

Unaudited Interim Financial Statements

Condensed consolidated statements of financial position
As at 30 September 2022

	Note	Group		Bank	
		30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Assets					
Cash and short-term funds	11	124,559	405,764	121,664	390,925
Financial assets at fair value through profit or loss ("FVTPL")	12	51,025	30,245	51,025	30,245
Financial investments at fair value through other comprehensive income ("FVOCI")	13	2,401,918	2,559,358	2,401,918	2,559,358
Financial investments at amortised cost	14	2,821,709	2,343,837	2,821,709	2,343,837
Loans, advances and financing	15	1,298,057	1,364,067	1,298,057	1,364,067
Derivative assets	19	13,951	6,878	13,951	6,878
Other assets	16	81,480	114,754	84,202	129,553
Statutory deposits with Bank Negara Malaysia		118,082	107,127	118,082	107,127
Investment in subsidiaries		-	-	*	*
Property, plant and equipment		127	188	127	188
Intangible assets		3,523	2,734	3,523	2,734
Right-of-use asset		2,133	3,733	2,133	3,733
Deferred tax assets		18,860	13,004	18,860	13,004
Total assets		6,935,424	6,951,689	6,935,251	6,951,649
Liabilities					
Deposits from customers	17	4,568,390	4,907,846	4,568,390	4,907,846
Deposits and placements of bank and other financial institutions	18	1,378,403	1,063,034	1,378,403	1,063,034
Other liabilities	20	78,051	100,931	78,049	100,912
Lease liabilities		2,213	3,811	2,213	3,811
Provision for taxation and zakat		1,557	736	1,539	736
Total liabilities		6,028,614	6,076,358	6,028,594	6,076,339
Equity					
Share capital		369,111	369,111	369,111	369,111
Reserves		537,699	506,220	537,546	506,199
Total equity		906,810	875,331	906,657	875,310
Total liabilities and equity		6,935,424	6,951,689	6,935,251	6,951,649
Commitments and contingencies	29	1,178,082	986,711	1,178,082	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 nine months ended 30 September 2022

Group	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
		30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Operating revenue		93,706	71,303	247,650	221,492
Interest income	21	19,665	17,645	58,920	51,479
Interest expense	22	(10,847)	(6,733)	(28,402)	(21,505)
Net interest income		8,818	10,912	30,518	29,974
Net income from Islamic Banking operation	34(p)	18,898	26,410	68,365	81,828
Non-interest income	23	26,320	7,292	42,670	24,498
		54,036	44,614	141,553	136,300
Operating expenses	24	(22,213)	(18,330)	(65,237)	(56,202)
Operating profit before allowances		31,823	26,284	76,316	80,098
Impairment loss (made)/ written back on:					
- loans, advances and financing	25	(4,267)	(852)	(9,390)	(4,040)
- financial investments	26	142	(54)	3,092	269
- other assets	27	493	205	567	(179)
Profit before taxation and zakat		28,191	25,583	70,585	76,148
Taxation		(7,411)	(7,037)	(17,903)	(19,410)
Zakat		(411)	(484)	(1,489)	(1,445)
Profit for the period attributable to equity holder of the Bank		20,369	18,062	51,193	55,293
Earnings per ordinary share (sen)					
- Basic and diluted	28	13.14	11.65	33.03	35.67

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 nine months ended 30 September 2022

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Profit for the period attributable to equity holder of the Bank	20,369	18,062	51,193	55,293
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	(30)	75	(56)	98
Net (loss)/gain on financial investments at FVOCI:				
- Transfer of gain to profit or loss upon disposal	(12)	(1,139)	(62)	(8,240)
- Fair value changes	1,798	(5,949)	(19,596)	(13,441)
Other comprehensive (loss)/income for the period, net of tax	1,756	(7,013)	(19,714)	(21,583)
Total comprehensive income for the period attributable to equity holder of Bank	22,125	11,049	31,479	33,710

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 nine months ended 30 September 2022

Bank	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
		30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Operating revenue		93,610	71,295	247,463	221,461
Interest income	21	19,665	17,645	58,920	51,479
Interest expense	22	(10,847)	(6,733)	(28,402)	(21,505)
Net interest income		8,818	10,912	30,518	29,974
Net income from Islamic Banking operation	34(p)	18,898	26,410	68,365	81,828
Non-interest income	23	26,224	7,284	42,483	24,467
		53,940	44,606	141,366	136,269
Operating expenses	24	(22,208)	(18,325)	(65,222)	(56,187)
Operating profit before allowances		31,732	26,281	76,144	80,082
Impairment loss (made)/ written back on:					
- loans, advances and financing	25	(4,267)	(852)	(9,390)	(4,040)
- financial investments	26	142	(54)	3,092	269
- other assets	27	493	205	567	(179)
Profit before taxation and zakat		28,100	25,580	70,413	76,132
Taxation		(7,390)	(7,035)	(17,863)	(19,405)
Zakat		(411)	(484)	(1,489)	(1,445)
Profit for the period attributable to equity holder of the Bank		20,299	18,061	51,061	55,282

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 nine months ended 30 September 2022

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Bank				
Profit for the period attributable to equity holder of the Bank	20,299	18,061	51,061	55,282
Other comprehensive (loss)/ income to be reclassified to profit or loss in subsequent periods:				
Changes in allowance for expected credit loss ("ECL")	(30)	75	(56)	98
Net (loss)/gain on financial investments at FVOCI:				
- Transfer of gain to profit or loss upon disposal	(12)	(1,139)	(62)	(8,240)
- Fair value changes	1,798	(5,949)	(19,596)	(13,441)
Other comprehensive (loss)/income for the period, net of tax	1,756	(7,013)	(19,714)	(21,583)
Total comprehensive income for the period attributable to equity holder of Bank	22,055	11,048	31,347	33,699

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 nine months ended 30 September 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	-	-	-	51,193	51,193
Other comprehensive loss for the period	-	-	(19,714)	-	(19,714)
Total comprehensive (loss)/ income for the period	-	-	(19,714)	51,193	31,479
Transactions with owner					
Transfer to regulatory reserve	-	10,016	-	(10,016)	-
At 30 September 2022	369,111	28,501	(34,435)	543,633	906,810
At 1 January 2021	369,111	16,324	15,002	475,624	876,061
Profit for the financial period	-	-	-	55,293	55,293
Other comprehensive loss for the period	-	-	(21,583)	-	(21,583)
Total comprehensive (loss)/ income for the period	-	-	(21,583)	55,293	33,710
Transactions with owner					
Transfer from regulatory reserve	-	(1,490)	-	1,490	-
Dividend	-	-	-	(20,000)	(20,000)
At 30 September 2021	369,111	14,834	(6,581)	512,407	889,771

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 nine months ended 30 September 2022 (cont'd.)

