

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

	Notes	The Group	
		30 June 2020 RM'000	31 December 2019 RM'000
Assets			
Cash and short term funds		484,219	623,005
Reverse repurchase agreements		51,556	51,024
Deposits and placements with banks and other financial institutions		10	10
Financial investments at fair value through profit or loss	A5	2,133	573
Equity instruments at fair value through other comprehensive income	A6	867	844
Other assets	A7	32,136	38,118
Tax recoverable		32,893	26,190
Deferred taxation		11,326	16,895
Amounts due from related companies		45,120	37,124
Amounts due from ultimate holding company		1,020	6,625
Statutory deposits with Bank Negara Malaysia		91	91
Investment in associates		8,466	8,370
Property, plant and equipment		36,333	38,314
Right-of-use assets		11,845	13,586
Investment property		16,562	16,819
Total assets		734,577	877,588
Liabilities			
Deposits from customers	A8	45,052	10,020
Deposits and placements of banks and other financial institutions	A9	25,820	91,068
Other liabilities	A10	52,424	90,700
Lease liabilities		12,430	13,976
Amounts due to related companies		7,198	22,454
Total liabilities		142,924	228,218
Capital and reserves attributable to equity holders of the Bank			
Ordinary share capital		100,000	100,000
Redeemable preference shares		10	10
Reserves		491,643	549,360
Total equity		591,653	649,370
Total equity and liabilities		734,577	877,588
Net assets per ordinary share (RM)		5.92	6.49

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of The Group and The Bank for the year ended 31 December 2019.

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

	Notes	The Bank	
		30 June 2020 RM'000	31 December 2019 RM'000
Assets			
Cash and short term funds		483,276	622,042
Reverse repurchase agreements		51,556	51,024
Financial investments at fair value through profit or loss	A5	2,133	573
Other assets	A7	31,324	37,306
Tax recoverable		32,893	26,189
Deferred taxation		11,326	16,895
Amounts due from related companies		45,120	37,124
Amounts due from ultimate holding company		1,020	6,625
Statutory deposits with Bank Negara Malaysia		91	91
Investment in subsidiaries		50	50
Property, plant and equipment		36,333	38,314
Right-of-use assets		11,845	13,586
Investment property		16,562	16,819
Total assets		723,529	866,638
Liabilities			
Deposits from customers	A8	45,052	10,020
Deposits and placements of banks and other financial institutions	A9	25,820	91,068
Other liabilities	A10	52,399	90,693
Lease liabilities		12,430	13,976
Amounts due to related companies		7,198	22,425
Total liabilities		142,899	228,182
Capital and reserves attributable to equity holders of the Bank			
Ordinary share capital		100,000	100,000
Redeemable preference shares		10	10
Reserves		480,620	538,446
Total equity		580,630	638,456
Total equity and liabilities		723,529	866,638
Net assets per ordinary share (RM)		5.81	6.38

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of The Group and The Bank for the year ended 31 December 2019.

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

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

	Notes	The Group			
		2nd quarter ended		Six months ended	
		30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Interest income	A11	3,004	5,208	6,968	9,337
Interest income for financial assets at fair value through profit and loss	A12	6	30	10	86
Interest expense	A13	(754)	(4,987)	(1,923)	(9,008)
Net interest income		2,256	251	5,055	415
Income derived from investment of shareholders' funds	A20b	1,807	4,158	6,752	16,649
Income attributable to the depositors	A20b	-	(1)	-	-
Income from Islamic Banking operations	A20b	1,807	4,157	6,752	16,649
Non-interest income	A14	48,344	476,447	94,196	519,679
Total income		52,407	480,855	106,003	536,743
Overheads	A15	(43,377)	(52,618)	(88,423)	(96,288)
Profit before expected credit losses		9,030	428,237	17,580	440,455
Expected credit losses written back/(made) on trade receivables	A16	1,469	239	(513)	52
		10,499	428,476	17,067	440,507
Share of results of associates		43	134	96	68
Profit from continuing operations before taxation		10,542	428,610	17,163	440,575
Taxation		(3,345)	(1,920)	(5,572)	(5,615)
Profit from continuing operations after taxation		7,197	426,690	11,591	434,960
Profit from discontinued operation		-	(6,652)	-	(5,411)
Profit for the financial period		7,197	420,038	11,591	429,549
Profit for the financial period attributable to : Owners of the Group		7,197	420,038	11,591	429,549
Basic earnings per share for profit from continuing operations attributable to ordinary equity holders (sen)	B3	7.20	426.69	11.59	434.96
Basic earnings per share for profit from discontinued operation attributable to ordinary equity holders (sen)	B3	-	(6.65)	-	(5.41)
Basic earnings per share for profit attributable to ordinary equity holders (sen)	B3	7.20	420.04	11.59	429.55

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of The Group and The Bank for the year ended 31 December 2019.

