

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

	Notes	The Group	
		30 September 2021 RM'000	31 December 2020 RM'000
<b>Assets</b>			
Cash and short term funds		522,610	544,606
Reverse repurchase agreements		47,089	53,670
Deposits and placements with banks and other financial institutions		10	10
Financial investments at fair value through profit or loss	A6	-	1,978
Equity instruments at fair value through other comprehensive income	A7	867	867
Other assets	A8	18,972	30,402
Tax recoverable		23,254	32,216
Deferred taxation		11,850	9,551
Amounts due from related companies		25,005	40,308
Amounts due from ultimate holding company		-	5
Statutory deposits with Bank Negara Malaysia		50	50
Investment in associates		6,116	8,714
Property, plant and equipment		11,182	14,744
Right-of-use assets		6,937	10,390
Investment property		15,918	16,304
Intangible assets		35,283	27,280
<b>Total assets</b>		<b>725,143</b>	<b>791,095</b>
<b>Liabilities</b>			
Deposits from customers	A9	20,006	45,061
Deposits and placements of banks and other financial institutions	A10	25,868	25,860
Other liabilities	A11	60,428	68,208
Lease liabilities		7,627	11,063
Amounts due to related companies		9,895	9,946
<b>Total liabilities</b>		<b>123,824</b>	<b>160,138</b>
<b>Capital and reserves attributable to equity holders of the Bank</b>			
Ordinary share capital		100,000	100,000
Redeemable preference shares		10	10
Reserves		501,309	530,947
<b>Total equity</b>		<b>601,319</b>	<b>630,957</b>
<b>Total equity and liabilities</b>		<b>725,143</b>	<b>791,095</b>
<b>Net assets per ordinary share (RM)</b>		<b>6.01</b>	<b>6.31</b>

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

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

	Notes	The Bank	
		30 September 2021 RM'000	31 December 2020 RM'000
<b>Assets</b>			
Cash and short term funds		518,326	543,664
Reverse repurchase agreements		47,089	53,670
Financial investments at fair value through profit or loss	A6	-	1,978
Other assets	A8	18,162	29,591
Tax recoverable		23,253	32,216
Deferred taxation		11,850	9,551
Amounts due from related companies		25,004	40,308
Amounts due from ultimate holding company		-	5
Statutory deposits with Bank Negara Malaysia		50	50
Investment in subsidiaries		50	50
Property, plant and equipment		11,182	14,744
Right-of-use assets		6,937	10,390
Investment property		15,918	16,304
Intangible assets		35,283	27,280
<b>Total assets</b>		<b>713,104</b>	<b>779,801</b>
<b>Liabilities</b>			
Deposits from customers	A9	20,006	45,061
Deposits and placements of banks and other financial institutions	A10	25,868	25,860
Other liabilities	A11	60,403	68,202
Lease liabilities		7,627	11,063
Amounts due to related companies		9,895	9,924
<b>Total liabilities</b>		<b>123,799</b>	<b>160,110</b>
<b>Capital and reserves attributable to equity holders of the Bank</b>			
Ordinary share capital		100,000	100,000
Redeemable preference shares		10	10
Reserves		489,295	519,681
<b>Total equity</b>		<b>589,305</b>	<b>619,691</b>
<b>Total equity and liabilities</b>		<b>713,104</b>	<b>779,801</b>
<b>Net assets per ordinary share (RM)</b>		<b>5.89</b>	<b>6.20</b>

