

Kenanga Investment Bank Berhad
(Company No. 197301002193 (15678-H))

Unaudited Condensed Interim Financial Statements
31 March 2021

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

<u>Group</u>	<u>Note</u>	<u>As at</u> <u>31 March</u> <u>2021</u> <u>RM'000</u>	<u>As at</u> <u>31 December</u> <u>2020</u> <u>RM'000</u>
ASSETS			
Cash and bank balances	A11	2,001,482	1,644,534
Financial assets at fair value through profit or loss ("FVTPL")	A12	559,702	543,539
Financial investments at fair value through other comprehensive income ("FVOCI")	A13 (i)	621,424	771,732
Financial investments at amortised cost ("AC")	A13 (ii)	204,851	193,035
Derivative financial assets	B11	90,645	95,571
Loans, advances and financing	A14	1,974,650	1,869,249
Balances due from clients and brokers	A15	648,578	545,057
Other assets	A16	314,082	188,289
Statutory deposit with Bank Negara Malaysia	A17	60,058	58,398
Tax recoverable		9,733	44,104
Investment in associates		77,327	72,078
Investment in a joint venture		28,869	24,719
Property, plant and equipment		164,963	164,930
Intangible assets		325,224	322,367
Right-of-use assets		23,236	23,182
Deferred tax assets		9,635	14,283
TOTAL ASSETS		7,114,459	6,575,067
LIABILITIES			
Deposits from customers	A18	3,197,585	2,952,385
Deposits and placements of banks and other financial institutions	A19	1,096,415	1,066,085
Balances due to clients and brokers		877,475	720,665
Derivative financial liabilities	B11	81,832	137,480
Other liabilities	A20	694,453	447,295
Borrowings	A21	158,600	175,400
Lease liabilities		23,487	23,382
Provision for taxation and zakat		2,570	47,278
Deferred tax liabilities		156	156
TOTAL LIABILITIES		6,132,573	5,570,126
EQUITY			
Share capital		250,276	246,249
Treasury shares		(7)	(10,458)
Reserves		726,408	764,047
		976,677	999,838
Non-controlling Interests		5,209	5,103
TOTAL EQUITY		981,886	1,004,941
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,114,459	6,575,067
Commitments and contingencies	A29	4,808,170	4,801,020
Net assets per share attributable to equity holders of the Bank (RM)		1.34	1.42

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

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

<u>Bank</u>	Note	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
ASSETS			
Cash and bank balances	A11	1,650,134	1,378,646
Financial assets at FVTPL	A12	559,174	539,931
Financial investments at FVOCI	A13 (i)	621,424	771,732
Financial investments at AC	A13 (ii)	204,851	193,035
Derivative financial assets	B11	90,645	95,571
Loans, advances and financing	A14	1,987,866	1,856,996
Balances due from clients and brokers	A15	648,578	545,057
Other assets	A16	187,410	94,712
Statutory deposit with Bank Negara Malaysia	A17	60,058	58,398
Tax recoverable		3,835	33,210
Investment in subsidiaries		70,135	70,135
Investment in an associate		56,235	56,235
Investment in a joint venture		40,000	40,000
Property, plant and equipment		160,856	160,637
Intangible assets		325,519	324,394
Right-of-use assets		21,143	21,336
Deferred tax assets		6,262	8,722
TOTAL ASSETS		6,694,125	6,248,747
LIABILITIES			
Deposits from customers	A18	3,291,292	3,042,843
Deposits and placements of banks and other financial institutions	A19	1,096,415	1,066,085
Balances due to clients and brokers		501,234	405,191
Derivative financial liabilities	B11	81,832	137,480
Other liabilities	A20	563,309	360,645
Borrowings	A21	149,600	152,400
Lease liabilities		21,335	21,442
Provision for taxation and zakat		2,411	38,650
TOTAL LIABILITIES		5,707,428	5,224,736
EQUITY			
Share capital		250,276	246,249
Treasury shares		(7)	(10,458)
Reserves		736,428	788,220
TOTAL EQUITY		986,697	1,024,011
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,694,125	6,248,747
Commitments and contingencies	A29	4,882,184	4,898,674
Net assets per share (RM)		1.35	1.45

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

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000 (Restated)	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000 (Restated)
Group					
Interest income	A22	50,728	60,403	50,728	60,403
Interest expense	A23	(23,925)	(38,965)	(23,925)	(38,965)
Net interest income		26,803	21,438	26,803	21,438
Net income from Islamic banking business	A33	2,829	5,328	2,829	5,328
Other operating income	A24	192,957	90,570	192,957	90,570
Net income		222,589	117,336	222,589	117,336
Other operating expenses	A25	(185,273)	(114,296)	(185,273)	(114,296)
Operating profit		37,316	3,040	37,316	3,040
Credit loss reversal/(expenses)	A26	754	(10,263)	754	(10,263)
Bad debts recovered	A27	1	228	1	228
		38,071	(6,995)	38,071	(6,995)
Share of results of associates and joint venture		4,621	(603)	4,621	(603)
Profit/(Loss) before taxation and zakat		42,692	(7,598)	42,692	(7,598)
Taxation and zakat	B5	(8,425)	651	(8,425)	651
Profit for the period		34,267	(6,947)	34,267	(6,947)
Other comprehensive income/(loss)					
Items that will not be reclassified subsequently to profit or loss:					
Fair value loss on equity instruments at FVOCI		-	(666)	-	(666)
Share of other comprehensive profit/(loss) in associates		2,513	(5,084)	2,513	(5,084)
Income tax related to the above		-	160	-	160
Items that will be reclassified subsequently to profit or loss:					
Foreign exchange differences on consolidation		2,265	3,772	2,265	3,772
Net loss on fair value changes of debt instrument at FVOCI		(14,820)	(1,248)	(14,820)	(1,248)
Income tax relating to the components of other comprehensive income		3,482	299	3,482	299
Other comprehensive loss for the period, net of tax		(6,560)	(2,767)	(6,560)	(2,767)
Total comprehensive income/(loss) for the period, net of tax		27,707	(9,714)	27,707	(9,714)

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended 31 March 2021	3 months ended 31 March 2020	3 months ended 31 March 2021	3 months ended 31 March 2020
Note	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period attributable to:				
Equity holders of the Bank	34,161	(6,947)	34,161	(6,947)
Non-controlling interests	106	-	106	-
	<u>34,267</u>	<u>(6,947)</u>	<u>34,267</u>	<u>(6,947)</u>
Total comprehensive income/(loss) attributable to:				
Equity holders of the Bank	27,601	(9,714)	27,601	(9,714)
Non-controlling interests	106	-	106	-
	<u>27,707</u>	<u>(9,714)</u>	<u>27,707</u>	<u>(9,714)</u>
Earnings/(Loss) per share				
Basic (sen)	B8 4.78	(0.99)	4.78	(0.99)
Fully diluted (sen)	B8 4.63	(0.99)	4.63	(0.99)

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

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Note	Individual Quarter		Cumulative Quarter	
		3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000
Bank					
Interest income	A22	49,159	58,528	49,159	58,528
Interest expense	A23	(26,609)	(40,592)	(26,609)	(40,592)
Net interest income		22,550	17,936	22,550	17,936
Net income from Islamic banking business	A33	2,829	5,328	2,829	5,328
Other operating income	A24	158,235	65,683	158,235	65,683
Net income		183,614	88,947	183,614	88,947
Other operating expenses	A25	(151,593)	(86,253)	(151,593)	(86,253)
Operating profit		32,021	2,694	32,021	2,694
Credit loss reversal/(expenses)	A26	687	(9,653)	687	(9,653)
Bad debts recovered	A27	1	228	1	228
Profit/(Loss) before taxation and zakat		32,709	(6,731)	32,709	(6,731)
Taxation and zakat		(7,923)	774	(7,923)	774
Profit/(Loss) for the period		24,786	(5,957)	24,786	(5,957)
Other comprehensive income/(loss)					
Items that will not be reclassified subsequently to profit or loss:					
Fair value loss on equity instruments at FVOCI		-	(666)	-	(666)
Income tax related to the above		-	160	-	160
Items that will be reclassified subsequently to profit or loss:					
Net loss on fair value changes of debt instruments at FVOCI		(14,820)	(1,248)	(14,820)	(1,248)
Income tax relating to the components of other comprehensive income		3,482	299	3,482	299
Other comprehensive loss for the period, net of tax		(11,338)	(1,455)	(11,338)	(1,455)
Total comprehensive income/(loss) for the period, net of tax		13,448	(7,412)	13,448	(7,412)

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

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

Group	Non- Distributable						Distributable		Non-Controlling Interest	Total Equity
	Ordinary Shares RM'000	ESS Reserve RM'000	Fair Value Reserve RM'000	Regulatory Reserve RM'000	Exchange Reserve RM'000	Capital Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000		
At 1 January 2021	246,249	6,144	15,916	18,661	16,556	88,938	(10,458)	617,832	5,103	1,004,941
Net profit for the financial period	-	-	-	-	-	-	-	34,161	106	34,267
Share of other comprehensive income of associates	-	-	2,513	-	-	-	-	-	-	2,513
Other comprehensive (loss)/income	-	-	(11,338)	-	2,265	-	-	-	-	(9,073)
Total comprehensive (loss)/income	-	-	(8,825)	-	2,265	-	-	34,161	106	27,707
Share based payment under Employees' Share Scheme ("ESS")	-	898	-	-	-	-	-	-	-	898
Issue of shares pursuant to exercise of ESS	4,027	-	-	-	-	-	-	-	-	4,027
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	-	10,451	(1,925)	-	8,526
Transfer to regulatory reserve	-	-	-	3,440	-	-	-	(3,440)	-	-
Transfer to retained profits	-	(2,177)	-	-	-	-	-	2,177	-	-
Dividend declared	-	-	-	-	-	-	-	(64,213)	-	(64,213)
At 31 March 2021	250,276	4,865	7,091	22,101	18,821	88,938	(7)	584,592	5,209	981,886

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

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

Group	Non- Distributable					Distributable			Total Equity RM'000
	Ordinary Shares RM'000	ESS Reserve RM'000	Fair Value Reserve/(Deficit) RM'000	Regulatory Reserve RM'000	Exchange Reserve RM'000	Capital Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	
At 1 January 2020	246,249	4,560	6,488	25,444	17,789	88,938	(16,990)	531,811	904,289
Net loss for the financial period	-	-	-	-	-	-	-	(6,947)	(6,947)
Share of other comprehensive (loss)/income of associates	-	-	(5,142)	-	-	-	-	58	(5,084)
Other comprehensive (loss)/income	-	-	(1,455)	-	3,772	-	-	-	2,317
Total comprehensive (loss)/income	-	-	(6,597)	-	3,772	-	-	(6,889)	(9,714)
Share based payment under ESS	-	453	-	-	-	-	-	-	453
Transfer from regulatory reserve	-	-	-	(1,600)	-	-	-	1,600	-
Dividend declared	-	-	-	-	-	-	-	(22,707)	(22,707)
At 31 March 2020	246,249	5,013	(109)	23,844	21,561	88,938	(16,990)	503,815	872,321

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

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Non- Distributable					Distributable		Total Equity RM'000
	Ordinary Shares RM'000	ESS Reserve RM'000	Fair Value Reserve RM'000	Regulatory Reserve RM'000	Capital Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	
Bank								
At 1 January 2021	246,249	6,144	15,256	18,661	153,863	(10,458)	594,296	1,024,011
Net profit for the financial period	-	-	-	-	-	-	24,786	24,786
Other comprehensive loss	-	-	(11,338)	-	-	-	-	(11,338)
Total comprehensive (loss)/income	-	-	(11,338)	-	-	-	24,786	13,448
Share based payment under ESS	-	898	-	-	-	-	-	898
Issue of shares pursuant to exercise of ESS	4,027	-	-	-	-	-	-	4,027
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	10,451	(1,925)	8,526
Transfer to regulatory reserve	-	-	-	3,440	-	-	(3,440)	-
Transfer to retained profits	-	(2,177)	-	-	-	-	2,177	-
Dividend declared	-	-	-	-	-	-	(64,213)	(64,213)
At 31 March 2021	250,276	4,865	3,918	22,101	153,863	(7)	551,681	986,697