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

CONDENSED INTERIM FINANCIAL STATEMENTS

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

	The Group			
	2nd quarter ended		Six months ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit/total comprehensive income for the financial period	7,197	420,038	11,591	429,549
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Equity instruments at fair value through other comprehensive income				
- Gain/(loss) from change in fair value	23	(273)	23	(273)
Profit for the financial period	7,220	419,765	11,614	429,276
Total comprehensive income for the financial period arises from:				
Continuing operations	7,220	426,690	11,614	434,687
Discontinued operation	-	(6,652)	-	(5,411)
	7,220	420,038	11,614	429,276

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of The Group and The Bank for the year ended 31 December 2019.

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

	Notes	The Bank			
		2nd quarter ended		Six months ended	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019
		RM'000	RM'000	RM'000	RM'000
Interest income	A11	3,000	5,202	6,957	9,324
Interest income for financial assets at fair value through profit and loss	A12	6	30	10	86
Interest expense	A13	(754)	(4,987)	(1,923)	(9,008)
Net interest income		2,252	245	5,044	402
Income derived from investment of shareholders' funds	A20b	1,807	4,158	6,752	16,649
Income attributable to the depositors	A20b	-	(1)	-	-
Income from Islamic Banking operations	A20b	1,807	4,157	6,752	16,649
Non-interest income	A14	48,343	510,980	94,195	554,212
Total income		52,402	515,382	105,991	571,263
Overheads	A15	(43,367)	(52,610)	(88,404)	(96,267)
Profit before expected credit losses		9,035	462,772	17,587	474,996
Expected credit losses written back/(made) on trade receivables	A16	1,469	239	(513)	52
Profit from continuing operations before taxation		10,504	463,011	17,074	475,048
Taxation		(3,344)	(1,920)	(5,569)	(5,519)
Profit from continuing operations after taxation		7,160	461,091	11,505	469,529
Profit from discontinued operation		-	(7,081)	-	(6,323)
Profit for the financial period		7,160	454,010	11,505	463,206
Profit for the financial period attributable to : Owners of the Bank		7,160	454,010	11,505	463,206
Basic earnings per share for profit from continuing operations attributable to ordinary equity holders (sen)	B3	7.16	461.09	11.51	469.53
Basic earnings per share for profit from discontinued operation attributable to ordinary equity holders (sen)	B3	-	(7.08)	-	(6.32)
Basic earnings per share for profit attributable to ordinary equity holders (sen)	B3	7.16	454.01	11.51	463.21

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of The Group and The Bank for the year ended 31 December 2019.

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

CONDENSED INTERIM FINANCIAL STATEMENTS

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

	The Bank			
	2nd quarter ended		Six months ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit/total comprehensive income for the financial period	7,160	454,010	11,505	463,206
Total comprehensive income for the financial period arises from:				
Continuing operations	7,160	461,091	11,505	469,529
Discontinued operation	-	(7,081)	-	(6,323)
	<u>7,160</u>	<u>454,010</u>	<u>11,505</u>	<u>463,206</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of The Group and The Bank for the year ended 31 December 2019.

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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

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

The Group 30 June 2019	Attributable to Equity Holder of The Group							Total RM'000
	Ordinary share capital RM'000	Redeemable preference shares RM'000	Reserve - equity instruments at fair value through other comprehensive income RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained profits RM'000		
At 1 January 2019	100,000	10	(5,718)	5,101	-	515,939	615,332	
Net profit/total comprehensive income for the financial period	-	-	-	-	-	429,549	429,549	
Share-based payment expense	-	-	-	2,236	-	-	2,236	
Shares released under Equity Ownership Plan	-	-	-	(3,610)	-	-	(3,610)	
Interim dividend paid in respect of the financial year ended 31 December 2018	-	-	-	-	-	(15,990)	(15,990)	
At 30 June 2019	100,000	10	(5,718)	3,727	-	929,498	1,027,517	

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of The Group and The Bank for the year ended 31 December 2019.

