

Unaudited Interim Financial Statements

Condensed consolidated statements of financial position
As at 30 June 2022

	Note	Group		Bank	
		30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
Assets					
Cash and short-term funds	11	565,008	405,764	533,423	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")	13	2,493,566	2,559,358	2,493,566	2,559,358
Financial investments at amortised cost	14	2,740,534	2,343,837	2,740,534	2,343,837
Loans, advances and financing	15	1,302,220	1,364,067	1,302,220	1,364,067
Derivative assets	19	13,703	6,878	13,703	6,878
Other assets	16	114,857	114,754	146,826	129,553
Statutory deposits with Bank Negara Malaysia		112,830	107,127	112,830	107,127
Investment in subsidiaries		-	-	*	*
Property, plant and equipment		155	188	155	188
Intangible assets		2,303	2,734	2,303	2,734
Right-of-use asset		2,666	3,733	2,666	3,733
Deferred tax assets		17,807	13,004	17,807	13,004
Total assets		7,395,894	6,951,689	7,396,278	6,951,649
Liabilities					
Deposits from customers	17	5,138,575	4,907,846	5,138,575	4,907,846
Deposits and placements of bank and other financial institutions	18	1,263,644	1,063,034	1,263,644	1,063,034
Other liabilities	20	104,425	100,931	104,892	100,912
Lease liabilities		2,751	3,811	2,751	3,811
Provision for taxation and zakat		1,814	736	1,814	736
Total liabilities		6,511,209	6,076,358	6,511,676	6,076,339
Equity					
Share capital		369,111	369,111	369,111	369,111
Reserves		515,574	506,220	515,491	506,199
Total equity		884,685	875,331	884,602	875,310
Total liabilities and equity		7,395,894	6,951,689	7,396,278	6,951,649
Commitments and contingencies	29	880,788	986,711	880,788	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 six months ended 30 June 2022

Group	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Operating revenue		81,247	69,836	153,967	150,308
Interest income	21	21,361	16,472	39,255	33,834
Interest expense	22	(10,594)	(6,856)	(17,555)	(14,772)
Net interest income		10,767	9,616	21,700	19,062
Net income from Islamic Banking operation	34(p)	23,673	28,851	49,467	55,418
Non-interest income	23	7,685	3,806	16,350	17,206
		42,125	42,273	87,517	91,686
Operating expenses	24	(21,240)	(17,500)	(43,024)	(37,872)
Operating profit before allowances		20,885	24,773	44,493	53,814
Impairment loss (made)/ written back on:					
- loans, advances and financing	25	(889)	(1,751)	(5,123)	(3,188)
- financial investments	26	2,952	44	2,950	323
- other assets	27	(127)	(352)	74	(384)
Profit before taxation and zakat		22,821	22,714	42,394	50,565
Taxation		(5,364)	(5,546)	(10,492)	(12,373)
Zakat		(608)	(510)	(1,078)	(961)
Profit for the period attributable to equity holder of the Bank		16,849	16,658	30,824	37,231
Earnings per ordinary share (sen)					
- Basic and diluted	28	10.87	10.75	19.89	24.02

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 six months ended 30 June 2022**

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Profit for the period attributable to equity holder of the Bank	16,849	16,658	30,824	37,231
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	(41)	(11)	(26)	23
Net (loss)/gain on financial investments at FVOCI:				
- Transfer of gain to profit or loss upon disposal	(7)	(226)	(50)	(7,101)
- Fair value changes	(17,153)	4,944	(21,394)	(7,492)
Other comprehensive (loss)/income for the period, net of tax	(17,201)	4,707	(21,470)	(14,570)
Total comprehensive (loss)/income for the period attributable to equity holder of Bank	(352)	21,365	9,354	22,661

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 six months ended 30 June 2022

Bank	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Operating revenue		81,194	69,816	153,876	150,285
Interest income	21	21,361	16,472	39,255	33,834
Interest expense	22	(10,594)	(6,856)	(17,555)	(14,772)
Net interest income		10,767	9,616	21,700	19,062
Net income from Islamic Banking operation	34(p)	23,673	28,851	49,467	55,418
Non-interest income	23	7,632	3,786	16,259	17,183
		42,072	42,253	87,426	91,663
Operating expenses	24	(21,235)	(17,495)	(43,014)	(37,862)
Operating profit before allowances		20,837	24,758	44,412	53,801
Impairment loss (made)/ written back on:					
- loans, advances and financing	25	(889)	(1,751)	(5,123)	(3,188)
- financial investments	26	2,952	44	2,950	323
- other assets	27	(127)	(352)	74	(384)
Profit before taxation and zakat		22,773	22,699	42,313	50,552
Taxation		(5,352)	(5,543)	(10,473)	(12,370)
Zakat		(608)	(510)	(1,078)	(961)
Profit for the period attributable to equity holder of the Bank		16,813	16,646	30,762	37,221

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 six months ended 30 June 2022**

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
Bank	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to equity holder of the Bank	16,813	16,646	30,762	37,221
Other comprehensive (loss)/ income to be reclassified to profit or loss in subsequent periods:				
Changes in allowance for expected credit loss ("ECL")	(41)	(11)	(26)	23
Net (loss)/gain on financial investments at FVOCI:				
- Transfer of gain to profit or loss upon disposal	(7)	(226)	(50)	(7,101)
- Fair value changes	(17,153)	4,944	(21,394)	(7,492)
Other comprehensive (loss)/income for the period, net of tax	(17,201)	4,707	(21,470)	(14,570)
Total comprehensive (loss)/income for the period attributable to equity holder of Bank	(388)	21,353	9,292	22,651

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 six months ended 30 June 2022

Group	<----- Non-distributable ----->			Distributable	Total RM'000
	Share capital RM'000	Regulatory reserve# RM'000	FVOCI reserve^ RM'000	Retained profits RM'000	
At 1 January 2022	369,111	18,485	(14,721)	502,456	875,331
Profit for the financial period	-	-	-	30,824	30,824
Other comprehensive loss for the period	-	-	(21,470)	-	(21,470)
Total comprehensive (loss)/ income for the period	-	-	(21,470)	30,824	9,354
Transactions with owner					
Transfer from regulatory reserve	-	9,128	-	(9,128)	-
At 30 June 2022	369,111	27,613	(36,191)	524,152	884,685
At 1 January 2021	369,111	16,324	15,002	475,624	876,061
Profit for the financial period	-	-	-	37,231	37,231
Other comprehensive loss for the period	-	-	(14,570)	-	(14,570)
Total comprehensive (loss)/ income for the period	-	-	(14,570)	37,231	22,661
Transactions with owner					
Transfer to regulatory reserve	-	(1,992)	-	1,992	-
Dividends	-	-	-	(20,000)	(20,000)
At 30 June 2021	369,111	14,332	432	494,847	878,722

