                   |                |                    |                |
| - Financial investments at fair value through profit or loss   | 921               | 1,383          | 921                | 1,383          |
| - Financing, advances and other financing/loans  | 81                | 173            | 81                 | 173            |
| - Net accretion of discount less amortisation of premium   | 1,612             | 1,635          | 1,612              | 1,635          |
| Total finance income and hibah   | <b>2,614</b>      | <b>3,191</b>   | <b>2,614</b>       | <b>3,191</b>   |
| Other operating income   |                   |                |                    |                |
| - Net (loss)/gain arising from financial assets at fair value through profit or loss:                            | (697)             | 303            | (697)              | 303            |
| - realised   | (53)              | 321            | (53)               | 321            |
| - unrealised   | (644)             | (18)           | (644)              | (18)           |
| - Net gain from sale of investment in debt instruments at fair value through comprehensive income                | 1,719             | 2,385          | 1,719              | 2,385          |
| - Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss | 323               | 20             | 323                | 20             |
| - Net (loss)/gain from foreign exchange transactions   | (2,891)           | 808            | (2,891)            | 808            |
| - Net loss arising from hedging activities   | (4)               | (1,174)        | (4)                | (1,174)        |
| - Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss             | 7,651             | (3,719)        | 7,651              | (3,719)        |
| - realised   | (222)             | (113)          | (222)              | (113)          |
| - unrealised   | 7,873             | (3,606)        | 7,873              | (3,606)        |
| - Net gain/(loss) arising from derivative financial instrument   | 54,874            | 7,714          | 54,874             | 7,714          |
| - realised   | (14,392)          | (15,374)       | (14,392)           | (15,374)       |
| - unrealised   | 69,266            | 23,088         | 69,266             | 23,088         |
|  | <b>60,975</b>     | <b>6,337</b>   | <b>60,975</b>      | <b>6,337</b>   |
| Fee and commission income  |                   |                |                    |                |
| - Guarantee fee  | 230               | 195            | 230                | 195            |
| - Service charge and fee   | 14,518            | 14,572         | 14,518             | 14,572         |
| - Commission fee   | 42,395            | 28,633         | 42,395             | 28,633         |
| Total fee and commission income  | 57,143            | 43,400         | 57,143             | 43,400         |
| Less : fee and commission expense  | (7,142)           | (5,139)        | (7,142)            | (5,139)        |
| Net fee and commission income  | 50,001            | 38,261         | 50,001             | 38,261         |
| Other income   |                   |                |                    |                |
| - Sundry income  | 112               | 569            | 112                | 569            |
|  | <b>172,711</b>    | <b>115,311</b> | <b>172,711</b>     | <b>115,311</b> |

<sup>^</sup> Unwinding income is income earned on credit impaired financing, advances and other financing/loans.

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

|  | 1st Quarter Ended          |                            | Three Months Ended         |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| <b>A22(a) Expected credit losses on financing, advances and other financing/loans</b>      |                            |                            |                            |                            |
| <b>The Group and the Bank</b>  |                            |                            |                            |                            |
| Expected credit losses on financing, advances and other financing/loans at amortised cost: |                            |                            |                            |                            |
| -Expected credit losses on financing, advances and other financing/loans                   | <b>91,454</b>              | 71,293                     | <b>91,454</b>              | 71,293                     |
| Credit impaired financing, advances and other financing/loans :                            |                            |                            |                            |                            |
| - recovered  | <b>(17,128)</b>            | (11,065)                   | <b>(17,128)</b>            | (11,065)                   |
| - written off  | <b>419</b>                 | 565                        | <b>419</b>                 | 565                        |
|  | <b>74,745</b>              | 60,793                     | <b>74,745</b>              | 60,793                     |

**A22(b) Other expected credit losses made/(written back)**

**The Group and the Bank**

Expected credit losses made/(written back) on:

|  |             |       |             |       |
|--|-------------|-------|-------------|-------|
| - Debt instrument at fair value through other comprehensive income | <b>306</b>  | 2,358 | <b>306</b>  | 2,358 |
| - Debt instrument at amortised cost                                | <b>(63)</b> | 72    | <b>(63)</b> | 72    |
| - Other receivables  | <b>1</b>    | 24    | <b>1</b>    | 24    |
|  | <b>244</b>  | 2,454 | <b>244</b>  | 2,454 |