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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

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

	Attributable to Equity Holder of The Bank								
	Ordinary share capital RM'000	Redeemable preference shares RM'000	Merger reserve RM'000	Share-based payment reserve RM'000	Reserve - equity instruments at fair value through other comprehensive income RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Retained profits RM'000	Total RM'000
The Bank									
30 June 2019	100,000	10	(272,007)	5,101	(6,331)	271,377	-	472,440	570,590
At 1 January 2019									
Net profit/total comprehensive income for the financial period	-	-	-	-	-	-	-	463,206	463,206
Share-based payment expense	-	-	-	2,236	-	-	-	-	2,236
Shares released under Equity Ownership Plan	-	-	-	(3,610)	-	-	-	-	(3,610)
Interim dividend paid in respect of the financial year ended 31 December 2018	-	-	-	-	-	-	-	(15,990)	(15,990)
At 30 June 2019	100,000	10	(272,007)	3,727	(6,331)	271,377	-	919,656	1,016,432

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of The Group and The Bank for the year ended 31 December 2019.

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

	The Group		The Bank	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Operating activities				
Profit before taxation from :				
Continuing operations	17,163	440,575	17,074	475,048
Discontinued operation	-	(5,121)	-	(6,320)
Profit before taxation including discontinued operation	<u>17,163</u>	<u>435,454</u>	<u>17,074</u>	<u>468,728</u>
Adjustments for non-operating and non-cash items	7,110	(424,456)	7,206	(459,848)
Cash flow from operating profit before changes in operating assets and liabilities	<u>24,273</u>	<u>10,998</u>	<u>24,280</u>	<u>8,880</u>
Net changes in operating assets	(1,670)	(117,391)	(1,669)	(117,135)
Net changes in operating liabilities	(80,818)	215,508	(80,807)	217,416
Cash (used in)/generated from operating activities	<u>(58,215)</u>	<u>109,115</u>	<u>(58,196)</u>	<u>109,161</u>
Taxation (paid)/refunded	(6,706)	9,828	(6,704)	10,080
Net cash (used in)/generated from operating activities	<u>(64,921)</u>	<u>118,943</u>	<u>(64,900)</u>	<u>119,241</u>
Net cash (used in)/generated from investing activities	(1,136)	5,696	(1,137)	5,411
Net cash used in financing activities	(72,728)	(15,990)	(72,728)	(15,990)
	<u>(73,864)</u>	<u>(10,294)</u>	<u>(73,865)</u>	<u>(10,579)</u>
Net (decrease)/increase in cash and cash equivalents during the financial period	(138,785)	108,649	(138,765)	108,662
Cash and cash equivalents at beginning of the financial period	<u>623,004</u>	<u>862,704</u>	<u>622,041</u>	<u>861,735</u>
Cash and cash equivalents at end of the financial period	<u>484,219</u>	<u>971,353</u>	<u>483,276</u>	<u>970,397</u>
Cash and cash equivalents comprise the following:				
Cash and short term funds	484,219	998,459	483,276	997,503
Adjustment for monies held in trust:				
Remisiers' balances	-	(27,106)	-	(27,106)
Cash and cash equivalents at end of the financial period	<u>484,219</u>	<u>971,353</u>	<u>483,276</u>	<u>970,397</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of The Group and The Bank for the year ended 31 December 2019.

PART A - EXPLANATORY NOTES

A1. Basis of preparation

The unaudited condensed interim financial statements for the financial period ended 30 June 2020 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and equity instruments at fair value through other comprehensive income that have been measured at fair value.

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

The unaudited condensed interim financial statements should be read in conjunction with the Group's and the Bank's audited financial statements for the financial year ended 31 December 2019. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2019.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2019, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2020:

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

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

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

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

A2. Changes in estimates

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

A3. Dividends paid and proposed

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A4. Significant events during the financial period

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

A5. Financial investments at fair value through profit or loss

	The Group and the Bank	
	30 June	31 December
	2020	2019
	RM'000	RM'000
<u>At fair value</u>		
Unquoted securities :		
<i>In Malaysia</i>		
Bonds	2,133	573
Total financial investments at fair value through profit or loss	2,133	573

A6. Equity instruments at fair value through other comprehensive income

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

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group		The Bank	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
A7. Other assets				
Other debtors, net of expected credit losses, deposits and prepayments	32,136	38,118	31,324	37,306
	32,136	38,118	31,324	37,306