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

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Non- Distributable					Distributable		Total Equity RM'000
	Ordinary Shares RM'000	ESS Reserve RM'000	Fair Value Reserve RM'000	Regulatory Reserve RM'000	Capital Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	
Bank								
At 1 January 2020	246,249	4,560	10,505	25,444	153,863	(16,990)	532,338	955,969
Net loss for the financial period	-	-	-	-	-	-	(5,957)	(5,957)
Other comprehensive loss	-	-	(1,455)	-	-	-	-	(1,455)
Total comprehensive loss	-	-	(1,455)	-	-	-	(5,957)	(7,412)
Share based payment under ESS	-	453	-	-	-	-	-	453
Transfer from regulatory reserve	-	-	-	(1,600)	-	-	1,600	-
Dividend declared	-	-	-	-	-	-	(22,707)	(22,707)
At 31 March 2020	246,249	5,013	9,050	23,844	153,863	(16,990)	505,274	926,303

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

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Group		Bank	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit/(Loss) before taxation	42,692	(7,598)	32,709	(6,731)
Adjustments for:				
Depreciation of property, plant and equipment	2,986	2,929	2,745	2,740
Amortisation of intangible assets	1,514	1,100	1,169	1,003
Amortisation of right-of-use assets	2,066	706	1,853	1,695
Lease interest expenses	326	377	285	353
ESS expenses	756	388	756	388
Credit loss (reversal)/expense	(754)	10,263	(687)	9,653
Bad debts (recovered)/written off	(1)	53	(1)	53
Non-cash items	6,893	15,816	6,120	15,885
Net loss/(gain) from sale of financial assets at FVTPL and derivatives	92,539	(4,184)	92,539	(4,184)
Net gain from sale of financial investments other than those measured at FVTPL	(3)	(228)	(3)	(228)
Gross dividend income from investments	(1,616)	(332)	(1,594)	(298)
Gain on revaluation of financial assets at FVTPL and derivatives	(116,289)	(1,197)	(119,392)	(1,905)
Gain on disposal of property, plant and equipment	(57)	-	(57)	-
Share of results of associates and joint venture	(4,621)	604	-	-
Non-operating items - investing	(30,047)	(5,337)	(28,507)	(6,615)
Adjustments for non-operating and non-cash items	(23,154)	10,479	(22,387)	9,270
Operating profit before working capital changes	19,538	2,881	10,322	2,539
Changes in working capital:				
Net changes in operating assets	(382,995)	163,989	(338,021)	186,069
Net changes in operating liabilities	615,426	271,831	513,415	185,462
Cash generated from operations	251,969	438,701	185,716	374,070
Taxation and zakat paid	(11,566)	(3,258)	(8,845)	(2,725)
Rental/lease interest payment	(326)	(377)	(285)	(353)
Net operating cash flow	240,077	435,066	176,586	370,992
Cash flows from investing activities				
Dividends received from other investments	1,616	332	1,594	298
Purchase of property, plant and equipment and intangible assets	(5,962)	(5,730)	(5,256)	(4,547)
Acquisition of subsidiary, net of cash acquired	(500)	-	-	-
Proceeds from disposal of property, plant and equipment	57	-	57	-
Net sale/(purchase) of securities	80,595	(504,149)	80,618	(504,215)
Net investing cash flow	75,806	(509,547)	77,013	(508,464)

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Group		Bank	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Cash flows from financing activities				
Repayment of lease liabilities	(2,015)	(2,004)	(1,767)	(1,670)
Net (repayment)/drawdown of borrowings	(16,800)	48,200	(2,800)	47,200
Proceeds from exercise of ESS	12,495	-	12,495	-
Net financing cash flow	(6,320)	46,196	7,928	45,530
Net change in cash and cash equivalents during the financial period	309,563	(28,285)	261,527	(91,942)
Cash and cash equivalents brought forward	1,284,397	1,838,760	1,256,124	1,816,949
Cash and cash equivalents carried forward	1,593,960	1,810,475	1,517,651	1,725,007

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term funds, excluding segregated funds from customers, deposits and monies held in trust on behalf of dealer's representatives. Cash and cash equivalents included in the statements of cash flows comprise of the following amounts in the statements of financial position:

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 March 2020 RM'000	As at 31 March 2021 RM'000	As at 31 March 2020 RM'000
Cash and short-term funds	1,871,221	1,838,939	1,550,134	1,608,470
Deposits and placements with banks and other financial institutions	130,261	223,216	100,000	180,000
Less: Segregated funds from customers	(275,039)	(188,217)	-	-
Less: Cash and bank balances and deposits held in trust	(132,483)	(63,463)	(132,483)	(63,463)
	1,593,960	1,810,475	1,517,651	1,725,007

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A1. Basis Of Preparation

The interim financial statements, for the financial period ended 31 March 2021, have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements have also incorporated those activities relating to the Islamic banking business undertaken by the Group.

The significant accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2020. The Group has not adopted any other standard, interpretation or amendment that have been issued but not effective yet.

A2. Condensed financial statements

The interim financial statements have been prepared on a condensed basis and as such should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

A3. Preceding financial year audit report

The preceding financial year audit report in respect of the financial year ended 31 December 2020 was not qualified by the external auditors.

A4. Seasonal or Cyclical Factors

The Group's performance was mainly dependent on Bursa Malaysia market volume and value which in turn were affected by market sentiment and the country's macro economic conditions.

A5. Nature and amounts in relation to assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence

There were no exceptional items which have affected the assets, liabilities, equity, net income or cash flows.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A6. Changes in the nature and amount of estimated figures reported in prior interim periods and financial years

There were no changes made to the estimated figures reported in prior interim periods and financial years.

A7. Issuance, cancellation, repurchase, resale or repayment of debt and equity securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the financial period ended 31 March 2021 other than the new issuance of 6,714,000 unit shares and the transfer of 24,044,100 units of treasury shares to staff pursuant to the exercise of ESS.

A8. Dividends paid per share

No dividend was paid during the financial period.

A9. Significant event during and subsequent to the financial interim period

There was no significant event during and subsequent to the financial interim period other than as disclosed in Note B10.

A10. Changes in composition of the Group

On 2 February 2021, the Bank had announced that Kenanga Investor Berhad ("KIB") had acquired entire issued share capital of i-VCAP Management Sdn Bhd ("i-VCAP") comprising 11,000,000 ordinary shares in i-VCAP following approval by the Securities Commission of Malaysia.

Subsequent to the completion of the acquisition, i-VCAP became a wholly owned subsidiary of KIB.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
A11. Cash and bank balances				
Cash and balances with banks and other financial institutions	657,588	535,551	357,198	370,909
Money at call and deposit placements	1,343,894	1,108,983	1,292,936	1,007,737
	2,001,482	1,644,535	1,650,134	1,378,646
Included in cash and bank balances are:				
Cash and cash equivalents	1,593,960	1,284,397	1,517,651	1,256,124
Monies held in trust on behalf of dealer's representatives and segregated funds for customers	407,522	360,137	132,483	122,522
	2,001,482	1,644,534	1,650,134	1,378,646
A12. Financial Assets At FVTPL				
At fair value				
Money Market Instruments:				
Malaysian Government Investment Certificates	50,751	-	50,751	-
Quoted Securities:				
Shares and fund in Malaysia	333,183	351,645	333,183	351,645
Unquoted Securities:				
Shares and funds in Malaysia	151,931	152,061	151,403	148,453
Unquoted Debt Securities in Malaysia:				
Islamic Corporate Sukuk	23,837	39,833	23,837	39,833
Total financial assets at FVTPL	559,702	543,539	559,174	539,931

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

Group and Bank	
As at	As at
31 March	31 December
2021	2020
RM'000	RM'000

A13. Financial investments other than those measured at VTPL

(i) Financial investments at FVOCI

Money market instruments:

Malaysian Government Securities	30,286	20,496
Malaysian Government Investment Certificates	114,159	119,119
Islamic Negotiable Instruments of Deposits	-	149,943
	<u>144,445</u>	<u>289,558</u>

Equity instruments in Malaysia:

Unquoted Shares	1,989	1,990
	<u>1,989</u>	<u>1,990</u>

Debt instruments in Malaysia:

Islamic Corporate Sukuk	303,569	305,664
Corporate Bonds	171,421	174,520
	<u>474,990</u>	<u>480,184</u>

Total financial investments at FVOCI

<u>621,424</u>	<u>771,732</u>
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Impairment losses on debt instruments measured at FVOCI

Group and Bank

	2021			
	Stage 1	Stage 2	Stage 3	Total
<u>Movements in Expected Credit Loss ("ECL")</u>	RM'000	RM'000	RM'000	RM'000
As at 1 January 2021	386	-	-	386
Impact of net re-measurement of ECL	1	-	-	1
As at 31 March 2021	<u>387</u>	<u>-</u>	<u>-</u>	<u>387</u>

	2020			
	Stage 1	Stage 2	Stage 3	Total
<u>Movements in ECL</u>	RM'000	RM'000	RM'000	RM'000
As at 1 January 2020	36	-	-	36
New assets originated or purchased	77	-	-	77
Impact of net re-measurement of ECL	9	-	-	9
Assets derecognised or matured	(49)	-	-	(49)
Changes in model assumption or methodology	313	-	-	313
As at 31 December 2020	<u>386</u>	<u>-</u>	<u>-</u>	<u>386</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

Group and Bank	
As at	As at
31 March	31 December
2021	2020
RM'000	RM'000

A13. Financial investments other than those measured at FVTPL (cont'd.)

(ii) Financial investments at AC

Money market instruments:

Malaysian Government Investment Certificates	39,899	9,909
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Debt instruments in Malaysia:

At cost		
Islamic Corporate Sukuk	144,981	163,210
Corporate Bonds	20,020	20,021
Less: Allowance for ECL	(49)	(105)
	<u>164,952</u>	<u>183,126</u>

Total financial investments at AC

<u>204,851</u>	<u>193,035</u>
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Impairment losses on debt instruments measured at Amortised Cost ("AC")

Group and Bank

	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2021	105	-	-	105
Impact of re-measurement of ECL	(52)	-	-	(52)
Assets derecognised or matured (excluding write-off)	(4)	-	-	(4)
As at 31 March 2021	<u>49</u>	<u>-</u>	<u>-</u>	<u>49</u>

	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2020	-	338	-	338
New assets purchased	73	-	-	73
Impact of re-measurement of ECL	(17)	(160)	-	(177)
Assets derecognised or matured (excluding write-off)	-	(178)	-	(178)
Changes in model assumption or methodology	49	-	-	49
As at 31 December 2020	<u>105</u>	<u>-</u>	<u>-</u>	<u>105</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
A14. Loans, Advances and Financing				
At AC				
Share margin financing	1,277,656	1,209,024	1,277,656	1,209,024
Term loans	640,272	587,793	692,841	640,369
Subordinated term loan	-	-	30,035	20,418
Other lending and factoring receivables	69,711	85,636	-	-
Advances to group employees	198	181	198	181
Gross loans, advances and financing	1,987,837	1,882,634	2,000,730	1,869,992
Less: Allowance for ECL				
- Stage 1- 12-month ECL	(3,119)	(3,112)	(3,460)	(3,387)
- Stage 2- Lifetime ECL non-credit impaired	-	(2,356)	-	(2,356)
- Stage 3- Lifetime ECL credit impaired	(10,068)	(7,917)	(9,404)	(7,253)
Net Loans, Advances and Financing	1,974,650	1,869,249	1,987,866	1,856,996
(i) By Type of Customer				
Domestic business enterprise				
- Small medium enterprise	237,685	237,848	184,869	180,851
- Others	658,373	591,343	740,977	664,336
Individuals	1,072,973	1,034,745	1,056,078	1,006,107
Foreign enterprises	18,806	18,698	18,806	18,698
Gross Loans, Advances and Financing	1,987,837	1,882,634	2,000,730	1,869,992
(ii) By Geographical Distribution				
In Malaysia	1,980,887	1,863,352	1,993,780	1,850,710
Outside Malaysia	6,950	19,282	6,950	19,282
Gross Loans, Advances and Financing	1,987,837	1,882,634	2,000,730	1,869,992
(iii) By Interest Rate/ Profit Rate Sensitivity				
Fixed rate				
- Other fixed rate loans	1,347,367	1,294,660	1,277,656	1,209,024
Variable rate				
- Other variable rates	630,269	576,614	712,873	649,608
- Base lending rate plus	10,003	11,179	10,003	11,179
Interest free	198	181	198	181
Gross Loans, Advances and Financing	1,987,837	1,882,634	2,000,730	1,869,992
(iv) By Purpose				
- Purchase of securities	1,595,867	1,488,572	1,595,867	1,488,572
- Working capital	209,289	220,193	239,141	236,142
- Others	182,681	173,869	165,722	145,278
Gross Loans, Advances and Financing	1,987,837	1,882,634	2,000,730	1,869,992

