

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

**Unaudited Condensed Interim Financial Statements**  
**30 June 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	Note	Group		Company	
		30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
<b>ASSETS</b>					
Cash and short-term funds	10	601,791	1,047,569	233,340	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	83,290	102,891	18,199	18,604
Financial investments at fair value through other comprehensive income ("FVOCI")	13	1,946,841	1,988,303	124,435	138,435
Financial investments at amortised cost	14	2,347,759	2,497,223	-	-
Loans, advances and financing	15	1,900,103	1,822,801	66,300	71,823
Other assets	16	150,451	153,731	54,138	39,040
Statutory deposits with Bank Negara Malaysia		102,088	113,363	-	-
Investment in subsidiaries		-	-	594,057	594,057
Investment properties		2,317	2,361	-	-
Property, plant and equipment		3,631	2,511	2,447	2,256
Intangible assets		16,086	14,841	7,582	9,182
Deferred tax assets		14,720	23,296	5,326	7,195
Derivative assets	19	9,418	11,778	-	-
Right-of-use assets and lease receivables		3,978	7,712	3,804	7,530
		<u>7,227,173</u>	<u>7,833,196</u>	<u>1,151,328</u>	<u>1,498,195</u>
Goodwill		86,713	86,713	-	-
<b>TOTAL ASSETS</b>		<u>7,313,886</u>	<u>7,919,909</u>	<u>1,151,328</u>	<u>1,498,195</u>
<b>LIABILITIES</b>					
Deposits from customers	17	4,391,064	4,393,911	-	-
Deposits and placements of banks and other financial institutions	18	1,302,997	1,458,966	-	-
Other liabilities	20	158,168	160,597	92,681	68,353
Borrowings and government grant	21	227,752	231,244	227,752	231,244
Provision for taxation and zakat		2,620	1,910	895	652
Employee benefits		13,209	12,687	9,954	9,566
Lease liability		3,898	7,694	3,898	7,694
<b>TOTAL LIABILITIES</b>		<u>6,099,708</u>	<u>6,267,009</u>	<u>335,180</u>	<u>317,509</u>
<b>SHAREHOLDER'S EQUITY</b>					
Capital and reserves attributable to shareholders of the Company					
Share capital		879,931	879,931	879,931	879,931
Reserves		334,009	772,729	(63,783)	300,755
		<u>1,213,940</u>	<u>1,652,660</u>	<u>816,148</u>	<u>1,180,686</u>
Non-controlling interests		238	240	-	-
<b>TOTAL EQUITY</b>		<u>1,214,178</u>	<u>1,652,900</u>	<u>816,148</u>	<u>1,180,686</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>7,313,886</u>	<u>7,919,909</u>	<u>1,151,328</u>	<u>1,498,195</u>
<b>COMMITMENTS AND CONTINGENCIES</b>	31	<u>972,077</u>	<u>829,457</u>	<u>9,272</u>	<u>8,838</u>
<b>NET ASSETS PER SHARE (RM)</b>		<u>2.53</u>	<u>3.44</u>	<u>1.70</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 30 JUNE 2023**

<b>Group</b>	<b>Note</b>	<b>Individual Quarter 3 Months Ended</b>		<b>Cumulative Quarter 6 Months Ended</b>	
		<b>30 June 2023 RM'000</b>	<b>30 June 2022 RM'000</b>	<b>30 June 2023 RM'000</b>	<b>30 June 2022 RM'000</b>
Operating revenue	30	99,405	98,005	200,219	188,404
Interest income	22	27,675	24,741	56,975	46,210
Interest expense	23	(14,870)	(11,491)	(28,546)	(19,374)
Net interest income		12,805	13,250	28,429	26,836
Net income from					
Islamic banking operations	36	30,646	38,749	64,337	78,596
Non-interest income	24	5,022	6,601	9,046	16,040
		48,473	58,600	101,812	121,472
Operating expenses	25	(47,292)	(44,720)	(95,656)	(89,417)
<b>Operating profit</b>		<b>1,181</b>	<b>13,880</b>	<b>6,156</b>	<b>32,055</b>
Expected credit loss allowance written back/(made) on:					
- loans, advances and financing	26	689	(1,120)	(284)	4,822
- financial investments	27	(807)	2,952	(273)	2,950
- other assets	28	401	(133)	283	72
<b>Profit before taxation and zakat</b>		<b>1,464</b>	<b>15,579</b>	<b>5,882</b>	<b>39,899</b>
Taxation		(1,774)	(4,154)	(7,698)	(11,669)
Zakat		(372)	(752)	(667)	(1,330)
<b>Profit after taxation and zakat</b>		<b>(682)</b>	<b>10,673</b>	<b>(2,483)</b>	<b>26,900</b>
Attributable to:					
Shareholders of the Company		(680)	10,675	(2,476)	26,903
Non-controlling interests		(2)	(2)	(7)	(3)
<b>Profit for the financial period</b>		<b>(682)</b>	<b>10,673</b>	<b>(2,483)</b>	<b>26,900</b>
<b>Earnings per share (sen)</b>					
- Basic and diluted	29	(0.14)	2.22	(0.52)	5.60