	The Group and the Bank	
	30 June	31 December
	2020	2019
	RM'000	RM'000
A8. Deposits from customers		
<u>(i) By type of deposits</u>		
Short term money market deposits	45,052	10,020
<u>(ii) By type of customers</u>		
Local government and statutory bodies	45,052	10,020
	45,052	10,020

	The Group and the Bank	
	30 June	31 December
	2020	2019
	RM'000	RM'000
A9. Deposits and placements of banks and other financial institutions		
Licensed banks	783	683
Other financial institutions	25,037	90,385
	25,820	91,068

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

Due within six months	25,820	91,068
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	The Group		The Bank	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
A10. Other liabilities				
Accruals	47,155	85,641	47,130	85,641
Others	5,269	5,059	5,269	5,052
	52,424	90,700	52,399	90,693

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd quarter ended		Six months ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
A11. Interest income				
<u>The Group</u>				
Money at call and deposits placements with banks and other financial institutions	2,564	4,728	6,140	8,585
Reverse repurchase agreements	364	479	752	722
Others	76	1	76	30
	3,004	5,208	6,968	9,337
<u>The Bank</u>				
Money at call and deposits placements with banks and other financial institutions	2,560	4,722	6,129	8,572
Reverse repurchase agreements	364	479	752	722
Others	76	1	76	30
	3,000	5,202	6,957	9,324
A12. Interest income for financial assets at fair value through profit and loss				
<u>The Group and The Bank</u>				
Financial investments at fair value through profit or loss	6	28	10	80
Net accretion of discounts less amortisation of premium	-	2	-	6
	6	30	10	86
A13. Interest expense				
<u>The Group and The Bank</u>				
Deposits and placements of banks and other financial institutions	397	4,107	1,177	5,515
Deposits from customers	236	727	494	3,181
Lease liabilities	121	153	252	312
	754	4,987	1,923	9,008

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd quarter ended		Six months ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
A14. Non interest income				
<u>The Group</u>				
a) Net fee income and commission income:				
Commissions	6,985	5,426	15,211	10,982
Service charges and fees	17,847	27,745	42,652	48,697
Advisory and arrangement fees	4,218	3,785	8,273	10,827
Underwriting fees	-	-	435	4,800
Placement, book running and related fees	11,543	6,695	14,462	9,791
Other fee income	3,814	1,758	4,895	2,552
	44,407	45,409	85,928	87,649
b) Net gain/(loss) arising from financial investments at fair value through profit or loss :				
- realised (loss)/gain	(12)	627	59	(2,877)
- unrealised gain/(loss)	31	(641)	24	(618)
	19	(14)	83	(3,495)
c) Net loss arising from derivative financial instrument :				
- realised loss	-	(6,823)	(21)	(6,824)
d) Dividend income from:				
Financial investments at fair value through profit or loss	-	2	-	18
e) Other income:				
Foreign exchange gain	1,022	2,289	2,784	3,506
Gain on disposal of property, plant and equipment	-	239	54	669
Gain on disposal of equities business	-	432,421	-	432,421
Other non-operating income	1,385	1,042	2,627	2,028
	2,407	435,991	5,465	438,624
f) Income from asset management and securities services	1,511	1,882	2,741	3,707
Total non interest income	48,344	476,447	94,196	519,679

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd quarter ended		Six months ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
A14. Non interest income (Continued)				
<u>The Bank</u>				
a) Net fee income and commission income:				
Commissions	6,985	5,426	15,211	10,982
Service charges and fees	17,847	27,745	42,652	48,697
Advisory and arrangement fees	4,218	3,785	8,273	10,827
Underwriting fees	-	-	435	4,800
Placement, book running and related fees	11,543	6,695	14,462	9,791
Other fee income	3,814	1,758	4,895	2,552
	44,407	45,409	85,928	87,649
b) Net gain/(loss) arising from financial investments at fair value through profit or loss :				
- realised (loss)/gain	(12)	627	59	(2,877)
- unrealised gain/(loss)	31	(641)	24	(618)
	19	(14)	83	(3,495)
c) Net loss arising from derivative financial instrument :				
- realised loss	-	(6,823)	(21)	(6,824)
d) Dividend income from:				
Financial investments at fair value through profit or loss	-	2	-	18
e) Other income:				
Foreign exchange gain	1,022	2,289	2,784	3,506
Gain on disposal of property, plant and equipment	-	239	54	669
Gain on disposal of equities business	-	466,954	-	466,954
Other non-operating income	1,384	1,042	2,626	2,028
	2,406	470,524	5,464	473,157
f) Income from asset management and securities services	1,511	1,882	2,741	3,707
Total non interest income	48,343	510,980	94,195	554,212

