

ALLIANCE ISLAMIC BANK BERHAD**200701018870 (776882-V)**

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Statement of Financial Position as at 31 December 2021**

		31 December	31 March
		2021	2021
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		1,191,002	1,373,080
Financial investments at fair value through other comprehensive income	A12	1,748,973	2,199,728
Financial investments at amortised cost	A13	273,423	292,919
Financing and advances	A14	10,700,062	10,636,498
Other assets	A15	21,899	9,363
Statutory deposits with Bank Negara Malaysia		24,438	18,338
Tax recoverable		3,135	25,796
Right-of-use assets		448	640
Property, plant and equipment		222	174
Deferred tax assets		28,251	22,861
Intangible assets		1,497	920
TOTAL ASSETS		<u>13,993,350</u>	<u>14,580,317</u>
LIABILITIES AND EQUITY			
Deposits from customers	A16	11,729,735	12,259,341
Deposits and placements of banks and other financial institutions	A17	238,551	279,180
Recourse obligations on financing sold to Cagamas		350,481	350,400
Lease liabilities		481	661
Other liabilities	A18	184,787	260,631
Provision for zakat		798	847
Subordinated Sukuk		232,836	229,379
TOTAL LIABILITIES		<u>12,737,669</u>	<u>13,380,439</u>
Share capital		600,000	600,000
Reserves		655,681	599,878
TOTAL EQUITY		<u>1,255,681</u>	<u>1,199,878</u>
TOTAL LIABILITIES AND EQUITY		<u>13,993,350</u>	<u>14,580,317</u>
Restricted investment account ¹		4,795	34,379
Total Islamic Banking asset ¹		13,998,145	14,614,696
COMMITMENTS AND CONTINGENCIES	A26	<u>2,626,384</u>	<u>2,403,611</u>

¹ The disclosure is in accordance with the requirements of Bank Negara Malaysia's Guidelines on Financial Reporting for Islamic Banking Institutions.

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2021.

ALLIANCE ISLAMIC BANK BERHAD**200701018870 (776882-V)**

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Statement of Income****for the Financial Period Ended 31 December 2021**

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Income derived from investment of depositors' funds and others	A19	148,068	143,593	433,046	462,820
Income derived from investment of shareholder's funds	A20	15,210	13,837	43,877	41,629
Write-back of/(allowance for) expected credit losses on financing and advances and other financial assets	A21	6,330	(73,066)	(46,947)	(156,097)
Write-back of/(allowance for) expected credit losses on financial investments	A22	107	39	216	(7)
Total distributable income		169,715	84,403	430,192	348,345
Income attributable to the depositors and financial institutions	A23	(59,080)	(69,192)	(182,272)	(244,957)
Total net income		110,635	15,211	247,920	103,388
Other operating expenses	A24	(33,378)	(29,065)	(99,887)	(88,221)
Profit/(loss) before taxation		77,257	(13,854)	148,033	15,167
Taxation		(24,341)	2,914	(42,236)	(5,189)
Net profit/(loss) for the financial period		52,916	(10,940)	105,797	9,978
Net profit/(loss) for the financial period attributable to:					
Equity holder of the Bank		52,916	(10,940)	105,797	9,978
Earnings/(loss) per share attributable to:					
Equity holder of the Bank					
- Basic/diluted (sen)	A25	12.8	(3.0)	25.5	2.8

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2021.

ALLIANCE ISLAMIC BANK BERHAD**200701018870 (776882-V)**

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Condensed Interim Financial Statements**Unaudited Statement of Comprehensive Income
for the Financial Period Ended 31 December 2021**

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) for the financial period	52,916	(10,940)	105,797	9,978
Other comprehensive (expense)/income: Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at fair value through other comprehensive income ("FVOCI")				
- Net (loss)/gain from change in fair value	(15,253)	(11,746)	(21,782)	56,767
- Realised gain transferred to statement of income on disposal	(4,713)	(3,816)	(16,205)	(8,041)
- Transfer from/(to) deferred tax	4,792	3,735	9,117	(11,694)
- Changes in expected credit losses	(7)	(15)	3	(11)
Other comprehensive (expense)/income, net of tax	(15,181)	(11,842)	(28,867)	37,021
Total comprehensive income/(expense) for the financial period	37,735	(22,782)	76,930	46,999
Total comprehensive income/(expense) for the financial period attributable to:				
Equity holder of the Bank	37,735	(22,782)	76,930	46,999

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2021.

ALLIANCE ISLAMIC BANK BERHAD

200701018870 (776882-V)

(Incorporated in Malaysia)

Condensed Interim Financial Statements

Unaudited Statement of Changes in Equity for the Financial Period Ended 31 December 2021

	← Non-distributable reserves →			Distributable reserves	Total equity
	Share capital	Regulatory reserves	FVOCI reserves	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2021	600,000	-	34,989	564,889	1,199,878
Net profit for the financial period	-	-	-	105,797	105,797
Other comprehensive expense	-	-	(28,867)	-	(28,867)
Total comprehensive (expense)/income for the financial period	-	-	(28,867)	105,797	76,930
Dividend paid	-	-	-	(21,127)	(21,127)
At 31 December 2021	600,000	-	6,122	649,559	1,255,681
At 1 April 2020	400,000	34,748	38,925	523,425	997,098
Net profit for the financial period	-	-	-	9,978	9,978
Other comprehensive income	-	-	37,021	-	37,021
Total comprehensive income for the financial period	-	-	37,021	9,978	46,999
Transfer from regulatory reserves	-	(31,204)	-	31,204	-
Issuance of ordinary shares	200,000	-	-	-	200,000
At 31 December 2020	600,000	3,544	75,946	564,607	1,244,097

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2021.