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 six months ended 30 June 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	-	-	-	30,762	30,762
Other comprehensive loss for the period	-	-	(21,470)	-	(21,470)
Total comprehensive (loss)/ income for the period	-	-	(21,470)	30,762	9,292
Transactions with owner					
Transfer from regulatory reserve	-	9,128	-	(9,128)	-
At 30 June 2022	369,111	27,613	(36,191)	524,069	884,602
At 1 January 2021	369,111	16,324	15,002	475,577	876,014
Profit for the financial period	-	-	-	37,221	37,221
Other comprehensive income for the period	-	-	(14,570)	-	(14,570)
Total comprehensive income for the period	-	-	(14,570)	37,221	22,651
Transactions with owner					
Transfer to regulatory reserve	-	(1,992)	-	1,992	-
Dividends	-	-	-	(20,000)	(20,000)
At 30 June 2021	369,111	14,332	432	494,790	878,665

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 six months ended 30 June 2022

	Note	Group		Bank	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Profit before taxation and zakat		42,394	50,565	42,313	50,552
Adjustments for non-cash items		(475)	(1,939)	(475)	(1,939)
Operating profit before changes in working capital		41,919	48,626	41,838	48,613
Changes in working capital:					
Net changes in operating assets		(317,381)	(50,089)	(334,532)	(36,756)
Net changes in operating liabilities		434,905	486,478	435,391	486,483
Net cash generated from operating activities		159,443	485,015	142,697	498,340
Net cash used in investing activities		(199)	(659)	(199)	(659)
Net cash used in financing activities					
activities - Dividends paid		-	(20,000)	-	(20,000)
Net change in cash and cash equivalents		159,244	464,356	142,498	477,681
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	565,008	786,092	533,423	786,041
Cash and cash equivalents comprise of:					
Cash and short-term funds		565,008	786,092	533,423	786,041

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.

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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 30 June 2022.

5. Significant estimates and changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 June 2022.

6. Debt and equity instruments

There were no changes to the debt and equity instruments for the quarter ended 30 June 2022.

7. Dividend paid/payable

There were no dividends declared or paid during the quarter ended 30 June 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 higher pre-tax profit of RM22.8 million for the second quarter ended 30 June 2022, as compared to the pre-tax profit of RM22.7 million recorded in the corresponding quarter ended 30 June 2021. The higher profit for the current period is mainly attributable from lower impairment made by RM4.0 million offset with higher operating expenses by RM3.7 million.

The pre-tax profit for the six months ended 30 June 2022 amounted to RM42.4 million, a decrease of RM8.2 million or 16.2% as compared to pre-tax profit of RM50.6 million recorded in the previous corresponding quarter ended 30 June 2021. The lower profit for the period is mainly due to lower net operating income by RM4.2 million and higher operating expenses by RM5.1 million, offset with lower impairment made by RM1.1 million.

10. Review for 2022

Malaysia's Gross Domestic Product ("GDP") grew by 5% in the first quarter of 2022. On quarter-to-quarter basis, Malaysia's seasonally adjusted GDP grew by +3.9% q-o-q (4Q FY2021: +4.6% q-o-q). The sustained growth shows that the resurgence of Covid-19 cases due to the Omicron variant had little impact on the economy as consumption by both public and private sectors strengthened in first quarter of 2022.

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10. Review for 2022 (cont'd.)

The FBM KLCI closed the first quarter of the year by +1.3% higher but saw a reversal of -9.0% in the second quarter of the year and closed at 1,444.22. Main cause for the reversal of sentiment was the increase in expectation of a US recession stemming from an aggressive US Fed to contain its inflation. This led to heightened fears that the US economy will fall into a recession especially as another +200bps hike is expected in second half of 2022. The heightened recession fear in the US had led to a net outflow of -RM378.9 million by foreign investors from the market in second quarter of 2022. Nevertheless, Malaysia cumulative fund flow remains positive and above the USD 1 billion mark (RM6.08 billion).

Bank Negara Malaysia (“BNM”) raised the Overnight Policy Rate (“OPR”) to 2.00% on 11 May 2022 and 2.25% on 6 July 2022 after keeping it at a record low of 1.75% since July 2020. This was in-line with several other central banks which have started to adjust their monetary policy settings at a faster pace to combat rising inflation due to soaring commodity prices, strained supply chains and strong demand conditions.

On liquidity front, the domestic banking system continued to remain flush with liquidity throughout second quarter of 2022. With domestic growth on a firmer footing, the Monetary Policy Committee (“MPC”) of BNM has decided to begin reducing the degree of monetary accommodation, where this would be done in a measured and gradual manner to ensure monetary policy remains accommodative to support a sustainable economic growth momentum while maintaining price stability.

In the fixed income market, growing fears of more aggressive US monetary policy tightening had resulted in sharp spikes in the US Treasury (“UST”) yields, where its 10-year bonds hit 3.48% level in mid-June 2022 before tapering down to close at 2.99% as at end second quarter of 2022. The 3-, 5-, 7- and 10-year Malaysian Government Securities (“MGS”) closed the second quarter of 2022 broadly higher by 42 to 57 basis points to 3.61%, 4.05%, 4.24% and 4.26% respectively as compared to their levels as at end of first quarter of 2022.

Moving into the second half of 2022, the foreign interest in the ringgit bond market is expected to remain challenged in the near term, given the anticipation of further US fed funds rate hikes. Given this scenario, the trading and investment activities in the local bond markets are expected to remain in cautious mode as capital preservation is of utmost importance during the current uncertainty and challenging period due to global inflationary pressures, supply chain disruptions and on-going war between Russia and Ukraine.

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	
	30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
Cash and balances with banks and other financial institutions	59,308	51,364	27,723	36,525
Money at call and deposits placements maturing within one month	505,700	354,400	505,700	354,400
	<u>565,008</u>	<u>405,764</u>	<u>533,423</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 RM19,399,000 and RM19,376,000 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	
	30 June 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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13. Financial investments at FVOCI

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
At fair value		
Money market instruments:		
Government Investment Issues	1,301,785	1,273,083
Malaysian Treasury Bills	491,865	398,374
Negotiable Instruments of Deposit	49,962	249,362
	<u>1,843,612</u>	<u>1,920,819</u>
Unquoted instruments in Malaysia:		
Corporate Bonds/Sukuk	648,454	637,039
Shares	1,500	1,500
	<u>649,954</u>	<u>638,539</u>
	<u>2,493,566</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
Written back [Note 26]	(26)	-	(26)
At 30 June 2022	<u>296</u>	<u>59,810</u>	<u>60,106</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 30 June 2022 and 31 December 2021.