## PART A - EXPLANATORY NOTES (CONTINUED)

|  | 1st Quarter Ended          |                            | Three Months Ended         |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| <b>A23 Income attributable to depositors and others</b>                  |                            |                            |                            |                            |
| <b>The Group</b>   |                            |                            |                            |                            |
| <b>Deposits from customers</b>   |                            |                            |                            |                            |
| - Mudharabah   | 473                        | 806                        | 473                        | 806                        |
| - Non-Mudharabah   | 417,953                    | 583,293                    | 417,953                    | 583,293                    |
| <b>Deposits and placements of banks and other financial institutions</b> |                            |                            |                            |                            |
| - Non-Mudharabah   | 6,291                      | 10,412                     | 6,291                      | 10,412                     |
| <b>Others</b>  |                            |                            |                            |                            |
| - Financial liabilities designated at fair value through profit or loss  | 348                        | 1,270                      | 348                        | 1,270                      |
| - Recourse obligation on loans and financing sold to Cagamas             | -                          | 15,394                     | -                          | 15,394                     |
| - Sukuk  | 2,087                      | 2,970                      | 2,087                      | 2,970                      |
| - Subordinated Sukuk   | 10,987                     | 11,108                     | 10,987                     | 11,108                     |
| - Structured deposits  | 48                         | 233                        | 48                         | 233                        |
| - Collateralised Commodity Murabahah                                     | 1,477                      | -                          | 1,477                      | -                          |
| - Others   | 21                         | 37                         | 21                         | 37                         |
|  | <b>439,685</b>             | <b>625,523</b>             | <b>439,685</b>             | <b>625,523</b>             |
| <b>The Bank</b>  |                            |                            |                            |                            |
| <b>Deposits from customers</b>   |                            |                            |                            |                            |
| - Mudharabah   | 473                        | 806                        | 473                        | 806                        |
| - Non-Mudharabah   | 417,953                    | 583,293                    | 417,953                    | 583,293                    |
| <b>Deposits and placements of banks and other financial institutions</b> |                            |                            |                            |                            |
| - Non-Mudharabah   | 6,291                      | 10,412                     | 6,291                      | 10,412                     |
| <b>Others</b>  |                            |                            |                            |                            |
| - Financial liabilities designated at fair value through profit or loss  | 348                        | 1,270                      | 348                        | 1,270                      |
| - Recourse obligation on loans and financing sold to Cagamas             | -                          | 15,394                     | -                          | 15,394                     |
| - Subordinated Sukuk   | 10,987                     | 11,108                     | 10,987                     | 11,108                     |
| - Structured deposits  | 48                         | 233                        | 48                         | 233                        |
| - Collateralised Commodity Murabahah                                     | 1,477                      | -                          | 1,477                      | -                          |
| - Others   | 1,783                      | 2,590                      | 1,783                      | 2,590                      |
|  | <b>439,360</b>             | <b>625,106</b>             | <b>439,360</b>             | <b>625,106</b>             |
| <b>A24 Profit distributed to investment account holder</b>               |                            |                            |                            |                            |
| <b>The Group and the Bank</b>  |                            |                            |                            |                            |
| -Restricted  | 24,650                     | 41,646                     | 24,650                     | 41,646                     |
| -Unrestricted  | 10,388                     | 36,937                     | 10,388                     | 36,937                     |
|  | <b>35,038</b>              | <b>78,583</b>              | <b>35,038</b>              | <b>78,583</b>              |

PART A - EXPLANATORY NOTES (CONTINUED)

|   | 1st Quarter Ended |                | Three Months Ended |                |
|---|-------------------|----------------|--------------------|----------------|
|   | 31 March          | 31 March       | 31 March           | 31 March       |
|   | 2021              | 2020           | 2021               | 2020           |
|   | RM'000            | RM'000         | RM'000             | RM'000         |
| <b>A25 Personnel expenses</b>               |                   |                |                    |                |
| <b>The Group and the Bank</b>               |                   |                |                    |                |
| Salaries, allowances and bonuses            | 5,220             | 5,190          | 5,220              | 5,190          |
| Pension costs (defined contribution plan)   | 510               | 478            | 510                | 478            |
| Staff incentives and other staff payments   | 388               | 450            | 388                | 450            |
| Medical expenses                            | 64                | 58             | 64                 | 58             |
| Others                                      | 165               | 182            | 165                | 182            |
|   | <b>6,347</b>      | <b>6,358</b>   | <b>6,347</b>       | <b>6,358</b>   |
| <b>A26 Other overheads and expenditures</b> |                   |                |                    |                |
| <b>The Group</b>                            |                   |                |                    |                |
| <b>Establishment</b>                        |                   |                |                    |                |
| Depreciation of property, plant equipment   | 127               | 347            | 127                | 347            |
| Depreciation of right-of-use assets         | 139               | 185            | 139                | 185            |
| Rental                                      | 5                 | 13             | 5                  | 13             |
| Amortisation of intangible assets           | 2,017             | 2,099          | 2,017              | 2,099          |
| Repairs and maintenance                     | 319               | 297            | 319                | 297            |
| Outsourcing expenses                        | -                 | 75             | -                  | 75             |
| Utility expenses                            | 4                 | 9              | 4                  | 9              |
| Others                                      | 890               | 277            | 890                | 277            |
|   | <b>3,501</b>      | <b>3,302</b>   | <b>3,501</b>       | <b>3,302</b>   |
| <b>Marketing</b>                            |                   |                |                    |                |
| Advertisement and publicity                 | (295)             | (128)          | (295)              | (128)          |
| Others                                      | 59                | 2,375          | 59                 | 2,375          |
|   | <b>(236)</b>      | <b>2,247</b>   | <b>(236)</b>       | <b>2,247</b>   |
| <b>General expenses</b>                     |                   |                |                    |                |
| Consultancy and professional fees           | 126               | 505            | 126                | 505            |
| Legal expenses                              | 3                 | 31             | 3                  | 31             |
| Stationery                                  | 1                 | 70             | 1                  | 70             |
| Postages                                    | 68                | 974            | 68                 | 974            |
| Donation                                    | -                 | 750            | -                  | 750            |
| Incidental expenses on banking operations   | 1,228             | 1,237          | 1,228              | 1,237          |
| Takaful                                     | 3,168             | 2,294          | 3,168              | 2,294          |
| Group service expense                       | 252,416           | 217,231        | 252,416            | 217,231        |
| Others                                      | 2,055             | 2,268          | 2,055              | 2,268          |
|   | <b>259,065</b>    | <b>225,360</b> | <b>259,065</b>     | <b>225,360</b> |
|   | <b>262,330</b>    | <b>230,909</b> | <b>262,330</b>     | <b>230,909</b> |

