

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

Unaudited Condensed Interim Financial Statements
31 March 2023

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	Group		Company	
		31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
ASSETS					
Cash and short-term funds	10	665,782	1,047,569	205,447	568,257
Deposits and placements with licensed banks and other financial institutions	11	44,700	44,816	41,700	41,816
Financial assets at fair value through profit or loss ("FVTPL")	12	84,097	102,891	18,609	18,604
Financial investments at fair value through other comprehensive income ("FVOCI")	13	2,105,081	1,988,303	120,435	138,435
Financial investments at amortised cost	14	2,433,895	2,497,223	-	-
Loans, advances and financing	15	1,881,215	1,822,801	70,150	71,823
Other assets	16	139,235	153,731	45,325	39,040
Statutory deposits with Bank Negara Malaysia		106,400	113,363	-	-
Investment in subsidiaries		-	-	594,057	594,057
Investment properties		2,339	2,361	-	-
Property, plant and equipment		2,515	2,511	2,430	2,256
Intangible assets		14,616	14,841	8,340	9,182
Deferred tax assets		13,682	23,296	4,251	7,195
Derivative assets	19	10,177	11,778	-	-
Right-of-use assets and lease receivables		5,844	7,712	5,667	7,530
		<u>7,509,578</u>	<u>7,833,196</u>	<u>1,116,411</u>	<u>1,498,195</u>
Goodwill		86,713	86,713	-	-
TOTAL ASSETS		<u>7,596,291</u>	<u>7,919,909</u>	<u>1,116,411</u>	<u>1,498,195</u>
LIABILITIES					
Deposits from customers	17	4,520,367	4,393,911	-	-
Deposits and placements of banks and other financial institutions	18	1,509,989	1,458,966	-	-
Other liabilities	20	104,385	160,597	48,702	68,353
Borrowings and government grant	21	227,752	231,244	227,752	231,244
Provision for taxation and zakat		2,202	1,910	746	652
Deferred tax liabilities		15	-	-	-
Employee benefits		12,949	12,687	9,760	9,566
Lease liability		5,808	7,694	5,808	7,694
TOTAL LIABILITIES		<u>6,383,467</u>	<u>6,267,009</u>	<u>292,768</u>	<u>317,509</u>
SHAREHOLDER'S EQUITY					
Capital and reserves attributable to shareholders of the Company					
Share capital		879,931	879,931	879,931	879,931
Reserves		332,653	772,729	(56,288)	300,755
		<u>1,212,584</u>	<u>1,652,660</u>	<u>823,643</u>	<u>1,180,686</u>
Non-controlling interests		240	240	-	-
TOTAL EQUITY		<u>1,212,824</u>	<u>1,652,900</u>	<u>823,643</u>	<u>1,180,686</u>
TOTAL LIABILITIES AND EQUITY		<u>7,596,291</u>	<u>7,919,909</u>	<u>1,116,411</u>	<u>1,498,195</u>
COMMITMENTS AND CONTINGENCIES	31	<u>876,813</u>	<u>829,457</u>	<u>10,314</u>	<u>8,838</u>
NET ASSETS PER SHARE (RM)		<u>2.52</u>	<u>3.44</u>	<u>1.71</u>	<u>2.46</u>

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 2022.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

Group	Note	Individual Quarter 3 Months Ended	
		31 March 2023 RM'000	31 March 2022 RM'000
Operating revenue	30	100,814	90,399
Interest income	22	29,300	21,469
Interest expense	23	(13,676)	(7,883)
Net interest income		15,624	13,586
Net income from			
Islamic banking operations	36	33,691	39,847
Non-interest income	24	4,024	9,439
		53,339	62,872
Operating expenses	25	(48,364)	(44,697)
Operating profit		4,975	18,175
Expected credit loss allowance (made)/written back on:			
- loans, advances and financing	26	(973)	5,942
- financial investments	27	534	(2)
- other assets	28	(118)	205
Profit before taxation and zakat		4,418	24,320
Taxation		(5,924)	(7,515)
Zakat		(295)	(578)
Profit after taxation and zakat		(1,801)	16,227
Attributable to:			
Shareholders of the Company		(1,796)	16,228
Non-controlling interests		(5)	(1)
Profit for the financial period		(1,801)	16,227
Earnings per share (sen)			
- Basic and diluted	29	(0.37)	3.38

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 2022.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
<u>Group</u>		
(Loss)/profit for the financial period	<u>(1,801)</u>	<u>16,227</u>
Other comprehensive (loss)/income:		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Changes in allowance for expected credit loss ("ECL")	(1)	15
Net (loss)/gain on financial investments at FVOCI		
- Transfer of gain to profit or loss upon disposal	(603)	(43)
- Fair value changes	12,329	(4,241)
Other comprehensive income/(loss) for the financial period, net of tax	<u>11,725</u>	<u>(4,269)</u>
Total comprehensive income for the financial period attributable to equity holder of the Group	<u>9,924</u>	<u>11,958</u>
Total comprehensive income for the financial period attributable to:		
Shareholders of the Company	9,923	11,958
Non-controlling interests	1	-
	<u>9,924</u>	<u>11,958</u>

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 2022.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

<u>Company</u>	Note	Individual Quarter 3 Months Ended	
		31 March 2023 RM'000	31 March 2022 RM'000
Operating revenue		126,481	23,924
Interest income	22	4,351	3,510
Interest expense	23	(872)	(961)
Net interest income		3,479	2,549
Net income from			
Islamic banking operations	36	14,333	14,053
Non-interest income	24	108,109	6,694
		125,921	23,296
Operating expenses	25	(30,470)	(26,901)
Operating profit/(loss)		95,451	(3,605)
Expected credit loss allowance written back/(made) back on:			
- loans, advances and financing	26	543	(6)
- other assets	28	1	4
Profit/(loss) before taxation and zakat		95,995	(3,607)
Taxation		(2,944)	(2,218)
Zakat		(94)	(108)
Income/(loss) representing total comprehensive income/(loss) for the financial period		92,957	(5,933)
Attributable to:			
Shareholders of the Company		92,957	(5,933)
Profit/(loss) for the financial period		92,957	(5,933)
Earnings per share (sen)			
- Basic and diluted	29	19.35	(1.24)

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 2022.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Attributable to shareholder of the Company				Total	Non-controlling interests	Total Equity
	Non-Distributable		Distributable				
<u>Group</u>	Share Capital RM'000	FVOCI Reserve # RM'000	Regulatory Reserve ^ RM'000	Retained Profits RM'000	RM'000	RM'000	RM'000
At 1 January 2023	879,931	(28,227)	34,491	766,465	1,652,660	240	1,652,900
Other comprehensive income for the financial period	-	11,725	-	-	11,725	-	11,725
Loss for the financial period	-	-	-	(1,801)	(1,801)	-	(1,801)
Total comprehensive income/(loss) for the financial period	-	11,725	-	(1,801)	9,924	-	9,924
Transactions with owner							
Dividends	-	-	-	(450,000)	(450,000)	-	(450,000)
Transfer from regulatory reserve	-	-	(1,325)	1,325	-	-	-
At 31 March 2023	879,931	(16,502)	33,166	315,989	1,212,584	240	1,212,824

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 2022.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

<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 2022	879,931	(13,073)	18,485	806,230	1,691,573	245	1,691,818
Other comprehensive loss for the financial period	-	(4,269)	-	-	(4,269)	-	(4,269)
Profit/(loss) for the financial period	-	-	-	16,228	16,228	(1)	16,227
Total comprehensive (loss)/income for the financial period	-	(4,269)	-	16,228	11,959	(1)	11,958
Transactions with owner							
Transfer from 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 2022.

CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	----- Attributable to shareholder of the Company -----			
	----- Non-distributable -----		Distributable	
	Share Capital	FVOCI Reserve	Retained Profits/ Accumulated Losses	Total Equity
<u>Company</u>	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	879,931	(54,567)	355,322	1,180,686
Profit for the financial period	-	-	92,957	92,957
Total comprehensive income for the financial period	-	-	92,957	92,957
Transaction with owner				
Dividends	-	-	(450,000)	(450,000)
At 31 March 2023	879,931	(54,567)	(1,721)	823,643

	----- Attributable to shareholder of the Company -----			
	----- Non-distributable -----		Distributable	
	Share Capital	FVOCI Reserve	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	879,931	(52,919)	468,803	1,295,815
Loss 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

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 2022.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Group		Company	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Profit/(loss) before taxation and zakat	4,418	24,320	95,995	(3,607)
Adjustment on non-cash items	7,465	(1,666)	20,823	7,747
Operating profit before changes in working capital	11,883	22,654	116,818	4,140
Changes in working capital:				
Net changes in operating assets	(58,393)	(490,892)	(3,911)	50,525
Net changes in operating liabilities	121,285	607,768	(19,649)	(10,831)
Tax expense and zakat refunded/(paid)	131	(10,736)	(314)	(1,756)
Retirement benefits paid	-	(2)	-	-
Net cash generated from operating activities	74,906	128,792	92,944	42,078
Net cash used in investing activities	(1,337)	(1,683)	(399)	(1,558)
Net cash used in financing activities	(455,472)	(5,471)	(455,471)	(5,471)
Net (decrease)/increase in cash and cash equivalents	(381,903)	121,638	(362,926)	35,049
Cash and cash equivalents at beginning of the financial period	1,092,385	941,289	610,073	520,057
Cash and cash equivalents at end of the financial period	710,482	1,062,927	247,147	555,106

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

	Group		Company	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Cash and short-term funds	665,782	936,120	205,447	432,799
Deposits and placements with banks and other financial institutions	44,700	126,807	41,700	122,307
	710,482	1,062,927	247,147	555,106

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 2022.

Explanatory Notes Pursuant to Malaysian Financial Reporting Standards 134, *Interim Financial Reporting* ("MFRS 134"), International Accounting Standards 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 2022.

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 2022.

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 financial year ended 31 December 2022.

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 2023.

- Amendments to MFRS 17: *Insurance Contracts*
- Amendments to MFRS 17: *Initial application of MFRS 17 and MFRS 9 - Comparative Information*
- Amendments to MFRS 101 and MFRS Practice Statement 2: *Disclosure of accounting policies*
- Amendments to MFRS 108: *Definition of accounting estimates*
- Amendments to MFRS 112: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
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 are not materially affected by any seasonal or cyclical factors but are 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 2023.

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 2023.

6. Debt and equity securities

There were no changes in debt and equity securities during the quarter ended 31 March 2023.

7. Dividend paid/payable

A single tier interim dividend in respect of the prior financial year ended 31 December 2022 of 93.7 sen per share on 480,355,627 ordinary shares, amounting to dividends of RM450.0 million have been approved by the Board of Directors on 31 October 2022. On 14 February 2023, Bank Negara Malaysia ("BNM") approved this dividend. The dividend was paid on 31 March 2023.

8. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2022 was not qualified.

9. Performance review

The Group generated a profit before tax of RM4.4 million for the period ended 31 March 2023, which is RM19.9 million lower than previous corresponding period's profit before tax of RM24.3 million. The decline in performance is attributable to a decline in net operating income of RM9.6 million, a higher operating expense of RM3.6 million coupled with a higher expected credit loss allowance of RM6.7 million.

10. Cash and short-term funds

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Cash and bank balances	68,910	57,389	5,275	14,777
Deposits and placements maturing within one month	596,872	990,180	200,172	553,480
	<u>665,782</u>	<u>1,047,569</u>	<u>205,447</u>	<u>568,257</u>

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group amounted to approximately RM6,197,000 (2022: RM10,209,000). 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 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Deposits with licensed banks	44,700	44,816	41,700	41,816
	<u>44,700</u>	<u>44,816</u>	<u>41,700</u>	<u>41,816</u>

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

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
At fair value				
Unquoted securities in Malaysia:				
Shares	51,025	51,025	-	-
	<u>51,025</u>	<u>51,025</u>	<u>-</u>	<u>-</u>
Unit Trust	33,072	51,866	18,609	18,604
	<u>84,097</u>	<u>102,891</u>	<u>18,609</u>	<u>18,604</u>

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

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
At fair value				
Money market instruments:				
Government Investment Issues	1,268,667	1,372,282	-	-
Islamic Negotiable Instruments	99,663	-	-	-
	<u>1,368,330</u>	<u>1,372,282</u>	<u>-</u>	<u>-</u>
Unquoted securities in Malaysia:				
Corporate bonds/sukuk	735,251	614,521	2	2
Redeemable preference shares*	-	-	120,433	138,433
Shares	1,500	1,500	-	-
	<u>736,751</u>	<u>616,021</u>	<u>120,435</u>	<u>138,435</u>
	<u>2,105,081</u>	<u>1,988,303</u>	<u>120,435</u>	<u>138,435</u>

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

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

An analysis of changes in expected credit loss ("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 2022	322	66,574	66,896
Written back	(95)	-	(95)
Written off	-	(45,614)	(45,614)
ECL as at 31 December 2022	<u>227</u>	<u>20,960</u>	<u>21,187</u>
ECL as at 1 January 2023	227	20,960	21,187
Written back	(1)	-	(1)
ECL as at 31 March 2023	<u>226</u>	<u>20,960</u>	<u>21,186</u>
		Stage 3 Individual RM'000	Total RM'000
<u>Company</u>			
ECL as at 1 January 2022/31 December 2022		<u>6,764</u>	<u>6,764</u>
ECL as at 1 January 2023/31 March 2023		<u>6,762</u>	<u>6,762</u>

There were no Stage 2 exposures as of 31 March 2023 and as of 31 December 2022.

14. Financial investments at amortised cost

	Group	
	31 March 2023 RM'000	31 December 2022 RM'000
Money market instruments:		
Government Investment Issues	753,067	753,537
Malaysian Treasury Bills	99,102	99,701
	852,169	853,238
Unquoted securities in Malaysia:		
Corporate bonds/sukuk	1,582,118	1,637,423
Loan stocks	-	9,822
	1,582,118	1,647,245
Less: ECL allowances	(a) (392)	(3,260)
	2,433,895	2,497,223

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

<u>Group</u>	Stage 1 Collective RM'000	Stage 2 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
ECL as at 1 January 2022	507	2,426	7,132	10,065
Transfer	17	-	-	17
Written back	(113)	(2,426)	(4,283)	(6,822)
ECL as at 31 December 2022	411	-	2,849	3,260
ECL as at 1 January 2023	411	-	2,849	3,260
Written back	(19)	-	(2,849)	(2,868)
ECL as at 31 March 2023	392	-	-	392

15. Loans, advances and financing

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Term loans/financing				
- Syndicated term loans/financing	501,683	492,928	-	-
- Hire purchase receivables	7,123	7,603	7,123	7,603
- Real estate financing	18,334	18,409	-	-
- Murabahah financing	173,750	173,961	-	-
Other term loans/financing	491,739	507,490	90,847	111,780
	<u>1,192,629</u>	<u>1,200,391</u>	<u>97,970</u>	<u>119,383</u>
Margin accounts	858,402	810,767	-	-
Staff loans	751	643	560	431
	<u>2,051,782</u>	<u>2,011,801</u>	<u>98,530</u>	<u>119,814</u>
Less: Unearned interest/income	(6,795)	(7,398)	(6,795)	(7,398)
Gross loans, advances and financing	<u>2,044,987</u>	<u>2,004,403</u>	<u>91,735</u>	<u>112,416</u>
Less: ECL allowances	(163,772)	(181,602)	(21,585)	(40,593)
Total net loans, advances and financing	<u>1,881,215</u>	<u>1,822,801</u>	<u>70,150</u>	<u>71,823</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 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Domestic business enterprises				
- Small medium enterprises	1,309,731	1,144,636	65,554	67,999
- Others	68,901	220,445	25,621	43,986
Individuals	666,355	639,322	560	431
Gross loans, advances and financing	<u>2,044,987</u>	<u>2,004,403</u>	<u>91,735</u>	<u>112,416</u>

b. By interest/profit rate sensitivity

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Fixed rate				
- Staff loans	751	643	560	431
- Hire purchase receivables	6,436	6,869	6,436	6,869
- Other fixed rate loan/financing	999,688	954,957	80,705	83,291
Variable rate:				
- Base Lending Rate ("BLR") plus	4,034	21,825	4,034	21,825
- Cost plus	1,034,078	1,020,109	-	-
Gross loans, advances and financing	<u>2,044,987</u>	<u>2,004,403</u>	<u>91,735</u>	<u>112,416</u>