ALLIANCE ISLAMIC BANK BERHAD**200701018870 (776882-V)**

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**Condensed Interim Financial Statements
Unaudited Statement of Cash Flows
for the Financial Period Ended 31 December 2021**

	31 December 2021 RM'000	31 December 2020 RM'000
Profit before taxation	148,033	15,167
Adjustments for non-cash items	(24,329)	94,877
Cash flow from operating activities before working capital changes	123,704	110,044
Changes in working capital	(773,042)	4,096
Taxation paid	(15,849)	(12,294)
Zakat paid	(150)	(247)
Net cash (used in)/generated from operating activities	(665,337)	101,599
Net cash generated from investing activities	522,447	78,486
Net cash used in financing activities	(39,188)	(28,159)
Net change in cash and cash equivalents	(182,078)	151,926
Cash and cash equivalents at beginning of financial period	1,373,080	714,632
Cash and cash equivalents at end of financial period	1,191,002	866,558
Cash and cash equivalents comprise the following:		
Cash and short-term funds	1,191,002	866,558

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2021.

Explanatory Notes

PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Guidelines on Financial Reporting for Islamic Banking Institutions Issued by Bank Negara Malaysia ("BNM")

A1 Basis of Preparation

The unaudited condensed interim financial statements for the current financial period ended 31 December 2021 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and financial investments at fair value through other comprehensive income that are measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB").

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of Alliance Islamic Bank Berhad ("the Bank") for the financial year ended 31 March 2021. The explanatory notes attached 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 Bank since the financial year ended 31 March 2021.

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

- Interest rate benchmark reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)
- Amendment to MFRS 16 Leases - Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the above standards, amendments to published standards and interpretation to existing standards did not have any significant impact on the financial statements of the Bank.

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

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2021 was not qualified.

A3 Seasonality or Cyclicity of Operations

The operations of the Bank was not materially affected by any seasonal or cyclical fluctuations in the current financial period ended 31 December 2021.

A4 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank in the current financial period ended 31 December 2021.

A5 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the current financial period ended 31 December 2021.

A6 Issuance and Repayment of Debt and Equity Securities

There were no issuance nor repayment of debt and equity securities in the current financial period ended 31 December 2021.

A7 Dividend Paid

A single tier interim dividend of 5.10 sen per share, on 414,249,197 ordinary shares amounting to approximately RM21,127,000 in respect of the financial year ended 31 March 2022, was paid on 16 December 2021.

A8 Significant Events

There were no significant events in the current financial period ended 31 December 2021.

A9 Material Events Subsequent to the End of the Financial Reporting Period

There were no material events subsequent to the end of the financial period that require disclosure or adjustment to the unaudited condensed interim financial statements.

A10 Related Party Transactions

All related party transactions within the Bank have been entered into in the normal course of business.

A11 Proposed Dividend

No dividend has been proposed or declared for the current financial period ended 31 December 2021.

A12 Financial Investments at Fair Value Through Other Comprehensive Income ("FVOCI")

	31 December 2021 RM'000	31 March 2021 RM'000
At fair value		
<u>Money market instruments:</u>		
Malaysian Government investment issues	412,189	982,411
Commercial papers	9,954	-
	<u>422,143</u>	<u>982,411</u>
<u>Unquoted securities:</u>		
Sukuk	1,326,830	1,217,317
	<u>1,326,830</u>	<u>1,217,317</u>
Total financial investments at FVOCI	<u><u>1,748,973</u></u>	<u><u>2,199,728</u></u>

A12 Financial Investments at Fair Value Through Other Comprehensive Income ("FVOCI") (Cont'd.)

Movements in allowance for expected credit losses are as follows:

	12-month ECL (Stage 1)	
	31 December 2021 RM'000	31 March 2021 RM'000
At beginning of financial year	17	37
New financial investments originated or purchased	7	-
Financial investments derecognised other than write-off	-	(7)
Changes due to change in credit risk	(4)	(13)
Total charge to/(write-back from) income statement	3	(20)
At end of financial period/year	20	17

A13 Financial Investments at Amortised Cost

	31 December 2021 RM'000	31 March 2021 RM'000
At amortised cost		
<u>Money market instruments:</u>		
Malaysian Government investment issues	210,067	212,469
	210,067	212,469
<u>Unquoted securities:</u>		
Sukuk	63,460	80,773
Less: Allowance for expected credit losses	(104)	(323)
	63,356	80,450
Total financial investments at amortised cost	273,423	292,919

Movements in allowance for expected credit losses are as follows:

	12-month ECL (Stage 1)	
	31 December 2021 RM'000	31 March 2021 RM'000
At beginning of financial year	323	225
Total (write-back from)/charge to income statement due to change in credit risk	(219)	98
At end of financial period/year	104	323

A14 Financing and Advances

By types and Shariah concepts:

