

Unaudited Interim Financial Statements

Condensed consolidated statements of financial position
As at 31 March 2022

	Note	Group		Bank	
		31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Assets					
Cash and short-term funds	11	493,436	405,764	475,309	390,925
Financial assets at fair value through profit or loss ("FVTPL")	12	30,245	30,245	30,245	30,245
Financial investments at fair value through other comprehensive income ("FVOCI")	12	3,011,942	2,559,358	3,011,942	2,559,358
Financial investments at amortised cost	13	2,518,606	2,343,837	2,518,606	2,343,837
Loans, advances and financing	14	1,286,592	1,364,067	1,286,592	1,364,067
Derivative assets	18	9,693	6,878	9,693	6,878
Other assets	15	104,951	114,754	122,541	129,553
Statutory deposits with Bank Negara Malaysia		111,632	107,127	111,632	107,127
Investment in subsidiaries		-	-	*	*
Property, plant and equipment		154	188	154	188
Intangible assets		2,435	2,734	2,435	2,734
Right-of-use asset		3,199	3,733	3,199	3,733
Deferred tax assets		12,210	13,004	12,210	13,004
Total assets		7,585,095	6,951,689	7,584,558	6,951,649
Liabilities					
Deposits from customers	16	5,313,147	4,907,846	5,313,147	4,907,846
Deposits and placements of bank and other financial institutions	17	1,290,874	1,063,034	1,290,874	1,063,034
Other liabilities	19	91,547	100,931	91,057	100,912
Lease liabilities		3,284	3,811	3,284	3,811
Provision for taxation and zakat		1,206	736	1,206	736
Total liabilities		6,700,058	6,076,358	6,699,568	6,076,339
Equity					
Share capital		369,111	369,111	369,111	369,111
Reserves		515,926	506,220	515,879	506,199
Total equity		885,037	875,331	884,990	875,310
Total liabilities and equity		7,585,095	6,951,689	7,584,558	6,951,649
Commitments and contingencies	28	885,922	986,711	885,922	986,711

* Denotes RM4

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

Unaudited Interim Financial Statements

Consolidated statements of profit or loss
For the three months ended 31 March 2022

	Note	Group Individual / Cumulative Quarter 3 Months Ended	
		31 March 2022 RM'000	31 March 2021 RM'000
Operating revenue		72,760	80,443
Interest income	20	17,894	17,362
Interest expense	21	(6,961)	(7,916)
Net interest income		10,933	9,446
Net income from Islamic Banking operation	33(p)	25,794	26,567
Non-interest income	22	8,665	13,400
		45,392	49,413
Operating expenses	23	(21,784)	(20,372)
Operating profit before allowances		23,608	29,041
Impairment loss (made)/ written back on:			
- loans, advances and financing	24	(4,234)	(1,437)
- financial investments	25	(2)	279
- other assets	26	201	(32)
Profit before taxation and zakat		19,573	27,851
Taxation		(5,128)	(6,827)
Zakat		(470)	(451)
Profit for the period attributable to equity holder of the Bank		13,975	20,573
Earnings per ordinary share (sen)			
- Basic and diluted	27	9.02	13.27

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

Unaudited Interim Financial Statements

Consolidated statements of comprehensive income
For the three months ended 31 March 2022

	Group Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Profit for the period attributable to equity holder of the Bank	13,975	20,573
Other comprehensive (loss)/ income to be reclassified to profit or loss in subsequent periods:		
Changes in allowance for expected credit loss ("ECL") on financial investments at FVOCI	15	34
Net (loss)/gain on financial investments at FVOCI:		
- Transfer of gain to profit or loss upon disposal	(43)	(6,875)
- Fair value changes	(4,241)	(12,436)
Other comprehensive (loss)/income for the period, net of tax	(4,269)	(19,277)
Total comprehensive income for the period attributable to equity holder of Bank	9,706	1,296

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

Unaudited Interim Financial Statements

Consolidated statements of profit or loss
For the three months ended 31 March 2022

	Note	Bank Individual / Cumulative Quarter 3 Months Ended	
		31 March 2022 RM'000	31 March 2021 RM'000
Operating revenue		72,722	80,440
Interest income	20	17,894	17,362
Interest expense	21	(6,961)	(7,916)
Net interest income		10,933	9,446
Net income from Islamic Banking operation	33(p)	25,794	26,567
Non-interest income	22	8,627	13,397
		45,354	49,410
Operating expenses	23	(21,779)	(20,367)
Operating profit before allowances		23,575	29,043
Impairment loss (made)/ written back on:			
- loans, advances and financing	24	(4,234)	(1,437)
- financial investments	25	(2)	279
- other assets	26	201	(32)
Profit before taxation and zakat		19,540	27,853
Taxation		(5,121)	(6,827)
Zakat		(470)	(451)
Profit for the period attributable to equity holder of the Bank		13,949	20,575

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

Unaudited Interim Financial Statements

**Consolidated statements of comprehensive income
For the three months ended 31 March 2022**

	Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2022	2021
	RM'000	RM'000
Profit for the period attributable to equity holder of the Bank	13,949	20,575
Other comprehensive (loss)/ income to be reclassified to profit or loss in subsequent periods:		
Changes in allowance for expected credit loss ("ECL")	15	34
Net (loss)/gain on financial investments at FVOCI:		
- Transfer of gain to profit or loss upon disposal	(43)	(6,875)
- Fair value changes	(4,241)	(12,436)
Other comprehensive (loss)/income for the period, net of tax	(4,269)	(19,277)
Total comprehensive income for the period attributable to equity holder of Bank	9,680	1,298

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

Unaudited Interim Financial Statements

Consolidated statements of changes in equity
For the three months ended 31 March 2022

Group	Non-distributable			Distributable Retained profits RM'000	Total RM'000
	Share capital RM'000	Regulatory reserve# RM'000	FVOCI reserve^ RM'000		
At 1 January 2022	369,111	18,485	(14,721)	502,456	875,331
Profit for the financial period	-	-	-	13,975	13,975
Other comprehensive loss for the period	-	-	(4,269)	-	(4,269)
Total comprehensive (loss)/ income for the period	-	-	(4,269)	13,975	9,706
Transactions with owner					
Transfer from regulatory reserve	-	5,805	-	(5,805)	-
At 31 March 2022	369,111	24,290	(18,990)	510,626	885,037
At 1 January 2021	369,111	16,324	15,002	475,624	876,061
Profit for the financial period	-	-	-	20,573	20,573
Other comprehensive loss for the period	-	-	(19,277)	-	(19,277)
Total comprehensive (loss)/ income for the period	-	-	(19,277)	20,573	1,296
Transactions with owner					
Transfer to regulatory reserve	-	(562)	-	562	-
At 31 March 2021	369,111	15,762	(4,275)	496,759	877,357

The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Bank is required to maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of total exposures, net of loss allowance for credit-impaired exposures.

^ The financial investments at FVOCI reserve arises from the change in the fair value of the underlying instruments and it is not distributable as cash dividends.