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

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**

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

	Notes	The Group			
		3rd quarter ended		Nine months ended	
		30	30	30	30
		September 2021	September 2020	September 2021	September 2020
		RM'000	RM'000	RM'000	RM'000
Interest income	A12	2,364	2,229	6,843	9,197
Interest income for financial assets at fair value through profit and loss	A13	-	2	56	12
Interest expense	A14	(425)	(457)	(1,270)	(2,380)
Net interest income		1,939	1,774	5,629	6,829
Income from Islamic Banking operations	A20b	14,995	3,545	20,175	10,297
Non-interest income	A15	39,446	64,084	148,775	158,280
Total income		56,380	69,403	174,579	175,406
Overheads	A16	(45,200)	(42,227)	(140,175)	(130,650)
Profit before expected credit losses		11,180	27,176	34,404	44,756
Expected credit losses (made)/written back on trade receivables	A17	(3,257)	59	(4,722)	(454)
		7,923	27,235	29,682	44,302
Share of results of associates		198	151	762	247
Profit before taxation		8,121	27,386	30,444	44,549
Taxation		(1,648)	(6,523)	(8,554)	(12,095)
<b>Profit for the financial period</b>		<b>6,473</b>	<b>20,863</b>	<b>21,890</b>	<b>32,454</b>
Profit for the financial period attributable to : Owners of the Group		<b>6,473</b>	20,863	<b>21,890</b>	32,454
<b>Basic earnings per share for profit attributable to ordinary equity holders (sen)</b>	B3	<b>6.47</b>	20.86	<b>21.89</b>	32.45

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

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

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

	<b>The Group</b>			
	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
	<b>September</b>	<b>September</b>	<b>September</b>	<b>September</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit for the financial period</b>	<b>6,473</b>	20,863	<b>21,890</b>	32,454
<b>Other comprehensive income:</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Equity instruments at fair value through other comprehensive income				
- Gain from change in fair value	-	23	-	23
<b>Total comprehensive income for the financial period</b>	<b>6,473</b>	20,886	<b>21,890</b>	32,477

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

**CIMB INVESTMENT BANK BERHAD**

*Company Number 197401001266 (18417-M)*

**CONDENSED INTERIM FINANCIAL STATEMENTS**

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

	Notes	The Bank			
		3rd quarter ended		Nine months ended	
		30	30	30	30
		September	September	September	September
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Interest income	A12	2,357	2,225	6,829	9,182
Interest income for financial assets at fair value through profit and loss	A13	-	2	56	12
Interest expense	A14	(425)	(457)	(1,270)	(2,380)
Net interest income		1,932	1,770	5,615	6,814
Income from Islamic Banking operations	A20b	14,995	3,545	20,175	10,297
Non-interest income	A15	39,445	64,084	148,774	158,280
Total income		56,372	69,399	174,564	175,391
Overheads	A16	(45,187)	(42,218)	(140,150)	(130,622)
Profit before expected credit losses		11,185	27,181	34,414	44,769
Expected credit losses (made)/written back on trade receivables	A17	(3,257)	59	(4,722)	(454)
Profit before taxation		7,928	27,240	29,692	44,315
Taxation		(1,647)	(6,522)	(8,551)	(12,091)
<b>Profit for the financial period</b>		<b>6,281</b>	<b>20,718</b>	<b>21,141</b>	<b>32,224</b>
Profit for the financial period attributable to : Owners of the Bank		<b>6,281</b>	20,718	<b>21,141</b>	32,224
<b>Basic earnings per share for profit attributable to ordinary equity holders (sen)</b>	B3	<b>6.28</b>	20.72	<b>21.14</b>	32.22

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

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

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

	<b>The Bank</b>			
	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
	<b>September</b>	<b>September</b>	<b>September</b>	<b>September</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit/total comprehensive income for the financial period</b>	<b>6,281</b>	20,718	<b>21,141</b>	32,224

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

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

	← Attributable to Equity Holder of The Group →							Total
	Ordinary share capital	Redeemable preference shares	Reserve - equity instruments at fair value through other comprehensive income	Share-based payment reserve	Capital contribution by ultimate holding company	Regulatory reserve	Retained profits	
<b>The Group</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>30 September 2021</b>								
<b>At 1 Jan 2021</b>	100,000	10	(5,968)	2,709	-	-	534,205	630,956
Net profit/total comprehensive income for the financial period	-	-	-	-	-	-	21,890	21,890
Share-based payment expense	-	-	-	1,675	368	-	-	2,043
Shares released under Equity Ownership Plan	-	-	-	(2,750)	-	-	-	(2,750)
Transfer to regulatory reserve	-	-	-	-	-	226	(226)	-
Interim dividend paid in respect of the financial year ended 31 December 2020	-	-	-	-	-	-	(50,820)	(50,820)
<b>At 30 September 2021</b>	<b>100,000</b>	<b>10</b>	<b>(5,968)</b>	<b>1,634</b>	<b>368</b>	<b>226</b>	<b>505,049</b>	<b>601,319</b>

