



Bank Pertanian Malaysia Berhad (Incorporated in Malaysia) Company Registration No: 200801010522 (811810-U) Leboh Pasar Besar, P.O. Box 10815, 50726 Kuala Lumpur

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 RM'000	2020 RM'000
Income derived from investment of depositors' funds and others	679,933	720,729
Income derived from investment of shareholder's funds	224,854	215,288
Allowance for impairment	(105,959)	(208,401)
Total distributable income	798,828	727,616
Income attributable to depositors	(155,056)	(236,203)
Total net income	643,772	491,413
Personnel expenses	(298,599)	(266,587)
Other overheads and expenditures	(182,017)	(170,530)
Finance costs	(17,443)	(13,970)
Profit before tax and zakat	145,713	40,326
Tax expense	(35,420)	(9,541)
Zakat	(3,643)	(2,917)
Net profit for the year	106,650	27,868
Other comprehensive (loss)/income: Items that may be reclassified to profit or loss		
Debt instruments at fair value through other comprehensive income ("FVOCI"):		
Net change in fair value during the financial year	(114,223)	87,784
Reclassification to profit or loss	(5,263)	(17,895)
Income tax related to the above	28,677	(16,773)
Total items that may be reclassified to profit or loss	(90,809)	53,116
Items that will not be reclassified to profit or loss		
Equity instruments at FVOCI:		
Net change in fair value during the financial year	15	110
Income tax related to the above	(4)	(26)
Total items that will not be reclassified to profit or loss	11	84
Other comprehensive (loss)/ income for the year, net of tax	(90,798)	53,200
Total comprehensive income for the year	15,852	81,068

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and zakat	145,713	40,326
Adjustments for:		
Allowance for impairment on financing and advances	131,936	250,462
Writeback of allowance for impairment on other advances	(318)	(987)
(Writeback)/ allowance for impairment on financial guarantees and financing commitments	(4,005)	3,693
Allowance for impairment on other assets	2	325
Depreciation of property, plant and equipment	25,645	23,594
Depreciation of right-of-use assets	11,134	10,518
Amortisation of computer software	18,599	17,497
Write off of property, plant and equipment	1	133
Accretion of discount less amortisation of premium	(5,786)	(4,488)
Gain on disposal of financial assets at FVOCI	(5,263)	(17,895)
Gross dividend income from financial assets at FVOCI	(6)	-
Management fees on Government Grant - Funds	(400)	-
Amortisation and utilisation of Government Grants:		
Government Grant - Operating	(4,716)	(251)
Government Grant - Launching	(414)	(409)
Government Grant - Funds	2,180	2,246
Finance costs	17,443	13,970
Finance cost for lease liabilities	1,495	1,454
Finance cost for provision for re-instatement	254	239
Gain on remeasurement of ROU assets	(499)	(110)
Provision made for retirement benefits scheme	1	42
Writeback made for compensation claim	-	(677)
Writeback/(utilisation) of Non-Shariah Income ("NSI")	14	(339)
Operating profit before working capital changes	333,010	339,343
Change in financing and advances	(590,167)	(1,451,121)
Change in other advances	1,445	4,827
Change in other assets	(12,112)	(4,632)
Change in deposits from customers	(799,297)	1,534,161
Change in deposit and placement of banks and other financial institutions	(188,029)	(676,616)
Change in other payables and accruals	30,524	(49,653)
Change in paddy credit gratuity scheme	(22)	(375)
Cash used in operating activities	(1,224,648)	(304,066)
Tax paid	(28,326)	(30,177)
Zakat paid	(2,952)	(4,629)
Net cash used in operating activities	(1,255,926)	(338,872)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVOCI	(763,233)	(1,501)
Proceeds from disposal of financial assets at FVOCI	447,674	525,377
Dividends received from financial assets at FVOCI	6	-
Purchase of property, plant and equipment	(26,724)	(28,535)
Purchase of computer software	(13,877)	(21,904)
Net cash (used in)/ generated from investing activities	(356,154)	473,437
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of lease liabilities	(11,111)	(10,291)
Additional funds received for Financing Scheme Funds	1,012,941	578,518
Payments of Financing Scheme Funds	(203,286)	(134,852)
Profits paid on Financing Scheme Funds	(12,464)	(13,086)
Additional funds received for Government Grant - Funds	232,082	-
Proceeds from issuance of Sukuk Wakalah	500,000	-
Dividends paid	(990)	(30,000)
Net cash generated from financing activities	1,517,172	390,289
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(94,908)	524,854
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,934,409	1,409,555
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,839,501	1,934,409
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash and short term funds	1,839,501	1,934,409