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

Unaudited Interim Financial Statements

**Consolidated statements of changes in equity
 For the three months ended 31 March 2022 (cont'd.)**

Bank	<----- Non-distributable ----->			Distributable Retained profits RM'000	Total RM'000
	Share capital RM'000	Regulatory reserve# RM'000	FVOCI reserve^ RM'000		
At 1 January 2022	369,111	18,485	(14,721)	502,435	875,310
Profit for the financial period	-	-	-	13,949	13,949
Other comprehensive loss for the period	-	-	(4,269)	-	(4,269)
Total comprehensive (loss)/ income for the period	-	-	(4,269)	13,949	9,680
Transactions with owner					
Transfer from regulatory reserve	-	5,805	-	(5,805)	-
At 31 March 2022	369,111	24,290	(18,990)	510,579	884,990
At 1 January 2021	369,111	16,324	15,002	475,577	876,014
Profit for the financial period	-	-	-	20,575	20,575
Other comprehensive income for the period	-	-	(19,277)	-	(19,277)
Total comprehensive income for the period	-	-	(19,277)	20,575	1,298
Transactions with owner					
Transfer to regulatory reserve	-	(562)	-	562	-
At 31 March 2021	369,111	15,762	(4,275)	496,714	877,312

The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Bank is required to maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of total exposures, net of loss allowance for credit-impaired exposures.

^ The financial investments at FVOCI reserve arises from the change in the fair value of the underlying instruments and it is not distributable as cash dividends.

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

Unaudited Interim Financial Statements

Consolidated statements of cash flows
For the three months ended 31 March 2022

	Note	Group		Bank	
		31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Profit before taxation and zakat		19,573	27,851	19,540	27,853
Adjustments for non-cash items		3,566	(7,447)	3,566	(7,447)
Operating profit before changes in working capital		23,139	20,404	23,106	20,406
Changes in working capital:					
Net changes in operating assets		(559,283)	(222,399)	(562,067)	(262,195)
Net changes in operating liabilities		623,796	296,216	623,325	296,215
Net cash generated from operating activities		87,652	94,221	84,364	54,426
Net cash generated from/(used in) investing activities		20	(386)	20	(403)
Net change in cash and cash equivalents		87,672	93,835	84,384	54,023
Cash and cash equivalents at beginning of the period		405,764	321,736	390,925	308,360
Cash and cash equivalents at end of the period	11	493,436	415,571	475,309	362,383
Cash and cash equivalents comprise of:					
Cash and short-term funds		493,436	415,571	475,309	362,383

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

Unaudited Interim Financial Statements

Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134, Interim Financial Reporting ("MFRS 134"), IAS 34, Guidelines on Financial Reporting and Guidelines on Financial Reporting for Islamic Banking Institutions issued by Bank Negara Malaysia

1. Basis of preparation

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB") and Bank Negara Malaysia ("BNM") Guidelines. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited annual financial statements of the Group and the Bank for the financial year ended 31 December 2021.

The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2021.

2. Significant accounting policies

The accounting policies applied by the Group and the Bank in these condensed interim financial statements are the same as those applied by the Group and the Bank in their financial statements for the year ended 31 December 2021.

2.1 Adoption of Amendments and Annual Improvements to Standards

The Group and the Bank have adopted the following Amendments and Annual Improvements to Standards, with a date of initial application of 1 January 2022.

Description

- Amendments to MFRS 3: *Reference to Conceptual Framework*
- Annual improvements to MFRS Standards 2018 - 2020 Cycle
- Amendments to MFRS 116: *Proceeds before Intended Use*
- Amendments to MFRS 137: *Onerous Contracts - Cost of Fulfilling a Contract*

The above adoption did not result in any material impact to the financial statements of the Group and the Bank.

Unaudited Interim Financial Statements

2. Significant accounting policies (cont'd.)

2.2 Standards issued but not yet effective

At the date of authorisation of the unaudited condensed interim financial statements, the following Standards were issued but not yet effective and have not been adopted by the Group and the Bank.

	Effective for financial periods beginning on or after
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 and Amendments to MFRS 17: <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17: <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108: <i>Definiton of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

3. Comments about seasonal or cyclical factors

The Group's and the Banks's performance is not materially affected by any seasonal or cyclical factors but is affected by the level of activities in the debt instruments and derivatives markets.

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4. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 March 2022.

5. Significant estimates and changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 31 March 2022.

6. Debt and equity instruments

There were no changes to the debt and equity instruments for the quarter ended 31 March 2022.

7. Dividend paid/payable

There were no dividends declared or paid during the quarter ended 31 March 2022.

8. Auditors' Report on Preceding Annual Financial Statements

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

9. Performance review

The Group and the Bank recorded a lower pre-tax profit of RM19.6 million for the first quarter ended 31 March 2022, as compared to the pre-tax profit of RM27.9 million recorded in the corresponding quarter ended 31 March 2021. The lower profit for the current period is mainly attributable to lower net operating income by RM4.0 million, higher operating expenses by RM1.4 million and higher impairment made by RM2.8 million.

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10. Review for 2022

Malaysia's Gross Domestic Product ("GDP") in 2021 grew by 3.1% from a year earlier ("y-o-y") as economic activities resumed and lockdown restrictions eased gradually.

The FBM KLCI closed the first quarter of the year higher by +1.3% to 1,587.40 notwithstanding decrease in trading activities as average daily volume contracted by -62.0% to 3.23 billion.

Since the beginning of the year, a two-tier market emerged as markets in Southeast Asia (SEA) began to outperform the more developed markets in the US and Europe. This was presumably due to tightening of monetary stance from central banks and SEA economies which are expected to result in comparatively better growth given that it had reopened its economy later.

The war in Ukraine further exacerbated this trend as investors may have concluded that the war will cause lesser impact to SEA economies. Furthermore, as most SEA economies are commodity producers and will likely benefit from the high commodity prices. We observed that Thailand, Indonesia and Malaysia had seen a foreign fund net inflow amounting to USD3.05 billion, USD2.00 billion and USD1.46 billion as of 25th March 2022, respectively.

Despite concern over the accelerated pace of monetary policy tightening by major central banks due to elevated inflationary pressures, Bank Negara Malaysia ("BNM") decided to keep the Overnight Policy Rate ("OPR") unchanged at 1.75% throughout 1Q2022, in line with the overall market expectation. Meanwhile, the domestic banking system remained flushed with liquidity in 1Q2022 amid stable funding conditions and BNM continued to maintain its easy and accommodative monetary policy to provide the enabling environment to support and sustain the pace of economic recovery, while ensuring the orderly functioning of money and foreign exchange market activities for the country.

In the fixed income market, the yields of the local sovereign bonds generally closed higher across the board as at end of 1Q2022 following the rise in global bond yields, particularly due to rising US Treasury yields in anticipation of aggressive interest rate hikes by the US Federal Reserve to contain inflation. For the first 3 months of the year, the 3-, 5-, 7- and 10-year Malaysian Government Securities ("MGS") closed 27 to 38 basis points higher at 3.18%, 3.42%, 3.78% and 3.87% respectively as at end of 1Q2022. Although trading and investment activities in the local bond market were generally seen in a cautious mode amid persistent uncertainty surrounding the market which were further compounded by the Russia's invasion of Ukraine, given the higher and attractive yields, foreign inflows and appetite for our local sovereign bonds have also been on increasing trend. Overall, the local sovereign bonds were well supported and similar trends were seen in the corporate bonds and sukuk market as well.

The Bank will remain vigilant in the evolving 2022 operating landscape, whilst maintaining a cautiously optimistic outlook. The Bank will strive to maintain a healthy balance between growth and diligence as it pursues its activities in 2022.

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11. Cash and short-term funds

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Cash and balances with banks and other financial institutions	52,436	51,364	34,309	36,525
Money at call and deposits placements maturing within one month	441,000	354,400	441,000	354,400
	<u>493,436</u>	<u>405,764</u>	<u>475,309</u>	<u>390,925</u>

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group and the Bank amounted to approximately RM9,091,000 and RM7,154,000 respectively (2021: RM10,433,000 and RM10,426,000 respectively). These amounts are excluded from the cash and short-term funds of the Group and of the Bank.

