

MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD
Registration Number: 196001000082 (3755-M)
(Incorporated in Malaysia)

Unaudited Condensed Interim Financial Statements
31 March 2022

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	Group		Company	
		31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
ASSETS					
Cash and short-term funds	10	936,120	797,040	432,799	381,258
Deposits and placements with licensed banks and other financial institutions	11	126,807	144,249	122,307	138,799
Financial assets at fair value through profit or loss ("FVTPL")	12	258,360	299,932	189,099	248,908
Financial investments at fair value through other comprehensive income ("FVOCI")	13	3,014,413	2,561,829	137,904	137,904
Financial investments at amortised cost	14	2,518,606	2,343,837	-	-
Loans, advances and financing	15	1,488,275	1,576,982	86,066	87,645
Other assets	16	137,453	143,746	42,400	34,244
Statutory deposits with Bank Negara Malaysia		111,632	107,127	-	-
Investment in subsidiaries		-	-	598,194	598,194
Investment properties		3,012	2,442	-	-
Property, plant and equipment		5,408	2,799	2,314	2,568
Intangible assets		9,571	12,405	9,713	8,875
Deferred tax assets		17,434	20,598	4,374	6,591
Derivative assets	19	9,693	6,878	-	-
Right-of-use assets and lease receivables		11,462	13,328	11,148	13,141
		8,648,246	8,033,192	1,636,318	1,658,127
Goodwill		86,713	86,713	-	-
TOTAL ASSETS		8,734,959	8,119,905	1,636,318	1,658,127
LIABILITIES					
Deposits from customers	17	5,313,147	4,907,846	-	-
Deposits and placements of banks and other financial institutions	18	1,290,874	1,063,034	-	-
Other liabilities	20	135,345	160,893	58,843	69,675
Borrowings and government grant	21	266,737	270,229	266,737	270,229
Provision for taxation and zakat		1,745	1,167	539	431
Deferred tax liabilities		7	-	-	-
Employee benefits		11,844	11,590	8,833	8,649
Lease liability		11,484	13,328	11,484	13,328
TOTAL LIABILITIES		7,031,183	6,428,087	346,436	362,312
SHAREHOLDER'S EQUITY					
Capital and reserves attributable to shareholder of the Company					
Share capital		879,931	879,931	879,931	879,931
Reserves		823,601	811,642	409,951	415,884
		1,703,532	1,691,573	1,289,882	1,295,815
Non-controlling interests		244	245	-	-
TOTAL SHAREHOLDER'S EQUITY		1,703,776	1,691,818	1,289,882	1,295,815
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		8,734,959	8,119,905	1,636,318	1,658,127
COMMITMENTS AND CONTINGENCIES	32	898,485	999,276	12,562	12,565
NET ASSETS PER SHARE (RM)		3.55	3.52	2.69	2.70

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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

<u>Group</u>	Note	Individual Quarter 3 Months Ended	
		31 March 2022 RM'000	31 March 2021 RM'000
Operating revenue	31	90,399	89,778
Interest income	22	21,469	21,587
Interest expense	23	(7,883)	(8,918)
Net interest income		13,586	12,669
Net income from Islamic banking operations	37	39,847	41,316
Non-interest income	24	9,439	4,444
		62,872	58,429
Operating expenses	25	(44,697)	(40,425)
Operating profit		18,175	18,004
Expected credit loss allowance written back/(made) on:			
- loans, advances and financing	26	5,942	(1,125)
- financial investments	27	(2)	279
- other assets	28	205	6
Profit before taxation and zakat		24,320	17,164
Taxation		(7,515)	(9,077)
Zakat		(578)	(606)
Profit after taxation and zakat		16,227	7,481
Attributable to:			
Shareholder of the Company		16,228	7,482
Non-controlling interests		(1)	(1)
Profit for the financial period		16,227	7,481
Earnings per share (sen)			
- Basic and diluted	30	3.38	1.56

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

Group	Individual Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Profit for the financial period	16,227	7,481
Other comprehensive income:		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Changes in allowance for expected credit loss ("ECL")	15	34
Net gain/(loss) on financial investments at FVOCI		
- Transfer of gain to profit or loss upon disposal	(43)	(6,875)
- Fair value changes	(4,241)	(12,436)
Other comprehensive (loss)/income for the financial period, net of tax	(4,269)	(19,277)
Total comprehensive income/(loss) for the financial period attributable to equity holder of the Group	11,958	(11,796)
Total comprehensive income/(loss) for the financial period attributable to:		
Shareholder of the Company	11,958	(11,796)
	11,958	(11,796)

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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

<u>Company</u>	Note	Individual Quarter 3 Months Ended	
		31 March 2022 RM'000	31 March 2021 RM'000
Operating revenue		23,924	13,839
Interest income	22	3,510	4,896
Interest expense	23	(961)	(1,042)
Net interest income		2,549	3,854
Net income from Islamic banking operations	37	14,053	14,749
Non-interest income	24	6,694	(5,208)
		23,296	13,395
Operating expenses	25	(26,901)	(23,944)
Operating loss		(3,605)	(10,549)
Expected credit loss allowance (made)/written back on:			
- loans, advances and financing	26	(6)	312
- other assets	28	4	38
Loss before taxation and zakat		(3,607)	(10,199)
Taxation		(2,218)	(2,061)
Zakat		(108)	(151)
Loss representing total comprehensive loss for the financial period		(5,933)	(12,411)
Attributable to:			
Shareholder of the Company		(5,933)	(12,411)
Profit for the financial period		(5,933)	(12,411)
Earnings per share (sen)			
- Basic and diluted	30	(1.24)	(2.58)

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Attributable to shareholder of the Company				Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	FVOCI Reserve # RM'000	Regulatory Reserve ^ RM'000	Retained Profits RM'000			
Group							
At 1 January 2022	879,931	(13,073)	18,485	806,230	1,691,573	245	1,691,818
Other comprehensive income/(loss) for the period	-	(4,269)	-	-	(4,269)	-	(4,269)
Profit/(loss) for the period	-	-	-	16,228	16,228	(1)	16,227
Total comprehensive income/(loss) for the period	-	(4,269)	-	16,228	11,959	(1)	11,958
Transfer to regulatory reserve	-	-	5,805	(5,805)	-	-	-
At 31 March 2022	879,931	(17,342)	24,290	816,653	1,703,532	244	1,703,776

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

^ The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Group 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 Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2021.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

<u>Group</u>	Attributable to shareholder of the Company				Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Non-Distributable		Distributable				
	Share Capital RM'000	FVOCI Reserve # RM'000	Regulatory Reserve ^ RM'000	Retained Profits RM'000			
At 1 January 2021	879,931	16,650	16,324	874,863	1,787,768	250	1,788,018
Other comprehensive (loss)/income for the period	-	(19,278)	-	19	(19,259)	-	(19,259)
Profit for the period	-	-	-	7,482	7,482	(1)	7,481
Total comprehensive income for the period	-	(19,278)	-	7,501	(11,777)	(1)	(11,778)
Transfer from regulatory reserve	-	-	(562)	562	-	-	-
At 31 March 2021	879,931	(2,628)	15,762	882,926	1,775,991	249	1,776,240

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

^ The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Group 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 Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2021.

CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

|----- Attributable to shareholder of the Company -----|

|----- Non-distributable -----| Distributable

<u>Company</u>	Share Capital RM'000	FVOCI Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 January 2022	879,931	(52,919)	468,803	1,295,815
Profit for the financial period	-	-	(5,933)	(5,933)
Total comprehensive loss for the financial period	-	-	(5,933)	(5,933)
At 31 March 2022	879,931	(52,919)	462,870	1,289,882

|----- Attributable to shareholder of the Company -----|

|----- Non-distributable -----| Distributable

<u>Company</u>	Share Capital RM'000	FVOCI Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 January 2021	879,931	(53,514)	562,791	1,389,208
Loss for the financial period	-	-	(12,411)	(12,411)
Total comprehensive loss for the financial period	-	-	(12,411)	(12,411)
At 31 March 2021	879,931	(53,514)	550,380	1,376,797

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Group		Company	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Profit before taxation and zakat	24,320	17,164	(3,607)	(10,199)
Adjustment on non-cash items	(1,666)	(50,516)	7,747	4,199
Operating profit/(loss) before changes in working capital	22,654	(33,352)	4,140	(6,000)
Changes in working capital:				
Net changes in operating assets	(490,892)	(251,241)	50,525	(6,842)
Net changes in operating liabilities	607,768	347,380	(10,831)	(8,484)
Tax expense and zakat (paid)/ refunded	(10,736)	(2,005)	(1,756)	(2,004)
Retirement benefits paid	(2)	-	-	115
Net cash generated from/(used in) operating activities	128,792	60,782	42,078	(23,215)
Net cash (used in)/generated from investing activities	(1,683)	(4,534)	(1,558)	(587)
Net cash used in financing activities	(5,471)	-	(5,471)	(3,492)
Net increase/(decrease) in cash and cash equivalents	121,638	56,248	35,049	(27,294)
Cash and cash equivalents at beginning of the financial period	941,289	925,632	520,057	578,182
Cash and cash equivalents at end of the financial period	1,062,927	981,880	555,106	550,888

Cash and cash equivalents included in the statements of cash flows comprise the following statement of financial position amounts:

	Group		Company	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Cash and short-term funds	936,120	688,029	432,799	261,537
Deposits and placements with banks and other financial institutions	126,807	293,851	122,307	289,351
	1,062,927	981,880	555,106	550,888

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

Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134, Interim Financial Reporting ("MFRS 134"), International Accounting Standard 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"), Bank Negara Malaysia ("BNM") Guidelines and the requirements of the Companies Act, 2016 in Malaysia. 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 Company 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 Company since the financial year ended 31 December 2021.