PART A - EXPLANATORY NOTES (CONTINUED)

|   | 1st Quarter Ended          |                            | Three Months Ended         |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 | 31 March<br>2021<br>RM'000 | 31 March<br>2020<br>RM'000 |
| <b>A26 Other overheads and expenditures (continued)</b> |                            |                            |                            |                            |
| <b>The Bank</b>   |                            |                            |                            |                            |
| <b>Establishment</b>                                    |                            |                            |                            |                            |
| Depreciation of property, plant equipment               | 127                        | 347                        | 127                        | 347                        |
| Depreciation of right-of-use assets                     | 139                        | 185                        | 139                        | 185                        |
| Rental  | 5                          | 13                         | 5                          | 13                         |
| Amortisation of intangible assets                       | 2,017                      | 2,099                      | 2,017                      | 2,099                      |
| Repairs and maintenance                                 | 319                        | 297                        | 319                        | 297                        |
| Outsourcing expenses                                    | -                          | 75                         | -                          | 75                         |
| Utility expenses  | 4                          | 9                          | 4                          | 9                          |
| Others  | 890                        | 278                        | 890                        | 278                        |
|   | <b>3,501</b>               | <b>3,303</b>               | <b>3,501</b>               | <b>3,303</b>               |
| <b>Marketing</b>  |                            |                            |                            |                            |
| Advertisement and publicity                             | (295)                      | (128)                      | (295)                      | (128)                      |
| Others  | 59                         | 2,375                      | 59                         | 2,375                      |
|   | <b>(236)</b>               | <b>2,247</b>               | <b>(236)</b>               | <b>2,247</b>               |
| <b>General expenses</b>                                 |                            |                            |                            |                            |
| Consultancy and professional fees                       | 126                        | 505                        | 126                        | 505                        |
| Legal expenses  | 3                          | 31                         | 3                          | 31                         |
| Stationery  | 1                          | 70                         | 1                          | 70                         |
| Postages  | 68                         | 974                        | 68                         | 974                        |
| Donation  | -                          | 750                        | -                          | 750                        |
| Incidental expenses on banking operations               | 1,228                      | 1,237                      | 1,228                      | 1,237                      |
| Takaful   | 3,168                      | 2,294                      | 3,168                      | 2,294                      |
| Group service expense                                   | 252,416                    | 217,231                    | 252,416                    | 217,231                    |
| Others  | 2,029                      | 2,235                      | 2,029                      | 2,235                      |
|   | <b>259,039</b>             | <b>225,327</b>             | <b>259,039</b>             | <b>225,327</b>             |
|   | <b>262,304</b>             | <b>230,877</b>             | <b>262,304</b>             | <b>230,877</b>             |

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

**A27 Islamic derivative financial instruments, commitments and contingencies**

**(i) Islamic derivative financial instruments**

The following tables summarise the contractual or underlying principal amounts of trading derivative and financial instruments held for hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at the end of the reporting period, and do not represent amounts of risk.

Trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Islamic Derivative Financial Instruments" Assets and Liabilities respectively.

| The Group and the Bank                       | 31 March 2021              |                              |                                   | 31 December 2020           |                              |                                   |
|--|----------------------------|------------------------------|-----------------------------------|----------------------------|------------------------------|-----------------------------------|
|  | Principal Amount<br>RM'000 | Fair values assets<br>RM'000 | Fair values liabilities<br>RM'000 | Principal amount<br>RM'000 | Fair values assets<br>RM'000 | Fair values liabilities<br>RM'000 |
| <u>Foreign exchange derivatives</u>          |                            |                              |                                   |                            |                              |                                   |
| Currency forwards                            | 9,982,181                  | 194,031                      | (141,949)                         | 9,784,130                  | 187,192                      | (256,745)                         |
| - Less than one year                         | 9,236,222                  | 112,147                      | (68,551)                          | 8,850,406                  | 110,178                      | (188,844)                         |
| - One year to three years                    | 339,855                    | 29,316                       | (27,281)                          | 527,620                    | 30,881                       | (28,605)                          |
| - More than three years                      | 406,104                    | 52,568                       | (46,117)                          | 406,104                    | 46,133                       | (39,296)                          |
| Currency swaps                               | 9,215,058                  | 52,259                       | (59,966)                          | 8,318,263                  | 118,983                      | (83,499)                          |
| - Less than one year                         | 9,215,058                  | 52,259                       | (59,966)                          | 8,318,090                  | 118,983                      | (83,473)                          |
| - One year to three years                    | -                          | -                            | -                                 | 173                        | -                            | (26)                              |
| - More than three years                      | -                          | -                            | -                                 | -                          | -                            | -                                 |
| Currency spots                               | 61,213                     | 26                           | (149)                             | 59,437                     | 118                          | (82)                              |
| - Less than one year                         | 61,213                     | 26                           | (149)                             | 59,437                     | 118                          | (82)                              |
| Currency options                             | 156,371                    | 1,156                        | (1,156)                           | 264,718                    | 947                          | (939)                             |
| - Less than one year                         | 156,371                    | 1,156                        | (1,156)                           | 264,718                    | 947                          | (939)                             |
| Cross currency profit rate swaps             | 1,139,708                  | 87,799                       | (84,266)                          | 1,555,059                  | 87,826                       | (85,253)                          |
| - Less than one year                         | 396,412                    | 49,612                       | (49,537)                          | 811,391                    | 58,959                       | (58,891)                          |
| - One year to three years                    | -                          | -                            | -                                 | -                          | -                            | -                                 |
| - More than three years                      | 743,296                    | 38,187                       | (34,729)                          | 743,668                    | 28,867                       | (26,362)                          |
|  | 20,554,531                 | 335,271                      | (287,486)                         | 19,981,607                 | 395,066                      | (426,518)                         |
| <u>Islamic profit rate derivatives</u>       |                            |                              |                                   |                            |                              |                                   |
| Islamic profit rate swaps                    | 5,286,803                  | 73,558                       | (82,181)                          | 11,213,722                 | 122,486                      | (122,309)                         |
| - Less than one year                         | 1,170,562                  | 9,401                        | (9,200)                           | 6,537,030                  | 20,543                       | (20,301)                          |
| - One year to three years                    | 2,440,507                  | 37,311                       | (40,179)                          | 2,945,961                  | 55,948                       | (58,438)                          |
| - More than three years                      | 1,675,734                  | 26,846                       | (32,802)                          | 1,730,731                  | 45,995                       | (43,570)                          |
| <u>Equity related derivatives</u>            |                            |                              |                                   |                            |                              |                                   |
| Equity options                               | -                          | -                            | -                                 | 37,194                     | 1,717                        | (1,717)                           |
| - Less than one year                         | -                          | -                            | -                                 | 24,956                     | 1,713                        | (1,713)                           |
| - More than three years                      | -                          | -                            | -                                 | 12,238                     | 4                            | (4)                               |
| <u>Credit related contracts</u>              |                            |                              |                                   |                            |                              |                                   |
| Total return swaps                           | 41,000                     | 1,203                        | (1,203)                           | 41,500                     | 2,024                        | (2,024)                           |
| - More than three years                      | 41,000                     | 1,203                        | (1,203)                           | 41,500                     | 2,024                        | (2,024)                           |
| <u>Commodity related derivatives</u>         |                            |                              |                                   |                            |                              |                                   |
| Commodity Swap                               | 7,335                      | 3,237                        | (2,746)                           | -                          | -                            | -                                 |
| - Less than one year                         | 7,335                      | 3,237                        | (2,746)                           | -                          | -                            | -                                 |
| Commodity options                            | 3,881                      | 19                           | (19)                              | 7,555                      | 1,554                        | (1,340)                           |
| - Less than one year                         | 3,881                      | 19                           | (19)                              | 4,732                      | 33                           | (33)                              |
| - One year to three years                    | -                          | -                            | -                                 | 2,823                      | 1,521                        | (1,307)                           |
| <u>Hedging derivatives</u>                   |                            |                              |                                   |                            |                              |                                   |
| Islamic profit rate swaps                    | 76,834                     | -                            | (3,145)                           | 78,008                     | -                            | (3,939)                           |
| - More than three years                      | 76,834                     | -                            | (3,145)                           | 78,008                     | -                            | (3,939)                           |
| <b>Total derivative assets/(liabilities)</b> | <b>25,970,384</b>          | <b>413,288</b>               | <b>(376,780)</b>                  | <b>31,359,586</b>          | <b>522,847</b>               | <b>(557,847)</b>                  |