Bank	←----- 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)	502,435	875,310
Profit for the financial period	-	-	-	51,061	51,061
Other comprehensive loss for the period	-	-	(19,714)	-	(19,714)
Total comprehensive (loss)/ income for the period	-	-	(19,714)	51,061	31,347
Transactions with owner					
Transfer to regulatory reserve	-	10,016	-	(10,016)	-
At 30 September 2022	369,111	28,501	(34,435)	543,480	906,657
At 1 January 2021	369,111	16,324	15,002	475,577	876,014
Profit for the financial period	-	-	-	55,282	55,282
Other comprehensive loss for the period	-	-	(21,583)	-	(21,583)
Total comprehensive (loss)/ income for the period	-	-	(21,583)	55,282	33,699
Transactions with owner					
Transfer from regulatory reserve	-	(1,490)	-	1,490	-
Dividend	-	-	-	(20,000)	(20,000)
At 30 September 2021	369,111	14,834	(6,581)	512,349	889,713

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 nine months ended 30 September 2022

	Note	Group		Bank	
		30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Profit before taxation and zakat		70,585	76,148	70,413	76,132
Adjustments for non-cash items		(19,119)	756	(19,119)	756
Operating profit before changes in working capital		51,466	76,904	51,294	76,888
Changes in working capital:					
Net changes in operating assets		(283,473)	(528,982)	(271,356)	(522,288)
Net changes in operating liabilities		(47,536)	948,826	(47,537)	948,831
Net cash (used in)/generated from operating activities		(279,543)	496,748	(267,599)	503,431
Net cash used in investing activities		(1,662)	(97)	(1,662)	(97)
Net cash used in financing activities - Dividend paid		-	(20,000)	-	(20,000)
Net change in cash and cash equivalents		(281,205)	476,651	(269,261)	483,334
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	124,559	798,387	121,664	791,694
Cash and cash equivalents comprise of:					
Cash and short-term funds		124,559	798,387	121,664	791,694

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>Definition 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.

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 September 2022.

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5. Significant estimates and changes in estimates

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

6. Debt and equity instruments

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

7. Dividend paid/payable

A single tier interim dividend in respect of the current financial year ending 31 December 2022 of 64.516 sen per share on 155,000,000 ordinary shares, amounting to a net dividend payable of RM100.0 million, subject to approval from BNM.

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 RM28.2 million for the third quarter ended 30 September 2022, as compared to the pre-tax profit of RM25.6 million recorded in the corresponding quarter ended 30 September 2021. The higher profit for the current period is mainly attributable from higher net operating income by RM9.4 million offset with higher operating expenses by RM3.9 million.

The pre-tax profit for the nine months ended 30 September 2022 amounted to RM70.6 million, a decrease of RM5.6 million or 7.3% as compared to pre-tax profit of RM76.2 million recorded in the previous corresponding quarter ended 30 September 2021. The lower profit for the period is mainly due to higher operating expenses by RM9.0 million, offset with lower net operating income by RM5.2 million.

10. Review for 2022

Malaysia's economy registered stronger growth of +8.9% year-on-year ("y-o-y") in second quarter of the year (1Q FY2022: +5% y-o-y). This was driven mainly by the continued pick-up in domestic economic activities following further reopening of the economy as well as international borders. Higher spending in second quarter of FY2022 was also backed by policy measure such as disbursement of Bantuan Keluarga Malaysia, increase in minimum wage, and the additional EPF withdrawals.

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10. Review for 2022 (cont'd.)

Malaysia's equity market continues to be beset by external factors. The FBM KLCI fell -3.2% quarter-on-quarter ("q-o-q") in third quarter of the year, to end the quarter with -10.8% decline on a year-to-date basis. The weak performance of the FBM KLCI coincided with the US Fed remaining hawkish due to stubborn high inflation data, continuing with a +75bps hike in September. This had affected the foreign fund net position in equities. While the cumulative net position of foreign fund as at end third quarter of FY2022 is still positive (cumulative net inflow) at RM6.62 billion, there were net outflows in recent weeks, amounting to -RM1.54 billion.

Bank Negara Malaysia ("BNM") held its Monetary Policy Committee ("MPC") meeting in July and September and continued to raise the Overnight Policy Rate ("OPR") by 25bps each taking the OPR to 2.50%. The OPR had first been raised by the same quantum in May. The consecutive OPR hikes were regarded as essential in tandem with domestic economic performance which registered a stellar performance for the period of second quarter of FY2022, along with prevailing indicators that pointed to continued growth moving forward.

While an encouraging economic growth was observed, the flip side of the event saw that inflationary pressure forcefully developed, both locally and globally. The situation was presumably further intensified by the volatility in the global commodity price movement, conflict in Ukraine and prolonged supply-related disruptions. Inflationary pressure hence understandably became the focus of policy makers. Locally, the moves by BNM to sequentially hike the OPR were also viewed as part of the domestic policy measures to reduce the impact of the inflationary pressures. In August 2022, Malaysia's annual inflation rate increased to a 16-month high of 4.7%.

Performance of the bond market took a cue from the weak sentiment of the US Treasury ("UST") yield, where selling pressures surfaced pushing up the local yields. The 3- and 10-year Malaysian Government Securities ("MGS"), closed the third quarter of 2022 higher by 27 and 18 basis points respectively to 3.89% and 4.45%, as compared to their levels as at end of second quarter of 2022.

While valuations weakened and prices lowered, new issuances coming into the market at such levels would allow market participants to an opportunity to rebalance their portfolio positions. However, trading and investment activities in the local bond market are expected to be in cautious mode as players might integrate capital preservation aspect during the current uncertainty and challenging period of rising interest rates environment in the final quarter of the year outlook.

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 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Cash and balances with banks and other financial institutions	20,959	51,364	18,064	36,525
Money at call and deposits placements maturing within one month	103,600	354,400	103,600	354,400
	<u>124,559</u>	<u>405,764</u>	<u>121,664</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 RM10,209,000 and RM9,773,000 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 September 2022 RM'000	31 December 2021 RM'000
At fair value		
Unquoted instruments in Malaysia:		
Shares	<u>51,025</u>	<u>30,245</u>
	<u>51,025</u>	<u>30,245</u>

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13. Financial investments at FVOCI

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
At fair value		
Money market instruments:		
Government Investment Issues	1,078,748	1,273,083
Malaysian Treasury Bills	497,248	398,374
Negotiable Instruments of Deposit	198,624	249,362
	<u>1,774,620</u>	<u>1,920,819</u>
Unquoted instruments in Malaysia:		
Corporate Bonds/Sukuk	625,798	637,039
Shares	1,500	1,500
	<u>627,298</u>	<u>638,539</u>
	<u>2,401,918</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]	(56)	-	(56)
At 30 September 2022	<u>266</u>	<u>59,810</u>	<u>60,076</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 September 2022 and 31 December 2021.