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 30 JUNE 2023**

<b>Group</b>	<b>Individual Quarter 3 Months Ended</b>		<b>Cumulative Quarter 6 Months Ended</b>	
	<b>30 June 2023 RM'000</b>	<b>30 June 2022 RM'000</b>	<b>30 June 2023 RM'000</b>	<b>30 June 2022 RM'000</b>
<b>(Loss)/profit for the financial period</b>	<u>(682)</u>	<u>10,673</u>	<u>(2,483)</u>	<u>26,900</u>
Other comprehensive income/(loss):				
<b>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:</b>				
Changes in allowance for expected credit loss ("ECL")	111	(41)	110	(26)
Net (loss)/gain on financial investments at FVOCI				
- Transfer of gain to profit or loss upon disposal	(212)	(7)	(815)	(50)
- Fair value changes	2,139	(17,153)	14,468	(21,394)
Other comprehensive income/(loss) for the financial period, net of tax	<u>2,038</u>	<u>(17,201)</u>	<u>13,763</u>	<u>(21,470)</u>
<b>Total comprehensive income/(loss) for the financial period attributable to equity holder of the Group</b>	<u>1,356</u>	<u>(6,528)</u>	<u>11,280</u>	<u>5,430</u>
Total comprehensive income/(loss) for the financial period attributable to:				
Shareholders of the Company	1,358	(6,526)	11,281	5,432
Non-controlling interests	(2)	(2)	(1)	(2)
	<u>1,356</u>	<u>(6,528)</u>	<u>11,280</u>	<u>5,430</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 30 JUNE 2023**

<u>Company</u>	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Operating revenue		24,329	23,018	150,810	46,942
Interest income	22	998	3,319	5,349	6,829
Interest expense	23	(835)	(930)	(1,707)	(1,891)
Net interest income		163	2,389	3,642	4,938
Net income from					
Islamic banking operations	36	15,675	15,076	30,008	29,129
Non-interest income	24	8,057	4,997	116,166	11,691
		23,895	22,462	149,816	45,758
Operating expenses	25	(32,397)	(27,937)	(62,867)	(54,838)
<b>Operating (loss)/profit</b>		<b>(8,502)</b>	<b>(5,475)</b>	<b>86,949</b>	<b>(9,080)</b>
Expected credit loss allowance written back/(made) back on:					
- loans, advances and financing	26	80	(272)	623	(278)
- other assets	28	1	(6)	2	(2)
<b>(Loss)/profit before taxation and zakat</b>		<b>(8,421)</b>	<b>(5,753)</b>	<b>87,574</b>	<b>(9,360)</b>
Taxation		1,075	1,169	(1,869)	(1,049)
Zakat		(149)	(144)	(243)	(252)
<b>(Loss)/income representing total comprehensive (loss)/income for the financial period</b>		<b>(7,495)</b>	<b>(4,728)</b>	<b>85,462</b>	<b>(10,661)</b>
Attributable to:					
Shareholders of the Company		(7,495)	(4,728)	85,462	(10,661)
<b>(Loss)/profit for the financial period</b>		<b>(7,495)</b>	<b>(4,728)</b>	<b>85,462</b>	<b>(10,661)</b>
Earnings per share (sen)					
- Basic and diluted	29	(1.56)	(0.98)	17.79	(2.22)

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 30 JUNE 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
<b>At 1 January 2023</b>	879,931	(28,227)	34,491	766,465	1,652,660	240	1,652,900
Other comprehensive income for the financial period	-	13,763	-	-	13,763	-	13,763
Loss for the financial period	-	-	-	(2,483)	(2,483)	(2)	(2,485)
<b>Total comprehensive income/(loss) for the financial period</b>	-	13,763	-	(2,483)	11,280	(2)	11,278
<b>Transactions with owner</b>							
Dividends	-	-	-	(450,000)	(450,000)	-	(450,000)
Transfer from regulatory reserve	-	-	821	(821)	-	-	-
<b>At 30 June 2023</b>	<b>879,931</b>	<b>(14,464)</b>	<b>35,312</b>	<b>313,161</b>	<b>1,213,940</b>	<b>238</b>	<b>1,214,178</b>

\* The statutory reserve is maintained in compliance with the provisions of the Financial Services Act, 2013 and is not distributable as cash dividends.