2. Significant accounting policies

The accounting policies applied by the Group and the Company in these condensed interim financial statements are the same as those applied by the Group and the Company 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 Company have adopted the following Amendments and Annual Improvements to Standards, with a date of initial application of 1 January 2022.

- 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 Company.

2.2 Standards issued but not yet effective

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

Description	Effective for financial periods beginning on or after
Amendments to MFRS 108: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101: <i>Disclosure of Accounting Policies</i>	1 January 2023
MFRS 17 and Amendments to MFRS 17: <i>Insurance Contracts</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 17: <i>Initial application of MFRS 17 and MFRS 9 - Comparative Information</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

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial years. These standards and interpretation are expected to have no significant impact to the financial statements of the Group and of the Company upon their initial application.

3. Comments about seasonal or cyclical factors

The Group's and the Company's performance is not materially affected by any seasonal or cyclical factors but is affected by the level of activities in the securities 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 31 March 2022.

5. Significant estimates and changes in estimates

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

6. Debt and equity securities

There were no changes in debt and equity securities during the quarter ended 31 March 2022

7. Dividend paid/payable

A single tier interim dividend in respect of the current financial year ended 31 December 2021 of 20.8 sen per share on 480,355,627 ordinary shares, amounting to a dividend of RM100.0 million has been approved by the Board of Directors on 25 February 2022. This dividend payment is subject to Bank Negara Malaysia's approval.

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 generated a profit before tax of RM24.3 million for the current quarter ended 31 March 2022, which is RM7.2 million higher than previous corresponding period's profit before tax of RM17.2 million. The improved performance is attributable to higher operating profit of RM0.2 million and higher expected credit loss allowance written back of RM7 million.

10. Cash and short-term funds

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Cash and bank balances	69,619	55,960	16,148	3,378
Deposits and placements maturing within one month	866,501	741,080	416,651	377,880
	<u>936,120</u>	<u>797,040</u>	<u>432,799</u>	<u>381,258</u>

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

11. Deposits and placements with licensed banks and other financial institutions

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Deposits with licensed banks	126,807	144,249	122,307	138,799
	<u>126,807</u>	<u>144,249</u>	<u>122,307</u>	<u>138,799</u>

12. Financial assets at fair value through profit or loss ("FVTPL")

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
At fair value				
Money market instruments:				
Government Investment Issues	10,986	52,038	10,986	52,038
Unquoted securities in Malaysia:				
Corporate bonds/sukuk	44,551	53,073	44,551	53,073
Islamic commercial papers	114,555	124,526	114,555	124,526
Shares	30,245	30,245	-	-
	<u>189,351</u>	<u>207,844</u>	<u>159,106</u>	<u>177,599</u>
Unit Trust	58,023	40,050	19,007	19,271
	<u>258,360</u>	<u>299,932</u>	<u>189,099</u>	<u>248,908</u>

13. Financial investments at fair value through comprehensive income ("FVOCI")

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
At fair value				
Money market instruments:				
Government investment Issues	1,418,986	1,273,083	-	-
Malaysian treasury bills	592,535	398,374	-	-
Negotiable instruments of deposit	249,171	249,362	-	-
	<u>2,260,692</u>	<u>1,920,819</u>	<u>-</u>	<u>-</u>
Unquoted securities in Malaysia:				
Corporate bonds/sukuk	749,752	637,041	2	2
Redeemable preference shares*	-	-	135,433	135,433
Shares	3,969	3,969	2,469	2,469
	<u>753,721</u>	<u>641,010</u>	<u>137,904</u>	<u>137,904</u>
	<u>3,014,413</u>	<u>2,561,829</u>	<u>137,904</u>	<u>137,904</u>

* The redeemable preference shares are issued by a wholly-owned subsidiary and eliminated in the consolidated financial statements.

13. Financial investments at fair value through comprehensive income ("FVOCI") (cont'd.)

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

<u>Group</u>	Stage 1 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
ECL as at 1 January 2021	303	81,279	81,582
Impairment made	19	-	19
Written off	-	(13,491)	(13,491)
Written back	-	(1,214)	(1,214)
ECL as at 31 December 2021	<u>322</u>	<u>66,574</u>	<u>66,896</u>
ECL as at 1 January 2022	322	66,574	66,896
Impairment made	15	-	15
ECL as at 31 March 2022	<u>337</u>	<u>66,574</u>	<u>66,911</u>
		Stage 3 Individual RM'000	Total RM'000
ECL as at 1 January 2021		6,852	6,852
Made		1,350	1,350
Written-back		(88)	(88)
ECL as at 31 December 2021		<u>6,764</u>	<u>6,764</u>
ECL as at 1 January 2022/31 March 2022		<u>6,764</u>	<u>6,764</u>

There were no Stage 2 exposure as of 31 March 2022 and 31 December 2021.

14. Financial investments at amortised cost

	Group	
	31 March 2022 RM'000	31 December 2021 RM'000
Money market instruments:		
Government investment issue	513,002	513,211
	513,002	513,211
Unquoted securities in Malaysia:		
Corporate Bonds/ sukuk	2,005,851	1,830,837
Loan stocks	9,822	9,854
	2,015,673	1,840,691
Less: Expected credit loss allowance	(a) (10,069)	(10,065)
	2,518,606	2,343,837

(a) An analysis of changes in ECL allowances in relation to financial investments at amortised cost is as follows:

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

15. Loans, advances and financing

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Term loans/financing				
- Syndicated term loans/ financing	276,727	265,399	-	-
- Hire purchase receivables	8,823	9,330	8,823	9,330
- Real estate financing	18,651	18,707	-	-
- Murabahah financing	158,536	178,280	-	-
Other term loans/financing	636,662	717,359	118,545	120,382
	<u>1,099,399</u>	<u>1,189,075</u>	<u>127,368</u>	<u>129,712</u>
Margin accounts	579,626	585,429	-	-
Staff loans	720	734	447	423
	<u>1,679,745</u>	<u>1,775,238</u>	<u>127,815</u>	<u>130,135</u>
Less: Unearned interest/ income	(7,622)	(8,300)	(7,622)	(8,300)
Gross loans, advances and financing	<u>1,672,123</u>	<u>1,766,938</u>	<u>120,193</u>	<u>121,835</u>
Less: ECL allowance	(183,848)	(189,956)	(34,127)	(34,190)
Total net loans, advances and financing	<u>1,488,275</u>	<u>1,576,982</u>	<u>86,066</u>	<u>87,645</u>

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

Gross loans, advances and financing

a. By type of customer

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Domestic business enterprises				
- Small medium enterprises	1,143,468	1,095,689	71,365	72,801
- Others	98,446	229,979	48,381	48,611
Individuals	430,209	441,270	447	423
Gross loans, advances and financing	<u>1,672,123</u>	<u>1,766,938</u>	<u>120,193</u>	<u>121,835</u>

b. By interest/profit rate sensitivity

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Fixed rate				
- Staff loans	720	728	447	423
- Hire purchase receivables	8,348	8,765	8,348	8,765
- Other fixed rate loan/financing	730,103	741,884	89,508	90,738
Variable rate:				
- Base Lending Rate ("BLR") plus	21,890	21,909	21,890	21,909
- Cost plus	911,062	993,652	-	-
Gross loans, advances and financing	<u>1,672,123</u>	<u>1,766,938</u>	<u>120,193</u>	<u>121,835</u>