## PART A - EXPLANATORY NOTES (CONTINUED)

### A27 Islamic derivative financial instruments, commitments and contingencies (continued)

#### (i) Islamic derivative financial instruments (continued)

The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risk, as follows:

#### **Market Risk**

Market risk is defined as any fluctuation in the value arising from changes in value of market risk factors such as profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility. The contractual amounts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. The Group's risk management department monitors and manages market risk exposure via stress testing of the Group's Value-at-Risk (VaR) model, in addition to reviewing and analysing its treasury trading strategy, positions and activities vis-à-vis changes in the financial market, monitoring limit usage, assessing limit adequacy, and verifying transaction prices.

#### **Credit Risk**

Credit risk arises when counterparties to derivative contracts, such as profit rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 March 2021, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM413,288,000 (31 December 2020: RM522,847,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

#### **Liquidity Risk**

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

#### **Cash requirements of the derivatives**

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 March 2021, the Group has posted cash collateral of RM104,700,000 (31 December 2020: RM25,250,000) on their derivative contracts.

There have been no changes since the end of the previous financial year in respect of the following:

- a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- c) the related accounting policies.

The above information, policies and procedures in respect of derivative financial instruments of the Group and the Bank are disclosed in the audited annual financial statements for the financial year ended 31 December 2020.

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

**A27 Islamic derivative financial instruments, commitments and contingencies (continued)**

**(ii) Commitments and contingencies**

|   | <b>31 March<br/>2021<br/>Principal<br/>amount</b> | <b>31 December<br/>2020<br/>Principal<br/>amount</b> |
|---|---|--|
| <b>The Group and the Bank</b>                           | <b>RM'000</b>                                     | <b>RM'000</b>  |
| <u>Credit-related</u>                                   |   |  |
| Direct credit substitutes                               | <b>305,086</b>                                    | 291,893  |
| Transaction-related contingent items                    | <b>696,545</b>                                    | 697,011  |
| Short-term self-liquidating trade-related contingencies | <b>49,168</b>                                     | 75,486   |
| Irrevocable commitments to extend credit :              |   |  |
| - maturity not exceeding one year                       | <b>11,432,633</b>                                 | 11,469,447   |
| - maturity exceeding one year                           | <b>8,331,794</b>                                  | 7,541,999  |
| Miscellaneous commitments and contingencies             | <b>28,561</b>                                     | 24,219   |
| Total credit-related commitments and contingencies      | <b>20,843,787</b>                                 | 20,100,055   |
| <u>Treasury-related</u>                                 |   |  |
| Foreign exchange related contracts :                    |   |  |
| - less than one year                                    | <b>19,065,276</b>                                 | 18,304,042   |
| - one year to five years                                | <b>807,700</b>                                    | 825,356  |
| - more than five years                                  | <b>681,555</b>                                    | 852,209  |
| Profit rate related contracts :                         |   |  |
| - less than one year                                    | <b>1,170,562</b>                                  | 6,537,030  |
| - one year to five years                                | <b>3,138,070</b>                                  | 3,683,709  |
| - more than five years                                  | <b>1,055,005</b>                                  | 1,070,991  |
| Equity related contracts :                              |   |  |
| - less than one year                                    | -   | 24,956   |
| - more than five years                                  | -   | 12,238   |
| Credit related contracts:                               |   |  |
| - one year to five years                                | <b>41,000</b>                                     | -  |
| - more than five years                                  | -   | 41,500   |
| Commodity related contracts :                           |   |  |
| - less than one year                                    | <b>11,216</b>                                     | 4,732  |
| - one year to five years                                | -   | 2,823  |
| Total treasury-related commitments and contingencies    | <b>25,970,384</b>                                 | 31,359,586   |
|   | <b>46,814,171</b>                                 | 51,459,641   |

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

**A28 Capital Adequacy**

The capital adequacy framework applicable to the Malaysian banking entities is based on the Bank Negara Malaysia (“BNM”) Capital Adequacy Framework for Islamic Banks (“CAFIB”) (Capital Components), of which the latest revision was issued on 9 December 2020. The revised guidelines took effect on 9 December 2020 for all banking institutions and financial holding companies and sets up 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 Bank Group and the Bank are computed in accordance with the CAFIB (Basel II - Risk-Weighted Assets), of which the latest revision was issued on 3 May 2019.