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14. Financial investments at amortised cost

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
Money market instruments:		
Government Investment Issues	462,974	513,211
Malaysian Treasury Bills	494,172	
	<u>957,146</u>	<u>513,211</u>
Unquoted instruments in Malaysia:		
Corporate Bonds/Sukuk	1,780,743	1,830,837
Loan stocks	9,822	9,854
	<u>1,790,565</u>	<u>1,840,691</u>
Less: ECL allowance	(7,177)	(10,065)
	<u>2,740,534</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
Impairment made	4	-	-	4
Written back	-	(2,426)	(483)	(2,909)
At 30 June 2022	<u>528</u>	<u>-</u>	<u>6,649</u>	<u>7,177</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>

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15. Loans, advances and financing

	Group and Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
Term loans/financing		
Syndicated term loans	268,875	265,399
Other term loans	552,960	596,977
	<u>821,835</u>	<u>862,376</u>
Margin accounts	569,721	585,429
Staff loans	215	250
Gross loans, advances and financing	<u>1,391,771</u>	<u>1,448,055</u>
Less: ECL allowance	<u>(89,551)</u>	<u>(83,988)</u>
Net loans, advances and financing	<u>1,302,220</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	
	30 June	31 December
	2022	2021
	RM'000	RM'000
Domestic other non-bank institutions	48,365	50,070
Domestic business enterprises		
- Small medium enterprises	984,191	1,022,888
Individuals	359,215	375,097
Gross loans, advances and financing	<u>1,391,771</u>	<u>1,448,055</u>

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

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

(ii) By interest rate sensitivity

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
Fixed rate		
Staff loans	215	250
Margin accounts	569,721	585,429
Variable rate		
Cost-plus	821,835	862,376
Gross loans, advances and financing	<u>1,391,771</u>	<u>1,448,055</u>

(iii) By economic sector

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
Finance, insurance and business services	637,613	694,271
Household	359,216	375,097
Education, health and others	153,236	147,596
Construction	89,487	87,191
Mining and quarrying	54,000	56,207
Electricity, gas and water supply	40,244	40,248
Manufacturing	33,174	34,151
Wholesale & retail trade and restaurants & hotels	16,099	12,237
Transport, storage and communications	7,753	-
Others	949	1,057
Gross loans, advances and financing	<u>1,391,771</u>	<u>1,448,055</u>

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

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

(iv) By maturity profile

	Group and Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
Within one year	869,342	995,437
One year to five years	427,531	363,810
After five years	94,898	88,808
Gross loans, advances and financing	1,391,771	1,448,055

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

(i) Movements in ILs are as follows:

	Group and Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
At 1 January	92,498	61,148
Classified as impaired during the period/year	55,000	81,750
Recovered	(1,000)	(8,590)
Written off	-	(41,810)
	146,498	92,498
Less: ECL allowance	(81,323)	(72,061)
Net ILs	65,175	20,437
Ratio of net ILs to gross loans, advances and financing less ECL allowance	4.97%	1.49%

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

(b) Impaired loans, advances and financing ("ILs") (cont'd.)

(ii) ILs by economic sector:

	Group and Bank	
	30 June 2022	31 December 2021
	RM'000	RM'000
Finance, insurance and business services	81,750	81,750
Mining and quarrying	54,000	-
Wholesale & retail trade and restaurants & hotels	10,729	10,729
Household	19	19
	146,498	92,498

(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	524	-	-	524
Transfer to Stage 3	-	(1,934)	1,934	-
Impairment made	-	-	7,328	7,328
Written back	(2,289)	-	-	(2,289)
At 30 June 2022	8,228	-	81,323	89,551
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	9,993	1,934	72,061	83,988

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16. Other assets

	Note	Group		Bank	
		30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
Interest/profit receivables		47,387	41,338	47,387	41,338
Amounts due from brokers and clients	(a)	38,555	45,750	38,555	45,750
Deposits, prepayments and other receivables		9,853	15,499	9,853	15,499
Less: ECL allowance	(b)	(3,657)	(3,731)	(3,657)	(3,731)
		<u>6,196</u>	<u>11,768</u>	<u>6,196</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)	553	296	553	296
Amount due from subsidiaries	(c)	-	-	31,969	14,809
Tax recoverable		22,166	15,602	22,166	15,592
		<u>114,857</u>	<u>114,754</u>	<u>146,826</u>	<u>129,553</u>

Unaudited Interim Financial Statements

16. Other assets (cont'd.)

(a) Amounts due from brokers and clients

	Group and Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
Brokers	9,828	11,171
Clients	28,727	34,579
	<u>38,555</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	(74)
At 30 June 2022	<u>3,657</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.

Unaudited Interim Financial Statements

17. Deposits from customers

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
(a) By types of deposit		
Call deposits	71,517	12,165
Fixed deposits	5,067,058	4,895,681
	<u>5,138,575</u>	<u>4,907,846</u>
(b) By types of customer		
Business enterprises	2,553,262	2,251,852
Government and statutory bodies	2,582,555	2,653,294
Individual	2,758	2,700
	<u>5,138,575</u>	<u>4,907,846</u>
(c) The maturity structure of term deposits is as follows:		
Due within six months	4,938,297	4,504,164
Six months to one year	200,278	350,172
One year to two years	-	53,510
	<u>5,138,575</u>	<u>4,907,846</u>

18. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
(a) Call deposits		
- Other financial institutions	32,004	19,090
(b) Fixed deposits		
- Other financial institutions	1,231,640	1,043,944
	<u>1,231,640</u>	<u>1,043,944</u>
	<u>1,263,644</u>	<u>1,063,034</u>

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19. Derivative liabilities

Group and Bank	Contract or underlying principal amount RM'000	Derivative assets RM'000
30 June 2022		
Interest rate related derivatives:		
- Interest rate swaps	300,000	13,703
31 December 2021		
Interest rate related derivatives:		
- Interest rate swaps	300,000	6,878

20. Other liabilities

	Note	Group		Bank	
		30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
Amounts due to brokers and clients	(a)	40,488	45,479	40,488	45,479
Interest/profit payables		19,678	19,007	19,678	19,007
Accrued liabilities and other payables		18,668	21,972	19,147	21,972
Employee benefits		2,024	1,918	2,024	1,918
Amount due to immediate holding company	(b)	22,738	11,275	22,726	11,256
Amount due to related company	(b)	7	1	7	1
ECL allowances on loans, advances and financing commitments and financial investments	(c)	822	1,279	822	1,279
		<u>104,425</u>	<u>100,931</u>	<u>104,892</u>	<u>100,912</u>

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20. Other liabilities (cont'd.)