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
A14. Loans, Advances and Financing (cont'd.)				
(v) By Residual Contractual Maturity				
- Within one year	1,664,796	1,543,716	1,671,281	1,540,048
- More than one year	323,041	338,918	329,449	329,944
Gross Loans, Advances and Financing	1,987,837	1,882,634	2,000,730	1,869,992
(vi) Movements in impaired loans, advances and financing ("Impaired LAF")				
At beginning of the financial period/year	41,294	48,880	40,630	48,160
Impaired during the financial period/year	28,329	13,374	28,329	12,563
Amount written off against allowance for ECL	-	(9,005)	-	(9,005)
Amount recovered during the financial period/year	(2,392)	(11,955)	(2,392)	(11,088)
At end of the financial period/year	67,231	41,294	66,567	40,630
Less: Allowance for ECL	(10,068)	(7,917)	(9,404)	(7,253)
Net impaired LAF	57,163	33,377	57,163	33,377
Net impaired LAF as a % of gross loans, advances and financing less allowance	2.89%	1.79%	2.88%	1.80%
(vii) Impaired LAF by Geographical Distribution				
In Malaysia	63,925	37,988	63,261	37,324
Outside Malaysia	3,306	3,306	3,306	3,306
Gross impaired loans	67,231	41,294	66,567	40,630
(viii) Impaired LAF by Purpose				
Working capital	664	664	-	-
Purchase of securities	66,567	40,630	66,567	40,630
Gross impaired loans	67,231	41,294	66,567	40,630

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A14. Loans, Advances and Financing (cont'd.)

(ix) Impairment allowance for loans, advances and financing are as follows:

An analysis of changes in the ECL allowances in relation to share margin financing is as follows:

Share margin financing

Group and Bank

	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2021	-	2,356	7,253	9,609
New assets originated or purchased	-	-	2	2
Assets derecognised or repaid (excluding write-offs)	-	-	(1,052)	(1,052)
Net remeasurement of allowance	-	-	845	845
Transfer of stages	-	(2,356)	2,356	-
As at 31 March 2021	-	-	9,404	9,404

	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2020	-	-	16,061	16,061
New assets originated or purchased	-	-	1,530	1,530
Assets derecognised or repaid (excluding write-offs)	-	-	(4,668)	(4,668)
Net remeasurement of allowance	-	-	5,691	5,691
Transfer of stages	-	2,356	(2,356)	-
Amounts written off	-	-	(9,005)	(9,005)
As at 31 December 2020	-	2,356	7,253	9,609

An analysis of changes in the ECL allowances in relation to term loan and subordinated term loan is as follows:

Term loan and subordinated term loan

Group

	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2021	3,059	-	-	3,059
New assets originated or purchased	19	-	-	19
Assets derecognised or repaid (excluding write-offs)	(3)	-	-	(3)
Net remeasurement of allowance	22	-	-	22
As at 31 March 2021	3,097	-	-	3,097

	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2020	1,183	-	-	1,183
New assets originated or purchased	330	-	-	330
Assets derecognised or repaid (excluding write-offs)	(578)	-	-	(578)
Net remeasurement of allowance	(716)	-	-	(716)
Changes in model assumption or methodology	2,840	-	-	2,840
As at 31 December 2020	3,059	-	-	3,059

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A14. Loans, Advances and Financing (cont'd.)

(ix) Impairment allowance for loans, advances and financing are as follows (cont'd.):

Term loan and subordinated term loan (cont'd)

Bank

	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2021	3,312	-	-	3,312
New assets originated or purchased	102	-	-	102
Assets derecognised or repaid (excluding write-offs)	(14)	-	-	(14)
Net remeasurement of allowance	22	-	-	22
As at 31 March 2021	3,422	-	-	3,422

	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2020	2,111	-	-	2,111
New assets originated or purchased	838	-	-	838
Assets derecognised or repaid (excluding write-offs)	(702)	-	-	(702)
Net remeasurement of allowance	(1,775)	-	-	(1,775)
Changes in model assumption or methodology	2,840	-	-	2,840
As at 31 December 2020	3,312	-	-	3,312

An analysis of changes in the ECL allowances in relation to other loans and financing is as follows:

Other lending and factoring receivables

Group

	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2021	53	-	664	717
Assets derecognised or repaid (excluding write-offs)	(31)	-	-	(31)
As at 31 March 2021	22	-	664	686

	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2020	-	-	716	716
New assets originated or purchased	53	-	-	53
Assets derecognised or repaid (excluding write-offs)	-	-	(52)	(52)
As at 31 December 2020	53	-	664	717

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A14. Loans, Advances and Financing (cont'd.)

(ix) Impairment allowance for loans, advances and financing are as follows (cont'd.):

Undrawn commitment

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to undrawn commitment is as follows:

Group

	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January and 31 March 2021	-	-	-	-

	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2020	129	-	-	129
Net remeasurement of allowance	(129)	-	-	(129)
As at 31 December 2020	-	-	-	-

Bank

	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2021	75	-	-	75
Exposure derecognised or matured/lapsed (excluding write-offs)	(37)	-	-	(37)
As at 31 March 2021	38	-	-	38

	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2020	255	-	-	255
Exposure derecognised or matured/lapsed (excluding write-offs)	(25)	-	-	(25)
Net remeasurement of allowance	(155)	-	-	(155)
As at 31 December 2020	75	-	-	75

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

Group and Bank	
As at	As at
31 March	31 December
2021	2020
RM'000	RM'000

A15. Balances due from clients and brokers

Balances due from clients and brokers	654,808	551,280
Less: Allowance for ECL	(6,230)	(6,223)
	648,578	545,057

An analysis of changes in the ECL allowances in relation to balance due from clients and brokers is as follows:

Group and Bank

	2021		
	Non-Credit Impaired	Credit-Impaired	Total
	RM'000	RM'000	RM'000
Movements in ECL			
As at 1 January 2021	1,553	4,670	6,223
Charged during the period	94	139	233
Written back during the period	(78)	(148)	(226)
As at 31 March 2021	1,569	4,661	6,230
	2020		
	Non-Credit Impaired	Credit-Impaired	Total
	RM'000	RM'000	RM'000
Movements in ECL			
As at 1 January 2020	1,516	12,141	13,657
Charged during the year	248	762	1,010
Written back during the year	(211)	(919)	(1,130)
Written off during the year	-	(7,314)	(7,314)
As at 31 December 2020	1,553	4,670	6,223

	Group		Bank	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000

A16. Other Assets

Assets segregated for customers	125,067	101,629	-	-
Interest/income receivable	11,626	11,041	11,530	10,906
Prepayments and deposits	20,818	19,420	18,484	16,152
Other debtors	72,150	62,220	42,466	43,544
Treasury trade receivables	89,796	-	89,796	-
Amount due from subsidiaries	-	-	30,738	30,359
Amount due from related parties	76	127	76	127
	319,533	194,437	193,090	101,088
Allowance for ECL				
- Other debtors	(5,451)	(6,148)	(5,454)	(6,150)
- Amount due from subsidiaries	-	-	(226)	(226)
	314,082	188,289	187,410	94,712

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A16. Other Assets (cont'd.)

An analysis of changes in the ECL allowances in relation to other debtors is as follows:

Group

	2021		
	Non-Credit Impaired	Credit- Impaired	Total
	RM'000	RM'000	RM'000
Movements in ECL			
As at 1 January 2021	145	6,003	6,148
New assets originated or purchased	207	65	272
Assets derecognised or repaid (excluding write-offs)	-	(1,436)	(1,436)
Transfer of stages	(201)	201	-
Net remeasurement of allowance	-	656	656
Amounts written off	-	(189)	(189)
As at 31 March 2021	151	5,300	5,451

	2020		
	Non-Credit Impaired	Credit Impaired	Total
	RM'000	RM'000	RM'000
Movements in ECL			
As at 1 January 2020	180	4,471	4,651
New assets originated or purchased	1,513	1,050	2,563
Assets derecognised or repaid (excluding write-offs)	-	(1,290)	(1,290)
Transfer of stages	(1,548)	1,548	-
Net remeasurement of allowance	-	281	281
Amounts written off	-	(57)	(57)
As at 31 December 2020	145	6,003	6,148

Bank

	2021		
	Non-Credit Impaired	Credit Impaired	Total
	RM'000	RM'000	RM'000
Movements in ECL			
As at 1 January 2021	146	6,004	6,150
New assets originated or purchased	208	65	273
Assets derecognised or repaid (excluding write-offs)	-	(1,436)	(1,436)
Transfer of stages	(201)	201	-
Net remeasurement of allowance	-	656	656
Amounts written off	-	(189)	(189)
As at 31 March 2021	153	5,301	5,454

	2020		
	Non-Credit Impaired	Credit Impaired	Total
	RM'000	RM'000	RM'000
Movements in ECL			
As at 1 January 2020	180	4,471	4,651
New assets originated or purchased	1,514	1,051	2,565
Assets derecognised or repaid (excluding write-offs)	-	(1,290)	(1,290)
Transfer of stages	(1,548)	1,548	-
Net remeasurement of allowance	-	281	281
Amounts written off	-	(57)	(57)
As at 31 December 2020	146	6,004	6,150

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A16. Other Assets (cont'd.)

An analysis of changes in the ECL allowances in relation to amount due from subsidiaries is as follows:

Bank

	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January and 31 March 2021	226	-	-	226

	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2020	304	-	-	304
New assets originated or purchased	4	-	-	4
Net remeasurement of allowance	(82)	-	-	(82)
As at 31 December 2020	226	-	-	226

Group and Bank	
As at 31 March 2021 RM'000	As at 31 December 2020 RM'000

A17. Statutory deposit with Bank Negara Malaysia

Statutory Deposit	60,058	58,398
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The non-interest bearing statutory deposit is maintained by the Bank with Bank Negara Malaysia in compliance with Section 26(2) (c) of the Central Bank of Malaysia Act 2009, and is determined as a set percentage of net eligible liabilities.

Group		Bank	
As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000

A18. Deposits from customers

(i) By type of deposit

Fixed term deposits	2,395,360	2,340,932	2,396,760	2,354,086
Short term money deposits	711,867	518,102	804,174	595,406
Call money deposits	38,265	41,048	38,265	41,048
Negotiable instruments of deposits	52,093	52,303	52,093	52,303
	3,197,585	2,952,385	3,291,292	3,042,843

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Group		Bank	
	As at	As at	As at	As at
	31 March	31 December	31 March	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
A18. Deposits from customers (cont'd.)				
(ii) By type of customer				
Government and other statutory bodies	856,105	829,560	856,105	829,560
Individuals	79,819	84,730	79,819	84,730
Business enterprises	747,327	872,878	747,327	872,878
Non-bank financial institutions	1,333,818	1,054,701	1,333,818	1,054,701
Subsidiaries and related companies	180,516	110,516	274,223	200,974
	3,197,585	2,952,385	3,291,292	3,042,843
(iii) By maturity structure				
Due within six months	2,633,183	2,128,347	2,725,490	2,216,065
More than six months to one year	353,426	590,017	354,826	592,757
More than one year	210,976	234,021	210,976	234,021
	3,197,585	2,952,385	3,291,292	3,042,843

A19. Deposits and placements of banks and financial institutions

	Group and Bank	
	As at	As at
	31 March	31 December
	2021	2020
	RM'000	RM'000
Licenced banks	50,000	100,000
Licenced investment banks	-	50,000
Other financial institutions	876,415	732,667
Bank Negara Malaysia ("BNM")	170,000	183,418
	1,096,415	1,066,085

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Group		Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
A20. Other liabilities				
Interest/Income payable	15,533	17,275	15,358	16,544
Securities borrowing and lending	38,498	1,657	38,499	1,657
Accruals and provision	141,901	141,510	59,613	62,383
Retention for contra losses	17	17	17	17
Structured products	14,727	15,583	14,727	15,583
Treasury trade payables	99,876	-	99,876	-
Deposits and other creditors	206,163	144,691	202,735	141,927
Amounts held in trust on behalf of Dealer's Representatives	132,483	122,522	132,483	122,522
Amount due to trustees	45,255	4,040	-	-
Amount due to subsidiaries	-	-	1	12
	694,453	447,295	563,309	360,645
A21. Borrowings				
Secured:				
Revolving bank loan	27,600	30,400	27,600	30,400
Unsecured:				
Revolving bank loans	9,000	23,000	-	-
Subordinated notes	122,000	122,000	122,000	122,000
	158,600	175,400	149,600	152,400