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14. Financial investments at amortised cost

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Money market instruments:		
Government Investment Issues	653,973	513,211
Malaysian Treasury Bills	497,385	-
	<u>1,151,358</u>	<u>513,211</u>
Unquoted instruments in Malaysia:		
Corporate Bonds/Sukuk	1,667,593	1,830,837
Loan stocks	9,822	9,854
	<u>1,677,415</u>	<u>1,840,691</u>
Less: ECL allowance	(7,064)	(10,065)
	<u>2,821,709</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	19	-	-	19
Written back	(111)	(2,426)	(483)	(3,020)
At 30 September 2022	<u>415</u>	<u>-</u>	<u>6,649</u>	<u>7,064</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 September 2022 RM'000	31 December 2021 RM'000
Term loans/financing		
Syndicated term loans	390,107	265,399
Other term loans	369,147	596,977
	759,254	862,376
Margin accounts	631,457	585,429
Staff loans	193	250
Gross loans, advances and financing	1,390,904	1,448,055
Less: ECL allowance	(92,847)	(83,988)
Net loans, advances and financing	1,298,057	1,364,067

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 September 2022 RM'000	31 December 2021 RM'000
Domestic other non-bank institutions	46,674	50,070
Domestic business enterprises		
- Small medium enterprises	910,840	1,022,888
Individuals	433,390	375,097
Gross loans, advances and financing	1,390,904	1,448,055

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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 September	31 December
	2022	2021
	RM'000	RM'000
Fixed rate		
Staff loans	193	250
Margin accounts	631,457	585,429
Variable rate		
Cost-plus	759,254	862,376
Gross loans, advances and financing	1,390,904	1,448,055

(iii) By economic sector

	Group and Bank	
	30 September	31 December
	2022	2021
	RM'000	RM'000
Finance, insurance and business services	434,431	694,271
Household	433,390	375,097
Education, health and others	156,406	147,596
Construction	90,754	87,191
Mining and quarrying	52,000	56,207
Electricity, gas and water supply	40,269	40,248
Manufacturing	32,199	34,151
Wholesale & retail trade and restaurants & hotels	18,491	12,237
Transport, storage and communications	132,123	-
Others	841	1,057
Gross loans, advances and financing	1,390,904	1,448,055

Unaudited Interim Financial Statements

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

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

(iv) By maturity profile

	Group and Bank	
	30 September 2022	31 December 2021
	RM'000	RM'000
Within one year	790,652	995,437
One year to five years	381,457	363,810
After five years	218,795	88,808
Gross loans, advances and financing	<u>1,390,904</u>	<u>1,448,055</u>

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

(i) Movements in ILs are as follows:

	Group and Bank	
	30 September 2022	31 December 2021
	RM'000	RM'000
At 1 January	92,498	61,148
Classified as impaired during the period/year	55,000	81,750
Recovered	(3,000)	(8,590)
Written off	-	(41,810)
	<u>144,498</u>	<u>92,498</u>
Less: ECL allowance	(85,578)	(72,061)
Net ILs	<u>58,920</u>	<u>20,437</u>
Ratio of net ILs to gross loans, advances and financing less ECL allowance	<u>4.51%</u>	<u>1.49%</u>

Unaudited Interim Financial Statements

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 September 2022 RM'000	31 December 2021 RM'000
Finance, insurance and business services	81,750	81,750
Mining and quarrying	52,000	-
Wholesale & retail trade and restaurants & hotels	10,729	10,729
Household	19	19
	<u>144,498</u>	<u>92,498</u>

(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	536	-	-	536
Transfer to Stage 3	-	(1,934)	1,934	-
Impairment made	-	-	11,583	11,583
Written back	(3,260)	-	-	(3,260)
At 30 September 2022	<u>7,269</u>	<u>-</u>	<u>85,578</u>	<u>92,847</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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16. Other assets

	Note	Group		Bank	
		30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Interest/profit receivables		38,615	41,338	38,615	41,338
Amounts due from brokers and clients	(a)	17,358	45,750	17,358	45,750
Deposits, prepayments and other receivables		7,301	15,499	7,301	15,499
Less: ECL allowance	(b)	(1,736)	(3,731)	(1,736)	(3,731)
		<u>5,565</u>	<u>11,768</u>	<u>5,565</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)	728	296	728	296
Amount due from subsidiaries	(c)	-	-	2,722	14,809
Tax recoverable		19,214	15,602	19,214	15,592
		<u>81,480</u>	<u>114,754</u>	<u>84,202</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 September 2022 RM'000	31 December 2021 RM'000
Brokers	7,251	11,171
Clients	10,107	34,579
	17,358	45,750

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	(567)
Written off	(1,428)
At 30 September 2022	1,736
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	3,731

- (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 September 2022 RM'000	31 December 2021 RM'000
(a) By types of deposit		
Call deposits	71,085	12,165
Fixed deposits	4,497,305	4,895,681
	4,568,390	4,907,846
(b) By types of customer		
Business enterprises	2,190,586	2,251,852
Government and statutory bodies	2,375,046	2,653,294
Individual	2,758	2,700
	4,568,390	4,907,846
(c) The maturity structure of term deposits is as follows:		
Due within six months	4,437,650	4,504,164
Six months to one year	130,740	350,172
One year to two years	-	53,510
	4,568,390	4,907,846

18. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
(a) Call deposits		
- Other financial institutions	44,700	19,090
(b) Fixed deposits		
- Licensed banks	53,000	-
- Other financial institutions	1,280,703	1,043,944
	1,333,703	1,043,944
	1,378,403	1,063,034

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19. Derivative assets

Group and Bank	Contract or underlying principal amount RM'000	Derivative assets RM'000
30 September 2022		
Interest rate related derivatives:		
- Interest rate swaps	300,000	13,951
31 December 2021		
Interest rate related derivatives:		
- Interest rate swaps	300,000	6,878

20. Other liabilities

	Note	Group		Bank	
		30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Amounts due to brokers and clients	(a)	16,915	45,479	16,915	45,479
Interest/profit payables		20,980	19,007	20,980	19,007
Accrued liabilities and other payables		18,716	21,972	18,716	21,972
Employee benefits		2,077	1,918	2,077	1,918
Amount due to immediate holding company	(b)	16,796	11,275	16,794	11,256
Amount due to related company	(b)	70	1	70	1
ECL allowances on loans, advances and financing commitments and financial investments	(c)	2,497	1,279	2,497	1,279
		<u>78,051</u>	<u>100,931</u>	<u>78,049</u>	<u>100,912</u>