The Internal Ratings Based (“IRB”) Approach adopted by CIMB Islamic Bank is applied for the major credit exposures with retail exposures on Advanced IRB approach and non-retail exposures on Foundation IRB approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on the Basic Indicator Approach.

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

|                            | <b>The Group</b>         |                             | <b>The Bank</b>          |                             |
|----------------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|
|                            | <b>31 March<br/>2021</b> | <b>31 December<br/>2020</b> | <b>31 March<br/>2021</b> | <b>31 December<br/>2020</b> |
| Common equity tier 1 ratio | <b>11.967%</b>           | 13.304%                     | <b>11.970%</b>           | 13.307%                     |
| Tier 1 ratio               | <b>12.697%</b>           | 14.097%                     | <b>12.700%</b>           | 14.100%                     |
| Total capital ratio        | <b>15.111%</b>           | 16.757%                     | <b>15.113%</b>           | 16.760%                     |

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

|                            | <b>31 March<br/>2021</b> | 31 December<br>2020 | <b>31 March<br/>2021</b> | 31 December<br>2020 |
|----------------------------|--------------------------|---------------------|--------------------------|---------------------|
|                            | <b>RM’000</b>            | RM’000              | <b>RM’000</b>            | RM’000              |
| Credit risk                | <b>44,407,570</b>        | 41,382,111          | <b>44,407,684</b>        | 41,382,225          |
| Market risk                | <b>727,295</b>           | 869,519             | <b>727,295</b>           | 869,519             |
| Operational risk           | <b>3,782,200</b>         | 3,633,392           | <b>3,782,694</b>         | 3,633,429           |
| Total risk-weighted assets | <b>48,917,064</b>        | 45,885,022          | <b>48,917,673</b>        | 45,885,173          |

(c) Components of Common Equity Tier I, Additional Tier I and Tier II capitals are as follows:

|  | <b>31 March<br/>2021</b> | 31 December<br>2020 | <b>31 March<br/>2021</b> | 31 December<br>2020 |
|--|--------------------------|---------------------|--------------------------|---------------------|
|  | <b>RM’000</b>            | RM’000              | <b>RM’000</b>            | RM’000              |
| <b>Common Equity Tier I capital</b>                        |                          |                     |                          |                     |
| Ordinary share capital                                     | <b>1,000,000</b>         | 1,000,000           | <b>1,000,000</b>         | 1,000,000           |
| Other reserves   | <b>5,398,552</b>         | 5,612,772           | <b>5,399,813</b>         | 5,614,034           |
| Common Equity Tier I capital before regulatory adjustments | <b>6,398,552</b>         | 6,612,772           | <b>6,399,813</b>         | 6,614,034           |
| <u>Less: Regulatory adjustments</u>                        |                          |                     |                          |                     |
| Goodwill   | <b>(136,000)</b>         | (136,000)           | <b>(136,000)</b>         | (136,000)           |
| Intangible assets  | <b>(53,448)</b>          | (55,420)            | <b>(53,448)</b>          | (55,420)            |
| Deferred tax assets  | <b>(143,340)</b>         | (86,469)            | <b>(143,340)</b>         | (86,469)            |
| Regulatory reserve   | <b>(109,641)</b>         | (213,032)           | <b>(109,641)</b>         | (213,032)           |
| Others   | <b>(102,000)</b>         | (17,221)            | <b>(102,002)</b>         | (17,222)            |
| Common Equity Tier I capital after regulatory adjustments  | <b>5,854,122</b>         | 6,104,630           | <b>5,855,382</b>         | 6,105,891           |
| <b>Additional Tier I capital</b>                           |                          |                     |                          |                     |
| Perpetual preference shares                                | <b>357,000</b>           | 364,000             | <b>357,000</b>           | 364,000             |
| <b>Total Tier I capital</b>                                | <b>6,211,122</b>         | 6,468,630           | <b>6,212,382</b>         | 6,469,891           |
| <b>Tier II capital</b>                                     |                          |                     |                          |                     |
| Subordinated notes   | <b>1,110,000</b>         | 1,110,000           | <b>1,110,000</b>         | 1,110,000           |
| Surplus eligible provisions over expected loss             | -                        | 40,649              | -                        | 40,647              |
| General provisions ^                                       | <b>70,595</b>            | 69,727              | <b>70,596</b>            | 69,729              |
| <b>Total Tier II capital</b>                               | <b>1,180,595</b>         | 1,220,376           | <b>1,180,596</b>         | 1,220,376           |
| <b>Total capital</b>                                       | <b>7,391,717</b>         | 7,689,006           | <b>7,392,978</b>         | 7,690,267           |

^ Total capital of the Group and the Bank has excluded general provisions from Tier II capital of RM28.4 million (2020: RM49.5 million).

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

**A29 Restricted Agency Investment Account -RAIA**

The details of the Restricted Agency Investment Account (“RAIA”) financing are as below. The exposures and corresponding risk weighted amount are reported in investors’ financial statements.

|                               | <b>The Group and the Bank</b> |                         |
|-------------------------------|-------------------------------|-------------------------|
|                               | <b>31 March</b>               | <b>31 December</b>      |
|                               | <b>2021</b>                   | <b>2020</b>             |
|                               | <b>RM'000</b>                 | <b>RM'000</b>           |
| <u>RAIA arrangement</u>       |                               |                         |
| Financing and advances        | <b>5,779,643</b>              | 5,030,980               |
| Commitments and contingencies | <b>3,000,000</b>              | 3,700,000               |
|                               | <b><u>8,779,643</u></b>       | <b><u>8,730,980</u></b> |

|                           | <b>The Group and the Bank</b> |                       |
|---------------------------|-------------------------------|-----------------------|
|                           | <b>31 March</b>               | <b>31 December</b>    |
|                           | <b>2021</b>                   | <b>2020</b>           |
|                           | <b>RM'000</b>                 | <b>RM'000</b>         |
| Total RWA for Credit Risk | <b>326,101</b>                | 209,266               |
|                           | <b><u>326,101</u></b>         | <b><u>209,266</u></b> |

RAIA arrangement is with the Bank’s holding company, CIMB Bank, and the contract is based on the Wakalah principle where CIMB Bank provides the funds, whilst the assets are managed by the Bank (as the Wakeel or agent). In the arrangement, the Bank has transferred substantially all the risk and rewards of ownership of the Investment (i.e. the financing facility) to CIMB Bank. Accordingly, the underlying assets (including the undisbursed portion of the financing commitment) and allowance for impairment arising thereon, if any, are recognised and accounted for by CIMB Bank.