12. Financial assets at FVTPL

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
At fair value		
Unquoted instruments in Malaysia:		
Shares	30,245	30,245
	<u>30,245</u>	<u>30,245</u>

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12. Financial investments at FVOCI

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
At fair value		
Money market instruments:		
Government Investment Issues	1,418,986	1,273,083
Malaysian Treasury Bills	592,535	398,374
Negotiable Instruments of Deposit	249,171	249,362
	<u>2,260,692</u>	<u>1,920,819</u>
Unquoted instruments in Malaysia:		
Corporate Bonds/Sukuk	749,750	637,039
Shares	1,500	1,500
	<u>751,250</u>	<u>638,539</u>
	<u>3,011,942</u>	<u>2,559,358</u>

An analysis of changes in the corresponding ECL allowances in relation to FVOCI is, as follows:

Group and Bank	Stage 1 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2022	322	59,810	60,132
Impairment made [Note 25]	15	-	15
At 31 March 2022	<u>337</u>	<u>59,810</u>	<u>60,147</u>
At 1 January 2021	303	74,427	74,730
Impairment made	19	-	19
Written back	-	(1,126)	(1,126)
Written off	-	(13,491)	(13,491)
At 31 December 2021	<u>322</u>	<u>59,810</u>	<u>60,132</u>

There was no Stage 2 exposure as at 31 March 2022 and 31 December 2021.

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13. Financial investments at amortised cost

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Money market instruments:		
Government Investment Issues	513,002	513,211
	<u>513,002</u>	<u>513,211</u>
Unquoted instruments in Malaysia:		
Corporate Bonds/Sukuk	2,005,851	1,830,837
Loan stocks	9,822	9,854
	<u>2,015,673</u>	<u>1,840,691</u>
Less: ECL allowance	(10,069)	(10,065)
	<u>2,518,606</u>	<u>2,343,837</u>

An analysis of changes in the corresponding ECL allowances in relation to amortised cost is, as follows:

Group and Bank	Stage 1 Collective RM'000	Stage 2 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2022	507	2,426	7,132	10,065
Transfer	17	-	-	17
Written back	(13)	-	-	(13)
At 31 March 2022	<u>511</u>	<u>2,426</u>	<u>7,132</u>	<u>10,069</u>
At 1 January 2021	789	2,426	6,994	10,209
Impairment made	-	-	138	138
Written back	(282)	-	-	(282)
At 31 December 2021	<u>507</u>	<u>2,426</u>	<u>7,132</u>	<u>10,065</u>

Unaudited Interim Financial Statements

14. Loans, advances and financing

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Term loans/financing		
Syndicated term loans	276,727	265,399
Other term loans	518,117	596,977
	<u>794,844</u>	<u>862,376</u>
Margin accounts	579,626	585,429
Staff loans	236	250
Gross loans, advances and financing	<u>1,374,706</u>	<u>1,448,055</u>
Less: ECL allowance	<u>(88,114)</u>	<u>(83,988)</u>
Net loans, advances and financing	<u>1,286,592</u>	<u>1,364,067</u>

The Group and the Bank operate principally in Malaysia and hence, disclosure of information by geographical area is not presented.

(a) Gross loans, advances and financing

(i) By type of customer

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Domestic other non-bank institutions	50,065	50,070
Domestic business enterprises		
- Small medium enterprises	955,885	1,022,888
Individuals	368,756	375,097
Gross loans, advances and financing	<u>1,374,706</u>	<u>1,448,055</u>

Unaudited Interim Financial Statements

14. Loans, advances and financing (cont'd.)

(a) Gross loans, advances and financing (cont'd.)

(ii) By interest rate sensitivity

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Fixed rate		
Staff loans	236	250
Margin accounts	579,626	585,429
Variable rate		
Cost-plus	794,844	862,376
Gross loans, advances and financing	<u>1,374,706</u>	<u>1,448,055</u>

(iii) By economic sector

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Finance, insurance and business services	614,870	694,271
Household	368,756	375,097
Education, health and others	149,878	147,596
Construction	88,301	87,191
Mining and quarrying	55,000	56,207
Electricity, gas and water supply	40,237	40,248
Manufacturing	34,150	34,151
Wholesale & retail trade and restaurants & hotels	14,714	12,237
Transport, storage and communications	7,746	-
Others	1,054	1,057
Gross loans, advances and financing	<u>1,374,706</u>	<u>1,448,055</u>

Unaudited Interim Financial Statements

14. Loans, advances and financing (cont'd.)

(a) Gross loans, advances and financing (cont'd.)

(iv) By maturity profile

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Within one year	908,511	995,437
One year to five years	373,832	363,810
After five years	92,363	88,808
Gross loans, advances and financing	1,374,706	1,448,055

(b) Impaired loans, advances and financing ("ILs")

(i) Movements in ILs are as follows:

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
At 1 January	92,498	61,148
Classified as impaired during the period/year	55,000	81,750
Recovered	-	(8,590)
Written off	-	(41,810)
	147,498	92,498
Less: ECL allowance	(78,595)	(72,061)
Net ILs	68,903	20,437
Ratio of net ILs to gross loans, advances and financing less ECL allowance	5.32%	1.49%

(ii) ILs by economic sector:

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Finance, insurance and business services	81,750	81,750
Mining and quarrying	55,000	-
Wholesale & retail trade and restaurants & hotels	10,729	10,729
Household	19	19
	147,498	92,498

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14. Loans, advances and financing (cont'd.)

(c) Movements in ECL allowances by class of financial assets

An analysis of changes in the corresponding ECL allowances in relation to loan, advances and financing is, as follows:

Group and Bank	Stage 1 Collective RM'000	Stage 2 Individual RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2022	9,993	1,934	72,061	83,988
Transfer	82	-	-	82
Transfer to Stage 3	-	(1,934)	1,934	-
Impairment made	-	-	4,600	4,600
Written back	(556)	-	-	(556)
At 31 March 2022	<u>9,519</u>	<u>-</u>	<u>78,595</u>	<u>88,114</u>
At 1 January 2021	14,463	-	54,481	68,944
Transfer	1,707	-	-	1,707
Transfer to Stage 2	(1,934)	1,934	-	-
Transfer to Stage 3	(3,169)	-	3,169	-
Impairment made	-	-	58,144	58,144
Written back	(1,074)	-	(1,924)	(2,998)
Written off	-	-	(41,809)	(41,809)
At 31 December 2021	<u>9,993</u>	<u>1,934</u>	<u>72,061</u>	<u>83,988</u>

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15. Other assets

	Note	Group		Bank	
		31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Interest/profit receivables		45,062	41,338	45,062	41,338
Amounts due from brokers and clients	(a)	30,506	45,750	30,506	45,750
Deposits, prepayments and other receivables		10,902	15,499	10,902	15,499
Less: ECL allowance	(b)	(3,530)	(3,731)	(3,530)	(3,731)
		<u>7,372</u>	<u>11,768</u>	<u>7,372</u>	<u>11,768</u>
Amount recoverable from Danaharta		96,973	96,973	96,973	96,973
Less: ECL allowance		(96,973)	(96,973)	(96,973)	(96,973)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount due from related companies	(c)	409	296	409	296
Amount due from subsidiaries	(c)	-	-	17,597	14,809
Tax recoverable		21,602	15,602	21,595	15,592
		<u>104,951</u>	<u>114,754</u>	<u>122,541</u>	<u>129,553</u>

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15. Other assets (cont'd.)