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000 (Restated)	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000 (Restated)
A22. Interest Income				
Group				
Loans, advances and financing	29,638	34,843	29,638	34,843
Money at call and deposit placements with financial institutions	10,368	14,029	10,368	14,029
Financial investments at FVOCI	4,747	6,564	4,747	6,564
Financial investments at AC	1,225	1,130	1,225	1,130
Others	4,750	3,837	4,750	3,837
	50,728	60,403	50,728	60,403
Bank				
Loans, advances and financing	29,048	33,873	29,048	33,873
Money at call and deposit placements with financial institutions	9,384	13,126	9,384	13,126
Financial investments at FVOCI	4,747	6,564	4,747	6,564
Financial investments at AC	1,225	1,130	1,225	1,130
Others	4,755	3,835	4,755	3,835
	49,159	58,528	49,159	58,528
A23. Interest Expense				
Group				
Deposits from customers	20,849	36,348	20,849	36,348
Deposits and placement from banks and other financial institutions	647	422	647	422
Borrowings	1,934	1,368	1,934	1,368
Lease interest expense	327	377	327	377
Others	168	450	168	450
	23,925	38,965	23,925	38,965
Bank				
Deposits from customers	21,288	36,768	21,288	36,768
Deposits and placement from banks and other financial institutions	647	423	647	423
Borrowings	1,750	882	1,750	882
Lease interest expense	285	353	285	353
Others	2,639	2,166	2,639	2,166
	26,609	40,592	26,609	40,592

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000 (Restated)	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000 (Restated)
A24. Other Operating Income				
Group				
(a) Fee income:				
Brokerage fees	113,282	49,000	113,282	49,000
Corporate advisory fees	1,289	1,261	1,289	1,261
Processing fees on loans, advances and financing	379	763	379	763
Commissions	2,902	2,788	2,902	2,788
Management fee income	31,668	20,407	31,668	20,407
Placement fees	5,388	2,079	5,388	2,079
Underwriting commission	147	188	147	188
Other fee income	4,712	4,238	4,712	4,238
Others	297	751	297	751
	<u>160,064</u>	<u>81,475</u>	<u>160,064</u>	<u>81,475</u>
(b) Net (loss)/gain arising from sale/ redemption of:				
Financial assets at FVTPL and derivatives	(91,797)	2,797	(91,797)	2,797
Financial investments at FVOCI	3	226	3	226
	<u>(91,794)</u>	<u>3,023</u>	<u>(91,794)</u>	<u>3,023</u>
(c) Gross dividend income from:				
Financial assets at FVTPL	1,616	320	1,616	320
Financial investments at FVOCI	-	12	-	12
	<u>1,616</u>	<u>332</u>	<u>1,616</u>	<u>332</u>
(d) Interest income from financial assets at FVTPL	<u>720</u>	<u>534</u>	<u>720</u>	<u>534</u>
(e) Unrealised gain on revaluation of financial assets at FVTPL and derivatives	<u>116,657</u>	<u>1,199</u>	<u>116,657</u>	<u>1,199</u>
(f) Other income:				
Net foreign exchange income	3,593	1,680	3,593	1,680
Gain on disposal of property, plant and equipment	57	-	57	-
Other operating income	792	541	792	541
Other non-operating income				
- Rental income	184	746	184	746
- Others	1,068	1,040	1,068	1,040
	<u>5,694</u>	<u>4,007</u>	<u>5,694</u>	<u>4,007</u>
Total other operating income	<u>192,957</u>	<u>90,570</u>	<u>192,957</u>	<u>90,570</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000
A24. Other Operating Income (cont'd.)				
Bank				
(a) Fee income:				
Brokerage fees	113,282	49,000	113,282	49,000
Corporate advisory fees	1,324	1,296	1,324	1,296
Processing fees on loans, advances and financing	228	643	228	643
Management fee income	237	289	237	289
Placement fees	4,986	1,929	4,986	1,929
Underwriting commission	147	188	147	188
Other fee income	1,555	1,844	1,555	1,844
Others	74	221	74	221
	<u>121,833</u>	<u>55,410</u>	<u>121,833</u>	<u>55,410</u>
(b) Net (loss)/gain arising from sale/redemption of:				
Financial assets at FVTPL and derivatives	(91,797)	2,797	(91,797)	2,797
Financial investments at FVOCI	3	226	3	226
	<u>(91,794)</u>	<u>3,023</u>	<u>(91,794)</u>	<u>3,023</u>
(c) Gross dividend from:				
Financial assets at FVTPL	1,594	286	1,594	286
Financial investments at FVOCI	-	12	-	12
	<u>1,594</u>	<u>298</u>	<u>1,594</u>	<u>298</u>
(d) Interest income from financial assets at FVTPL	<u>720</u>	<u>534</u>	<u>720</u>	<u>534</u>
(e) Unrealised gain on revaluation of financial assets at FVTPL and derivatives	<u>119,760</u>	<u>1,907</u>	<u>119,760</u>	<u>1,907</u>
(f) Other income:				
Net foreign exchange income	3,484	1,613	3,484	1,613
Gain on disposal of property, plant and equipment	57	-	57	-
Other operating income	933	828	933	828
Other non-operating income				
- Rental income	644	1,206	644	1,206
- Others	1,004	864	1,004	864
	<u>6,122</u>	<u>4,511</u>	<u>6,122</u>	<u>4,511</u>
Total other operating income	<u>158,235</u>	<u>65,683</u>	<u>158,235</u>	<u>65,683</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000
A25. Other operating expenses				
Group				
Personnel costs	61,020	45,126	61,020	45,126
- Salaries, allowances and bonuses	47,738	34,549	47,738	34,549
- EPF	4,944	4,691	4,944	4,691
- ESS	896	453	896	453
- Others	7,442	5,433	7,442	5,433
Establishment costs	13,921	12,656	13,921	12,656
- Depreciation of property, plant and equipment	2,986	2,929	2,986	2,929
- Amortisation of intangible assets	1,514	1,100	1,514	1,100
- Amortisation of right-of-use assets	2,066	2,013	2,066	2,013
- Rental of premises	93	163	93	163
- Rental of equipment	161	144	161	144
- Repairs and maintenance	1,399	1,390	1,399	1,390
- Information technology expenses	4,011	3,224	4,011	3,224
- Others	1,691	1,693	1,691	1,693
Marketing expenses	3,749	3,766	3,749	3,766
- Promotion and advertisements	2,803	2,506	2,803	2,506
- Travel and entertainment	673	908	673	908
- Others	273	352	273	352
Administration and general expenses	106,583	52,748	106,583	52,748
- Communication expenses	1,106	1,315	1,106	1,315
- Professional fees and legal fees	1,060	1,422	1,060	1,422
- Regulatory charges	10,320	5,889	10,320	5,889
- Fees and brokerage	89,289	39,480	89,289	39,480
- Administrative expenses	4,455	4,255	4,455	4,255
- Printing and stationery	353	387	353	387
Total other operating expenses	185,273	114,296	185,273	114,296

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000
A25. Other operating expenses (cont'd.)				
Bank				
Personnel costs	47,925	32,436	47,925	32,436
- Salaries, allowances and bonuses	39,220	26,037	39,220	26,037
- EPF	3,926	3,708	3,926	3,708
- ESS	756	388	756	388
- Others	4,023	2,303	4,023	2,303
Establishment costs	11,730	10,545	11,730	10,545
- Depreciation of property, plant and equipment	2,745	2,740	2,745	2,740
- Amortisation of intangible assets	1,169	1,003	1,169	1,003
- Amortisation of right-of-use assets	1,853	1,695	1,853	1,695
- Rental of premises	77	74	77	74
- Rental of equipment	114	74	114	74
- Repair and maintenance	966	898	966	898
- Information technology expenses	4,005	3,198	4,005	3,198
- Others	801	863	801	863
Marketing expenses	963	2,067	963	2,067
- Promotion and advertisement	719	1,132	719	1,132
- Travel and entertainment	186	589	186	589
- Others	58	346	58	346
Administration and general expenses	90,975	41,205	90,975	41,205
- Communication expenses	981	1,127	981	1,127
- Professional fees and legal fees	978	1,180	978	1,180
- Regulatory charges	9,781	5,427	9,781	5,427
- Fees and brokerages	75,034	29,378	75,034	29,378
- Administrative expenses	3,950	3,833	3,950	3,833
- Printing and stationery	251	260	251	260
Total other operating expenses	151,593	86,253	151,593	86,253

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A26. Credit loss reversal/(expense)

The tables below show the ECL charges on financial instruments for the period recorded in the income statement:

Group

Individual and Cumulative Quarter

(i) Movements in ECL on debt instruments, loan commitments, loans, advances, and financing

	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debt instruments at FVOCI	(1)	-	-	(1)
Debt instruments at amortised cost	56	-	-	56
Loans, advances and financing	(7)	-	205	198
Credit loss reversal	48	-	205	253

	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debt instruments at FVOCI	(1)	-	-	(1)
Debt instruments at amortised cost	(73)	338	-	265
Loans, advances and financing	296	-	(10,744)	(10,448)
Loan commitments	66	-	-	66
Credit loss reversal/(expense)	288	338	(10,744)	(10,118)

(ii) Movements in ECL on other financial assets

	2021		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
Balance due from clients and brokers	(16)	9	(7)
Other debtors	(207)	715	508
Credit loss (expense)/reversal	(223)	724	501

	2020		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
Balance due from clients and brokers	(18)	150	132
Other debtors	(272)	(5)	(277)
Credit loss (expense)/reversal	(290)	145	(145)

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A26. Credit loss reversal/(expense) (cont'd.)

Bank

Individual and Cumulative Quarter

(iii) Movements in ECLs on debt instruments, loan commitments, loans, advances, and financing

	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debt instruments at FVOCI	(1)	-	-	(1)
Debt instruments at amortised cost	56	-	-	56
Loans, advances and financing	(110)	-	205	95
Loan commitments	37	-	-	37
Credit loss (expense)/reversal	(18)	-	205	187

	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debt instruments at FVOCI	(1)	-	-	(1)
Debt instruments at amortised cost	(73)	338	-	265
Loans, advances and financing	925	-	(10,768)	(9,843)
Loan commitments	67	-	-	67
Amount due from subsidiaries	5	-	-	5
Credit loss reversal/(expense)	923	338	(10,768)	(9,507)

(iv) Movements in ECLs on other financial assets

	2021		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
Balance due from clients and brokers	(16)	9	(7)
Other debtors	(208)	715	507
Credit loss (expense)/reversal	(224)	724	500

	2020		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
Balance due from clients and brokers	(18)	150	132
Other debtors	(273)	(5)	(278)
Credit loss (expense)/reversal	(291)	145	(146)

A27. Bad debts recovered/(written off)

	Individual and Cumulative Quarter	
	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000
<u>Group and Bank</u>		
Loans, advances and financing	1	207
Balance due from clients and brokers	-	74
Other debtors	-	(53)
	1	228

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A28. Fair value of financial instruments

Fair value measurements

The Group and the Bank use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2 - other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3 - techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Valuation techniques and sensitivity analysis

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. This would include quoted securities.

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 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. These would include certain bonds, government bonds, corporate debt securities and derivatives.

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A28. Fair value of financial instruments (cont'd.)