## PART A - EXPLANATORY NOTES (CONTINUED)

### A30 Segmental reporting

#### Definition of segments

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.

#### Business segment reporting

##### Definition of segments:

The Group has four major operation divisions that form the basis on which the Group reports its segment information.

#### **Consumer Banking**

Consumer Banking provides everyday banking solutions to individual customers covering Islamic financial products and services such as residential property financing, non-residential property financing, personal financing, hire purchase financing, credit cards, wealth management, bancatakaful, remittance and foreign exchange, deposits and internet banking services.

#### **Commercial Banking**

Commercial Banking offers products and services for customer segments comprising small and medium-scale enterprises ("SMEs") and mid-sized corporations. Their products and services include banking credit facilities, trade financing, cash management, online business banking platform, remittance and foreign exchange, as well as general deposit products.

#### **Wholesale Banking**

Wholesale Banking comprises Investment Banking, Corporate Banking, Treasury and Markets, Transaction Banking and Private 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 debt restructuring, initial public offerings, secondary offerings and general corporate advisory.

Corporate Banking offers a broad spectrum of Islamic funding solutions ranging from trade, working capital lines and capital expenditure to leveraging, merger and acquisition, leveraged and project financing. Corporate Banking's client managers partner with product specialists within the Group to provide a holistic funding solution, from cash management, trade finance, foreign exchange, custody and corporate financings, to derivatives, structured products and debt capital market.

Treasury and Markets focuses on treasury activities and services which include foreign exchange, money market, derivatives and trading of capital market instruments. It includes the Group's equity derivatives which develops and issues new equity derivatives instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues.

Transaction Banking comprises Trade Finance and Cash Management which provide various trade facilities and cash management solutions.

Private Banking offers a full suite of wealth management solutions to high net worth individuals with access to a complete range of private banking services, extending from investment to securities financing to trust services.

#### **CIMB Digital Assets & Group Funding (previously known as Group Ventures & Partnerships and Funding)**

CIMB Digital Assets (previously Group Ventures & Partnerships) drives all strategic partnerships across business lines Group-wide and explores strategic equity joint ventures in the ecosystem space. Group Funding encompasses a wide range of activities from capital, balance sheet and fixed income investments and management, as well as the funding and incubation of corporate ventures and projects.

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

**A30 Segmental reporting (continued)**

| <b>The Group</b>  | <b>Wholesale<br/>Banking</b> | <b>Consumer<br/>Banking</b> | <b>Commercial<br/>Banking</b> | <b>CIMB Digital<br/>Assets &amp; Group<br/>Funding</b> | <b>Total</b>   |
|---|------------------------------|-----------------------------|-------------------------------|--|----------------|
| <b>31 March 2021</b>  | <b>RM'000</b>                | <b>RM'000</b>               | <b>RM'000</b>                 | <b>RM'000</b>  | <b>RM'000</b>  |
| Net financing income:   |                              |                             |                               |  |                |
| - external  | (133,342)                    | 440,023                     | 121,341                       | 147,037  | 575,059        |
| - inter-segment   | 238,351                      | (147,514)                   | 4,923                         | (95,760)   | -              |
|   | <b>105,009</b>               | <b>292,509</b>              | <b>126,264</b>                | <b>51,277</b>  | <b>575,059</b> |
| Other operating income  | (2,130)                      | 47,455                      | 16,997                        | 28,871   | 91,193         |
| Total income  | <b>102,879</b>               | <b>339,964</b>              | <b>143,261</b>                | <b>80,148</b>  | <b>666,252</b> |
| Overhead expenses   | (33,369)                     | (150,749)                   | (24,154)                      | (60,405)   | (268,677)      |
| Consist of :  |                              |                             |                               |  |                |
| Depreciation of property, plant and equipment   | (11)                         | -                           | -                             | (116)  | (127)          |
| Amortisation of intangible assets   | (386)                        | (15)                        | -                             | (1,616)  | (2,017)        |
| Profit/(loss) before allowances   | <b>69,510</b>                | <b>189,215</b>              | <b>119,107</b>                | <b>19,743</b>  | <b>397,575</b> |
| Expected credit losses written back/(made) on financing, advances and other financing/loans | 893                          | (68,518)                    | (7,114)                       | (6)  | (74,745)       |
| Expected credit losses written back/(made) for commitments and contingencies                | 401                          | (2,768)                     | (1,125)                       | -  | (3,492)        |
| Other expected credit losses written back/(made)  | 226                          | -                           | -                             | (470)  | (244)          |
| Segment results   | <b>71,030</b>                | <b>117,929</b>              | <b>110,868</b>                | <b>19,267</b>  | <b>319,094</b> |
| Taxation  |                              |                             |                               |  | (76,966)       |
| <b>Net profit for the financial period</b>  |                              |                             |                               |  | <b>242,128</b> |

