

**AFFIN BANK BERHAD**  
Company no. 197501003274 (25046-T)

**Condensed Interim Financial Statements**

**Unaudited Statements of Financial Position as at 30 September 2021**

	Note	GROUP		BANK	
		30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
<b>ASSETS</b>					
Cash and short-term funds		<b>6,443,454</b>	5,461,365	<b>1,643,875</b>	1,887,584
Deposits and placements with banks and other financial institutions		<b>1,252,514</b>	50,058	<b>1,252,514</b>	-
Investment accounts due from designated financial institutions		-	-	<b>1,650,063</b>	1,743,308
Financial assets at fair value through profit or loss ("FVTPL")	A9	<b>790,138</b>	698,266	<b>374,150</b>	227,923
Derivative financial assets	A30	<b>222,587</b>	388,294	<b>105,082</b>	231,182
Financial investments at fair value through other comprehensive income ("FVOCI")	A10	<b>14,255,877</b>	13,034,053	<b>8,164,876</b>	6,587,330
Financial investments at amortised cost ("AC")	A11	<b>503,326</b>	143,037	<b>701,377</b>	361,708
Loans, advances and financing	A12	<b>48,197,706</b>	45,492,878	<b>26,056,858</b>	25,165,425
Trade receivables	A13	<b>596,425</b>	920,417	-	-
Other assets	A14	<b>384,869</b>	269,620	<b>171,512</b>	141,481
Amount due from subsidiaries		-	-	<b>115,365</b>	299,864
Amount due from joint ventures		<b>14,653</b>	15,073	-	-
Amount due from associate		<b>30,880</b>	30,885	<b>30,880</b>	30,885
Tax recoverable		<b>126,620</b>	101,675	<b>110,565</b>	89,480
Deferred tax assets		<b>257,220</b>	113,521	<b>133,002</b>	54,607
Statutory deposits with Bank Negara Malaysia		<b>58,211</b>	103,267	<b>48,709</b>	84,267
Investment in subsidiaries		-	-	<b>3,053,899</b>	3,053,899
Investment in joint ventures		<b>186,744</b>	180,398	<b>194,240</b>	194,240
Investment in associates		<b>764,583</b>	715,716	<b>548,482</b>	548,482
Property and equipment		<b>988,483</b>	832,381	<b>964,306</b>	805,142
Right-of-use assets		<b>58,900</b>	81,870	<b>47,575</b>	62,875
Intangible assets		<b>891,745</b>	903,750	<b>194,324</b>	202,212
<b>TOTAL ASSETS</b>		<b>76,024,935</b>	69,536,524	<b>45,561,654</b>	41,771,894
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	B7	<b>57,458,955</b>	49,884,360	<b>31,449,181</b>	27,407,977
Investment accounts of customers		<b>1,443</b>	2,151	-	-
Deposits and placements of banks and other financial institutions	B7	<b>2,960,360</b>	3,720,360	<b>2,200,325</b>	2,407,852
Derivative financial liabilities	A30	<b>237,944</b>	389,819	<b>133,499</b>	228,089
Bills and acceptances payable		<b>36,474</b>	67,010	<b>36,474</b>	67,010
Recourse obligation on loans/financing sold to Cagamas Berhad	A15	<b>50,342</b>	50,034	-	-
Trade payables		<b>835,346</b>	921,392	-	-
Lease liabilities	B7	<b>34,676</b>	50,528	<b>24,556</b>	31,842
Other liabilities	A16	<b>1,524,044</b>	1,460,716	<b>634,744</b>	550,162
Amount due to subsidiaries		-	-	<b>2,450</b>	2,229
Provision for taxation		<b>11,440</b>	6,240	-	-
Deferred tax liabilities		<b>646</b>	1,363	-	-
Borrowings	B7	<b>3,278,010</b>	3,345,455	<b>2,514,356</b>	2,548,241
<b>TOTAL LIABILITIES</b>		<b>66,429,680</b>	59,899,428	<b>36,995,585</b>	33,243,402

*The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2020.*

**AFFIN BANK BERHAD**  
Company no. 197501003274 (25046-T)

**Condensed Interim Financial Statements**

**Unaudited Statements of Financial Position as at 30 September 2021**

	Note	GROUP		BANK	
		30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
<b>EQUITY</b>					
Share capital		<b>4,969,150</b>	4,902,300	<b>4,969,150</b>	4,902,300
Reserves:-					
FVOCI revaluation reserves	A17	<b>(61,626)</b>	266,412	<b>36,336</b>	183,078
Regulatory reserves	A17	<b>737,917</b>	781,679	<b>649,095</b>	643,613
Foreign exchange reserves	A17	<b>(205)</b>	(205)	-	-
Other reserves	A17	<b>(65,909)</b>	(65,909)	-	-
Retained profits	A17	<b>3,973,281</b>	3,682,234	<b>2,911,488</b>	2,799,501
<b>Equity attributable to equity holders of the Bank</b>		<b>9,552,608</b>	9,566,511	<b>8,566,069</b>	8,528,492
Non-controlling interest		<b>42,647</b>	70,585	-	-
<b>TOTAL EQUITY</b>		<b>9,595,255</b>	9,637,096	<b>8,566,069</b>	8,528,492
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>76,024,935</b>	69,536,524	<b>45,561,654</b>	41,771,894
<b>COMMITMENTS AND CONTINGENCIES</b>	A29	<b>46,319,702</b>	36,250,193	<b>26,592,727</b>	20,209,442
<b>CAPITAL ADEQUACY RATIOS</b>	A33				
<u>With transitional arrangements</u>					
CET 1 capital ratio		<b>13.616%</b>	14.549%	<b>12.132%</b>	13.112%
Tier 1 capital ratio		<b>15.295%</b>	16.320%	<b>13.763%</b>	14.841%
Total capital ratio		<b>20.737%</b>	22.274%	<b>19.614%</b>	21.305%
CET 1 capital ratio (net of proposed dividends)		<b>13.616%</b>	14.517%	<b>12.132%</b>	13.061%
Tier 1 capital ratio (net of proposed dividends)		<b>15.295%</b>	16.288%	<b>13.763%</b>	14.790%
Total capital ratio (net of proposed dividends)		<b>20.737%</b>	22.242%	<b>19.614%</b>	21.254%
<b>Net assets per share attributable to equity holders of the Bank (RM)</b>		<b>4.50</b>	4.60	<b>4.03</b>	4.10

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**AFFIN BANK BERHAD**  
Company no. 197501003274 (25046-T)

**Condensed Interim Financial Statements**

**Unaudited Income Statements for the Financial Quarter Ended 30 September 2021**

<b>GROUP</b>	<b>Note</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
		<b>30/9/2021</b>	<b>30/9/2020</b>	<b>30/9/2021</b>	<b>30/9/2020</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	A18	<b>426,749</b>	428,296	<b>1,234,372</b>	1,350,335
Interest expense	A19	<b>(194,304)</b>	(235,465)	<b>(583,809)</b>	(826,824)
<b>Net interest income</b>		<b>232,445</b>	192,831	<b>650,563</b>	523,511
Modification loss	A19 (a)	-	-	-	(79,728)
Income from Islamic banking business		<b>134,155</b>	113,083	<b>389,812</b>	350,107
		<b>366,600</b>	305,914	<b>1,040,375</b>	793,890
Fee and commission income	A20 (a)	<b>211,106</b>	194,439	<b>767,557</b>	514,289
Fee and commission expense	A20 (b)	<b>(64,761)</b>	(58,700)	<b>(285,572)</b>	(144,035)
Net fee and commission income	A20	<b>146,345</b>	135,739	<b>481,985</b>	370,254
Net gains on financial instruments	A21	<b>31,545</b>	103,706	<b>112,204</b>	442,506
Other income	A22	<b>8,002</b>	11,486	<b>34,459</b>	37,453
<b>Net income</b>		<b>552,492</b>	556,845	<b>1,669,023</b>	1,644,103
Other operating expenses	A23	<b>(326,321)</b>	(338,464)	<b>(1,007,286)</b>	(997,211)
<b>Operating profit before allowances</b>		<b>226,171</b>	218,381	<b>661,737</b>	646,892
Allowances for credit impairment losses	A24	<b>(49,245)</b>	(112,311)	<b>(223,242)</b>	(283,235)
Allowances for impairment losses on other assets	A25	-	(11,265)	<b>(1,344)</b>	(12,280)
<b>Operating profit</b>		<b>176,926</b>	94,805	<b>437,151</b>	351,377
Share of results of a joint venture		<b>913</b>	(2,673)	<b>7,398</b>	251
Share of results of an associate		<b>11,309</b>	6,787	<b>28,700</b>	18,383
<b>Profit before zakat and taxation</b>		<b>189,148</b>	98,919	<b>473,249</b>	370,011
Zakat		<b>(2,338)</b>	(3,598)	<b>(4,200)</b>	(6,763)
<b>Profit before taxation</b>		<b>186,810</b>	95,321	<b>469,049</b>	363,248
Taxation	B5	<b>(43,957)</b>	(37,806)	<b>(111,124)</b>	(100,375)
<b>Net profit after zakat and taxation</b>		<b>142,853</b>	57,515	<b>357,925</b>	262,873
<b>Attributable to :-</b>					
Equity holders of the Bank		<b>133,202</b>	48,718	<b>320,087</b>	239,686
Non-controlling interest		<b>9,651</b>	8,797	<b>37,838</b>	23,187
		<b>142,853</b>	57,515	<b>357,925</b>	262,873
Earnings per share attributable to equity holders of the Bank (sen) :-					
Basic	B10	<b>6.32</b>	2.38	<b>15.19</b>	11.66

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**AFFIN BANK BERHAD**  
Company no. 197501003274 (25046-T)  
**Condensed Interim Financial Statements**  
**Unaudited Statements of Comprehensive Income**  
**for the Financial Quarter Ended 30 September 2021**

<b>GROUP</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30/9/2021</b>	<b>30/9/2020</b>	<b>30/9/2021</b>	<b>30/9/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit after zakat and taxation</b>	<b>142,853</b>	<b>57,515</b>	<b>357,925</b>	<b>262,873</b>
<b>Other comprehensive income:</b>				
<u>Items that may be reclassified subsequently to profit or loss :</u>				
- Net fair value change in financial investments at FVOCI (debt instruments)	<b>(88,662)</b>	157,973	<b>(477,703)</b>	422,169
- Net credit impairment loss change in financial investments at FVOCI (debt instruments)	<b>179</b>	8,323	<b>49,708</b>	15,269
- Net gain on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)	<b>(8,936)</b>	(76,597)	<b>(44,486)</b>	(442,512)
- Deferred tax on financial investments at FVOCI	<b>21,920</b>	(12,733)	<b>125,701</b>	11,679
- Share of other comprehensive income/(loss) of a joint venture	<b>1,353</b>	1,202	<b>(1,052)</b>	(6,323)
- Share of other comprehensive income of an associate	<b>4,529</b>	7,929	<b>20,167</b>	14,861
<u>Items that may not be reclassified subsequently to profit or loss :</u>				
- Net fair value change in financial investments designated at FVOCI (equity instruments)	-	660	<b>(191)</b>	2,230
- Deferred tax on financial investments at FVOCI	-	-	-	21
<b>Other comprehensive income for the financial period, net of tax</b>	<b>(69,617)</b>	86,757	<b>(327,856)</b>	17,394
<b>Total comprehensive income for the financial period</b>	<b>73,236</b>	144,272	<b>30,069</b>	280,267
<b>Total comprehensive income for the financial period attributable to :-</b>				
Equity holders of the Bank	<b>63,585</b>	135,475	<b>(7,769)</b>	257,080
Non-controlling interest	<b>9,651</b>	8,797	<b>37,838</b>	23,187
	<b>73,236</b>	144,272	<b>30,069</b>	280,267

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**AFFIN BANK BERHAD**  
Company no. 197501003274 (25046-T)

**Condensed Interim Financial Statements**

**Unaudited Income Statements for the Financial Quarter Ended 30 September 2021**

<b><u>BANK</u></b>	Note	Individual Quarter Ended		Cumulative Quarter Ended	
		30/9/2021 RM'000	30/9/2020 RM'000	30/9/2021 RM'000	30/9/2020 RM'000
Interest income	A18	393,339	387,945	1,137,613	1,225,212
Interest expense	A19	(174,664)	(211,375)	(521,434)	(746,585)
<b>Net interest income</b>		<b>218,675</b>	176,570	<b>616,179</b>	478,627
Modification loss	A19 (a)	-	-	-	(50,274)
		<b>218,675</b>	176,570	<b>616,179</b>	428,353
Fee and commission income	A20 (a)	25,842	25,369	86,331	67,200
Fee and commission expense	A20 (b)	(945)	(1,588)	(3,318)	(4,149)
Net fee and commission income	A20	24,897	23,781	83,013	63,051
Net gains on financial instruments	A21	8,364	54,751	24,265	186,784
Other income	A22	104,315	8,244	163,697	66,571
<b>Net income</b>		<b>356,251</b>	263,346	<b>887,154</b>	744,759
Other operating expenses	A23	(178,509)	(168,380)	(524,434)	(506,046)
<b>Operating profit before allowances</b>		<b>177,742</b>	94,966	<b>362,720</b>	238,713
Allowances for credit impairment losses	A24	(33,025)	(79,418)	(144,105)	(184,433)
<b>Profit before zakat and taxation</b>		<b>144,717</b>	15,548	<b>218,615</b>	54,280
Zakat		-	-	-	-
<b>Profit before taxation</b>		<b>144,717</b>	15,548	<b>218,615</b>	54,280
Taxation	B5	(14,606)	(13,134)	(28,344)	(15,447)
<b>Net profit after zakat and taxation</b>		<b>130,111</b>	2,414	<b>190,271</b>	38,833
Earnings per share attributable to equity holders of the Bank (sen) :-					
Basic	B10	6.18	0.12	9.03	1.89

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**AFFIN BANK BERHAD**  
Company no. 197501003274 (25046-T)  
**Condensed Interim Financial Statements**  
**Unaudited Statements of Comprehensive Income**  
**for the Financial Quarter Ended 30 September 2021**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2021 RM'000	30/9/2020 RM'000	30/9/2021 RM'000	30/9/2020 RM'000
<b><u>BANK</u></b>				
<b>Profit after zakat and taxation</b>	<b>130,111</b>	2,414	<b>190,271</b>	38,833
<b>Other comprehensive income:</b>				
<u>Items that may be reclassified subsequently to profit or loss :</u>				
- Net fair value change in financial investments at FVOCI (debt instruments)	<b>(45,351)</b>	93,843	<b>(247,632)</b>	201,266
- Net credit impairment loss change in financial investments at FVOCI (debt instruments)	<b>(3,948)</b>	6,197	<b>49,891</b>	12,769
- Net gain on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)	<b>(3,883)</b>	(52,131)	<b>(10,856)</b>	(202,922)
- Deferred tax on financial investments at FVOCI	<b>11,816</b>	(3,214)	<b>62,037</b>	7,194
<u>Items that may not be reclassified subsequently to profit or loss :</u>				
- Net fair value change in financial investments designated at FVOCI (equity instruments)	-	-	<b>(191)</b>	-
<b>Other comprehensive income for the financial period, net of tax</b>	<b>(41,366)</b>	44,695	<b>(146,751)</b>	18,307
<b>Total comprehensive income for the financial period</b>	<b>88,745</b>	47,109	<b>43,520</b>	57,140

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**AFFIN BANK BERHAD**  
Company no. 197501003274 (25046-T)  
**Unaudited Condensed Consolidated Statements Of Changes In Equity**  
**for the Financial Quarter Ended 30 September 2021**

<----- Attributable to Equity Holders of the Bank ----->

<b>GROUP</b>	<b>Share capital</b>	<b>FVOCI revaluation reserves</b>	<b>Regulatory reserves</b>	<b>Foreign exchange reserves</b>	<b>Other reserves*</b>	<b>Retained profits</b>	<b>Total shareholders' equity</b>	<b>Non-controlling interest</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2021</b>	<b>4,902,300</b>	<b>266,412</b>	<b>781,679</b>	<b>(205)</b>	<b>(65,909)</b>	<b>3,682,234</b>	<b>9,566,511</b>	<b>70,585</b>	<b>9,637,096</b>
Net profit for the financial period	-	-	-	-	-	320,087	320,087	37,838	357,925
Other comprehensive income (net of tax) :									
- Financial investments at FVOCI	-	(346,971)	-	-	-	-	(346,971)	-	(346,971)
- Share of other comprehensive loss of a joint venture	-	(1,052)	-	-	-	-	(1,052)	-	(1,052)
- Share of other comprehensive income of an associate	-	20,167	-	-	-	-	20,167	-	20,167
Total comprehensive income	-	(327,856)	-	-	-	320,087	(7,769)	37,838	30,069
Issuance of new shares	66,850	-	-	-	-	-	66,850	-	66,850
Net loss on disposal of financial investment designated at FVOCI (equity instruments)	-	(182)	-	-	-	(9)	(191)	-	(191)
Transfer from regulatory reserves	-	-	(43,762)	-	-	43,762	-	-	-
Dividends	-	-	-	-	-	(72,793)	(72,793)	(65,776)	(138,569)
<b>At 30 September 2021</b>	<b>4,969,150</b>	<b>(61,626)</b>	<b>737,917</b>	<b>(205)</b>	<b>(65,909)</b>	<b>3,973,281</b>	<b>9,552,608</b>	<b>42,647</b>	<b>9,595,255</b>

\* Other reserves represents corresponding debts arising from Group's obligation to purchase subsidiaries' shares held by non-controlling interest as discussed in Note 17 (c) (i) and (ii).