	<u>Notes</u>	Bai` Bithaman Ajil RM'000	Tawarruq RM'000	Al-Ijarah Thumma Al-Bai`/ AITAB RM'000	Murabahah RM'000	Qard RM'000	Bai` Al-Dayn RM'000	Bai` Inah RM'000	Total Financing and Advances RM'000
31 December 2021									
At amortised cost									
Cash line financing		17,681	1,188,175	-	-	10,534	-	-	1,216,390
Term financing									
- Housing financing		3,444,394	-	-	-	-	-	-	3,444,394
- Hire purchase receivables	(a)	-	-	120,438	-	-	-	-	120,438
- Other term financing		1,979,437	2,744,562	-	-	-	-	122,635	4,846,634
Bills receivables		-	-	-	4,980	-	-	-	4,980
Trust receipts		-	-	-	146,316	-	-	-	146,316
Claims on customers under acceptance credits		-	-	-	635,800	-	61,827	-	697,627
Staff financing (including financing to Directors of RM Nil)		13,397	-	-	-	-	-	-	13,397
Revolving credits	(b)	84,120	459,917	-	-	-	-	-	544,037
Gross financing and advances		5,539,029	4,392,654	120,438	787,096	10,534	61,827	122,635	11,034,213
Add: Sales commission and handling fees									50,256
Less: Allowance for expected credit losses on financing and advances									(384,407)
Total net financing and advances									<u>10,700,062</u>

A14 Financing and Advances (Cont'd.)

By types and Shariah concepts: (cont'd.)

	<u>Notes</u>	Bai` Bithaman		Al-Ijarah Thumma Al-Bai`/ AITAB		Murabahah		Qard		Bai` Al-Dayn		Bai` Inah		Total Financing and Advances
		RM'000	Tawarruq RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2021														
At amortised cost														
Cash line financing		21,183	1,364,764	-	-	-	-	9,419	-	-	-	-	-	1,395,366
Term financing														
- Housing financing		3,502,427	-	-	-	-	-	-	-	-	-	-	-	3,502,427
- Hire purchase receivables	(a)	-	-	160,546	-	-	-	-	-	-	-	-	-	160,546
- Other term financing		2,032,240	2,098,013	-	-	-	-	-	-	-	-	146,579	-	4,276,832
Bills receivables		-	-	-	30,835	-	-	-	-	-	-	-	-	30,835
Trust receipts		-	-	-	61,000	-	-	-	-	-	-	-	-	61,000
Claims on customers under acceptance credits		-	-	-	655,028	-	97,388	-	-	-	-	-	-	752,416
Staff financing (including financing to Directors of RM Nil)		15,369	-	-	-	-	-	-	-	-	-	-	-	15,369
Revolving credits	(b)	153,117	583,268	-	-	-	-	-	-	-	-	-	-	736,385
Gross financing and advances		5,724,336	4,046,045	160,546	746,863	9,419	97,388	146,579	10,931,176					
Add: Sales commission and handling fees														45,248
Less: Allowance for expected credit losses on financing and advances														(339,926)
Total net financing and advances														<u>10,636,498</u>

Notes:

(a) Included hire purchase receivables under Al-Ijarah Thumma Al-Bai` ("AITAB") which is the contract of lease ending transfer of ownership from the lessor to the lessee in the form of sale transaction, which may take place at the end of the Ijarah period or at any point of time during the period, subject to the agreed terms and conditions between the contracting parties.

(b) The total Financing and Advances under Bai` Bithaman Ajil ("BBA") includes Revolving Credit-I (Murabahah) which substantively adopts a BBA product structure.

A14a Purpose and source of fund for Qard Financing:

	31 December 2021 RM'000	31 March 2021 RM'000
At beginning of financial year	9,419	9,121
Sources of Qard fund:		
- Shareholders' fund	8,961	7,667
Uses of Qard fund:		
- Purchase of landed property - Non-residential	-	(513)
- Personal use	(542)	(272)
- Working capital	(5,589)	(5,990)
- Other	(1,715)	(594)
At end of financial period/year	<u>10,534</u>	<u>9,419</u>

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A14 Financing and Advances (Cont'd.)

A14b By maturity structure:

	31 December 2021 RM'000	31 March 2021 RM'000
Within one year	2,653,289	3,009,379
One year to three years	356,910	413,495
Three years to five years	798,070	602,307
Over five years	7,225,944	6,905,995
Gross financing and advances	<u>11,034,213</u>	<u>10,931,176</u>

A14c By type of customers:

	31 December 2021 RM'000	31 March 2021 RM'000
Domestic non-bank financial institutions	126,953	188,344
Domestic business enterprises		
- Small and medium enterprises	3,428,808	3,112,741
- Others	1,249,846	1,378,585
Individuals	6,128,492	6,149,459
Other domestic entities	21,722	22,342
Foreign entities	78,392	79,705
Gross financing and advances	<u>11,034,213</u>	<u>10,931,176</u>

A14d By profit rate sensitivity:

	31 December 2021 RM'000	31 March 2021 RM'000
Fixed rate		
- Housing financing	19,640	21,694
- Hire purchase receivables	120,438	160,546
- Other fixed rate financing	2,063,648	2,080,693
Variable rate		
- Base financing rate plus	4,607,261	4,440,698
- Base rate plus	3,319,215	3,290,009
- Cost plus	904,011	937,536
Gross financing and advances	<u>11,034,213</u>	<u>10,931,176</u>

A14e By economic purposes:

	31 December 2021 RM'000	31 March 2021 RM'000
Purchase of transport vehicles	101,092	139,514
Purchase of landed property	4,902,017	4,917,672
of which: - Residential	3,506,326	3,569,008
- Non-residential	1,395,691	1,348,664
Purchase of fixed assets excluding land & buildings	54,251	52,175
Personal use	2,660,270	2,591,889
Construction	114,842	102,824
Working capital	2,438,342	2,543,549
Others	763,399	583,553
Gross financing and advances	<u>11,034,213</u>	<u>10,931,176</u>

A14 Financing and Advances (Cont'd.)