PART A - EXPLANATORY NOTES (CONTINUED)

A15. Overheads

<u>The Group</u>	2nd quarter ended		Six months ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	22,246	41,518	48,255	74,177
- Pension cost (defined contribution plan)	2,863	2,913	5,759	5,963
- Transformation initiative expenses	375	-	375	-
- Others	888	1,544	2,008	1,838
	26,372	45,975	56,397	81,978
Establishment costs				
- Depreciation of property, plant and equipment	1,999	934	3,137	2,912
- Depreciation of investment property	128	128	257	257
- Depreciation of right-of-use assets	735	766	1,470	1,531
- Equipment and other rental	718	987	1,912	1,939
- Others	1,599	1,174	2,879	2,067
	5,179	3,989	9,655	8,706
Marketing expenses				
- Advertisement and entertainment expenses	120	511	1,050	1,158
- Others	35	158	239	380
	155	669	1,289	1,538
Administration and general expenses				
- Legal and professional fees	979	349	1,508	1,186
- Communication	138	171	233	261
- Printing and stationery	150	68	230	132
- Administrative vehicle, travelling and insurance expenses	150	525	373	765
- Service expenses	8,037	-	15,531	-
- Others	2,217	872	3,207	1,722
	11,671	1,985	21,082	4,066
Total overhead expenses	43,377	52,618	88,423	96,288

PART A - EXPLANATORY NOTES (CONTINUED)

A15. Overheads (Continued)

	2nd quarter ended		Six months ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<u>The Bank</u>				
Personnel costs				
- Salaries, allowances and bonuses	22,246	41,519	48,255	74,177
- Pension cost (defined contribution plan)	2,863	2,913	5,759	5,963
- Transformation initiative expenses	375	-	375	-
- Others	888	1,543	2,008	1,838
	26,372	45,975	56,397	81,978
Establishment costs				
- Depreciation of property, plant and equipment	1,999	934	3,137	2,912
- Depreciation of investment property	128	128	257	257
- Depreciation of right-of-use assets	735	766	1,470	1,531
- Equipment and other rental	718	987	1,912	1,939
- Others	1,599	1,174	2,879	2,067
	5,179	3,989	9,655	8,706
Marketing expenses				
- Advertisement and entertainment expenses	120	511	1,050	1,158
- Others	35	158	239	380
	155	669	1,289	1,538
Administration and general expenses				
- Legal and professional fees	976	348	1,504	1,184
- Communication	138	171	233	261
- Printing and stationery	150	68	230	132
- Administrative vehicle, travelling and insurance expenses	150	525	373	765
- Service expenses	8,030	-	15,516	-
- Others	2,217	865	3,207	1,703
	11,661	1,977	21,063	4,045
Total overhead expenses	43,367	52,610	88,404	96,267

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

The Group and The Bank

Expected credit losses (written back)/made on:

- Trade receivables	(1,469)	(239)	513	(52)
	(1,469)	(239)	513	(52)

PART A - EXPLANATORY NOTES (CONTINUED)

A17. Capital Adequacy

The capital adequacy ratios of the Bank and the Group are calculated based on the Bank Negara Malaysia ("BNM") Capital Adequacy Framework (Capital Components) of which the latest revision was issued on 5 February 2020. The revised guidelines took effect on 1 January 2018 and 1 January 2019 for all banking institutions and financial holding companies respectively. The revised guideline sets out the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

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

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

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

	The Group		The Bank	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Before deducting proposed dividend				
Common Equity Tier 1 ratio	30.672%	69.095%	30.838%	70.335%
Tier 1 ratio	30.672%	69.095%	30.838%	70.335%
Total capital ratio	30.672%	69.095%	30.838%	70.335%
After deducting proposed dividend				
Common Equity Tier 1 ratio	30.672%	61.549%	30.838%	62.633%
Tier 1 ratio	30.672%	61.549%	30.838%	62.633%
Total capital ratio	30.672%	61.549%	30.838%	62.633%

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

	The Group		The Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Credit risk	1,295,455	341,536	1,295,604	341,675
Market risk	24,267	4,925	24,267	4,925
Operational risk	534,757	554,745	519,384	536,302
Total risk-weighted assets	<u>1,854,479</u>	<u>901,206</u>	<u>1,839,255</u>	<u>882,902</u>