*The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2020.*

**AFFIN BANK BERHAD**  
Company no. 197501003274 (25046-T)  
**Unaudited Condensed Consolidated Statements Of Changes In Equity**  
**for the Financial Quarter Ended 30 September 2021**

<b>GROUP</b>	<----- Attributable to Equity Holders of the Bank ----->								
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Foreign exchange reserves RM'000	Other reserves* RM'000	Retained profits RM'000	Total shareholders' equity RM'000	Non- controlling interest RM'000	Total equity RM'000
At 1 January 2020	4,774,772	250,661	732,539	135	(61,010)	3,640,073	9,337,170	59,423	9,396,593
Net profit for the financial period	-	-	-	-	-	239,686	239,686	23,187	262,873
Other comprehensive income (net of tax) :									
- Financial investments at FVOCI	-	8,856	-	-	-	-	8,856	-	8,856
- Share of other comprehensive loss of a joint venture	-	(6,323)	-	-	-	-	(6,323)	-	(6,323)
- Share of other comprehensive profit of an associate	-	14,861	-	-	-	-	14,861	-	14,861
Total comprehensive income	-	17,394	-	-	-	239,686	257,080	23,187	280,267
Issuance of new shares	127,528	-	-	-	-	-	127,528	-	127,528
Transfer from regulatory reserves	-	-	(289,290)	-	-	289,290	-	-	-
Dividends	-	-	-	-	-	(139,021)	(139,021)	(28,777)	(167,798)
At 30 September 2020	4,902,300	268,055	443,249	135	(61,010)	4,030,028	9,582,757	53,833	9,636,590

\* Other reserves represents corresponding debts arising from Group's obligation to purchase subsidiaries' shares held by non-controlling interest as discussed in Note 17 (c) (i) and (ii).



**AFFIN BANK BERHAD**  
 Company no. 197501003274 (25046-T)  
**Unaudited Condensed Consolidated Statements Of Changes In Equity**  
**for the Financial Quarter Ended 30 September 2021**

	<-----Non-distributable----->			< Distributable >	
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total equity RM'000
<b><u>BANK</u></b>					
<b>At 1 January 2021</b>	<b>4,902,300</b>	<b>183,078</b>	<b>643,613</b>	<b>2,799,501</b>	<b>8,528,492</b>
Net profit for the financial period	-	-	-	190,271	190,271
Other comprehensive income (net of tax) :					
- Financial investments at FVOCI	-	(146,751)	-	-	(146,751)
Total comprehensive income	-	(146,751)	-	190,271	43,520
Issuance of new shares	66,850	-	-	-	66,850
Net gains/(losses) on disposal in financial investments at FVOCI (equity instruments)	-	9	-	(9)	-
Transfer to regulatory reserves	-	-	5,482	(5,482)	-
Dividends	-	-	-	(72,793)	(72,793)
<b>At 30 September 2021</b>	<b>4,969,150</b>	<b>36,336</b>	<b>649,095</b>	<b>2,911,488</b>	<b>8,566,069</b>
At 1 January 2020	4,774,772	148,173	471,925	3,017,227	8,412,097
Net profit for the financial period	-	-	-	38,833	38,833
Other comprehensive income (net of tax) :					
- Financial investments at FVOCI	-	18,307	-	-	18,307
Total comprehensive income	-	18,307	-	38,833	57,140
Issuance of new shares	127,528	-	-	-	127,528
Transfer from regulatory reserves	-	-	(198,205)	198,205	-
Dividends	-	-	-	(139,021)	(139,021)
At 30 September 2020	4,902,300	166,480	273,720	3,115,244	8,457,744

*The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2020.*

**AFFIN BANK BERHAD**  
Company no. 197501003274 (25046-T)  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
**for the Financial Quarter Ended 30 September 2021**

	GROUP		BANK	
	30/9/2021 RM'000	30/9/2020 RM'000	30/9/2021 RM'000	30/9/2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	469,049	363,248	218,615	54,280
Adjustments for items not involving the movement of cash and cash equivalents	154,921	(401,606)	7,070	(49,947)
Operating profit before changes in working capital	623,970	(38,358)	225,685	4,333
Net changes in operating assets	(2,671,958)	1,258,132	(2,085,086)	950,934
Net changes in operating liabilities	7,099,995	762,533	3,891,673	(518,825)
Tax and zakat paid	(153,528)	(104,492)	(65,786)	(52,791)
Net cash generated from operating activities	4,898,479	1,877,815	1,966,486	383,651
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received :				
- financial investments at FVOCI	292,460	232,930	211,327	195,993
- financial investments at AC	5,096	6,114	8,387	2,870
Dividend income :				
- financial assets at FVTPL	5,117	5,386	732	732
- financial investments at FVOCI	510	609	180	309
- subsidiaries	-	-	142,400	41,500
Net disposal/(purchase) of :				
- financial investments at FVOCI	(2,202,879)	1,482,091	(1,862,629)	896,480
- financial investments at AC	(360,580)	-	(334,535)	-
Purchase of :				
- property and equipment	(180,737)	(184,834)	(175,850)	(178,263)
- intangible assets	(7,534)	(3,280)	(6,407)	(1,340)
Proceeds from disposal of :				
- property and equipment	232	235	1	-
- foreclosed properties	2,800	1,020	2,800	1,020
Net cash (used in)/generated from investing activities	(2,445,515)	1,540,271	(2,013,594)	959,301
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest payment on borrowings	(198,037)	(107,046)	(133,961)	(120,544)
Payment of dividend to the equity holders of the Bank	(72,793)	(139,021)	(72,793)	(139,021)
Payment of dividend to non-controlling interest	(65,776)	(28,777)	-	-
Issuance of new shares	66,850	127,528	66,850	127,528
Lease payments	(27,504)	(28,349)	(18,781)	(20,636)
Net cash used in financing activities	(297,260)	(175,665)	(158,685)	(152,673)
Net increase/(decrease) in cash and cash equivalents	2,155,704	3,242,421	(205,793)	1,190,279
Effects of foreign exchange	(39,357)	(22,646)	(38,561)	(3,190)
Cash and cash equivalents at beginning of the financial period	5,511,423	4,605,357	1,886,901	2,288,797
Cash and cash equivalents at end of the financial period	7,627,770	7,825,132	1,642,547	3,475,886
<u>Cash and cash equivalents comprise the following :</u>				
Cash and short-term funds	6,443,454	7,856,760	1,643,875	3,444,353
Deposits and placements of banks and other financial institutions	1,252,514	175,324	1,252,514	216,939
	7,695,968	8,032,084	2,896,389	3,661,292
Less:				
Amount held on behalf of commissioned dealer's representatives	(68,198)	(63,162)	-	-
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months	-	(143,790)	(1,253,842)	(185,406)
	7,627,770	7,825,132	1,642,547	3,475,886

*The Condensed Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2020.*

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A1. BASIS OF PREPARATION**

The unaudited condensed interim financial statements for the financial period under review have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values :

- (i) financial assets at FVTPL,
- (ii) financial investments at FVOCI, and
- (iii) derivative financial instruments.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), Chapter 9, part K of the Listing Requirements of the Bursa Malaysia Securities Berhad and Policy Document on Financial Reporting issued by Bank Negara Malaysia ("BNM").

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

**A2. ACCOUNTING POLICIES AND METHODS OF COMPUTATIONS**

The significant accounting policies and methods of computation applied in the condensed interim financial statements are consistent with those applied in the annual financial statements for the financial year ended 31 December 2020, except for the adoption of "Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform-Phase 2" that are effective for the Group and the Bank for the financial period beginning on or after 1 January 2021.

**Comparative Information**

The Group has changed its accounting policy where certain benefits paid to employees are considered incremental and directly attributable to the disposal of the quoted shares. Therefore, these benefits paid can be treated as transaction costs when determining the gain or loss on disposal of the quoted shares. These expenses were previously recognised as employee costs under MFRS 119 "Employee Benefits".

In accordance with MFRS 108 "Accounting Policies, Changes in Estimates and Errors", the change in accounting policy has been accounted for retrospectively.

The change in accounting policy resulted in the following changes in the income statement, Note A21 and Note A23 to the financial statements as set out below. The statements of financial position, comprehensive income, cash flows and changes in equity of the Group and the Bank are not impacted by the change in accounting policy.

	As previously reported 30/9/2020	Reclassification 30/9/2020	As Restated 30/9/2020
<b>The Group</b>			
<b>Income statements (Extract)</b>			
Net gains on financial instruments	635,935	(193,429)	442,506
Net income	1,837,532	(193,429)	1,644,103
Other operating expenses	(1,190,640)	193,429	(997,211)
<b>A21 - Net gains on financial instruments (Extract)</b>			
Gains/(loss) arising on financial assets at FVTPL			
- net gain on disposal	282,387	(193,429)	88,958
<b>A23 - Other operating expenses (Extract)</b>			
Personnel costs			
- Wages, salaries and bonuses	680,398	(193,429)	486,969

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

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**A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the audited financial statements for the financial year ended 31 December 2020 was not subjected to any qualification.

**A4. SEASONAL OR CYCLICAL FACTORS**

The operations of the Group and the Bank are generally not affected by any seasonal or cyclical factors but in tandem with the country's economic situation.

**A5. ITEMS OF UNUSUAL NATURE, SIZE AND INCIDENCE AFFECTING NET ASSETS, EQUITY, NET INCOME OR CASH FLOWS**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank during the financial period under review.

**A6. CHANGES IN ESTIMATES**

There were no material changes in estimates of amounts reported in prior financial period that have a material effect during the financial period under review.

**A7. DEBT AND EQUITY SECURITIES**

There were no shares issuance or cancellations, share buy-backs, resale of shares bought back and repayment of debts and equity securities by the Group and the Bank during the financial period under review.

**A8. DIVIDENDS PAID**

No dividend has been paid during the financial quarter under review.

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")**

At fair value	Group		Bank	
	30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
<u>Money market instruments</u>				
Malaysian Government Securities	31,803	-	3	-
Malaysian Government Investment Issues	60	-	-	-
Negotiable Instruments of Deposit	254,554	113,657	254,554	113,657
	<b>286,417</b>	<b>113,657</b>	<b>254,557</b>	<b>113,657</b>
<u>Quoted Securities</u>				
Exchange traded fund	169	891	-	-
Shares, warrants and REITs in Malaysia	68,921	112,168	-	-
Shares, warrants and REITs outside Malaysia	69,838	69,412	-	-
Unit Trusts in Malaysia	186,701	229,378	-	-
	<b>325,629</b>	<b>411,849</b>	<b>-</b>	<b>-</b>
<u>Unquoted Securities</u>				
Shares in Malaysia	104,171	99,222	104,171	99,222
Corporate Bonds/Sukuk in Malaysia	29,432	29,049	15,422	15,044
Corporate Bonds/Sukuk outside Malaysia	44,489	44,489	-	-
	<b>178,092</b>	<b>172,760</b>	<b>119,593</b>	<b>114,266</b>
	<b>790,138</b>	<b>698,266</b>	<b>374,150</b>	<b>227,923</b>

**A10. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")**

At fair value	Group		Bank	
	30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
<u>Money market instruments</u>				
Malaysian Government Treasury Bills	59,394	-	-	-
Malaysian Government Securities	2,515,740	2,370,147	1,733,185	1,225,896
Malaysian Government Investment Issues	4,431,119	3,472,328	1,813,319	1,261,613
Cagamas Bonds/Sukuk	136,622	116,938	45,240	105,835
Sukuk Perumahan Kerajaan	10,241	-	-	-
Negotiable Instruments of Deposit and Islamic Debt Certificates	454,636	5,581	1,211,243	408,917
Khazanah Bonds/Sukuk	9,580	-	-	-
	<b>7,617,332</b>	<b>5,964,994</b>	<b>4,802,987</b>	<b>3,002,261</b>
<u>Unquoted Securities</u>				
Shares in Malaysia *	212,409	211,465	185,701	186,135
Corporate bonds/Sukuk in Malaysia #	6,233,940	6,742,087	3,011,309	3,312,302
Corporate Bonds/Sukuk outside Malaysia	192,196	115,507	164,879	86,632
	<b>6,638,545</b>	<b>7,069,059</b>	<b>3,361,889</b>	<b>3,585,069</b>
	<b>14,255,877</b>	<b>13,034,053</b>	<b>8,164,876</b>	<b>6,587,330</b>

\* Equity securities designated at FVOCI.

# Certain unquoted perpetual bonds are designated at FVOCI.

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A11. FINANCIAL INVESTMENTS AT AMORTISED COST ("AC")**

	Group		Bank	
	30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
<b>At amortised cost</b>				
Malaysian Government Securities	114,589	-	114,589	-
Malaysian Government Investment Issues	132,972	-	132,972	-
	<b>247,561</b>	<b>-</b>	<b>247,561</b>	<b>-</b>
<b>Unquoted Securities</b>				
Corporate Bonds/Sukuk in Malaysia	256,674	141,119	454,544	361,944
Loan Stock in Malaysia	15,000	15,000	-	-
	<b>271,674</b>	<b>156,119</b>	<b>454,544</b>	<b>361,944</b>
Less : ECL	(15,909)	(13,082)	(728)	(236)
	<b>503,326</b>	<b>143,037</b>	<b>701,377</b>	<b>361,708</b>

Movements in ECL for Financial Investments at AC are as follows:-

30/9/2021 Group	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
	At beginning of the financial period	160	-	12,922
Financial assets derecognised (other than write-off)	(7)	-	-	(7)
New financial assets originated or purchased	852	-	-	852
Changes due to change in credit risk	(96)	-	2,078	1,982
At end of the financial period	<b>909</b>	<b>-</b>	<b>15,000</b>	<b>15,909</b>
<b>Bank</b>				
At beginning of the financial period	236	-	-	236
Financial assets derecognised (other than write-off)	(6)	-	-	(6)
New financial assets originated or purchased	534	-	-	534
Changes due to change in credit risk	(36)	-	-	(36)
At end of the financial period	<b>728</b>	<b>-</b>	<b>-</b>	<b>728</b>
31/12/2020 Group	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
At beginning of the financial year	273	-	10,780	11,053
Financial assets derecognised (other than write-off)	(96)	-	-	(96)
New financial assets originated or purchased	130	-	-	130
Changes due to change in credit risk	410	-	2,142	2,552
Changes in models/risk parameters	(557)	-	-	(557)
At end of the financial year	<b>160</b>	<b>-</b>	<b>12,922</b>	<b>13,082</b>
<b>Bank</b>				
At beginning of the financial year	123	-	-	123
Financial assets derecognised (other than write-off)	(96)	-	-	(96)
New financial assets originated or purchased	130	-	-	130
Changes due to change in credit risk	643	-	-	643
Changes in models/risk parameters	(564)	-	-	(564)
At end of the financial year	<b>236</b>	<b>-</b>	<b>-</b>	<b>236</b>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A12. LOANS, ADVANCES AND FINANCING**

	Group		Bank	
	30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
<b>(a) BY TYPE</b>				
Overdrafts	1,882,328	1,871,460	1,267,813	1,404,871
Term loans/financing:				
- Housing loans/financing	12,964,438	11,637,402	4,757,561	3,904,606
- Hire purchase receivables	10,854,067	10,671,849	6,596,915	6,649,369
- Syndicated financing	1,573,789	1,486,237	627,158	619,680
- Business term loans/financing	13,920,272	13,291,096	8,329,667	8,336,099
- Other term loans/financing	125,986	162,163	-	-
Bills receivables	659,827	286,775	586,654	278,346
Trust receipts	188,755	240,688	176,113	227,548
Claims on customers under acceptances credits	1,980,331	1,777,795	1,415,096	1,269,766
Staff loans/financing (of which RM Nil to Directors)	212,047	211,093	108,720	119,961
Credit cards	233,204	209,518	193,371	171,441
Revolving credits	3,782,541	3,819,100	2,642,034	2,746,141
Margin financing	731,140	605,485	-	-
Factoring	2,193	1,994	2,193	1,994
<b>Gross loans, advances and financing</b>	<b>49,110,918</b>	<b>46,272,655</b>	<b>26,703,295</b>	<b>25,729,822</b>
Less: ECL	(913,212)	(779,777)	(646,437)	(564,397)
<b>Total net loans, advances and financing</b>	<b>48,197,706</b>	<b>45,492,878</b>	<b>26,056,858</b>	<b>25,165,425</b>

Included in the Group's business term loans/financing as at reporting date is RM55.8 million (2020: RM55.2 million) of term financing disbursed by AFFIN Islamic Bank Berhad to joint venture AFFIN-i Nadayu Sdn Bhd.