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 RM'000	2020 RM'000
Assets			
Cash and short term funds		1,839,501	1,934,409
Financial assets at fair value through other comprehensive income ("FVOCI")	1	3,413,200	3,206,063
Financing and advances	2	13,126,142	12,667,911
Other advances	3	1,902	3,029
Other assets		164,457	157,638
Property, plant and equipment		148,332	147,254
Intangible assets		25,404	30,126
Right-of-use assets		35,789	41,163
Deferred tax assets		1,570	-
TOTAL ASSETS		18,756,297	18,187,593
LIABILITIES AND EQUITY			
Liabilities			
Deposits from customers		8,292,500	9,091,797
Deposit and placement of banks and other financial institutions		2,415,527	2,603,556
Other liabilities			
Other payables and accruals		122,608	86,657
Paddy credit gratuity scheme		1,884	1,906
Expected credit loss ("ECL") allowance for financial guarantees and financing commitments		5,864	9,869
Lease liabilities		28,745	33,091
Deferred tax liabilities		-	29,776
Financing Scheme Funds		3,167,221	2,441,883
Government Grants			
Operating		18,041	22,757
Launching		1,668	2,082
Funds		993,084	673,043
Sukuk Wakalah	4	503,117	-
Total Liabilities		15,550,259	14,996,417
Equity			
Share capital		1,000,000	1,000,000
Reserves		2,206,038	2,191,176
Total Equity		3,206,038	3,191,176
TOTAL LIABILITIES AND EQUITY		18,756,297	18,187,593
Commitments and Contingencies	5	868,161	1,032,634

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Note	2021 RM'000	2020 RM'000
Equity investments	(i)	269	254
Debt investments	(ii)	3,412,931	3,205,809
		3,413,200	3,206,063

(i) **Equity investments**

	2021 RM'000	2020 RM'000
Quoted securities KUB Malaysia Berhad	269	254

(ii) **Debt investments**

Debt investments at FVOCI comprise the following investments having solely payments of principal and profit income:

	2021 RM'000	2020 RM'000
At fair value:		
Corporate sukuk	2,169,882	2,124,798
Government Investment Issues ("GII")	1,243,049	1,081,011
	3,412,931	3,205,809

Movements in ECL in respect of debt instruments at FVOCI are as follows:

	ECL Staging			Total RM'000
	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL Not Credit - Impaired RM'000	Stage 3 Lifetime ECL Credit - Impaired RM'000	
At 1 January 2020/31 December 2020/31 December 2021	524	7,184	-	7,708

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Non-distributable reserves				Distributable reserves	
	Share capital RM'000	Statutory reserves RM'000	FVOCI reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2021	1,000,000	487,109	138,382	34,951	1,530,734	3,191,176
Net profit for the year	-	-	-	-	106,650	106,650
Other comprehensive loss for the year	-	-	(90,798)	-	-	(90,798)
Total comprehensive (loss)/ income for the year	-	-	(90,798)	-	106,650	15,852
Dividends paid	-	-	-	-	(990)	(990)
At 31 December 2021	1,000,000	487,109	47,584	34,951	1,636,394	3,206,038
At 1 January 2020	1,000,000	487,109	85,182	34,951	1,532,866	3,140,108
Net profit for the year	-	-	-	-	27,868	27,868
Other comprehensive income for the year	-	-	53,200	-	-	53,200
Total comprehensive income for the year	-	-	53,200	-	27,868	81,068
Dividends paid	-	-	-	-	(30,000)	(30,000)
At 31 December 2020	1,000,000	487,109	138,382	34,951	1,530,734	3,191,176