	← Attributable to Equity Holder of The Group →							Total
	Ordinary share capital	Redeemable preference shares	Reserve - equity instruments at fair value through other comprehensive income	Share-based payment reserve	Capital contribution by ultimate holding company	Regulatory reserve	Retained profits	
<b>The Group</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>30 September 2020</b>								
<b>At 1 January 2020</b>	100,000	10	(5,991)	4,303	-	116	550,932	649,370
Net profit for the financial period	-	-	-	-	-	-	32,454	32,454
Other comprehensive expense (net of tax)	-	-	23	-	-	-	-	23
- Equity instruments at fair value through other comprehensive income	-	-	23	-	-	-	-	23
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,454</b>	<b>32,477</b>
Share-based payment expense	-	-	-	2,920	-	-	-	2,920
Shares released under Equity Ownership Plan	-	-	-	(3,411)	-	-	-	(3,411)
Transfer to regulatory reserve	-	-	-	-	-	(116)	116	-
Interim dividend paid in respect of the financial year ended 31 December 2019	-	-	-	-	-	-	(68,000)	(68,000)
<b>At 30 September 2020</b>	<b>100,000</b>	<b>10</b>	<b>(5,968)</b>	<b>3,812</b>	<b>-</b>	<b>-</b>	<b>515,502</b>	<b>613,356</b>

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

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

	← Attributable to Equity Holder of The Bank →							Total
	Ordinary share capital	Redeemable preference shares	Share-based payment reserve	Capital contribution by ultimate holding company	Reserve - equity instruments at fair value through other comprehensive income	Regulatory reserve	Retained profits	
<b>The Bank</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>30 September 2021</b>								
<b>At 1 January 2021</b>	100,000	10	2,709	-	(6,331)	-	523,303	619,691
Net profit/total comprehensive income for the financial period	-	-	-	-	-	-	21,141	21,141
Share-based payment expense	-	-	1,675	368	-	-	-	2,043
Shares released under Equity Ownership Plan	-	-	(2,750)	-	-	-	-	(2,750)
Transfer to regulatory reserve	-	-	-	-	-	226	(226)	-
Interim dividend paid in respect of the financial year ended 31 December 2020	-	-	-	-	-	-	(50,820)	(50,820)
<b>At 30 September 2021</b>	100,000	10	1,634	368	(6,331)	226	493,398	589,305

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

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



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

	The Group		The Bank	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
<b>Operating activities</b>				
Profit before taxation	30,444	44,549	29,692	44,315
Adjustments for non-operating and non-cash items	15,671	10,848	16,433	11,095
Cash flow from operating profit before changes in operating assets and liabilities	<b>46,115</b>	55,397	<b>46,125</b>	55,410
Net changes in operating assets	33,012	8,843	29,652	8,843
Net changes in operating liabilities	(36,756)	(91,041)	(36,753)	(91,032)
Cash generated from/(used in) operating activities	<b>42,371</b>	(26,801)	<b>39,024</b>	(26,779)
Taxation paid	(1,892)	(6,706)	(1,888)	(6,704)
Net cash generated from/(used in) operating activities	<b>40,479</b>	(33,507)	<b>37,136</b>	(33,483)
<b>Investing activities</b>				
Net (purchase)/proceeds from disposal of property, plant and equipment	(21)	(1,638)	(21)	(1,638)
Net (purchase)/proceeds from disposal of intangible assets	(11,805)	-	(11,805)	-
Net cash (used in)/ generated from investing activities	<b>(11,826)</b>	(1,638)	<b>(11,826)</b>	(1,638)
<b>Financing activities</b>				
Net repayment of lease liabilities	172	(5,513)	172	(5,513)
Dividends paid	(50,820)	(68,000)	(50,820)	(68,000)
Net cash (used in)/generated from financing activities	<b>(50,648)</b>	(73,513)	<b>(50,648)</b>	(73,513)
Net decrease in cash and cash equivalents during the financial period	<b>(21,995)</b>	(108,658)	<b>(25,338)</b>	(108,634)
Cash and cash equivalents at beginning of the financial period	<b>544,605</b>	623,004	<b>543,664</b>	622,041
<b>Cash and cash equivalents at end of the financial period</b>	<b>522,610</b>	514,346	<b>518,326</b>	513,407
<b>Cash and cash equivalents comprise the following:</b>				
Cash and short term funds	<b>522,610</b>	514,346	<b>518,326</b>	513,407
Deposits and placements with banks and other financial institutions	<b>10</b>	10	-	-
	<b>522,620</b>	514,356	<b>518,326</b>	513,407
Less : Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	<b>(10)</b>	(10)	-	-
<b>Cash and cash equivalents at end of the financial period</b>	<b>522,610</b>	514,346	<b>518,326</b>	513,407