# 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 30 JUNE 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			
<b>At 1 January 2022</b>	879,931	(13,073)	18,485	806,230	1,691,573	245	1,691,818
Other comprehensive loss for the financial period	-	(21,470)	-	-	(21,470)	-	(21,470)
Profit/(loss) for the financial period	-	-	-	26,903	26,903	(3)	26,900
<b>Total comprehensive (loss)/income for the financial period</b>	-	(21,470)	-	26,903	5,433	(3)	5,430
<b>Transactions with owner</b>							
Dividends*	-	-	-	(100,000)	(100,000)	-	(100,000)
Transfer from regulatory reserve	-	-	9,128	(9,128)	-	-	-
<b>At 30 June 2022</b>	<b>879,931</b>	<b>(34,543)</b>	<b>27,613</b>	<b>724,005</b>	<b>1,597,006</b>	<b>242</b>	<b>1,597,248</b>

\* The statutory reserve is maintained in compliance with the provisions of the Financial Services Act, 2013 and is not distributable as cash dividends.

# 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 30 JUNE 2023**

	----- Attributable to shareholder of the Company -----			
	----- Non-distributable -----		Distributable	
	Share Capital	FVOCI Reserve	Retained Profits/ Accumulated Losses	Total Equity
<b><u>Company</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2023</b>	879,931	(54,567)	355,322	1,180,686
Profit for the financial period	-	-	85,462	85,462
<b>Total comprehensive income for the financial period</b>	-	-	85,462	85,462
<b>Transaction with owner</b>				
Dividends	-	-	(450,000)	(450,000)
<b>At 30 June 2023</b>	<b>879,931</b>	<b>(54,567)</b>	<b>(9,216)</b>	<b>816,148</b>

	----- 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
<b>At 1 January 2022</b>	879,931	(52,919)	468,803	1,295,815
Loss for the financial period	-	-	(10,661)	(10,661)
<b>Total comprehensive loss for the financial period</b>	-	-	(10,661)	(10,661)
<b>Transaction with owner</b>				
Dividends	-	-	(100,000)	(100,000)
<b>At 30 June 2022</b>	<b>879,931</b>	<b>(52,919)</b>	<b>358,142</b>	<b>1,185,154</b>

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 30 JUNE 2023**

	Group		Company	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b>Profit/(loss) before taxation and zakat</b>	5,882	39,899	87,574	(9,360)
Adjustment on non-cash items	15,258	445	20,659	10,475
<b>Operating profit before changes in working capital</b>	21,140	40,344	108,233	1,115
<b>Changes in working capital:</b>				
Net changes in operating assets	157,089	(268,405)	(9,061)	19,292
Net changes in operating liabilities	(161,171)	509,844	24,330	87,104
Tax expense and zakat refunded/(paid)	198	(18,517)	(313)	(2,245)
<b>Net cash generated from operating activities</b>	17,256	263,266	123,189	105,266
Net cash used in investing activities	(5,700)	(3,496)	(772)	(3,134)
Net cash used in financing activities	(457,450)	(107,451)	(457,450)	(107,451)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(445,894)	152,319	(335,033)	(5,319)
Cash and cash equivalents at beginning of the financial period	1,092,385	941,289	610,073	520,057
<b>Cash and cash equivalents at end of the financial period</b>	646,491	1,093,608	275,040	514,738

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

	Group		Company	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Cash and short-term funds	601,791	986,337	233,340	410,467
Deposits and placements with banks and other financial institutions	44,700	107,271	41,700	104,271
	646,491	1,093,608	275,040	514,738

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.

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Arrangements</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 30 June 2023.

### 5. Significant estimates and changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 June 2023.

### 6. Debt and equity securities

There were no changes in debt and equity securities during the quarter ended 30 June 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 RM5.9 million for the period ended 30 June 2023, which is RM34.0 million lower than previous corresponding period's profit before tax of RM39.9 million. The decline in performance is attributable to a decline in net operating income of RM19.7 million, a higher operating expense of RM6.2 million coupled with a higher expected credit loss allowance of RM8.1 million.

### 10. Cash and short-term funds

	Group		Company	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Cash and bank balances	57,523	57,389	4,372	14,777
Deposits and placements maturing within one month	544,268	990,180	228,968	553,480
	<u>601,791</u>	<u>1,047,569</u>	<u>233,340</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 RM21,350,000 (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	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 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	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
<b>At fair value</b>				
Unquoted securities in Malaysia:				
Shares	51,025	51,025	-	-
	<u>51,025</u>	<u>51,025</u>	<u>-</u>	<u>-</u>
Unit Trust	32,265	51,866	18,199	18,604
	<u>83,290</u>	<u>102,891</u>	<u>18,199</u>	<u>18,604</u>