Group

31 March 2021

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Debt securities	-	169,710	-	169,710
- Equity securities	333,183	5,406	51,403	389,992
Financial investments at FVOCI				
- Debt securities	-	619,435	-	619,435
- Equity securities	-	-	1,989	1,989
Derivative financial assets	122	90,523	-	90,645
Financial assets at amortised cost for which fair values are disclosed				
Financial investments at AC	-	211,604	-	211,604
Loans, advances and financing	-	-	1,976,354	1,976,354
	333,305	1,096,678	2,029,746	3,459,729

Financial liabilities measured at fair value

Derivative financial liabilities	73,121	8,711	-	81,832
Borrowings	-	138,987	-	138,987
	73,121	147,698	-	220,819

31 December 2020

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Debt securities	-	138,057	-	138,057
- Equity securities	351,645	5,384	48,453	405,482
Financial investments at FVOCI				
- Debt securities	-	769,742	-	769,742
- Equity securities	-	-	1,990	1,990
Derivative financial assets	135	95,436	-	95,571
Financial assets at amortised cost for which fair values are disclosed				
Financial investments at AC	-	202,215	-	202,215
Loans, advances and financing	-	-	1,867,339	1,867,339
	351,780	1,210,834	1,917,782	3,480,396

Financial liabilities measured at fair value

Derivative financial liabilities	131,241	6,239	-	137,480
Borrowings	-	154,413	-	154,413
	131,241	160,652	-	291,893

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A28. Fair value of financial instruments (cont'd.)

Bank

31 March 2021

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Debt securities	-	174,588	-	174,588
- Equity securities	333,183	-	51,403	384,586
Financial investments at FVOCI				
- Debt securities	-	619,435	-	619,435
- Equity securities	-	-	1,989	1,989
Derivative financial assets	122	90,523	-	90,645
Financial assets at amortised cost for which fair values are disclosed				
Financial investments at AC	-	211,604	-	211,604
Loans, advances and financing	-	-	1,991,135	1,991,135
	333,305	1,096,150	2,044,527	3,473,982

Financial liabilities measured at fair value

Derivative financial liabilities	73,121	8,711	-	81,832
Borrowings	-	129,987	-	129,987
	73,121	138,698	-	211,819

31 December 2020

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Debt securities	-	139,833	-	139,833
- Equity securities	351,645	-	48,453	400,098
Financial investments at FVOCI				
- Debt securities	-	769,742	-	769,742
- Equity securities	-	-	1,990	1,990
Derivative financial assets	135	95,436	-	95,571
Financial assets at amortised cost for which fair values are disclosed				
Financial investments at AC	-	202,215	-	202,215
Loans, advances and financing	-	-	1,857,022	1,857,022
	351,780	1,207,226	1,907,465	3,466,471

Financial liabilities measured at fair value

Derivative financial liabilities	131,241	6,239	-	137,480
Borrowings	-	131,421	-	131,421
	131,241	137,660	-	268,901

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A29. Commitments and Contingencies

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

	Group		Bank	
	As at 31 March 2021 Principal Amount RM'000	As at 31 December 2020 Principal Amount RM'000	As at 31 March 2021 Principal Amount RM'000	As at 31 December 2020 Principal Amount RM'000
Commitments to extend credit with maturity of less than 1 year :-				
- share margin financing	2,520,781	2,534,315	2,520,781	2,534,315
- foreign exchange related contract	57,675	58,554	57,675	58,554
- equity exchange related contract	165,996	158,546	165,996	158,546
Other commitments with an original maturity of less than 1 year :-				
- corporate loans	17,294	60,050	64,794	107,550
Commitments to extend credit with maturity of more than 1 year :-				
- equity related contract	743	520	743	520
Other commitments with an original maturity of more than 1 year :-				
- corporate loans	77,407	98,851	83,383	118,851
- others	1,476	5,500	-	-
Stockbroking clients' trust	1,342,019	1,257,682	1,342,019	1,257,682
Securities borrowing and lending	34,199	1,544	34,199	1,544
Derivative financial assets				
- dual currency investment - options	4,496	3,655	4,496	3,655
- equity related contracts - options	27,685	47,685	27,685	47,685
- equity related contracts - swaps	75,358	31,216	75,358	31,216
- equity related contract - forwards	57,354	57,354	57,354	57,354
- index futures	2,428	2,688	2,428	2,688
Derivative financial liabilities				
- dual currency investment - options	4,496	3,655	4,496	3,655
- equity related contracts - options	378,933	451,950	378,933	451,950
- equity related contracts - swaps	16,382	19,467	16,382	19,467
- equity related contract - forwards	7,700	3,200	7,700	3,200
Capital commitment:				
- Authorised and contracted for	5,748	4,588	4,731	4,261
Investment in equity fund	10,000	-	33,031	35,981
	4,808,170	4,801,020	4,882,184	4,898,674

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

Group		Bank	
31 March	31 December	31 March	31 December
2021	2020	2021	2020
RM'000	RM'000	RM'000	RM'000
	Restated		Restated

A30. Operating lease arrangements

A summary of the sub-lease receipts expected to be received under non-cancellable sublease are as follows:

Group		Bank	
31 March	31 December	31 March	31 December
2021	2020	2021	2020
RM'000	RM'000	RM'000	RM'000
	Restated		Restated
Future minimum sub-lease receipts:			
Subsidiaries	-	2,586	2,945
Related companies	-		
External parties	1,567	1,567	2,055
	<u>1,567</u>	<u>4,153</u>	<u>5,000</u>

A31. Capital Adequacy

(i) Components of Common Equity Tier 1 ("CET 1") capital ratio, Tier 1 and Tier 2 capital:

Group		Bank	
31 March	31 December	31 March	31 December
2021	2020	2021	2020
RM'000	RM'000	RM'000	RM'000
<u>CET 1 / Tier 1 capital</u>			
Paid-up share capital	250,276	250,276	246,249
Retained profits	550,431	526,895	594,296
Other reserves	141,816	184,747	193,924
Less: Regulatory adjustments:			
Deferred tax assets	(9,635)	(6,262)	(8,722)
55% of cumulative gains of financial investments at FVOCI	(3,900)	(2,155)	(8,391)
Goodwill	(241,271)	(252,909)	(252,909)
Other intangibles	(83,953)	(72,610)	(71,485)
Regulatory reserve	(22,101)	(22,101)	(18,661)
Treasury shares	(7)	(7)	(10,458)
Other CET 1 regulatory adjustments specified by BNM	1,894	1,104	3,419
Regulatory adjustments applied to CET 1 Capital due to insufficient Tier 2 Capital *	(106,197)	(166,170)	(166,170)
Total CET 1/Tier 1 capital	<u>477,353</u>	<u>440,808</u>	<u>501,092</u>
<u>Tier 2 capital</u>			
Subordinated obligations capital	122,000	122,000	122,000
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves	19,561	19,344	18,702
Total Tier 2 capital	<u>141,561</u>	<u>141,344</u>	<u>140,702</u>
Total capital	<u>618,914</u>	<u>582,152</u>	<u>641,794</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A31. Capital Adequacy (cont'd.)

(i) Components of Common Equity Tier 1 ("CET 1") capital ratio, Tier 1 and Tier 2 capital (cont'd.):

	Group		Bank	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
CET 1 capital ratio	16.512%	19.093%	16.449%	18.797%
Tier 1 capital ratio	16.512%	19.093%	16.449%	18.797%
Total capital ratio	21.408%	24.037%	21.723%	24.075%

* The portion of regulatory adjustments not deducted from Tier 2 (as the Bank does not have enough Tier 2 to satisfy the deduction) is deducted from the next higher level of capital; as per paragraph 31.1 of the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components).

(ii) Breakdown of risk-weighted assets in the various categories of risks are as follows:

	Group		Group	
	31 March 2021		31 December 2020	
	Notional amount RM'000	Risk-weighted amount RM'000	Notional amount RM'000	Risk-weighted amount RM'000
Credit Risk	6,136,165	1,564,892	5,615,290	1,492,582
Market Risk	-	586,230	-	646,327
Operational Risk	-	736,970	-	704,075
Large exposure risk	-	2,914	-	2,250
Total Risk Weighted Assets	6,136,165	2,891,006	5,615,290	2,845,234

	Bank		Bank	
	31 March 2021		31 December 2020	
	Notional amount RM'000	Risk-weighted amount RM'000	Notional amount RM'000	Risk-weighted amount RM'000
Credit Risk	5,724,760	1,547,494	5,306,982	1,496,190
Market Risk	-	571,363	-	632,053
Operational Risk	-	558,068	-	535,355
Large exposure risk	-	2,914	-	2,250
Total Risk Weighted Assets	5,724,760	2,679,839	5,306,982	2,665,848

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A31. Capital Adequacy (cont'd.)

The capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's Revised Risk-weighted Capital Adequacy Framework: Standardised Approach for Credit Risk and Market Risk, and Basic Indicator Approach for Operational Risk ("RWCAF Basel II").

A32. Segmental reporting

The Group has five major operating divisions as described below. The division form the basis of which the Group reports its segment information.

- (i) Investment bank - Investment banking business, treasury and related financial services;
- (ii) Stockbroking - Dealings in equity securities and investment related services;
- (iii) Futures broking- Futures broking business
- (iv) Money lending and financing - Money lending, islamic factoring and leasing;
- (v) Investment and Wealth Management - Management of funds and unit trusts; and
- (vi) Corporate and others - Support services comprise all middle and back office functions, and, includes business operations conducted by the Group's associates in the Kingdom of Saudi Arabia and Sri Lanka and joint venture company.

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A32. Segmental reporting (cont'd.)

	Investment banking RM'000	Stock broking RM'000	Futures broking RM'000	Money lending and financing RM'000	Investment and wealth management RM'000	Corporate and Others RM'000	Elimination/ consolidation adjustments RM'000	Total RM'000
2021								
Revenue								
External sales	29,515	180,582	3,878	2,038	34,106	4	-	250,123
- Interest income	25,802	27,958	976	1,768	61	31	-	56,596
- Fee income	7,908	116,783	2,902	270	33,996	6	-	161,865
- Trading and investment income	(6,173)	33,585	-	-	22	-	-	27,434
- Other operating income	1,978	2,256	-	-	27	(33)	-	4,228
Inter-segment sales	12,255	(11,582)	160	-	2,047	2,296	(5,176)	-
Total revenue	41,770	169,000	4,038	2,038	36,153	2,300	(5,176)	250,123
Result								
Net interest income/(expense)	9,979	11,981	861	961	(57)	571	2,507	26,803
Net income from Islamic banking business	934	1,895	-	-	-	-	-	2,829
Other operating income	5,092	151,876	2,961	390	40,901	842	(9,105)	192,957
Net income	16,005	165,752	3,822	1,351	40,844	1,413	(6,598)	222,589
Other operating expenses	(14,169)	(131,654)	(4,289)	(945)	(33,230)	(5,031)	4,045	(185,273)
Credit loss reversal	87	198	-	31	-	402	36	754
Bad debt recovery	-	1	-	-	-	-	-	1
Share of results of associates and a joint venture company	-	-	-	-	-	4,621	-	4,621
Profit/(loss) before taxation and zakat	1,923	34,297	(467)	437	7,614	1,405	(2,517)	42,692
Taxation and zakat								(8,425)
Net profit for the financial period								<u>34,267</u>

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A32. Segmental reporting (cont'd.)

	Investment banking and stockbroking RM'000	Futures broking RM'000	Money lending and financing RM'000	Investment and wealth management RM'000	Corporate and Others RM'000	Elimination/ consolidation adjustments RM'000	Notes	Total RM'000
2021 (cont'd.)								
Other information								
Net interest and finance income/(expense)	21,960	861	961	(57)	571	2,507		26,803
Depreciation and amortisation	(3,251)	(119)	(38)	(1,006)	(2,517)	365		(6,566)
Non cash expenses								
- Unrealised gain/(loss) on revaluation of financial assets at FVTPL and derivatives	119,392	-	-	-	-	(3,103)		116,289
Assets								
Investments in associate companies	-	-	-	-	77,327	-		77,327
Investment in a joint venture company	-	-	-	-	28,869	-		28,869
Addition to non-current assets	5,256	-	-	706	-	-	A	5,962
Segment assets	6,694,125	432,111	88,029	246,682	15,309	(361,797)	B	7,114,459
Liabilities								
Segment liabilities	5,707,428	414,378	68,800	161,592	1,352	(220,977)	C	6,132,573

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A32. Segmental reporting (cont'd.)