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

	The Group		The Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Common Equity Tier I capital				
Ordinary share capital	100,000	100,000	100,000	100,000
Other reserves	491,556	549,360	480,619	538,446
Less : Proposed dividends	-	(68,000)	-	(68,000)
Common Equity Tier I capital before regulatory adjustments	591,556	581,360	580,619	570,446
<u>Less: Regulatory adjustments</u>				
Deferred tax assets	(11,326)	(16,895)	(11,326)	(16,895)
Deduction in excess of Tier II Capital	(2,098)	(450)	(2,098)	(450) N1
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(9,332)	(9,212)	-	-
Regulatory reserve	-	(116)	-	(116)
Common equity tier I capital after regulatory adjustments / Total Tier I Capital	<u>568,800</u>	<u>554,687</u>	<u>567,195</u>	<u>552,985</u>
Tier II capital				
Redeemable Preference Shares	2	3	2	3
General provisions	-	116	-	116
Tier II capital before regulatory adjustments	2	119	2	119
<u>Less: Regulatory adjustments</u>				
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(2,100)	(569)	(2,100)	(569)
Total Tier II capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u> N1
Total capital	<u>568,800</u>	<u>554,687</u>	<u>567,195</u>	<u>552,985</u>

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

PART A - EXPLANATORY NOTES (CONTINUED)

A18. Segment reporting

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

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

Definition of segments

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

i. Investment Banking

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

ii. Treasury & Markets

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

iii. Asset Management & Securities Services

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

iv. Equities

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

v. Support & Others

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

PART A - EXPLANATORY NOTES (CONTINUED)

A18. Segment reporting (Continued)

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

	Continuing operations				Discontinued operation		Total
	Investment Banking RM'000	Treasury & Markets RM'000	Asset Management & Securities Services RM'000	Support and others RM'000	Total continuing operations RM'000	Equities RM'000	
The Group							
30 June 2020							
Net interest income	-	5,055	-	-	5,055	-	5,055
Non interest income	35,826	5,133	50,845	2,392	94,196	-	94,196
Income from Islamic Banking operations	-	4,500	2,213	39	6,752	-	6,752
	35,826	14,688	53,058	2,431	106,003	-	106,003
Overheads	(30,835)	(14,590)	(42,194)	(804)	(88,423)	-	(88,423)
<i>of which :</i>							
<i>Depreciation of property, plant and equipment</i>	(801)	(1)	(2,273)	(62)	(3,137)	-	(3,137)
<i>Depreciation of Investment Property</i>	-	-	(257)	-	(257)	-	(257)
Profit before expected credit losses	4,991	98	10,864	1,627	17,580	-	17,580
Expected credit losses (made)/ written back on trade receivables	(614)	46	(129)	184	(513)	-	(513)
Segment results	4,377	144	10,735	1,811	17,067	-	17,067
Share of results of associates					96	-	96
Profit before taxation					17,163	-	17,163
Taxation					(5,572)	-	(5,572)
Net profit for the financial period					11,591	-	11,591
30 June 2020							
Segment assets	15,452	536,455	54,728	37,578	644,213	-	644,213
Unallocated assets							90,364
Total assets							<u>734,577</u>
Segment liabilities	17,346	74,372	24,842	19,142	135,702	-	135,702
Unallocated liabilities							7,222
Total liabilities							<u>142,924</u>
Other segment items							
Capital expenditure:	162	-	4,424	24	4,610	-	4,610

PART A - EXPLANATORY NOTES (CONTINUED)

A18. Segment reporting (Continued)