	Group		Bank	
	30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
<b>(b) BY MATURITY STRUCTURE</b>				
Maturing within one year	9,653,711	9,186,637	6,354,221	6,333,487
One year to three years	2,722,483	3,236,452	2,231,228	2,662,555
Three years to five years	6,520,203	6,271,623	3,959,409	3,683,085
Over five years	30,214,521	27,577,943	14,158,437	13,050,695
	<b>49,110,918</b>	<b>46,272,655</b>	<b>26,703,295</b>	<b>25,729,822</b>

	Group		Bank	
	30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
<b>(c) BY TYPE OF CUSTOMER</b>				
Domestic banking financial institutions	6,213	8,443	6,213	8,443
Domestic non-banking institutions:				
- Others	422,128	510,566	167,463	273,876
Domestic business enterprises:				
- Small medium enterprises	8,314,239	7,776,348	5,922,340	5,656,791
- Others	13,343,505	13,264,282	8,742,230	8,837,264
Government and statutory bodies	713,136	739,747	16,536	29,502
Individuals	25,670,999	23,461,279	11,376,467	10,679,880
Other domestic entities	740	1,086	499	578
Foreign entities	639,958	510,904	471,547	243,488
	<b>49,110,918</b>	<b>46,272,655</b>	<b>26,703,295</b>	<b>25,729,822</b>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A12. LOANS, ADVANCES AND FINANCING (Cont.)**

	Group		Bank	
	30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
<b>(d) <u>BY INTEREST / PROFIT RATE SENSITIVITY</u></b>				
Fixed rate:				
- Housing loans/financing	221,773	327,704	176,633	282,091
- Hire purchase receivables	10,855,811	10,674,103	6,596,915	6,649,370
- Other fixed rate loans/financing	1,441,873	966,622	379,647	222,977
Variable rate:				
- Base rate/base lending rate plus	26,494,556	24,271,943	13,237,324	12,128,469
- Cost plus	9,335,791	10,003,507	6,312,776	6,446,915
- Other variable rates	761,114	28,776	-	-
	<b>49,110,918</b>	<b>46,272,655</b>	<b>26,703,295</b>	<b>25,729,822</b>
<b>(e) <u>BY ECONOMIC PURPOSE</u></b>				
Purchase of securities	1,902,956	1,674,403	528,642	583,275
Purchase of transport vehicles	11,474,640	11,255,358	7,129,379	7,143,469
Purchase of landed property of which:				
- Residential	13,352,719	12,052,394	4,975,779	4,137,906
- Non-residential	6,142,474	6,223,989	3,798,662	3,867,346
Fixed assets other than land and building	241,468	240,007	163,246	160,646
Personal use	1,358,002	886,050	622,544	683,008
Credit card	233,204	209,517	193,371	171,441
Consumer durable	24	126	24	54
Construction	2,433,186	2,299,306	1,433,253	1,339,721
Merger and acquisition	58,660	60,102	58,660	60,102
Working capital	10,621,788	10,288,562	7,047,367	6,955,440
Others	1,291,797	1,082,841	752,368	627,414
	<b>49,110,918</b>	<b>46,272,655</b>	<b>26,703,295</b>	<b>25,729,822</b>
<b>(f) <u>BY ECONOMIC SECTOR</u></b>				
Primary agriculture	1,352,253	1,405,796	572,476	584,361
Mining and quarrying	212,263	305,029	66,520	60,459
Manufacturing	3,423,989	2,850,316	2,277,151	1,938,354
Electricity, gas and water supply	458,485	443,561	67,840	62,000
Construction	1,572,092	1,995,028	878,012	1,331,552
Real estate	5,776,374	5,727,243	4,135,884	4,006,230
Wholesale, retail trade, hotels and restaurants	4,337,519	3,996,064	3,362,890	3,236,141
Transport, storage and communication	1,832,156	1,723,239	1,374,770	1,298,611
Finance, insurance and business services	2,201,855	2,121,030	1,586,051	1,535,886
Education, health and others	2,133,948	2,114,353	923,240	923,591
Household	25,809,528	23,590,996	11,458,006	10,752,637
Others	456	-	455	-
	<b>49,110,918</b>	<b>46,272,655</b>	<b>26,703,295</b>	<b>25,729,822</b>



**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A12. LOANS, ADVANCES AND FINANCING (Cont.)**

	Group		Bank	
	30/9/2021	31/12/2020	30/9/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
<b>(g) <u>BY GEOGRAPHICAL DISTRIBUTION</u></b>				
Perlis	168,939	180,835	16,917	17,703
Kedah	1,432,935	1,320,409	517,955	498,619
Pulau Pinang	2,762,284	2,543,717	1,573,060	1,522,359
Perak	1,469,595	1,440,323	821,819	858,616
Selangor	15,449,764	14,306,592	8,063,534	7,515,197
Wilayah Persekutuan	10,897,137	10,795,943	6,159,349	6,387,473
Negeri Sembilan	1,693,731	1,581,862	584,250	566,217
Melaka	964,254	900,188	635,117	624,245
Johor	6,523,448	5,986,844	3,868,742	3,535,350
Pahang	1,516,909	1,445,108	759,100	774,481
Terengganu	960,675	901,074	341,469	352,987
Kelantan	429,855	329,291	58,938	58,629
Sarawak	2,295,294	2,250,452	1,619,669	1,610,497
Sabah	2,178,572	2,135,344	1,336,464	1,279,067
Labuan	100,115	45,134	79,503	18,847
Outside Malaysia	267,411	109,539	267,409	109,535
	<b>49,110,918</b>	<b>46,272,655</b>	<b>26,703,295</b>	<b>25,729,822</b>

**(h) IMPAIRED LOANS, ADVANCES AND FINANCING**

**(i) Movements of impaired loans, advances and financing**

At beginning of the financial period/year	1,628,669	1,379,152	1,223,906	673,058
Classified as impaired	280,237	1,173,296	186,253	954,923
Reclassified as non-impaired	(228,197)	(325,440)	(131,858)	(152,048)
Amount written-back	(80,928)	(291,818)	(59,043)	(61,222)
Amount written-off	(60,105)	(306,521)	(38,862)	(190,805)
At end of the financial period/year	<b>1,539,676</b>	<b>1,628,669</b>	<b>1,180,396</b>	<b>1,223,906</b>
Ratio of gross impaired loans, advances and financing to gross loans, advances and financing (*)	<b>3.14%</b>	3.52%	<b>4.16%</b>	4.45%

(\*) For the Bank, RIA included in the ratio calculation amounting to RM1,667.2 million (2020: RM1,754.9 million) with impaired financing amounting to RM Nil (2020: RM Nil).

**(ii) Impaired loans by economic purpose**

Purchase of securities	26,204	26,122	79	13
Purchase of transport vehicles	377,516	389,564	350,486	364,662
Purchase of landed property of which:				
- Residential	202,401	267,912	112,570	131,201
- Non-residential	272,868	278,426	255,808	259,473
Fixed assets other than land and building	15,197	15,360	15,197	15,360
Personal use	15,201	24,076	12,641	22,800
Credit card	2,145	825	1,721	694
Construction	316,802	321,892	259,537	264,709
Working capital	298,419	292,618	165,434	162,143
Others	12,923	11,874	6,923	2,851
	<b>1,539,676</b>	<b>1,628,669</b>	<b>1,180,396</b>	<b>1,223,906</b>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A12. LOANS, ADVANCES AND FINANCING (Cont.)**

(h) <b><u>IMPAIRED LOANS, ADVANCES AND FINANCING (Cont.)</u></b>	<b>Group</b>		<b>Bank</b>	
	<b>30/9/2021</b>	<b>31/12/2020</b>	<b>30/9/2021</b>	<b>31/12/2020</b>
(iii) <b><u>Impaired loans by economic sector</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	10,090	15,340	9,844	15,195
Mining and quarrying	7,638	7,576	5,496	5,176
Manufacturing	77,217	75,558	6,369	8,053
Electricity, gas and water supply	115	371	115	326
Construction	98,142	135,860	58,568	96,184
Real estate	151,556	115,968	107,432	68,840
Wholesale, retail trade, hotels and restaurants	60,820	48,113	57,631	46,733
Transport, storage and communication	389,625	399,225	307,971	315,971
Finance, insurance and business services	74,895	65,869	73,714	65,438
Education, health and others	411,840	419,194	410,884	419,002
Household	257,738	345,595	142,372	182,988
	<b>1,539,676</b>	<b>1,628,669</b>	<b>1,180,396</b>	<b>1,223,906</b>

(iv) **Impaired loans by geographical distribution**

Perlis	2,645	2,765	161	304
Kedah	96,013	94,239	88,767	86,941
Pulau Pinang	31,601	36,772	24,252	30,250
Perak	90,921	94,872	10,712	13,245
Selangor	230,749	279,626	124,128	148,586
Wilayah Persekutuan	147,329	146,307	66,718	53,899
Negeri Sembilan	71,230	82,311	58,292	65,131
Melaka	17,031	16,300	14,880	14,281
Johor	441,964	447,942	427,496	430,760
Pahang	31,420	32,282	29,613	30,682
Terengganu	300,627	309,714	298,142	306,195
Kelantan	6,243	6,853	3,720	3,608
Sarawak	55,760	57,994	19,089	21,110
Sabah	16,143	20,692	14,426	18,914
Outside Malaysia	-	-	-	-
	<b>1,539,676</b>	<b>1,628,669</b>	<b>1,180,396</b>	<b>1,223,906</b>

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**A12. LOANS, ADVANCES AND FINANCING (Cont.)**

**(v) Movements in ECL for loans, advances and financing**

<b>Group</b>	<b>12-Month ECL Stage 1</b>	<b>Lifetime ECL not credit impaired Stage 2</b>	<b>Lifetime ECL credit impaired Stage 3</b>	<b>Total</b>
<b>30/9/2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At beginning of the financial period	177,087	151,204	451,486	779,777
Total transfer between stages due to change in credit risk:	28,288	33,973	(62,261)	-
- Transfer to 12-month ECL (Stage 1)	37,726	(29,321)	(8,405)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(9,319)	71,503	(62,184)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(119)	(8,209)	8,328	-
Loans/financing derecognised (other than write-off)	(46,375)	(9,496)	(8,258)	(64,129)
New loans/financing originated or purchased	54,836	8,286	-	63,122
Changes due to change in credit risk	(10,046)	60,927	129,445	180,326
Write-off	-	-	(45,884)	(45,884)
At end of the financial period	203,790	244,894	464,528	913,212

<b>Group</b>	<b>12-Month ECL Stage 1</b>	<b>Lifetime ECL not credit impaired Stage 2</b>	<b>Lifetime ECL credit impaired Stage 3</b>	<b>Total</b>
<b>31/12/2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At beginning of the financial year	139,326	94,359	340,344	574,029
Total transfer between stages due to change in credit risk:	47,123	(117,807)	70,684	-
- Transfer to 12-month ECL (Stage 1)	72,061	(62,251)	(9,810)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(24,906)	84,743	(59,837)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(32)	(140,299)	140,331	-
Loans/financing derecognised (other than write-off)	(51,471)	(6,704)	(19,387)	(77,562)
New loans/financing originated or purchased	56,113	1,994	7,970	66,077
Changes due to change in credit risk	23,416	188,044	359,203	570,663
Changes in model/risk parameters	(37,420)	(8,682)	(844)	(46,946)
Write-off	-	-	(305,880)	(305,880)
Other adjustments	-	-	(604)	(604)
At end of the financial year	177,087	151,204	451,486	779,777

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A12. LOANS, ADVANCES AND FINANCING (Cont.)**

**(v) Movements in ECL for loans, advances and financing (Cont.)**

<b>Bank</b>	<b>12-Month ECL Stage 1</b>	<b>Lifetime ECL not credit impaired Stage 2</b>	<b>Lifetime ECL credit impaired Stage 3</b>	<b>Total</b>
<b>30/9/2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At beginning of the financial period	128,045	88,348	348,004	564,397
Total transfer between stages due to change in credit risk:	14,259	21,712	(35,971)	-
- Transfer to 12-month ECL (Stage 1)	19,793	(15,868)	(3,925)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(5,421)	43,277	(37,856)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(113)	(5,697)	5,810	-
Loans/financing derecognised (other than write-off)	(21,053)	(8,571)	(4,010)	(33,634)
New loans/financing originated or purchased	25,290	7,949	-	33,239
Changes due to change in credit risk	(6,222)	42,791	76,710	113,279
Write-off	-	-	(30,844)	(30,844)
At end of the financial period	140,319	152,229	353,889	646,437

<b>Bank</b>	<b>12-Month ECL Stage 1</b>	<b>Lifetime ECL not credit impaired Stage 2</b>	<b>Lifetime ECL credit impaired Stage 3</b>	<b>Total</b>
<b>31/12/2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At beginning of the financial year	86,276	76,512	221,161	383,949
Total transfer between stages due to change in credit risk:	36,569	(132,914)	96,345	-
- Transfer to 12-month ECL (Stage 1)	52,055	(47,666)	(4,389)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(15,472)	51,874	(36,402)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(14)	(137,122)	137,136	-
Loans/financing derecognised (other than write-off)	(24,797)	(4,120)	(16,643)	(45,560)
New loans/financing originated or purchased	26,124	1,013	7,864	35,001
Changes due to change in credit risk	25,948	152,955	243,353	422,256
Changes in model/risk parameters	(22,075)	(5,098)	(593)	(27,766)
Write-off	-	-	(202,766)	(202,766)
Other adjustments	-	-	(717)	(717)
At end of the financial year	128,045	88,348	348,004	564,397

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**A13. TRADE RECEIVABLES**

	Group	
	30/9/2021 RM'000	31/12/2020 RM'000
Amount due from stock-broking clients:		
- performing accounts	343,484	564,841
- impaired accounts (i)	392	1,387
Amount due from brokers	106,553	95,488
Management fees receivable on fund management	147,797	261,510
Others	72	-
	<b>598,298</b>	<b>923,226</b>
Less: ECL (ii)	<b>(1,873)</b>	<b>(2,809)</b>
	<b>596,425</b>	<b>920,417</b>
<b>(i) Movements of impaired trade receivables</b>		
At beginning of the financial period/year	1,387	139
Classified as impaired	1,436	2,104
Amount written-back	<b>(2,431)</b>	<b>(856)</b>
At end of the financial period/year	<b>392</b>	<b>1,387</b>
<b>(ii) Movements in ECL in trade receivables</b>		
At beginning of the financial period/year	2,809	208
Allowance made	2,999	9,621
Amount written-back	<b>(3,935)</b>	<b>(7,020)</b>
At end of the financial period/year	<b>1,873</b>	<b>2,809</b>

**A14. OTHER ASSETS**

	Group		Bank	
	30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
Other debtors	240,416	212,278	115,440	101,778
Prepayments and deposits	45,277	21,925	44,407	20,942
Cheque clearing accounts	59,399	6,226	2,489	6,672
Foreclosed properties (i)	14,049	16,962	9,176	12,089
Collaterals pledged for derivative transactions	27,598	13,782	-	-
Clearing guarantee fund	2,130	2,413	-	-
	<b>388,869</b>	<b>273,586</b>	<b>171,512</b>	<b>141,481</b>
Less: ECL (ii)	<b>(4,000)</b>	<b>(3,966)</b>	<b>-</b>	<b>-</b>
	<b>384,869</b>	<b>269,620</b>	<b>171,512</b>	<b>141,481</b>
<b>(i) Foreclosed properties</b>				
At beginning of the financial period/year	16,962	17,817	12,089	12,944
Disposal	<b>(2,624)</b>	<b>(855)</b>	<b>(2,624)</b>	<b>(855)</b>
Diminution in value	<b>(289)</b>	-	<b>(289)</b>	-
At end of the financial period/year	<b>14,049</b>	<b>16,962</b>	<b>9,176</b>	<b>12,089</b>
<b>(ii) Movements in ECL</b>				
At beginning of the financial period/year			3,966	2,058
Allowance made			2,389	3,550
Amount written-back			<b>(2,355)</b>	<b>(1,584)</b>
Amount written-off			-	<b>(58)</b>
At end of the financial period/year			<b>4,000</b>	<b>3,966</b>

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**A15. RECOURSE OBLIGATION ON LOANS/FINANCING SOLD TO CAGAMAS BERHAD**

	Group			
	30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31 December 2020 RM'000
Recourse obligation on loans/financing sold to Cagamas Berhad	<b>50,342</b>	50,034		
	At 1 January 2021 RM'000	Cash flow RM'000	Profit expense RM'000	At 30 September 2021 RM'000
Recourse obligation on loans/financing sold to Cagamas Berhad	<b>50,034</b>	<b>(620)</b>	<b>928</b>	<b>50,342</b>
	At 1 January 2020 RM'000	Cash flow RM'000	Profit expense RM'000	At 31 December 2020 RM'000
Recourse obligation on loans/financing sold to Cagamas Berhad	-	50,000	34	50,034

This represents the proceeds received from housing loans/ financing sold directly to Cagamas Berhad with recourse to the Group. Under this agreement, the Group undertakes to administer the loans/ financing on behalf of Cagamas Berhad and to buy back any loans which are regarded as defective based on prudential criteria set by Cagamas Berhad. Such financing transactions and the obligation to buy back the loans/ financing are reflected as a liability on the statements of financial position. These financial liabilities are stated at amortised cost.