Unaudited Interim Financial Statements

20. Other liabilities (cont'd.)

- (a) Amount due to brokers and clients

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Brokers	486	10,731
Clients	16,429	34,748
	16,915	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	(536)	(19)	(555)
Impairment made	2,052	4	2,056
Written back	(283)	-	(283)
At 30 September 2022	2,495	2	2,497
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

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Group and Bank	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income on non-impaired loans	12,962	13,355	37,794	37,397
Money at call and deposit placements with financial institutions	1,041	577	2,784	1,602
Financial investments at FVOCI				
- Interest income on non-impaired instruments	1,556	1,452	6,345	3,479
Financial investments at amortised cost				
- Interest income on non-impaired instruments	3,250	2,112	10,632	8,429
	<u>18,810</u>	<u>17,496</u>	<u>57,555</u>	<u>50,907</u>
Accretion of discount less amortisation of premium	855	149	1,365	572
	<u>19,665</u>	<u>17,645</u>	<u>58,920</u>	<u>51,479</u>

22. Interest expense

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Group and Bank	RM'000	RM'000	RM'000	RM'000
Deposits from customers	8,650	4,526	22,847	15,341
Deposits and placements of bank and other financial institutions	2,195	1,733	5,263	4,438
Derivative instruments	(25)	444	193	1,623
	<u>10,820</u>	<u>6,703</u>	<u>28,303</u>	<u>21,402</u>
Lease liabilities	27	30	99	103
	<u>10,847</u>	<u>6,733</u>	<u>28,402</u>	<u>21,505</u>

Unaudited Interim Financial Statements

23. Non-interest income

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Fee income:				
Fees on loans and advances	28	70	81	170
Corporate advisory fees	470	3,638	1,773	6,757
Underwriting fees	211	-	670	-
Brokerage commission	1,499	1,893	5,662	6,054
Rollover charges	753	1,158	2,811	2,656
Facility fee	1,137	175	1,210	1,285
Redemption fee	243	14	396	529
Placement fees	576	-	576	-
Other fee income	142	19	182	270
	<u>5,059</u>	<u>6,967</u>	<u>13,361</u>	<u>17,721</u>
Investment income:				
Net loss on sale of financial assets at FVTPL	-	(1,241)	-	(1,241)
Net gain on sale of financial investments at FVOCI	7	2	18	1,981
Net gain on sale of financial investments at amortised cost	-	-	630	-
Net unrealised gain on revaluation of financial assets at FVTPL	20,780	114	20,780	-
Net unrealised gain on revaluation of derivative instruments	248	954	7,073	5,407
	<u>21,035</u>	<u>(171)</u>	<u>28,501</u>	<u>6,147</u>
Gross dividends from:				
Financial assets at FVTPL	-	52	-	52
Financial investments at FVOCI	98	196	98	196
	<u>98</u>	<u>248</u>	<u>98</u>	<u>248</u>
Other income:				
Intercompany management fee	23	119	107	135
Others	105	129	603	247
	<u>128</u>	<u>248</u>	<u>710</u>	<u>382</u>
	<u>26,320</u>	<u>7,292</u>	<u>42,670</u>	<u>24,498</u>

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23. Non-interest income (contd.)

Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Fee income:				
Fees on loans and advances	28	70	81	170
Corporate advisory fees	470	3,638	1,773	6,757
Underwriting fees	211	-	670	-
Brokerage commission	1,499	1,893	5,662	6,054
Rollover charges	753	1,158	2,811	2,656
Facility fee	1,137	175	1,210	1,285
Redemption fee	243	14	396	529
Placement fees	576	-	576	-
Other fee income	125	12	134	240
	<u>5,042</u>	<u>6,960</u>	<u>13,313</u>	<u>17,691</u>
Investment income:				
Net loss on sale of financial assets at FVTPL	-	(1,241)	-	(1,241)
Net gain on sale of financial investments at FVOCI	7	2	18	1,981
Net gain on sale of financial investments at amortised cost	-	-	630	-
Net unrealised gain on revaluation of financial assets at FVTPL	20,780	114	20,780	-
Net unrealised gain on revaluation of derivative instruments	248	954	7,073	5,407
	<u>21,035</u>	<u>(171)</u>	<u>28,501</u>	<u>6,147</u>
Gross dividends from:				
Financial assets at FVTPL	-	52	-	52
Financial investments at FVOCI	98	196	98	196
	<u>98</u>	<u>248</u>	<u>98</u>	<u>248</u>
Other income:				
Intercompany management fee	23	119	107	135
Others	26	128	464	246
	<u>49</u>	<u>247</u>	<u>571</u>	<u>381</u>
	<u>26,224</u>	<u>7,284</u>	<u>42,483</u>	<u>24,467</u>

Unaudited Interim Financial Statements

24. Operating expenses

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
(i) Staff costs:				
Wages, salaries and bonuses	11,535	10,066	32,904	29,661
Employees' benefits	52	51	158	153
Defined contribution plans	1,821	1,679	5,126	4,680
Social security costs	48	43	135	125
Other staff related expenses	1,014	680	2,756	2,415
	<u>14,470</u>	<u>12,519</u>	<u>41,079</u>	<u>37,034</u>
(ii) Establishment costs:				
Depreciation and amortisation	364	222	1,034	769
Depreciation of right-of-use assets	534	544	1,600	1,633
Rental of premises and office equipment	18	5	48	43
General repairs and maintenance	28	16	50	34
Insurance	-	27	141	81
Electricity	13	3	50	13
IT expenses	1,649	1,603	4,859	4,467
	<u>2,606</u>	<u>2,420</u>	<u>7,782</u>	<u>7,040</u>
(iii) Promotion and marketing -related expenses:				
Business promotion and advertisement	190	17	951	1,474
Entertainment	114	17	284	126
	<u>304</u>	<u>34</u>	<u>1,235</u>	<u>1,600</u>

Unaudited Interim Financial Statements

24. Operating expenses (cont'd.)

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
(iv) Administrative and general expenses:				
Auditors' remuneration				
- Audit	73	64	221	195
Non-Executive Directors' remuneration	196	208	622	588
Management fees	3,750	2,206	11,190	7,095
Securities commission's levy	148	125	458	357
Brokerage fee	191	167	652	437
Bursa fee	79	53	199	207
License fee and stamp duty	4	8	167	169
Corporate dealers' and remisier' commissions	345	44	1,355	384
Regulatory expenses	28	119	30	327
Others	19	363	247	769
	<u>4,833</u>	<u>3,357</u>	<u>15,141</u>	<u>10,528</u>
	<u>22,213</u>	<u>18,330</u>	<u>65,237</u>	<u>56,202</u>

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24. Operating expenses (cont'd.)

Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
(i) Staff costs:				
Wages, salaries and bonuses	11,535	10,066	32,904	29,661
Employees' benefits	52	51	158	153
Defined contribution plans	1,821	1,679	5,126	4,680
Social security costs	48	43	135	125
Other staff related expenses	1,014	680	2,756	2,415
	<u>14,470</u>	<u>12,519</u>	<u>41,079</u>	<u>37,034</u>
(ii) Establishment costs:				
Depreciation and amortisation	364	222	1,034	769
Depreciation of right-of-use assets	534	544	1,600	1,633
Rental of premises and office equipment	18	5	48	43
General repairs and maintenance	28	16	50	34
Insurance	-	27	141	81
Electricity	13	3	50	13
IT expenses	1,649	1,603	4,859	4,467
	<u>2,606</u>	<u>2,420</u>	<u>7,782</u>	<u>7,040</u>
(iii) Promotion and marketing -related expenses:				
Business promotion and advertisement	190	17	951	1,474
Entertainment	114	17	284	126
	<u>304</u>	<u>34</u>	<u>1,235</u>	<u>1,600</u>

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24. Operating expenses (cont'd.)

Bank	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
(iv) Administrative and general expenses:				
Auditors' remuneration				
- Audit	73	64	221	195
Non-Executive Directors' remuneration	196	208	622	588
Management fees	3,745	2,201	11,175	7,080
Securities commission's levy	148	125	458	357
Brokerage fee	191	167	652	437
Bursa fees	79	53	199	207
License fee and stamp duty	4	8	167	169
Corporate dealers' and remisiers' commissions	345	44	1,355	384
Regulatory expenses	28	119	30	327
Others	19	363	247	769
	<u>4,828</u>	<u>3,352</u>	<u>15,126</u>	<u>10,513</u>
	<u>22,208</u>	<u>18,325</u>	<u>65,222</u>	<u>56,187</u>

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25. Impairment loss made on loans, advances and financing

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
ECL allowance				
- Made (Net)	(4,969)	(852)	(10,092)	(4,040)
Interest on impaired loans recovered	702	-	702	-
	<u>(4,267)</u>	<u>(852)</u>	<u>(9,390)</u>	<u>(4,040)</u>

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Financial investments at FVOCI [Note 13]	30	(75)	56	(98)
Financial investments at amortised cost	112	21	3,017	345
Interest on impaired financial investments recovered	-	-	19	-
Bad debts recovered	-	-	-	22
	<u>142</u>	<u>(54)</u>	<u>3,092</u>	<u>269</u>

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
ECL allowance				
- Made	(74)	-	-	(196)
- Written back	567	187	567	-
	<u>493</u>	<u>187</u>	<u>567</u>	<u>(196)</u>
Bad debts written off	-	18	-	17
	<u>493</u>	<u>205</u>	<u>567</u>	<u>(179)</u>

28. Basic earnings per ordinary shares

Group	Individual / Cumulative Quarter	
	Cumulative Quarter 9 Months Ended	
	30 September 2022	30 September 2021
	RM'000	RM'000
Profit for the period	<u>51,193</u>	<u>55,293</u>
Weighted average number of ordinary shares	<u>155,000</u>	<u>155,000</u>
Basic and diluted earnings per ordinary share (sen)	<u>33.03</u>	<u>35.67</u>

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29. Commitments and contingencies

	<----- 30 September 2022 ----->			<----- 31 December 2021 ----->		
	Principal amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount* RM'000	Principal amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount* RM'000
Group and Bank						
Direct credit substitutes	73,500	73,500	73,500	36,000	36,000	36,000
Obligations under an on-going underwriting agreement	34,489	17,245	17,245	-	-	-
Interest rate related contract with an original maturity of:						
- over one year to five years	300,000	22,146	4,429	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	352,150	70,430	70,430	287,878	57,576	57,576
- exceeding one year	417,943	208,971	208,971	362,833	181,416	181,416
Total	1,178,082	392,292	374,575	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 September 2022 RM'000	31 December 2021 RM'000
(i) Outstanding credit exposures with connected parties	237,734	244,801
(ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	5.07%	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 September 2022 RM'000	30 September 2021 RM'000
Penultimate holding company		
Income:		
Interest income on financial investments	3,764	3,364
Brokerage fees earned	725	510
Fee income	249	193
	<hr/>	<hr/>
Immediate holding company		
Income		
Fee income	-	1,000
	<hr/>	<hr/>
Expenditure:		
Management fees	11,175	7,080
	<hr/>	<hr/>
Other related companies		
Income:		
Interest income on loans, advances and financing	2,979	2,749
Brokerage fees earned	796	1,316
Fee income	232	231
	<hr/>	<hr/>
Expenditure:		
Interest expense on deposits	121	8,622
	<hr/>	<hr/>

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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 September	31 December
	2022	2021
	RM'000	RM'000
Penultimate holding company		
Amount due from:		
Financial investments	100,000	100,000
Other related companies		
Amount due to:		
Deposits from customers	38,516	243,152
Deposits from placements of banks and other financial institutions	14,400	19,925
Other payables	86	239
Amount due from:		
Sundry deposits	-	553
Loans, advances and financing	89,221	86,928

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 September 2022				
Assets measured at fair value				
Financial assets at FVTPL				
- Unquoted instruments	-	-	51,025	51,025
Financial investments at FVOCI				
- Money market instruments	-	1,774,620	-	1,774,620
- Unquoted instruments	-	625,798	-	625,798
Derivative assets	-	13,951	-	13,951
Assets for which fair values are disclosed:				
Financial investments at amortised cost				
- Money market instruments	-	1,149,643	-	1,149,643
- Unquoted instruments	-	1,640,996	3,173	1,644,169
Loans, advances and financing				
- staff loans	-	149	-	149

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	-
Revaluation gain	20,780	-
At 30 September 2022	<u>51,025</u>	<u>-</u>
At 1 January 2021	-	3,783
Addition	30,245	-
Revaluation gain	-	1,126
Settlements	-	(4,909)
At 31 December 2021	<u>30,245</u>	<u>-</u>