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

c. By economic sector

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Finance, insurance, and business services	626,279	706,018	11,409	11,741
Household	429,747	440,859	-	-
Education and Health	149,878	147,596	-	-
Real Estate	116,218	131,270	-	-
Construction	88,301	87,191	-	-
Manufacturing	74,042	74,096	39,892	39,945
Wholesale and retail trade and restaurants and hotels	62,753	60,895	48,039	48,658
Mining and quarrying	55,000	56,207	-	-
Electricity, gas and water supply	40,237	40,248	-	-
Transport, storage and communications	22,542	15,203	14,796	15,203
Others	7,126	7,355	6,057	6,288
Gross loans, advances and financing	<u>1,672,123</u>	<u>1,766,938</u>	<u>120,193</u>	<u>121,835</u>

d. By residual contractual maturity

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Within one year	1,147,278	1,254,846	61,580	62,422
One year to five years	397,877	388,222	24,045	24,373
After five years	126,968	123,870	34,568	35,040
Gross loans, advances and financing	<u>1,672,123</u>	<u>1,766,938</u>	<u>120,193</u>	<u>121,835</u>

e. Impaired loans, advances and financing ("ILs")

(i) Movements in ILs

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
At 1 January	350,042	321,170	60,558	63,065
Classified as impaired	59,269	82,587	4,017	449
Amount recovered	(20,052)	(11,905)	-	(2,956)
Amount written off	-	(41,810)	-	-
At 31 March/31 December	<u>389,259</u>	<u>350,042</u>	<u>64,575</u>	<u>60,558</u>
Less: ECL allowances	<u>(168,862)</u>	<u>(172,624)</u>	<u>(28,660)</u>	<u>(28,785)</u>
Net ILs	<u>220,397</u>	<u>177,418</u>	<u>35,915</u>	<u>31,773</u>
Ratio of net ILs to gross loans, advances and financing less ECL allowance (Stage 3)	<u>14.66%</u>	<u>11.13%</u>	<u>39.24%</u>	<u>34.15%</u>

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

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

(ii) ILs by economic sector

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Finance, insurance, and business services	85,336	85,314	3,586	3,564
Real Estate	60,969	131,270	-	-
Mining and quarrying	55,000	-	-	-
Manufacturing	38,942	38,948	38,942	38,949
Wholesale and retail trade and restaurants and hotels	26,547	26,525	15,818	15,796
Transport, storage and communication	5,801	1,821	5,801	1,821
Others	116,664	66,164	428	428
	<u>389,259</u>	<u>350,042</u>	<u>64,575</u>	<u>60,558</u>

(iii) Movements in impairment provision

Expected credit loss allowance on loans, advances and financing

	Stage 1 Collective RM'000	Stage 2 Individual RM'000	Stage 3 Individual RM'000	Total RM'000
<u>Group</u>				
ECL as at 1 January 2021	17,478	1,014	156,826	175,318
Transfer	(3,396)	1,934	3,169	1,707
Impairment made	1,417	2,264	60,493	64,174
Written back	(2,106)	(1,273)	(5,105)	(8,484)
Written off	-	-	(41,809)	(41,809)
Discount unwind	-	-	(950)	(950)
ECL as at 31 December 2021	<u>13,393</u>	<u>3,939</u>	<u>172,624</u>	<u>189,956</u>
ECL as at 1 January 2022	13,393	3,939	172,624	189,956
Transfer	82	(1,934)	1,934	82
Impairment made	54	19	5,906	5,979
Written back	(556)	(11)	(11,442)	(12,009)
Discount unwind	-	-	(160)	(160)
ECL as at 31 March 2022	<u>12,973</u>	<u>2,013</u>	<u>168,862</u>	<u>183,848</u>

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

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

(iii) Movements in impairment provision (cont'd.)

<u>Company</u>	Stage 1 Collective RM'000	Stage 2 Individual RM'000	Stage 3 Individual RM'000	Total RM'000
ECL as at 1 January 2021	3,015	1,014	30,849	34,878
Impairment made	1,417	2,264	624	4,305
Written back	(1,032)	(1,273)	(1,738)	(4,043)
Discount unwind	-	-	(950)	(950)
ECL as at 31 December 2021	<u>3,400</u>	<u>2,005</u>	<u>28,785</u>	<u>34,190</u>
ECL as at 1 January 2022	3,400	2,005	28,785	34,190
Impairment made	54	19	1,054	1,127
Written back	-	(11)	(1,019)	(1,030)
Discount unwind	-	-	(160)	(160)
ECL as at 31 March 2022	<u>3,454</u>	<u>2,013</u>	<u>28,660</u>	<u>34,127</u>

16. Other assets

	Note	Group		Company	
		31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Interest/profit receivables		46,589	43,087	1,495	1,730
Amount due from brokers and clients	(a)	30,506	45,750	-	-
Deposits, prepayments and other receivables		21,847	24,352	8,883	8,044
Less: ECL allowance	(b)	(5,979)	(6,184)	(3)	(7)
		15,868	18,168	8,880	8,037
Amount receivables from Danaharta		96,973	96,973	-	-
Less: ECL allowance		(96,973)	(96,973)	-	-
		-	-	-	-
Amount due from subsidiaries	(c)	-	-	16,443	10,650
Tax recoverable		44,490	36,741	15,582	13,827
		<u>137,453</u>	<u>143,746</u>	<u>42,400</u>	<u>34,244</u>

16. Other assets (cont'd.)

(a) Amount due from brokers and clients

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

Clients' and brokers' debit balances arose from trading of securities, through the investment banking subsidiary, which are not yet due for settlement as at reporting date.

(b) Deposits, prepayments and other receivables

ECL allowance	Group	
	31 March 2022 RM'000	31 December 2021 RM'000
At 1 January	(6,184)	(6,636)
Impairment made	-	(1,808)
Written back	205	72
Written off	-	2,188
At 31 March/31 December	<u>(5,979)</u>	<u>(6,184)</u>

	Company	
	31 March 2022 RM'000	31 December 2021 RM'000
At 1 January	(7)	(55)
Written back	4	48
At 31 March/31 December	<u>(3)</u>	<u>(7)</u>

(c) Amounts due from subsidiaries - current accounts

These amounts are unsecured, interest-free and repayable on demand.

17. Deposits from customers

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

18. Deposits and placements of banks and other financial institutions

	Group	
	31 March 2022 RM'000	31 December 2021 RM'000
(i) Call deposits		
- Other financial institutions	27,519	19,090
(ii) Fixed deposits		
- Licensed banks	5,200	-
- Other financial institutions	1,258,155	1,043,944
	1,263,355	1,043,944
	1,290,874	1,063,034

19. Derivative assets/(liabilities)

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

20. Other liabilities

	Note	Group		Company	
		31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Amount due to brokers and clients	(a)	44,758	48,058	-	-
Accrued interest and other payables		56,415	51,734	32,672	33,007
Other creditors and accruals	(b)	29,948	49,816	23,317	26,662
Amount due (from)/to Government Scheme Fund ("GSF")		2,742	9,893	2,742	9,893
ECL allowance on loans /financing commitments and financial investments	(c)	1,482	1,392	112	113
		<u>135,345</u>	<u>160,893</u>	<u>58,843</u>	<u>69,675</u>

(a) Amount due to brokers and clients

	Group	
	31 March 2022 RM'000	31 December 2021 RM'000
Brokers	5,252	10,731
Clients	39,506	37,327
	<u>44,758</u>	<u>48,058</u>

(b) In the current financial period, there is no Shariah non-compliance income included in the above (2021: Nil) for the Group and the Company respectively.

20. Other liabilities (cont'd.)

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

Group	Loans, advances and financing commitments RM'000	Financial investments RM'000	Total RM'000
Stage 1 Collective			
At 1 January 2021	2,715	101	2,816
Transfer	(1,707)	-	(1,707)
Impairment made	476	11	487
Written back	(109)	(95)	(204)
At 31 December 2021	<u>1,375</u>	<u>17</u>	<u>1,392</u>
At 1 January 2022	1,375	17	1,392
Transfer	(82)	(17)	(99)
Impairment made	356	-	356
Written back	(167)	-	(167)
At 31 March 2022	<u>1,482</u>	<u>-</u>	<u>1,482</u>
			Loans, advances and financing commitments RM'000
Company			
Stage 1 Collective			
At 1 January 2021			222
Written back			(109)
At 31 December 2021			<u>113</u>
At 1 January 2022			113
Written back			(1)
At 31 March 2022			<u>112</u>

21. Borrowings and government grant

	Note	Group and Company	
		31 March 2022 RM'000	31 December 2021 RM'000
Borrowings			
Loan from JBIC – FSMI	(a)	118,737	122,229
Loan from MITI	(b)	128,821	122,420
Total borrowings		<u>247,558</u>	<u>244,649</u>
Government grant			
Loan From MITI	(b)	19,179	25,580
Total borrowings and government grant		<u>266,737</u>	<u>270,229</u>

(a) Loan from Japan Bank for International Cooperation Fund for Small and Medium Industries ("JBIC - FSMI")

	Group and Company	
	31 March 2022 RM'000	31 December 2021 RM'000
At 1 January	122,229	129,213
Repayment	(3,492)	(6,984)
At 31 March/31 December	<u>118,737</u>	<u>122,229</u>

(b) Loan from Soft Loan Scheme for Services Sector ("SLSSS") provided by Ministry of International Trade and Industry ("MITI")

	Group and Company	
	31 March 2022 RM'000	31 December 2021 RM'000
Borrowing		
At 1 January	122,420	128,019
Repayment	-	(12,000)
Profit expense*	6,401	6,401
At 31 March/31 December	<u>128,821</u>	<u>122,420</u>
Government grant		
At 1 January	25,580	31,981
Amortisation *	(6,401)	(6,401)
At 30 September/31 December	<u>19,179</u>	<u>25,580</u>
	<u>148,000</u>	<u>148,000</u>

* Grant income is deducted against the profit expense in profit or loss.