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

## **PART A - EXPLANATORY NOTES**

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

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

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

The unaudited condensed interim financial statements should be read in conjunction with the Group's and the Bank's audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2020.

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

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

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

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

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

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

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

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

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

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

## PART A - EXPLANATORY NOTES (CONTINUED)

### A4. Significant events during the financial period

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

### A5. Significant events after the financial period

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

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

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

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

	<b>The Group</b>		<b>The Bank</b>	
	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<u>At fair value</u>				
<b>Unquoted securities :</b>				
<i>Outside Malaysia</i>				
Shares	867	867	-	-
Total equity instruments at fair value through other comprehensive income	867	867	-	-

	<b>The Group</b>		<b>The Bank</b>	
	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b>A8. Other assets</b>				
Trade and other receivables, net of expected credit losses	9,894	20,940	9,894	20,940
Deposits, prepayments and others	9,078	9,462	8,268	8,651
	<b>18,972</b>	<b>30,402</b>	<b>18,162</b>	<b>29,591</b>

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

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

		<b>The Group and the Bank</b>	
		<b>30 September</b>	<b>31 December</b>
		<b>2021</b>	<b>2020</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>A10. Deposits and placements of banks and other financial institutions</b>			
	Licensed banks	<b>826</b>	840
	Other financial institutions	<b>25,042</b>	25,020
		<b>25,868</b>	25,860

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

Due within six months	<b>25,868</b>	25,860
-----------------------	---------------	--------

		<b>The Group</b>		<b>The Bank</b>	
		<b>30 September</b>	<b>31 December</b>	<b>30 September</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>
<b>A11. Other liabilities</b>					
	Trade and sundry creditors	<b>15,564</b>	29,685	<b>15,564</b>	29,685
	Expenditure payable	<b>39,759</b>	28,000	<b>39,734</b>	27,994
	Others	<b>5,105</b>	10,523	<b>5,105</b>	10,523
		<b>60,428</b>	68,208	<b>60,403</b>	68,202

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

	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>	30 September	<b>30 September</b>	30 September
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>A12. Interest income</b>				
<b><u>The Group</u></b>				
Money at call and deposits placements with banks and other financial institutions	<b>2,169</b>	1,941	<b>6,128</b>	8,081
Reverse repurchase agreements	<b>195</b>	288	<b>655</b>	1,040
Others	-	-	<b>60</b>	76
	<b>2,364</b>	2,229	<b>6,843</b>	9,197
<b><u>The Bank</u></b>				
Money at call and deposits placements with banks and other financial institutions	<b>2,162</b>	1,937	<b>6,114</b>	8,066
Reverse repurchase agreements	<b>195</b>	288	<b>655</b>	1,040
Others	-	-	<b>60</b>	76
	<b>2,357</b>	2,225	<b>6,829</b>	9,182
<b>A13. Interest income for financial assets at fair value through profit and loss</b>				
<b><u>The Group and The Bank</u></b>				
Financial investments at fair value through profit or loss	-	2	<b>63</b>	12
Net accretion of discounts less amortisation of premium	-	-	<b>(7)</b>	-
	-	2	<b>56</b>	12
<b>A14. Interest expense</b>				
<b><u>The Group and The Bank</u></b>				
Deposits and placements of banks and other financial institutions	<b>142</b>	133	<b>476</b>	1,310
Deposits from customers	<b>210</b>	210	<b>525</b>	704
Lease liabilities	<b>73</b>	114	<b>269</b>	366
	<b>425</b>	457	<b>1,270</b>	2,380