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 September 2022 RM'000	31 December 2021 RM'000	30 September 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	28,501	18,485	28,501	18,485
FVOCI reserve	(34,435)	(14,721)	(34,435)	(14,721)
Retained profits	543,633	502,456	543,480	502,435
	<u>906,810</u>	<u>875,331</u>	<u>906,657</u>	<u>875,310</u>
Less: Regulatory adjustments	(50,885)	(34,223)	(50,885)	(34,223)
<i>Total CET1 Capital</i>	<u>855,925</u>	<u>841,108</u>	<u>855,772</u>	<u>841,087</u>
Total Tier 1 Capital	<u>855,925</u>	<u>841,108</u>	<u>855,772</u>	<u>841,087</u>
<u>Tier 2 Capital</u>				
Loss provision and regulatory reserve	31,376	28,907	31,402	29,055
Total Tier 2 capital	<u>31,376</u>	<u>28,907</u>	<u>31,402</u>	<u>29,055</u>
Total Capital	<u>887,301</u>	<u>870,015</u>	<u>887,174</u>	<u>870,142</u>
Before deducting proposed dividend				
CET1 Capital Ratio	29.320%	30.221%	29.294%	30.092%
Tier 1 Capital Ratio	29.320%	30.221%	29.294%	30.092%
Total Capital Ratio	30.395%	31.259%	30.369%	31.131%
After deducting proposed dividend				
CET1 Capital Ratio	25.895%	30.221%	25.871%	30.092%
Tier 1 Capital Ratio	25.895%	30.221%	25.871%	30.092%
Total Capital Ratio	26.970%	31.259%	26.946%	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 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Total risk-weighted assets for credit risk	2,510,054	2,312,590	2,512,197	2,324,422
Total risk-weighted assets equivalent for market risk	74,595	191,533	74,595	191,533
Total risk-weighted assets equivalent for operational risk	334,559	279,101	334,559	279,101
	2,919,208	2,783,224	2,921,351	2,795,056

Unaudited Interim Financial Statements

34. The operations of Islamic Banking Scheme (SPI)

Condensed consolidated statements of financial position
As at 30 September 2022

	Note	Group and Bank	
		30 September 2022 RM'000	31 December 2021 RM'000
Assets			
Cash and short-term funds	(a)	18,366	338,172
Financial investments at FVOCI	(b)	2,093,454	2,300,628
Financial investments at amortised cost	(c)	2,442,986	1,990,829
Financing and advances	(d)	607,247	669,557
Other assets	(e)	40,401	44,717
Deferred tax assets		13,651	9,064
Total assets		5,216,105	5,352,967
Liabilities			
Deposits from customers	(f)	3,353,767	3,670,375
Deposits and placements of banks and other financial institutions	(g)	967,552	831,840
Other liabilities	(h)	173,118	140,025
Provision for taxation and zakat		1,539	736
Total liabilities		4,495,976	4,642,976
Islamic banking capital funds			
Islamic banking funds		426,600	426,600
Reserves		293,529	283,391
Total Islamic banking capital funds		720,129	709,991
Total liabilities and Islamic banking capital funds		5,216,105	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 nine months ended 30 September 2022

Group and Bank	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
		30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Income derived from investment of depositors' funds	(i)	39,990	39,380	123,210	121,930
Income derived from investment of Islamic Banking funds	(j)	7,731	7,038	22,957	23,772
Impairment loss made on financing and advances	(k)	(4,414)	(223)	(9,614)	(3,587)
Impairment loss written back/(made) on financial investments	(l)	132	(36)	1,926	19
Impairment loss written back on other assets	(m)	394	244	744	22
Total attributable income		43,833	46,403	139,223	142,156
Income attributable to depositors	(n)	(28,823)	(20,008)	(77,802)	(63,874)
Total net income		15,010	26,395	61,421	78,282
Operating expenses	(o)	(6,345)	(1,334)	(17,886)	(4,502)
Profit before taxation and zakat		8,665	25,061	43,535	73,780
Taxation		(5,807)	(5,678)	(14,131)	(17,368)
Zakat		(411)	(484)	(1,489)	(1,445)
Profit for the period		2,447	18,899	27,915	54,967

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 comprehensive income
For the nine months ended 30 September 2022

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Profit for the period attributable to equity holder of the Bank	2,447	18,899	27,915	54,967
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	(23)	-	(46)	(8)
Net (loss)/gain on financial investments at FVOCI				
- Transfer of gain to profit or loss upon disposal	(5)	(1,137)	(44)	(6,259)
- Fair value changes	1,439	(5,525)	(17,687)	(13,523)
Other comprehensive (loss)/ income for the period, net of tax	1,411	(6,662)	(17,777)	(19,790)
Total comprehensive income for the period attributable to equity holder of the Bank	3,858	12,237	10,138	35,177

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 nine months ended 30 September 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	-	-	-	27,915	27,915
Other comprehensive loss for the financial period	-	-	(17,777)	-	(17,777)
Total comprehensive income for the financial period	-	-	(17,777)	27,915	10,138
Transactions with owner					
Transfer to regulatory reserve	-	8,835	-	(8,835)	-
At 30 September 2022	426,600	16,220	(32,162)	309,471	720,129
At 1 January 2021	426,600	5,945	12,774	284,745	730,064
Profit for the financial period	-	-	-	54,967	54,967
Other comprehensive loss for the financial period	-	-	(19,790)	-	(19,790)
Total comprehensive income for the period	-	-	(19,790)	54,967	35,177
Transactions with owner					
Transfer from regulatory reserve	-	(1,454)	-	1,454	-
Dividend	-	-	-	(20,000)	(20,000)
At 30 September 2021	426,600	4,491	(7,016)	321,166	745,241

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 nine months ended 30 September 2022

	Note	Group and Bank	
		30 September 2022 RM'000	30 September 2021 RM'000
Profit before taxation and zakat		43,535	73,780
Adjustments for non-cash items		11,569	6,972
Operating profit before changes in working capital		55,104	80,752
Changes in working capital:			
Net changes in operating assets		(226,421)	(368,668)
Net changes in operating liabilities		(148,489)	738,919
Net cash (used in)/generated from operating activities		(319,806)	451,003
Net cash used in financing activities			
- Dividend paid		-	(20,000)
		-	(20,000)
Net change in cash and cash equivalents		(319,806)	431,003
Cash and cash equivalents at beginning of the period		338,172	171,599
Cash and cash equivalents at end of the period	34(a)	18,366	602,602
Cash and cash equivalents comprise of:			
Cash and short-term funds		18,366	602,602

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 September 2022 RM'000	31 December 2021 RM'000
Cash and balances with banks and other financial institutions	18,366	19,172
Money at call and deposit placements maturing within one month	-	319,000
	18,366	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 RM3,785,000 (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 September 2022 RM'000	31 December 2021 RM'000
Money market instruments:		
Government Investment Issues	998,618	1,222,108
Malaysian Treasury Bills	397,849	348,770
Islamic Negotiable Instruments	198,624	249,362
	1,595,091	1,820,240
Corporate Sukuk	498,363	480,388
	2,093,454	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)]	(46)	-	(46)
At 30 September 2022	224	8,112	8,336
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 September 2022 and 31 December 2021.