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

	←————— Continuing operations —————→				← Discontinued operation →		Total RM'000
	Investment Banking RM'000	Treasury & Markets RM'000	Asset Management & Securities Services RM'000	Support and others RM'000	Total continuing operations RM'000	Equities RM'000	
The Group							
30 June 2019							
External net interest income	-	407	-	8	415	5,978	6,393
Non interest income	32,539	7,356	477,150	2,634	519,679	51,658	571,337
Income from Islamic Banking operations	4,791	9,255	2,603	-	16,649	795	17,444
	37,330	17,018	479,753	2,642	536,743	58,431	595,174
Overheads	(43,540)	(8,086)	(44,492)	(170)	(96,288)	(63,772)	(160,060)
<i>of which :</i>							
<i>Depreciation of property, plant and equipment</i>	-	(187)	(2,725)	-	(2,912)	(741)	(3,653)
<i>Depreciation of Investment Property</i>	-	-	(257)	-	(257)	-	(257)
Profit before expected credit losses	(6,210)	8,932	435,261	2,472	440,455	(5,341)	435,114
Expected credit losses written back/(made) on trade receivables	347	(54)	(241)	-	52	220	272
Segment results	(5,863)	8,878	435,020	2,472	440,507	(5,121)	435,386
Share of results of associates					68	-	68
Profit before taxation					440,575	(5,121)	435,454
Taxation					(5,615)	(290)	(5,905)
Net profit for the financial period					434,960	(5,411)	429,549
31 December 2019							
Segment assets	16,528	688,286	47,240	38,699	790,753	-	790,753
Unallocated assets							86,835
Total assets							877,588
Segment liabilities	22,801	110,542	58,143	14,271	205,757	-	205,757
Unallocated liabilities							22,461
Total liabilities							228,218
Other segment items							
Capital expenditure:	-	41	803	92	936	2,165	3,101

PART A - EXPLANATORY NOTES (CONTINUED)

A19. FAIR VALUE ESTIMATION

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

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

Valuation Model Review and Approval

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

PART A - EXPLANATORY NOTES (CONTINUED)

A19. FAIR VALUE ESTIMATION (CONTINUED)

The following table represents The Group's and The Bank's financial assets measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 June 2020 and 31 December 2019.

	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<u>The Group</u>					
30 June 2020					
<i>Recurring fair value measurement</i>					
<u>Financial assets</u>					
Financial assets at fair value through profit or loss					
- Unquoted securities	2,133	-	2,133	-	2,133
Equity instruments at fair value through other comprehensive income					
- Unquoted securities	867	-	-	867	867
Total	3,000	-	2,133	867	3,000

	Carrying amount RM'000	Fair Value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<u>The Bank</u>					
30 June 2020					
<i>Recurring fair value measurement</i>					
<u>Financial assets</u>					
Financial assets at fair value through profit or loss					
- Unquoted securities	2,133	-	2,133	-	2,133
Total	2,133	-	2,133	-	2,133

PART A - EXPLANATORY NOTES (CONTINUED)

A19. FAIR VALUE ESTIMATION (CONTINUED)

The following table represents The Group's and The Bank's financial assets measured at fair value and classified by level with the following fair value measurement hierarchy as at 30 June 2020 and 31 December 2019. (Continued)

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A19. FAIR VALUE ESTIMATION (CONTINUED)

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

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A20. The operations of Islamic Banking

A20a. Unaudited Statements of Financial Position as at 30 June 2020

	The Group and The Bank	
	30 June 2020	31 December 2019
	RM'000	RM'000
Assets		
Cash and short-term funds	50,544	117,060
Other assets	963	2,065
Tax recoverable	23,576	8,547
Deferred taxation	-	185
Property, plant and equipment	2	3
Amount due from related companies	662	255
Total assets	75,747	128,115
Liabilities and Islamic Banking capital funds		
Deferred tax liabilities	656	-
Other liabilities	8,514	3,966
Total liabilities	9,170	3,966
Islamic Banking capital funds	55,696	55,696
Reserves	10,881	68,453
Total Islamic Banking capital funds	66,577	124,149
Total liabilities and Islamic Banking capital funds	75,747	128,115

PART A - EXPLANATORY NOTES (CONTINUED)

A20. The operations of Islamic Banking (Continued)

A20b. Unaudited Statements of Income for the financial period ended 30 June 2020

	The Group and The Bank			
	2nd quarter ended		Six months ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of shareholders' funds	1,807	4,158	6,752	16,649
Expected credit losses written back/(made) on trade receivables	1,774	(45)	314	(157)
Total attributable income	3,581	4,113	7,066	16,492
Income attributable to the depositors and others	-	(1)	-	-
Total net income	3,581	4,112	7,066	16,492
Personnel expenses	(174)	(170)	(342)	(343)
Other overheads and expenditures	(1,530)	(3,144)	(3,454)	(4,966)
Profit before taxation from continuing operation	1,877	798	3,270	11,183
Taxation	(485)	207	(841)	(2,292)
Profit from continuing operations	1,392	1,005	2,429	8,891
Loss from discontinued operation	-	(842)	-	(1,260)
Profit after taxation/total comprehensive income for the period	1,392	163	2,429	7,631
<u>Income from Islamic operations (per page 3 and page 5)</u>				
Total net income	3,581	4,112	7,066	16,492
Less : Expected credit losses (written back)/made on trade receivables	(1,774)	45	(314)	157
	1,807	4,157	6,752	16,649