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

c. By economic sector

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Finance, insurance, and business services	582,353	557,147	9,594	10,429
Household	665,783	638,879	-	-
Education and Health	159,378	156,436	-	-
Real estate	131,503	131,471	-	-
Construction	100,384	100,355	-	-
Manufacturing	74,759	90,279	18,738	36,543
Wholesale and retail trade and restaurants and hotels	60,297	58,714	46,775	47,648
Mining and quarrying	48,500	49,000	-	-
Electricity, gas and water supply	73,294	70,311	-	-
Transport, storage and communications	143,419	146,117	11,702	12,485
Others	5,317	5,694	4,926	5,311
Gross loans, advances and financing	<u>2,044,987</u>	<u>2,004,403</u>	<u>91,735</u>	<u>112,416</u>

d. By residual contractual maturity

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Within one year	1,315,599	1,344,126	56,552	63,322
One year to five years	602,299	522,499	21,232	21,578
After five years	127,089	137,778	13,951	27,516
Gross loans, advances and financing	<u>2,044,987</u>	<u>2,004,403</u>	<u>91,735</u>	<u>112,416</u>

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

(i) Movements in ILs

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
At 1 January	384,094	350,042	60,956	60,558
Classified as impaired	3,020	74,669	2,499	3,888
Amount recovered	(1,307)	(29,888)	-	(3,490)
Amount written off	(18,336)	(10,729)	(18,336)	-
At 31 March/31 December	<u>367,471</u>	<u>384,094</u>	<u>45,119</u>	<u>60,956</u>
Less: ECL allowances	<u>(154,385)</u>	<u>(173,610)</u>	<u>(17,647)</u>	<u>(36,713)</u>
Net ILs	<u>213,086</u>	<u>210,484</u>	<u>27,472</u>	<u>24,243</u>
Ratio of net ILs to gross loans, advances and financing less ECL allowance (Stage 3)	<u>11.27%</u>	<u>11.50%</u>	<u>37.08%</u>	<u>32.02%</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 2023	31 December 2022	31 March 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Finance, insurance, and business services	85,057	85,268	3,308	3,518
Household	60,600	-	-	-
Real estate	131,503	131,471	-	-
Mining and quarrying	48,500	49,000	-	-
Manufacturing	18,123	35,847	18,123	35,848
Wholesale and retail trade and restaurants and hotels	4,815	16,115	4,815	16,115
Transport, storage and communication	18,873	5,047	18,873	5,047
Others	-	61,346	-	428
	367,471	384,094	45,119	60,956

(iii) Movements in impairment allowances by class of financial assets (cont'd.)

Expected credit loss allowance on loans, advances and financing

Group	Stage 1	Stage 2	Stage 3	Total
	Collective	Individual	Individual	
	RM'000	RM'000	RM'000	RM'000
ECL as at 1 January 2022	13,393	3,939	172,624	189,956
Transfer to Stage 1	2,327	(4)	-	2,323
Transfer to Stage 2	(1,705)	1,705	-	-
Transfer to Stage 3	(898)	(1,934)	2,832	-
Impairment made	-	-	19,921	19,921
Written back	(8,432)	(399)	(10,264)	(19,095)
Written off	-	-	(10,729)	(10,729)
Discount unwind	-	-	(774)	(774)
ECL as at 31 December 2022	4,685	3,307	173,610	181,602
ECL as at 1 January 2023	4,685	3,307	173,610	181,602
Transfer	107	-	-	107
Impairment made	1,230	224	1,588	3,042
Written back	-	(166)	(2,193)	(2,359)
Written off	-	-	(18,336)	(18,336)
Discount unwind	-	-	(284)	(284)
ECL as at 31 March 2023	6,022	3,365	154,385	163,772

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

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

(iii) Movements in impairment allowances by class of financial assets (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 2022	3,400	2,005	28,785	34,190
Transfer to Stage 1	4	(4)	-	-
Transfer to Stage 2	(1,705)	1,705	-	-
Transfer to Stage 3	(898)	-	898	-
Impairment made	-	-	7,804	7,804
Written back	(228)	(399)	-	(627)
Discount unwind	-	-	(774)	(774)
ECL as at 31 December 2022	<u>573</u>	<u>3,307</u>	<u>36,713</u>	<u>40,593</u>
ECL as at 1 January 2023	573	3,307	36,713	40,593
Impairment made	-	224	1,247	1,471
Written back	-	(166)	(1,693)	(1,859)
Amount written off	-	-	(18,336)	(18,336)
Discount unwind	-	-	(284)	(284)
ECL as at 31 March 2023	<u>573</u>	<u>3,365</u>	<u>17,647</u>	<u>21,585</u>

16. Other assets

	Note	Group		Company	
		31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Interest/profit receivables		43,368	46,243	238	1,055
Amount due from brokers and clients	(a)	15,984	39,016	-	-
Deposits, prepayments and other receivables		24,919	24,616	14,249	12,630
Less: ECL allowance	(b)	(4,470)	(4,352)	(3)	(4)
		20,449	20,264	14,246	12,626
Amount receivables from Danaharta		96,973	96,973	-	-
Less: ECL allowance		(96,973)	(96,973)	-	-
		-	-	-	-
Amount due from subsidiaries	(c)	-	-	270	6,460
Amount due from Government Scheme Fund		11,360	-	11,360	-
Tax recoverable		48,074	48,208	19,211	18,899
		<u>139,235</u>	<u>153,731</u>	<u>45,325</u>	<u>39,040</u>

16. Other assets (cont'd.)

(a) Amount due from brokers and clients

<u>Group</u>	Note	31 March 2023 RM'000	31 December 2022 RM'000
Brokers		113	795
Clients		15,871	38,221
		<u>15,984</u>	<u>39,016</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 2023 RM'000	31 December 2022 RM'000
At 1 January	(4,352)	(6,184)
Impairment made	(119)	-
Written back	1	403
Written off	-	1,429
At 31 March/31 December	<u>(4,470)</u>	<u>(4,352)</u>

	Company	
	31 March 2023 RM'000	31 December 2022 RM'000
At 1 January	(4)	(7)
Written back	1	3
At 31 March/31 December	<u>(3)</u>	<u>(4)</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 2023 RM'000	31 December 2022 RM'000
(i) By type of deposit		
Call deposits	64,302	66,890
Fixed deposits	4,456,065	4,327,021
	<u>4,520,367</u>	<u>4,393,911</u>
(ii) By type of customer		
Business enterprises	2,326,659	2,242,218
Government and statutory bodies	2,190,908	2,148,935
Individuals	2,800	2,758
	<u>4,520,367</u>	<u>4,393,911</u>
(iii) The maturity structure of term deposits are as follows:		
Due within six months	4,503,701	4,307,305
Six months to one year	16,666	86,606
	<u>4,520,367</u>	<u>4,393,911</u>

18. Deposits and placements of banks and other financial institutions

	Group	
	31 March 2023 RM'000	31 December 2022 RM'000
(i) Call deposits		
- Other financial institutions	55,511	55,574
(ii) Fixed deposits		
- Licensed banks	157,000	162,000
- Other financial institutions	1,297,478	1,241,392
	<u>1,454,478</u>	<u>1,403,392</u>
	<u>1,509,989</u>	<u>1,458,966</u>

19. Derivative assets

<u>Group</u>	Contract or underlying principal amount RM'000	Derivative assets RM'000	Derivative liabilities RM'000
31 March 2023			
Interest rate related derivatives:			
- Interest rate swaps	300,000	10,177	-
31 December 2022			
Interest rate related derivatives:			
- Interest rate swaps	300,000	11,778	-

20. Other liabilities

	Note	Group		Company	
		31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Amount due to brokers and clients	(a)	20,933	44,966	-	-
Accrued interest and other payables		67,006	80,709	35,440	35,468
Other creditors and accruals	(b)	15,362	28,504	13,190	26,977
Amount due to Government Scheme Funds ("GSF")		-	5,834	-	5,834
ECL allowance on loans /financing commitments and financial investments	(c)	1,084	584	72	74
		<u>104,385</u>	<u>160,597</u>	<u>48,702</u>	<u>68,353</u>

(a) Amount due to brokers and clients

	Group	
	31 March 2023 RM'000	31 December 2022 RM'000
Brokers	12,761	26,316
Clients	8,172	18,650
	<u>20,933</u>	<u>44,966</u>

(b) In the current financial period, there is no Shariah non-compliance income included in the above (2022: 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 2022	1,375	17	1,392
Transfer	(2,323)	(17)	(2,340)
Impairment made	2,052	-	2,052
Written back	(520)	-	(520)
At 31 December 2022	<u>584</u>	<u>-</u>	<u>584</u>
At 1 January 2023	584	-	584
Transfer	(107)	-	(107)
Impairment made	613	-	613
Written back	(6)	-	(6)
At 31 March 2023	<u>1,084</u>	<u>-</u>	<u>1,084</u>
			Loans, advances and financing commitments RM'000
Company			
Stage 1 Collective			
At 1 January 2022			113
Written back			(39)
At 31 December 2022			<u>74</u>
At 1 January 2023			74
Written back			(2)
At 31 March 2023			<u>72</u>