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

	Group		Company	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
<b>At fair value</b>				
Money market instruments:				
Government Investment Issues	864,605	1,372,282	-	-
Islamic Negotiable Instruments	198,702	-	-	-
	<u>1,063,307</u>	<u>1,372,282</u>	<u>-</u>	<u>-</u>
Unquoted securities in Malaysia:				
Corporate bonds/sukuk	882,034	614,521	2	2
Redeemable preference shares*	-	-	124,433	138,433
Shares	1,500	1,500	-	-
	<u>883,534</u>	<u>616,021</u>	<u>124,435</u>	<u>138,435</u>
	<u>1,946,841</u>	<u>1,988,303</u>	<u>124,435</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>	<b>Stage 1 Collective RM'000</b>	<b>Stage 3 Individual RM'000</b>	<b>Total RM'000</b>
ECL as at 1 January 2022	322	66,574	66,896
Written back	(95)	-	(95)
Written off	(95)	(45,614)	(45,709)
ECL as at 31 December 2022	<u>132</u>	<u>20,960</u>	<u>21,092</u>
ECL as at 1 January 2023	132	20,960	21,092
Impairment made	110	-	110
ECL as at 30 June 2023	<u>242</u>	<u>20,960</u>	<u>21,202</u>
		<b>Stage 3 Individual RM'000</b>	<b>Total RM'000</b>
<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 2023/30 June 2023		<u>6,762</u>	<u>6,762</u>

There were no Stage 2 exposures as of 30 June 2023 and as of 31 December 2022.

**14. Financial investments at amortised cost**

	<b>Group</b>	
	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Money market instruments:		
Government Investment Issues	752,554	753,537
Malaysian Treasury Bills	49,519	99,701
	802,073	853,238
Unquoted securities in Malaysia:		
Corporate bonds/sukuk	1,546,774	1,637,423
Loan stocks	-	9,822
	1,546,774	1,647,245
Less: ECL allowances	(a) (1,088)	(3,260)
	2,347,759	2,497,223

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

<u><b>Group</b></u>	<b>Stage 1 Collective RM'000</b>	<b>Stage 2 Collective RM'000</b>	<b>Stage 3 Individual RM'000</b>	<b>Total RM'000</b>
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
Impairment made	677	-	-	677
Written back	-	-	(2,849)	(2,849)
ECL as at 30 June 2023	1,088	-	-	1,088

## 15. Loans, advances and financing

	Group		Company	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Term loans/financing				
- Syndicated term loans/financing	420,852	492,928	-	-
- Hire purchase receivables	6,585	7,603	6,585	7,603
- Real estate financing	18,274	18,409	-	-
- Murabahah financing	174,073	173,961	-	-
Other term loans/financing	571,285	507,490	86,830	111,780
	1,191,069	1,200,391	93,415	119,383
Margin accounts	877,451	810,767	-	-
Staff loans	637	643	468	431
	2,069,157	2,011,801	93,883	119,814
Less: Unearned interest/income	(6,144)	(7,398)	(6,144)	(7,398)
Gross loans, advances and financing	2,063,013	2,004,403	87,739	112,416
Less: ECL allowances	(162,910)	(181,602)	(21,439)	(40,593)
Total net loans, advances and financing	1,900,103	1,822,801	66,300	71,823

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	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Domestic business enterprises				
- Small medium enterprises	1,315,495	1,144,636	61,891	67,999
- Others	66,960	220,445	25,380	43,986
Individuals	680,558	639,322	468	431
Gross loans, advances and financing	2,063,013	2,004,403	87,739	112,416

#### b. By interest/profit rate sensitivity

	Group		Company	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Fixed rate				
- Staff loans	637	643	468	431
- Hire purchase receivables	5,943	6,869	5,943	6,869
- Other fixed rate loan/financing	1,016,140	954,957	77,785	83,291
Variable rate:				
- Base Lending Rate ("BLR") plus	3,543	21,825	3,543	21,825
- Cost plus	1,036,750	1,020,109	-	-
Gross loans, advances and financing	2,063,013	2,004,403	87,739	112,416

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

**c. By economic sector**

	Group		Company	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Finance, insurance, and business services	568,948	557,147	9,321	10,429
Household	680,081	638,879	-	-
Education and Health	159,584	156,436	-	-
Real estate	131,443	131,471	-	-
Construction	100,379	100,355	-	-
Manufacturing	73,756	90,279	18,723	36,543
Wholesale and retail trade and restaurants and hotels	60,698	58,714	44,151	47,648
Mining and quarrying	48,500	49,000	-	-
Electricity, gas and water supply	75,350	70,311	-	-
Transport, storage and communications	154,210	146,117	12,009	12,485
Others	10,064	5,694	3,535	5,311
Gross loans, advances and financing	<u>2,063,013</u>	<u>2,004,403</u>	<u>87,739</u>	<u>112,416</u>

**d. By residual contractual maturity**

	Group		Company	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Within one year	1,407,908	1,344,126	48,232	63,322
One year to five years	519,472	522,499	19,996	21,578
After five years	135,633	137,778	19,511	27,516
Gross loans, advances and financing	<u>2,063,013</u>	<u>2,004,403</u>	<u>87,739</u>	<u>112,416</u>