A14f By economic sectors:

	31 December	31 March
	2021	2021
	RM'000	RM'000
Primary agriculture	387,235	407,696
Mining and quarrying	34,058	38,540
Manufacturing	1,224,870	1,158,867
Electricity, gas and water	3,609	2,170
Construction	307,041	259,435
Wholesale, retail trade, restaurants and hotels	1,529,087	1,530,989
Transport, storage and communication	116,890	143,355
Financing, insurance, real estate and business services	1,144,525	1,081,791
Community, social and personal services	80,014	77,769
Household	6,206,884	6,229,164
Others	-	1,400
Gross financing and advances	11,034,213	10,931,176

A14g By geographical distribution:

	31 December	31 March
	2021	2021
	RM'000	RM'000
Northern region	1,052,396	975,765
Central region	7,427,101	7,270,717
Southern region	1,254,495	1,259,454
Sabah region	995,697	1,077,700
Sarawak region	304,524	347,540
Gross financing and advances	11,034,213	10,931,176

A14h Movements in credit impaired financing and advances ("impaired financing") in Stage 3:

	31 December	31 March
	2021	2021
	RM'000	RM'000
At beginning of financial year	296,686	232,569
Impaired during the financial period/year	218,481	318,798
Recovered during the financial period/year	(6,800)	(12,279)
Reclassified as unimpaired during the financial period/year	(167,901)	(133,063)
Financial assets derecognised other than write-off during the financial period/year	(30,048)	(48,458)
Amount written-off	(33,377)	(60,881)
At end of financial period/year	277,041	296,686
Gross impaired financing ratio	2.51%	2.71%
Net impaired financing ratio	1.58%	2.00%

A14 Financing and Advances (Cont'd.)

A14i Credit impaired financing and advances analysed by economic purposes:

	31 December	31 March
	2021	2021
	RM'000	RM'000
Purchase of transport vehicles	5,872	6,665
Purchase of landed property	123,157	152,362
of which: - Residential	109,480	133,469
- Non-residential	13,677	18,893
Purchase of fixed assets excluding land & buildings	355	357
Personal use	121,908	116,300
Working capital	23,211	18,010
Others	2,538	2,992
Gross impaired financing and advances	277,041	296,686

A14j Credit impaired financing and advances analysed by economic sectors:

	31 December	31 March
	2021	2021
	RM'000	RM'000
Primary agriculture	1,092	1,116
Manufacturing	8,845	3,534
Construction	14,423	12,711
Wholesale, retail trade, restaurants and hotels	9,631	20,668
Transport, storage and communication	405	505
Financing, insurance, real estate and business services	565	1,185
Community, social and personal services	3,886	-
Household	238,194	256,967
Gross impaired financing and advances	277,041	296,686

A14k Credit impaired financing and advances by geographical distribution:

	31 December	31 March
	2021	2021
	RM'000	RM'000
Northern region	30,469	25,489
Central region	191,911	220,773
Southern region	36,767	34,899
Sabah region	15,978	13,356
Sarawak region	1,916	2,169
Gross impaired financing and advances	277,041	296,686

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A14 Financing and Advances (Cont'd.)**A14I** Movements in allowance for expected credit losses on financing and advances are as follows:

	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 1 April 2021	76,562	183,648	79,716	339,926
Transfer to Stage 1	31,947	(150,087)	(12)	(118,152)
Transfer to Stage 2	(20,970)	196,359	(35,320)	140,069
Transfer to Stage 3	(130)	(83,672)	63,678	(20,124)
New financial assets originated or purchased	23,035	59,279	3,804	86,118
Financial assets derecognised other than write-off	(17,402)	(47,380)	(7,162)	(71,944)
Changes due to change in credit risk	(9,191)	38,544	19,345	48,698
	7,289	13,043	44,333	64,665
Unwinding of discount	-	-	(122)	(122)
Total charge to income statement	7,289	13,043	44,211	64,543
Write-off	-	(755)	(19,307)	(20,062)
At 31 December 2021	83,851	195,936	104,620	384,407
At 1 April 2020	32,177	92,092	74,715	198,984
Transfer to Stage 1	58,333	(104,503)	(1,985)	(48,155)
Transfer to Stage 2	(37,986)	181,563	(26,188)	117,389
Transfer to Stage 3	(132)	(67,161)	90,610	23,317
New financial assets originated or purchased	23,992	38,450	4,030	66,472
Financial assets derecognised other than write-off	(21,759)	(48,005)	(11,264)	(81,028)
Changes due to change in credit risk	21,937	91,330	(7,488)	105,779
	44,385	91,674	47,715	183,774
Unwinding of discount	-	-	(3,304)	(3,304)
Total charge to income statement	44,385	91,674	44,411	180,470
Write-off	-	(118)	(39,410)	(39,528)
At 31 March 2021	76,562	183,648	79,716	339,926

Note:

The transfer between stages are inclusive of net remeasurement of allowances.

A15 Other Assets

	31 December 2021 RM'000	31 March 2021 RM'000
Other receivables	7,575	8,968
Deposits	89	89
Prepayment	2,393	2,211
Amount due from holding company	13,567	-
Amount due from related company	3	3
	23,627	11,271
Less:		
Allowance for expected credit losses on other receivables [Note]	(1,728)	(1,908)
	21,899	9,363

Note:

Movements in allowance for expected credit losses on other receivables are as follows:

	<u>Lifetime ECL</u>	
	31 December 2021 RM'000	31 March 2021 RM'000
At beginning of financial year	1,908	1,749
Total charge to income statement due to change in credit risk	(16)	159
Write-off	(164)	-
At end of financial period/year	1,728	1,908

As at 31 December 2021, the Bank's gross exposure of other receivables that are under lifetime expected credit losses was at RM1,728,000 (31 March 2021: RM1,908,000).