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2. FINANCING AND ADVANCES

By Product (at amortised cost)	2021 RM'000	2020 RM'000
Agrocash	8,556,080	8,273,185
Project Financing	5,191,281	5,532,591
Fund For Food ("3F")	989,395	1,008,978
Ar-Rahnu	603,912	577,371
Fishery Boat Financing Scheme ("SPBP")	113,071	130,641
MUST-i	326,050	260,221
Oil Palm Replanting Scheme ("TASKS")	2,882	3,500
Bumiputera Commercial and Industrial Community Scheme ("MPPB")	57,479	67,814
Financing for Small and Medium Size Industries ("PKS")	90,510	103,633
Non-Food Production Credit Scheme ("SKPBM")	12,976	17,868
Food Production Credit Scheme ("SKPM")	67,819	86,701
Belia Tani Scheme	5,030	5,240
Fund For Small and Medium Size Industries ("TIKS")	20,029	11,313
Working Capital-i	218,906	222,012
Paddy Credit Scheme	80,688	86,334
Micro Economic Stimulus Package ("Micro ESP-i")	46,935	18,039
National Key Economic Area ("NKEA")	9,971	9,162
Murabahah Working Capital Financing	1,008,816	968,318
Insani	372	728
Bai Al-Dayn Working Capital Financing	86,429	61,278
MPPB Hub	149	678
Agro Cash Line-i	388,671	425,762
Hartani-i	1,365,436	1,288,485
Agro Flood Relief	-	217
Special Relief Facility	903,572	457,054
Commercial Agriculture Fund ("DPK3")	70,487	87,028
Agro Industrial Hire Purchase-i	47,622	26,984
Program Agropreneur Muda	29,378	4,935
Others	21,499	12,815
Staff financing and advances	170,012	176,225
	20,485,457	19,925,110
Less : Unearned profit	(6,743,643)	(6,699,421)
Gross financing and advances	13,741,814	13,225,689
Less :		
Stage 1 - 12-month ECL	(73,884)	(76,566)
Stage 2 - Lifetime ECL not credit-impaired	(109,217)	(80,099)
Stage 3 - Lifetime ECL credit-impaired	(432,571)	(401,113)
Net financing and advances at amortised cost	13,126,142	12,667,911
(i) The gross financing and advances by maturity is as follows:		
Maturity within six months	1,905,980	1,815,380
Between six months to one year	198,771	206,248
Between one year to three years	482,025	271,622
Between three years to five years	925,707	1,139,391
More than five years	10,229,331	9,793,048
	13,741,814	13,225,689
(ii) The gross financing and advances by sectors is as follows:		
Construction and Services	164,684	97,350
Fishery	642,588	647,409
Crops	4,779,547	4,724,145
Livestock	925,795	933,597
Manufacturing	1,512,212	1,499,986
Others-Primary Agriculture	52,116	79,819
Retail and Wholesale Trade	1,841,928	1,530,066
Household	3,660,210	3,524,704
Others	162,734	188,613
	13,741,814	13,225,689
(iii) The gross financing and advances by state is as follows:		
Kuala Lumpur	1,805,128	1,813,637
Selangor	1,531,392	1,471,267
Pahang	912,177	830,479
Perak	1,534,110	1,464,355
Negeri Sembilan	333,894	322,477
Melaka	597,068	625,150
Johor	1,263,771	1,227,867
Kelantan	757,634	697,058
Kedah	1,088,052	958,998
Perlis	120,830	194,513
Sarawak	1,302,761	1,259,683
Sabah	1,278,142	1,227,340
Pulau Pinang	688,589	635,674
Terengganu	528,266	497,191
	13,741,814	13,225,689
(iv) The gross financing and advances by profit rate sensitivity is as follows:		
Fixed rate :		
Fund For Food ("3F")	669,300	684,809
Project Financing	21,560	23,797
MUST-i	267,272	192,372
Agrocash	4,133	6,589
Special Relief Facility	666,027	347,728
Others	570,729	583,049
Variable rate :		
Agrocash	5,467,988	5,217,702
Project Financing	2,881,353	2,993,085
Murabahah Working Capital Financing	1,009,978	969,580
Hartani-i	704,214	658,974
Others	1,479,260	1,548,004
	13,741,814	13,225,689

2. FINANCING AND ADVANCES (cont'd)

(v) The gross financing and advances by financing by type and Shariah contract is as follows:

	Term Financing RM'000	Revolving Financing RM'000	Total RM'000
2021			
Qard	1,062	-	1,062
Bai-Al Inah	1,099,860	-	1,099,860
Tawarruq	7,567,570	1,578,962	9,146,532
Bai-Bithaman Ajil	3,371,935	-	3,371,935
Murabahah	86,376	-	86,376
Ijarah	36,049	-	36,049
	12,162,852	1,578,962	13,741,814
2020			
Qard	104,123	-	104,123
Bai-Al Inah	1,255,447	21	1,255,468
Tawarruq	6,655,980	1,567,192	8,223,172
Bai-Bithaman Ajil	3,561,808	-	3,561,808
Murabahah	61,228	-	61,228
Ijarah	19,890	-	19,890
	11,658,476	1,567,213	13,225,689

(vi) Movements in gross impaired financing and advances are as follows:

	2021 RM'000	2020 RM'000
At beginning of the year	889,048	511,789
Additions during the year	771,769	621,271
Reclassified as non impaired during the year	(475,528)	(87,715)
Recoveries during the year	(225,905)	(96,927)
Amount written off	(74,042)	(59,370)
At end of the year	885,342	889,048
Excluding Non-Shariah Assets		
Gross impaired	885,342	889,048
Gross impaired ratio	6.44%	6.72%
Including Non-Shariah Assets		
Gross impaired	887,726	893,380
Gross impaired ratio	6.46%	6.75%