21. Borrowings and government grant

	Note	Group and Company	
		31 March 2023 RM'000	31 December 2022 RM'000
Borrowings			
Loan from JBIC – FSMI	(a)	111,752	115,244
Loan from MITI	(b)	94,904	93,753
Total borrowings		<u>206,656</u>	<u>208,997</u>
Government grant			
Loan From MITI	(b)	21,096	22,247
Total borrowings and government grant		<u>227,752</u>	<u>231,244</u>

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

	Group and Company	
	31 March 2023 RM'000	31 December 2022 RM'000
At 1 January	115,244	122,229
Repayment	(3,492)	(6,985)
At 31 March/31 December	<u>111,752</u>	<u>115,244</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 2023 RM'000	31 December 2022 RM'000
Borrowing		
At 1 January	93,753	125,018
Repayment	-	(32,000)
Profit expense*	1,151	735
At 31 March/31 December	<u>94,904</u>	<u>93,753</u>
Government grant		
At 1 January	22,247	22,982
Amortisation *	(1,151)	(735)
At 31 March/31 December	<u>21,096</u>	<u>22,247</u>
	<u>116,000</u>	<u>116,000</u>

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

22. Interest income

Group	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
Loans, advances and financing		
- Interest income on non-impaired loans	18,148	12,570
- Interest income on impaired loans ("ILs")	202	(38)
Money at call and deposit placements with financial institutions	4,389	3,035
Financial assets at FVTPL	1	720
Financial investments at FVOCI		
- Interest income on non-impaired investments	3,183	2,471
Financial investments at amortised cost		
- Interest income on non-impaired investments	2,209	2,049
Accretion of discount less amortisation of premium	86	662
Derivative instruments	1,082	-
	<u>29,300</u>	<u>21,469</u>

Company	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
Loans, advances and financing		
- Interest income on non-impaired loans	38	46
- Interest income on impaired loans ("ILs")	202	162
Money at call and deposit placements with financial institutions	4,110	1,930
Financial assets at FVTPL	1	720
Accretion of discount less amortisation of premium	-	652
	<u>4,351</u>	<u>3,510</u>

23. Interest expense

	Individual Quarter	
	3 Months Ended	
	31 March	31 March
	2023	2022
	RM'000	RM'000
<u>Group</u>		
Deposits and placements of banks and other financial institutions	3,481	2
Deposits from customers	9,317	6,815
Borrowings	778	826
Derivatives instruments	6	105
	<u>13,582</u>	<u>7,748</u>
Finance cost on lease liability	94	135
	<u>13,676</u>	<u>7,883</u>
<u>Company</u>		
Borrowings	778	826
Finance cost on lease liability	94	135
	<u>872</u>	<u>961</u>

24. Non-interest income

Group	Individual Quarter	
	31 March	31 March
	2023	2022
	RM'000	RM'000
Fee income:		
Underwriting fees	-	459
Management fees	342	1,920
Corporate advisory fees	520	323
Brokerage fees	1,263	2,712
Income from Government Scheme Funds	970	408
Other fees	2,054	1,260
	<u>5,149</u>	<u>7,082</u>
Investment income:		
Net realised gain/(loss) on sales of financial investments at:		
- FVTPL	5	(2,279)
- FVOCI	129	5
- Amortised cost	-	630
Net unrealised gain on revaluation of financial assets at FVTPL	100	625
Net unrealised (loss)/gain on revaluation of derivative instruments	(1,601)	2,815
	<u>(1,367)</u>	<u>1,796</u>
Other income:		
Rental from:		
- Office premises	58	54
Insurance commissions	2	4
Others	182	503
	<u>242</u>	<u>561</u>
Total non-interest income	<u>4,024</u>	<u>9,439</u>

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

<u>Company</u>	Individual Quarter	
	3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
Fee income:		
Management fees	6,386	7,276
Income from Government Scheme Funds	970	408
	<u>7,356</u>	<u>7,684</u>
Investment income:		
Net realised gain/(loss) on sales of financial assets at FVTPL	5	(2,279)
Net unrealised gain on revaluation of financial assets at FVTPL	-	539
	<u>5</u>	<u>(1,740)</u>
Gross dividend income:		
Subsidiaries	100,000	-
	<u>100,000</u>	<u>-</u>
Other income:		
Rental from:		
- Office premises	704	700
Insurance commissions	2	4
Others	42	46
	<u>748</u>	<u>750</u>
Total non-interest income	<u>108,109</u>	<u>6,694</u>

25. Operating expenses

	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
<u>Group</u>		
Personnel costs		
Wages, salaries and bonuses	25,966	24,156
Employee benefits:		
Current period	262	256
Social security costs	148	118
Defined contribution plan	4,110	3,802
Other staff related expenses	4,120	2,406
	<u>34,606</u>	<u>30,738</u>
Establishment costs		
Depreciation	3,444	3,203
Office rental	149	136
Equipment rental	8	34
IT expenses	3,444	3,938
Others	1,959	692
	<u>9,004</u>	<u>8,003</u>
Promotion and marketing-related expenses		
Business promotion and advertisement	1,011	604
Entertainment	118	118
	<u>1,129</u>	<u>722</u>
General and administrative expenses		
Auditors' remuneration		
- Audit fees	197	168
Directors' fees and meeting allowances	499	658
Communication expenses	88	168
Professional fees	1,973	4,542
Others	868	(302)
	<u>3,625</u>	<u>5,234</u>
	<u>48,364</u>	<u>44,697</u>

25. Operating expenses (cont'd.)

	Individual Quarter 3 Months Ended	
	31 March 2023	31 March 2022
	RM'000	RM'000
<u>Company</u>		
Personnel costs		
Wages, salaries and bonuses	13,537	12,604
Employee benefits:		
Current period	194	184
Social security costs	124	70
Defined contribution plan	2,187	2,013
Other staff related expenses	2,866	1,449
	<u>18,908</u>	<u>16,320</u>
Establishment costs		
Depreciation	2,929	2,839
Office rental	136	134
Equipment rental	7	18
IT expenses	1,040	1,929
Others	1,631	368
	<u>5,743</u>	<u>5,288</u>
Promotion and marketing-related expenses		
Business promotion and advertisement	432	287
Entertainment	6	7
	<u>438</u>	<u>294</u>
General and administrative expenses		
Auditors' remuneration		
- Audit fees	91	77
Directors' fees and meeting allowances	347	334
Communication expenses	63	86
Management fees	2,449	3,144
Professional fees	2,217	766
Others	214	592
	<u>5,381</u>	<u>4,999</u>
	<u>30,470</u>	<u>26,901</u>

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

	Individual Quarter 3 Months Ended	
	31 March 2023	31 March 2022
	RM'000	RM'000
<u>Group</u>		
(a) Expected credit loss allowance		
- Made	(3,651)	(5,613)
- Written back	2,359	11,454
(b) Recoveries from impaired loans, advances and financing	319	101
	<u>(973)</u>	<u>5,942</u>

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

<u>Company</u>	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
	(a) Expected credit loss allowance	
- Made	(1,471)	(1,127)
- Written back	1,859	1,031
(b) Recoveries from impaired loans, advances and financing	155	90
	<u>543</u>	<u>(6)</u>

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

<u>Group</u>	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
	Financial investments at FVOCI	1
Financial investments at amortised cost	2,868	13
Bad debts written off	(2,335)	-
	<u>534</u>	<u>(2)</u>

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

<u>Group</u>	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
	Expected credit loss allowance	
- Made	(119)	-
- Written back	1	205
	<u>(118)</u>	<u>205</u>

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

	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
	<u>Company</u>	
Expected credit loss allowance		
- Written back	1	4
	1	4

29. Basic and diluted earnings per ordinary share

	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
	<u>Group</u>	
Profit for the financial period	(1,796)	16,228
Weighted average number of ordinary shares	480,356	480,356
Basic and diluted earning per ordinary shares	(0.37)	3.38

	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
	<u>Company</u>	
(Loss)/ profit for the financial period	92,957	(5,933)
Weighted average number of ordinary shares	480,356	480,356
Basic and diluted (loss)/ earning per ordinary shares	19.35	(1.24)

30. 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 2023	31 March 2022
	RM'000	RM'000
Segment Revenue		
Investment banking	80,864	72,370
Development finance	16,483	16,078
Asset management	964	901
Investment holding	113,031	11,572
Others	417	97
Subtotal	<u>211,759</u>	<u>101,018</u>
Inter-segment elimination	<u>(110,945)</u>	<u>(10,619)</u>
	<u>100,814</u>	<u>90,399</u>

	Individual Quarter 3 Months Ended	
	31 March 2023	31 March 2022
	RM'000	RM'000
Segment Profit After Tax		
Investment banking	6,828	13,975
Development finance	3,614	2,776
Asset management	(1,362)	(1,491)
Investment holding	89,346	(8,712)
Others	(218)	9,669
	<u>98,208</u>	<u>16,217</u>
Inter-segment elimination	<u>(100,009)</u>	<u>10</u>
	<u>(1,801)</u>	<u>16,227</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.