A16 Deposits from Customers

A16a By type of deposits:

	31 December 2021 RM'000	31 March 2021 RM'000
Demand deposits		
- Qard	5,196,475	5,199,203
- Tawarruq	124,375	-
Savings deposits		
- Qard	454,971	439,865
- Tawarruq	968	-
Term deposits		
- Tawarruq	5,128,509	5,298,739
- Negotiable Islamic Debt Certificate		
- Bai' Inah	205,137	198,957
- Money market deposits		
- Tawarruq	504,590	1,005,008
- Other deposits		
- Mudharabah	64,259	66,707
- Wakalah	33,577	33,844
- Qard	16,874	17,018
	11,729,735	12,259,341

A16 Deposits from Customers (Cont'd.)

A16b The maturity structure of term deposits are as follows:

	31 December 2021 RM'000	31 March 2021 RM'000
Due within six months	4,659,994	5,362,668
Six months to one year	941,828	615,153
One year to three years	157,481	454,446
Three years to five years	193,643	188,006
	<u>5,952,946</u>	<u>6,620,273</u>

A16c By type of customers:

	31 December 2021 RM'000	31 March 2021 RM'000
Domestic financial institutions	193,240	187,404
Domestic non-bank financial institutions	972,988	1,389,218
Government and statutory bodies	1,700,578	2,127,711
Business enterprises	3,569,175	2,833,051
Individuals	5,039,520	5,451,478
Foreign entities	104,366	112,857
Others	149,868	157,622
	<u>11,729,735</u>	<u>12,259,341</u>

A17 Deposits and Placements of Banks and Other Financial Institutions

	31 December 2021 RM'000	31 March 2021 RM'000
Non-Mudharabah Fund		
Licensed investment banks	7,853	6,380
Bank Negara Malaysia	230,698	272,800
	<u>238,551</u>	<u>279,180</u>

A18 Other Liabilities

	31 December 2021 RM'000	31 March 2021 RM'000
Other payables	112,051	125,471
Bills payable	8,449	24,882
Clearing account	43,485	41,992
Sundry deposits	4,729	5,119
Provision and accruals	10,531	7,417
Amount due to holding company	-	32,354
Amount due to related company	2,227	297
Allowance for expected credit losses on commitments and contingencies [Note]	3,315	23,099
	<u>184,787</u>	<u>260,631</u>

A18 Other Liabilities (Cont'd.)

Note:

Movements in allowance for expected credit losses on commitments and contingencies are as follows:

	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 1 April 2021	1,647	21,451	1	23,099
Transfer to Stage 1	51	(591)	-	(540)
Transfer to Stage 2	(92)	480	(7)	381
Transfer to Stage 3	-	-	2	2
New financial assets originated or purchased	536	273	-	809
Financial assets derecognised other than write-off	(316)	(19,162)	(1)	(19,479)
Changes due to change in credit risk	(455)	(508)	6	(957)
Total write-back from income statement	(276)	(19,508)	-	(19,784)
At 31 December 2021	1,371	1,943	1	3,315
At 1 April 2020	1,012	3,441	1	4,454
Transfer to Stage 1	472	(1,292)	-	(820)
Transfer to Stage 2	(172)	1,622	(2)	1,448
Transfer to Stage 3	-	(788)	1,621	833
New financial assets originated or purchased	667	439	-	1,106
Financial assets derecognised other than write-off	(407)	(1,109)	(1,618)	(3,134)
Changes due to change in credit risk	74	19,139	-	19,213
Other adjustments	1	(1)	-	-
	635	18,010	1	18,646
Unwinding of discount	-	-	(1)	(1)
Total charge to income statement	635	18,010	-	18,645
At 31 March 2021	1,647	21,451	1	23,099

As at 31 December 2021, the Bank's gross exposures of commitments and contingencies that are credit impaired was at RM65,000 (31 March 2021: RM2,672,000).

The transfer between stages are inclusive of net remeasurement of allowances.

A19 Income Derived from Investment of Depositors' Funds and Others

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(i) Term deposits	72,285	80,176	212,422	287,028
(ii) Other deposits	75,783	63,417	220,624	175,792
	148,068	143,593	433,046	462,820

(i) Income derived from investment of term deposits:

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financing and advances	54,395	60,880	155,781	219,337
Financial investments at fair value through other comprehensive income	8,412	11,748	26,597	39,663
Financial investments at amortised cost	1,209	1,602	3,683	4,244
Money at call and deposit placements with financial institutions	2,291	1,042	7,976	8,031
	66,307	75,272	194,037	271,275
Accretion of discount less amortisation of premium	796	664	2,987	3,739
Total finance income and hibah	67,103	75,936	197,024	275,014
Other operating income				
- Fee and commission income	2,989	3,296	7,324	8,835
- Investment income	2,083	842	7,218	2,838
- Other income	110	102	856	341
	72,285	80,176	212,422	287,028

Included in financing income earned on financing and advances for the current financial period is financing accrued on impaired financing of the Bank amounting to RM73,000 (31 December 2020: RM1,879,000).

A19 Income Derived from Investment of Depositors' Funds and Others (Cont'd.)