22. Interest income

<u>Group</u>	Individual Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Loans, advances and financing		
- Interest income on non-impaired loans	12,570	11,717
- Interest income on impaired loans ("ILs")	(38)	173
Money at call and deposit placements with financial institutions	3,035	3,027
Financial assets at FVTPL	720	1,540
Financial investments at FVOCI		
- Interest income on non-impaired investments	2,471	1,076
Financial investments at amortised cost		
- Interest income on non-impaired investments	2,049	3,865
- Interest income on impaired investments	-	32
Accretion of discount less amortisation of premium	662	149
Others	-	8
	21,469	21,587

<u>Company</u>	Individual Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Loans, advances and financing		
- Interest income on non-impaired loans	46	51
- Interest income on impaired loans ("ILs")	162	173
Money at call and deposit placements with financial institutions	1,930	2,340
Financial assets at FVTPL	720	1,540
Accretion of discount less amortisation of premium	652	792
	3,510	4,896

23. Interest expense

	Individual Quarter	
	3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
<u>Group</u>		
Deposits and placements of banks and other financial institutions	2	1,256
Deposits from customers	6,815	6,036
Borrowings	826	905
Derivatives instruments	105	584
	7,748	8,781
Finance cost on lease liability	135	137
	7,883	8,918
<u>Company</u>		
Borrowings	826	905
Finance cost on lease liability	135	137
	961	1,042

24. Non-interest income

<u>Group</u>	Individual Quarter	
	3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Fee income:		
Underwriting fees	459	-
Management fees	1,920	2,119
Corporate advisory fees	323	815
Brokerage fees	2,712	2,634
Income from Government Scheme Funds	408	603
Other fees	1,260	569
	<u>7,082</u>	<u>6,740</u>
Investment income:		
Net realised (loss)/gain on sales of financial investments at:		
- FVTPL	(2,279)	1,426
- FVOCI	5	1,939
- Amortised cost	630	-
Net unrealised loss on revaluation of financial assets at FVTPL	625	(11,965)
Net unrealised gain/(loss) on revaluation of derivative instruments	2,815	6,025
	<u>1,796</u>	<u>(2,575)</u>
Gross dividend income:		
Financial assets at FVTPL	-	22
	<u>-</u>	<u>22</u>
Other income:		
Rental from:		
- Office premises	54	-
Gain on disposal of PPE	-	62
Insurance commissions	4	(6)
Others	503	201
	<u>561</u>	<u>257</u>
Total non-interest income	<u>9,439</u>	<u>4,444</u>

24. Non-interest income (cont'd.)

Company	Individual Quarter	
	31 March	31 March
	2022	2021
	RM'000	RM'000
Fee income:		
Management fees	7,276	4,668
Income from Government Scheme Funds	408	603
	<u>7,684</u>	<u>5,271</u>
Investment income:		
Net realised (loss)/gain on sales of financial assets at FVTPL	(2,279)	1,426
Net unrealised gain/(loss) on revaluation of financial assets at FVTPL	539	(12,757)
	<u>(1,740)</u>	<u>(11,331)</u>
Other income:		
Rental from:		
- Office premises	700	724
Gain on disposal of PPE	-	62
Insurance commissions	4	(6)
Others	46	72
	<u>750</u>	<u>852</u>
Total non-interest income	<u>6,694</u>	<u>(5,208)</u>

25. Operating expenses

	Individual Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Group		
Personnel costs		
Wages, salaries and bonuses	24,156	23,140
Employee benefits:		
Current period	256	258
Social security costs	118	110
Defined contribution plan	3,802	4,517
Other staff related expenses	2,406	2,314
	30,738	30,339
Establishment costs		
Depreciation	1,338	1,108
Depeciation on right-of-use asset	1,865	1,903
Office rental	136	266
Equipment rental	34	49
Others	4,630	2,124
	8,003	5,450
Promotion and marketing-related expenses		
Business promotion and advertisement	604	1,096
Entertainment	118	168
	722	1,264
General and administrative expenses		
Auditors' remuneration		
- Audit fees	168	61
Directors' fees and meeting allowances	658	62
Communication expenses	168	26
Professional fees	4,542	73
Others	(302)	3,150
	5,234	3,372
	44,697	40,425

25. Operating expenses (cont'd.)

	Individual Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
<u>Company</u>		
Personnel costs		
Wages, salaries and bonuses	12,604	11,990
Employee benefits:		
Current period	184	191
Social security costs	70	65
Defined contribution plan	2,013	2,834
Other staff related expenses	1,449	1,197
	16,320	16,277
Establishment costs		
Depreciation	974	780
Depeciation on right-of-use asset	1,865	1,903
Office rental	134	(33)
Equipment rental	18	10
Others	2,297	838
	5,288	3,498
Promotion and marketing-related expenses		
Business promotion and advertisement	287	868
Entertainment	7	2
	294	870
General and administrative expenses		
Auditors' remuneration		
- Audit fees	77	62
Directors' fees and meeting allowances	334	261
Communication expenses	86	27
Management fees	3,144	1,815
Professional fees	766	946
Others	592	188
	4,999	3,299
	26,901	23,944

26. Expected credit loss allowance (made)/written back on loan, advances and financing

	Individual Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
<u>Group</u>		
(a) Expected credit loss allowance		
- Made	(5,613)	(2,468)
- Written back	11,454	1,109
(b) Recoveries from impaired loans	101	234
	5,942	(1,125)

26. Expected credit loss allowance (made)/written back on loan, advances and financing (cont'd.)

	Individual Quarter 3 Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
<u>Company</u>		
(a) Expected credit loss allowance		
- Made	(1,127)	(1,031)
- Written back	1,031	1,109
(b) Recoveries from impaired loans	90	234
	<u>(6)</u>	<u>312</u>

27. Expected credit loss allowance written back/(made) on financial investments

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

28. Expected credit loss allowance written back/(made) on other assets

	Individual Quarter 3 Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
<u>Group</u>		
(a) Expected credit loss allowance		
- Made	-	(31)
- Written back	205	38
- Bad debt written off	-	(1)
	<u>205</u>	<u>6</u>

28. Expected credit loss allowance (made)/written back on other assets (cont'd.)

	Individual Quarter 3 Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
<u>Company</u>		
(a) Expected credit loss allowance		
- Made	-	(20)
- Written back	4	38
	<u>4</u>	<u>38</u>

29. Expected credit loss allowance written back on subsidiary

	Individual Quarter 3 Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
<u>Company</u>		
(a) Expected credit loss allowance		
- Written back	-	-
	<u>-</u>	<u>-</u>

30. Basic and diluted earnings per ordinary share

	Individual Quarter 3 Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
<u>Group</u>		
Profit for the period	<u>16,227</u>	<u>7,481</u>
Weighted average number of ordinary shares	<u>480,356</u>	<u>480,356</u>
Basic and diluted earning per ordinary shares	<u>3.38</u>	<u>1.56</u>

	Individual Quarter 3 Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
<u>Company</u>		
Profit for the period	<u>(5,933)</u>	<u>(12,411)</u>
Weighted average number of ordinary shares	<u>480,356</u>	<u>480,356</u>
Basic and diluted loss per ordinary shares	<u>(1.24)</u>	<u>(2.58)</u>

31. Segment information

For management purposes, the Group is organised into business units based on their products and services, has five reportable operating segments as follows:

	Individual Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
	Segment Revenue	
Investment banking	72,370	80,443
Development finance	16,078	9,508
Asset management	901	2,185
Investment holding	11,572	5,348
Others	97	77
Subtotal	<u>101,018</u>	<u>97,561</u>
Inter-segment elimination	<u>(10,619)</u>	<u>(7,783)</u>
	<u>90,399</u>	<u>89,778</u>