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

	3rd quarter ended		Nine months ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
<b>A15. Non interest income</b>				
<b><u>The Group</u></b>				
a) <b>Net fee income and commission income:</b>				
Commissions	10,736	9,465	37,840	24,676
Service charges and fees	21,055	21,666	49,505	64,318
Advisory and arrangement fees	6,169	6,645	30,784	14,918
Underwriting fees	-	-	872	435
Placement, book running and related fees	(3,339)	1,071	14,392	12,252
Other fee income	-	-	1,020	8,176
	<b>34,621</b>	<b>38,847</b>	<b>134,413</b>	<b>124,775</b>
b) <b>Net (loss)/gain arising from financial investments at fair value through profit or loss :</b>				
- realised (loss)/gain	-	(6)	11	53
- unrealised loss	-	(35)	(17)	(11)
	-	(41)	(6)	42
c) <b>Net loss arising from derivative financial instrument :</b>				
- realised loss	-	-	-	(21)
d) <b>Other income:</b>				
Foreign exchange gain	1,785	993	5,287	3,777
Gain on disposal of property, plant and equipment	-	-	47	54
Recoveries from Investment management and securities services	-	21,569	-	21,569
Other non-operating income	1,049	783	3,081	3,410
	<b>2,834</b>	<b>23,345</b>	<b>8,415</b>	<b>28,810</b>
e) <b>Income from asset management and securities services</b>	<b>1,991</b>	<b>1,933</b>	<b>5,953</b>	<b>4,674</b>
<b>Total non interest income</b>	<b>39,446</b>	<b>64,084</b>	<b>148,775</b>	<b>158,280</b>

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

A15. Non interest income	3rd quarter ended		Nine months ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
<b><u>The Bank</u></b>				
a) <b>Net fee income and commission income:</b>				
Commissions	10,736	9,465	37,840	24,676
Service charges and fees	21,055	21,666	49,505	64,318
Advisory and arrangement fees	6,169	6,645	30,784	14,918
Underwriting fees	-	-	872	435
Placement, book running and related fees	(3,339)	1,071	14,392	12,252
Other fee income	-	-	1,020	8,176
	<b>34,621</b>	<b>38,847</b>	<b>134,413</b>	<b>124,775</b>
b) <b>Net (loss)/gain arising from financial investments at fair value through profit or loss :</b>				
- realised (loss)/gain	-	(6)	11	53
- unrealised loss	-	(35)	(17)	(11)
	-	(41)	(6)	42
c) <b>Net loss arising from derivative financial instrument :</b>				
- realised loss	-	-	-	(21)
d) <b>Other income:</b>				
Foreign exchange gain	1,785	993	5,287	3,777
Gain on disposal of property, plant and equipment	-	-	47	54
Recoveries from Investment management and securities services	-	21,569	-	21,569
Other non-operating income	1,048	783	3,080	3,410
	<b>2,833</b>	<b>23,345</b>	<b>8,414</b>	<b>28,810</b>
e) <b>Income from asset management and securities services</b>	<b>1,991</b>	<b>1,933</b>	<b>5,953</b>	<b>4,674</b>
<b>Total non interest income</b>	<b>39,445</b>	<b>64,084</b>	<b>148,774</b>	<b>158,280</b>