31. 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:

<u>Group</u>	As at 31 March 2023			As at 31 December 2022		
	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	58,500	58,500	58,500	63,500	63,500	63,500
Interest rate related contracts with an original maturity						
- Over one year to five years	300,000	16,660	3,332	300,000	18,180	3,636
Other commitments such as formal and credit lines, with original:						
- Maturity not exceeding one year	395,228	79,046	79,046	297,849	59,570	59,570
- Maturity exceeding one year	123,085	61,542	61,542	168,108	84,054	84,054
Total	876,813	215,748	202,420	829,457	225,304	210,760
<u>Company</u>						
Irrevocable commitments to extend credit:						
- Maturity exceeding one year	10,314	5,157	5,157	8,838	4,419	4,419
Total	10,314	5,157	5,157	8,838	4,419	4,419

* 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.

32. 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	
	3 Months Ended		3 Months Ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Immediate holding company				
Income:				
Interest income on financial investments	1,166	1,234	-	-
Brokerage fees earned	-	377	-	-
Fee income	71	-	-	-
Subsidiaries				
Income:				
Management fees	-	-	6,387	7,192
Expenditures:				
Management fees	-	-	2,746	2,847
Other related companies				
Income:				
Interest income on loans and advances	1,308	955	-	-
Brokerage fees earned	106	380	-	-
Expenditures:				
Interest expense on deposits	742	913	-	-

32. 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 2023 RM'000	As at 31 December 2022 RM'000	As at 31 March 2023 RM'000	As at 31 December 2022 RM'000
Immediate holding company				
Amount due from:				
Financial investments	42,000	100,000	-	-
Sundry deposit	1,993	1,579	1,993	1,579
Subsidiaries				
Amount due from:				
Loans, advances and financing	-	-	270	-
Trade receivables	-	-	-	6,460
Amount due to:				
Rental deposit received	-	-	649	649
Associate				
Amount due from:				
Trade receivables	-	-	-	1
Other related companies				
Amount due from:				
Loans, advances and financing	100,000	100,000	-	-
Amount due to:				
Deposits from customer	124,540	99,766	-	-
Deposits from placements of banks and other financial institutions	18,600	27,307	-	-
Other payables	55	183	-	-

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

33. Credit exposures arising from credit transactions with connected parties

	Group	
	As at 31 March 2023	As at 31 December 2022
(i) Outstanding credit exposures with connected parties	227,129	225,871
(ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	4.69%	4.86%
(iii) Percentage of outstanding credit exposures to connected parties which is impaired or in default	Nil	Nil

34. Capital adequacy

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

	Group		Company	
	As at 31 March 2023 RM'000	As at 31 December 2022 RM'000	As at 31 March 2023 RM'000	As at 31 December 2022 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	(16,502)	(28,227)	(54,567)	(54,567)
Regulatory reserve	33,166	34,491	-	-
Retained profits	315,989	766,465	(1,721)	355,322
	1,212,584	1,652,660	823,643	1,180,686
Less: Regulatory adjustments	(159,800)	(174,601)	(618,271)	(625,694)
Total CET1 Capital / Tier 1 Capital	1,052,784	1,478,059	205,372	554,992
<u>Tier 2 Capital</u>				
Loss provision and regulatory reserve	38,002	39,179	3,895	3,880
Total Tier 2 capital	38,002	39,179	3,895	3,880
Total Capital	1,090,786	1,517,238	209,267	558,872
Before deducting dividend payment:				
CET 1 Capital	28.375%	38.577%	39.216%	90.800%
Tier 1 Capital	28.375%	38.577%	39.216%	90.800%
Total Capital	29.400%	39.599%	39.959%	91.434%
After deducting dividend payment:				
CET 1 Capital	*	26.832%	*	17.177%
Tier 1 Capital	*	26.832%	*	17.177%
Total Capital	*	27.855%	*	17.812%

* There are no proposed dividends for the period ended 31 March 2023.

34. 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 2023 RM'000	As at 31 December 2022 RM'000	As at 31 March 2023 RM'000	As at 31 December 2022 RM'000
Total risk weighted assets for credit risk	3,040,100	3,134,343	311,565	402,530
Total risk weighted assets for market risk	132,105	168,956	37,218	37,208
Total risk weighted assets for operational risk	537,994	528,171	174,917	171,490
	<u>3,710,199</u>	<u>3,831,470</u>	<u>523,700</u>	<u>611,228</u>

35. 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 2023				
Financial assets				
Assets measured at fair value:				
Financial assets at FVTPL				
- Unquoted instruments	-	-	51,025	51,025
- Unit trusts	-	33,070	-	33,070
Financial investments at FVOCI				
Money market instruments	-	1,368,330	-	1,368,330
Unquoted instruments	-	735,249	1,502	736,751
Derivative assets	-	10,177	-	10,177
Assets for which fair value are disclosed:				
Financial investments at amortised cost				
Money market instruments	-	859,969	-	859,969
Unquoted instruments	-	1,563,283	-	1,563,283
Loans, advances and financing				
- Hire purchase	-	5,273	-	5,273
- Staff loans	-	441	-	441
Investment properties				
Residential properties	-	-	6,397	6,397
Office property	-	-	688	688

35. Fair value hierarchy (cont'd.)

Group (cont'd.)	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2022				
Financial assets				
Assets measured at fair value:				
Financial assets at FVTPL				
- Unquoted instruments	-	-	51,025	51,025
- Unit trusts	-	51,866	-	51,866
Financial investments at FVOCI				
- Money market instruments	-	1,372,282	-	1,372,282
- Unquoted instruments	-	614,519	1,502	616,021
Liability measured at fair value				
Derivative assets	-	11,778	-	11,778
Assets for which fair value are disclosed:				
Financial investment at amortised cost				
- Money market instruments	-	852,120	-	852,120
- Unquoted instruments	-	1,664,713	9,822	1,674,535
Loans, advances and financing				
- Hire purchase	-	5,628	-	5,628
- Staff loans	-	470	-	470
Investment properties				
- Residential properties	-	-	6,381	6,381
- Office property	-	-	905	905
Liability for which fair values are disclosed:				
Borrowings	-	-	184,797	184,797

35. Fair value hierarchy (cont'd.)

Company

At 31 March 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets at FVTPL				
- Unit trusts	-	18,609	-	18,609
Financial investments at FVOCI				
- Unquoted instruments	-	-	120,435	120,435
Assets for which fair value are disclosed:				
Loans, advances and financing				
- Hire purchase	-	5,273	-	5,273
- Staff loans	-	316	-	316
Liabilities for which fair values are disclosed:				
Borrowings	-	-	162,623	162,623
At 31 December 2022				
Assets measured at fair value:				
Financial assets at FVTPL				
- Unit trusts	-	18,604	-	18,604
Financial investments at FVOCI				
- Unquoted instruments	-	-	138,435	138,435
Assets for which fair value are disclosed:				
Loans, advances and financing				
- Hire purchase	-	5,628	-	5,628
- Staff loans	-	312	-	312
Liabilities for which fair values are disclosed:				
Borrowings	-	-	184,797	184,797

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

35. 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 2023			
At 1 January/31 March 2023	1,502	51,025	52,527
At 31 December 2022			
At 1 January 2022	1,502	30,245	31,747
Revaluation gain	-	20,780	20,780
At 31 December 2022	1,502	51,025	52,527

Company	Financial investments at FVOCI RM'000	Financial asset at FVTPL RM'000	Total RM'000
At 31 March 2023			
At 1 January/31 March 2023	138,435	-	138,435
Redemption*	(18,000)	-	(18,000)
At 31 March 2023	120,435	-	120,435

Company	Financial investments at FVOCI RM'000	Financial asset at FVTPL RM'000	Total RM'000
At 31 December 2022			
At 1 January 2022	135,435	-	135,435
Addition	3,000	-	3,000
At 31 December 2022	138,435	-	138,435

* During the period, there was a redemption of redeemable preference shares of a subsidiary of the Company.