	Individual Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
	Segment Profit After Tax	
Investment banking	13,975	20,573
Development finance	2,776	(385)
Asset management	(1,491)	137
Investment holding	(8,712)	(12,047)
Others	9,669	(529)
Subtotal	<u>16,217</u>	<u>7,749</u>
Inter-segment elimination	<u>10</u>	<u>(268)</u>
	<u>16,227</u>	<u>7,481</u>

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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

32. Commitments and contingencies

In the normal course of business, the Group and the Company made various commitments and incurred certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

The commitments and contingencies and the related risk-weighted exposures of the Group and the Company as at the end of financial period/ year are as follows:

Group	As at 31 March 2022			As at 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
Direct credit substitutes	36,000	36,000	36,000	36,000	36,000	36,000
Interest rate related contracts with an original maturity						
- Over one year to five years	300,000	18,652	3,730	300,000	15,826	3,165
Other commitments such as formal and credit lines, with original:						
- Maturity not exceeding one year	300,677	60,135	60,135	287,878	57,576	57,576
- Maturity exceeding one year	261,808	130,904	130,904	375,398	187,699	187,699
Total	898,485	245,691	230,769	999,276	297,101	284,440
Company						
Irrevocable commitments to extend credit:						
- Maturity exceeding one year	12,562	6,281	6,281	12,565	6,283	6,283
Total	12,562	6,281	6,281	12,565	6,283	6,283

* 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.

33. Related party disclosures

The following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Group		Company	
	As at 31 March 2022 RM'000	As at 31 March 2021 RM'000	As at 31 March 2022 RM'000	As at 31 March 2021 RM'000
Penultimate holding company				
Income:				
Interest income on financial investments	1,234	939	-	-
Brokerage fees earned	377	129	-	-
Fee income	-	113	-	-
Subsidiaries				
Income:				
Rental of premises	-	-	-	653
Management fees	-	-	9,642	4,378
Expenditures:				
Management fees	-	-	1,248	1,473
Other related companies				
Income:				
Interest income on financial investments	-	175	-	-
Interest income on loans and advances	955	887	-	-
Fee income	-	131	-	-
Brokerage fees earned	380	583	-	-
Expenditures:				
Interest expense on deposits	913	1,855	-	-

33. Related party disclosures (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 Company with their related parties are as follows:

	Group		Company	
	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000
Penultimate holding company				
Amount due from:				
Financial investments	100,000	100,000	-	-
Sundry deposit	1,613	1,861	1,613	1,861
Subsidiaries				
Amount due from:				
Trade receivables	-	-	16,443	10,646
Amount due to:				
Rental deposit received	-	-	649	649
Associate				
Amount due to:				
Rental deposit received	-	109	-	109
Other related companies				
Amount due from:				
Loans, advances and financing	88,035	86,928	-	-
Sundry deposits	553	553	-	-
Amount due to:				
Deposits from customer	250,728	243,152	-	-
Deposits from placements of banks and other financial institutions	50,311	19,925	-	-
Other payables	399	239	-	-

Other related companies include companies within the Yayasan Pelaburan Bumiputera Group and companies related to the Directors of the Group and of the Company.

34. Credit exposures arising from credit transactions with connected parties

	Group	
	As at 31 March 2022	As at 31 December 2021
(i) Outstanding credit exposures with connected parties	229,462	228,616
(ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	4.72%	4.38%
(iii) Percentage of outstanding credit exposures to connected parties which is impaired or in default	Nil	Nil

35. Capital adequacy

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

	Group		Company	
	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000
<u>Tier 1 Capital</u>				
Common Equity Tier 1 ("CET1") Capital				
Share capital	879,931	879,931	879,931	879,931
FVOCI reserve	(17,342)	(13,073)	(52,919)	(52,919)
Regulatory reserve	24,290	18,485	-	-
Retained profits	800,425	806,230	468,803	468,803
	1,687,304	1,691,573	1,295,815	1,295,815
Less: Regulatory adjustments	(163,097)	(163,111)	(637,370)	(638,570)
Total CET1 Capital / Tier 1 Capital	1,524,207	1,528,462	658,445	657,245
<u>Tier 2 Capital</u>				
Loss provision and regulatory reserve	35,173	34,455	5,314	5,043
Total Tier 2 capital	35,173	34,455	5,314	5,043
Total Capital	1,559,380	1,562,917	663,759	662,288
CET 1 Capital	41.575%	44.603%	97.151%	95.160%
Tier 1 Capital	41.575%	44.603%	97.151%	95.160%
Total Capital	42.534%	45.609%	97.935%	95.891%

35. Capital adequacy (cont'd)

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

	Group		Company	
	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000	As at 31 March 2022 RM'000	As at 31 December 2021 RM'000
Total risk weighted assets for credit risk	2,813,799	2,756,380	425,117	403,449
Total risk weighted assets for market risk	359,843	203,036	80,183	113,929
Total risk weighted assets for operational risk	492,513	467,394	172,452	173,292
	<u>3,666,155</u>	<u>3,426,810</u>	<u>677,752</u>	<u>690,670</u>

36. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's and the Company'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).

<u>Group</u>	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 March 2022				
Financial assets				
Assets measured at fair value:				
Financial assets at FVTPL				
- Money market instruments	-	10,986	-	10,986
- Unquoted securities	-	159,106	30,245	189,351
- Unit trusts	-	58,023	-	58,023
Financial investments at FVOCI				
Money market instruments	-	2,260,692	-	2,260,692
Unquoted securities	-	753,721	-	753,721
Derivative assets	-	9,693	-	9,693
Assets for which fair value are disclosed:				
Financial investments at amortised cost				
Money market instruments	-	505,312	-	505,312
Unquoted securities	-	1,997,606	9,822	2,007,428
Loans, advances and financing				
- Hire purchase	-	7,500	-	7,500
- Staff loans	-	581	-	581
Investment properties				
Residential properties	-	-	6,397	6,397
Office property	-	-	688	688

36. Fair value hierarchy (cont'd.)

<u>Group (cont'd.)</u>	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2021				
Financial assets				
Assets measured at fair value:				
Financial assets at FVTPL				
- Money market instruments	-	52,038	-	52,038
- Unquoted securities	-	177,599	30,245	207,844
- Unit trusts	-	40,050	-	40,050
Financial investments at FVOCI				
- Money market instruments	-	1,920,819	-	1,920,819
- Unquoted securities	-	641,008	2	641,010
Liability measured at fair value				
Derivative assets	-	6,878	-	6,878
Assets for which fair value are disclosed:				
Financial investment at amortised cost				
- Money market instruments	-	502,350	-	502,350
- Unquoted instruments	-	1,812,547	9,854	1,822,401
Loans, advances and financing				
- Hire purchase	-	7,434	-	7,434
- Staff loans	-	599	-	599
Investment properties				
- Residential properties	-	-	6,397	6,397
- Office property	-	-	687	687
Liability for which fair values are disclosed:				
Borrowings	-	-	296,198	296,198

36. Fair value hierarchy (cont'd.)

Company

At 31 March 2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets at FVTPL				
- Money market instruments	-	10,986	-	10,986
- Unquoted securities	-	159,106	-	159,106
- Unit trusts	-	19,007	-	19,007
	<hr/>	<hr/>	<hr/>	<hr/>
Financial investments at FVOCI				
- Unquoted securities	-	2,469	135,435	137,904
	<hr/>	<hr/>	<hr/>	<hr/>
Assets for which fair value are disclosed:				
Loans, advances and financing				
- Hire purchase	-	7,500	-	7,500
- Staff loans	-	395	-	395
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021				
Assets measured at fair value:				
Financial assets at FVTPL				
- Money market instruments	-	52,038	-	52,038
- Unquoted securities	-	177,599	-	177,599
- Unit trusts	-	19,271	-	19,271
	<hr/>	<hr/>	<hr/>	<hr/>
Financial investments at FVOCI				
- Unquoted securities	-	2,469	135,435	137,904
	<hr/>	<hr/>	<hr/>	<hr/>
Assets for which fair value are disclosed:				
Loans, advances and financing				
- Hire purchase	-	7,434	-	7,434
- Staff loans	-	379	-	379
	<hr/>	<hr/>	<hr/>	<hr/>
Liabilities for which fair values are disclosed:				
Borrowings	-	-	296,198	296,198
	<hr/>	<hr/>	<hr/>	<hr/>

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

36. 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	Financial investments at FVOCI RM'000	Financial asset at FVTPL RM'000	Total RM'000
At 31 March 2022			
At 1 January 2022/ 31 March 2022	-	30,245	30,245
At 31 December 2021			
At 1 January 2021	3,783	1	3,784
Addition	-	30,245	30,245
Revaluation gain/(loss)	1,126	-	1,126
Settlements	(4,909)	(1)	(4,910)
At 31 December 2021	-	30,245	30,245