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

### **A16. Overheads**

<b>The Group</b>	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Personnel costs</b>				
- Salaries, allowances and bonus	<b>19,691</b>	24,985	<b>73,369</b>	73,240
- Pension cost (defined contribution plan)	<b>1,215</b>	2,898	<b>7,543</b>	8,657
- Transformation initiative expenses	<b>339</b>	615	<b>4,413</b>	990
- Share-based expense <sup>1</sup>	<b>276</b>	-	<b>368</b>	-
- Others	<b>1,722</b>	1,004	<b>3,543</b>	3,012
	<b>23,243</b>	29,502	<b>89,236</b>	85,899
<b>Establishment costs</b>				
- Depreciation of property, plant and equipment	<b>1,230</b>	1,204	<b>3,627</b>	3,620
- Depreciation of investment property	<b>129</b>	129	<b>386</b>	386
- Depreciation of right-of-use assets	<b>601</b>	730	<b>2,010</b>	2,200
- Amortisation of intangible assets	<b>1,516</b>	337	<b>3,802</b>	1,058
- Equipment and other rental	<b>951</b>	499	<b>2,847</b>	2,487
- Others	<b>1,883</b>	1,185	<b>5,862</b>	3,988
	<b>6,310</b>	4,084	<b>18,534</b>	13,739
<b>Marketing expenses</b>				
- Advertisement and entertainment expenses	<b>75</b>	150	<b>(280)</b>	1,201
- Others	<b>22</b>	65	<b>227</b>	303
	<b>97</b>	215	<b>(53)</b>	1,504
<b>Administration and general expenses</b>				
- Legal and professional fees	<b>303</b>	442	<b>1,092</b>	1,957
- Communication	<b>-</b>	122	<b>223</b>	355
- Printing and stationery	<b>51</b>	47	<b>156</b>	285
- Administrative vehicle, travelling and insurance expenses	<b>57</b>	90	<b>256</b>	463
- Service expenses	<b>13,908</b>	6,775	<b>26,943</b>	22,306
- Others	<b>1,231</b>	950	<b>3,788</b>	4,142
	<b>15,550</b>	8,426	<b>32,458</b>	29,508
Total overhead expenses	<b>45,200</b>	42,227	<b>140,175</b>	130,650

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



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

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

	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>The Bank</u></b>				
<b>Personnel costs</b>				
- Salaries, allowances and bonus	<b>19,691</b>	24,985	<b>73,369</b>	73,240
- Pension cost (defined contribution plan)	<b>1,215</b>	2,898	<b>7,543</b>	8,657
- Transformation initiative expenses	<b>339</b>	615	<b>4,413</b>	990
- Share-based expense <sup>1</sup>	<b>276</b>	-	<b>368</b>	-
- Others	<b>1,722</b>	1,004	<b>3,543</b>	3,012
	<b>23,243</b>	29,502	<b>89,236</b>	85,899
<b>Establishment costs</b>				
- Depreciation of property, plant and equipment	<b>1,230</b>	1,204	<b>3,627</b>	3,620
- Depreciation of investment property	<b>129</b>	129	<b>386</b>	386
- Depreciation of right-of-use assets	<b>601</b>	730	<b>2,010</b>	2,200
- Amortisation of intangible assets	<b>1,516</b>	337	<b>3,802</b>	1,058
- Equipment and other rental	<b>951</b>	499	<b>2,847</b>	2,487
- Others	<b>1,883</b>	1,185	<b>5,862</b>	3,988
	<b>6,310</b>	4,084	<b>18,534</b>	13,739
<b>Marketing expenses</b>				
- Advertisement and entertainment expenses	<b>75</b>	150	<b>(280)</b>	1,201
- Others	<b>22</b>	65	<b>227</b>	303
	<b>97</b>	215	<b>(53)</b>	1,504
<b>Administration and general expenses</b>				
- Legal and professional fees	<b>301</b>	440	<b>1,086</b>	1,952
- Communication	<b>-</b>	122	<b>223</b>	355
- Printing and stationery	<b>51</b>	47	<b>156</b>	285
- Administrative vehicle, travelling and insurance expenses	<b>57</b>	90	<b>256</b>	463
- Service expenses	<b>13,899</b>	6,768	<b>26,925</b>	22,283
- Others	<b>1,229</b>	950	<b>3,787</b>	4,142
	<b>15,537</b>	8,417	<b>32,433</b>	29,480
Total overhead expenses	<b>45,187</b>	42,218	<b>140,150</b>	130,622

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

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

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

**The Group and The Bank**

Expected credit losses made/(written back) on:

- Trade receivables

**3,257**

(59)

**4,722**

454

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**3,257**

(59)