**A16. OTHER LIABILITIES**

	Group		Bank	
	30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
BNM and CGC Funding programmes	<b>236,696</b>	113,938	<b>227,704</b>	112,339
Margin and collateral deposits	<b>89,570</b>	101,630	<b>72,337</b>	83,367
Other creditors and accruals	<b>226,663</b>	297,651	<b>76,094</b>	78,915
Sundry creditors	<b>199,550</b>	196,774	<b>144,275</b>	172,205
Treasury and cheque clearing accounts	-	3,312	-	-
Provision for zakat	<b>7,673</b>	2,141	<b>207</b>	216
Defined contribution plan (a)	<b>21,781</b>	19,941	<b>20,757</b>	18,526
Accrued employee benefits	<b>162,343</b>	171,511	<b>59,771</b>	52,218
Unearned income	<b>22,702</b>	22,814	<b>16,401</b>	16,468
Commissioned dealer's representatives trust balances	<b>68,198</b>	65,792	-	-
Securities borrowings and lending - borrow	<b>132,215</b>	76,079	-	-
Amounts payable to commissioned and salaried dealer's representatives	<b>111,543</b>	150,305	-	-
Puttable liabilities	<b>205,350</b>	200,380	-	-
Add : ECL (b)				
- loan/financing commitments and financial guarantees	<b>39,760</b>	38,448	<b>17,198</b>	15,908
	<b>1,524,044</b>	1,460,716	<b>634,744</b>	550,162

(a) The Group and the Bank contribute to EPF, the national defined contribution plan. Once the contributions have been paid, the Group and the Bank have no further payment obligations.

(b) Movement in ECL	Group		Bank	
	30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
At beginning of financial period/year	<b>38,448</b>	29,610	<b>15,908</b>	8,529
Net remeasurement of (loss)/gain allowance	<b>(421)</b>	1,323	<b>(152)</b>	1,028
New loan commitments and financial guarantees issued	<b>1,733</b>	6,522	<b>1,442</b>	5,578
Changes in models/risk parameters	-	993	-	773
At end of the financial period/year	<b>39,760</b>	38,448	<b>17,198</b>	15,908

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**A17. RESERVES**

	Group		Bank	
	30/9/2021	31/12/2020	30/9/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
FVOCI revaluation reserves (a)	(61,626)	266,412	36,336	183,078
Regulatory reserves (b)	737,917	781,679	649,095	643,613
Foreign exchange reserves	(205)	(205)	-	-
Other reserves (c)	(65,909)	(65,909)	-	-
Retained profits	3,973,281	3,682,234	2,911,488	2,799,501
	<b>4,583,458</b>	<b>4,664,211</b>	<b>3,596,919</b>	<b>3,626,192</b>

- (a) FVOCI revaluation reserves represent the unrealised gains or losses arising from the change in fair value of investments classified as financial investments at FVOCI. The gains or losses are transferred to the income statement upon disposal or when the securities become impaired.
- (b) Pursuant to BNM Financial Reporting policy dated 27 September 2019, the Group and the Bank must maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of all credit exposures, net of loss allowance for credit-impaired exposures. However, banking institutions are allowed to reduce the regulatory reserves held against expected losses to 0% and to be restored by 30 September 2021.
- (c) Other reserves represents the Group's obligation to purchase subsidiaries' shares held by non-controlling interest.
- (i) Obligation to buy Affin Hwang Asset Management Berhad's ("AHAM") shares from non-controlling interest.

On 8 March 2019, under the Employee Stock Option Incentive Scheme, the options holders have fully exercised the 1000 employee stock options at exercise price of RM40.30 per share. As a result, the employee stock option holder(s) were allotted a total of 1,111,000 units of new ordinary shares for a total consideration of RM44.77 million.

Pursuant to the exercise of the employee stock option incentive scheme, there is a Selective Capital Reduction ("SCR") provision within the scheme which requires AHAM to buy back the ordinary shares issued to the option holders from 1 March 2021 to 1 March 2023 at a certain price, if the conditions within the SCR provision are not met by 31 December 2020. As at 31 December 2020, the option holders have collectively agreed to not exercise their rights in relation to the buy back at first window, i.e. 1 March 2021.

The SCR provision represents a purchase of AHAM's own equity instrument and a liability equal to the present value of the estimated future redemption amount is reclassified from equity on initial recognition. The liability is then subsequently measured at amortised cost with the unwinding of the present value of the redemption amount to be recognised as finance costs within the income statements. In the event of a change in the estimated future redemption amount of SCR, the remeasurement amounts will be recognised in equity as the changes in the Bank's ownership interest in AHAM does not result in the Bank losing control of AHAM.

- (ii) Option to buy AccelVantage Academy Sdn Bhd's ("AVA") shares from non-controlling interest

This represents the present value of an option to purchase AccelVantage Academy Sdn Bhd's ("AVA") shares pursuant to the terms of the exit mechanism in a shareholders agreement entered into between the Bank's subsidiary, AHAM and GV Capital Dynamic Sdn Bhd ("GVCD").

AHAM is granted a call option to acquire the entire 49% equity shares in AVA held by GVCD within 90 days of the call option period. The exercise price under the call option is determined based on pre-agreed formula.

The financial liability at Group is initially recognised at the present value of the redemption amount and accreted through finance charges in the income statements over the contract period, up to the final redemption amount. In the event of a change in the exercise price under the call option, the remeasurement amounts will be recognised in equity as the changes in AHAM's ownership interest in AVA does not result in AHAM losing control of AVA.

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A18. INTEREST INCOME**

<b>Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30/9/2021</b>	<b>30/9/2020</b>	<b>30/9/2021</b>	<b>30/9/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loan, advances and financing	331,221	339,546	967,581	1,063,573
Money at call and deposits placements with financial institutions	15,319	20,986	31,200	52,598
Financial investments at FVOCI	77,385	63,237	221,270	223,039
Financial investments at AC	511	2,060	5,096	6,114
Others	2,313	2,467	9,225	5,011
	<b>426,749</b>	<b>428,296</b>	<b>1,234,372</b>	<b>1,350,335</b>
<b>Bank</b>				
Loan, advances and financing	299,313	304,333	877,063	951,733
Money at call and deposits placements with financial institutions	28,096	37,006	68,965	104,870
Financial investments at FVOCI	60,936	44,657	174,509	162,803
Financial investments at AC	3,952	1,443	13,954	4,298
Others	1,042	506	3,122	1,508
	<b>393,339</b>	<b>387,945</b>	<b>1,137,613</b>	<b>1,225,212</b>

**A19. INTEREST EXPENSE**

<b>Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30/9/2021</b>	<b>30/9/2020</b>	<b>30/9/2021</b>	<b>30/9/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers	153,092	207,371	457,108	717,740
Deposits and placements of banks and other financial institutions	4,499	5,912	17,673	14,796
Obligation on securities sold under repurchase agreements	144	66	144	802
Subordinated medium term notes	33,725	19,964	100,075	86,681
Foreign currency borrowing	-	-	38	57
Interest expense on the lease liability	370	-	1,358	1,228
Others	2,474	2,152	7,413	5,520
	<b>194,304</b>	<b>235,465</b>	<b>583,809</b>	<b>826,824</b>
<b>Bank</b>				
Deposits from customers	131,620	179,564	386,830	628,204
Deposits and placements of banks and other financial institutions	8,184	11,344	31,255	29,507
Obligation on securities sold under repurchase agreements	144	66	144	802
Subordinated medium term notes	33,725	19,964	100,075	86,681
Interest expense on the lease liability	244	-	896	831
Others	747	437	2,234	560
	<b>174,664</b>	<b>211,375</b>	<b>521,434</b>	<b>746,585</b>



**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A19 (a). MODIFICATION LOSS**

<b>Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30/9/2021</b>	<b>30/9/2020</b>	<b>30/9/2021</b>	<b>30/9/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Modification loss	-	-	-	79,728
<b>Bank</b>				
Modification loss	-	-	-	50,274

The modification loss represents the cost of deferring cashflows of the loans/financing impacted by the payment moratorium. The modification loss/financing is shown net of benefits from various government financing schemes to support measures to assist SMEs that are adversely impacted by Covid-19 in order to sustain their business operations.

The moratorium does not automatically result in stage transfer under MFRS 9 in the absence of other factors relevant to the assessment.

**A20. NET FEE AND COMMISSION INCOME**

<b>Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30/9/2021</b>	<b>30/9/2020</b>	<b>30/9/2021</b>	<b>30/9/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) Fee and commission income:				
Net brokerage	24,387	32,159	83,148	81,994
Portfolio management fees	115,888	88,551	369,407	245,758
Corporate advisory fees	1,701	1,446	5,317	5,064
Commission	10,841	8,928	33,581	21,214
Service charges and fees	10,237	11,200	38,278	31,344
Guarantee fees	4,077	4,781	12,079	13,956
Arrangement fees	320	120	849	240
Initial service charges	34,553	41,756	196,748	98,600
Other fee income	9,102	5,498	28,150	16,119
	<b>211,106</b>	<b>194,439</b>	<b>767,557</b>	<b>514,289</b>
(b) Fee and commission expenses:				
Commission and referral expense	(64,761)	(58,700)	(285,572)	(144,035)
<b>Net fee and commission income</b>	<b>146,345</b>	<b>135,739</b>	<b>481,985</b>	<b>370,254</b>
<b>Bank</b>				
(a) Fee and commission income:				
Commission	12,260	9,564	36,549	22,416
Service charges and fees	9,505	11,024	37,703	30,828
Guarantee fees	4,077	4,781	12,079	13,956
	<b>25,842</b>	<b>25,369</b>	<b>86,331</b>	<b>67,200</b>
(b) Fee and commission expense:				
Commission and referral expense	(945)	(1,588)	(3,318)	(4,149)
<b>Net fee and commission income</b>	<b>24,897</b>	<b>23,781</b>	<b>83,013</b>	<b>63,051</b>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A21. NET GAINS ON FINANCIAL INSTRUMENTS**

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2021 RM'000	30/9/2020 RM'000	30/9/2021 RM'000	30/9/2020 RM'000
Income from financial instruments:				
Gains/(Loss) arising on financial assets at FVTPL:				
- net gain on disposal	10,419	42,151	37,078	88,958
- unrealised gain	779	1,079	(8,157)	1,598
- interest income	8,040	5,867	23,087	16,614
- gross dividend income	1,574	1,961	5,117	5,386
Gains/(Loss) on derivatives instruments:				
- realised	193	477	205	708
- unrealised	4,353	(1,882)	17,251	(18,331)
- interest (expense)/income	(2,516)	(1,099)	(6,812)	(1,673)
Gains arising on financial investments at FVOCI:				
- net gain on disposal	8,586	54,656	43,925	348,637
- gross dividend income	117	496	510	609
	<b>31,545</b>	<b>103,706</b>	<b>112,204</b>	<b>442,506</b>

**Bank**

Income from financial instruments:				
Gains arising on financial assets at FVTPL:				
- net gain on disposal	(497)	1,221	(497)	2,162
- unrealised gain/(loss)	411	(98)	(4,889)	855
- interest income	3,040	1,415	7,790	3,822
- gross dividend income	183	183	732	732
Gains/(Loss) on derivatives instruments:				
- realised	-	477	-	708
- unrealised	3,405	(1,761)	15,912	(23,527)
- interest (expense)/income	(2,054)	(1,528)	(5,948)	(2,229)
Gains arising on financial investments at FVOCI:				
- net gain on disposal	3,876	54,533	10,985	203,952
- gross dividend income	-	309	180	309
	<b>8,364</b>	<b>54,751</b>	<b>24,265</b>	<b>186,784</b>

**A22. OTHER INCOME**

**Group**

Foreign exchange gain/(loss):				
- realised	41,774	36,073	69,864	53,522
- unrealised	(34,991)	(26,096)	(39,357)	(22,646)
Rental income	10	-	6	-
Gain/(Loss) on sale of property and equipment	71	59	186	99
Gain on disposal of foreclosed properties	176	89	176	165
Other non-operating income	962	1,361	3,584	6,313
<b>Total other income</b>	<b>8,002</b>	<b>11,486</b>	<b>34,459</b>	<b>37,453</b>

**Bank**

Foreign exchange gain/(loss):				
- realised	36,401	12,057	56,970	23,231
- unrealised	(33,041)	(6,405)	(39,075)	(3,190)
Rental income	33	23	76	70
Loss on sale of property and equipment	-	(27)	-	(102)
Gain on disposal of foreclosed properties	176	89	176	165
Gross dividend received from subsidiaries	100,000	1,500	142,400	41,500
Other non-operating income	746	1,007	3,150	4,897
<b>Total other income</b>	<b>104,315</b>	<b>8,244</b>	<b>163,697</b>	<b>66,571</b>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A23. OTHER OPERATING EXPENSES**

<b>Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30/9/2021</b>	<b>30/9/2020</b>	<b>30/9/2021</b>	<b>30/9/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Personnel costs</u>				
Wages, salaries and bonus	164,682	170,546	515,145	486,969
Defined contribution plan	29,645	29,610	92,126	84,606
Other personnel costs	25,604	26,745	75,443	80,910
	<b>219,931</b>	<b>226,901</b>	<b>682,714</b>	<b>652,485</b>
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	2,898	4,027	14,134	13,027
Entertainment	1,067	1,726	3,995	5,150
Travelling and accommodation	311	967	1,699	3,280
Dealers' handling fees	-	-	-	1
Commission and brokerage expenses	1,524	3,833	5,369	7,488
Others marketing expenses	1,227	1,591	3,955	4,220
	<b>7,027</b>	<b>12,144</b>	<b>29,152</b>	<b>33,166</b>
<u>Establishment expenses</u>				
Rental of premises	725	688	2,156	2,121
Equipment rental	773	1,015	2,206	2,830
Repair and maintenance	19,618	16,312	49,300	45,763
Depreciation of property and equipment	7,744	7,864	22,514	23,017
Depreciation of right-of-use assets	10,984	8,981	32,971	27,183
Amortisation of intangible assets	6,001	9,842	21,720	28,311
IT consultancy fee	12,107	15,759	38,353	47,715
Dataline rental	5,132	4,257	14,863	15,258
Security services	3,787	5,417	11,191	14,532
Electricity, water and sewerage	2,622	3,104	8,110	9,714
Insurance/Takaful and indemnities	2,661	1,774	13,262	12,576
Other establishment costs	1,731	1,402	4,785	3,811
	<b>73,885</b>	<b>76,415</b>	<b>221,431</b>	<b>232,831</b>
<u>General and administrative expenses</u>				
Telecommunication expenses	3,531	4,568	9,894	13,406
Auditors' remuneration:				
(i) Statutory audit fees	478	777	1,745	2,311
(ii) Over provision in prior year	-	-	-	8
(ii) Regulatory related fees	10	10	31	31
(iii) Tax fees	8	-	57	2
(iv) Non-audit fees	(155)	84	(238)	374
Professional fees	7,685	1,918	13,669	16,634
Property and equipment written-off	-	79	136	176
Mail and courier charges	1,022	953	3,130	2,678
Stationery and consumables	1,880	3,202	6,501	7,301
Directors' fees and allowances	698	712	2,067	2,553
Donations	559	(150)	2,257	2,643
Settlement, clearing and bank charges	2,624	3,777	13,038	11,608
Stamp duties	101	298	235	384
Operational and litigation write-off expenses	-	(5)	880	(18)
Subscription fees	3,741	3,292	10,869	9,471
Other administration and general expenses	3,296	3,489	9,718	9,167
	<b>25,478</b>	<b>23,004</b>	<b>73,989</b>	<b>78,729</b>
<b>Total other operating expenses</b>	<b>326,321</b>	<b>338,464</b>	<b>1,007,286</b>	<b>997,211</b>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A23. OTHER OPERATING EXPENSES (Cont.)**