(ii) Income derived from investment of other deposits:

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Finance income and hibah				
Financing and advances	57,007	48,250	161,797	134,334
Financial investments at fair value through other comprehensive income	8,829	9,127	27,624	24,292
Financial investments at amortised cost	1,268	1,164	3,825	2,599
Money at call and deposit placements with financial institutions	2,408	1,122	8,284	4,919
	69,512	59,663	201,530	166,144
Accretion of discount less amortisation of premium	838	619	3,102	2,290
Total finance income and hibah	70,350	60,282	204,632	168,434
Other operating income				
- Fee and commission income	3,126	2,402	7,606	5,411
- Investment income	2,190	654	7,497	1,738
- Other income	117	79	889	209
	75,783	63,417	220,624	175,792

Included in financing income earned on financing and advances for the current financial period is financing accrued on impaired financing of the Bank amounting to RM75,000 (31 December 2020: RM1,151,000).

A20 Income Derived from Investment of Shareholder's Funds

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Finance income and hibah				
Financing and advances	11,438	10,522	32,178	31,812
Financial investments at fair value through other comprehensive income	1,774	2,002	5,494	5,753
Financial investments at amortised cost	255	260	761	615
Money at call and deposit placements with financial institutions	484	226	1,647	1,165
	13,951	13,010	40,080	39,345
Accretion of discount less amortisation of premium	169	129	617	542
Total finance income and hibah	14,120	13,139	40,697	39,887
Other operating income				
- Fee and commission income	626	537	1,513	1,281
- Investment income	441	144	1,491	412
- Other income	23	17	176	49
	15,210	13,837	43,877	41,629

Included in financing income earned on financing and advances for the current financial period is financing accrued on impaired financing of the Bank amounting to RM15,000 (31 December 2020: RM273,000).

A21 (Write-back of)/allowance for Expected Credit Losses on Financing and Advances and Other Financial Assets

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Allowance for expected credit losses on:				
(a) Financing and advances				
- Allowance made during the financial period	13,250	71,419	64,665	142,475
(b) Credit impaired on financing and advances				
- Recovered during the financial period	(3,899)	(3,039)	(9,167)	(7,313)
- Write-off during the financial period	3,713	2,466	11,249	11,077
(c) Commitments and contingencies on financing and advances				
- (Write-back of)/allowance made during the financial period	(19,393)	2,187	(19,784)	9,701
	(6,329)	73,033	46,963	155,940
(Write-back of)/allowance for expected credit losses on other receivables	(1)	33	(16)	157
	(6,330)	73,066	46,947	156,097

A22 (Write-back of)/allowance for Expected Credit Losses on Financial Investments

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
(a) Financial investments at fair value through other comprehensive income				
- (Write-back of)/allowance made during the financial period	(7)	(15)	3	(11)
(b) Financial investments at amortised cost				
- (Write-back)/allowance made during the financial period	(100)	(24)	(219)	18
	(107)	(39)	(216)	7

A23 Income Attributable to the Depositors and Financial Institutions

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
- Mudharabah fund	288	312	886	1,039
- Non-Mudharabah fund	51,291	58,651	158,142	209,089
Deposits and placements of banks and other financial institutions:				
- Non-Mudharabah fund	403	888	1,824	3,396
Recourse obligations on financing sold to Cagamas	3,738	5,982	11,333	21,371
Subordinated sukuk	3,352	3,348	10,062	10,049
Lease liabilities	8	11	25	13
	59,080	69,192	182,272	244,957

A24 Other Operating Expenses

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	18,531	16,224	54,971	46,843
- Contribution to EPF	2,909	2,251	8,591	7,599
- Others	1,634	1,098	4,543	4,503
	23,074	19,573	68,105	58,945
<u>Establishment costs</u>				
- Depreciation on property, plant and equipment	30	21	80	64
- Depreciation on right-of-use assets	64	64	192	200
- Amortisation of computer software	84	78	227	214
- Rental of premises	140	155	377	249
- Water and electricity	270	284	818	864
- Repairs and maintenance	337	442	1,174	1,513
- Information technology expenses	5,898	5,578	16,293	11,413
- Others [Note]	454	437	2,336	5,887
	7,277	7,059	21,497	20,404
<u>Marketing expenses</u>				
- Promotion and advertisement	124	280	426	158
- Branding and publicity	-	178	769	1,189
- Others	64	95	257	285
	188	553	1,452	1,632
<u>Administration and general expenses</u>				
- Communication expenses	576	609	1,720	1,760
- Printing and stationeries	59	68	186	215
- Insurance	354	-	1,265	895
- Professional fees	1,351	943	3,927	3,392
- Others	499	260	1,735	978
	2,839	1,880	8,833	7,240
Total other operating expenses	33,378	29,065	99,887	88,221

Note:

Included in the other operating expenses are the Shariah Committee members' remuneration of RM277,000 (31 December 2020: RM294,000).

A24 Other Operating Expenses (Cont'd.)