(a) Amounts due from brokers and clients

	Group and Bank	
	31 March	31 December
	2022	2021
	RM'000	RM'000
Brokers	4,386	11,171
Clients	26,120	34,579
	<u>30,506</u>	<u>45,750</u>

Clients' and brokers' debit balances arose from trading of securities through the Bank which are not yet due for settlement as at reporting date under the Rules of Bursa Malaysia Securities Berhad.

(b) Deposits, prepayments and other receivables

(i) ECL allowance

Group and Bank	Total RM'000
At 1 January 2022	3,731
Written back	(201)
At 31 March 2022	<u>3,530</u>
At 1 January 2021	4,135
Impairment made during the financial year	1,808
Written back	(24)
Written off	(2,188)
At 31 December 2021	<u>3,731</u>

(c) The amounts due from related companies and subsidiaries arose mainly from expenses paid on behalf of the companies. These amounts are non-trade in nature, unsecured, interest-free and are repayable on demand.

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16. Deposits from customers

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
(a) By types of deposit		
Call deposits	83,886	12,165
Fixed deposits	5,229,261	4,895,681
	<u>5,313,147</u>	<u>4,907,846</u>
(b) By types of customer		
Business enterprises	2,339,125	2,251,852
Government and statutory bodies	2,971,264	2,653,294
Individual	2,758	2,700
	<u>5,313,147</u>	<u>4,907,846</u>
(c) The maturity structure of term deposits is as follows:		
Due within six months	5,004,905	4,504,164
Six months to one year	308,242	350,172
One year to two years	-	53,510
	<u>5,313,147</u>	<u>4,907,846</u>

17. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
(a) Call deposits		
- Other financial institutions	27,519	19,090
(b) Fixed deposits		
- Licensed banks	5,200	-
- Other financial institutions	1,258,155	1,043,944
	<u>1,263,355</u>	<u>1,043,944</u>
	<u>1,290,874</u>	<u>1,063,034</u>

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18. Derivative liabilities

Group and Bank	Contract or underlying principal amount RM'000	Derivative assets RM'000
31 March 2022		
Interest rate related derivatives:		
- Interest rate swaps	300,000	9,693
31 December 2021		
Interest rate related derivatives:		
- Interest rate swaps	300,000	6,878

19. Other liabilities

	Note	Group		Bank	
		31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Amounts due to brokers and clients	(a)	43,728	45,479	43,728	45,479
Interest/profit payables		21,497	19,007	21,497	19,007
Accrued liabilities and other payables		6,631	21,972	6,148	21,972
Employee benefits		1,971	1,918	1,971	1,918
Amount due to immediate holding company	(b)	16,346	11,275	16,339	11,256
Amount due to related company	(b)	4	1	4	1
ECL allowances on loans, advances and financing commitments and financial investments	(c)	1,370	1,279	1,370	1,279
		<u>91,547</u>	<u>100,931</u>	<u>91,057</u>	<u>100,912</u>

Unaudited Interim Financial Statements

19. Other liabilities (cont'd.)

(a) Amount due to brokers and clients

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Brokers	5,252	10,731
Clients	38,476	34,748
	43,728	45,479

Clients' credit balances arose from trading of securities through the Bank which are not yet due for settlement as at reporting date under the Rules of Bursa Malaysia Securities Berhad.

(b) The amounts due to immediate holding company and related company are non-trade in nature, unsecured, interest-free and are repayable on demand.

(c) Movements in the ECL allowances on loans, financing and advances commitments and financial investments are as follows:

Group and Bank	Loans, advances and financing commitments RM'000	Financial investments at amortised cost RM'000	Total RM'000
At 1 January 2022	1,262	17	1,279
Transfer	(82)	(17)	(99)
Impairment made	356	-	356
Written back	(166)	-	(166)
At 31 March 2022	1,370	-	1,370
At 1 January 2021	2,493	101	2,594
Transfer	(1,707)	-	(1,707)
Impairment made	476	11	487
Written back	-	(95)	(95)
At 31 December 2021	1,262	17	1,279

Unaudited Interim Financial Statements

20. Interest income

	Group and Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2022	2021
	RM'000	RM'000
Loans and advances		
- Interest income on non-impaired loans	12,524	11,666
Money at call and deposit placements with financial institutions	1,040	566
Financial investments at FVOCI		
- Interest income on non-impaired instruments	2,471	1,076
Financial investments at amortised cost		
- Interest income on non-impaired instruments	2,049	3,865
- Interest income on impaired instruments	-	32
Others	-	8
	<u>17,884</u>	<u>17,213</u>
Accretion of discount less amortisation of premium	10	149
	<u>17,894</u>	<u>17,362</u>

21. Interest expense

	Group and Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2022	2021
	RM'000	RM'000
Deposits from customers	6,815	6,036
Deposits and placements of bank and other financial institutions	2	1,256
Derivative instruments	105	585
	<u>6,922</u>	<u>7,877</u>
Lease liabilities	39	39
	<u>6,961</u>	<u>7,916</u>

Unaudited Interim Financial Statements

22. Non-interest income

	Group	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2022	2021
	RM'000	RM'000
Fee income:		
Fees on loans and advances	28	50
Corporate advisory fees	323	815
Underwriting fees	459	-
Brokerage commission	2,712	2,634
Rollover charges	1,097	702
Facility fee	23	720
Redemption fee	95	420
Other fee income	17	5
	4,754	5,346
Investment income:		
Net gain on sale of financial investments at FVOCI	5	1,939
Net unrealised gain on revaluation of derivative instruments	2,815	6,025
	3,450	7,964
Other income:		
Intercompany management fee	44	45
Others	417	45
	461	90
	8,665	13,400

Unaudited Interim Financial Statements

22. Non-interest income (contd.)

	Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2022	2021
	RM'000	RM'000
Fee income:		
Fees on loans and advances	28	50
Corporate advisory fees	323	815
Underwriting fees	459	-
Brokerage commission	2,712	2,634
Rollover charges	1,097	702
Facility fee	23	720
Redemption fee	95	420
Other fee income	1	2
	4,738	5,343
Investment income:		
Net gain on sale of financial investments at FVOCI	5	1,939
Net unrealised gain on revaluation of derivative instruments	2,815	6,025
	3,450	7,964
Other income:		
Intercompany management fee	44	45
Others	395	45
	439	90
	8,627	13,397

Unaudited Interim Financial Statements

23. Operating expenses

	Group	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
(i) Staff costs:		
Wages, salaries and bonuses	10,572	9,723
Employees' benefits	53	50
Defined contribution plans	1,621	1,496
Social security costs	43	41
Other staff related expenses	883	1,304
	<u>13,172</u>	<u>12,614</u>
(ii) Establishment costs:		
Depreciation and amortisation	320	246
Depreciation of right-of-use assets	533	544
Rental		
- office equipment	10	7
- premises	2	20
General repairs and maintenance	10	8
Insurance	151	27
Electricity	7	6
IT expenses	1,494	1,843
	<u>2,527</u>	<u>2,701</u>
(iii) Promotion and marketing -related expenses:		
Business promotion and advertisement	287	1,387
Entertainment	111	62
	<u>398</u>	<u>1,449</u>