	Investment banking RM'000	Stock broking RM'000	Futures broking RM'000	Money lending and financing RM'000	Investment and wealth management RM'000	Corporate and Others RM'000	Elimination/ consolidation adjustments RM'000	Total RM'000
2020								
Revenue								
External sales (Restated)	47,789	87,025	3,676	2,956	23,437	450	-	165,333
- Interest income	38,530	30,213	888	2,613	(136)	181	-	72,289
- Fee income	4,255	51,870	2,788	343	23,173	279	-	82,708
- Trading and investment income	4,550	3,673	-	-	34	-	-	8,257
- Other operating income/(loss)	454	1,269	-	-	366	(10)	-	2,079
Inter-segment sales (Restated)	16,394	(16,309)	201	-	1,859	2,632	(4,777)	-
Total revenue	64,183	70,716	3,877	2,956	25,296	3,082	(4,777)	165,333
Result								
Net interest income/(expense)	6,785	9,410	841	1,092	(382)	1,924	1,768	21,438
Net income from Islamic banking business	4,185	1,143	-	-	-	-	-	5,328
Other operating income	6,444	56,393	2,864	574	25,592	2,177	(3,474)	90,570
Net income	17,414	66,946	3,705	1,666	25,210	4,101	(1,706)	117,336
Other operating expenses	(13,094)	(70,101)	(4,138)	(1,036)	(24,702)	(2,245)	1,020	(114,296)
Credit loss reversal/(expense)	1,002	(10,657)	-	23	-	4	(635)	(10,263)
Bad debt (written-off)/recovery	(53)	241	-	-	-	40	-	228
Share of results of associates and a joint venture company	-	-	-	-	-	(603)	-	(603)
Profit/(loss) before taxation and zakat	5,269	(13,571)	(433)	653	508	1,297	(1,321)	(7,598)
Taxation and zakat								651
Net loss for the financial period								(6,947)

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A32. Segmental reporting (cont'd.)

	Investment banking and stockbroking RM'000	Futures broking RM'000	Investment and wealth management RM'000	Money lending and financing RM'000	Corporate and Others RM'000	Elimination/ consolidation adjustments RM'000	Notes	Total RM'000
2020 (cont'd.)								
Other information								
Net interest and finance income/ (expense)	6,785	9,410	841	1,092	(382)	1,924	1,768	21,438
Depreciation and amortisation	(3,207)	(153)	(49)	(766)	(2,230)	363	-	(6,042)
Non cash expenses								
- Unrealised gain on evaluation of financial assets at FVTPL and derivatives	1,197	-	-	-	-	-	-	1,197
Assets								
Investments in associate companies	-	-	-	-	63,738	-		63,738
Investment in a joint venture company	-	-	-	-	14,711	-		14,711
Addition to non-current assets	4,547	-	440	743	-	-	A	5,730
Segment assets	6,635,519	275,646	136,904	214,792	14,459	(342,944)	B	6,934,376
Liabilities								
Segment liabilities	5,709,216	255,034	123,713	158,727	736	(185,371)	C	6,062,055

Notes

A Additions to non-current assets consist of:

	2021 RM'000	2020 RM'000
Property, plant and equipment		
- Additions during the financial period	4,270	2,970
Intangible assets		
- Additions during the financial period	1,692	2,760
	<u>5,962</u>	<u>5,730</u>

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A32. Segmental reporting (cont'd.)

B The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position.

	2021	2020
	RM'000	RM'000
Investment in subsidiaries	(105,952)	(94,942)
Investment in associates and joint venture	9,218	(18,529)
Intangible assets	(40,095)	(40,095)
Inter-segment assets	(224,968)	(189,378)
	<u>(361,797)</u>	<u>(342,944)</u>

C The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

	2021	2020
	RM'000	RM'000
Deposits accepted from subsidiaries	(90,707)	(51,998)
Inter-segment liabilities	(130,270)	(133,373)
	<u>(220,977)</u>	<u>(185,371)</u>

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A33. Operations of Islamic Banking

(a) Unaudited Statement of Financial Position
As at 31 March 2021

	Note	Group and Bank	
		As at	As at
		31 March 2021 RM '000	31 December 2020 RM '000
ASSETS			
Cash and bank balances	(e)	440,081	452,323
Financial assets at FVTPL	(f)	110,207	100,000
Financial investment at FVOCI	(g)(i)	130,870	228,701
Financial investment at AC	(g)(ii)	58,778	66,822
Financing and advances	(h)	114,898	113,928
Balances due from clients and brokers		18,838	1,459
Other assets	(i)	3,576	3,941
Property, plant and equipment		24	26
Intangible assets		2	2
TOTAL ASSETS		877,274	967,202
LIABILITIES			
Deposits from customers	(j)	408,767	665,493
Deposits and placements of banks and other financial institutions	(k)	100,000	-
Balances due to clients and brokers		4,143	4,409
Other liabilities	(l)	184,950	112,951
Deferred tax liabilities		934	1,613
Provision for taxation and zakat		907	4,342
TOTAL LIABILITIES		699,701	788,808
ISLAMIC BANKING CAPITAL FUNDS			
Islamic banking funds		120,000	120,000
Reserves		57,573	58,394
TOTAL ISLAMIC BANKING CAPITAL FUNDS		177,573	178,394
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		877,274	967,202
Commitments and contingencies	(s)	63,259	61,560

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A33. Operations of Islamic Banking (cont'd.)

(b) Unaudited Statement Of Profit Or Loss And Other Comprehensive Income
For the financial period ended 31 March 2021

		Group and Bank			
		Individual Quarter		Cumulative Quarter	
		3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000
Income derived from investment of depositors' funds	(m)	6,393	14,151	6,393	14,151
Income derived from investment of shareholders' funds	(n)	1,474	2,087	1,474	2,087
Credit loss reversal		13	145	13	145
Total attributable income		7,880	16,383	7,880	16,383
Profit distributed to depositors	(o)	(4,815)	(10,392)	(4,815)	(10,392)
Net income		3,065	5,991	3,065	5,991
Finance cost		(223)	(518)	(223)	(518)
Personnel costs	(p)	(194)	(190)	(194)	(190)
Other overhead expenses	(q)	(840)	(718)	(840)	(718)
Profit before taxation and zakat		1,808	4,565	1,808	4,565
Taxation and zakat		(477)	(1,179)	(477)	(1,179)
Profit for the financial period		1,331	3,386	1,331	3,386
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss:					
Fair value loss on debt instruments at FVOCI		(2,827)	(533)	(2,827)	(533)
Income tax related to the above items		679	127	679	127
Total other comprehensive loss for the financial period, net of tax		(2,148)	(406)	(2,148)	(406)
Total comprehensive (loss)/income for the financial period, net of tax		(817)	2,980	(817)	2,980

For consolidation with the conventional banking operations, income from Islamic Banking Window operations as shown on the face of the consolidated statements of profit or loss and statements of profit or loss, comprised of the following items:

Income derived from investment of depositors' funds	6,393	14,151	6,393	14,151
Income derived from investment of shareholders' funds	1,474	2,087	1,474	2,087
Total income before impairment allowances and overhead expenses	7,867	16,238	7,867	16,238
Profit distributed to depositors	(4,815)	(10,392)	(4,815)	(10,392)
Finance cost	(223)	(518)	(223)	(518)
Income from Islamic Banking Window operations reported in the statement of profit or loss of the Group and the Bank	2,829	5,328	2,829	5,328

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A33. Operations Of Islamic Banking (cont'd.)

(c) Statement Of Changes In Islamic Banking Funds
For the financial period ended 31 March 2021

Group and Bank

	Non-Distributable					Distributable	Total RM'000
	Islamic Banking Fund RM'000	Fair value Reserve RM'000	Regulatory Reserve RM'000	ESS Reserves RM'000	Capital Reserve RM'000	Retained Profits RM'000	
At 1 January 2021	120,000	5,036	2,442	19	5,248	45,649	178,394
Profit for the financial period	-	-	-	-	-	1,331	1,331
Other comprehensive loss for the financial period	-	(2,148)	-	-	-	-	(2,148)
Share based payment under ESS	-	-	-	2	-	(6)	(4)
Transfer to retained profits	-	-	-	(7)	-	7	-
Transfer from regulatory reserve	-	-	(100)	-	-	100	-
At 31 March 2021	120,000	2,888	2,342	14	5,248	47,081	177,573
At 1 January 2020	120,000	3,517	2,503	15	5,248	33,221	164,504
Profit for the financial period	-	-	-	-	-	3,386	3,386
Other comprehensive loss for the financial period	-	(406)	-	-	-	-	(406)
Share based payment under ESS	-	-	-	1	-	-	1
Transfer to regulatory reserve	-	-	300	-	-	(300)	-
At 31 March 2020	120,000	3,111	2,803	16	5,248	36,307	167,485

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A33. Operations of Islamic Banking (cont'd.)

(d) Unaudited Condensed Statements Of Cash Flows
For the financial period ended 31 March 2021

	Group and Bank	
	31 March 2021 RM '000	31 March 2020 RM '000
Cash flows from operating activities		
Profit before tax expense and zakat	1,808	4,565
Adjustments for:		
Depreciation of plant and equipment	2	2
Amortisation of intangible assets	-	8
Credit loss reversal	(13)	(145)
Net loss/(gain) from sale of financial assets at FVTPL	742	(1,387)
Net gain from sale of financial investments other than those measured at FVTPL	-	(2)
Loss on revaluation of financial assets at FVTPL	368	2
Operating profit before working capital changes	<u>2,907</u>	<u>3,043</u>
Changes in operating assets:		
Financing and advances	(1,008)	19,118
Balances due from clients and brokers	(17,380)	(5,022)
Other assets	361	(452)
Changes in operating liabilities:		
Deposits from customers	(256,726)	95,723
Deposits and placements of banks and other financial institutions	100,000	-
Balances due to clients and brokers	(266)	(398)
Other liabilities	68,083	4,340
Net cash (used in)/generated from operating activities	<u>(104,029)</u>	<u>116,352</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(6)
Net sale/(purchase) of securities	91,787	(430,000)
Net investing cash flow	<u>91,787</u>	<u>(430,006)</u>
Net change in cash and cash equivalents	(12,242)	(313,654)
Cash and cash equivalents at beginning of the financial period	<u>452,323</u>	<u>982,933</u>
Cash and cash equivalents at end of the financial period	<u>440,081</u>	<u>669,279</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A33. Operations Of Islamic Banking (cont'd.)

	Group and Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
(e) Cash and bank balances		
Current account with Bank Negara Malaysia and banks	30,081	30,323
Money at call and deposit placements with:		
Licensed banks	110,000	172,000
Bank Negara Malaysia	100,000	200,000
Domestic non-bank financial institutions	200,000	50,000
	<u>440,081</u>	<u>452,323</u>
(f) Financial assets at FVTPL		
At Fair Value		
Money Market Instruments:		
Malaysian Government Investment Certificates	10,207	-
Unquoted Securities in Malaysia:		
Funds	100,000	100,000
	<u>110,207</u>	<u>100,000</u>
(g) Financial investments other than those measured at FVTPL		
(i) Financial investments at FVOCI		
(a) Money market instruments:		
Malaysian Government Investment Certificates	41,644	42,088
Negotiable Instruments of Deposits	-	99,974
	<u>41,644</u>	<u>142,062</u>
(b) Debt instruments:		
Corporate Sukuk	89,226	86,639
Total financial investments at FVOCI	<u>130,870</u>	<u>228,701</u>
(ii) Financial investments at AC		
(a) Money market instruments:		
Malaysian Government Investment Certificates	9,995	-
Debt instruments:		
Corporate Sukuk	48,783	66,878
Less: Allowance for ECL	-	(56)
Total financial investment at AC	<u>58,778</u>	<u>66,822</u>
Total financial investments other than those measured at FVTPL	<u>189,648</u>	<u>295,523</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A33. Operations Of Islamic Banking (cont'd.)

(g) Financial investment other than those measured at FVTPL (cont'd.)

(iii) Impairment losses on financial instruments subject to impairment assessment

Debt instruments measured at AC:

An analysis of changes in the ECLs is as follows:

Group and Bank

	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2021	56	-	-	56
Assets derecognised or repaid (excluding write-offs)	(4)	-	-	(4)
Impact of net re-measurement of ECL	(52)	-	-	(52)
As at 31 March 2021	-	-	-	-
	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2020	-	-	-	-
New assets originated or purchased	73	-	-	73
Impact of net re-measurement of ECL	(17)	-	-	(17)
As at 31 December 2020	56	-	-	56

Group and Bank	
As at 31 March 2021 RM'000	As at 31 December 2020 RM'000

(h) Financing and advances at AC

Commodity Murabahah share margin financing		
- Shariah contract - others	13,689	14,293
Commodity Murabahah revolving credit		
- Shariah contract - others	70,105	70,353
Commodity Murabahah term financing		
- Shariah contract - others	31,361	29,501
Gross financing and advances	115,155	114,147
Less: Allowance for ECL	(257)	(219)
Net financing and advances	114,898	113,928

(i) Gross financing and advances analysed by type of customer are as follows:

Domestic business enterprise - others	59,272	55,648
Individuals	55,883	58,499
	115,155	114,147

(ii) Gross financing and advances analysed by geographical distribution are as follows:

In Malaysia	115,155	114,147
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NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A33. Operations Of Islamic Banking (cont'd.)