36. Operations of Islamic Banking Business

The state of affairs at 31 March 2023 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 2023

ASSETS	Note	Group		Company	
		31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Cash and short-term funds	(f)	537,027	532,335	85,292	88,074
Deposits and placements with licensed banks and other financial institutions	(g)	41,700	41,700	41,700	41,700
Financial investments at FVOCI	(i)	1,818,224	1,682,322	-	-
Financial investments at amortised cost	(j)	2,133,954	2,189,606	-	-
Financing and advances	(k)	811,497	801,612	49,383	52,012
Other assets	(l)	120,423	120,134	79,620	70,107
Deferred tax assets		8,000	11,450	1,236	1,223
TOTAL ASSETS		5,470,825	5,379,159	257,231	253,116
LIABILITIES					
Deposits from customers	(m)	3,357,556	3,279,209	-	-
Deposits and placements of banks and other financial institutions	(n)	995,234	931,931	-	-
Borrowings and government grant	(o)	116,000	116,000	116,000	116,000
Other liabilities	(p)	202,333	204,532	36,872	36,528
Provision for taxation and zakat		2,197	1,902	746	652
TOTAL LIABILITIES		4,673,320	4,533,574	153,618	153,180
ISLAMIC BANKING CAPITAL FUNDS					
Funds allocated from Head Office		501,600	501,600	75,000	75,000
Reserves		295,905	343,985	28,613	24,936
TOTAL ISLAMIC BANKING CAPITAL FUNDS		797,505	845,585	103,613	99,936
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		5,470,825	5,379,159	257,231	253,116

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

**(b) CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD
ENDED 31 MARCH 2023**

<u>Group</u>	Note	Individual Quarter 3 Months Ended	
		31 March 2023 RM'000	31 March 2022 RM'000
Income derived from investment of depositors' funds and others	(q)	46,579	37,700
Income derived from investment of Islamic Banking funds	(r)	21,380	22,598
ECL allowances (made)/ written back			
- financing and advances	(s)	(2,363)	(4,973)
- financial investments	(t)	16	(111)
- other assets	(u)	(86)	197
Total attributable income		<u>65,526</u>	<u>55,411</u>
Income attributable to depositors	(v)	(34,268)	(20,451)
Total net income		<u>31,258</u>	<u>34,960</u>
Other operating expenses		(16,906)	(16,441)
Profit before taxation and zakat		<u>14,352</u>	<u>18,519</u>
Taxation		(2,796)	(3,389)
Zakat		(295)	(578)
Profit for the financial period		<u>11,261</u>	<u>14,552</u>
 <u>Company</u>			
Income derived from investment of Islamic Banking funds	(r)	14,333	14,053
ECL allowances (made)/ written back			
- financing and advances	(s)	(468)	(820)
- other assets	(u)	2	3
Total attributable income		<u>13,867</u>	<u>13,236</u>
Other operating expenses		(10,109)	(9,140)
Profit before taxation and zakat		<u>3,758</u>	<u>4,096</u>
Taxation		13	277
Zakat		(94)	(108)
Profit for the financial period		<u>3,677</u>	<u>4,265</u>

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

(c) CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
<u>Group</u>		
Profit for the financial period	11,261	14,552
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	2	15
Net realised (loss)/income on financial investments at FVOCI		
- Transfer of loss to profit or loss upon disposal	(474)	(38)
- Fair value changes	11,131	(3,782)
Other comprehensive income/(loss) for the period net of tax	10,659	(3,805)
Other comprehensive income/(loss) for the financial period, net of tax	10,659	(3,805)
Total comprehensive income for the financial period	21,920	10,747

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

(d) CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2023

Group	----- 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	486,600	7,385	(14,385)	305,691	785,291
Profit for the financial period	-	-	-	14,552	14,552
Other comprehensive loss for the financial period	-	-	(3,805)	-	(3,805)
Total comprehensive (loss)/income for the financial period	-	-	(3,805)	14,552	10,747
Transfer to 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>
At 1 January 2023	501,600	19,957	(26,498)	350,526	845,585
Profit for the financial period	-	-	-	11,261	11,261
Other comprehensive income for the financial period	-	-	10,659	-	10,659
Total comprehensive income for the financial period	-	-	10,659	11,261	21,920
Transaction with owner					
Dividends	-	-	-	(70,000)	(70,000)
Transfer from regulatory reserve	-	(2,123)	-	2,123	-
At 31 March 2023	<u>501,600</u>	<u>17,834</u>	<u>(15,839)</u>	<u>293,910</u>	<u>797,505</u>

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

**(d) CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED
 31 MARCH 2023 (CONT'D.)**

<u>Company</u>	Non-distributable	Distributable	Total RM'000
	Islamic banking funds RM'000	Retained profits RM'000	
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>
At 1 January 2023	75,000	24,936	99,936
Total comprehensive income for the financial period	-	3,677	3,677
At 31 March 2023	<u>75,000</u>	<u>28,613</u>	<u>103,613</u>

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

**(e) CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2023**

	Group		Company	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Profit before taxation and zakat	14,352	18,519	3,758	4,096
Adjustments for non-cash items	4,817	6,259	(525)	(819)
Operating profit before changes in working capital	19,169	24,778	3,233	3,277
Changes in working capital:				
Net changes in operating assets	(86,771)	(436,459)	(9,202)	(4,311)
Net changes in operating liabilities	142,607	532,549	3,500	3,653
Tax and zakat (paid)/refunded	(313)	857	(313)	857
Net cash generated from/(used in) operating activities	74,692	121,725	(2,782)	3,476
Net cash used in financing activities	(70,000)	-	-	-
Net increase/(decrease) in cash and cash equivalents	4,692	121,725	(2,782)	3,476
Cash and cash equivalents at beginning of the period	574,035	486,573	129,774	148,401
Cash and cash equivalents at end of the financial period	578,727	608,298	126,992	151,877

Cash and cash equivalents comprise:

	Group		Company	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Cash and short-term funds	537,027	566,598	85,292	110,177
Deposits and placements	41,700	41,700	41,700	41,700
	578,727	608,298	126,992	151,877

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

(f) Cash and short-term funds

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Cash and bank balances	62,127	25,435	392	7,674
Money at call and deposit placements maturing within one month	474,900	506,900	84,900	80,400
	<u>537,027</u>	<u>532,335</u>	<u>85,292</u>	<u>88,074</u>

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

	Group and Company	
	31 March 2023 RM'000	31 December 2022 RM'000
Deposits with other financial institutions	<u>41,700</u>	<u>41,700</u>

(h) Financial assets at FVTPL

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Money market instruments: Government Investment Issue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(i) Financial investments at FVOCI

	Group	
	31 March 2023 RM'000	31 December 2022 RM'000
At fair value		
Money market instruments:		
Government Investment Issues	1,137,591	1,221,548
Islamic Negotiable Instruments	99,662	-
	<u>1,237,253</u>	<u>1,221,548</u>
Unquoted instruments:		
Corporate Sukuk	580,971	460,774
	<u>1,818,224</u>	<u>1,682,322</u>

36. 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 2022	270	8,112	8,382
Written back	(85)	-	(85)
At 31 December 2022	<u>185</u>	<u>8,112</u>	<u>8,297</u>
At 1 January 2023	185	8,112	8,297
Written back	2	-	2
At 31 March 2023	<u>187</u>	<u>8,112</u>	<u>8,299</u>

There was no Stage 2 exposure as of 31 March 2023 and 31 December 2022.

(j) Financial investments at amortised costs

	Group	
	31 March 2023 RM'000	31 December 2022 RM'000
Money market instruments:		
Government Investment Issues	732,700	733,141
Unquoted instruments:		
Corporate Sukuk	1,401,629	1,456,858
Less: ECL allowance	<u>(375)</u>	<u>(393)</u>
	<u>2,133,954</u>	<u>2,189,606</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 2022	380	1,884	2,264
Transfers	14	-	14
Written back	(1)	(1,884)	(1,885)
At 31 December 2022	<u>393</u>	<u>-</u>	<u>393</u>
At 1 January 2023	393	-	393
Written back	(18)	-	(18)
At 31 March 2023	<u>375</u>	<u>-</u>	<u>375</u>

There was no Stage 3 exposure as at 31 March 2023 and 31 December 2022.