(a) Amount due to brokers and clients

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
Brokers	1,440	10,731
Clients	39,048	34,748
	40,488	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	(524)	(17)	(541)
Impairment made	356	-	356
Written back	(272)	-	(272)
At 30 June 2022	822	-	822
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

21. Interest income

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income on non-impaired loans	12,508	12,376	24,832	24,042
Money at call and deposit placements with financial institutions	703	459	1,743	1,025
Financial investments at FVOCI				
- Interest income on non-impaired instruments	2,318	951	4,789	2,027
Financial investments at amortised cost				
- Interest income on non-impaired instruments	5,333	2,419	7,382	6,284
- Interest income on impaired instruments	-	1	-	33
Others	-	(8)	-	-
	<u>20,862</u>	<u>16,198</u>	<u>38,746</u>	<u>33,411</u>
Accretion of discount less amortisation of premium	499	274	509	423
	<u>21,361</u>	<u>16,472</u>	<u>39,255</u>	<u>33,834</u>

22. Interest expense

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	7,382	4,779	14,197	10,815
Deposits and placements of bank and other financial institutions	3,066	1,449	3,068	2,705
Derivative instruments	113	594	218	1,179
	<u>10,561</u>	<u>6,822</u>	<u>17,483</u>	<u>14,699</u>
Lease liabilities	33	34	72	73
	<u>10,594</u>	<u>6,856</u>	<u>17,555</u>	<u>14,772</u>

Unaudited Interim Financial Statements

23. Non-interest income

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Fees on loans and advances	25	50	53	100
Corporate advisory fees	980	2,304	1,303	3,119
Underwriting fees	-	-	459	-
Brokerage commission	1,451	1,527	4,163	4,161
Rollover charges	961	796	2,058	1,498
Facility fee	50	390	73	1,110
Redemption fee	58	95	153	515
Other fee income	23	246	40	251
	<u>3,548</u>	<u>5,408</u>	<u>8,302</u>	<u>10,754</u>
Investment income:				
Net gain on sale of financial investments at FVOCI	6	40	11	1,979
Net gain on sale of financial investments at amortised cost	-	-	630	-
Net unrealised loss on revaluation of financial assets at FVTPL	-	(114)	-	(114)
Net unrealised gain/(loss) on revaluation of derivative instruments	4,010	(1,572)	6,825	4,453
	<u>4,016</u>	<u>(1,646)</u>	<u>7,466</u>	<u>6,318</u>
Other income:				
Intercompany management fee	40	(29)	84	16
Others	81	73	498	118
	<u>121</u>	<u>44</u>	<u>582</u>	<u>134</u>
	<u>7,685</u>	<u>3,806</u>	<u>16,350</u>	<u>17,206</u>

Unaudited Interim Financial Statements

23. Non-interest income (contd.)

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
Bank	RM'000	RM'000	RM'000	RM'000
Fee income:				
Fees on loans and advances	25	50	53	100
Corporate advisory fees	980	2,304	1,303	3,119
Underwriting fees	-	-	459	-
Brokerage commission	1,451	1,527	4,163	4,161
Rollover charges	961	796	2,058	1,498
Facility fee	50	390	73	1,110
Redemption fee	58	95	153	515
Other fee income	8	226	9	228
	<u>3,533</u>	<u>5,388</u>	<u>8,271</u>	<u>10,731</u>
Investment income:				
Net gain on sale of financial investments at FVOCI	6	40	11	1,979
Net gain on sale of financial investments at amortised cost	-	-	630	-
Net unrealised loss on revaluation of financial assets at FVTPL	-	(114)	-	(114)
Net unrealised gain/(loss) on revaluation of derivative instruments	4,010	(1,572)	6,825	4,453
	<u>4,016</u>	<u>(1,646)</u>	<u>7,466</u>	<u>6,318</u>
Other income:				
Intercompany management fee	40	(29)	84	16
Others	43	73	438	118
	<u>83</u>	<u>44</u>	<u>522</u>	<u>134</u>
	<u>7,632</u>	<u>3,786</u>	<u>16,259</u>	<u>17,183</u>

Unaudited Interim Financial Statements

24. Operating expenses

Group	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
(i) Staff costs:				
Wages, salaries and bonuses	10,797	9,872	21,369	19,595
Executive Director/Chief Executive Officer - Fees				
Employees' benefits	53	52	106	102
Defined contribution plans	1,684	1,505	3,305	3,001
Social security costs	44	41	87	82
Other staff related expenses	859	431	1,742	1,735
	<u>13,437</u>	<u>11,901</u>	<u>26,609</u>	<u>24,515</u>
(ii) Establishment costs:				
Depreciation and amortisation	350	301	670	547
Depreciation of right-of-use assets	533	545	1,066	1,089
Rental				
- office equipment	8	6	18	13
- premises	10	5	12	25
General repairs and maintenance	12	10	22	18
Insurance	54	27	205	54
Electricity	30	4	37	10
IT expenses	1,652	1,021	3,146	2,864
	<u>2,649</u>	<u>1,919</u>	<u>5,176</u>	<u>4,620</u>
(iii) Promotion and marketing -related expenses:				
Business promotion and advertisement	474	70	761	1,457
Entertainment	59	47	170	109
	<u>533</u>	<u>117</u>	<u>931</u>	<u>1,566</u>

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24. Operating expenses (cont'd.)

Group	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
(iv) Administrative and general expenses:				
Auditors' remuneration				
- Audit	74	64	148	131
Non-Executive Directors' remuneration	209	190	426	380
Management fees	3,710	2,561	7,440	4,889
Securities commission's levy	119	87	310	232
Brokerage fee	224	120	461	270
Bursa fee	57	70	120	154
License fee and stamp duty	10	-	163	161
Corporate dealers' and remisier' commissions	170	108	1,010	340
Regulatory expenses	26	87	82	208
Others	22	276	148	406
	<u>4,621</u>	<u>3,563</u>	<u>10,308</u>	<u>7,171</u>
	<u>21,240</u>	<u>17,500</u>	<u>43,024</u>	<u>37,872</u>

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24. Operating expenses (cont'd.)