The following represents a detailed breakdown of the Bank's share of the holding company's other operating expenses included within the Bank's total other operating expenses:

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>Sharing of Other Operating Expenses</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	16,939	14,673	50,329	42,509
- Contribution to EPF	2,654	2,001	7,848	6,897
- Others	1,534	1,070	4,098	3,931
	21,127	17,744	62,275	53,337
<u>Establishment costs</u>				
- Rental of premises	140	155	377	249
- Water and electricity	266	279	806	846
- Repairs and maintenance	332	436	1,160	1,496
- Information technology expenses	5,871	5,547	16,199	11,310
- Others [Note]	454	437	2,336	5,887
	7,063	6,854	20,878	19,788
<u>Marketing expenses</u>				
- Promotion and advertisement	164	329	496	156
- Branding and publicity	-	45	614	751
- Others	60	93	253	283
	224	467	1,363	1,190
<u>Administration and general expenses</u>				
- Communication expenses	289	344	974	1,069
- Printing and stationeries	47	58	145	178
- Professional fees	898	650	2,546	2,034
- Others	210	440	659	878
	1,444	1,492	4,324	4,159
Total sharing of other operating expenses	29,858	26,557	88,840	78,474

Note:

Being substantially cross-charge amount for using the fixed assets of the holding company. This includes computer software, computer equipment and furniture and fittings.

A25 Earnings Per Share

Basic/Diluted

Basic/diluted earnings per share are calculated by dividing profit for the financial period attributable to Equity holder of the Bank by the weighted average number of ordinary shares in issue during the financial period.

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Net profit for the financial period attributable to Equity holder of the Bank (RM'000)	52,916	(10,940)	105,797	9,978
Weighted average numbers of ordinary shares in issue ('000)	414,249	368,113	414,249	352,734
Basic/diluted earnings per share (sen)	12.8	(3.0)	25.5	2.8

A26 Commitments and Contingencies

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

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

	31 December 2021 RM'000	31 March 2021 RM'000
<u>Commitments and contingencies</u>		
Direct credit substitutes	70,991	176,751
Transaction-related contingent items	60,324	61,668
Short-term self-liquidating trade-related contingencies	19,437	25,790
Irrevocable commitments to extend credit:		
- maturity exceeding one year	216,662	154,433
- maturity not exceeding one year	2,258,970	1,984,969
	2,626,384	2,403,611

A27 Capital Adequacy

The capital adequacy ratios of the Bank is computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks. The Framework sets out the approach for computing regulatory capital adequacy ratios, as well as the levels of those ratios at which banking institutions are required to operate. The framework is to strengthen capital adequacy standards, in line with the requirements set forth under Basel III. The risk-weighted assets of the Bank is computed using the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk.

The Bank has also adopted the transitional arrangements on provisions for expected credit losses in accordance with Bank Negara Malaysia's Transitional Arrangements for Regulatory Capital Treatment of Accounting Provisions effective on 9 December 2020.

This allow the Bank to add back a portion of Stage 1 ("S1") and Stage 2 ("S2") provisions with an "add-back factor", to the Common Equity Tier 1 ("CET 1") capital from Financial Year 2021 to Financial Year 2024.

The capital adequacy ratios with and without transitional arrangements of the Bank are as follows:

	31 December 2021	31 March 2021
(i) With transitional arrangements:		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	15.140%	15.035%
Tier I capital ratio	16.261%	16.158%
Total capital ratio	18.878%	18.783%
<u>After deducting proposed dividends</u>		
CET I capital ratio	15.140%	15.035%
Tier I capital ratio	16.261%	16.158%
Total capital ratio	18.878%	18.783%
(ii) Without transitional arrangements:		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	13.179%	13.065%
Tier I capital ratio	14.301%	14.188%
Total capital ratio	16.918%	16.813%
<u>After deducting proposed dividends</u>		
CET I capital ratio	13.179%	13.065%
Tier I capital ratio	14.301%	14.188%
Total capital ratio	16.918%	16.813%

A27 Capital Adequacy (Cont'd.)

- (a) Components of CET I, Tier I and Tier II capital under the Capital Adequacy Framework with transitional arrangements are as follows:

	31 December 2021 RM'000	31 March 2021 RM'000
<u>CET I Capital/Tier I Capital</u>		
Paid-up share capital	600,000	600,000
Retained profits	596,643	564,889
FVOCI reserves	6,102	34,972
	1,202,745	1,199,861
 (Less)/add: Regulatory adjustments		
- Intangible assets	(1,497)	(920)
- Deferred tax assets	(28,251)	(22,861)
- 55% of FVOCI reserves	(3,356)	(19,234)
- Transitional arrangements	174,012	174,436
Total CET I Capital	1,343,653	1,331,282
 Additional Tier 1 Sukuk Wakalah		
	99,558	99,436
Total Additional Tier 1 Capital	99,558	99,436
 Total Tier I Capital		
	1,443,211	1,430,718
 <u>Tier II Capital</u>		
Subordinated Sukuk Murabahah	129,905	129,834
Expected credit losses and regulatory reserves	102,343	102,543
Total Tier II Capital	232,248	232,377
 Total Capital		
	1,675,459	1,663,095

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

	31 December 2021 RM'000	31 March 2021 RM'000
Credit risk	8,187,445	8,203,348
Market risk	1	155
Operational risk	687,634	650,846
Total RWA and capital requirements	8,875,080	8,854,349

A28 Fair Value Measurements

(a) Determination of fair value and the fair value hierarchy

MFRS 13 Fair Value Measurement requires disclosure of financial instruments measured at fair value to be categorised according to a hierarchy of valuation techniques, whether the inputs used are observable or unobservable. The following levels of hierarchy are used for determining and disclosing the fair value of the financial instruments:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Bank recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis. This includes listed equities and corporate debt securities which are actively traded.

(ii) Financial instruments in Level 2

Where fair value is determined using quoted 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 Bank then determines 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. These would include government securities, corporate private debt securities, corporate notes and repurchase agreements.

