

ACTING CHIEF EXECUTIVE OFFICER REVIEW



Dear Valued Stakeholders,

In 2021, the Export-Import Bank of Malaysia (EXIM Bank, EXIM or the Bank) stayed committed in supporting the economy by fulfilling our mandate to assist SMEs with cash flow issues and facilitating their loans. We also maintained profitability by sustaining our income streams, leveraging risk through prudent decision making, and strengthening outreach and engagements.

The Malaysian banking system displayed resilience in 2021 despite the challenging operating environment against extended movement restrictions, moratoriums, and repayment assistance.

The unleashing of another nationwide movement control order (MCO 3.0) led to subdued domestic business and consumer sentiment for most of the year. The Malaysian government responded with the timely rollout of various packages and assistance in the form of economic stimulus packages and financial aid to address the economic hardships arising from the impact of the pandemic.

FY2021 FINANCIAL REVIEW

Despite the challenging economic environment, the Bank continues to engage with business communities to generate loan applications and sustained profitability at RM51.1 million. The achievements indicated the Bank's commitment in

managing and preserving the fund that it was entrusted with, to deliver our developmental role. Net impaired loans reduced to 12.19% from 13.45% in 2020. In addition, contribution from our Islamic Banking business also continued to grow and represented 48.6% of operating revenue this year.

As the only Development Financial Institution ("DFI") mandated by the Malaysian government to promote the development of cross-border ventures, the Bank's role remains vital to facilitate and support exporters/local companies going abroad.

Global confidence in the Bank was evident when EXIM successfully issued USD Bond offering of USD350 million 5 years senior unsecured notes in November 2021.

FY2021 STRATEGIC PERFORMANCE HIGHLIGHTS

Our profitable performance for the year was underpinned by the Bank's ongoing transformation journey, which further establishes good governance and culture change.

We leveraged on the subdued business environment during the pandemic phase to refine our strategies and enhance the following operational foundations: strengthening EXIM's mandated role; prudent asset quality and risk management; and focus on trade business outreach and revenue sustainability.

As opportunities emerged from the last quarter's economic recovery, in November 2021, the Bank was proud to finance USD11.84 million in support of 'Green' Locomotive Railway despite the challenging pandemic condition. This is the first Malaysian built 'Green' locomotive designed with the aim towards protecting the environment and mitigating climate change, which is in line with the Bank's target to finance sectors complying with ESG guidelines.

As we move into 2022, the Bank's focus will be on capturing growth as opportunities emerge, and anchor itself on stability.

The way forward is for the Bank to continue to deliver on its mandate as a Policy Bank with sound risk management practices, while extending assistance to customers affected by the spill-over impact of COVID-19.

This journey will be accompanied by improving the "end-to-end process" with technology and harnessing greater savings and service delivery excellence. At the same time, efforts in embedding a compliance culture will continue to be prioritised, to enhance our employees' performance and integrity.

NURTURING THE POTENTIAL AND WELFARE OF OUR TEAM

EXIM Bank strives to uphold high performance delivery, which is essential in executing our business strategies and generating long-term shareholder's value. Human capital initiatives in 2021 focused on developing current and future leaders and ensuring that they possess essential know-how in today's technology, as well as future capabilities for growth.

Our focus encapsulates prioritising the safety and wellbeing of our employees, which includes ongoing assurance that our work premises were compliant to standard operating procedures ("SOPs"), and awareness on social distancing protocols. Making sure everyone in the EXIM family stays safe during the pandemic, the Bank encouraged and made available COVID-19 vaccine shots to all employees and their families during the year.

OPTIMISING OPPORTUNITIES FOR COMMUNITIES & FUTURE GENERATIONS

While maintaining strong protocols for the health and safety of our employees, and doing our part to combat COVID-19, the Bank's commitment to long-term CSR programmes is still ongoing. We continue to champion worthy causes that focus on the betterment of the community and environment in FY2021 by collectively engaging with our business ecosystem of employees, marketplace players and non-governmental agencies to push for global agendas such as the United Nations Sustainable Development Goals ("UN SDGs").

Our recycling journey, which started from electronic waste recycling in 2019, and then fabric recycling with Kloth Malaysia in 2020, was extended to plastics and aluminium in 2021 as EXIM Bank became the first financial institution to join the Kloth Circular Plastic Recycling Movement ("KCPRM") and adopt the disruptive Reverse Vending Machine ("RVM"), also known as Crush-It by Kloth Lifestyle.

Later in the year, the Bank embarked on its first community engagement to bring light to the lives of underserved Orang Asli communities in Pahang. This was through a partnership with the Global Peace Foundation Malaysia's All-Lights Village project to address energy poverty issues faced by Orang Asli communities in Pahang. The installation of renewable and sustainable solar systems at four villages, impacted 45 households, or 150 villagers.



More details on our CSR initiatives can be found on page 40.

GRATITUDE & APPRECIATION

The Bank would like to extend our sincere appreciation to the Ministry of Finance, Ministry of International Trade and Industry and agencies, as well as Bank Negara Malaysia ("BNM") for their continued guidance and advice.

My deep acknowledgement and appreciation also goes out to the members of the Board for their invaluable support and counsel, as well as to the stalwart EXCO, management and staff of EXIM Bank for their dedication, commitment and support throughout this challenging period.

NORLELA SULAIMAN

Acting President/Chief Executive Officer
EXIM Bank Malaysia