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

(k) Financing and advances

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Term financing				
Syndicated term financing	501,683	492,928	-	-
Islamic hire purchase/leasing	6,322	6,802	6,322	6,802
Other term financing	399,732	397,284	58,679	61,413
Staff financing	21	23	-	-
	<u>907,758</u>	<u>897,037</u>	<u>65,001</u>	<u>68,215</u>
Less: Unearned income	(6,795)	(7,398)	(6,795)	(7,398)
Gross financing and advances	<u>900,963</u>	<u>889,639</u>	<u>58,206</u>	<u>60,817</u>
Less: Expected credit losses allowance	(89,466)	(88,027)	(8,823)	(8,805)
Total net financing and advances	<u>811,497</u>	<u>801,612</u>	<u>49,383</u>	<u>52,012</u>

(i) By contract

Group

31 March 2023	Sale-based		Lease-based	Total financing and advances
	Commodity RM'000	Bai Bithaman RM'000	Al-Ijarah RM'000	RM'000
Syndicated term financing	842,736	-	-	842,736
Deferred payment sales	-	52,571	-	52,571
Staff financing	21	-	-	21
Finance lease	-	-	5,635	5,635
	<u>842,757</u>	<u>52,571</u>	<u>5,635</u>	<u>900,963</u>

31 December 2022

31 December 2022	Sale-based		Lease-based	Total financing and advances
	Commodity RM'000	Bai Bithaman RM'000	Al-Ijarah RM'000	RM'000
Syndicated term financing	828,799	-	-	828,799
Deferred payment sales	-	54,749	-	54,749
Finance lease	-	-	6,068	6,068
Staff financing	23	-	-	23
	<u>828,822</u>	<u>54,749</u>	<u>6,068</u>	<u>889,639</u>

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

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

(i) By contract (cont'd.)

Company

	Sale-based Bai Bithaman RM'000	Lease-based Al-Ijarah RM'000	Total financing and advances RM'000
31 March 2023			
Deferred payment sales	52,571	-	52,571
Finance lease	-	5,635	5,635
	52,571	5,635	58,206
31 December 2022			
Deferred payment sales	54,749	-	54,749
Finance lease	-	6,068	6,068
	54,749	6,068	60,817

(ii) By types of customer

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Domestic other non-bank financial institutions	43,280	44,988	-	-
Domestic business enterprises	857,662	844,628	58,206	60,817
Individual	21	23	-	-
	900,963	889,639	58,206	60,817

(iii) By profit rate sensitivity

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Variable rate				
Cost-plus	842,736	828,799	-	-
Fixed rate				
Staff financing	21	23	-	-
Al-Ijarah Thumma Al-Bai (finance lease)	5,635	6,068	5,635	6,068
Bai Bithaman Ajil (deferred payment sales)	52,571	54,749	52,571	54,749
	900,963	889,639	58,206	60,817

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

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

(iv) By economic sector

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Finance, insurance and business services	329,770	324,721	9,217	9,844
Education, health and others	99,539	96,597	-	-
Construction	100,384	100,355	-	-
Mining and quarrying	48,500	49,000	-	-
Electricity, gas and water supply	73,294	70,311	-	-
Wholesale and retail trade and restaurants and hotels	46,901	45,093	34,174	34,802
Manufacturing	56,260	54,029	238	293
Transport, storage and communications	141,865	144,568	10,148	10,936
Household	4,450	4,965	4,429	4,942
	<u>900,963</u>	<u>889,639</u>	<u>58,206</u>	<u>60,817</u>

(v) By residual contractual maturity

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Within one year	222,696	292,379	14,168	14,804
One year to five years	538,820	459,510	17,703	18,497
After five years	139,446	137,750	26,334	27,516
	<u>900,963</u>	<u>889,639</u>	<u>58,206</u>	<u>60,817</u>

(vi) Impaired financing and advances by economic sector

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Mining and quarrying	48,500	49,000	-	-
Manufacturing	184	195	184	195
Wholesale and retail trade and restaurants and hotels	8,385	5,492	8,385	5,492
Transport, storage and communications	3,321	3,557	3,321	3,557
Finance, insurance and business services	84,681	84,684	2,931	2,934
Others	-	428	-	428
	<u>145,071</u>	<u>143,356</u>	<u>14,821</u>	<u>12,606</u>

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

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

(vii) Movements in impaired financing and advances

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
At 1 January	143,356	90,787	12,606	9,037
Impaired	2,499	58,888	2,499	3,888
Amount written off	(427)	-	(427)	-
Amount recovered	(357)	(6,319)	143	(319)
At 31 March/31 December	145,071	143,356	14,821	12,606
Less: ECL allowance	(78,765)	(80,309)	(3,243)	(4,945)
Net impaired financing and advances	66,306	63,047	11,578	7,661
As % of gross financing and advances less ECL allowance	8.06%	7.79%	21.07%	13.71%

Expected credit loss allowance

	Stage 1 Collective RM'000	Stage 2 Individual RM'000	Stage 3 Individual RM'000	Total RM'000
	Group			
At 1 January 2022	10,077	5,459	63,756	79,292
Transfer to Stage 1	2,327	(4)	-	2,323
Transfer to Stage 2	(1,705)	1,705	-	-
Transfer to Stage 3	(898)	(1,934)	2,832	-
Impairment made	1,985	-	13,839	15,824
Written back	(7,376)	(1,918)	-	(9,294)
Discount unwind	-	-	(118)	(118)
At 31 December 2022	4,410	3,308	80,309	88,027
At 1 January 2023	4,410	3,308	80,309	88,027
Transfer to Stage 1	107	-	-	107
Impairment made	1,156	224	837	2,217
Written back	-	(166)	(210)	(376)
Amount written off	-	-	(427)	(427)
Discount unwind	-	-	(82)	(82)
At 31 March 2023	5,673	3,366	80,427	89,466
Company				
At 1 January 2022	1,166	3,525	2,443	7,134
Transfer to Stage 1	4	(4)	-	-
Transfer to Stage 2	(1,705)	1,705	-	-
Transfer to Stage 3	(898)	-	898	-
Impairment made	1,985	-	1,722	3,707
Written back	-	(1,918)	-	(1,918)
Discount unwind	-	-	(118)	(118)
At 31 December 2022	552	3,308	4,945	8,805
At 1 January 2023	552	3,308	4,945	8,805
Impairment made	-	224	679	903
Written back	-	(166)	(210)	(376)
Amount written off	-	-	(427)	(427)
Discount unwind	-	-	(82)	(82)
At 31 March 2023	552	3,366	4,905	8,823

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

(i) Other assets

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Profit receivables	37,452	39,726	223	230
Other debtors, deposits and prepayment	7,254	5,661	4,946	4,193
Less: ECL allowance (i)	<u>(1,152)</u>	<u>(1,066)</u>	<u>(2)</u>	<u>(4)</u>
	6,102	4,595	4,944	4,189
Amount due from MITI (SLSSS)	11,033	10,421	11,033	10,421
Amount due from MIDF DFD Conventional	22,607	29,248	22,607	29,248
Amount due from Government Scheme Funds	20,243	5,762	20,243	5,762
Amount due from brokers and clients	623	8,309	-	-
Amount due from immediate holding companies	1,793	1,816	-	-
Tax recoverable	20,570	20,257	20,570	20,257
	<u>120,423</u>	<u>120,134</u>	<u>79,620</u>	<u>70,107</u>

(i) Other debtors, deposits and prepayments

Movement in ECL allowance

	Group	
	31 March 2023 RM'000	31 December 2022 RM'000
At 1 January	1,066	3,147
Impairment made	88	-
Written back	(2)	(743)
Written off	-	(1,338)
At 31 March/31 December	<u>1,152</u>	<u>1,066</u>

	Company	
	31 March 2023 RM'000	31 December 2022 RM'000
At 1 January	4	6
Written back	(2)	(2)
At 31 March/31 December	<u>2</u>	<u>4</u>

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

(m) Deposits from customers

	Group	
	31 March 2023 RM'000	31 December 2022 RM'000
(i) By type of deposit		
Commodity murabahah fund		
Term deposits	<u>3,357,556</u>	<u>3,279,209</u>
(ii) By type of customers		
Commodity murabahah fund		
Business enterprises	1,518,372	1,388,711
Government and statutory bodies	<u>1,839,184</u>	<u>1,890,498</u>
	<u>3,357,556</u>	<u>3,279,209</u>
(iii) Maturity structure of term deposits		
Due within six months	3,356,556	3,196,649
Six months to one year	1,000	82,560
	<u>3,357,556</u>	<u>3,279,209</u>