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

**A30 Segmental reporting (continued)**

| <b>The Group</b>   | <b>Wholesale</b> | <b>Consumer</b> | <b>Commercial</b> | <b>CIMB Digital</b>       | <b>Total</b>   |
|--|------------------|-----------------|-------------------|---------------------------|----------------|
| <b>31 March 2020</b>   | <b>Banking</b>   | <b>Banking</b>  | <b>Banking</b>    | <b>Assets &amp; Group</b> |                |
|  | <b>RM'000</b>    | <b>RM'000</b>   | <b>RM'000</b>     | <b>Funding</b>            | <b>RM'000</b>  |
|  | <b>RM'000</b>    | <b>RM'000</b>   | <b>RM'000</b>     | <b>RM'000</b>             | <b>RM'000</b>  |
| Net financing income:  |                  |                 |                   |                           |                |
| - external   | (133,537)        | 360,151         | 120,862           | 116,386                   | 463,862        |
| - inter-segment  | 238,177          | (139,299)       | (9,330)           | (89,548)                  | -              |
|  | 104,640          | 220,852         | 111,532           | 26,838                    | 463,862        |
| Other operating income   | 6,266            | 37,043          | 18,551            | 35,178                    | 97,038         |
| Total income   | 110,906          | 257,895         | 130,083           | 62,016                    | 560,900        |
| Overhead expenses  | (37,547)         | (111,402)       | (25,274)          | (63,044)                  | (237,267)      |
| Consist of :   |                  |                 |                   |                           |                |
| Depreciation of property, plant and equipment                                | (11)             | (214)           | -                 | (122)                     | (347)          |
| Amortisation of intangible assets  | (459)            | (20)            | (3)               | (1,617)                   | (2,099)        |
| Profit/(loss) before allowances  | 73,359           | 146,493         | 104,809           | (1,028)                   | 323,633        |
| Expected credit losses made on financing, advances and other financing/loans | (9,482)          | (45,952)        | (5,350)           | (9)                       | (60,793)       |
| Expected credit losses made for commitments and contingencies                | (622)            | (340)           | (3,877)           | -                         | (4,839)        |
| Other expected credit losses made  | (74)             | -               | -                 | (2,380)                   | (2,454)        |
| Segment results  | 63,181           | 100,201         | 95,582            | (3,417)                   | 255,547        |
| Taxation   |                  |                 |                   |                           | (60,497)       |
| <b>Net profit for the financial period</b>                                   |                  |                 |                   |                           | <b>195,050</b> |

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

**A30 Segmental reporting (continued)**

| <b>The Group</b>           | <b>Wholesale<br/>Banking</b> | <b>Consumer<br/>Banking</b> | <b>Commercial<br/>Banking</b> | <b>CIMB Digital<br/>Assets &amp; Group<br/>Funding</b> | <b>Total</b>       |
|----------------------------|------------------------------|-----------------------------|-------------------------------|--|--------------------|
| <b>31 March 2021</b>       | <b>RM'000</b>                | <b>RM'000</b>               | <b>RM'000</b>                 | <b>RM'000</b>  | <b>RM'000</b>      |
| Segment assets             | 36,197,658                   | 58,441,727                  | 14,736,545                    | 11,043,322   | 120,419,252        |
| Unallocated assets         |                              |                             |                               |  | 1,273,559          |
| <b>Total assets</b>        |                              |                             |                               |  | <b>121,692,811</b> |
| Segment liabilities        | 59,167,884                   | 34,835,122                  | 12,554,424                    | 7,389,886  | 113,947,316        |
| Unallocated liabilities    |                              |                             |                               |  | 581,425            |
| <b>Total liabilities</b>   |                              |                             |                               |  | <b>114,528,741</b> |
| <b>Other segment items</b> |                              |                             |                               |  |                    |
| Capital expenditure        | 4                            | -                           | -                             | 23   | 27                 |
| <b>The Group</b>           | <b>Wholesale<br/>Banking</b> | <b>Consumer<br/>Banking</b> | <b>Commercial<br/>Banking</b> | <b>CIMB Digital<br/>Assets &amp; Group<br/>Funding</b> | <b>Total</b>       |
| <b>31 December 2020</b>    | <b>RM'000</b>                | <b>RM'000</b>               | <b>RM'000</b>                 | <b>RM'000</b>  | <b>RM'000</b>      |
| Segment assets             | 32,600,783                   | 57,236,022                  | 14,457,243                    | 11,116,109   | 115,410,157        |
| Unallocated assets         |                              |                             |                               |  | 872,246            |
| <b>Total assets</b>        |                              |                             |                               |  | <b>116,282,403</b> |
| Segment liabilities        | 57,926,268                   | 31,780,767                  | 12,246,536                    | 6,814,012  | 108,767,583        |
| Unallocated liabilities    |                              |                             |                               |  | 482,048            |
| <b>Total liabilities</b>   |                              |                             |                               |  | <b>109,249,631</b> |
| <b>Other segment items</b> |                              |                             |                               |  |                    |
| Capital expenditure        | 103                          | 1,157                       | -                             | 709  | 1,969              |

## PART A - EXPLANATORY NOTES (CONTINUED)

### A31 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 market data 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 ("GMRC") 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 GMRC;
- 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 and liabilities are recorded at fair value.

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

**A31 Fair Value Estimation (continued)**

- (i) The following table represents the assets and liabilities measured at fair value and classified by level with the following fair value hierarchy as at 31 March 2021 and 31 December 2020.