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
Bank	RM'000	RM'000	RM'000	RM'000
(i) Staff costs:				
Wages, salaries and bonuses	10,797	9,872	21,369	19,595
Employees' benefits	53	52	106	102
Defined contribution plans	1,684	1,505	3,305	3,001
Social security costs	44	41	87	82
Other staff related expenses	859	431	1,742	1,735
	<u>13,437</u>	<u>11,901</u>	<u>26,609</u>	<u>24,515</u>
(ii) Establishment costs:				
Depreciation and amortisation	350	301	670	547
Depreciation of right-of-use assets	533	545	1,066	1,089
Rental of:				
- office equipment	8	6	18	13
- premises	10	5	12	25
General repairs and maintenance	12	10	22	18
Insurance	54	27	205	54
Electricity	30	4	37	10
IT expenses	1,652	1,021	3,146	2,864
	<u>2,649</u>	<u>1,919</u>	<u>5,176</u>	<u>4,620</u>
(iii) Promotion and marketing -related expenses:				
Business promotion and advertisement	474	70	761	1,457
Entertainment	59	47	170	109
	<u>533</u>	<u>117</u>	<u>931</u>	<u>1,566</u>

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24. Operating expenses (cont'd.)

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Bank				
(iv) Administrative and general expenses:				
Auditors' remuneration				
- Audit	74	64	148	131
Non-Executive Directors' remuneration	209	190	426	380
Management fees	3,705	2,556	7,430	4,879
Securities commission's levy	119	87	310	232
Brokerage fee	224	120	461	270
Bursa fees	57	70	120	154
License fee and stamp duty	10	-	163	161
Corporate dealers' and remisiers' commissions	170	108	1,010	340
Regulatory expenses	26	87	82	208
Others	22	276	148	406
	<u>4,616</u>	<u>3,558</u>	<u>10,298</u>	<u>7,161</u>
	<u>21,235</u>	<u>17,495</u>	<u>43,014</u>	<u>37,862</u>

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25. Impairment loss made on loans, advances and financing

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
ECL allowance				
- Made (Net)	(889)	(1,751)	(5,123)	(3,188)
	<u>(889)</u>	<u>(1,751)</u>	<u>(5,123)</u>	<u>(3,188)</u>

26. Impairment loss written back on financial investments

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Financial investments at FVOCI [Note 13]	41	11	26	(23)
Financial investments at amortised cost	2,892	11	2,905	324
Interest on impaired financial investments recovered	19	-	19	-
Bad debts recovered	-	22	-	22
	<u>2,952</u>	<u>44</u>	<u>2,950</u>	<u>323</u>

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
ECL allowance				
- Made	74	(352)	74	(383)
- Written back	(201)	-	-	-
	<u>(127)</u>	<u>(352)</u>	<u>74</u>	<u>(383)</u>
Bad debts written off	-	-	-	(1)
	<u>(127)</u>	<u>(352)</u>	<u>74</u>	<u>(384)</u>

28. Basic earnings per ordinary shares

Group	Individual / Cumulative Quarter	
	Cumulative Quarter 6 Months Ended	
	30 June 2022	30 June 2021
	RM'000	RM'000
Profit for the period	<u>30,824</u>	<u>37,231</u>
Weighted average number of ordinary shares	<u>155,000</u>	<u>155,000</u>
Basic and diluted earnings per ordinary share (sen)	<u>19.89</u>	<u>24.02</u>

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29. Commitments and contingencies

	<----- 30 June 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
Group and Bank						
Direct credit substitutes	28,500	28,500	28,500	36,000	36,000	36,000
Obligations under an on-going underwriting agreement	8,458	4,229	4,229	-	-	-
Interest rate related contract with an original maturity of:						
- over one year to five years	300,000	22,668	4,534	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	355,521	71,104	71,104	287,878	57,576	57,576
- exceeding one year	188,309	94,154	94,154	362,833	181,416	181,416
Total	880,788	220,655	202,521	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.

30. Credit exposures arising from credit transactions with connected parties

	Group and Bank	
	30 June 2022	31 December 2021
	RM'000	RM'000
(i) Outstanding credit exposures with connected parties	200,190	244,801
(ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	4.44%	5.23%
(iii) Percentage of outstanding credit exposures to connected parties which is impaired or in default	Nil	Nil

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31. 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	
	30 June	30 June
	2022	2021
	RM'000	RM'000
Penultimate holding company		
Income:		
Interest income on financial investments	2,495	2,099
Brokerage fees earned	671	325
	<u>671</u>	<u>325</u>
Immediate holding company		
Expenditure:		
Management fees	7,436	4,879
	<u>7,436</u>	<u>4,879</u>
Other related companies		
Income:		
Interest income on loans, advances and financing	1,937	1,807
Brokerage fees earned	566	893
Fee income	144	146
	<u>144</u>	<u>146</u>
Expenditure:		
Interest expense on deposits	373	5,071
	<u>373</u>	<u>5,071</u>

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31. 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	
	30 June	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	162,414	243,152
Deposits from placements of banks and other financial institutions	33,904	19,925
Other payables	139	239
Amount due from:		
Sundry deposits	553	553
Loans, advances and financing	89,221	86,928
	<u>89,221</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.

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32. 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
30 June 2022				
Assets measured at fair value				
Financial assets at FVTPL				
- Unquoted instruments	-	-	30,245	30,245
Financial investments at FVOCI				
- Money market instruments	-	1,843,612	-	1,843,612
- Unquoted instruments	-	648,454	-	648,454
Derivative assets	-	13,703	-	13,703
Assets for which fair values are disclosed:				
Financial investments at amortised cost				
- Money market instruments	-	956,784	-	956,784
- Unquoted instruments	-	1,760,490	3,173	1,763,663
Loans, advances and financing				
- staff loans	-	169	-	169

Unaudited Interim Financial Statements

32. 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	-	524,072	-	524,072
- Unquoted instruments	-	1,835,646	3,205	1,838,851
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

32. 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 30 June 2022	30,245	-
At 1 January 2021	-	3,783
Addition	30,245	-
Revaluation gain	-	1,126
Settlements	-	(4,909)
At 30 June 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

33. Capital management

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

	Group		Bank	
	30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
Tier 1 Capital				
Common Equity Tier 1 ("CET1") Capital				
Ordinary shares	369,111	369,111	369,111	369,111
Regulatory reserve	27,613	18,485	27,613	18,485
FVOCI reserve	(36,191)	(14,721)	(36,191)	(14,721)
Retained profits	493,328	502,456	493,307	502,435
	<u>853,861</u>	<u>875,331</u>	<u>853,840</u>	<u>875,310</u>
Less: Regulatory adjustments	(47,723)	(34,223)	(47,723)	(34,223)
<i>Total CET1 Capital</i>	<u>806,138</u>	<u>841,108</u>	<u>806,117</u>	<u>841,087</u>
Total Tier 1 Capital	<u>806,138</u>	<u>841,108</u>	<u>806,117</u>	<u>841,087</u>
Tier 2 Capital				
Loss provision and regulatory reserve	29,366	28,907	29,687	29,055
Total Tier 2 capital	<u>29,366</u>	<u>28,907</u>	<u>29,687</u>	<u>29,055</u>
Total Capital	<u>835,504</u>	<u>870,015</u>	<u>835,804</u>	<u>870,142</u>
CET1 Capital Ratio	29.151%	30.221%	28.882%	30.092%
Tier 1 Capital Ratio	29.151%	30.221%	28.882%	30.092%
Total Capital Ratio	30.213%	31.259%	29.946%	31.131%