<b>Bank</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30/9/2021</b>	<b>30/9/2020</b>	<b>30/9/2021</b>	<b>30/9/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Personnel costs</u>				
Wages, salaries and bonus	94,361	80,165	268,603	231,544
Defined contribution plan	16,333	13,500	46,583	39,662
Other personnel costs	8,978	11,672	30,047	38,083
	<b>119,672</b>	<b>105,337</b>	<b>345,233</b>	<b>309,289</b>
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	1,943	2,132	8,695	5,948
Entertainment	648	694	2,126	2,321
Travelling and accommodation	151	336	810	1,061
Commission and brokerage expenses	1,504	3,557	5,461	6,534
Others marketing expenses	582	627	1,924	1,443
	<b>4,828</b>	<b>7,346</b>	<b>19,016</b>	<b>17,307</b>
<u>Establishment expenses</u>				
Equipment rental	676	733	1,819	1,981
Repair and maintenance	8,139	6,552	15,713	17,006
Depreciation of property and equipment	4,841	4,784	14,357	13,800
Depreciation of right-of-use assets	8,359	6,213	25,003	18,574
Amortisation of intangible assets	5,280	6,083	16,476	17,086
IT consultancy fee	7,299	11,429	23,879	34,699
Dataline rental	3,268	2,840	9,277	10,997
Security services	2,021	4,687	5,959	12,312
Electricity, water and sewerage	922	1,044	2,894	3,541
Insurance/Takaful and indemnities	310	1,563	8,846	9,774
Other establishment costs	1,763	824	1,926	2,077
	<b>42,878</b>	<b>46,752</b>	<b>126,149</b>	<b>141,847</b>
<u>General and administrative expenses</u>				
Telecommunication expenses	464	860	225	2,781
Auditors' remuneration :				
(i) Statutory audit fees	324	402	972	1,215
(ii) Non-audit fees	(166)	120	(100)	350
Professional fees	5,129	160	7,841	11,119
Property and equipment written-off	-	27	135	27
Mail and courier charges	547	725	1,677	2,006
Stationery and consumables	766	1,246	3,526	3,581
Directors' fees and allowances	698	713	2,067	2,304
Donations	12	2	1,545	1,424
Settlement, clearing and bank charges	1,842	2,931	10,749	9,000
Stamp duties	88	291	203	357
Operational and litigation write-off expenses	-	(5)	880	(18)
Other administration and general expenses	1,427	1,473	4,316	3,457
	<b>11,131</b>	<b>8,945</b>	<b>34,036</b>	<b>37,603</b>
<b>Total other operating expenses</b>	<b>178,509</b>	<b>168,380</b>	<b>524,434</b>	<b>506,046</b>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A24. ALLOWANCES FOR CREDIT IMPAIRMENT LOSSES**

<b>Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30/9/2021</b>	<b>30/9/2020</b>	<b>30/9/2021</b>	<b>30/9/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
ECL (written-back)/made on:				
- loans, advances and financing	<b>56,301</b>	110,199	<b>179,319</b>	282,270
- trade receivables	<b>41</b>	250	<b>(936)</b>	342
- securities and placements	<b>1,932</b>	11,529	<b>65,716</b>	20,176
- loan/financing commitments and financial guarantee	<b>(792)</b>	(941)	<b>1,312</b>	1,214
Bad debts and financing :				
- recovered	<b>(8,572)</b>	(9,202)	<b>(23,462)</b>	(23,279)
- written-off	<b>335</b>	476	<b>1,293</b>	2,512
	<b>49,245</b>	112,311	<b>223,242</b>	283,235
<b>Bank</b>				
ECL (written-back)/made on :				
- loans, advances and financing	<b>45,648</b>	79,068	<b>112,884</b>	185,760
- securities and placements	<b>(4,949)</b>	7,597	<b>49,056</b>	15,464
- loan/financing commitments and financial guarantee	<b>(305)</b>	164	<b>1,289</b>	(64)
Bad debts and financing :				
- recovered	<b>(7,648)</b>	(7,836)	<b>(20,121)</b>	(18,905)
- written-off	<b>279</b>	425	<b>997</b>	2,178
	<b>33,025</b>	79,418	<b>144,105</b>	184,433

**A25. ALLOWANCES FOR IMPAIRMENT LOSSES ON OTHER ASSETS**

<b>Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30/9/2021</b>	<b>30/9/2020</b>	<b>30/9/2021</b>	<b>30/9/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance for impairment losses on other assets	-	11,265	<b>1,344</b>	12,280

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A26. SEGMENTAL INFORMATION ON REVENUE AND PROFIT**

The segment analysis by activity for the individual and cumulative quarters ended 30 September 2021 and 30 September 2020 are as follows:

	<----- Current year's individual quarter ended 30 September 2021 ----->					
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>						
External revenue	391,496	157,565	-	3,431	-	552,492
Intersegment revenue	95,689	4,885	-	128	(100,702)	-
Segment revenue	<b>487,185</b>	<b>162,450</b>	<b>-</b>	<b>3,559</b>	<b>(100,702)</b>	<b>552,492</b>
Operating expenses	(241,129)	(82,486)	-	(3,408)	702	(326,321)
of which :-						
Depreciation of property and equipment	(4,963)	(2,696)	-	(85)	-	(7,744)
Depreciation of right-of-use assets	(8,474)	(2,423)	-	(87)	-	(10,984)
Amortisation of intangible assets	(5,333)	(665)	-	(3)	-	(6,001)
Allowances for impairment advances, financing and trade receivables/ securities/ other assets	(42,462)	(6,593)	-	-	(190)	(49,245)
Segment results	<b>203,594</b>	<b>73,371</b>	<b>-</b>	<b>151</b>	<b>(100,190)</b>	<b>176,926</b>
Share of results of a joint venture (net of tax)	-	-	913	-	-	913
Share of results of associates (net of tax)	-	-	11,309	-	-	11,309
Profit before zakat and taxation	<b>203,594</b>	<b>73,371</b>	<b>12,222</b>	<b>151</b>	<b>(100,190)</b>	<b>189,148</b>
Zakat	(1,830)	(508)	-	-	-	(2,338)
Profit before taxation	<b>201,764</b>	<b>72,863</b>	<b>12,222</b>	<b>151</b>	<b>(100,190)</b>	<b>186,810</b>
Taxation						(43,957)
Net profit for the individual quarter						<b>142,853</b>

	<----- Preceding year's individual quarter ended 30 September 2020 ----->					
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>						
External revenue	378,946	174,892	-	3,007	-	556,845
Intersegment revenue	(119)	2,305	-	229	(2,415)	-
Segment revenue	<b>378,827</b>	<b>177,197</b>	<b>-</b>	<b>3,236</b>	<b>(2,415)</b>	<b>556,845</b>
Operating expenses	(228,403)	(108,182)	-	(2,794)	915	(338,464)
of which :-						
Depreciation of property and equipment	(4,956)	(2,870)	-	(38)	-	(7,864)
Depreciation of right-of-use assets	(6,463)	(2,430)	-	(88)	-	(8,981)
Amortisation of intangible assets	(6,136)	(3,701)	-	(5)	-	(9,842)
(Allowances for)/write-back of impairment advances, financing and trade receivables/ securities/ other assets	(118,508)	(6,436)	-	-	1,368	(123,576)
Segment results	<b>31,916</b>	<b>62,579</b>	<b>-</b>	<b>442</b>	<b>(132)</b>	<b>94,805</b>
Share of results of a joint venture (net of tax)	-	-	(2,673)	-	-	(2,673)
Share of results of associates (net of tax)	-	-	6,787	-	-	6,787
Profit before zakat and taxation	<b>31,916</b>	<b>62,579</b>	<b>4,114</b>	<b>442</b>	<b>(132)</b>	<b>98,919</b>
Zakat	(2,540)	(1,058)	-	-	-	(3,598)
Profit before taxation	<b>29,376</b>	<b>61,521</b>	<b>4,114</b>	<b>442</b>	<b>(132)</b>	<b>95,321</b>
Taxation						(37,806)
Net profit for the individual quarter						<b>57,515</b>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A26. SEGMENTAL INFORMATION ON REVENUE AND PROFIT (Cont.)**

The segment analysis by activity for the individual and cumulative quarters ended 30 September 2021 and 30 September 2020 are as follows (Cont.):

	< ----- Current year's cumulative quarter ended 30 September 2021 ----- >					
	Commercial	Investment	Insurance	Others	Elimination	Group
	Banking	Banking				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External revenue	1,128,548	530,987	-	9,488	-	1,669,023
Intersegment revenue	138,995	6,717	-	602	(146,314)	-
Segment revenue	<u>1,267,543</u>	<u>537,704</u>	-	<u>10,090</u>	<u>(146,314)</u>	<u>1,669,023</u>
Operating expenses	(707,947)	(294,265)	-	(8,988)	3,914	(1,007,286)
of which :-						
Depreciation of property and equipment	(14,749)	(7,641)	-	(124)	-	(22,514)
Depreciation of right-of-use assets	(25,349)	(7,360)	-	(262)	-	(32,971)
Amortisation of intangible assets	(16,635)	(5,076)	-	(9)	-	(21,720)
Allowances for impairment advances, financing and trade receivables/ securities/ other assets	(196,080)	(28,430)	-	-	(76)	(224,586)
Segment results	<u>363,516</u>	<u>215,009</u>	-	<u>1,102</u>	<u>(142,476)</u>	<u>437,151</u>
Share of results of a joint venture (net of tax)	-	-	7,398	-	-	7,398
Share of results of an associate (net of tax)	-	-	28,700	-	-	28,700
Profit before zakat and taxation	<u>363,516</u>	<u>215,009</u>	<u>36,098</u>	<u>1,102</u>	<u>(142,476)</u>	<u>473,249</u>
Zakat	(1,830)	(2,370)	-	-	-	(4,200)
Profit before taxation	<u>361,686</u>	<u>212,639</u>	<u>36,098</u>	<u>1,102</u>	<u>(142,476)</u>	<u>469,049</u>
Taxation						(111,124)
Net profit for the cumulative quarter						<u><u>357,925</u></u>
	< ----- Preceding year's cumulative quarter ended 30 September 2020 ----- >					
	Commercial	Investment	Insurance	Others	Elimination	Group
	Banking	Banking				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External revenue	1,035,688	599,242	-	9,173	-	1,644,103
Intersegment revenue	35,533	7,171	-	710	(43,414)	-
Segment revenue	<u>1,071,221</u>	<u>606,413</u>	-	<u>9,883</u>	<u>(43,414)</u>	<u>1,644,103</u>
Operating expenses	(690,497)	(300,363)	-	(8,265)	1,914	(997,211)
of which :-						
Depreciation of property and equipment	(14,358)	(8,551)	-	(108)	-	(23,017)
Depreciation of right-of-use assets	(19,478)	(7,441)	-	(264)	-	(27,183)
Amortisation of intangible assets	(17,245)	(11,044)	-	(22)	-	(28,311)
(Allowances for)/write-back of impairment advances, financing and trade receivables/ securities/ other assets	(260,306)	(38,484)	-	-	3,275	(295,515)
Segment results	<u>120,418</u>	<u>267,566</u>	-	<u>1,618</u>	<u>(38,225)</u>	<u>351,377</u>
Share of results of a joint venture (net of tax)	-	-	251	-	-	251
Share of results of an associate (net of tax)	(750)	-	19,133	-	-	18,383
Profit before zakat and taxation	<u>119,668</u>	<u>267,566</u>	<u>19,384</u>	<u>1,618</u>	<u>(38,225)</u>	<u>370,011</u>
Zakat	(2,540)	(4,223)	-	-	-	(6,763)
Profit before taxation	<u>117,128</u>	<u>263,343</u>	<u>19,384</u>	<u>1,618</u>	<u>(38,225)</u>	<u>363,248</u>
Taxation						(100,375)
Net profit for the cumulative quarter						<u><u>262,873</u></u>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A27. SUBSEQUENT MATERIAL EVENT**

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the unaudited condensed interim financial statements.

**A28. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no significant changes in the composition of the Group during the financial period under review.

**A29. COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured over the assets of the Group and the Bank.

The notional amounts of the commitments and contingencies of the Group and the Bank are as follows :

	Group		Bank	
	Principal Amount 30/9/2021 RM'000	31/12/2020 RM'000	Principal Amount 30/9/2021 RM'000	31/12/2020 RM'000
Direct credit substitutes *	515,612	501,472	448,074	432,764
Transaction-related contingent items	1,481,278	1,640,080	984,888	1,184,737
Short-term self-liquidating trade-related contingencies	484,961	450,212	195,042	156,180
Obligations under an on-going underwriting agreement	-	17,792	-	-
Irrevocable commitments to extend credit				
- Maturity less than one year	5,260,585	5,114,530	3,737,848	3,716,393
- Maturity more than one year	1,843,219	1,749,812	1,050,894	912,498
Foreign exchange related contracts #				
- Less than one year	27,064,990	18,864,614	15,557,573	10,640,270
- One year to less than five years	882,266	1,019,409	83,340	207,100
Interest rate related contracts #				
- Less than one year	1,185,000	447,000	335,000	57,000
- One year to less than five years	4,573,000	4,063,000	2,323,000	1,513,000
- Five years and above	990,000	755,000	990,000	755,000
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrowers' creditworthiness	940,024	783,018	-	-
Unutilised credit card lines	1,098,767	844,254	887,068	634,500
	<b>46,319,702</b>	<b>36,250,193</b>	<b>26,592,727</b>	<b>20,209,442</b>

\* Included in direct credit substitutes are financial guarantee contracts of RM515.6 million and RM448.1 million at the Group and the Bank respectively (2020: RM501.5 million and RM432.8 million at the Group and the Bank respectively), of which fair value at the time of issuance is zero.

# The fair value of these derivatives have been recognised as "derivative financial assets" and "derivative financial liabilities" in the statement of financial position.



**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A30. DERIVATIVE FINANCIAL INSTRUMENTS**

Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts and classified by remaining period to maturity/repricing date (whichever is earlier) as at reporting date are as follows:-

GROUP	< ----- Contract/Notional Amount ----- >				< ----- Positive Fair Value ----- >				< ----- Negative Fair Value ----- >			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
<b>As at 30 September 2021</b>												
<b>Trading derivatives</b>												
Foreign exchange contracts :												
- Currency forwards	9,015,462	126,434	185,519	9,327,415	77,072	383	397	77,852	31,631	1,601	3,185	36,417
- Cross currency swaps	12,032,574	83,340	-	12,115,914	39,949	-	-	39,949	61,421	2,032	-	63,453
- Currency swaps	6,016,953	301,284	185,690	6,503,927	20,882	4,265	3,298	28,445	55,030	2,968	352	58,350
Interest rate contracts :												
- Interest rate swaps	1,185,000	2,708,000	2,855,000	6,748,000	5,834	32,838	37,669	76,341	6,613	43,720	29,391	79,724
	<b>28,249,989</b>	<b>3,219,058</b>	<b>3,226,209</b>	<b>34,695,256</b>	<b>143,737</b>	<b>37,486</b>	<b>41,364</b>	<b>222,587</b>	<b>154,695</b>	<b>50,321</b>	<b>32,928</b>	<b>237,944</b>
<b>As at 31 December 2020</b>												
<b>Trading derivatives</b>												
Foreign exchange contracts :												
- Currency forwards	7,717,177	75,022	330,978	8,123,177	34,639	179	402	35,220	201,841	2,416	9,346	213,603
- Cross currency swaps	7,121,340	207,100	-	7,328,440	165,064	7,411	-	172,475	40,621	109	-	40,730
- Currency swaps	4,026,096	75,074	331,236	4,432,406	75,886	2,462	9,542	87,890	21,535	175	359	22,069
Interest rate contracts :												
- Interest rate swaps	447,000	2,295,000	2,523,000	5,265,000	1,600	37,769	53,340	92,709	20,812	43,945	48,660	113,417
	<b>19,311,613</b>	<b>2,652,196</b>	<b>3,185,214</b>	<b>25,149,023</b>	<b>277,189</b>	<b>47,821</b>	<b>63,284</b>	<b>388,294</b>	<b>284,809</b>	<b>46,645</b>	<b>58,365</b>	<b>389,819</b>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A30. DERIVATIVE FINANCIAL INSTRUMENTS (Cont.)**

Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts and classified by remaining period to maturity/repricing date (whichever is earlier) as at reporting date are as follows: (continued)

	< ----- Contract/Notional Amount ----- >				< ----- Positive Fair Value ----- >				< ----- Negative Fair Value ----- >			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
<b>BANK</b>												
<b>As at 30 September 2021</b>												
<b>Trading derivatives</b>												
Foreign exchange contracts :												
- Currency forwards	2,618,669	-	-	2,618,669	17,442	-	-	17,442	8,837	-	-	8,837
- Cross currency swaps	12,938,904	83,340	-	13,022,244	42,010	-	-	42,010	67,889	2,032	-	69,921
Interest rate contracts :												
- Interest rate swaps	335,000	1,048,000	2,265,000	3,648,000	1,929	12,426	31,275	45,630	2,993	23,748	28,000	54,741
	<b>15,892,573</b>	<b>1,131,340</b>	<b>2,265,000</b>	<b>19,288,913</b>	<b>61,381</b>	<b>12,426</b>	<b>31,275</b>	<b>105,082</b>	<b>79,719</b>	<b>25,780</b>	<b>28,000</b>	<b>133,499</b>
<b>As at 31 December 2020</b>												
<b>Trading derivatives</b>												
Foreign exchange contracts :												
- Currency forwards	3,518,930	-	-	3,518,930	3,300	-	-	3,300	119,105	-	-	119,105
- Cross currency swaps	7,121,340	207,100	-	7,328,440	178,757	7,411	-	186,168	41,693	109	-	41,802
Interest rate contracts :												
- Interest rate swaps	57,000	775,000	1,493,000	2,325,000	670	9,725	31,319	41,714	470	21,681	45,031	67,182
	<b>10,697,270</b>	<b>982,100</b>	<b>1,493,000</b>	<b>13,172,370</b>	<b>182,727</b>	<b>17,136</b>	<b>31,319</b>	<b>231,182</b>	<b>161,268</b>	<b>21,790</b>	<b>45,031</b>	<b>228,089</b>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

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**A30. DERIVATIVE FINANCIAL INSTRUMENTS (Cont.)**

Foreign exchange and interest rate related contracts are subject to market risk, credit risk and liquidity risk.