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

	Group	
	31 March 2023 RM'000	31 December 2022 RM'000
(i) By type of deposits		
Commodity murabahah fund		
Term deposits	<u>995,234</u>	<u>931,931</u>
(ii) By type of customers		
Commodity Murabahah Fund		
Other financial institutions	<u>995,234</u>	<u>931,931</u>

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

(o) Borrowings and government grant

	Group and Company	
	31 March 2023 RM'000	31 December 2022 RM'000
Borrowings		
Loan from MITI	94,904	93,753
	<u>94,904</u>	<u>93,753</u>
Government grant		
Loan from MITI	21,096	22,247
	<u>21,096</u>	<u>22,247</u>
Total borrowings and government grant	<u>116,000</u>	<u>116,000</u>

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

	Group and Company	
	31 March 2023 RM'000	31 December 2022 RM'000
Borrowing		
At 1 January	93,753	125,018
Repayment	-	(32,000)
Profit expense*	1,151	735
At 31 December	<u>94,904</u>	<u>93,753</u>
Government grant		
At 1 January	22,247	22,982
Amortisation*	(1,151)	(735)
At 31 December	<u>21,096</u>	<u>22,247</u>
	<u>21,096</u>	<u>22,247</u>
	<u>116,000</u>	<u>116,000</u>

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

The facility of RM200 million is provided to the Group and the Company by MITI under the SLSSS-i scheme and is based on the Shariah financing concept of Al-Qardhul Hassan. The funds are provided for the financing of eligible projects bearing profit rate of 4.0% and 5.0% per annum for SME and non-SME client respectively. The facility has a tenure of 19 years, including a grace period of 10 years which shall be calculated from the date of first disbursement of the fund. The facility is repayable by 5 annual installments on the first day of the subsequent month after the expiry of the grace period and every succeeding year thereafter.

As at 31 March 2023 and 31 December 2022, the Group and the Company have drawn down RM160 million from the facility.

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

(p) Other liabilities

	Note	Group		Company	
		31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Profit payable		53,449	48,345	35,010	34,278
Sundry creditors and accruals		18,786	22,418	1,790	2,176
Amount due to brokers and clients		620	8,293	-	-
ECL allowance on financing and advances and financial investments commitments	(i)	961	489	72	74
Amount due to head office		128,517	124,987	-	-
		<u>202,333</u>	<u>204,532</u>	<u>36,872</u>	<u>36,528</u>

(i) 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 2022	1,374	14
Transfer	(2,323)	(14)	(2,337)
Impairment made	1,779	-	1,779
Written back	(341)	-	(341)
At 31 December 2022	<u>489</u>	<u>-</u>	<u>489</u>
At 1 January 2023	489	-	489
Transfer	(107)	-	(107)
Impairment made	583	-	583
Written back	(4)	-	(4)
At 31 March 2023	<u>961</u>	<u>-</u>	<u>961</u>

Company	Loans, advances and financing commitments RM'000	Total RM'000
	At 1 January 2022	113
Written back	(39)	(39)
At 31 December 2022	<u>74</u>	<u>74</u>
At 1 January 2023	74	74
Impairment made	(2)	(2)
At 31 March 2023	<u>72</u>	<u>72</u>

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

(q) Income derived from investment of depositors funds

Income derived from investment of general investment deposits:

Group	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
Finance income and hibah		
Financing and advances	9,670	6,330
Money at call placements		
with financial and deposit institutions	1,200	1,980
Financial investments at FVOCI	14,480	16,970
Financial investments at amortised cost		
-Profit on non-impaired instruments	20,740	15,130
-Profit on impaired instruments	3,520	-
	<u>49,610</u>	<u>40,410</u>
Accretion of discounts less amortisation of premiums	(3,460)	(3,070)
Total finance income and hibah	<u>46,150</u>	<u>37,340</u>
Other operating income		
Net gain on sale of financial investments at FVOCI	429	30
Net gain on sale of financial investments at FVTPL	-	330
	<u>429</u>	<u>360</u>
	<u>46,579</u>	<u>37,700</u>

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

(r) Income derived from investment of Islamic Banking funds

Islamic Banking funds

Group	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
Finance income and hibah		
Financing and advances	1,661	1,340
Money at call and deposit placements with financial institutions	188	250
Financial investments at FVOCI	1,614	1,891
Financial investments at amortised cost		
-Profit on non-impaired instruments	2,303	1,686
-Profit on impaired instruments	386	-
	<u>6,152</u>	<u>5,167</u>
Accretion of discounts		
less amortisation of premiums	(389)	(339)
Total finance income and hibah	<u>5,763</u>	<u>4,828</u>
Other operating income		
Net gain on sale of financial investments at FVTPL	-	33
Net gain on sale of financial investments at FVOCI	45	8
	<u>45</u>	<u>41</u>
Fees and others		
Management fee from Government Scheme Funds	13,416	13,086
Fee income	1,869	4,339
Other income	287	304
	<u>15,572</u>	<u>17,729</u>
	<u>21,380</u>	<u>22,598</u>

Company	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
Finance income and hibah		
Financing and advances	584	641
Money at call and deposit placements with financial institutions	50	28
	<u>634</u>	<u>669</u>
Fees and others		
Management fee from Government Scheme Funds	13,416	13,086
Fee income	13	11
Other income	270	287
	<u>13,699</u>	<u>13,384</u>
	<u>14,333</u>	<u>14,053</u>

36. 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 2023 RM'000	31 March 2022 RM'000
Expected credit loss		
- Impairment made	(2,798)	(5,252)
- Written back	376	277
Recoveries from impaired financing and advances	59	2
	<u>(2,363)</u>	<u>(4,973)</u>
<u>Company</u>	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
Expected credit loss		
- Impairment made	(903)	(1,099)
- Written back	376	277
Profit on impaired financing recovered	59	2
	<u>(468)</u>	<u>(820)</u>

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

<u>Group</u>	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
Financial investments at FVOCI	(2)	(15)
Financial investments at amortised cost	18	(96)
	<u>16</u>	<u>(111)</u>

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

<u>Group</u>	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
Other assets		
- Impairment made	(88)	-
- Written back	2	197
	<u>(86)</u>	<u>197</u>
<u>Company</u>	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
Other assets		
- Written back	2	3
	<u>2</u>	<u>3</u>

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

(v) Income attributable to depositors

<u>Group</u>	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
Commodity Fund		
Deposits from customers	26,845	20,451
Deposits and placements of banks and financial institutions	7,423	-
	<u>34,268</u>	<u>20,451</u>

(w) Net income from Islamic Banking

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

<u>Group</u>	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
Income derived from investment of depositors' funds	46,579	37,700
Income derived from investment of Islamic Banking funds	21,380	22,598
Less: Income attributable to depositors	(34,268)	(20,451)
	<u>33,691</u>	<u>39,847</u>

<u>Company</u>	Individual Quarter 3 Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000
Income derived from investment of Islamic Banking funds	<u>14,333</u>	<u>14,053</u>

36. 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 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Common Equity Tier 1 (CET1)				
Islamic capital fund	501,600	501,600	75,000	75,000
Regulatory reserve	17,834	19,957	-	-
FVOCI reserve	(15,839)	(26,498)	-	-
Retained profits	282,649	350,526	24,936	24,936
	<u>786,244</u>	<u>845,585</u>	<u>99,936</u>	<u>99,936</u>
Less:				
Regulatory adjustments	(37,289)	(46,528)	(12,691)	(16,344)
Total Tier-1 capital	<u>748,955</u>	<u>799,057</u>	<u>87,245</u>	<u>83,592</u>
Tier 2 Capital				
Loss provision and regulatory reserve	19,315	19,861	2,000	1,922
Total Tier-2 capital	<u>19,315</u>	<u>19,861</u>	<u>2,000</u>	<u>1,922</u>
Total capital	<u>768,270</u>	<u>818,918</u>	<u>89,245</u>	<u>85,514</u>
CET1 Capital	40.322%	42.117%	33.071%	32.542%
Tier 1 Capital	40.322%	42.117%	33.071%	32.542%
Total Capital	41.362%	43.163%	33.829%	33.290%

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

	Group		Company	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Total risk weighted assets for credit risk	1,545,214	1,588,910	160,005	153,738
Total risk weighted assets for operational risk	312,222	308,341	103,809	103,138
	<u>1,857,436</u>	<u>1,897,251</u>	<u>263,814</u>	<u>256,876</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 2023, 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 2023. 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 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: 28 April 2023