Company	Financial investments at FVOCI RM'000	Financial asset at FVTPL RM'000	Total RM'000
At 31 March 2022			
At 1 January 2022/31 March 2022	135,435	-	135,435
At 31 December 2021			
At 1 January 2021	134,840	1	134,841
Revaluation gain/(loss)	595	-	595
Settlements	-	(1)	(1)
At 31 December 2021	135,435	-	135,435

37. Operations of Islamic Banking Business

The state of affairs at 31 March 2022 and results for the financial period ended on this date under the Islamic banking business ("SPI") of the Group and of the Company are summarised as follows:

(a) CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	Group		Company	
		31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
ASSETS					
Cash and short-term funds	(f)	566,598	444,873	110,177	106,701
Deposits and placements with licensed banks and other financial institutions	(g)	41,700	41,700	41,700	41,700
Financial investments at FVOCI	(i)	2,624,547	2,300,628	-	-
Financial investments at amortised cost	(j)	2,150,543	1,990,829	-	-
Financing and advances	(k)	655,023	728,927	57,040	59,370
Other assets	(l)	100,831	92,645	51,380	47,928
Deferred tax assets		11,440	10,357	1,570	1,293
TOTAL ASSETS		6,150,682	5,609,959	261,867	256,992
LIABILITIES					
Deposits from customers	(m)	3,982,716	3,670,375	-	-
Deposits and placements of banks and other financial institutions	(n)	1,026,403	831,840	-	-
Borrowings and government grant	(o)	148,000	148,000	148,000	148,000
Other liabilities	(p)	195,780	173,287	34,299	33,798
Provision for taxation and zakat		1,745	1,166	539	430
TOTAL LIABILITIES		5,354,644	4,824,668	182,838	182,228
ISLAMIC BANKING CAPITAL FUNDS					
Funds allocated from Head Office		486,600	486,600	60,000	60,000
Reserves		309,438	298,691	19,029	14,764
TOTAL ISLAMIC BANKING CAPITAL FUNDS		796,038	785,291	79,029	74,764
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		6,150,682	5,609,959	261,867	256,992

37. Operations of Islamic Banking Business (cont'd.)

(b) CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED
 31 MARCH 2022

<u>Group</u>	Note	Individual Quarter 3 Months Ended	
		31 March 2022 RM'000	31 March 2021 RM'000
Income derived from investment of depositors' funds	(q)	37,700	43,320
Income derived from investment of Islamic Banking funds	(r)	22,598	21,155
Expected credit loss allowance written back/ (made)			
- financing and advances	(s)	(4,973)	(1,412)
- financial investments	(t)	(111)	(8)
- other assets	(u)	197	(15)
Total attributable income		55,411	63,040
Income attributable to depositors	(v)	(20,451)	(23,159)
Total net income		34,960	39,881
Other operating expenses		(16,441)	(10,957)
Profit before taxation and zakat		18,519	28,924
Taxation		(3,389)	(5,587)
Zakat		(578)	(602)
Profit for the financial period		14,552	22,735
 Company			
Income derived from investment of Islamic Banking funds	(r)	14,053	14,749
Expected credit loss allowance (made)/ written back			
- financing and advances	(s)	(820)	11
- other assets	(u)	3	38
Total attributable income		13,236	14,798
Other operating expenses		(9,140)	(8,850)
Profit before taxation and zakat		4,096	5,948
Taxation		277	(73)
Zakat		(108)	(151)
Profit for the financial period		4,265	5,724

37. Operations of Islamic Banking Business (cont'd.)

**(c) CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED
 31 MARCH 2022**

	Individual Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
<u>Group</u>		
Profit for the financial period	<u>14,552</u>	<u>22,735</u>
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Changes in allowance for ECL for investments at FVOCI	15	34
Net realised loss on financial investments at FVOCI		
- Transfer of loss to profit or loss upon disposal	(38)	(4,936)
- Fair value changes	(3,782)	(12,864)
Other comprehensive income for the period net of tax	<u>(3,805)</u>	<u>(17,766)</u>
Other comprehensive income for the period, net of tax	<u>(3,805)</u>	<u>(17,766)</u>
Total comprehensive income for the period	<u>10,747</u>	<u>4,969</u>

37. Operations of Islamic Banking Business (cont'd.)

**(d) CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED
 31 MARCH 2022**

<u>Group</u>	----- 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 2021	486,600	5,945	12,774	300,926	806,245
Profit for the financial period	-	-	-	22,735	22,735
Other comprehensive income	-	-	(17,766)	-	(17,766)
Total comprehensive income for the period	-	-	(17,766)	22,735	4,969
Transfer to regulatory reserve	-	(366)	-	366	-
At 31 March 2021	<u>486,600</u>	<u>5,579</u>	<u>(4,992)</u>	<u>324,027</u>	<u>811,214</u>
At 1 January 2022	486,600	7,385	(14,385)	305,691	785,291
Profit for the financial period	-	-	-	14,552	14,552
Other comprehensive income	-	-	(3,805)	-	(3,805)
Total comprehensive income for the period	-	-	(3,805)	14,552	10,747
Transfer from regulatory reserve	-	6,133	-	(6,133)	-
At 31 March 2022	<u>486,600</u>	<u>13,518</u>	<u>(18,190)</u>	<u>314,110</u>	<u>796,038</u>

37. Operations of Islamic Banking Business (cont'd.)

**(d) CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED
 31 MARCH 2022 (CONT'D.)**

<u>Company</u>	Non-distributable	Distributable	Total RM'000
	Islamic banking funds RM'000	Retained profits RM'000	
At 1 January 2021	60,000	15,645	75,645
Total comprehensive income for the financial period	-	5,724	5,724
At 31 March 2021	<u>60,000</u>	<u>21,369</u>	<u>81,369</u>
At 1 January 2022	60,000	14,764	74,764
Total comprehensive income for the financial period	-	4,265	4,265
At 31 March 2022	<u>60,000</u>	<u>19,029</u>	<u>79,029</u>

37. Operations of Islamic Banking Business (cont'd.)

(e) CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2022

	Group		Company	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Profit before taxation and zakat	18,519	28,924	4,096	5,948
Adjustments for non-cash items	6,259	722	(819)	49
Operating profit before changes in working capital	24,778	29,646	3,277	5,997
Changes in working capital:				
Net changes in operating assets	(436,459)	(205,612)	(4,311)	1,143
Net changes in operating liabilities	532,549	214,193	3,653	(3,048)
Tax and zakat paid	857	(2,005)	857	(2,005)
Net cash generated from operating activities	121,725	36,222	3,476	2,087
Net increase in cash and cash equivalents	121,725	36,222	3,476	2,087
Cash and cash equivalents at beginning of the period	486,573	330,426	148,401	158,827
Cash and cash equivalents at end of the period	608,298	366,648	151,877	160,914

Cash and cash equivalents comprise:

	Group		Company	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Cash and short-term funds	566,598	324,948	110,177	119,214
Deposits and placements	41,700	41,700	41,700	41,700
	608,298	366,648	151,877	160,914

37. Operations of Islamic Banking Business (cont'd.)

(f) Cash and short-term funds

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Cash and bank balances	29,398	26,373	13,977	7,201
Money at call and deposit placements maturing within one month	537,200	418,500	96,200	99,500
	<u>566,598</u>	<u>444,873</u>	<u>110,177</u>	<u>106,701</u>

(g) Deposits and placements with licensed banks and other financial institutions

	Group and Company	
	31 March 2022 RM'000	31 December 2021 RM'000
Deposits with other financial institutions	<u>41,700</u>	<u>41,700</u>

(h) Financial assets at FVTPL

	Group		Company	
	31 March 2,022 RM'000	31 December 2,021 RM'000	31 March 2,022 RM'000	31 December 2,021 RM'000
Money market instruments: Government Investment Issue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(i) Financial investments at FVOCI

	Group	
	31 March 2022 RM'000	31 December 2021 RM'000
At fair value		
Money market instruments:		
Government investment issue	1,337,514	1,222,108
Malaysian treasury bills	444,418	348,770
Islamic negotiable instruments	249,171	249,362
	<u>2,031,103</u>	<u>1,820,240</u>
Unquoted instruments:		
Corporate Sukuk	593,444	480,388
	<u>2,624,547</u>	<u>2,300,628</u>