**4,722**

454

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

### **A18. Capital Adequacy**

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

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

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

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

	<b>The Group</b>		<b>The Bank</b>	
	<b>30 September 2021</b>	<b>31 December 2020</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
<b>Before deducting proposed dividend</b>				
Common Equity Tier 1 ratio	89.530%	91.131%	89.837%	92.472%
Tier 1 ratio	89.530%	91.131%	89.837%	92.472%
Total capital ratio	89.568%	91.131%	89.875%	92.472%
<b>After deducting proposed dividend</b>				
Common Equity Tier 1 ratio	89.530%	83.181%	89.837%	84.382%
Tier 1 ratio	89.530%	83.181%	89.837%	84.382%
Total capital ratio	89.568%	83.181%	89.875%	84.382%

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

	<b>The Group</b>		<b>The Bank</b>	
	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Credit risk	112,343	168,269	110,821	168,418
Market risk	40,135	11,261	40,135	11,261
Operational risk	450,807	459,765	445,500	448,522
Total risk-weighted assets	603,285	639,295	596,456	628,201

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

	<b>The Group</b>		<b>The Bank</b>	
	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b>Common Equity Tier 1 capital</b>				
Ordinary share capital	100,000	100,000	100,000	100,000
Other reserves	494,463	530,947	483,197	519,681
Less : Proposed dividends	-	(50,820)	-	(50,820)
Common Equity Tier 1 capital before regulatory adjustments	594,463	580,127	583,197	568,861
<b>Less: Regulatory adjustments</b>				
Deferred tax assets	(11,850)	(9,551)	(11,850)	(9,551)
Deduction in excess of Tier 2 Capital	-	(1,943)	-	(1,943) N1
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(6,982)	(9,580)	-	-
Regulatory reserve	(226)	-	(226)	-
Intangible assets	(35,283)	(27,280)	(35,283)	(27,280)
<b>Common equity Tier 1 capital after regulatory adjustments / Total Tier 1 Capital</b>	<b>540,122</b>	<b>531,773</b>	<b>535,838</b>	<b>530,087</b>
<b>Tier 2 capital</b>				
Redeemable Preference Shares	2	2	2	2
Regulatory reserve	226	-	226	-
Tier 2 capital before regulatory adjustments	228	2	228	2
<b>Less: Regulatory adjustments</b>				
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	-	(1,945)	-	(1,945)
<b>Total Tier 2 capital</b>	<b>228</b>	<b>-</b>	<b>228</b>	<b>-</b> N1
<b>Total capital</b>	<b>540,350</b>	<b>531,773</b>	<b>536,066</b>	<b>530,087</b>

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

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

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

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

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

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

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

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

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

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

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

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

	Fair Value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b><u>The Group</u></b>				
<b>30 September 2021</b>				
<i>Recurring fair value measurement</i>				
<b><u>Financial assets</u></b>				
Equity instruments at fair value through other comprehensive income				
- Unquoted securities	-	-	867	867
<b>Total</b>	<b>-</b>	<b>-</b>	<b>867</b>	<b>867</b>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	<b>The Group and The Bank</b>	
	<b>30 September 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
Cash and short-term funds	<b>75,496</b>	80,087
Other assets	<b>212</b>	421
Deferred taxation	<b>157</b>	102
Property, plant and equipment	<b>3</b>	5
Intangible assets	<b>-</b>	-
Amount due from related companies	<b>11,095</b>	375
<b>Total assets</b>	<b>86,963</b>	80,990
<b>Liabilities and Islamic Banking capital funds</b>		
Other liabilities	<b>9,398</b>	4,102
Amount due to related companies	<b>556</b>	101
<b>Total liabilities</b>	<b>9,954</b>	4,203
Islamic Banking capital funds	<b>55,696</b>	55,696
Reserves	<b>21,313</b>	21,091
<b>Total Islamic Banking capital funds</b>	<b>77,009</b>	76,787
<b>Total liabilities and Islamic Banking capital funds</b>	<b>86,963</b>	80,990