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

**(i) Movements in ILs**

	Group		Company	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
At 1 January	384,094	350,042	60,956	60,558
Classified as impaired	4,228	74,669	4,116	3,888
Amount recovered	(3,251)	(29,888)	(2,616)	(3,490)
Amount written off	(18,337)	(10,729)	(18,337)	-
At 30 June/31 December	<u>366,734</u>	<u>384,094</u>	<u>44,119</u>	<u>60,956</u>
Less: ECL allowances	<u>(155,765)</u>	<u>(173,610)</u>	<u>(18,705)</u>	<u>(36,713)</u>
Net ILs	<u>210,969</u>	<u>210,484</u>	<u>25,414</u>	<u>24,243</u>
Ratio of net ILs to gross loans, advances and financing less ECL allowance (Stage 3)	<u>11.06%</u>	<u>11.50%</u>	<u>36.81%</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**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Finance, insurance, and business services	85,960	85,268	4,211	3,518
Household	60,923	-	-	-
Real estate	131,443	131,471	-	-
Mining and quarrying	48,500	49,000	-	-
Manufacturing	18,115	35,847	18,115	35,848
Wholesale and retail trade and restaurants and hotels	17,220	16,115	17,220	16,115
Transport, storage and communication	4,573	5,047	4,573	5,047
Others	-	61,346	-	428
	<b>366,734</b>	<b>384,094</b>	<b>44,119</b>	<b>60,956</b>

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

Expected credit loss allowance on loans, advances and financing

	<b>Stage 1 Collective RM'000</b>	<b>Stage 2 Individual RM'000</b>	<b>Stage 3 Individual RM'000</b>	<b>Total RM'000</b>
<b>Group</b>				
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	<b>4,685</b>	<b>3,307</b>	<b>173,610</b>	<b>181,602</b>
ECL as at 1 January 2023	4,685	3,307	173,610	181,602
Transfer	655	-	-	655
Impairment made	-	556	3,884	4,440
Written back	(356)	(1,702)	(2,775)	(4,833)
Written off	-	-	(18,337)	(18,337)
Discount unwind	-	-	(617)	(617)
ECL as at 30 June 2023	<b>4,984</b>	<b>2,161</b>	<b>155,765</b>	<b>162,910</b>

**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	-	556	3,539	4,095
Written back	-	(1,702)	(2,593)	(4,295)
Amount written off	-	-	(18,337)	(18,337)
Discount unwind	-	-	(617)	(617)
ECL as at 30 June 2023	<u>573</u>	<u>2,161</u>	<u>18,705</u>	<u>21,439</u>

**16. Other assets**

	Note	Group		Company	
		30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Interest/profit receivables		41,740	46,243	271	1,055
Amount due from brokers and clients	(a)	24,317	39,016	-	-
Deposits, prepayments and other receivables		50,549	24,616	38,673	12,630
Less: ECL allowance	(b)	(4,073)	(4,352)	(6)	(4)
		<u>46,476</u>	<u>20,264</u>	<u>38,667</u>	<u>12,626</u>
Amount receivables from Danaharta		96,973	96,973	-	-
Less: ECL allowance		(96,973)	(96,973)	-	-
		-	-	-	-
Amount due from subsidiaries	(c)	-	-	2,680	6,460
Tax recoverable		37,918	48,208	12,520	18,899
		<u>150,451</u>	<u>153,731</u>	<u>54,138</u>	<u>39,040</u>

**16. Other assets (cont'd.)**

**(a) Amount due from brokers and clients**

<u>Group</u>	Note	30 June 2023 RM'000	31 December 2022 RM'000
Brokers		4,910	795
Clients		19,407	38,221
		<u>24,317</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	
	30 June 2023 RM'000	31 December 2022 RM'000
At 1 January	(4,352)	(6,184)
Impairment made	(16)	-
Written back	295	403
Written off	-	1,429
At 30 June/31 December	<u>(4,073)</u>	<u>(4,352)</u>

  

	Company	
	30 June 2023 RM'000	31 December 2022 RM'000
At 1 January	(4)	(7)
Impairment made	(2)	-
Written back	-	3
At 30 June/31 December	<u>(6)</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	
	30 June 2023 RM'000	31 December 2022 RM'000
<b>(i) By type of deposit</b>		
Call deposits	65,914	66,890
Fixed deposits	4,325,150	4,327,021
	<u>4,391,064</u>	<u>4,393,911</u>
<b>(ii) By type of customer</b>		
Business enterprises	2,233,398	2,242,218
Government and statutory bodies	2,154,866	2,148,935
Individuals	2,800	2,758
	<u>4,391,064</u>	<u>4,393,911</u>
<b>(iii) The maturity structure of term deposits are as follows:</b>		
Due within six months	4,215,229	4,307,305
Six months to one year	175,835	86,606
	<u>4,391,064</u>	<u>4,393,911</u>