Group and Bank	
As at 31 March 2021 RM'000	As at 31 December 2020 RM'000

(h) Financing and advances (cont'd.)

(iii) Gross financing and advances analysed by profit rate sensitivity are as follows:

Fixed rate	13,689	14,293
Variable rate - Cost plus	101,466	99,854
	115,155	114,147

(v) Gross financing and advances analysed by economic purpose are as follows:

- Working capital	70,102	70,351
- Purchase of securities	39,499	40,096
- Others	5,554	3,700
	115,155	114,147

(vi) Gross financing and advances analysed by residual contractual maturity are as follows:

- Within one year	86,834	110,445
- More than one year	28,321	3,702
	115,155	114,147

(vii) Impairment allowance for financing and advances are as follows:

Group and Bank

	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>Movements in ECL</u>				
As at 1 January 2021	219	-	-	219
New assets originated or purchased	19	-	-	19
Assets derecognised or repaid (excluding write-offs)	(3)	-	-	(3)
Net remeasurement of allowance	22	-	-	22
As at 31 March 2021	257	-	-	257
	2020			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>Movements in ECL</u>				
As at 1 January 2020	645	-	-	645
New assets originated or purchased	322	-	-	322
Assets derecognised or repaid (excluding write-offs)	(521)	-	-	(521)
Net remeasurement of allowance	(227)	-	-	(227)
As at 31 December 2020	219	-	-	219

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A33. Operations Of Islamic Banking (cont'd.)

	Group and Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
(i) Other Assets		
Income receivables	3,503	3,893
Prepayment	8	15
Other receivables	124	88
Less: Allowance for ECL	(59)	(55)
	<u>3,576</u>	<u>3,941</u>

Group and Bank

Movements in ECL

As at 1 January 2021	17	38	55
New assets originated or purchased	5	-	5
Transfer of stages during the period	(7)	7	-
Net remeasurement of allowance	-	(1)	(1)
As at 31 March 2021	<u>15</u>	<u>44</u>	<u>59</u>

2021		
Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
17	38	55
5	-	5
(7)	7	-
-	(1)	(1)
<u>15</u>	<u>44</u>	<u>59</u>

Movements in ECL

As at 1 January 2020	2	58	60
New assets originated or purchased	15	-	15
Transfer of stages during the year	-	(25)	(25)
Net remeasurement of allowance	-	5	5
As at 31 December 2020	<u>17</u>	<u>38</u>	<u>55</u>

2020		
Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
2	58	60
15	-	15
-	(25)	(25)
-	5	5
<u>17</u>	<u>38</u>	<u>55</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A33. Operations Of Islamic Banking (cont'd.)

	Group and Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
(j) Deposits from customers		
(i) By type of deposit		
Term deposits		
- Tawarruq (Commodity Murabahah deposits)	408,767	665,493
	<u>408,767</u>	<u>665,493</u>
(ii) By type of customers		
Domestic non-bank institutions	191,303	438,864
Government and other statutory bodies	200,000	200,000
Business enterprises	16,889	26,056
Individuals	575	573
	<u>408,767</u>	<u>665,493</u>
(iii) By maturity		
- Due within six months	159,056	345,910
- Due more than six months	249,711	319,583
	<u>408,767</u>	<u>665,493</u>
(k) Deposits and placements of banks and other financial institutions		
Other financial institutions	100,000	-
	<u>100,000</u>	<u>-</u>
(l) Other liabilities		
Mudarabah Specific Investment Account	35,747	36,000
Profit payable	3,734	5,309
Other payable	145,469	71,642
	<u>184,950</u>	<u>112,951</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A33. Operations Of Islamic Banking (cont'd.)

	Group and Bank Individual Quarter		Group and Bank Cumulative Quarter	
	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000
(m) Income derived from investment of depositors' funds				
Finance income and hibah				
Financing and advances	715	944	715	944
Deposits placements with financial institutions	1,667	5,610	1,667	5,610
Financial investment other than those measured at FVTPL	2,178	3,448	2,178	3,448
Accretion of discount	(159)	(186)	(159)	(186)
	<u>4,401</u>	<u>9,816</u>	<u>4,401</u>	<u>9,816</u>
Other operating (loss)/income				
Net (loss)/gain on sale of financial assets at FVTPL	(1,110)	1,385	(1,110)	1,385
Net gain on sale of financial investments other than those measured at FVTPL	-	2	-	2
Fees on financing and advances	50	205	50	205
Brokerage fee	1,649	977	1,649	977
Profit income from financial assets at FVTPL	1,345	1,796	1,345	1,796
Advisory fee	102	36	102	36
Direct trading fees	(48)	(74)	(48)	(74)
Other non-operating income	4	8	4	8
	<u>1,992</u>	<u>4,335</u>	<u>1,992</u>	<u>4,335</u>
Total income derived from investment of depositors' funds	<u>6,393</u>	<u>14,151</u>	<u>6,393</u>	<u>14,151</u>
(n) Income/(loss) derived from investment of shareholders' funds				
Finance income and hibah				
Financing and advances	869	1,891	869	1,891
Financial investments other than those measured at FVTPL	671	215	671	215
Accretion of discounts	(66)	(19)	(66)	(19)
	<u>1,474</u>	<u>2,087</u>	<u>1,474</u>	<u>2,087</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A33. Operations Of Islamic Banking (cont'd.)

	Group and Bank Individual Quarter		Group and Bank Cumulative Quarter	
	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000
(o) Profit distributed to depositors				
Deposits from customers and financial institutions				
- Murabahah Fund	4,260	9,498	4,260	9,498
Others	555	894	555	894
	4,815	10,392	4,815	10,392
(p) Personnel costs				
- Salaries, wages, allowances and bonus	155	149	155	149
- EPF	24	23	24	23
- Other staff related expenses	15	18	15	18
	194	190	194	190
(q) Other overhead expenses:				
Establishment costs				
- Depreciation	2	2	2	2
- Amortisation	-	8	-	8
- Office rental	14	14	14	14
- Repairs and maintenance	-	1	-	1
- Others	2	1	2	1
	18	26	18	26
Administration and general expenses				
- Fees and brokerage	264	85	264	85
- Support service charges	464	477	464	477
- Shariah committee expenses	29	54	29	54
- Others	65	76	65	76
	822	692	822	692
Total other overhead expenses	840	718	840	718

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A33. Operations Of Islamic Banking (cont'd.)

	Group and Bank	
	As at 31 March 2021 RM'000	As at 31 December 2020 RM'000
(r) Capital adequacy		
CET 1 / Tier 1 Capital		
Islamic Banking funds	120,000	120,000
Retained profits	45,751	45,650
Other intangibles		
Other reserves	10,491	12,745
Less:		
Intangible assets	(2)	(2)
55% of cumulative gains on financial investments at FVOCI	(1,589)	(2,771)
Regulatory reserves	(2,341)	(2,441)
Total CET 1 / Tier 1 capital	<u>172,310</u>	<u>173,181</u>
Tier 2 Capital		
Impairment provision	2,599	2,718
Total Tier 2 capital	<u>2,599</u>	<u>2,718</u>
Total capital	<u>174,909</u>	<u>175,899</u>
CET 1 capital ratio	64.409%	64.540%
Tier 1 capital ratio	64.409%	64.540%
Total capital ratio	<u>65.381%</u>	<u>65.553%</u>

The breakdown of risk-weighted assets (excluding any deferred tax assets) in the various categories of risk-weights are as follows:

	Group and Bank			
	As at 31 March 2021		As at 31 December 2020	
	RM'000	RM'000	RM'000	RM'000
	Notional amount	Risk- weighted amount	Notional amount	Risk- weighted amount
Credit risk	796,035	232,328	897,330	238,272
Market risk	-	5,231	-	-
Operational risk	-	29,964	-	30,060
Total Risk Weighted Assets	<u>796,035</u>	<u>267,523</u>	<u>897,330</u>	<u>268,332</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A33. Operations Of Islamic Banking (cont'd.)

(s) Commitments and contingencies

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

As at reporting date, the commitment and contingencies are as follows:

	Group and Bank	
	As at	As at
	31 March	31 December
	2021	2020
	Principal	Principal
	amount	amount
	RM'000	RM'000
Commitments to extend credit with maturity of less than 1 year:		
- share margin financing	11,932	7,977
Other commitments with an original maturity of less than 1 year:		
- corporate financing	40,052	39,808
Other commitments with an original maturity of more than 1 year:		
- corporate financing	11,275	13,775
	<u>63,259</u>	<u>61,560</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD

B1. Performance Review

Group:

	Individual period		Cumulative period	
	3 months ended	3 months ended	3 months ended	3 months ended
	31 March 2021 (1Q21)	31 March 2020 (1Q20)	31 March 2021 (1Q21)	31 March 2020 (1Q20)
(RM'000)				
Revenue	250,123	165,333	250,123	165,333
Net income	222,589	117,336	222,589	117,336
Profit/(Loss) before tax	42,692	(7,598)	42,692	(7,598)
Profit/(Loss) after tax	34,267	(6,947)	34,267	(6,947)

The Group's revenue was higher for 1Q21 compared to 1Q20 mainly due to higher brokerage fee, management fee income, investment banking fees and trading and investment income.

The Group reported profit before tax ("PBT") of RM42.7 million for current quarter ("1Q21") as compared to loss before tax ("LBT") of RM7.6 million for corresponding quarter in the previous year 2020 ("1Q20") mainly due to higher contribution from stockbroking and investment management businesses as well as higher share of profits from the joint venture with Rakuten Trade.

Performance analysis of the Group's major operating segments are as follows:

Stockbroking:

	Individual period		Cumulative period	
	3 months ended	3 months ended	3 months ended	3 months ended
	31 March 2021 (1Q21)	31 March 2020 (1Q20)	31 March 2021 (1Q21)	31 March 2020 (1Q20)
(RM'000)				
Revenue	169,000	70,716	169,000	70,716
Net income	165,752	66,946	165,752	66,946
Profit/(Loss) before tax	34,297	(13,571)	34,297	(13,571)

PBT of RM34.3 million was recorded for stockbroking segment for current quarter mainly due to higher net brokerage income and trading and investment income generated during 1Q21.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD

B1. Performance Review (cont'd.)

Investment Banking:

	Individual period		Cumulative period	
	3 months ended	3 months ended	3 months ended	3 months ended
	31 March 2021 (1Q21)	31 March 2020 (1Q20)	31 March 2021 (1Q21)	31 March 2020 (1Q20)
(RM'000)				
Revenue	41,770	64,183	41,770	64,183
Net income	16,005	17,414	16,005	17,414
Profit before tax	1,923	5,269	1,923	5,269

Investment Banking ("IB") registered lower PBT for 1Q21 compared to 1Q20 mainly due to net trading and investment loss and lower net interest income recorded for 1Q21.

Investment and Wealth Management:

	Individual period		Cumulative period	
	3 months ended	3 months ended	3 months ended	3 months ended
	31 March 2021 (1Q21)	31 March 2020 (1Q20)	31 March 2021 (1Q21)	31 March 2020 (1Q20)
(RM'000)				
Revenue	36,153	25,296	36,153	25,296
Net income	40,844	25,210	40,844	25,210
Profit before tax	7,614	508	7,614	508

Investment and Wealth Management recorded higher PBT for 1Q21 compared to 1Q20 mainly due to higher management fees income generated for the period.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance Review (cont'd.)

Futures Broking:

	Individual period		Cumulative period	
	3 months ended	3 months ended	3 months ended	3 months ended
	31 March 2021 (1Q21)	31 March 2020 (1Q20)	31 March 2021 (1Q21)	31 March 2020 (1Q20)
(RM'000)				
Revenue	4,038	3,877	4,038	3,877
Net income	3,822	3,705	3,822	3,705
Loss before tax	(467)	(433)	(467)	(433)

Futures business has recorded higher LBT as a result of higher overheads partially mitigated by improved net interest income and commission generated.