(c) Financial investments at amortised costs

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Money market instruments:		
Government Investment Issues	633,548	492,701
Malaysian Treasury Bills	397,884	-
	1,031,432	563,195
Corporate Sukuk	1,411,951	1,500,392
Less: ECL allowance	(397)	(2,264)
	2,442,986	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	16	-	16
Written back	-	(1,884)	(1,884)
At 30 September 2022	<u>397</u>	<u>-</u>	<u>397</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 30 September 2022 and 31 December 2021.

(d) Financing and advances

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Term financing		
- Syndicated term financing	379,378	254,671
- Other term financing	309,318	487,018
	<u>688,696</u>	<u>741,689</u>
Staff financing	26	26
Gross financing and advances	<u>688,722</u>	<u>741,715</u>
Less: ECL allowance	(81,475)	(72,158)
Net financing and advances	<u>607,247</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.

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 September 2022 RM'000	31 December 2021 RM'000
Domestic business enterprises	688,696	741,689
Individuals	26	26
Gross financing and advances	688,722	741,715

(ii) By profit rate sensitivity

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Fixed rate		
Staff financing	26	26
Variable rate		
Cost-plus	688,696	741,689
Gross financing and advances	688,722	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.)

(iii) By economic sector

	Group and Bank	
	30 September	31 December
	2022	2021
	RM'000	RM'000
Finance, insurance and business services	237,789	434,624
Education, health and others	96,577	87,760
Construction	90,754	87,191
Mining and quarrying	52,000	56,207
Electricity, gas and water supply	40,269	40,248
Manufacturing	32,199	34,151
Transport, storage and communications	132,123	-
Wholesale & retail trade and restaurants & hotels	6,985	1,508
Household	26	26
Gross financing and advances	688,722	741,715

(iv) By maturity profile

	Group and Bank	
	30 September	31 December
	2022	2021
	RM'000	RM'000
Within one year	148,440	399,259
One year to five years	321,526	253,756
After five years	218,756	88,700
Gross financing and advances	688,722	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 September 2022 RM'000	31 December 2021 RM'000
Term financing		
Commodity Murabahah	688,696	741,689
Staff financing	26	26
Gross financing and advances	688,722	741,715

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

(i) Movements in IF are as follows:

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
At 1 January	81,750	-
Classified as impaired	55,000	81,750
Recovered	(3,000)	-
	133,750	81,750
Less: ECL allowance	(74,830)	(61,313)
Net IF	58,920	20,437
Ratio of net IF to gross financing and advances less ECL allowance	9.6%	3.0%

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 September 2022 RM'000	31 December 2021 RM'000
Mining and quarrying	52,000	-
Finance, insurance and business services	81,750	81,750
	<u>133,750</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	536	-	-	536
Transfer to Stage 3 Made	-	(1,934)	1,934	-
Written back	(2,802)	-	-	(2,802)
At 30 September 2022	<u>6,645</u>	<u>-</u>	<u>74,830</u>	<u>81,475</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	(3,169)	-	3,169	-
Made	-	-	58,144	58,144
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 September 2022 RM'000	31 December 2021 RM'000
Other debtors, deposits and prepayments		1,390	9,512
Less: ECL allowance	(i)	(1,028)	(3,141)
		362	6,371
Profit receivables		33,277	36,945
Amounts due from clients	(ii)	6,702	1,401
Amount due from related companies		60	-
		40,401	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)]	(744)
Written off	(1,369)
At 30 September 2022	1,028
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 September 2022 RM'000	31 December 2021 RM'000
Brokers	2,594	-
Clients	4,108	1,401
	6,702	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 September 2022 RM'000	31 December 2021 RM'000
(i) By type of deposit		
Commodity Murabahah fund		
Term deposits	3,353,767	3,670,375
(ii) By type of customer		
Commodity Murabahah fund		
Business enterprises	1,237,832	1,292,372
Government and statutory bodies	2,115,935	2,378,003
	<u>3,353,767</u>	<u>3,670,375</u>
(iii) The maturity structure of term deposits is as follows:		
Due within six months	3,229,612	3,281,958
Six months to one year	124,155	334,907
One year to two years	-	53,510
	<u>3,353,767</u>	<u>3,670,375</u>

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

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
(i) By types of deposit		
Commodity Murabahah fund		
Term deposits	967,552	831,840
(ii) By type of customer		
Commodity Murabahah fund		
Other financial institutions	967,552	831,840

Unaudited Interim Financial Statements

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

(h) Other liabilities

	Note	Group and Bank	
		30 September 2022 RM'000	31 December 2021 RM'000
Profit payable to depositors		18,073	14,670
Amount due to brokers and clients	(a)	7,724	1,392
Sundry creditors and accruals		17,361	17,031
ECL allowances on financing and advances commitments and financial investments	(b)	2,262	1,275
Amount due to immediate holding company		233	23
Amount due to Head Office		127,465	105,634
		<u>173,118</u>	<u>140,025</u>

(a) Amount due to brokers and clients

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Brokers	486	365
Clients	7,238	1,027
	<u>7,724</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	(536)	(16)	(552)
Impairment made	1,535	4	1,539
At 30 September 2022	2,260	2	2,262
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