**18. Deposits and placements of banks and other financial institutions**

	Group	
	30 June 2023 RM'000	31 December 2022 RM'000
<b>(i) Call deposits</b>		
- Other financial institutions	77,406	55,574
<b>(ii) Fixed deposits</b>		
- Licensed banks	130,800	162,000
- Other financial institutions	1,094,791	1,241,392
	<u>1,225,591</u>	<u>1,403,392</u>
	<u>1,302,997</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
<b>30 June 2023</b>			
Interest rate related derivatives:			
- Interest rate swaps	300,000	9,418	-
<b>31 December 2022</b>			
Interest rate related derivatives:			
- Interest rate swaps	300,000	11,778	-

**20. Other liabilities**

	Note	Group		Company	
		30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Amount due to brokers and clients	(a)	22,091	44,966	-	-
Accrued interest and other payables		77,466	80,709	37,064	35,468
Other creditors and accruals	(b)	20,151	28,504	18,368	26,977
Amount due to Government Scheme Funds ("GSF")		37,177	5,834	37,177	5,834
ECL allowance on loans /financing commitments and financial investments	(c)	1,283	584	72	74
		<u>158,168</u>	<u>160,597</u>	<u>92,681</u>	<u>68,353</u>

(a) Amount due to brokers and clients

	Group	
	30 June 2023 RM'000	31 December 2022 RM'000
Brokers	12,407	26,316
Clients	9,684	18,650
	<u>22,091</u>	<u>44,966</u>

(b) In the current financial period, there is no Shariah non-compliant 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:

<b>Group</b>	<b>Loans, advances and financing commitments RM'000</b>	<b>Financial investments RM'000</b>	<b>Total RM'000</b>
<b>Stage 1 Collective</b>			
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	584	-	584
At 1 January 2023	584	-	584
Transfer	(655)	-	(655)
Impairment made	1,385	-	1,385
Written back	(31)	-	(31)
At 30 June 2023	1,283	-	1,283
<b>Loans, advances and financing commitments RM'000</b>			
<b>Company</b>			
<b>Stage 1 Collective</b>			
At 1 January 2022			113
Written back			(39)
At 31 December 2022			74
At 1 January 2023			74
Written back			(2)
At 30 June 2023			72

**21. Borrowings and government grant**

	Note	Group and Company	
		30 June 2023 RM'000	31 December 2022 RM'000
<b>Borrowings</b>			
Loan from JBIC – FSMI	(a)	111,752	115,244
Loan from MITI	(b)	96,069	93,753
Total borrowings		<u>207,821</u>	<u>208,997</u>
<b>Government grant</b>			
Loan From MITI	(b)	19,931	22,247
<b>Total borrowings and government grant</b>		<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	
	30 June 2023 RM'000	31 December 2022 RM'000
At 1 January	115,244	122,229
Repayment	(3,492)	(6,985)
At 30 June/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	
	30 June 2023 RM'000	31 December 2022 RM'000
<b>Borrowing</b>		
At 1 January	93,753	125,018
Repayment	-	(32,000)
Profit expense*	2,316	735
At 30 June/31 December	<u>96,069</u>	<u>93,753</u>
<b>Government grant</b>		
At 1 January	22,247	22,982
Amortisation *	(2,316)	(735)
At 30 June/31 December	<u>19,931</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**

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income on non-impaired loans	19,904	12,347	38,052	24,917
- Interest income on impaired loans ("ILs")	177	355	379	317
Money at call and deposit placements with financial institutions	1,426	2,481	5,815	5,516
Financial assets at FVTPL	-	461	1	1,181
Financial investments at FVOCI				
- Interest income on non-impaired investments	2,843	2,318	6,026	4,789
Financial investments at amortised cost				
- Interest income on non-impaired investments	2,233	5,333	4,442	7,382
Accretion of discount less amortisation of premium	(2)	1,446	84	2,108
Derivative instruments	1,094	-	2,176	-
	<u>27,675</u>	<u>24,741</u>	<u>56,975</u>	<u>46,210</u>

<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income on non-impaired loans	35	39	73	85
- Interest income on impaired loans ("ILs")	177	155	379	317
Money at call and deposit placements with financial institutions	786	1,717	4,896	3,647
Financial assets at FVTPL	-	461	1	1,181
Accretion of discount less amortisation of premium	-	947	-	1,599
	<u>998</u>	<u>3,319</u>	<u>5,349</u>	<u>6,829</u>



### 23. Interest expense

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b>Group</b>				
Deposits and placements of banks and other financial institutions	2,976	3,066	6,457	3,068
Deposits from customers	11,060	7,382	20,377	14,197
Borrowings	767	814	1,545	1,640
Derivatives instruments	(1)	113	5	218
	<u>14,802</u>	<u>11,375</u>	<u>28,384</u>	<u>19,123</u>
Finance cost on lease liability	68	116	162	251
	<u>14,870</u>	<u>11,491</u>	<u>28,546</u>	<u>19,374</u>
<b>Company</b>				
Borrowings	767	814	1,545	1,640
Finance cost on lease liability	68	116	162	251
	<u>835</u>	<u>930</u>	<u>1,707</u>	<u>1,891</u>