(vii) Impaired financing by sector

Sectors:	2021 RM'000	2020 RM'000
Construction and Services	47,548	23,598
Fishery	49,438	54,431
Crops	365,985	417,395
Livestock	86,085	77,629
Manufacturing	54,916	70,160
Others-Primary Agriculture	5,708	3,166
Retail and Wholesale Trade	209,531	193,947
Others	66,131	48,722
	885,342	889,048

(viii) Impaired financing by state

States:	2021 RM'000	2020 RM'000
Kuala Lumpur	301,170	343,323
Selangor	130,697	83,308
Pahang	16,674	19,017
Perak	63,288	83,414
Negeri Sembilan	14,840	15,149
Melaka	13,192	15,835
Johor	92,788	83,009
Kelantan	47,174	37,305
Kedah	38,593	39,605
Perlis	4,019	3,935
Sarawak	24,812	25,970
Sabah	49,398	51,404
Pulau Pinang	38,585	44,145
Terengganu	50,112	43,629
	885,342	889,048

(ix) ECL

Movements in impairment allowances are as follows:

	ECL Staging			Total RM'000
	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL Not Credit-impaired RM'000	Stage 3 Lifetime ECL Credit-impaired RM'000	
Balance as at 1 January 2021	76,566	80,099	401,113	557,778
Transfer to Stage 1	19,921	(17,919)	(2,002)	-
Transfer to Stage 2	(11,473)	12,473	(1,000)	-
Transfer to Stage 3	(1,735)	(10,451)	12,186	-
Allowance made/(written back) during the year	(9,395)	45,015	96,316	131,936
New financing and advances originated*	22,001	6,914	22,901	51,816
Net remeasurement due to changes in credit risk	(22,987)	52,581	103,935	133,529
Financial assets that have been derecognised	(8,409)	(14,480)	(30,520)	(53,409)
Write off	-	-	(74,042)	(74,042)
Balance as at 31 December 2021	73,884	109,217	432,571	615,672
Balance as at 1 January 2020	75,451	24,993	266,242	366,686
Transfer to Stage 1	9,756	(5,293)	(4,463)	-
Transfer to Stage 2	(6,145)	8,503	(2,358)	-
Transfer to Stage 3	(1,805)	(10,508)	12,313	-
Allowance made/(written back) during the year	(691)	62,404	188,749	250,462
New financing and advances originated*	24,996	9,581	13,354	47,931
Net remeasurement due to changes in credit risk	(15,589)	55,118	181,500	221,029
Financial assets that have been derecognised	(10,098)	(2,295)	(6,105)	(18,498)
Write off	-	-	(59,370)	(59,370)
Balance as at 31 December 2020	76,566	80,099	401,113	557,778

* New financing and advances originated include those which were not credit-impaired at origination but the credit risk has deteriorated.



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SHARIAH COMMITTEE'S REPORT (cont'd)

We, **TUAN HAJI AZIZI BIN CHE SEMAN** and **Y.M. ENGKU AHMAD FADZIL BIN Y.M. ENGKU ALI**, being two of the members of the Shariah Committee of the Bank, to the best of our knowledge, do hereby confirm on behalf of the members of the Shariah Committee, that the operations of the Bank for the financial year ended 31 December 2021 have been conducted in conformity with Shariah.

TUAN HAJI AZIZI BIN CHE SEMAN

Chairman of the Committee

Kuala Lumpur, Malaysia
1 July 2022

**Y.M. ENGKU AHMAD FADZIL BIN
Y.M. ENGKU ALI**
Member of the Committee

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BANK PERTANIAN MALAYSIA BERHAD (Incorporated in Malaysia)

Report on the summary financial statements

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2021, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the financial year then ended, and related notes, are derived from the audited financial statements of Bank Pertanian Malaysia Berhad for the financial year ended 31 December 2021.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with presentation and disclosure requirements as prescribed by Bank Negara Malaysia.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BANK PERTANIAN MALAYSIA BERHAD (Incorporated in Malaysia) (cont'd)

Summary financial statements

The summary financial statements do not contain all the disclosures required by the Malaysian Financial Reporting Standards, as modified by Bank Negara Malaysia, as disclosed in Note 5(a) to the financial statements, and the Companies Act 2016 in Malaysia. Reading the summary financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements of Bank Pertanian Malaysia Berhad and the auditors' report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 1 July 2022.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with presentation and disclosure requirements as prescribed by Bank Negara Malaysia.

Auditors' responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with Malaysian Approved Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements".

Other Matters

Our report on the summary financial statements of Bank Pertanian Malaysia Berhad for the financial year ended 31 December 2021 is issued in compliance with Bank Negara Malaysia Guidelines and for no other purpose.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
1 July 2022

Wan Daneena Liza Bt Wan Abdul Rahman
No. 02978/03/2024 J
Chartered Accountant

BANK PERTANIAN MALAYSIA BERHAD 200801010522 (811810-U)



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