Unaudited Interim Financial Statements

33. Capital management (cont'd.)

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

	Group		Bank	
	30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
Total risk-weighted assets for credit risk	2,349,270	2,312,590	2,374,922	2,324,422
Total risk-weighted assets equivalent for market risk	91,525	191,533	91,525	191,533
Total risk-weighted assets equivalent for operational risk	324,624	279,101	324,624	279,101
	2,765,419	2,783,224	2,791,071	2,795,056

Unaudited Interim Financial Statements

34. The operations of Islamic Banking Scheme (SPI)

Condensed consolidated statements of financial position
As at 30 June 2022

	Note	Group and Bank	
		30 June 2022 RM'000	31 December 2021 RM'000
Assets			
Cash and short-term funds	(a)	326,833	338,172
Financial investments at FVOCI	(b)	2,185,157	2,300,628
Financial investments at amortised cost	(c)	2,303,088	1,990,829
Financing and advances	(d)	623,385	669,557
Other assets	(e)	43,073	44,717
Deferred tax assets		14,143	9,064
Total assets		5,495,679	5,352,967
Liabilities			
Deposits from customers	(f)	3,657,260	3,670,375
Deposits and placements of banks and other financial institutions	(g)	962,653	831,840
Other liabilities	(h)	157,681	140,025
Provision for taxation and zakat		1,814	736
Total liabilities		4,779,408	4,642,976
Islamic banking capital funds			
Islamic banking funds		426,600	426,600
Reserves		289,671	283,391
Total Islamic banking capital funds		716,271	709,991
Total liabilities and Islamic banking capital funds		5,495,679	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

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

Condensed consolidated statements of profit or loss
For the six months ended 30 June 2022

Group and Bank	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Income derived from investment of depositors' funds	(i)	45,520	39,230	83,220	82,550
Income derived from investment of Islamic Banking funds	(j)	6,681	10,328	15,226	16,734
Impairment loss written back on financing and advances	(k)	(1,047)	(1,941)	(5,200)	(3,364)
Impairment loss made on financial investments	(l)	1,905	63	1,794	55
Impairment loss written back/(made) on other assets	(m)	156	(169)	350	(222)
Total attributable income		53,215	47,511	95,390	95,753
Income attributable to depositors	(n)	(28,528)	(20,707)	(48,979)	(43,866)
Total net income		24,687	26,804	46,411	51,887
Operating expenses	(o)	(4,240)	(1,061)	(11,541)	(3,168)
Profit before taxation and zakat		20,447	25,743	34,870	48,719
Taxation		(4,658)	(6,176)	(8,324)	(11,690)
Zakat		(608)	(510)	(1,078)	(961)
Profit for the period		15,181	19,057	25,468	36,068

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

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

Condensed consolidated statements of comprehensive income
For the six months ended 30 June 2022

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Profit for the period attributable to equity holder of the Bank	15,181	19,057	25,468	36,068
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	(38)	(42)	(23)	(8)
Net (loss)/gain on financial investments at FVOCI				
- Transfer of gain to profit or loss upon disposal	(1)	(186)	(39)	(5,122)
- Fair value changes	(15,344)	4,866	(19,126)	(7,998)
Other comprehensive (loss)/income for the period, net of tax	(15,383)	4,638	(19,188)	(13,128)
Total comprehensive income/(loss) for the period attributable to equity holder of the Bank	(202)	23,695	6,280	22,940

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

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

Condensed consolidated statements of changes in equity
For the six months ended 30 June 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	-	-	-	25,468	25,468
Other comprehensive loss for the financial period	-	-	(19,188)	-	(19,188)
Total comprehensive income for the financial period	-	-	(19,188)	25,468	6,280
Transactions with owner					
Transfer to regulatory reserve	-	9,138	-	(9,138)	-
At 30 June 2022	426,600	16,523	(33,573)	306,721	716,271
At 1 January 2021	426,600	5,945	12,774	284,745	730,064
Profit for the financial period	-	-	-	16,068	16,068
Other comprehensive loss for the financial period	-	-	(13,128)	-	(13,128)
Total comprehensive income for the period	-	-	(13,128)	16,068	2,940
Transactions with owner					
Transfer from regulatory reserve	-	(1,906)	-	1,906	-
Dividends	-	-	-	(20,000)	(20,000)
At 30 June 2021	426,600	4,039	(354)	302,719	733,004

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

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

Condensed consolidated statements of cash flows
For the six months ended 30 June 2022

	Note	Group and Bank	
		30 June 2022 RM'000	30 June 2021 RM'000
Profit before taxation and zakat		34,870	48,719
Adjustments for non-cash items		8,290	4,730
Operating profit before changes in working capital		43,160	53,449
Changes in working capital:			
Net changes in operating assets		(189,853)	(87,398)
Net changes in operating liabilities		135,354	529,806
Net cash (used in)/generated from operating activities		(11,339)	495,857
Net cash used in financing activities			
- Dividend paid		-	(20,000)
		-	(20,000)
Net change in cash and cash equivalents		(11,339)	475,857
Cash and cash equivalents at beginning of the period		338,172	171,599
Cash and cash equivalents at end of the period	34(a)	326,833	647,456
Cash and cash equivalents comprise of:			
Cash and short-term funds		326,833	647,456

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

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

(a) Cash and short-term funds

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
Cash and balances with banks and other financial institutions	17,833	19,172
Money at call and deposit placements maturing within one month	309,000	319,000
	326,833	338,172

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group and the Bank amounted to approximately RM3,428,000 (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	
	30 June 2022 RM'000	31 December 2021 RM'000
Money market instruments:		
Government Investment Issues	1,221,366	1,222,108
Malaysian Treasury Bills	393,603	348,770
Islamic Negotiable Instruments	49,962	249,362
	1,664,931	1,820,240
Corporate Sukuk	520,226	480,388
	2,185,157	2,300,628

Unaudited Interim Financial Statements

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

(b) Financial investments at FVOCI (cont'd.)

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
Written back [Note 34(l)]	(23)	-	(23)
At 30 June 2022	247	8,112	8,359
At 1 January 2021	303	8,112	8,415
Written back	(33)	-	(33)
At 31 December 2021	270	8,112	8,382

There was no Stage 2 exposure as at 30 June 2022 and 31 December 2021.