**Market risk**

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at the reporting date, the notional amount of foreign exchange exposure which was not hedged and hence, exposed to market risk was RM96.5 million (2020 : RM22.6 million), while the notional amount of interest rate contract was RM932.3 million (2020 : RM819.8 million).

**Credit risk**

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the commercial bank has a gain position. As at the reporting date, the amounts of foreign exchange and interest rate credit risk, measured in terms of the cost to replace the profitable contracts, was RM436.7 million (2020 : RM443.8 million) and RM197.4 million (2020 : RM170.9 million) respectively. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

**Liquidity risk**

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. The exposure to liquidity risk is mitigated by entering into transactions where the underlying financial instruments are widely traded and also easily closed out through alternative markets.

**Cash Requirement of the Derivatives**

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at the reporting date, there is no requirement for the Group to post any additional cash collateral on its derivative contracts.

**Related Accounting Policies**

The related accounting policies for off-balance sheet financial instruments applied in the condensed interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2020.

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A31. FAIR VALUE MEASUREMENTS**

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:-

- (a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities  
(b) Level 2 - quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.  
(c) Level 3 - valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

<b>Group</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 September 2021</b>				
<b>Financial Assets</b>				
Financial assets at FVTPL:				
- Money market instruments	-	286,417	-	286,417
- Shares and unit trusts	325,629	-	104,171	429,800
- Corporate bonds/Sukuk	-	58,499	15,422	73,921
Derivative financial assets	-	222,587	-	222,587
Financial investments at FVOCI:				
- Money market instruments	-	7,617,331	-	7,617,331
- Shares, unit trusts and REITs	-	11	212,398	212,409
- Corporate bonds/Sukuk	-	6,426,137	-	6,426,137
	<b>325,629</b>	<b>14,610,982</b>	<b>331,991</b>	<b>15,268,602</b>
<b>Financial Liabilities</b>				
Derivative financial liabilities	-	237,944	-	237,944
Puttable liability - investment in funds	84,268	-	-	84,268
Other liabilities - equities trading	2,166	-	-	2,166
	<b>86,434</b>	<b>237,944</b>	<b>-</b>	<b>324,378</b>
<b>31 December 2020</b>				
<b>Financial Assets</b>				
Financial assets at FVTPL :				
- Money market instruments	-	113,657	-	113,657
- Shares and unit trusts	411,849	-	99,222	511,071
- Corporate bonds/Sukuk	-	58,494	15,044	73,538
Derivative financial assets	-	388,294	-	388,294
Financial investments at FVOCI :				
- Money market instruments	-	5,964,994	-	5,964,994
- Shares, unit trusts and REITs	-	11	211,454	211,465
- Corporate bonds/Sukuk	-	6,857,594	-	6,857,594
	<b>411,849</b>	<b>13,383,044</b>	<b>325,720</b>	<b>14,120,613</b>
<b>Financial Liabilities</b>				
Derivative financial liabilities	-	389,819	-	389,819
Puttable liability - investment in funds	84,268	-	-	84,268
Other liabilities - equities trading	394	-	-	394
	<b>84,662</b>	<b>389,819</b>	<b>-</b>	<b>474,481</b>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A31. FAIR VALUE MEASUREMENTS (Cont.)**

<b>Bank</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 September 2021</b>				
<b>Financial Assets</b>				
Financial assets at FVTPL:				
- Money market instruments	-	254,557	-	254,557
- Unquoted shares	-	-	104,171	104,171
- Corporate bonds/Sukuk	-	-	15,422	15,422
Derivative financial assets	-	105,082	-	105,082
Financial investments at FVOCI:				
- Money market instruments	-	4,802,987	-	4,802,987
- Unquoted shares	-	-	185,701	185,701
- Corporate bonds/Sukuk	-	3,176,188	-	3,176,188
	<b>-</b>	<b>8,338,814</b>	<b>305,294</b>	<b>8,644,108</b>
<b>Financial Liabilities</b>				
Derivative financial liabilities	-	133,499	-	133,499
<b>31 December 2020</b>				
<b>Financial Assets</b>				
Financial assets at FVTPL:				
- Money market instruments	-	113,657	-	113,657
- Unquoted shares	-	-	99,222	99,222
- Corporate bonds/Sukuk	-	-	15,044	15,044
Derivative financial assets	-	231,182	-	231,182
Financial investments at FVOCI:				
- Money market instruments	-	3,002,261	-	3,002,261
- Unquoted shares	-	-	186,135	186,135
- Corporate bonds/Sukuk	-	3,398,934	-	3,398,934
	<b>-</b>	<b>6,746,034</b>	<b>300,401</b>	<b>7,046,435</b>
<b>Financial Liabilities</b>				
Derivative financial liabilities	-	228,089	-	228,089

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include actively traded listed equities and actively exchange-traded derivatives.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determine fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques.

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A31. FAIR VALUE MEASUREMENTS (Cont.)**

This category includes unquoted shares held for socio economic reasons. Fair values for shares held for socio economic reasons are based on the net tangible assets of the affected companies. The Group's and the Bank's exposure to financial instruments classified as Level 3 comprised a small number of financial instruments which constitute an insignificant component of the Group's and the Bank's portfolio of financial instruments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

The Group and the Bank recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial period (2020: Nil).

The following table presents the changes in Level 3 instruments for the financial year ended:-

	<b>Group</b>		<b>Bank</b>	
	<b>30/9/2021</b>	31/12/2020	<b>30/9/2021</b>	31/12/2020
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
At beginning of the financial period/year	<b>325,720</b>	290,059	<b>300,401</b>	267,057
Sales/Redemption	<b>(252)</b>	-	<b>(252)</b>	-
Net changes in income accrued	<b>1,736</b>	4	<b>358</b>	4
Total gains recognised in other comprehensive income	<b>4,787</b>	35,657	<b>4,787</b>	33,340
At end of the financial period/year	<b>331,991</b>	325,720	<b>305,294</b>	300,401

**Effect of changes in significant unobservable assumptions to reasonably possible alternative**

As at reporting date, financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) mainly include unquoted shares held for socio economic purposes.

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A32. CAPITAL ADEQUACY**

Capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) updated on 9 December 2020.

The Group and the Bank are currently adopting Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk. The minimum capital adequacy requirement by BNM for Common Equity Tier 1 Capital Ratio ("CET1"), Tier 1 Capital Ratio and Total Capital Ratio are 7.00%, 8.50% and 10.50% respectively for year 2019 onwards.

The Group and the Bank have elected to apply BNM's transitional arrangement for four financial years beginning on 1 January 2020. Under the transitional arrangements, a financial institution is allowed to add back the amount of loss allowance measured at an amount equal to 12-month and lifetime expected credit losses to the extent they are ascribed to non-credit-impaired exposures (which is Stage 1 and Stage 2 provisions), to CET1 capital.

	Group		Bank	
	30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
<b>a) The components of CET 1, Tier 1 and Tier 2 capital :</b>				
<u>CET 1</u>				
Paid-up share capital	4,969,150	4,902,300	4,969,150	4,902,300
Retained profits	3,777,530	3,682,234	2,721,218	2,799,501
Unrealised gains on FVOCI instruments	(61,626)	266,412	36,336	183,078
Other disclosed reserves	(65,909)	(65,909)	-	-
Foreign exchange reserves	(205)	(205)	-	-
	<b>8,618,940</b>	<b>8,784,832</b>	<b>7,726,704</b>	<b>7,884,879</b>
Less: Regulatory adjustments:				
- Goodwill and other intangibles	(891,744)	(903,750)	(194,324)	(202,212)
- Deferred tax assets	(256,574)	(112,158)	(133,002)	(54,607)
- 55% of cumulative unrealised gains on FVOCI instruments	-	(146,527)	(19,985)	(100,693)
- Investment in subsidiaries, joint ventures and associates	(951,327)	(896,114)	(3,796,621)	(3,796,621)
- Other CET1 transitional adjustment	229,052	100,517	138,598	61,224
Total CET 1 Capital	<b>6,748,347</b>	<b>6,826,800</b>	<b>3,721,370</b>	<b>3,791,970</b>
<u>Additional Tier 1 Capital</u>				
Additional Tier 1 Capital	800,000	800,000	500,000	500,000
Qualifying capital instruments held by third party	32,177	31,015	-	-
	<b>832,177</b>	<b>831,015</b>	<b>500,000</b>	<b>500,000</b>
Total Tier 1 Capital	<b>7,580,524</b>	<b>7,657,815</b>	<b>4,221,370</b>	<b>4,291,970</b>
<u>Tier 2 Capital</u>				
Subordinated MTNs	2,455,000	2,500,000	2,000,000	2,000,000
Expected loss provisions <sup>#</sup>	272,838	324,592	170,816	200,424
Less: Regulatory adjustments:				
- Investment in capital instruments of unconsolidated financial and insurance entities	(30,914)	(30,914)	(375,914)	(330,914)
Total Tier 2 Capital	<b>2,696,924</b>	<b>2,793,678</b>	<b>1,794,902</b>	<b>1,869,510</b>
<b>Total Capital</b>	<b>10,277,448</b>	<b>10,451,493</b>	<b>6,016,272</b>	<b>6,161,480</b>
<b>b) The breakdown of risk-weighted assets:</b>				
Credit risk	44,944,634	42,706,201	28,305,974	26,888,591
Market risk	1,093,572	814,122	703,330	373,667
Operational risk	3,523,886	3,403,072	1,662,552	1,657,613
<b>Total risk-weighted assets</b>	<b>49,562,092</b>	<b>46,923,395</b>	<b>30,671,856</b>	<b>28,919,871</b>
<b>c) Capital adequacy ratios:</b>				
<u>With transitional arrangements</u>				
CET 1 capital ratio	13.616%	14.549%	12.132%	13.112%
Tier 1 capital ratio	15.295%	16.320%	13.763%	14.841%
Total capital ratio	<b>20.737%</b>	<b>22.274%</b>	<b>19.614%</b>	<b>21.305%</b>
CET 1 capital ratio (net of proposed dividends) <sup>Note 1</sup>	13.616%	14.517%	12.132%	13.061%
Tier 1 capital ratio (net of proposed dividends) <sup>Note 1</sup>	15.295%	16.288%	13.763%	14.790%
Total capital ratio (net of proposed dividends) <sup>Note 1</sup>	<b>20.737%</b>	<b>22.242%</b>	<b>19.614%</b>	<b>21.254%</b>

<sup>#</sup> Qualifying loss provisions are restricted to allowances on the unimpaired portion of the loans, advances and other financing.

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A32. CAPITAL ADEQUACY (Cont.)**

	Group		Bank	
	30/9/2021	31/12/2020	30/9/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
<b>c) Capital adequacy ratios (cont.):</b>				
<u>Without transitional arrangements</u>				
CET 1 capital ratio	<b>13.154%</b>	14.335%	<b>11.680%</b>	12.900%
Tier 1 capital ratio	<b>14.833%</b>	16.105%	<b>13.311%</b>	14.629%
Total capital ratio	<b>20.737%</b>	22.274%	<b>19.614%</b>	21.305%
CET 1 capital ratio (net of proposed dividends) <sup>Note 1</sup>	<b>13.154%</b>	14.303%	<b>11.680%</b>	12.849%
Tier 1 capital ratio (net of proposed dividends) <sup>Note 1</sup>	<b>14.833%</b>	16.074%	<b>13.311%</b>	14.578%
Total capital ratio (net of proposed dividends) <sup>Note 1</sup>	<b>20.737%</b>	22.242%	<b>19.614%</b>	21.254%

Note 1 :

Under the Dividend Reinvestment Plan ("DRP"), the amount of declared dividend to be deducted in the calculation of CET 1 Capital Ratio is determined in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components) (Implementation Guidance) issued on 2 February 2019.

Under the said Implementation Guidance, where a portion of the dividend may be reinvested under a DRP (the electable portion), the amount of the declared dividend to be deducted in the calculation of CET 1 Capital Ratio may be reduced as follows:-

- (i) where an irrevocable written undertaking from shareholder has been obtained to reinvest the electable portion of the dividend; or
- (ii) where there is no irrevocable written undertaking provided, the average of the preceding 3-year take-up rates or if less than 3 preceding years, the available average historical take-up rates, subject to the amount being not more than 50% of the total electable portion of the dividend.

In arriving at the capital adequacy ratios, the portion of the proposed dividends where no irrevocable written undertaking from shareholders to reinvest the electable portion into new ordinary shares of the Bank is obtained, is assumed to be paid in cash and has been deducted from the calculation of CET 1 Capital Ratio.

In accordance with BNM's Guidelines on Investment Account, the credit and market risk weighted on the assets funded by the RIA are excluded from calculation of capital adequacy. As at 30 September 2021, RIA assets excluded from Total Capital Ratio calculation amounted to RM1,667.2 million (2020: RM1,754.9 million).