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

(i) Income derived from investment of depositors' funds

Group and Bank	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Finance income and hibah:				
Financing and advances	6,190	8,830	18,410	25,420
Money at call and deposit placements with financial institutions	2,120	1,780	5,460	3,990
Financial assets at FVTPL	-	660	-	660
Financial investments at FVOCI				
- Profit on non-impaired instruments	11,780	15,640	45,380	47,740
Financial investments at amortised costs				
- Profit on non-impaired instruments	19,350	14,480	58,120	47,210
	<u>39,440</u>	<u>41,390</u>	<u>127,370</u>	<u>125,020</u>
Accretion of discount less amortisation of premium	550	(3,580)	(4,530)	(10,880)
Total finance income and hibah	<u>39,990</u>	<u>37,810</u>	<u>122,840</u>	<u>114,140</u>
Other operating income:				
Net gain on sale of financial assets at FVTPL	-	860	330	2,470
Net gain on sale of financial investments at FVOCI	-	1,020	40	5,630
Net unrealised loss on revaluation of financial assets at FVTPL	-	(310)	-	(310)
	<u>-</u>	<u>1,570</u>	<u>370</u>	<u>7,790</u>
	<u>39,990</u>	<u>39,380</u>	<u>123,210</u>	<u>121,930</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		Cumulative quarter	
	3 Months Ended		9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Finance income and hibah:				
Financing and advances	680	986	2,040	2,829
Money at call and deposit placements with financial institutions	233	196	606	447
Financial assets at FVTPL	-	72	-	72
Financial investments at FVOCI				
- Profit on non-impaired instruments	1,302	1,740	5,040	5,306
Financial investments at amortised costs				
- Profit on non-impaired instruments	2,159	1,604	6,462	5,241
	<u>4,374</u>	<u>4,598</u>	<u>14,148</u>	<u>13,895</u>
Accretion of discount less amortisation of premium	54	(396)	(506)	(1,209)
Total finance income and hibah	<u>4,428</u>	<u>4,202</u>	<u>13,642</u>	<u>12,686</u>
Other operating income:				
Net gain on sale of financial assets at FVTPL	-	97	33	279
Net gain on sale of financial investments at FVOCI	5	117	4	629
Net gain on sale of financial investments at amortised cost	-	-	4	-
Net unrealised loss on revaluation of financial assets at FVTPL	-	(35)	-	(35)
	<u>5</u>	<u>179</u>	<u>41</u>	<u>873</u>

Unaudited Interim Financial Statements

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 3 Months Ended		Cumulative quarter 9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Fees and others:				
Fee income				
- Fees on financing and advances	195	163	537	452
- Corporate advisory fees	2,119	1,440	6,152	5,058
- Management fees	-	16	-	2,794
- Brokerage commission	561	85	1,626	141
- Participation fees	106	78	317	245
- Placement fee	-	824	-	1,074
- Other fee income	289	51	540	448
	<u>3,270</u>	<u>2,657</u>	<u>9,172</u>	<u>10,212</u>
Other income	28	-	102	1
	<u>3,298</u>	<u>2,657</u>	<u>9,274</u>	<u>10,213</u>
	<u>7,731</u>	<u>7,038</u>	<u>22,957</u>	<u>23,772</u>

(k) Impairment loss (made)/written back on financing and advances

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
ECL allowance				
- Made	(5,116)	(223)	(10,316)	(3,587)
Profit on impaired financing recovered				
	702	-	702	-
	<u>(4,414)</u>	<u>(223)</u>	<u>(9,614)</u>	<u>(3,587)</u>

Unaudited Interim Financial Statements

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

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Financial investments at FVOCI [Note 34(b)]	23	13	46	21
Financial investments at amortised cost	109	(49)	1,880	(2)
	<u>132</u>	<u>(36)</u>	<u>1,926</u>	<u>19</u>

(m) Impairment loss written back on other assets

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Other assets				
- Written back [Note 34(e)(i)]	394	244	744	22
	<u>394</u>	<u>244</u>	<u>744</u>	<u>22</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 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Commodity Murabahah fund				
Deposits from customers	23,067	14,310	63,372	49,349
Deposits and placements of banks and other financial institutions	5,756	5,698	14,430	14,525
	<u>28,823</u>	<u>20,008</u>	<u>77,802</u>	<u>63,874</u>

(o) Operating expenses

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
(i) Staff costs:				
Wages, salaries and bonuses	576	536	1,654	1,520
Social security costs	3	3	9	9
Defined contribution plan	118	129	329	322
Other staff related expenses	43	23	132	81
	<u>740</u>	<u>691</u>	<u>2,124</u>	<u>1,932</u>

Unaudited Interim Financial Statements

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

(o) Operating expenses (cont'd.)

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
(ii) Establishment costs:				
Amortisation	113	-	113	-
Rental	11	-	15	50
IT expenses	143	133	571	357
Others	(45)	1	79	17
	<u>222</u>	<u>134</u>	<u>778</u>	<u>424</u>
(iii) Promotion and marketing related expenses				
Business promotion and advertisement	1	(1)	26	-
Entertainment	8	-	8	-
	<u>9</u>	<u>(1)</u>	<u>34</u>	<u>-</u>
(iii) Administrative and general expenses:				
Audit fees	77	-	202	9
Non-Executive Directors' remuneration	204	-	544	25
Management fees	4,948	442	11,367	1,827
Brokerage fees	112	93	318	227
Others	33	(25)	2,519	58
	<u>5,374</u>	<u>510</u>	<u>14,950</u>	<u>2,146</u>
	<u>6,345</u>	<u>1,334</u>	<u>17,886</u>	<u>4,502</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 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Income derived from investment of depositors' funds	39,990	39,380	123,210	121,930
Income derived from investment of Islamic banking funds	7,731	7,038	22,957	23,772
Less: Income attributable to depositors	(28,823)	(20,008)	(77,802)	(63,874)
	<u>18,898</u>	<u>26,410</u>	<u>68,365</u>	<u>81,828</u>

(q) Capital adequacy

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

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
<u>Tier 1 Capital</u>		
Common Equity Tier 1 ("CET1") Capital		
Islamic banking fund	426,600	426,600
Regulatory reserve	16,220	7,385
FVOCI reserve	(32,162)	(14,385)
Retained profits	309,471	290,391
	<u>720,129</u>	<u>709,991</u>
Less: Regulatory adjustments	(29,871)	(16,449)
Total CET 1 Capital, representing Total Tier 1 Capital	<u>690,258</u>	<u>693,542</u>
<u>Tier 2 Capital</u>		
Loss provision and regulatory reserve	18,036	17,212
Total Tier 2 capital	<u>18,036</u>	<u>17,212</u>
Total Capital	<u>708,294</u>	<u>710,754</u>

Unaudited Interim Financial Statements

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

(q) Capital adequacy (cont'd.)

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

	Group and Bank	
	30 September	31 December
	2022	2021
	RM'000	RM'000
Before deducting proposed dividend		
CET1 Capital Ratio	42.031%	44.761%
Tier 1 Capital Ratio	42.031%	44.761%
Total Capital Ratio	43.130%	45.872%
After deducting proposed dividend		
CET1 Capital Ratio	37.769%	44.761%
Tier 1 Capital Ratio	37.769%	44.761%
Total Capital Ratio	38.867%	45.872%

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

	Group and Bank	
	30 September	31 December
	2022	2021
	RM'000	RM'000
Total risk-weighted assets for credit risk	1,442,910	1,376,950
Total risk-weighted assets equivalent for market risk	-	-
Total risk-weighted assets equivalent for operational risk	199,336	172,478
	<u>1,642,246</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 nine months ended 30 September 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 September 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: 6 December 2022