PART A - EXPLANATORY NOTES (CONTINUED)

A20c. Capital Adequacy

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

	The Group and The Bank	
	30 June	31 December
	2020	2019
Before deducting proposed dividend		
Common Equity Tier 1 Ratio	87.763%	150.216%
Tier 1 ratio	87.763%	150.216%
Total capital ratio	87.763%	150.216%
After deducting proposed dividend		
Common Equity Tier 1 Ratio	87.763%	77.510%
Tier 1 ratio	87.763%	77.510%
Total capital ratio	87.763%	77.510%

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

	The Group and The Bank	
	30 June	31 December
	2020	2019
	RM'000	RM'000
Credit risk	657	2,521
Operational risk	75,204	80,003
Total risk-weighted assets	75,861	82,524

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

	The Group and The Bank	
	30 June	31 December
	2020	2019
	RM'000	RM'000
Common Equity Tier I capital		
Islamic Banking capital funds	55,696	55,696
Other reserves	10,882	68,453
Less : Proposed dividends	-	(60,000)
Common Equity Tier I capital / Total Tier I Capital	66,578	64,149
<u>Less: Regulatory adjustments</u>		
Deferred Tax Assets	-	(185)
Common Equity Tier I capital after regulatory adjustments / Total Tier I capital	66,578	63,964
Total capital base	66,578	63,964

PART A - EXPLANATORY NOTES (CONTINUED)

A21. Credit transactions and exposures with connected parties

	The Group	
	30 June 2020 RM'000	31 December 2019 RM'000
Outstanding credit exposures with connected parties	49,418	45,067
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	2.9%	5.9%
Percentage of outstanding credit exposures to connected parties which is impaired or in default	0.0%	0.0%

PART B - EXPLANATORY NOTES

B1. Group Performance Review

The Group reported a profit after taxation of RM11.6 million for the financial period ended 30 June 2020 compared to RM429.5million for the same period in the preceding year. The lower current year profit was due to gain on disposal of equities business of RM432.4 million in 2019 offset by lower overhead by RM7.8 million in 2020.

B2. Prospects for the Current Financial Year

The outlook for the rest of the year will continue to be adversely impacted by economic disruption brought about by the Covid-19 pandemic, although business and capital market activity is expected gain gradual momentum from the progressive opening of economies. For the Investment Banking business, Debt Capital Markets (DCM) will likely see an uptick in activities as issuers take advantage of the low interest rate environment. M&A activity will continue to be opportunistic, while Equity Capital Market (ECM) activity is expected to see selective secondary market fund raises.

B3. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

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

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Net profit from continuing operations (RM '000)	7,197	426,690	11,591	434,960
Net profit from discontinued operation (RM '000)	-	(6,652)	-	(5,411)
	<u>7,197</u>	<u>420,038</u>	<u>11,591</u>	<u>429,549</u>
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Basic earnings per share for profit from continuing operations (expressed in sen per share)	7.20	426.69	11.59	434.96
Basic earnings per share for profit from discontinued operation (expressed in sen per share)	-	(6.65)	-	(5.41)
Total basic earnings per share for profit attributable to equity shareholders (expressed in sen per share)	<u>7.20</u>	<u>420.04</u>	<u>11.59</u>	<u>429.55</u>

PART B - EXPLANATORY NOTES (CONTINUED)

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

a) Basic EPS (Continued)

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

	The Bank			
	2nd quarter ended		Six months ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Net profit from continuing operations (RM '000)	7,160	461,091	11,505	469,529
Net profit from discontinued operation (RM '000)	-	(7,081)	-	(6,323)
	<u>7,160</u>	<u>454,010</u>	<u>11,505</u>	<u>463,206</u>
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Basic earnings per share for profit from continuing operations (expressed in sen per share)	7.16	461.09	11.51	469.53
Basic earnings per share for profit from discontinued operation (expressed in sen per share)	-	(7.08)	-	(6.32)
Total basic earnings per share for profit attributable to equity shareholders (expressed in sen per share)	<u>7.16</u>	<u>454.01</u>	<u>11.51</u>	<u>463.21</u>

b) Diluted EPS

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