### 24. Non-interest income

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b>Group</b>				
<b>Fee income:</b>				
Underwriting fees	-	-	-	459
Management fees	592	1,592	934	3,512
Corporate advisory fees	1,253	980	1,773	1,303
Brokerage fees	1,408	1,451	2,671	4,163
Income from Government Scheme Funds	985	492	1,955	900
Other fees	1,622	1,117	3,676	2,377
	<u>5,860</u>	<u>5,632</u>	<u>11,009</u>	<u>12,714</u>
<b>Investment income:</b>				
Net realised loss on sales of financial investments at:				
- FVTPL	(410)	(5,590)	(405)	(7,869)
- FVOCI	(64)	6	65	11
- Amortised cost	-	-	-	630
Net unrealised gain on revaluation of financial assets at FVTPL	74	2,103	174	2,728
Net unrealised (loss)/gain on revaluation of derivative instruments	(760)	4,010	(2,361)	6,825
	<u>(1,160)</u>	<u>529</u>	<u>(2,527)</u>	<u>2,325</u>
<b>Other income:</b>				
Rental from:				
- Office premises	56	246	114	300
Gain on disposal of PPE	90	10	90	10
Insurance commissions	(4)	1	(2)	5
Others	180	183	362	686
	<u>322</u>	<u>440</u>	<u>564</u>	<u>1,001</u>
Total non-interest income	<u>5,022</u>	<u>6,601</u>	<u>9,046</u>	<u>16,040</u>

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

<b><u>Company</u></b>	<b>Individual Quarter 3 Months Ended</b>		<b>Cumulative Quarter 6 Months Ended</b>	
	<b>30 June 2023 RM'000</b>	<b>30 June 2022 RM'000</b>	<b>30 June 2023 RM'000</b>	<b>30 June 2022 RM'000</b>
<b>Fee income:</b>				
Management fees	6,651	7,232	13,037	14,508
Income from Government Scheme Funds	985	492	1,955	900
	<u>7,636</u>	<u>7,724</u>	<u>14,992</u>	<u>15,408</u>
<b>Investment income:</b>				
Net realised loss on sales of financial assets at FVTPL	(410)	(5,590)	(405)	(7,869)
Net unrealised gain on revaluation of financial assets at FVTPL	-	1,960	-	2,499
	<u>(410)</u>	<u>(3,630)</u>	<u>(405)</u>	<u>(5,370)</u>
<b>Gross dividend income:</b>				
Subsidiaries	-	-	100,000	-
	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
<b>Other income:</b>				
Rental from:				
- Office premises	702	892	1,406	1,592
Gain on disposal of PPE	90	10	90	10
Insurance commissions	(4)	1	(2)	5
Others	43	-	85	46
	<u>831</u>	<u>903</u>	<u>1,579</u>	<u>1,653</u>
Total non-interest income	<u>8,057</u>	<u>4,997</u>	<u>116,166</u>	<u>11,691</u>

**25. Operating expenses**

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b>Group</b>				
<b>Personnel costs</b>				
Wages, salaries and bonuses	26,607	24,958	52,573	49,114
Employee benefits:				
Current period	261	253	523	509
Social security costs	150	120	298	238
Defined contribution plan	4,292	4,020	8,402	7,822
Other staff related expenses	3,670	3,145	7,790	5,551
	<u>34,980</u>	<u>32,496</u>	<u>69,586</u>	<u>63,234</u>
<b>Establishment costs</b>				
Depreciation	3,752	3,293	7,196	6,496
Office rental	106	140	255	276
Equipment rental	12	11	20	45
IT expenses	2,559	3,258	6,003	7,196
Others	616	757	2,575	1,449
	<u>7,045</u>	<u>7,459</u>	<u>16,049</u>	<u>15,462</u>
<b>Promotion and marketing-related expenses</b>				
Business promotion and advertisement	799	944	1,810	1,548
Entertainment	100	62	218	180
	<u>899</u>	<u>1,006</u>	<u>2,028</u>	<u>1,728</u>
<b>General and administrative expenses</b>				
Auditors' remuneration				
- Audit fees	200	170	397	338
Directors' fees and meeting allowances	662	515	1,161	1,173
Communication expenses	209	(29)	297	139
Professional fees	2,148	(2,832)	4,121	1,710
Others	1,149	5,935	2,017	5,633
	<u>4,368</u>	<u>3,759</u>	<u>7,993</u>	<u>8,993</u>
	<u>47,292</u>	<u>44,720</u>	<u>95,656</u>	<u>89,417</u>