(iii) Financial instruments in Level 3

The Bank classifies financial instruments as Level 3 when there is reliance on unobservable inputs to the valuation model attributing to a significant contribution to the instrument value. Valuation reserves or pricing adjustments where applicable will be used to converge to fair value.

The valuation techniques and inputs used generally depend on the contractual terms and the risks inherent in the instrument as well as the availability of pricing information in the market. Principal techniques used include discounted cash flows, and other appropriate valuation models.

A28 Fair Value Measurements (Cont'd.)

(b) Financial instruments measured at fair value and the fair value hierarchy

The following tables show the Bank's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
31 December 2021				
<u>Financial Assets</u>				
Financial investments at FVOCI				
- Money market instruments	-	422,143	-	422,143
- Unquoted securities	-	1,326,830	-	1,326,830
31 March 2021				
<u>Financial Assets</u>				
Financial investments at FVOCI				
- Money market instruments	-	982,411	-	982,411
- Unquoted securities	-	1,217,317	-	1,217,317

There were no transfers between Level 1 and 2 of the fair value hierarchy for the Bank during the financial period/year ended 31 December 2021 and 31 March 2021.

PART B - Review of Performance & Current Year Prospect

B1 Review of Performance for Financial Period Ended 31 December 2021 ("3QFY2022")

Profitability

The Bank's net profit after taxation (taking into consideration of the impact of Cukai Makmur as announced in the recent Budget 2022) was RM105.8 million for the nine months ended 31 December 2021. The year-on-year ("YOY") increase was RM95.8 million. The higher profits were largely due to higher revenue from financing and non-financing activities and lower allowances for expected credit losses.

Net profit income improved by RM21.7 million or 9.1% YOY. Net profit margin ("NPM") came in higher at 2.41% (3QFY2021: 2.22%).

Financing Growth

The Bank's financing and advances increased by 0.9% driven by the small and medium enterprise ("SME") and personal financing segment, grew by 10.8% and 8.2% respectively.

Other Operating Income

The Bank recorded other operating income of RM34.6 million, higher by RM13.5 million or 63.7% YOY mainly contributed by higher treasury and investment income, and fee and commission income.

Managing Operating Expenses

Operating expenses increased by RM11.7 million or 13.2%. The cost-to-income ratio ("CIR") remained stable at 33.9%. The Bank will continue to be vigilant on managing the cost as we navigate through the COVID-19 pandemic.

Asset Quality

The Bank's allowance for expected credit losses on financing and advances for 3QFY2022 stood at RM46.7 million. Included in the allowance for expected credit losses on financing and advances for 3QFY2022 were reserves that the Bank continued to build up amounting to RM35.8 million via management overlays. The net credit cost was at 42.7bps for 3QFY2022 (3QFY2021: 146.1bps). Financing loss coverage (including regulatory reserves) was at 138.8% (3QFY2021: 100.5%).

The Bank will continue to be vigilant in its implementation of the credit risk framework in each line of business by stratifying customers according to risk levels and prioritising higher risk customer for calls or visits. Credit cost is managed by refining credit policies, tightening credit underwriting and increasing collection efforts.

Healthy Funding and Liquidity Position

The Bank's customer deposits stood at RM11.7 billion and maintained a high current account/savings account ("CASA") ratio of 49.2%. The Bank's liquidity coverage and loans-to-funds ratios stood at 141.6% and 87.6% respectively. The Bank will continue to maintain healthy liquidity ratios and ensure sufficient liquidity buffers.

Prioritising Capital Conservation

The Bank will continue to prioritise capital conservation in order to support future business expansion, given the uncertainties caused by COVID-19. We continued to maintain strong capital levels, with Common Equity Tier-1 ("CET 1") ratio at 15.1%, Tier-1 Capital ratio at 16.3% and total capital ratio at 18.9%.

B2 Prospect for the Current Financial Period

Bank Negara Malaysia (BNM) projects Malaysia's gross domestic product (GDP) growth to range between 5.5% and 6.5% in 2022 (2021: 3.0% - 4.0%). GDP growth in 2022 is expected to be underpinned by the normalisation of economic activities amid higher vaccination rates nationwide, resumption of infrastructure projects and tourism related activities, as well as continuous robust external demand. However, downside risks remains due to the emergence of new COVID-19 variants, shortages in the labour market, potential commodity supply shocks and geopolitical uncertainties.

As a result of the impact from the COVID-19 pandemic and inline with the Government's relief packages i.e. PEMERKASA and PEMULIH, the Bank has given out Payment Relief Assistance ("PRA") packages to help individuals and businesses facing cash flow constraints. Notwithstanding the end of the PEMULIH aid packages that ended on the 31 December 2021, the Bank continues to be committed to providing financial assistance to customers who are facing challenges due to Covid-19 pandemic under the Financial Management and Resilience Programme ("URUS") which is a payment relief assistance programme for the B50 customer segment.

The Bank will continue to facilitate applications for government relief funds such as the Targeted Relief and Recovery Facility, Micro Enterprises Facility and High Tech Facility on behalf of our customers.

Notwithstanding the above, the Bank will focus on growing the business in three areas:

- (i) Scale up SME and Consumer Banking, by equipping relationship managers with digital tools to serve high-value customers and growing its Commercial teams.
- (ii) Accelerate the cross-selling value propositions to our customers to increase market penetration and fee-based income.
- (iii) Enhance productivity and efficiency by streamlining processes through centralising functions and improving branch productivity.

With these focus areas, and the Bank's continuing effort to apply prudent management practices, the Bank expects to deliver sustainable returns to our shareholders while strengthening our market presence.