(c) Financial investments at amortised costs

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
Money market instruments:		
Government Investment Issues	442,521	492,701
Malaysian Treasury Bills	395,306	-
	837,827	563,195
Corporate Sukuk	1,465,768	1,500,392
Less: ECL allowance	(507)	(2,264)
	2,303,088	1,990,829

Unaudited Interim Financial Statements

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

(c) Financial investments at amortised costs (cont'd.)

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	113	-	113
Written back [Note 34(m)]	-	(1,884)	(1,884)
At 30 June 2022	507	-	507
At 1 January 2021	341	1,884	2,225
Impairment made	39	-	39
At 31 December 2021	380	1,884	2,264

There was no Stage 3 exposure as at 30 June 2022 and 31 December 2021.

(d) Financing and advances

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
Term financing		
- Syndicated term financing	258,146	254,671
- Other term financing	443,009	487,018
	701,155	741,689
Staff financing	28	26
Gross financing and advances	701,183	741,715
Less: ECL allowance	(77,798)	(72,158)
Net financing and advances	623,385	669,557

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

Unaudited Interim Financial Statements

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

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

(a) Gross financing and advances

(i) By type of customer

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
Domestic business enterprises	701,155	741,689
Individuals	28	26
Gross financing and advances	<u>701,183</u>	<u>741,715</u>

(ii) By profit rate sensitivity

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
Fixed rate		
Staff financing	28	26
Variable rate		
Cost-plus	701,155	741,689
Gross financing and advances	<u>701,183</u>	<u>741,715</u>

Unaudited Interim Financial Statements

34. 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	
	30 June	31 December
	2022	2021
	RM'000	RM'000
Finance, insurance and business services	377,719	434,624
Education, health and others	93,408	87,760
Construction	89,487	87,191
Mining and quarrying	54,000	56,207
Electricity, gas and water supply	40,244	40,248
Manufacturing	33,174	34,151
Transport, storage and communications	7,753	-
Wholesale & retail trade and restaurants & hotels	5,370	1,508
Household	28	26
Gross financing and advances	701,183	741,715

(iv) By maturity profile

	Group and Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
Within one year	288,859	399,259
One year to five years	317,467	253,756
After five years	94,857	88,700
Gross financing and advances	701,183	741,715

Unaudited Interim Financial Statements

34. 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	
	30 June 2022 RM'000	31 December 2021 RM'000
Term financing		
Commodity Murabahah	701,155	741,689
Staff financing	28	26
Gross financing and advances	<u>701,183</u>	<u>741,715</u>

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

(i) Movements in IF are as follows:

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
At 1 January	81,750	-
Classified as impaired	55,000	81,750
Recovered	(1,000)	-
	<u>135,750</u>	<u>81,750</u>
Less: ECL allowance	(70,575)	(61,313)
Net IF	<u>65,175</u>	<u>20,437</u>
Ratio of net IF to gross financing and advances less ECL allowance	<u>10.3%</u>	<u>3.0%</u>

Unaudited Interim Financial Statements

34. 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	
	30 June 2022 RM'000	31 December 2021 RM'000
Mining and quarrying	54,000	-
Finance, insurance and business services	81,750	81,750
	<u>135,750</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	524	-	-	524
Transfer to Stage 3 Made	-	(1,934)	1,934	-
Written back	(2,212)	-	-	(2,212)
At 30 June 2022	<u>7,223</u>	<u>-</u>	<u>70,575</u>	<u>77,798</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

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

(e) Other assets

	Note	Group and Bank	
		30 June 2022 RM'000	31 December 2021 RM'000
Other debtors, deposits and prepayments		3,188	9,512
Less: ECL allowance	(i)	(2,791)	(3,141)
		397	6,371
Profit receivables		41,943	36,945
Amounts due from clients	(ii)	733	1,401
		43,073	44,717

(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 34(m)]	(350)
At 30 June 2022	2,791
At 1 January 2021	1,587
Impairment made	1,554
At 31 December 2021	3,141

(ii) Amounts due from brokers and clients

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
Clients	733	1,401
	733	1,401

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

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

(f) Deposits from customers

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
(i) By type of deposit		
Commodity Murabahah fund		
Term deposits	3,657,260	3,670,375
(ii) By type of customer		
Commodity Murabahah fund		
Business enterprises	1,491,072	1,292,372
Government and statutory bodies	2,166,188	2,378,003
	<u>3,657,260</u>	<u>3,670,375</u>
(iii) The maturity structure of term deposits is as follows:		
Due within six months	3,464,790	3,281,958
Six months to one year	192,470	334,907
One year to two years	-	53,510
	<u>3,657,260</u>	<u>3,670,375</u>

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

	Group and Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
(i) By types of deposit		
Commodity Murabahah fund		
Term deposits	962,653	831,840
(ii) By type of customer		
Commodity Murabahah fund		
Other financial institutions	962,653	831,840

Unaudited Interim Financial Statements

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

(h) Other liabilities

		Group and Bank	
		30 June 2022	31 December 2021
	Note	RM'000	RM'000
Profit payable to depositors		15,107	14,670
Amount due to brokers and clients	(a)	1,116	1,392
Sundry creditors and accruals		21,473	17,031
ECL allowances on financing and advances commitments and financial investments	(b)	821	1,275
Amount due to immediate holding company		215	23
Amount due to Head Office		118,949	105,634
		<u>157,681</u>	<u>140,025</u>

(a) Amount due to brokers and clients

	Group and Bank	
	30 June 2022	31 December 2021
	RM'000	RM'000
Brokers	-	365
Clients	1,116	1,027
	<u>1,116</u>	<u>1,392</u>

Unaudited Interim Financial Statements

34. 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	(524)	(14)	(538)
Impairment made	84	-	84
At 30 June 2022	<u>821</u>	<u>-</u>	<u>821</u>
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	<u>1,261</u>	<u>14</u>	<u>1,275</u>

Unaudited Interim Financial Statements

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

(i) Income derived from investment of depositors' funds

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Finance income and hibah:				
Financing and advances	5,890	8,710	12,220	16,590
Money at call and deposit placements with financial institutions	1,360	1,410	3,340	2,210
Financial investments at FVOCI				
- Profit on non-impaired instruments	16,630	15,710	33,600	32,100
Financial investments at amortised costs				
- Profit on non-impaired instruments	23,640	15,210	38,770	32,730
	<u>47,520</u>	<u>41,040</u>	<u>87,930</u>	<u>83,630</u>
Accretion of discount less amortisation of premium	(2,010)	(3,590)	(5,080)	(7,300)
Total finance income and hibah	<u>45,510</u>	<u>37,450</u>	<u>82,850</u>	<u>76,330</u>
Other operating income:				
Net gain on sale of financial assets at FVTPL	-	1,610	330	1,610
Net gain on sale of financial investments at FVOCI	10	170	40	4,610
	<u>10</u>	<u>1,780</u>	<u>370</u>	<u>6,220</u>
	<u>45,520</u>	<u>39,230</u>	<u>83,220</u>	<u>82,550</u>