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

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

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

	<b>The Group and The Bank</b>			
	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
	<b>September</b>	<b>September</b>	<b>September</b>	<b>September</b>
<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
Income derived from investment of shareholders' funds	<b>14,995</b>	3,545	<b>20,175</b>	10,297
Expected credit losses (made)/written back on trade receivables	-	(66)	<b>30</b>	248
<b>Total attributable income/ total net income</b>	<b>14,995</b>	3,479	<b>20,205</b>	10,545
Personnel expenses	(177)	(178)	(524)	(520)
Other overheads and expenditures	(1,527)	(1,078)	(2,755)	(4,532)
<b>Profit before taxation</b>	<b>13,291</b>	2,223	<b>16,926</b>	5,493
Taxation	(3,163)	(546)	(4,073)	(1,387)
<b>Profit after taxation/total comprehensive income for the period</b>	<b>10,128</b>	1,677	<b>12,853</b>	4,106
<u>Income from Islamic operations (per page 3 and page 5)</u>				
<b>Total net income</b>	<b>14,995</b>	3,479	<b>20,205</b>	10,545
Less : Expected credit losses made/(written back) on trade receivables	-	66	(30)	(248)
	<b>14,995</b>	3,545	<b>20,175</b>	10,297

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

### **A20c. Capital Adequacy**

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

	<b>The Group and The Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
<b>Before deducting proposed dividend</b>		
Common Equity Tier 1 Ratio	<b>91.934%</b>	134.826%
Tier 1 ratio	<b>91.934%</b>	134.826%
Total capital ratio	<b>91.934%</b>	134.826%
<b>After deducting proposed dividend</b>		
Common Equity Tier 1 Ratio	<b>91.934%</b>	112.620%
Tier 1 ratio	<b>91.934%</b>	112.620%
Total capital ratio	<b>91.934%</b>	112.620%

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

	<b>The Group and The Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Credit risk	<b>20,869</b>	831
Operational risk	<b>51,710</b>	56,046
Total risk-weighted assets	<b>72,579</b>	56,877

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

	<b>The Group and The Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Common Equity Tier 1 capital</b>		
Islamic Banking capital funds	<b>55,696</b>	55,696
Other reserves	<b>11,186</b>	21,091
Less : Proposed dividends	-	(12,630)
Common Equity Tier 1 capital / Total Tier 1 Capital	<b>66,882</b>	64,157
<u>Less: Regulatory adjustments</u>		
Deferred Tax Assets	(157)	(102)
Common Equity Tier 1 capital after regulatory adjustments / Total Tier 1 capital	<b>66,725</b>	64,055
Total capital base	<b>66,725</b>	64,055

## **PART B - EXPLANATORY NOTES**

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

The Group reported a profit before taxation of RM30.4 million for the financial period ended 30 September 2021 compared to RM44.5 million for the same period in the preceding year. The lower current year profit was due to higher overhead by RM9.5 million and higher expected credit losses by RM4.2 million.

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

The Investment Bank remains cautiously optimistic as the economy gradually reopens with anticipated lower number of Covid-19 cases and higher vaccination rates and remains focused on executing the Forward23+ strategies, non-interest income growth and prudent cost management. Equity Capital Market had its most active quarter to date while Debt Capital Markets and Mergers & Acquisition activities were sluggish. The investment banking business will likely be slower in line with the cautious stance, as investment activities continue to be dependant on the country's pace of economic recovery, subject to any further significant downside risks.

## **PART B (CONTINUED)**

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

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

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

	<b>The Group</b>			
	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>30 September 2021</b>	<b>30 September 2020</b>	<b>30 September 2021</b>	<b>30 September 2020</b>
Net profit (RM '000)	<b>6,473</b>	20,863	<b>21,890</b>	32,454
Weighted average number of ordinary shares in issue ( '000)	<b>100,000</b>	100,000	<b>100,000</b>	100,000
Total basic earnings per share for profit attributable to equity shareholders (expressed in sen per share)	<b>6.47</b>	20.86	<b>21.89</b>	32.45

**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)

	<b>The Bank</b>			
	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>30 September 2021</b>	<b>30 September 2020</b>	<b>30 September 2021</b>	<b>30 September 2020</b>
Net profit (RM '000)	<u>6,281</u>	<u>20,718</u>	<u>21,141</u>	<u>32,224</u>
Weighted average number of ordinary shares in issue ( '000)	<b>100,000</b>	100,000	<b>100,000</b>	100,000
Total basic earnings per share for profit attributable to equity shareholders (expressed in sen per share)	<u>6.28</u>	<u>20.72</u>	<u>21.14</u>	<u>32.22</u>

**b) Diluted EPS**

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