Unaudited Interim Financial Statements

23. Operating expenses (cont'd.)

	Group	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
(iv) Administrative and general expenses:		
Auditors' remuneration		
- Audit	74	67
Non-Executive Directors' remuneration	217	190
Communication expenses	70	17
Management fees	3,730	2,328
Securities commission's levy	191	145
Brokerage fee	237	150
Bursa fee	63	84
License fee and stamp duty	153	161
Corporate dealers' and remisier' commissions	840	232
Regulatory expenses	56	121
Others	56	113
	5,687	3,608
	21,784	20,372

Unaudited Interim Financial Statements

23. Operating expenses (cont'd.)

	Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2022	2021
	RM'000	RM'000
(i) Staff costs:		
Wages, salaries and bonuses	10,572	9,723
Employees' benefits	53	50
Defined contribution plans	1,621	1,496
Social security costs	43	41
Other staff related expenses	883	1,304
	<u>13,172</u>	<u>12,614</u>
(ii) Establishment costs:		
Depreciation and amortisation	320	246
Depreciation of right-of-use assets	533	544
Rental of:		
- office equipment	10	7
- premises	2	20
General repairs and maintenance	10	8
Insurance	151	27
Electricity	7	6
IT expenses	1,494	1,843
	<u>2,527</u>	<u>2,701</u>
(iii) Promotion and marketing -related expenses:		
Business promotion and advertisement	287	1,387
Entertainment	111	62
	<u>398</u>	<u>1,449</u>

Unaudited Interim Financial Statements

23. Operating expenses (cont'd.)

	Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2022	2021
	RM'000	RM'000
(iv) Administrative and general expenses:		
Auditors' remuneration		
- Audit	74	67
Non-Executive Directors' remuneration	217	190
Communication expenses	70	17
Management fees	3,725	2,323
Securities commission's levy	191	145
Brokerage fee	237	150
Bursa fees	63	84
License fee and stamp duty	153	161
Corporate dealers' and remisiers' commissions	840	232
Regulatory expenses	56	121
Others	56	113
	5,682	3,603
	21,779	20,367

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24. Impairment loss made on loans, advances and financing

	Group and Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2022	2021
	RM'000	RM'000
ECL allowance		
- Made (Net)	(4,234)	(1,437)
	<u>(4,234)</u>	<u>(1,437)</u>

25. Impairment loss (made)/written back on financial investments

	Group and Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2022	2021
	RM'000	RM'000
Financial investments at FVOCI [Note 12]	(15)	(34)
Financial investments at amortised cost	13	313
	<u>(2)</u>	<u>279</u>

Unaudited Interim Financial Statements

26. Impairment loss written back/(made) on other assets

	Group and Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2022	2021
	RM'000	RM'000
ECL allowance		
- Made	-	(31)
- Written back	201	-
	<u>201</u>	<u>(31)</u>
Bad debts written off	-	(1)
	<u>201</u>	<u>(32)</u>

27. Basic earnings per ordinary shares

	Group	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2022	2021
	RM'000	RM'000
Profit for the period	<u>13,975</u>	<u>20,573</u>
Weighted average number of ordinary shares	<u>155,000</u>	<u>155,000</u>
Basic and diluted earnings per ordinary share (sen)	<u>9.02</u>	<u>13.27</u>

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28. Commitments and contingencies

Group and Bank	<----- 31 March 2022 ----->			<----- 31 December 2021 ----->		
	Principal amount	Credit equivalent amount*	Risk-weighted amount*	Principal amount	Credit equivalent amount*	Risk-weighted amount*
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	36,000	36,000	36,000	36,000	36,000	36,000
Interest rate related contract with an original maturity of:						
- over one year to five years	300,000	18,652	3,730	300,000	15,826	3,165
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:						
- not exceeding one year	300,677	60,135	60,135	287,878	57,576	57,576
- exceeding one year	249,246	124,623	124,623	362,833	181,416	181,416
Total	885,922	239,410	224,489	986,711	290,818	278,157

* The credit equivalent and risk weighted amount are arrived at using the credit conversion factors and risk weights respectively as per Bank Negara Malaysia Guidelines.

29. Credit exposures arising from credit transactions with connected parties

	Group and Bank	
	31 March 2022	31 December 2021
	RM'000	RM'000
(i) Outstanding credit exposures with connected parties	229,462	244,801
(ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	4.72%	5.23%
(iii) Percentage of outstanding credit exposures to connected parties which is impaired or in default	Nil	Nil

Unaudited Interim Financial Statements

30. Related party disclosures

(a) Significant related party transactions and balances

The following significant transactions between the Group and the Bank and related parties took place at arm's length during the financial period/year.

	Group and Bank	
	31 March	31 March
	2022	2021
	RM'000	RM'000
Penultimate holding company		
Income:		
Interest income on financial investments	1,234	939
Brokerage fees earned	377	129
	<u> </u>	<u> </u>
Immediate holding company		
Expenditure:		
Management fees	3,725	2,323
	<u> </u>	<u> </u>
Other related companies		
Income:		
Interest income on financial investments	-	175
Interest income on loans, advances and financing	955	887
Brokerage fees earned	380	583
Fee income	-	131
	<u> </u>	<u> </u>
Expenditure:		
Interest expense on deposits	913	1,855
	<u> </u>	<u> </u>

Unaudited Interim Financial Statements

30. Related party disclosures (cont'd.)

(a) Significant related party transactions and balances (cont'd.)

In addition to the related party information disclosed elsewhere in the financial statements, the significant outstanding balances of the Group and of the Bank with their related parties are as follows:

	Group and Bank	
	31 March	31 December
	2022	2021
	RM'000	RM'000
Penultimate holding company		
Amount due from:		
Financial investments	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Other related companies		
Amount due to:		
Deposits from customers	250,728	243,152
Deposits from placements of banks and other financial institutions	50,311	19,925
Other payables	399	239
Amount due from:		
Sundry deposits	553	553
Loans, advances and financing	88,035	86,928
	<u>88,035</u>	<u>86,928</u>

Other related companies include companies within the Yayasan Perlaburan Bumiputra Group and companies related to the Directors of the Bank.

Unaudited Interim Financial Statements

31. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's and the Bank's assets and liabilities. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group and Bank	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 March 2022				
Assets measured at fair value				
Financial assets at FVTPL				
- Unquoted instruments	-	-	30,245	30,245
Financial investments at FVOCI				
- Money market instruments	-	2,260,692	-	2,260,692
- Unquoted instruments	-	749,750	-	749,750
Derivative assets	-	9,693	-	9,693
Assets for which fair values are disclosed:				
Financial investments at amortised cost				
- Money market instruments	-	505,312	-	505,312
- Unquoted instruments	-	1,997,606	9,822	2,007,428
Loans, advances and financing				
- staff loans	-	186	-	186

Unaudited Interim Financial Statements

31. Fair value hierarchy (cont'd.)

Group and Bank	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2021				
Assets measured at fair value				
Financial assets at FVTPL				
- Unquoted instruments	-	-	30,245	30,245
Financial investments at FVOCI				
- Money market instruments	-	1,920,819	-	1,920,819
- Unquoted instruments	-	637,039	-	637,039
Derivative assets	-	6,878	-	6,878
Assets for which fair values are disclosed:				
Financial investments at amortised cost				
- Money market instruments	-	502,350	-	502,350
- Unquoted instruments	-	1,812,547	9,854	1,822,401
Loans, advances and financing				
- staff loans	-	187	-	187

There was no transfer between Level 1 and Level 2 of the fair value hierarchy during the financial period/year.