Money Lending and Financing:

	Individual period		Cumulative period	
	3 months ended	3 months ended	3 months ended	3 months ended
	31 March 2021 (1Q21)	31 March 2020 (1Q20)	31 March 2021 (1Q21)	31 March 2020 (1Q20)
(RM'000)				
Revenue	2,038	2,956	2,038	2,956
Net income	1,351	1,666	1,351	1,666
Profit before tax	437	653	437	653

This segment recorded a decrease in PBT for 1Q21 compared to 1Q20 mainly due to lower net interest and profit income registered during the current period.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD

B1. Performance Review (cont'd.)

Corporate and others:

	Individual period		Cumulative period	
	3 months ended	3 months ended	3 months ended	3 months ended
	31 March 2021 (1Q21)	31 March 2020 (1Q20)	31 March 2021 (1Q21)	31 March 2020 (1Q20)
(RM'000)				
Revenue	2,300	3,082	2,300	3,082
Net income	1,413	4,101	1,413	4,101
Profit before tax	1,405	1,297	1,405	1,297

Higher PBT for the current quarter was recorded for this segment compared to previous corresponding quarter mainly due to higher share of profits from investment in the joint venture and reversal of credit loss expense.

B2. Explanatory comments on any material change in profit before taxation for current quarter as compared with the immediate preceding quarter

Current quarter versus previous quarter

Group:

	Current quarter	Previous quarter
	3 months ended 31 March 2021 (1Q21)	3 months ended 31 December 2020 (4Q20)
(RM'000)		
Revenue	250,123	276,815
Net income	222,589	248,167
Profit before tax	42,692	53,082
Profit after tax	34,267	39,336

For 1Q21, the Group has recorded lower PBT of RM42.7 million compared to previous quarter ended 31 December 2020 mainly due to lower net trading and investment income and investment banking fees income partially mitigated by higher brokerage income.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B3. Prospects for 2021

The Malaysian economy is expected to remain in contraction in the 1Q21 (-0.4%; 4Q20: -3.4%) amid the reimposition of the Movement Control Order at the beginning of the year. In the 2Q21 onwards, we foresee a resumption of a stronger pace of economic recovery, with the 2021 growth forecasted to register at 6.5% (2020F: -5.6%). This is underscored by progress in the global COVID-19 vaccination drive, deployment of additional fiscal stimulus, technology upcycle and the imminent release of pent-up demand.

Our forecast remains subject to several downside risks including the Europe's third wave of COVID-19 infections, renewed US-China tensions, domestic political uncertainty and a potential resurgence of domestic COVID-19 cases.

As for the monetary policy, we expect BNM to leave the overnight policy rate (OPR) at 1.75% for the rest of the year given the prospect of economic recovery. Nonetheless, should there be a fourth wave of COVID-19 infections leading to the reintroduction of lockdown restrictions, we believe that BNM still has the capacity to cut the OPR by another 25 to 50 basis points.

Fiscal policy stance is expected to remain expansionary in a bid to ensure a sustainable economic recovery. Given the higher expenditure in the first two months of this year, additional stimulus package (i.e. RM20b PEMERKASA) and the introduction of new emergency law which allows the government to approve additional spending without seeking the Parliament's approval, we project fiscal deficit to edge up to 6.3% of GDP in 2021 (2020: 6.2%).

1Q21 Bursa daily average daily volume ("ADV") was at RM10.0 billion which is higher than the 2020 ADV of RM8.6 billion reflecting the continued interest in the market. While we noticed the month to date May 2021 ADV has reduced to RM8 billion due to lack of catalysts, our market share remained high at 12.2%. We are cautiously optimistic that the volume will be better in the second half of the year as the economy recovers and COVID vaccination rate goes up. In the meantime, we will continue our digital agendas to drive our costs down as well to acquire new customers.

B4. Variance From Profit Forecast And Profit Guarantee

This is not applicable as the Company did not issue any profit forecast or profit guarantee during the financial period.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

SELECTED EXPLANATORY NOTES
REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD

B5. Taxation and zakat

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000
Income tax and zakat	(1,234)	(204)	(1,234)	(204)
Deferred taxation	(7,191)	855	(7,191)	855
Total	<u>(8,425)</u>	<u>651</u>	<u>(8,425)</u>	<u>651</u>

The effective tax rate of the Group was lower than the statutory tax rate principally due to the impact from the exclusion of the share of profit of associates and joint venture in the tax computation.

B6. Borrowings

	Group		Bank	
	As at 31 March 2021 RM '000	As at 31 December 2020 RM '000	As at 31 March 2021 RM '000	As at 31 December 2020 RM '000
Secured				
Revolving bank loan denominated in RM				
- More than one year	27,600	30,400	27,600	30,400
Unsecured				
Revolving bank loans denominated in RM				
- Within one year	9,000	23,000	-	-
Subordinated notes denominated in RM				
- More than one year	122,000	122,000	122,000	122,000
	<u>158,600</u>	<u>175,400</u>	<u>149,600</u>	<u>152,400</u>

B7. Dividend

The Company had, after obtaining Bank Negara Malaysia's approval, make an announcement to Bursa Malaysia Securities Berhad on 18 March 2021 in respect of the declaration of a total Single Tier Interim Dividend of 8.8 sen per share in respect of the financial year ended 31 December 2020 comprising Ordinary Interim Dividend of 4.00 sen per share and Special Interim Dividend of 4.80 per share. This Single Tier Interim Dividend which amounted to RM64,213,435 based on the issued and paid-up capital of 729,698,099 ordinary shares was paid on 20 April 2021.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

SELECTED EXPLANATORY NOTES
REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD

B8. Earnings per share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000	3 months ended 31 March 2021 RM'000	3 months ended 31 March 2020 RM'000
Profit/(Loss) for the period/year attributable to equity holders of the Bank	34,161	(6,947)	34,161	(6,947)
Weighted average number of ordinary shares in issue ('000)	714,291	698,687	714,291	698,687
Effects of dilution	24,148	-	24,148	-
Adjusted weighted average number of ordinary shares in issue ('000)	738,439	698,687	738,439	698,687
Earnings/(Loss) per share (sen)				
- basic	4.78	(0.99)	4.78	(0.99)
- fully diluted	4.63	(0.99)	4.63	(0.99)

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

B9. Changes in Material Litigation

The status of material litigations is disclosed in note B12.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B10. Status of corporate proposal

On 1 April 2020, the Bank announced that Kenanga Investors Berhad (“KIB”), a wholly-owned subsidiary of KIBB, has on 1 April 2020, entered into a conditional Share Purchase Agreement (“SPA”) with Ericsenz Partners Sdn Bhd (“Ericsenz Partners”) to dispose of the entire issued share capital of Libra Invest Berhad (“Libra Invest”) comprising 6,500,000 ordinary shares in Libra Invest held by KIB, subject to the terms and conditions as stipulated in the SPA.

On 1 July 2020, KIB and Ericsenz Partners have mutually agreed to extend the period required for both parties to fulfil the conditions precedent stipulated in the conditional SPA for a further period of three (3) months commencing from 1 July 2020 to 30 September 2020.

On 30 July 2020, Libra Invest has submitted an application to the Securities Commission Malaysia to seek its approval for the change of Libra Invest's shareholder from KIB to Ericsenz Partners.

On 29 September 2020 and subsequently on 31 December 2020, KIB and Ericsenz Partners have mutually agreed to extend the period required for both parties to fulfil the conditions precedent stipulated in the conditional SPA for a further period of three (3) months commencing from 1 October 2020 to 31 December 2020, and subsequently from 1 January 2021 to 31 March 2021.

KIB and Ericsenz Partners have fulfilled all the conditions precedent as stipulated in the SPA on 1 April 2020, with the receipt of the approval on the proposed disposal from the Securities Commission Malaysia on 26 March 2021.

On 30 April 2021, KIB and Ericsenz Partners have completed the proposed disposal.

B11. Derivative financial instruments

Derivative financial instruments are as follows:

Group and Bank

Items	As at 31 March 2021		As at 31 December 2020	
	Contract/Notional Value RM'000	Fair Value RM'000	Contract/Notional Value RM'000	Fair Value RM'000
<u>Derivative financial assets</u>				
Equity related contract- options	27,685	34,640	47,685	53,343
Equity related contract- swaps	75,358	4,393	31,216	2,014
Equity related contract- forwards	57,354	51,482	57,354	40,079
Index futures	2,428	122	2,688	135
Dual currency investment- options	4,496	8	3,655	-
	167,321	90,645	142,598	95,571
<u>Derivative financial liabilities</u>				
Equity related contract- options	378,933	78,251	451,950	135,291
Equity related contract- swaps	16,382	2,437	19,467	2,095
Equity related contract- forwards	7,700	1,135	3,200	88
Dual currency investment- options	4,496	9	3,655	6
	407,511	81,832	478,272	137,480

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD

B11. Derivative financial instruments (Cont'd.)

Changes in the risk, cash requirement, policies in place and accounting policies reported in prior financial years

There have been no changes since the end of the previous financial year ended 31 December 2020 in respect of the following:

- (i) the market risk and credit risk associated with the derivatives;
- (ii) the cash requirements of the derivatives;
- (iii) the policies in place for mitigating or controlling the risks associated with the derivatives; and
- (iv) the related accounting policies

Types of derivative financial instruments

Options are contractual agreements or embedded in other financial instruments under which seller/issuer grants the purchaser the right, but not the obligation, either to buy a call option or sell a put option at or by a pre-defined date during a pre-defined period, a specific amount of an underlying assets at a pre-determined price.

The Seller may receive a premium from the purchaser in consideration of risk. Options may be either exchange-traded, negotiated between the purchaser and the seller at the over-the-counter market or embedded components in other financial instruments.

A swap is an agreement between two parties to exchange a series of future cash flows. Each cash flow comprises one leg of the swap. One cash flow is generally fixed, while the other is variable and based on a benchmark interest rate, floating currency exchange rate or index price.

A swap contract is essentially a derivative contract in which the value of the contract derived from the assets it represents. These assets are called the underlying assets and their value typically changes, resulting in a change of the value of the derivative itself. Most swaps contracts are traded over-the-counter that are customized to the needs of both parties.

Purposes of engaging in derivative financial instruments

There have been no changes since the end of the previous financial year in respect of the type of derivative financial instruments, the rationale and expected benefits accruing to the Group from these derivative financial instruments.

Gain arising from fair value changes of derivative financial instruments

The unrealised gain arising from fair value changes of derivative financial instruments for the current quarter amounted to RM121,878,064 (4Q20 gain: RM47,068,083). This was arrived at based on the fluctuations in the market prices of the derivative financial instruments or underlying assets which are listed on Bursa Malaysia.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA
SECURITIES BERHAD

B12. Contingent liabilities

	Group and Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
(a) On 27 November 2019, the Bank was served with a sealed Writ of Summons and Statement of Claim filed by Lai Sing Foo ("the Plaintiff"). The Plaintiff is alleging that, inter alia, the second (2nd) Defendant (who is a Dealer's Representative ("DR") of KIBB has arranged for the Plaintiff to purchase shares of a public listed company with a promise to buy back at a higher price from the third (3rd) Defendant (a third party). The Plaintiff alleges that the 3rd Defendant has failed to buy back the said shares which caused the Plaintiff to suffer losses and claims, inter alia, the difference between the sale proceeds of the said shares and RM3.6 million. The Plaintiff's claims against KIBB are on the basis that, inter alia, the 2nd Defendant is a DR with KIBB. In this regard, KIBB will contest the Plaintiff's claim in the Court. The matter is fixed for case management on 7 April 2021 and the trial dates are from 11 to 13 August 2021.	<u>3,600</u>	<u>3,600</u>
(b) On 18 December 2019, the Bank was served with a sealed Writ of Summons and Statement of Claim filed by Opes Capital Berhad ("the Plaintiff"). The Plaintiff is alleging that, inter alia, the 1st Defendant (who was a dealer representative of KIBB) and another 3rd party had failed to purchase certain shares of a public listed company on its behalf upon transmitting a total of RM16,000,000, and had caused the Plaintiff to suffer losses. KIBB's solicitors are of the view that the claim against KIBB is without merit and KIBB will contest the claim in the court. The matter is fixed for continued hearing on 1 July 2021.	<u>16,000</u>	<u>16,000</u>

Based on legal advices obtained, the Board of Directors are of the opinion that the Bank has good grounds to defend these claims and that no provisions are necessary as at reporting date.