Unaudited Interim Financial Statements

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

(j) Income derived from investment of Islamic Banking funds

Group and Bank	Individual Quarter 3 Months Ended		Cumulative quarter 6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Finance income and hibah:				
Financing and advances	661	971	1,360	1,843
Money at call and deposit placements with financial institutions	151	164	373	251
Financial investments at FVOCI				
- Profit on non-impaired instruments	1,847	1,745	3,738	3,566
Financial investments at amortised costs				
- Profit on non-impaired instruments	2,617	1,686	4,303	3,637
	<u>5,276</u>	<u>4,566</u>	<u>9,774</u>	<u>9,297</u>
Accretion of discount less amortisation of premium	(221)	(398)	(560)	(813)
Total finance income and hibah	<u>5,055</u>	<u>4,168</u>	<u>9,214</u>	<u>8,484</u>
Other operating income:				
Net gain on sale of financial assets at FVTPL	-	182	33	182
Net (loss)/gain on sale of financial investments at FVOCI	(9)	16	(1)	512
Net gain on sale of financial investments at amortised cost	4	-	4	-
	<u>(5)</u>	<u>198</u>	<u>36</u>	<u>694</u>

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

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

Group and Bank	Individual Quarter		Cumulative quarter	
	3 Months Ended		6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Fees and others:				
Fee income				
- Fees on financing and advances	172	140	342	289
- Corporate advisory fees	766	2,523	4,033	3,618
- Management fees	-	2,568	-	2,778
- Brokerage commission	390	7	1,065	56
- Participation fees	106	79	211	167
- Placement fee	-	250	-	250
- Other fee income	140	395	251	397
	<u>1,574</u>	<u>5,962</u>	<u>5,902</u>	<u>7,555</u>
Other income	57	-	74	1
	<u>1,631</u>	<u>5,962</u>	<u>5,976</u>	<u>7,556</u>
	<u>6,681</u>	<u>10,328</u>	<u>15,226</u>	<u>16,734</u>

(k) Impairment loss made on financing and advances

Group and Bank	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
ECL allowance				
- Made	(1,047)	(1,941)	(5,200)	(3,364)
	<u>(1,047)</u>	<u>(1,941)</u>	<u>(5,200)</u>	<u>(3,364)</u>

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

(l) Impairment loss written back on financial investments

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Financial investments at FVOCI [Note 34(b)]	38	76	23	42
Financial investments at amortised cost	1,867	(13)	1,771	13
	<u>1,905</u>	<u>63</u>	<u>1,794</u>	<u>55</u>

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Other assets				
- Written back/(made) [Note 34(e)(i)]	156	(169)	350	(222)
	<u>156</u>	<u>(169)</u>	<u>350</u>	<u>(222)</u>

Unaudited Interim Financial Statements

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

(n) Income attributable to depositors

Group and Bank	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Commodity Murabahah fund				
Deposits from customers	19,854	15,938	40,305	35,039
Deposits and placements of banks and other financial institutions	8,674	4,769	8,674	8,827
	<u>28,528</u>	<u>20,707</u>	<u>48,979</u>	<u>43,866</u>

(o) Operating expenses

Group and Bank	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
(i) Staff costs:				
Wages, salaries and bonuses	531	490	1,078	984
Social security costs	3	3	6	6
Defined contribution plan	104	95	211	193
Other staff related expenses	45	31	89	58
	<u>683</u>	<u>619</u>	<u>1,384</u>	<u>1,241</u>

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

(o) Operating expenses (cont'd.)

Group and Bank	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
(ii) Establishment costs:				
Rental	5	12	4	50
IT expenses	222	57	428	224
Others	69	4	124	16
	<u>296</u>	<u>73</u>	<u>556</u>	<u>290</u>
(iii) Promotion and marketing related expenses				
Business promotion and advertisement	25	1	25	1
	<u>25</u>	<u>1</u>	<u>25</u>	<u>1</u>
(iii) Administrative and general expenses:				
Audit fees	62	3	125	9
Non-Executive Directors' remuneration	178	7	340	25
Management fees	2,829	266	8,704	1,385
Brokerage fees	100	68	206	134
Others	67	24	201	83
	<u>3,236</u>	<u>368</u>	<u>9,576</u>	<u>1,636</u>
	<u>4,240</u>	<u>1,061</u>	<u>11,541</u>	<u>3,168</u>

Unaudited Interim Financial Statements

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

(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 Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Income derived from investment of depositors' funds	45,520	39,230	83,220	82,550
Income derived from investment of Islamic banking funds	6,681	10,328	15,226	16,734
Less: Income attributable to depositors	(28,528)	(20,707)	(48,979)	(43,866)
	<u>23,673</u>	<u>28,851</u>	<u>49,467</u>	<u>55,418</u>

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(q) Capital adequacy

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

	Group and Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
<u>Tier 1 Capital</u>		
Common Equity Tier 1 ("CET1") Capital		
Islamic banking fund	426,600	426,600
Regulatory reserve	16,523	7,385
FVOCI reserve	(33,573)	(14,385)
Retained profits	281,253	290,391
	<u>690,803</u>	<u>709,991</u>
Less: Regulatory adjustments	-	(16,449)
Total CET 1 Capital, representing Total Tier 1 Capital	<u>690,803</u>	<u>693,542</u>
<u>Tier 2 Capital</u>		
Loss provision and regulatory reserve	17,123	17,212
Total Tier 2 capital	<u>17,123</u>	<u>17,212</u>
Total Capital	<u>707,926</u>	<u>710,754</u>
CET1 Capital Ratio	43.917%	44.761%
Tier 1 Capital Ratio	43.917%	44.761%
Total Capital Ratio	45.005%	45.872%

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

	Group and Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
Total risk-weighted assets for credit risk	1,369,877	1,376,950
Total risk-weighted assets equivalent for market risk	-	-
Total risk-weighted assets equivalent for operational risk	203,109	172,478
	<u>1,572,986</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 six months ended 30 June 2022, as set out on pages 1 to 65 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 30 June 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", written in a cursive style.

DATUK JOSEPH DOMINIC SILVA
CHIEF EXECUTIVE OFFICER

Date: 28 July 2022