Unaudited Interim Financial Statements

31. Fair value hierarchy (cont'd.)

The following table shows a reconciliation of the opening and closing amounts of Level 3 financial instruments which are recorded at fair value:

Group and Bank	Unquoted instruments	
	Financial assets at FVTPL RM'000	Financial investment at FVOCI RM'000
At 1 January 2022	30,245	-
At 31 March 2022	30,245	-
At 1 January 2021	-	3,783
Addition	30,245	-
Revaluation gain	-	1,126
Settlements	-	(4,909)
At 31 March 2021	30,245	-

There was no transfers between Level 2 and Level 3 during the current and previous financial years for the Group and the Bank.

Changing one or more of the unobservable inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

Unaudited Interim Financial Statements

32. Capital management

(i) The capital adequacy ratio of the Group and of the Bank are as follows:

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
<u>Tier 1 Capital</u>				
Common Equity Tier 1 ("CET1") Capital				
Ordinary shares	369,111	369,111	369,111	369,111
Regulatory reserve	24,290	18,485	24,290	18,485
FVOCI reserve	(18,990)	(14,721)	(18,990)	(14,721)
Retained profits	496,651	502,456	496,630	502,435
	<u>871,062</u>	<u>875,331</u>	<u>871,041</u>	<u>875,310</u>
Less: Regulatory adjustments	(38,935)	(34,223)	(38,935)	(34,223)
<i>Total CET1 Capital</i>	<u>832,127</u>	<u>841,108</u>	<u>832,106</u>	<u>841,087</u>
Total Tier 1 Capital	<u>832,127</u>	<u>841,108</u>	<u>832,106</u>	<u>841,087</u>
<u>Tier 2 Capital</u>				
Loss provision and regulatory reserve	29,466	27,315	29,640	27,463
Total Tier 2 capital	<u>29,466</u>	<u>27,315</u>	<u>29,640</u>	<u>27,463</u>
Total Capital	<u>861,593</u>	<u>868,423</u>	<u>861,746</u>	<u>868,550</u>
CET1 Capital Ratio	29.272%	33.735%	29.128%	33.575%
Tier 1 Capital Ratio	29.272%	33.735%	29.128%	33.575%
Total Capital Ratio	30.308%	34.831%	30.165%	34.672%

Unaudited Interim Financial Statements

32. Capital management (cont'd.)

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

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Total risk-weighted assets for credit risk	2,357,260	2,185,191	2,371,224	2,197,022
Total risk-weighted assets equivalent for market risk	178,333	126,987	178,333	126,987
Total risk-weighted assets equivalent for operational risk	307,194	181,066	307,194	181,066
	2,842,787	2,493,244	2,856,751	2,505,075

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI)

Condensed consolidated statements of financial position
As at 31 March 2022

	Note	Group and Bank	
		31 March 2022 RM'000	31 December 2021 RM'000
Assets			
Cash and short-term funds	(a)	456,421	338,172
Financial investments at FVOCI	(b)	2,624,547	2,300,628
Financial investments at amortised cost	(c)	2,150,543	1,990,829
Financing and advances	(d)	597,983	669,557
Other assets	(e)	49,451	44,717
Deferred tax assets		9,870	9,064
Total assets		5,888,815	5,352,967
Liabilities			
Deposits from customers	(f)	3,982,716	3,670,375
Deposits and placements of banks and other financial institutions	(g)	1,026,403	831,840
Other liabilities	(h)	162,017	140,025
Provision for taxation and zakat		1,206	736
Total liabilities		5,172,342	4,642,976
Islamic banking capital funds			
Islamic banking funds		426,600	426,600
Reserves		289,873	283,391
Total Islamic banking capital funds		716,473	709,991
Total liabilities and Islamic banking capital funds		5,888,815	5,352,967

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

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

Condensed consolidated statements of profit or loss
For the three months ended 31 March 2022

	Note	Group and Bank Individual / Cumulative Quarter 3 Months Ended	
		31 March 2022 RM'000	31 March 2021 RM'000
Income derived from investment of depositors' funds	(i)	37,700	43,320
Income derived from investment of Islamic Banking funds	(j)	8,545	6,406
Impairment loss made on financing and advances	(k)	(4,153)	(1,423)
Impairment loss made on financial investments	(l)	(111)	(8)
Impairment loss written back/(made) on other assets	(m)	194	(53)
Total attributable income		42,175	48,242
Income attributable to depositors	(n)	(20,451)	(23,159)
Total net income		21,724	25,083
Operating expenses	(o)	(7,301)	(2,107)
Profit before taxation and zakat		14,423	22,976
Taxation		(3,666)	(5,514)
Zakat		(470)	(451)
Profit for the period		10,287	17,011

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

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

Condensed consolidated statements of comprehensive income
For the three months ended 31 March 2022

	Group and Bank Individual / Cumulative Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Profit for the period attributable to equity holder of the Bank	10,287	17,011
Other comprehensive income:		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Changes in allowance for ECL for investments at FVOCI	15	34
Net (loss)/gain on financial investments at FVOCI		
- Transfer of gain to profit or loss upon disposal	(38)	(4,936)
- Fair value changes	(3,782)	(12,864)
Other comprehensive (loss)/ income for the period, net of tax	(3,805)	(17,766)
Total comprehensive income/(loss) for the period attributable to equity holder of the Bank	6,482	(755)

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

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

Condensed consolidated statements of changes in equity
For the three months ended 31 March 2022

Group and Bank	←----- Non-distributable ----->			Distributable	
	Islamic banking funds RM'000	Regulatory reserve# RM'000	FVOCI reserve^ RM'000	Retained profits RM'000	Total RM'000
At 1 January 2022	426,600	7,385	(14,385)	290,391	709,991
Profit for the financial period	-	-	-	10,287	10,287
Other comprehensive loss for the financial period	-	-	(3,805)	-	(3,805)
Total comprehensive (loss)/ income for the financial period	-	-	(3,805)	10,287	6,482
Transactions with owner					
Transfer to regulatory reserve	-	6,133	-	(6,133)	-
At 31 March 2022	426,600	13,518	(18,190)	294,545	716,473
At 1 January 2021	426,600	5,945	12,774	284,745	730,064
Profit for the financial period	-	-	-	17,011	17,011
Other comprehensive income for the financial period	-	-	(17,766)	-	(17,766)
Total comprehensive income for the period	-	-	(17,766)	17,011	(755)
Transactions with owner					
Transfer from regulatory reserve	-	(366)	-	366	-
At 31 March 2021	426,600	5,579	(4,992)	302,122	729,309

The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Bank is required to maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of total exposures, net of loss allowance for credit-impaired exposures.

^ The financial investments at FVOCI reserve arises from the change in the fair value of the underlying instruments and it is not distributable as cash dividends.

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

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

Condensed consolidated statements of cash flows
For the three months ended 31 March 2022

	Note	Group and Bank	
		31 March 2022 RM'000	31 March 2021 RM'000
Profit before taxation and zakat		14,423	22,976
Adjustments for non-cash items		7,078	673
Operating profit before changes in working capital		21,501	23,649
Changes in working capital:			
Net changes in operating assets		(432,148)	(206,755)
Net changes in operating liabilities		528,896	217,241
Net cash generated from/(used in) operating activities		118,249	34,135
Cash and cash equivalents at beginning of the period		338,172	171,599
Cash and cash equivalents at end of the period	33(a)	456,421	205,734
Cash and cash equivalents comprise of:			
Cash and short-term funds		456,421	205,734

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

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(a) Cash and short-term funds

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Cash and balances with banks and other financial institutions	15,421	19,172
Money at call and deposit placements maturing within one month	441,000	319,000
	<u>456,421</u>	<u>338,172</u>

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group and the Bank amounted to approximately RM3,280,000 (2021: RM3,228,000). These amounts are excluded from the cash and short-term funds of the Group and of the Bank.