| <b>The Group and the Bank</b>  | <b>31 March 2021</b> |                   | <b>31 December 2020</b> |                   |
|--|----------------------|-------------------|-------------------------|-------------------|
|  | <b>Fair Value</b>    | <b>Fair Value</b> | <b>Fair Value</b>       | <b>Fair Value</b> |
|  | <b>(Level 2)</b>     | <b>Total</b>      | <b>(Level 2)</b>        | <b>Total</b>      |
|  | <b>RM'000</b>        | <b>RM'000</b>     | <b>RM'000</b>           | <b>RM'000</b>     |
| <i>Recurring fair value measurements</i>   |                      |                   |                         |                   |
| <b><u>Financial assets</u></b>   |                      |                   |                         |                   |
| Financial assets at fair value through profit or loss                              |                      |                   |                         |                   |
| -Money market instruments  | <b>6,737,286</b>     | <b>6,737,286</b>  | 4,697,651               | 4,697,651         |
| -Unquoted securities   | <b>365,360</b>       | <b>365,360</b>    | 336,778                 | 336,778           |
| Debt instruments at fair value through other comprehensive income                  |                      |                   |                         |                   |
| -Money market instruments  | <b>744,467</b>       | <b>744,467</b>    | 731,102                 | 731,102           |
| -Unquoted securities   | <b>2,844,080</b>     | <b>2,844,080</b>  | 2,939,797               | 2,939,797         |
| Derivative financial instruments   |                      |                   |                         |                   |
| -Trading derivatives   | <b>413,288</b>       | <b>413,288</b>    | 522,847                 | 522,847           |
| -Hedging derivatives   | -                    | -                 | -                       | -                 |
| Financing, advances and other financing/loans at fair value through profit or loss |                      |                   |                         |                   |
|  | -                    | -                 | 197,321                 | 197,321           |
| <b>Total</b>   | <b>11,104,481</b>    | <b>11,104,481</b> | 9,425,496               | 9,425,496         |
| <i>Recurring fair value measurements</i>   |                      |                   |                         |                   |
| <b><u>Financial liabilities</u></b>  |                      |                   |                         |                   |
| Derivative financial instruments   |                      |                   |                         |                   |
| -Trading derivatives   | <b>373,635</b>       | <b>373,635</b>    | 553,908                 | 553,908           |
| -Hedging derivatives   | <b>3,145</b>         | <b>3,145</b>      | 3,939                   | 3,939             |
| Financial liabilities designated at fair value through profit or loss              |                      |                   |                         |                   |
|  | <b>150,432</b>       | <b>150,432</b>    | 71,610                  | 71,610            |
| <b>Total</b>   | <b>527,212</b>       | <b>527,212</b>    | 629,457                 | 629,457           |

## PART B

### B1 Group performance review

The Group recorded a pre-tax profit of RM319.1 million for the financial period ended 31 March 2021, an increase of RM63.5 million or 24.9% compared to the previous corresponding period.

Total income reduced by RM124 million or 9.8% to RM1,141 million from previous corresponding period, comprising of decrease of income derived from investments of depositors funds and others and income derived from investment of investment account by RM138.5 million and RM43.1 million respectively.

For the three months ended 31 March 2021, the Group recorded net expected credit losses made on financing, advances and other financing/loans of RM74.7 million compared to RM60.8 million in the corresponding period last year. The increase in net allowance charged was mainly due to higher expected credit losses made on financing by RM20.2 million and it was partly offset with higher impaired financings recovered by RM6.1 million.

The income attributable to depositors and profit distributed to investment account holder are both decreased by RM185.8 million and RM43.5 million respectively.

The Group's gross financing, advances and other financing/loans increased by 1.12% to RM86.9 billion for the three months period ended 31 March 2021. As at 31 March 2021, deposits from customers and investment accounts of customers stood at RM101.0 billion and RM3.0 billion, an increase of RM4.7 billion and RM0.4 billion respectively as compared to 31 December 2020.

The Group's Common Equity Tier 1, Tier 1 Capital Ratio and Total Capital Ratio stood at 11.967%, 12.697% and 15.111% respectively.

### B2 Prospects for the current financial year

The Bank expects a meaningful recovery for the full year 2021 although remains cautious in view of potential economic disruptions from resurgence of the Covid-19 pandemic. Against this backdrop, the Bank will continue to manage asset quality through enhanced credit risk management across segments and geographies and remains committed to support its impacted customers.

Execution of the Forward23+ Strategic Plan initiatives continues to be a key focus including RAROC optimisation, CASA accumulation and other operating income growth, while prudently managing costs. The Bank will maintain its focus in rolling out its digital strategies particularly in the areas of operational digitalisation, payments, sales enablement and acquisition, whilst continuing to spearhead the sustainability agenda. Financing growth will likely be gradual in line with the Bank's cautious stance, while capital market activity is expected to improve in tandem with the economic recovery. Accordingly, with the anticipated lower provisions and the consequent impact of the initiatives undertaken, the Bank expects better financial performance in 2021.

### B3 Computation of earnings per share (EPS)

#### a) Basic EPS

The Group and Bank basic EPS is calculated by dividing the net profit for the financial period by the weighted average number of ordinary shares in issue during the financial period.

|  | The Group         |           |                    |           |
|--|-------------------|-----------|--------------------|-----------|
|  | 1st Quarter Ended |           | Three Months Ended |           |
|  | 31 March          | 31 March  | 31 March           | 31 March  |
|  | 2021              | 2020      | 2021               | 2020      |
|  | RM'000            | RM'000    | RM'000             | RM'000    |
| Net profit for the financial period (RM '000)              | 242,128           | 195,050   | 242,128            | 195,050   |
| Weighted average number of ordinary shares in issue ('000) | 1,000,000         | 1,000,000 | 1,000,000          | 1,000,000 |
| Basic earnings per share (expressed in sen per share)      | 24.21             | 19.50     | 24.21              | 19.50     |

|  | The Bank          |           |                    |           |
|--|-------------------|-----------|--------------------|-----------|
|  | 1st Quarter Ended |           | Three Months Ended |           |
|  | 31 March          | 31 March  | 31 March           | 31 March  |
|  | 2021              | 2020      | 2021               | 2020      |
|  | RM'000            | RM'000    | RM'000             | RM'000    |
| Net profit for the financial period (RM '000)              | 242,737           | 195,863   | 242,737            | 195,863   |
| Weighted average number of ordinary shares in issue ('000) | 1,000,000         | 1,000,000 | 1,000,000          | 1,000,000 |
| Basic earnings per share (expressed in sen per share)      | 24.27             | 19.59     | 24.27              | 19.59     |

#### b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 31 March 2021 and 31 March 2020.