37. Operations of Islamic Banking Business (cont'd.)

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

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

Expected credit loss allowance	Stage 1 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2021	303	8,112	8,415
Impairment made	(33)	-	(33)
At 31 December 2021	<u>270</u>	<u>8,112</u>	<u>8,382</u>
At 1 January 2022	270	8,112	8,382
Impairment made	15	-	15
At 31 March 2022	<u>285</u>	<u>8,112</u>	<u>8,397</u>

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

(j) Financial investments at amortised costs

	Group	
	31 March 2022 RM'000	31 December 2021 RM'000
Money market instruments:		
Government investment issue	492,520	492,701
Unquoted instruments:		
Corporate Sukuk	1,660,397	1,500,392
Less: ECL allowance	<u>(2,374)</u>	<u>(2,264)</u>
	<u>2,150,543</u>	<u>1,990,829</u>

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

Expected credit loss allowance	Stage 1 Collective RM'000	Stage 2 Individual RM'000	Total RM'000
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>
At 1 January 2022	380	1,884	2,264
Transfers	14	-	14
Impairment made	96	-	96
At 31 March 2022	<u>490</u>	<u>1,884</u>	<u>2,374</u>

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

37. Operations of Islamic Banking Business (cont'd.)

(k) Financing and advances

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Term financing				
Syndicated term financing	265,998	254,671	-	-
Islamic hire purchase/leasing	7,277	9,007	7,277	9,007
Other term financing	473,504	552,815	65,346	65,797
Staff financing	30	26	-	-
	<u>746,809</u>	<u>816,519</u>	<u>72,623</u>	<u>74,804</u>
Less: Unearned income	(7,622)	(8,300)	(7,622)	(8,300)
Gross financing and advances	<u>739,187</u>	<u>808,219</u>	<u>65,001</u>	<u>66,504</u>
Less: Expected credit losses allowance	(84,164)	(79,292)	(7,961)	(7,134)
Total net financing and advances	<u>655,023</u>	<u>728,927</u>	<u>57,040</u>	<u>59,370</u>

(i) By contract

Group

	Sale-based contract		Lease-based contract	Total financing and advances
	Commodity Murabahah RM'000	Bai Bithaman Ajil RM'000	Al-Ijarah Thumma Al-Bai RM'000	RM'000
31 March 2022				
Syndicated term financing	674,156	-	-	674,156
Deferred payment sales	-	58,161	-	58,161
Staff financing	30	-	-	30
Finance lease	-	-	6,840	6,840
	<u>674,186</u>	<u>58,161</u>	<u>6,840</u>	<u>739,187</u>

31 December 2021

	Sale-based contract		Lease-based contract	Total financing and advances
	Commodity Murabahah RM'000	Bai Bithaman Ajil RM'000	Al-Ijarah Thumma Al-Bai RM'000	RM'000
Syndicated term financing	741,689	-	-	741,689
Deferred payment sales	-	58,540	-	58,540
Finance lease	-	-	7,964	7,964
Staff financing	26	-	-	26
	<u>741,715</u>	<u>58,540</u>	<u>7,964</u>	<u>808,219</u>

37. Operations of Islamic Banking Business (cont'd.)

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

(i) By contract (cont'd.)

Company

31 March 2022

	Sale-based contract	Lease-based contract	Total financing and advances
	Bai Bithaman Ajl	Al-Ijarah Thumma Al- Bai	
	RM'000	RM'000	RM'000
Deferred payment sales	58,161	-	58,161
Finance lease	-	6,840	6,840
	<u>58,161</u>	<u>6,840</u>	<u>65,001</u>

31 December 2021

	Sale-based contract	Lease-based contract	Total financing and advances
	Bai Bithaman Ajl	Al-Ijarah Thumma Al- Bai	
	RM'000	RM'000	RM'000
Deferred payment sales	58,540	-	58,540
Finance lease	-	7,964	7,964
	<u>58,540</u>	<u>7,964</u>	<u>66,504</u>

	Group		Company	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
(ii) By types of customer				
Domestic business enterprise	739,157	808,193	65,001	66,504
Individual	30	26	-	-
	<u>739,187</u>	<u>808,219</u>	<u>65,001</u>	<u>66,504</u>

(iii) By profit rate sensitivity

Variable rate				
Cost-plus	674,156	741,689	-	-
Fixed rate				
Staff financing	30	26	-	-
Al-Ijarah Thumma Al-Bai (finance lease)	6,840	7,964	6,840	7,964
Bai Bithaman Ajil (deferred payment sales)	58,161	58,540	58,161	58,540
	<u>739,187</u>	<u>808,219</u>	<u>65,001</u>	<u>66,504</u>

37. Operations of Islamic Banking Business (cont'd.)

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

(iv) By economic sector

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Mining and quarrying	55,000	56,207	-	-
Manufacturing	34,611	34,630	461	479
Wholesale and retail trade and restaurants and hotels	40,570	36,911	36,584	35,403
Transport, storage and communications	20,651	13,724	12,905	13,724
Finance, insurance and business services	364,216	445,657	9,522	11,033
Electricity, gas and water supply	40,237	40,248	-	-
Construction	88,301	87,191	-	-
Education, health and others	90,042	87,760	-	-
Household	5,559	5,891	5,529	5,865
	<u>739,187</u>	<u>808,219</u>	<u>65,001</u>	<u>66,504</u>

(vi) By residual contractual maturity

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Within one year	321,028	402,239	2,913	2,980
One year to five years	291,602	282,220	27,820	28,464
After five years	126,557	123,760	34,268	35,060
	<u>739,187</u>	<u>808,219</u>	<u>65,001</u>	<u>66,504</u>

(vii) Impaired financing and advances by economic sector

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Manufacturing	217	226	217	226
Wholesale and retail trade and restaurants and hotels	5,191	5,190	5,191	5,190
Transport, storage and communications	3,976	275	3,976	275
Finance, insurance and business services	84,680	84,668	2,930	2,918
Others	55,492	428	492	428
	<u>149,556</u>	<u>90,787</u>	<u>12,806</u>	<u>9,037</u>

37. Operations of Islamic Banking Business (cont'd.)

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

(viii) Movements in impaired financing and advances

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
At 1 January	90,787	8,685	9,037	8,685
Impaired during the financial period/year	58,976	82,199	3,976	449
Amount recovered	(207)	(97)	(207)	(97)
At 31 March/31 December	149,556	90,787	12,806	9,037
Less: ECL allowance	(70,064)	(63,756)	(2,217)	(2,443)
Net impaired financing and advances	79,492	27,031	10,589	6,594
As % of gross financing and advances less ECL allowance	11.88%	3.63%	16.87%	10.29%

Expected credit loss allowance

	Stage 1 Collective RM'000	Stage 2 Individual RM'000	Stage 3 Individual RM'000	Total RM'000
	<u>Group</u>			
At 1 January 2021	14,193	2,747	2,357	19,297
Transfer	(3,811)	1,934	3,169	1,292
Impairment made	787	6,069	58,631	65,487
Written back	(1,093)	(5,291)	(179)	(6,563)
Discount unwind	-	-	(222)	(222)
At 31 December 2021	10,076	5,459	63,756	79,291
At 1 January 2022	10,076	5,459	63,756	79,291
Transfer	82	(1,934)	1,934	82
Impairment made	55	19	5,629	5,703
Written back	(639)	(11)	(264)	(914)
Discount unwind	-	-	(113)	(113)
At 31 March 2022	9,574	3,533	70,942	84,049

37. Operations of Islamic Banking Business (cont'd.)

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

Expected credit loss allowance

	Stage 1 Collective RM'000	Stage 2 Individual RM'000	Stage 3 Individual RM'000	Total RM'000
<u>Company</u>				
At 1 January 2021	673	2,747	2,357	5,777
Impairment made	2,515	4,549	487	7,551
Written back	(502)	(5,291)	(179)	(5,972)
Discount unwind	-	-	(222)	(222)
At 31 December 2021	<u>2,686</u>	<u>2,005</u>	<u>2,443</u>	<u>7,134</u>
At 1 January 2022	2,686	2,005	2,443	7,134
Impairment made	55	19	1,029	1,103
Written back	(2)	(11)	(264)	(277)
Discount unwind	-	-	(113)	(113)
At 31 March 2022	<u>2,739</u>	<u>2,013</u>	<u>3,095</u>	<u>7,847</u>

(l) Other assets

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Profit receivables	39,320	37,092	139	147
Other debtors, deposits and prepayment	6,752	11,280	2,200	1,768
Less: ECL allowance (a)	<u>(2,950)</u>	<u>(3,147)</u>	<u>(3)</u>	<u>(6)</u>
	3,802	8,133	2,197	1,762
Amount due from MITI (SLSSS)	15,295	8,584	15,295	8,584
Amount due from MIDF DFD Conventional	8,918	21,727	8,918	21,727
Amount due from Government Scheme Funds	7,890	522	7,890	522
Amount due from brokers and clients	8,665	1,401	-	-
Tax recoverable	16,941	15,186	16,941	15,186
	<u>100,831</u>	<u>92,645</u>	<u>51,380</u>	<u>47,928</u>