(b) Financial investments at FVOCI

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Money market instruments:		
Government Investment Issues	1,337,514	1,222,108
Malaysian Treasury Bills	444,418	348,770
Islamic Negotiable Instruments	249,171	249,362
	<u>2,031,103</u>	<u>1,820,240</u>
Corporate Sukuk	593,444	480,388
	<u>2,624,547</u>	<u>2,300,628</u>

An analysis of changes in the corresponding ECL allowances in relation to FVOCI is, as follows:

Group and Bank	Stage 1 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2022	270	8,112	8,382
Impairment made [Note 33(l)]	15	-	15
At 31 March 2022	<u>285</u>	<u>8,112</u>	<u>8,397</u>
At 1 January 2021	303	8,112	8,415
Written back	(33)	-	(33)
At 31 December 2021	<u>270</u>	<u>8,112</u>	<u>8,382</u>

There was no Stage 2 exposure as at 31 March 2022 and 31 December 2021.

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(c) Financial investments at amortised costs

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Money market instruments:		
Government Investment Issues	492,520	492,701
Corporate Sukuk	1,660,397	1,500,392
	<u>2,152,917</u>	<u>1,993,093</u>
Less: ECL allowance	(2,374)	(2,264)
	<u>2,150,543</u>	<u>1,990,829</u>

An analysis of changes in the corresponding ECL allowances in relation to amortised cost is, as follows:

Group and Bank	Stage 1 Collective RM'000	Stage 2 Collective RM'000	Total RM'000
At 1 January 2022	380	1,884	2,264
Transfer	14	-	14
Impairment made	96	-	96
At 31 March 2022	<u>490</u>	<u>1,884</u>	<u>2,374</u>
At 1 January 2021	341	1,884	2,225
Impairment made	39	-	39
At 31 December 2021	<u>380</u>	<u>1,884</u>	<u>2,264</u>

There was no Stage 3 exposure as at 31 March 2022 and 31 December 2021.

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(d) Financing and advances

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Term financing		
- Syndicated term financing	265,998	254,671
- Other term financing	408,158	487,018
	<u>674,156</u>	<u>741,689</u>
Staff financing	30	26
Gross financing and advances	<u>674,186</u>	<u>741,715</u>
Less: ECL allowance	(76,203)	(72,158)
Net financing and advances	<u>597,983</u>	<u>669,557</u>

The Group and the Bank operate principally in Malaysia and hence, disclosure of information by geographical area is not presented.

(a) Gross financing and advances

(i) By type of customer

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Domestic business enterprises	674,156	741,689
Individuals	30	26
Gross financing and advances	<u>674,186</u>	<u>741,715</u>

(ii) By profit rate sensitivity

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Fixed rate		
Staff financing	30	26
Variable rate		
Cost-plus	674,156	741,689
Gross financing and advances	<u>674,186</u>	<u>741,715</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

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

(a) Gross financing and advances (cont'd.)

(iii) By economic sector

	Group and Bank	
	31 March	31 December
	2022	2021
	RM'000	RM'000
Finance, insurance and business services	354,694	434,624
Education, health and others	90,042	87,760
Construction	88,301	87,191
Mining and quarrying	55,000	56,207
Electricity, gas and water supply	40,237	40,248
Manufacturing	34,150	34,151
Transport, storage and communications	7,746	-
Wholesale & retail trade and restaurants & hotels	3,986	1,508
Household	30	26
Gross financing and advances	674,186	741,715

(iv) By maturity profile

	Group and Bank	
	31 March	31 December
	2022	2021
	RM'000	RM'000
Within one year	318,115	399,259
One year to five years	263,782	253,756
After five years	92,289	88,700
Gross financing and advances	674,186	741,715

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

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

(a) Gross financing and advances (cont'd.)

(v) By classification of Shariah contracts

	Group and Bank	
	31 March	31 December
	2022	2021
	RM'000	RM'000
Term financing		
Commodity Murabahah	674,156	741,689
Staff financing	30	26
Gross financing and advances	674,186	741,715

(b) Impaired financing and advances ("IF")

(i) Movements in IF are as follows:

	Group and Bank	
	31 March	31 December
	2022	2021
	RM'000	RM'000
At 1 January	81,750	-
Classified as impaired	55,000	81,750
	136,750	81,750
Less: ECL allowance	(67,847)	(61,313)
Net IF	68,903	20,437
Ratio of net IF to gross financing and advances less ECL allowance	11.4%	3.0%

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

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

(a) Gross financing and advances (cont'd.)

(ii) IF by economic sector:

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Mining and quarrying	55,000	-
Finance, insurance and business services	81,750	81,750
	<u>136,750</u>	<u>81,750</u>

(b) Movement in impairment allowances by class of financial assets

(i) ECL allowances

An analysis of changes in the corresponding ECL allowances in relation to financing and advances is, as follows:

Group and Bank	Stage 1 Collective RM'000	Stage 2 Individual RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2022	8,911	1,934	61,313	72,158
Transfer	82	-	-	82
Transfer to Stage 3 Made	-	(1,934)	1,934	-
Written back	(637)	-	-	(637)
At 31 March 2022	<u>8,356</u>	<u>-</u>	<u>67,847</u>	<u>76,203</u>
At 1 January 2021	13,520	-	-	13,520
Transfer	1,292	-	-	1,292
Transfer to Stage 2	(1,934)	1,934	-	-
Transfer to Stage 3 Made	(3,169)	-	3,169	-
Written back	(798)	-	-	(798)
At 31 December 2021	<u>8,911</u>	<u>1,934</u>	<u>61,313</u>	<u>72,158</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(e) Other assets

	Note	Group and Bank	
		31 March 2022 RM'000	31 December 2021 RM'000
Other debtors, deposits and prepayments		4,552	9,512
Less: ECL allowance	(i)	(2,947)	(3,141)
		<u>1,605</u>	<u>6,371</u>
Profit receivables		39,181	36,945
Amounts due from brokers and clients	(ii)	8,665	1,401
		<u>49,451</u>	<u>44,717</u>

(i) Other debtors, deposits and prepayments

Movement in ECL allowance

Group and Bank	Total RM'000
At 1 January 2022	3,141
Written back (Note 33(m))	(194)
At 31 March 2022	<u>2,947</u>
At 1 January 2021	1,587
Impairment made	1,554
At 31 December 2021	<u>3,141</u>

(ii) Amounts due from brokers and clients

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Brokers	4,386	-
Clients	4,279	1,401
	<u>8,665</u>	<u>1,401</u>

Clients' and brokers' debit balances arose from trading of securities through the Bank which are not yet due for settlement as at reporting date under the Rules of Bursa Malaysia Securities Berhad.