The capital adequacy ratios of AFFIN Islamic Bank Berhad are as follows :

	Economic Entity		Bank	
	30/9/2021	31/12/2020	30/9/2021	31/12/2020
<u>With transitional arrangements</u>				
CET 1 capital ratio	<b>11.472%</b>	12.234%	<b>11.472%</b>	12.234%
Tier 1 capital ratio	<b>13.319%</b>	14.226%	<b>13.319%</b>	14.226%
Total capital ratio	<b>18.786%</b>	20.271%	<b>18.786%</b>	20.271%
<u>Without transitional arrangements</u>				
CET 1 capital ratio	<b>11.050%</b>	12.025%	<b>11.050%</b>	12.025%
Tier 1 capital ratio	<b>12.897%</b>	14.017%	<b>12.897%</b>	14.017%
Total capital ratio	<b>18.786%</b>	20.271%	<b>18.786%</b>	20.271%

The capital adequacy ratios of AFFIN Hwang Investment Bank Berhad are as follows :

	Group		Bank	
	30/9/2021	31/12/2020	30/9/2021	31/12/2020
<u>With transitional arrangements</u>				
CET 1 capital ratio	<b>30.352%</b>	35.119%	<b>46.151%</b>	47.060%
Tier 1 capital ratio	<b>31.311%</b>	36.047%	<b>46.151%</b>	47.060%
Total capital ratio	<b>31.734%</b>	36.463%	<b>46.782%</b>	47.666%
CET 1 capital ratio (net of proposed dividends)	<b>26.775%</b>	34.071%	<b>40.801%</b>	45.531%
Tier 1 capital ratio (net of proposed dividends)	<b>27.734%</b>	34.999%	<b>40.801%</b>	45.531%
Total capital ratio (net of proposed dividends)	<b>28.156%</b>	35.415%	<b>41.432%</b>	46.136%
<u>Without transitional arrangements</u>				
CET 1 capital ratio	<b>29.659%</b>	34.817%	<b>45.123%</b>	46.623%
Tier 1 capital ratio	<b>30.618%</b>	35.746%	<b>45.123%</b>	46.623%
Total capital ratio	<b>31.299%</b>	36.427%	<b>45.891%</b>	47.326%
CET 1 capital ratio (net of proposed dividends)	<b>26.082%</b>	33.769%	<b>39.774%</b>	45.094%
Tier 1 capital ratio (net of proposed dividends)	<b>27.041%</b>	34.698%	<b>39.774%</b>	45.094%
Total capital ratio (net of proposed dividends)	<b>27.721%</b>	35.379%	<b>40.541%</b>	45.797%



**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A33. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD**

**(i) Unaudited Statements of Financial Position**

	Economic Entity	
	30/9/2021 RM'000	31/12/2020 RM'000
<b>ASSETS</b>		
Cash and short-term funds	3,836,825	2,794,278
Deposits and placements with banks and other financial institutions	-	50,058
Derivative financial assets	11,222	11,558
Financial investments at FVOCI	3,158,486	2,828,166
Financial investments at amortised cost ("AC")	70,092	-
Financing, advances and other financing	21,103,370	19,380,090
Other assets	124,008	64,563
Amount due from joint ventures	14,653	15,073
Deferred tax assets	45,549	12,390
Property and equipment	1,319	1,383
Right-of-use assets	746	1,085
Intangible assets	398	558
<b>TOTAL ASSETS</b>	<b>28,366,668</b>	<b>25,159,202</b>
<b>LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		
Deposits from customers	22,654,515	18,665,991
Investment accounts of customers	1,443	2,151
Deposits and placements of banks and other financial institutions	684,628	1,225,873
Investment accounts due to designated financial institutions	1,656,739	1,751,038
Derivative financial liabilities	9,606	25,572
Recourse obligation on financing sold to Cagamas Berhad	50,342	50,034
Other liabilities	98,017	67,912
Amount due to holding company	115,365	299,815
Provision for taxation	9,168	6,234
Lease liabilities	763	2,433
Subordinated term financing and medium term notes	1,125,372	1,111,034
<b>TOTAL LIABILITIES</b>	<b>26,405,958</b>	<b>23,208,087</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>		
Share capital	1,060,000	1,060,000
Reserves	900,710	891,115
<b>Total Islamic Banking Capital Funds</b>	<b>1,960,710</b>	<b>1,951,115</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>	<b>28,366,668</b>	<b>25,159,202</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>5,172,346</b>	<b>4,357,811</b>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A33. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)**

**(ii) Unaudited Income Statements**

	Economic Entity			
	Individual Quarter Ended 30/9/2021 RM'000	30/9/2020 RM'000	Cumulative Quarter Ended 30/9/2021 RM'000	30/9/2020 RM'000
Income derived from investment of depositors' funds and others	231,234	236,503	654,191	727,171
Income derived from investment of investment accounts	17,616	23,045	53,997	74,895
Income derived from investment of shareholders' funds	20,187	22,488	59,912	75,948
Modification loss	-	-	-	(29,454)
Allowances for impairment losses on financing, advances and other financing	(9,016)	(30,131)	(49,266)	(68,086)
Allowance for impairment losses on other assets	-	(11,265)	(1,344)	(12,280)
Total distributable income	260,021	240,640	717,490	768,194
Income attributable to the depositors and others	(138,216)	(166,588)	(387,920)	(522,273)
Total net income	121,805	74,052	329,570	245,921
Other operating expenses	(62,661)	(60,067)	(183,656)	(184,591)
Share of results of an associate	-	-	-	(750)
Profit before zakat and taxation	59,144	13,985	145,914	60,580
Zakat	(1,830)	(2,540)	(1,830)	(2,540)
Profit before taxation	57,314	11,445	144,084	58,040
Taxation	(15,179)	(10,093)	(38,063)	(22,121)
Net profit for the financial period	42,135	1,352	106,021	35,919

**(iii) Unaudited Statements of Comprehensive Income**

	Economic Entity			
	Individual Quarter Ended 30/9/2021 RM'000	30/9/2020 RM'000	Cumulative Quarter Ended 30/9/2021 RM'000	30/9/2020 RM'000
<b>Net profit for the financial period</b>	<b>42,135</b>	<b>1,352</b>	<b>106,021</b>	<b>35,919</b>
Other comprehensive income/(losses) :				
<u>Items that may be reclassified subsequently to profit or loss :</u>				
- Net fair value change in financial investments at FVOCI	(15,885)	33,098	(122,885)	84,787
- Net credit impairment loss change in financial investments at FVOCI	(94)	1,229	(1,343)	2,472
- Net gain on financial investments measured at FVOCI reclassified to profit or loss on disposal	(300)	(24,364)	(2,224)	(98,745)
- Deferred tax on financial investments at FVOCI	3,884	(2,096)	30,026	3,350
Other comprehensive income/(loss) for the financial period, net of tax	(12,395)	7,867	(96,426)	(8,136)
<b>Total comprehensive income/(loss) for the financial period</b>	<b>29,740</b>	<b>9,219</b>	<b>9,595</b>	<b>27,783</b>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A33. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)**

(iv) **Unaudited Condensed Statement Of Changes In Equity**

Economic Entity	<-----Attributable to Equity Holder of the Bank----->				
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total equity RM'000
<b>At 1 January 2021</b>	<b>1,060,000</b>	<b>(4,919)</b>	<b>127,093</b>	<b>768,941</b>	<b>1,951,115</b>
Comprehensive income :					
- Net profit for the financial period	-	-	-	106,021	106,021
Other comprehensive loss (net of tax) :					
- Financial investments at FVOCI	-	(96,426)	-	-	(96,426)
Total comprehensive (loss)/income	-	(96,426)	-	106,021	9,595
Transfer from regulatory reserves	-	-	(49,533)	49,533	-
<b>At 30 September 2021</b>	<b>1,060,000</b>	<b>(101,345)</b>	<b>77,560</b>	<b>924,495</b>	<b>1,960,710</b>

Economic Entity	<-----Attributable to Equity Holder of the Bank----->				
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total equity RM'000
<b>At 1 January 2020</b>	<b>1,060,000</b>	<b>19,492</b>	<b>236,882</b>	<b>602,260</b>	<b>1,918,634</b>
Comprehensive income :					
- Net profit for the financial period	-	-	-	35,919	35,919
Other comprehensive income (net of tax) :					
- Financial investments at FVOCI	-	(8,136)	-	-	(8,136)
Total comprehensive (loss)/income	-	(8,136)	-	35,919	27,783
Transfer from regulatory reserves	-	-	(81,445)	81,445	-
<b>At 30 September 2020</b>	<b>1,060,000</b>	<b>11,356</b>	<b>155,437</b>	<b>719,624</b>	<b>1,946,417</b>

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A33. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)**

	Economic Entity	
	30/9/2021 RM'000	31/12/2020 RM'000
<b>(v) Financing, advances and other financing</b>		
By type		
Cashline	614,515	466,589
Term financing		
- Housing financing	8,206,877	7,732,796
- Hire purchase receivables	4,257,152	4,022,480
- Syndicated financing	843,242	759,504
- Business term financing	5,590,603	4,954,997
Bills receivables	73,173	8,429
Trust receipts	12,642	13,140
Claims on customers under acceptance credits	565,235	508,029
Staff financing (of which RM Nil to Directors)	98,046	85,141
Credit/charge cards receivables	39,833	38,076
Revolving financing	1,024,033	975,306
<b>Gross financing, advances and other financing</b>	<b>21,325,351</b>	<b>19,564,487</b>
Less : ECL	(221,982)	(184,397)
<b>Total net financing, advances and other financing</b>	<b>21,103,369</b>	<b>19,380,090</b>
<b>(vi) Movements of impaired financing</b>		
At beginning of the financial period/year	315,471	607,312
Classified as impaired	93,984	121,621
Reclassified as non-impaired	(96,339)	(103,492)
Amount recovered	(21,885)	(214,880)
Amount written-off	(15,253)	(95,090)
At end of the financial period/year	275,978	315,471
Ratio of gross impaired financing, advances and other financing to gross financing, advances and other financing (exclude restricted investment accounts)	1.40%	1.77%

**Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia**

**A33. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)**

**(vii) Movements in expected credit losses for financing, advances and other financing**

	12-Month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<b>Economic Entity</b>				
<b>30/9/2021</b>				
At beginning of the financial period	47,261	54,706	82,430	184,397
Total transfer between stages due to change in credit risk :	14,771	11,520	(26,291)	-
- Transfer to 12-month ECL (Stage 1)	17,927	(13,447)	(4,480)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(3,150)	27,478	(24,328)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(6)	(2,511)	2,517	-
Financing, advances and other financing derecognised (other than write-off)	(25,136)	(925)	(1,734)	(27,795)
New financing, advances and other financing originated or purchased	29,494	337	-	29,831
Changes due to change in credit risk	(4,524)	11,423	43,688	50,587
Write-off	-	-	(15,040)	(15,040)
Other adjustments	2	-	-	2
At end of the financial period	<b>61,868</b>	<b>77,061</b>	<b>83,053</b>	<b>221,982</b>
<b>Economic Entity</b>				
<b>31/12/2020</b>				
At beginning of the financial year	51,043	17,171	104,356	172,570
Total transfer between stages due to change in credit risk :	10,438	14,072	(24,510)	-
- Transfer to 12-month ECL (Stage 1)	18,731	(14,585)	(4,146)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(8,276)	30,441	(22,165)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(17)	(1,784)	1,801	-
Financing, advances and other financing derecognised (other than write-off)	(26,531)	(2,557)	(2,595)	(31,683)
New financing, advances and other financing originated or purchased	29,947	981	106	31,034
Changes due to change in credit risk	(2,291)	28,623	87,699	114,031
Changes in models/risk parameters	(15,345)	(3,584)	(251)	(19,180)
Write-off	-	-	(82,488)	(82,488)
Other adjustments	-	-	113	113
At end of the financial year	<b>47,261</b>	<b>54,706</b>	<b>82,430</b>	<b>184,397</b>

**(viii) Deposits from customers**

	<b>Economic Entity</b>	
	<b>30/9/2021</b>	<b>31/12/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Qard</u>		
Demand deposits	3,795,983	3,539,236
Savings deposits	1,030,301	1,005,821
	<b>4,826,284</b>	<b>4,545,057</b>
<u>Mudarabah</u>		
General investment deposits	43,684	57,313
<u>Tawarruq</u>		
Murabahah term deposits	15,904,273	13,333,675
Commodity Murabahah Deposit	1,288,779	516,492
Savings deposits	151,265	102,574
Demand deposit	440,230	110,880
	<b>17,784,547</b>	<b>14,063,621</b>
<b>Total deposits from customers</b>	<b>22,654,515</b>	<b>18,665,991</b>

**Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES**

Table 1 : Financial review for individual and cumulative quarter ended 30 September 2021 against preceding year's corresponding quarter

	Individual Quarter Ended		Changes		Cumulative Quarter Ended		Changes	
	30/9/2021 RM'000	30/9/2020 RM'000	RM'000	%	30/9/2021 RM'000	30/9/2020 RM'000	RM'000	%
Net Income	<b>552,492</b>	556,845	(4,353)	(0.8)	<b>1,669,023</b>	1,644,103	24,920	1.5
Operating Profit	<b>176,926</b>	94,805	82,121	86.6	<b>437,151</b>	351,377	85,774	24.4
Profit Before Zakat and Tax	<b>189,148</b>	98,919	90,229	91.2	<b>473,249</b>	370,011	103,238	27.9
Profit Before Tax	<b>186,810</b>	95,321	91,489	96.0	<b>469,049</b>	363,248	105,801	29.1
Profit After Tax	<b>142,853</b>	57,515	85,338	148.4	<b>357,925</b>	262,873	95,052	36.2
Profit attributable to equity holders of the Bank	<b>133,202</b>	48,718	84,484	173.4	<b>320,087</b>	239,686	80,401	33.5

**(i) Current Period-to-Date vs Previous Corresponding Period-to-Date**

The Group posted a profit before tax of RM469.0 million for the nine-month financial period ended 30 September 2021, an increase of RM105.8 million or 29.1% as compared to the previous corresponding period ended 30 September 2020 of RM363.2 million.

This was due to improved net interest income, Islamic Banking income, net fee and commission income, lower modification loss and allowance for impairment losses. These were offset by lower gain on sales from financial instruments and higher other operating expenses. The share of profits from the joint venture and associate were also higher by RM7.1 million and RM10.3 million respectively.

Net interest income increased by RM127.1 million or 24.3% to RM650.6 million against the previous corresponding period of RM523.5 million, due to loan growth and improved net interest margin of 1.95% compared to 1.57% for 2020. Income from Islamic Banking operations recorded an increase of RM39.7 million or 11.3% to RM389.8 million year-on-year.

Non-interest income for the financial period under review was RM628.6 million, a decrease of RM221.6 million or 26.1% from the RM850.2 million registered in the previous corresponding period. The decrease was due to lower net gain on sales of financial instruments of RM330.3 million, cushioned by higher net fee and commission income of RM111.7 million.

Cost-to-income ratio improved to 60.35% although other operating expenses increased to RM1,007.3 million against RM997.2 million in the same period last year. Allowances for impairment losses was lower by RM70.9 million at RM224.6 million as compared to RM295.5 million a year ago.

Gross loans and financing grew by 6.9% year-on-year to RM49.1 billion in spite of the challenging environment. Customer deposits also increased by 16.1% year-on-year to RM57.5 billion, whilst the CASA ratio stood at 21.14% as at 30 September 2021.

Common Equity Tier 1 Capital Ratio was aligned to the industry average at 13.616% as at 30 September 2021.

Profit before tax for the 9 months financial period ended 30 September 2021 as compared to the previous corresponding period ended 30 September 2020 is further segmented as follows:

**Commercial Banking**

AFFIN Bank Berhad registered a profit before tax of RM218.6 million for the financial period ended 30 September 2021. The improved performance was due to higher net interest income and other income of RM137.6 million and RM97.1 million respectively, with lower modification loss of RM50.3 million and allowance for impairment loss of RM40.3 million. These were offset by lower net gain on sales of financial instruments of RM162.5 million.

AFFIN Islamic Bank Berhad recorded a profit before tax of RM144.1 million, an increase of RM85.3 million or 145.1% as compared to RM58.8 million registered in the previous corresponding period. This was due to higher net financing and other income by RM53.9 million and lower allowance for impairment losses of RM29.8 million.

**Investment Banking**

AFFIN Hwang Investment Bank ("AHIB") Group showed a decrease in the profit before tax of 23.3% to RM208.9 million due to lower net gain on sales of financial instruments of RM167.8 million, mitigated by higher net fee and commission income and net interest income and lower allowance for impairment losses of RM93.2 million, RM4.9 million and RM3.4 million respectively.

AFFIN Hwang Asset Management Berhad recorded an increase in the profit before tax by RM44.4 million or 52.7% due to higher net fee and commission income of RM72.0 million, offset by higher other operating expenses of RM23.8 million and lower net gain on sales of financial instruments of RM5.3 million.

## Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

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### B1. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES (Cont.)

#### (i) Current Period-to-Date vs Previous Corresponding Period-to-Date (Cont.)

Profit before tax for the nine months financial period ended 30 September 2021 as compared to the previous corresponding financial period ended 30 September 2020 is further segmented as follows (Cont.):

##### Insurance

The results of the insurance segment are made up of the share of after tax profit in AXA AFFIN Life Insurance Berhad ("AALI") and AXA AFFIN General Insurance Berhad ("AAGI").

AALI registered a profit before tax of RM20.0 million, an increase of RM13.1 million as compared to RM6.9 million in the previous corresponding period. The higher profit was attributed to improved underwriting results of RM37.1 million, lower reserves for future policyholders' liabilities of RM20.6 million, offset by lower investment income of RM26.5 million, lower gains on disposal of equities of RM12.5 million and higher other operating expenses of RM6.1 million. The Group's share of profit after tax in AALI of RM7.4 million was higher by RM7.1 million as compared to RM0.3 million in the same period last year.

AAGI profit before tax improved by RM19.2 million or 43.6% year-on-year due to better underwriting results of RM21.2 million with lower net claims incurred particularly in Motor and Health, higher realised gains on disposal of investment of RM2.4 million, cushioned by lower investment income of RM4.1 million. The Group's share of profit after tax in AAGI of RM28.7 million was higher by RM10.3 million or 56.1% against RM18.4 million in the previous corresponding period.

#### (ii) Current Quarter vs Previous Corresponding Quarter

The Group reported a profit before tax of RM186.8 million for the quarter ended 30 September 2021, higher by RM91.5 million or 96.0% against the same quarter last year of RM95.3 million.

This was due to improved net interest income, Islamic Banking income, net fee and commission income, lower operating expenses and allowance for impairment losses, offset by lower gain on sales of financial instruments.

Net interest income for the quarter under review increased by RM39.6 million or 20.5% to RM232.4 million as compared to the previous corresponding quarter ended 30 September 2020 of RM192.8 million.

Non-interest income of the Group was RM185.8 million, a decrease of RM65.0 million or 25.9% from RM250.9 million in the previous corresponding quarter. This was due to lower net gain on sales of financial instruments of RM72.2 million, offset by higher net fee and commission income of RM10.6 million.