(a) Other debtors, deposits and prepayments

Movement in ECL allowance

	Group	
	31 March 2022 RM'000	31 December 2021 RM'000
At 1 January	3,147	1,641
Impairment made	-	1,554
Written back	(197)	(48)
At 31 March/ 31 December	<u>2,950</u>	<u>3,147</u>
	Company	
	31 March 2022 RM'000	31 December 2021 RM'000
At 1 January	6	54
Written back	(3)	(48)
At 31 March/ 31 December	<u>3</u>	<u>6</u>

37. Operations of Islamic Banking Business (cont'd.)

(m) Deposits from customers

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

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

	Group	
	31 March 2022 RM'000	31 December 2021 RM'000
(i) By type of deposits		
Commodity murabahah fund		
Term deposits	1,026,403	831,840
(ii) By type of customers		
Commodity Murabahah Fund		
Other financial institutions	1,026,403	831,840

(o) Borrowings and government grant

	Group and Company	
	31 March 2022 RM'000	31 December 2021 RM'000
Funds from MITI Soft Loans Scheme for Services Sector	148,000	148,000

37. Operations of Islamic Banking Business (cont'd.)

(p) Other liabilities

	Note	Group		Company	
		31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Profit payable		50,107	46,519	32,338	31,849
Sundry creditors and accruals		17,880	18,867	1,852	1,836
Amount due to brokers and clients		14,542	1,392	-	-
ECL allowance on financing and advances and financial investments commitments	(a)	1,478	1,388	109	113
Amount due to head office		111,728	105,098	-	-
Amount due to immediate holding company		45	23	-	-
		<u>195,780</u>	<u>173,287</u>	<u>34,299</u>	<u>33,798</u>

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

Group	Loans, advances and financing commitments RM'000	Financial investments RM'000	Total RM'000
	At 1 January 2021	2,594	7
Transfer	(1,292)	-	(1,292)
Impairment made	72	14	86
Written back	-	(7)	(7)
At 31 December 2021	<u>1,374</u>	<u>14</u>	<u>1,388</u>
At 1 January 2022	1,374	14	1,388
Transfer	(82)	(14)	(96)
Impairment made	186	-	186
At 31 March 2022	<u>1,478</u>	<u>-</u>	<u>1,478</u>

Company	Loans, advances and financing commitments RM'000	Total RM'000
	At 1 January 2021	222
Impairment made	(109)	(109)
At 31 December 2021	<u>113</u>	<u>113</u>
At 1 January 2022	113	113
Impairment made	(4)	(4)
At 31 March 2022	<u>109</u>	<u>109</u>

37. Operations of Islamic Banking Business (cont'd.)

(q) Income derived from investment of depositors funds

Income derived from investment of general investment deposits:

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

37. Operations of Islamic Banking Business (cont'd.)

(r) Income derived from investment of Islamic Banking funds

Group	Individual Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Finance income and hibah		
Financing and advances	1,340	1,581
Money at call and deposit placements with financial institutions	250	225
Financial investments at FVOCI	1,891	1,821
Financial investments at amortised cost	1,686	1,951
	<u>5,167</u>	<u>5,578</u>
Accretion of discounts less amortisation of premiums	(339)	(415)
Total finance income and hibah	<u>4,828</u>	<u>5,163</u>
Other operating income		
Net gain/(loss) on sale of financial investments at FVTPL	33	-
Net gain on sale of financial investments at FVOCI	8	496
	<u>41</u>	<u>496</u>
Fees and others		
Management fee from Government Scheme Funds	13,086	13,077
Fee income	4,339	1,892
Other income	304	527
	<u>17,729</u>	<u>15,496</u>
	<u>22,598</u>	<u>21,155</u>
Company		
Finance income and hibah		
Financing and advances	641	709
Money at call and deposit placements with financial institutions	28	138
	<u>669</u>	<u>847</u>
Fees and others		
Management fee from Government Scheme Funds	13,086	13,077
Fee income	11	299
Other income	287	526
	<u>13,384</u>	<u>13,902</u>
	<u>14,053</u>	<u>14,749</u>

37. Operations of Islamic Banking Business (cont'd.)

(s) Expected credit loss allowance (made)/written-back on financing and advances

<u>Group</u>	Individual Quarter 3 Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
Expected credit loss		
- Impairment made	(5,252)	(2,396)
- Written back	277	977
Profit on impaired financing recovered	2	7
	<u>(4,973)</u>	<u>(1,412)</u>

<u>Company</u>	Individual Quarter 3 Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
Expected credit loss		
- Impairment made	(1,099)	(973)
- Written back	277	977
Profit on impaired financing recovered	2	7
	<u>(820)</u>	<u>11</u>

(t) Expected credit loss allowance (made)/written-back on financial investments

<u>Group</u>	Individual Quarter 3 Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
Financial investments at FVOCI	(15)	(34)
Financial investments at amortised cost	(96)	26
	<u>(111)</u>	<u>(8)</u>

37. Operations of Islamic Banking Business (cont'd.)

(u) Expected credit loss allowance (made)/written-back on other assets

	Individual Quarter 3 Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
<u>Group</u>		
Other assets		
- Impairment made	-	(53)
- Written back	197	38
	<u>197</u>	<u>(15)</u>

	Individual Quarter 3 Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
<u>Company</u>		
Other assets		
- Written back	3	38
	<u>3</u>	<u>38</u>

(v) Income attributable to depositors

	Individual Quarter 3 Months Ended	
	31 March 2022	31 March 2021
	RM'000	RM'000
<u>Group</u>		
Commodity Fund		
Deposits from customers	20,451	19,101
Deposits and placements of banks and financial institutions	-	4,058
	<u>20,451</u>	<u>23,159</u>

37. Operations of Islamic Banking Business (cont'd.)

(w) Net income from Islamic Banking

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

	Individual Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
<u>Group</u>		
Income derived from investment of depositors' funds	37,700	43,320
Income derived from investment of Islamic Banking funds	22,598	21,155
Less: Income attributable to depositors	(20,451)	(23,159)
	39,847	41,316
	Individual Quarter 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000
<u>Company</u>		
Income derived from investment of Islamic Banking funds	14,053	14,749
	14,053	14,749

37. Operations of Islamic Banking Business (cont'd.)

(x) Capital adequacy

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

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Common Equity Tier 1 (CET1)				
Islamic capital fund	486,600	486,600	60,000	60,000
Regulatory reserve	13,518	7,385	-	-
FVOCI reserve	(18,190)	(14,385)	-	-
Retained profits	299,558	305,691	14,764	14,764
	<u>781,486</u>	<u>785,291</u>	<u>74,764</u>	<u>74,764</u>
Less:				
Regulatory adjustments	(46,248)	(40,499)	(22,860)	(24,050)
Total Tier-1 capital	<u>735,238</u>	<u>744,792</u>	<u>51,904</u>	<u>50,714</u>
Tier 2 Capital				
Loss provision and regulatory reserve	19,864	19,046	1,883	1,834
Total Tier-2 capital	<u>19,864</u>	<u>19,046</u>	<u>1,883</u>	<u>1,834</u>
Total capital	<u>755,102</u>	<u>763,838</u>	<u>53,787</u>	<u>52,548</u>
CET1 Capital	39.195%	41.625%	21.131%	21.142%
Tier 1 Capital	39.195%	41.625%	21.131%	21.142%
Total Capital	40.254%	42.689%	21.897%	21.906%

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

	Group		Company	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Total risk weighted assets for credit risk	1,589,103	1,523,682	150,648	146,731
Total risk weighted assets for operational risk	286,763	265,618	94,987	93,141
	<u>1,875,866</u>	<u>1,789,300</u>	<u>245,635</u>	<u>239,872</u>

I, Ahmad Farouk bin Mohamed, the officer primarily responsible for the financial management of Malaysian Industrial Development Finance Berhad, do hereby state that, the unaudited condensed interim financial statements for the period ended 31 March 2022, as set out on pages 1 to 60, have been prepared from the Group and the Company'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 Company as at 31 March 2022. The results and cash flows of the Group and the Company for the period ended on that date are prepared in accordance with the MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Board Standards Board ("MASB"), IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), Bank Negara Malaysia ("BNM") Guidelines and the requirements of the Companies Act, 2016 in Malaysia.



AHMAD FAROUK BIN MOHAMED
HEAD, GROUP MANAGING DIRECTOR'S OFFICE

Date: 26 April 2022