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(f) Deposits from customers

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
(i) By type of deposit		
Commodity Murabahah fund		
Term deposits	3,982,716	3,670,375
(ii) By type of customer		
Commodity Murabahah fund		
Business enterprises	1,474,778	1,292,372
Government and statutory bodies	2,507,938	2,378,003
	<u>3,982,716</u>	<u>3,670,375</u>
(iii) The maturity structure of term deposits is as follows:		
Due within six months	3,688,406	3,281,958
Six months to one year	294,310	334,907
One year to two years	-	53,510
	<u>3,982,716</u>	<u>3,670,375</u>

(g) Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
(i) By types of deposit		
Commodity Murabahah fund		
Term deposits	1,026,403	831,840
(ii) By type of customer		
Commodity Murabahah fund		
Other financial institutions	1,026,403	831,840

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(h) Other liabilities

		Group and Bank	
		31 March 2022	31 December 2021
	Note	RM'000	RM'000
Profit payable to depositors		17,769	14,670
Amount due to brokers and clients	(a)	14,542	1,392
Sundry creditors and accruals		16,564	17,031
ECL allowances on financing and advances commitments and financial investments	(b)	1,369	1,275
Amount due to immediate holding company		45	23
Amount due to Head Office		111,728	105,634
		<u>162,017</u>	<u>140,025</u>

(b) Amount due to brokers and clients

	Group and Bank	
	31 March 2022	31 December 2021
	RM'000	RM'000
Brokers	-	365
Clients	14,542	1,027
	<u>14,542</u>	<u>1,392</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(h) Other liabilities

(b) Movements in the ECL allowances on financing and advances commitments and financial investments are as follows:

Group and Bank	Financing and advances commitments RM'000	Financial investments at amortised cost RM'000	Total RM'000
Stage 1 Collective			
At 1 January 2022	1,261	14	1,275
Transfer	(82)	(14)	(96)
Impairment made	190	-	190
At 31 March 2022	1,369	-	1,369
At 1 January 2021	2,372	7	2,379
Transfer	(1,292)	-	(1,292)
Impairment made	181	14	195
Written back	-	(7)	(7)
At 31 December 2021	1,261	14	1,275

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(i) Income derived from investment of depositors' funds

	Group and Bank Individual / Cumulative Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Finance income and hibah:		
Financing and advances	6,330	7,880
Money at call and deposit placements with financial institutions	1,980	800
Financial investments at FVOCI		
- Profit on non-impaired instruments	16,970	16,390
Financial investments at amortised costs		
- Profit on non-impaired instruments	15,130	17,520
	<u>40,410</u>	<u>42,590</u>
Accretion of discount less amortisation of premium	(3,070)	(3,710)
Total finance income and hibah	<u>37,340</u>	<u>38,880</u>
Other operating income:		
Net gain on sale of financial assets at FVTPL	330	-
Net gain on sale of financial investments at FVOCI	30	4,440
	<u>360</u>	<u>4,440</u>
	<u>37,700</u>	<u>43,320</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(j) Income derived from investment of Islamic Banking funds

	Group and Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Finance income and hibah:		
Financing and advances	699	872
Money at call and deposit placements with financial institutions	222	87
Financial investments at FVOCI		
- Profit on non-impaired instruments	1,891	1,821
Financial investments at amortised costs		
- Profit on non-impaired instruments	1,686	1,951
	4,498	4,731
Accretion of discount less amortisation of premium	(339)	(415)
Total finance income and hibah	4,159	4,316
Other operating income:		
Net gain on sale of financial assets at FVTPL	33	-
Net gain on sale of financial investments at FVOCI	8	496
	41	496

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(j) Income derived from investment of Islamic Banking funds (cont'd.)

	Group and Bank Individual / Cumulative Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Fees and others:		
Fee income		
- Fees on financing and advances	170	149
- Corporate advisory fees	3,267	1,095
- Management fees	-	210
- Brokerage commission	675	49
- Participation fees	105	88
- Other fee income	111	2
	<u>4,328</u>	<u>1,593</u>
Other income	17	1
	<u>4,345</u>	<u>1,594</u>
	<u>8,545</u>	<u>6,406</u>

(k) Impairment loss made on financing and advances

	Group and Bank Individual / Cumulative Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
ECL allowance		
- Made	(4,153)	(1,423)
	<u>(4,153)</u>	<u>(1,423)</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(l) Impairment loss (made)/written back on financial investments

	Group and Bank Individual / Cumulative Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Financial investments at FVOCI [Note 33(b)]	(15)	(34)
Financial investments at amortised cost	(96)	26
	(111)	(8)

(m) Impairment loss written back/(made) on other assets

	Group and Bank Individual / Cumulative Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Other assets		
- Written back/(made) [Note 33(e)(i)]	194	(53)
	194	(53)

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(n) Income attributable to depositors

	Group and Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Commodity Murabahah fund		
Deposits from customers	20,451	19,101
Deposits and placements of banks and other financial institutions	-	4,058
	20,451	23,159

(o) Operating expenses

	Group and Bank	
	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
(i) Staff costs:		
Wages, salaries and bonuses	547	494
Social security costs	3	3
Defined contribution plan	107	98
Other staff related expenses	44	27
	701	622

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(o) Operating expenses (cont'd.)

	Group and Bank Individual / Cumulative 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
	(ii) Establishment costs:	
IT expenses	206	167
Others	54	50
	260	217
(iii) Administrative and general expenses:		
Audit fees	63	6
Non-Executive Directors' remuneration	162	18
Management fees	3,591	1,119
Brokerage fees	106	66
Others	2,418	59
	6,340	1,268
	7,301	2,107

(p) Net income from Islamic banking

For consolidation with conventional business, net income from operations of Islamic Banking comprises the followings:

	Group and Bank Individual / Cumulative 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
	Income derived from investment of depositors' funds	37,700
Income derived from investment of Islamic banking funds	8,545	6,406
Less: Income attributable to depositors	(20,451)	(23,159)
	25,794	26,567

Unaudited Interim Financial Statements

(q) Capital adequacy

(i) The capital adequacy ratio of the Group and of the Bank are as follows:

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Tier 1 Capital		
Common Equity Tier 1 ("CET1") Capital		
Islamic banking fund	426,600	426,600
Regulatory reserve	13,518	7,385
FVOCI reserve	(18,190)	(14,385)
Retained profits	284,258	290,391
	<u>706,186</u>	<u>709,991</u>
Less: Regulatory adjustments	(23,388)	(16,449)
Total CET 1 Capital, representing Total Tier 1 Capital	<u>682,798</u>	<u>693,542</u>
Tier 2 Capital		
Loss provision and regulatory reserve	17,981	17,212
Total Tier 2 capital	<u>17,981</u>	<u>17,212</u>
Total Capital	<u>700,779</u>	<u>710,754</u>
CET1 Capital Ratio	41.883%	44.761%
Tier 1 Capital Ratio	41.883%	44.761%
Total Capital Ratio	42.986%	45.872%

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

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Total risk-weighted assets for credit risk	1,438,456	1,376,950
Total risk-weighted assets equivalent for market risk	-	-
Total risk-weighted assets equivalent for operational risk	191,776	172,478
	<u>1,630,232</u>	<u>1,549,428</u>

Unaudited Interim Financial Statements

I, Datuk Joseph Dominic Silva being the Chief Executive Officer primarily responsible for the financial management of MIDF Amanah Investment Bank Berhad, do hereby state that, the unaudited interim financial statements for the three months ended 31 March 2022, as set out on pages 1 to 63 have been prepared from the Group and the Bank's accounting and other records and that to the best of my knowledge and belief, are drawn up so as to give a true and fair view of the state of affairs of the Group and the Bank as at 31 March 2022. The financial performance and cash flows of the Group and the Bank for the period ended on that date are prepared in accordance with the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

A handwritten signature in black ink, appearing to read "Datuk Joseph Dominic Silva", with a stylized flourish at the end.

DATUK JOSEPH DOMINIC SILVA
CHIEF EXECUTIVE OFFICER

Date: 26 April 2022