Other operating expenses was 3.6% lower due to lower personnel expenses and promotion and marketing expenses of RM7.0 million and RM5.1 million respectively.

Allowances for impairment losses decreased by RM74.3 million to RM49.2 million as compared to the same quarter last year of RM123.6 million.

##### Commercial Banking

AFFIN Bank Berhad reported an improvement in profit before tax by RM129.2 million to RM144.7 million for the current quarter ended 30 September 2021. The increase was contributed by higher other income of RM96.1 million, net interest income of RM42.1 million and lower allowance for impairment losses of RM46.4 million, offset by lower net gain on sales of financial instruments of RM46.4 million.

AFFIN Islamic Bank Berhad also showed a better profit before tax of RM57.3 million for the quarter under review, higher by RM45.9 million against the quarter ended 30 September 2020 of RM11.4 million. This was due to lower allowance for impairment losses of RM32.4 million and higher net financing and other income of RM15.4 million, offset by higher other operating expenses of RM2.6 million.

##### Investment Banking

AHIB Group recorded a higher profit before tax by RM1.7 million or 2.6% to RM66.2 million for the quarter under review as compared to RM64.5 million in the same quarter last year. The increase was attributed by lower other operating expenses of RM22.7 million, higher net fee and commission income and net interest income of RM8.9 million and RM3.3 million respectively. However, these were offset by lower net gain on sales of financial instruments of RM25.8 million and higher allowances for impairment losses of RM6.9 million.

The 63%-owned subsidiary namely AFFIN Hwang Asset Management Berhad posted a profit before tax of RM32.2 million against RM32.1 million in the previous corresponding quarter ended 30 September 2020.

## Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

### B1. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES (Cont.)

#### (ii) Current Quarter vs Previous Corresponding Quarter (Cont.)

Profit before tax for the financial quarter ended 30 September 2021 as compared to the previous corresponding financial quarter ended 30 September 2020 is further segmented as follows:

#### Insurance

AALI posted a profit before tax of RM3.5 million for the current quarter ended 30 September 2021 as compared to loss before tax of RM4.9 million for the same quarter last year. The improved performance was due to better underwriting results of RM8.6 million and lower reserves for future policyholders' liabilities of RM8.7 million, offset by lower investment income of RM4.8 million and higher overhead expenses of RM1.3 million. The Group's share of profit after tax in AALI of RM0.9 million was higher by RM3.6 million compared to a loss of RM2.7 million in the same quarter last year.

The profit before tax of AAGI increased by RM9.5 million or 58.6% to RM25.7 million for the current quarter under review from RM16.1 million registered for the previous corresponding quarter. The increase was due to better underwriting results by RM11.9 million, offset by lower other income of RM2.7 million. The Group's share of profit after tax in AAGI of RM11.3 million was higher by RM4.5 million or 66.6% against RM6.8 million in the previous corresponding quarter.

### B2. COMMENTS ON CURRENT PERFORMANCE AGAINST THE PRECEDING QUARTER'S RESULTS

	Current Financial Quarter	Preceding Financial Quarter	Changes	
	30/9/2021 RM'000	30/06/2021 RM'000	RM'000	%
Net income	552,492	578,902	(26,410)	(4.6)
Operating Profit	176,926	156,850	20,076	12.8
Profit Before Zakat and Tax	189,148	174,775	14,373	8.2
Profit Before Tax	186,810	174,078	12,732	7.3
Profit After Tax	142,853	133,464	9,389	7.0
Profit attributable to equity holders of the Bank	133,202	117,948	15,254	12.9

Profit before tax for the Group for the quarter under review increased by RM12.7 million or 7.3% to RM186.8 million against the preceding quarter ended 30 June 2021 of RM174.1 million. This was due to lower allowance for impairment losses of RM32.3 million, lower operating expenses of RM14.2 million and higher net interest income and Islamic Banking income of RM6.9 million and RM7.4 million respectively, offset by lower non-interest income and lower share of profits from the joint venture and associate of RM40.7 million and RM5.7 million respectively.

Net interest income was higher by RM6.9 million or 3.1% to RM232.4 million against the previous quarter of RM225.5 million. Income from Islamic Banking operations was also increased by RM7.4 million or 5.8% to RM134.2 million as compared to RM126.8 million recorded in the preceding quarter.

Allowances for impairment losses decreased by RM32.3 million or 39.6% to RM49.2 million quarter-on-quarter.

### B3. PROSPECTS FOR FINANCIAL YEAR 2021

The economic growth for 2021 was revised downwards by the Ministry of Finance to between 3.0% to 4.0% in August 2021. This was largely driven by the prolonged nation wide containment measures due to the COVID-19 pandemic which continues to weigh on growth. It is against this backdrop that the Government had announced on 13 October 2021, a Financial Management and Resilience Programme (Urus) for borrowers in the B50 income group which is to be setup by the Agensi Kaunseling dan Pengurusan Kredit (AKPK) together with the banking industry. AFFIN Bank Group has pledged its support to this initiative and will provide the relevant assistance to its B50 customers as well as all other customers who have been badly impacted by this pandemic.

There opening of the economy in the fourth quarter of the year is expected to bring a gradual recovery as economic activities normalise. The performance of the Bank and its subsidiaries will benefit from the relaxation of the Movement Control Orders by the Government. The Group is anticipating a stronger loan growth for the fourth quarter of 2021 together with an improvement in its fee income as customers start to increase their business and banking activities.

### B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

There was no profit forecast or profit guarantee issued by the Group and the Bank.



**Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B5. TAXATION**

<b>Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30/9/2021</b>	<b>30/9/2020</b>	<b>30/9/2021</b>	<b>30/9/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax				
Current tax	<b>58,087</b>	76,697	<b>130,578</b>	170,840
(Over)/Under provision in prior financial year	<b>(455)</b>	114	<b>(739)</b>	117
Deferred tax income :				
- Relating to originating temporary differences	<b>(13,675)</b>	(39,005)	<b>(18,715)</b>	(70,582)
	<b>43,957</b>	37,806	<b>111,124</b>	100,375
<b>Bank</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30/9/2021</b>	<b>30/9/2020</b>	<b>30/9/2021</b>	<b>30/9/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax				
Current tax	<b>25,841</b>	25,481	<b>45,156</b>	41,790
(Over)/Under provision in prior financial year	<b>(455)</b>	1	<b>(455)</b>	1
Deferred tax income :				
- Relating to originating temporary differences	<b>(10,780)</b>	(12,348)	<b>(16,357)</b>	(26,344)
	<b>14,606</b>	13,134	<b>28,344</b>	15,447

For the current period, both of the Group and the Bank's effective tax rates were lower than the statutory tax rate, mainly due to certain income not subject to tax or subject to lower tax rate, net of certain expenses not deductible for tax purposes.

For the preceding year's corresponding period, both the Group and the Bank's effective tax rates were higher than the statutory tax rate, mainly due to certain expenses not deductible for tax purposes, net of certain income not subject to tax or subject to lower tax rate.

**B6. STATUS OF CORPORATE PROPOSALS**

On 22 June 2021, The Bank announced that it had entered into an Implementation Agreement with Generali Asia N.V. ("Generali") in respect of the following proposals:

- (i) Disposal of 21.00% equity interest in AXA Affin Life Insurance Berhad ("AALI") ("Proposed AALI Disposal"); and
- (ii) Disposal of approximately 2.95% equity interest in AXA Affin General Insurance Berhad ("AAGI") ("Proposed AAGI Disposal").

Further, upon completion of the Proposed AAGI Disposal, AAGI will acquire certain assets and liabilities of MPI Generali Insurans Berhad ("MPIGI") via a business transfer to AAGI ("Proposed Merger").

(Proposed AALI Disposal, Proposed AAGI Disposal and Proposed Merger are collectively referred to as the "Proposals").

Simultaneously with the Proposed AALI Disposal and Proposed AAGI Disposal, AXA Asia is also selling its entire 49.00% shareholding in AALI and 49.99% shareholding in AAGI.

Subsequent to the completion of the Proposals, The Bank will hold 30% equity interest each, in AALI and the enlarged equity interest in AAGI after the Proposed Merger, with the remaining 70% equity interest will be held by Generali.

The Bank had on 30 June 2021 submitted the applications to BNM to seek the approval of BNM and the Minister of Finance, Malaysia through BNM, for the Bank to undertake the Proposed AALI Disposal and Proposed AAGI Disposal, the approvals of which are pending.

The financial impact arising from the Proposals is not expected to be significant for the financial period ended 30 September 2021.

**Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B7. DEPOSITS, LEASE LIABILITIES AND BORROWINGS**

	Group		Bank	
	30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
<b>(i) <u>Deposits from Customers</u></b>				
<u>By Type of Deposit:</u>				
Demand Deposits	8,864,793	8,069,963	4,629,141	4,420,378
Savings Deposits	3,282,979	3,012,259	2,101,413	1,903,864
Fixed Deposits	41,950,933	36,345,493	22,770,793	19,875,252
Commodity Murabahah Deposits	1,288,779	516,492	-	-
Money Market Deposits	1,038,717	707,536	1,038,717	707,536
Negotiable Instruments of Deposits ("NID")	939,507	1,107,155	909,117	500,947
Others	93,247	125,462	-	-
	<b>57,458,955</b>	<b>49,884,360</b>	<b>31,449,181</b>	<b>27,407,977</b>
<u>By Maturity structure of fixed deposits, NID and others:</u>				
Due within six months	28,963,722	24,532,548	14,351,109	12,036,396
Six months to one year	12,600,945	11,592,067	8,347,512	7,311,400
One year to three years	1,411,991	1,416,837	976,261	997,357
Three years to five years	6,549	36,658	4,628	31,046
Five years and above	480	-	400	-
	<b>42,983,687</b>	<b>37,578,110</b>	<b>23,679,910</b>	<b>20,376,199</b>
<u>By Type of Customer:</u>				
Government and statutory bodies	12,347,604	7,560,637	2,245,581	691,865
Business enterprises	12,344,489	11,449,078	7,030,664	6,556,940
Individuals	26,806,779	25,198,064	19,331,528	18,187,743
Domestic banking institutions	961,902	1,130,080	931,181	516,399
Domestic non-banking financial institutions	3,610,720	3,284,303	898,696	573,173
Foreign entities	535,782	557,451	404,967	388,837
Others	851,679	704,747	606,564	493,020
	<b>57,458,955</b>	<b>49,884,360</b>	<b>31,449,181</b>	<b>27,407,977</b>
<b>(ii) <u>Deposits and placement of banks and other financial institutions</u></b>				
<u>By Type of Institution:</u>				
Licensed banks	474,566	921,929	449,327	532,958
Licensed investment banks	318,213	170,219	263,560	67,023
Bank Negara Malaysia	-	103,703	-	103,703
Other financial institutions	2,167,581	2,524,509	1,487,438	1,704,168
	<b>2,960,360</b>	<b>3,720,360</b>	<b>2,200,325</b>	<b>2,407,852</b>
<u>By Maturity structure of deposits:</u>				
Due within six months	<b>2,960,360</b>	<b>3,720,360</b>	<b>2,200,325</b>	<b>2,407,852</b>
<b>(iii) <u>Lease Liabilities</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At beginning of financial period/year	50,528	58,650	31,842	44,219
Additions	10,243	27,156	9,703	12,049
Termination of contracts	-	(84)	-	-
Interest/Profit expense	1,409	2,581	896	1,582
Lease payment	(27,504)	(37,775)	(17,885)	(26,008)
At end of the financial period/year	<b>34,676</b>	<b>50,528</b>	<b>24,556</b>	<b>31,842</b>

**Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B7. DEPOSITS, LEASE LIABILITIES AND BORROWINGS (Cont.)**

	Group		Bank	
	30/9/2021 RM'000	31/12/2020 RM'000	30/9/2021 RM'000	31/12/2020 RM'000
(iv) <b>Borrowings</b>				
(a) Tier-2 Subordinated Medium Term Notes ("MTN")	2,009,430	2,036,005	2,009,430	2,036,005
(b) Additional Tier-1 Capital Securities ("AT1CS")	504,926	512,236	504,926	512,236
(c) Additional Tier-1 Sukuk Wakalah ("AT1S")	307,662	303,425	-	-
(d) MTN Tier-2 Sukuk Murabahah	455,992	493,789	-	-
	<b>3,278,010</b>	<b>3,345,455</b>	<b>2,514,356</b>	<b>2,548,241</b>

(a) Tier-2 Subordinated Medium Term Notes ("Subordinated MTNs")

ABB had, on 7 February 2017 and 20 September 2017, issued 2 tranches of Tier-2 Subordinated MTNs of RM1.0 billion each out of its approved BASEL III Compliant MTN programme of up to RM6.0 billion in nominal value. The Subordinated MTNs were issued for a tenure of 10 years from the issue date on a 10-year non-callable 5-year basis, at a coupon rate of 5.45% and 5.03% respectively. The MTNs were issued for the purpose of general banking business and working capital requirements of the ABB.

(b) Additional Tier-1 Capital Securities ("AT1CS")

ABB had, on 31 July 2018, issued AT1CS of RM500.0 million out of its approved BASEL III Compliant AT1CS programme of up to RM3.0 billion in nominal value. The AT1CS was on perpetual non-callable 5-year basis, at a coupon rate of 5.80%. The AT1CS was issued for the purpose of general banking business and working capital requirements of the ABB.

(c) Additional Tier 1 Sukuk Wakalah ("AT1S")

AiBB had, on 18 October 2018, issued a tranche of AT1S of RM300.0 million out of its approved BASEL III Complaint Islamic MTN programme ('Sukuk Programme') of up to RM5.0 billion in nominal value. The Sukuk Wakalah was on a perpetual non-callable 5 years basis, at a coupon rate of 5.65%. The Sukuk Wakalah was issued for the purpose of general banking business and working capital requirements of AiBB.

(d) MTN Tier-2 Sukuk Murabahah

AiBB had, on 23 October 2018, issued a MTN Tier-2 Sukuk Murabahah of RM800.0 million out of its Sukuk Programme. The Sukuk Murabahah was issued for a tenure of 10 years from the issue date on a 10-year non-callable 5-year basis, at a coupon rate of 5.05%. The Sukuk Murabahah was issued for the purpose of general banking business and working capital requirements of AiBB.

**B8. MATERIAL LITIGATION**

- a) A claim by the Plaintiff against the Bank vide Writ of Summons and Statement of Claim dated 22 January 2016 ("Writ") for
- RM56,885,317.82 together with interest at 5% per annum from 1999 till full settlement as alleged damages;
  - SGD9,928,473.75 together with interest at 5% per annum from 2013 till full settlement as alleged losses;
  - RM776,331.00 being alleged losses of Plaintiff's shares in Berlian Ferries Pte. Ltd which was transferred out as a result of his bankruptcy in 2013 with interest at 5% per annum from 2013 till full settlement as alleged losses;
  - RM500,000 as cost in respect of legal proceedings in Singapore.

The above Claim against the Bank by the Plaintiff is as a result of the Debt Recovery Action against the Plaintiff which commenced in the ordinary course of business.

The Board of Directors of the Bank are of the view that save for the orders, cost and other relief sought by the Plaintiff, which will only materialize if the Court rules in the Plaintiff's favour, the Writ and Statement of Claim is not expected to result in any immediate losses, material financial and operational impact on the Bank for the period under review.

- b) There are various legal suits against ABB in respect of claims and counter claims of approximately RM16.3 million (2020: RM15.0 million). Based on legal advice, the Directors are of the opinion that no provision for damages need to be made in the financial statements, as the probability of adverse adjudication against ABB is remote.

**B9. DIVIDENDS**

No dividend has been proposed for the quarter under review.

**Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B10. EARNINGS PER SHARE**

**Basic**

The basic earnings per ordinary share for the Group and the Bank have been calculated by dividing the net profit attributable to equity holders of the Group and the Bank by the weighted average number of ordinary shares in issue during the financial year.

<b>Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30/9/2021</b>	<b>30/9/2020</b>	<b>30/9/2021</b>	<b>30/9/2020</b>
Net profit attributable to equity holders of the Bank (RM'000)	<b>133,202</b>	48,718	<b>320,087</b>	239,686
Weighted average number of ordinary shares in issue	<b>2,106,548,485</b>	2,054,785,504	<b>2,106,548,485</b>	2,054,785,504
Basic earnings per share (sen)	<b>6.32</b>	2.38	<b>15.19</b>	11.66

**Bank**

Net profit attributable to equity holders of the Bank (RM'000)	<b>130,111</b>	2,414	<b>190,271</b>	38,833
Weighted average number of ordinary shares in issue	<b>2,106,548,485</b>	2,054,785,504	<b>2,106,548,485</b>	2,054,785,504
Basic earnings per share (sen)	<b>6.18</b>	0.12	<b>9.03</b>	1.89