**25. Operating expenses (cont'd.)**

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
<b><u>Company</u></b>				
<b>Personnel costs</b>				
Wages, salaries and bonuses	14,114	13,169	27,651	25,773
Employee benefits:				
Current period	194	183	388	367
Social security costs	126	72	250	142
Defined contribution plan	2,361	2,165	4,548	4,178
Other staff related expenses	2,821	2,215	5,687	3,664
	<u>19,616</u>	<u>17,804</u>	<u>38,524</u>	<u>34,124</u>
<b>Establishment costs</b>				
Depreciation	2,978	2,901	5,907	5,740
Office rental	96	117	232	251
Equipment rental	10	11	17	29
IT expenses	559	1,698	1,599	3,627
Others	508	575	2,139	943
	<u>4,151</u>	<u>5,302</u>	<u>9,894</u>	<u>10,590</u>
<b>Promotion and marketing-related expenses</b>				
Business promotion and advertisement	491	429	923	716
Entertainment	8	3	14	10
	<u>499</u>	<u>432</u>	<u>937</u>	<u>726</u>
<b>General and administrative expenses</b>				
Auditors' remuneration				
- Audit fees	92	77	183	154
Directors' fees and meeting allowances	356	286	703	620
Communication expenses	119	53	182	139
Management fees	2,456	2,921	4,905	6,065
Professional fees	4,770	836	6,987	1,602
Others	338	226	552	818
	<u>8,131</u>	<u>4,399</u>	<u>13,512</u>	<u>9,398</u>
	<u>32,397</u>	<u>27,937</u>	<u>62,867</u>	<u>54,838</u>

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
(a) Expected credit loss allowance				
- Made	(1,789)	(1,822)	(5,440)	(7,435)
- Written back	2,119	685	4,478	12,139
(b) Recoveries from impaired loans, advances and financing	359	17	678	118
	<u>689</u>	<u>(1,120)</u>	<u>(284)</u>	<u>4,822</u>

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

<u>Company</u>	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(a) Expected credit loss allowance				
- Made	(2,623)	(933)	(4,094)	(2,060)
- Written back	2,436	685	4,295	1,716
(b) Recoveries from impaired loans, advances and financing	267	(24)	422	66
	<u>80</u>	<u>(272)</u>	<u>623</u>	<u>(278)</u>

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

<u>Group</u>	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Financial investments at FVOCI	(111)	41	(110)	26
Financial investments at amortised cost	(696)	2,892	2,172	2,905
Recoveries from impaired financial investments	-	19	-	19
Bad debts written off	-	-	(2,335)	-
	<u>(807)</u>	<u>2,952</u>	<u>(273)</u>	<u>2,950</u>

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

<u>Group</u>	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Expected credit loss allowance				
- Made	-	(133)	-	(2)
- Written back	401	-	283	74
	<u>401</u>	<u>(133)</u>	<u>283</u>	<u>72</u>

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
<b><u>Company</u></b>				
Expected credit loss allowance				
- Made	-	(6)	-	(2)
- Written back	1	-	2	-
	<u>1</u>	<u>(6)</u>	<u>2</u>	<u>(2)</u>

**29. Basic and diluted earnings per ordinary share**

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
(Loss)/profit for the financial period	(680)	10,675	(2,476)	26,903
Weighted average number of ordinary shares	480,356	480,356	480,356	480,356
Basic and diluted (loss)/earning per ordinary shares	(0.14)	2.22	(0.52)	5.60

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
<b><u>Company</u></b>				
(Loss)/profit for the financial period	(7,495)	(4,728)	85,462	(10,661)
Weighted average number of ordinary shares	480,356	480,356	480,356	480,356
Basic and diluted (loss)/earning per ordinary shares	(1.56)	(0.98)	17.79	(2.22)

### 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		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Investment banking	84,639	81,024	165,503	153,394
Development finance	17,003	14,433	33,486	30,511
Asset management	733	667	1,697	1,568
Investment holding	10,466	10,198	123,497	21,770
Others	212	153	629	250
Subtotal	113,053	106,474	324,812	207,492
Inter-segment elimination	(13,648)	(8,985)	(124,593)	(19,604)
	99,405	97,489	200,219	187,888

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
<b>Segment Profit After Tax</b>				
Investment banking	8,678	16,849	15,506	30,824
Development finance	5,173	3,746	8,787	6,522
Asset management	(1,204)	(841)	(2,566)	(2,332)
Investment holding	(12,662)	(8,474)	76,684	(17,186)
Others	(647)	(437)	(865)	9,232
	(662)	10,843	97,546	27,060
Inter-segment elimination	(20)	(170)	(100,029)	(160)
	(682)	10,673	(2,483)	26,900

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:

<b>Group</b>	<b>As at 30 June 2023</b>			<b>As at 31 December 2022</b>		
	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	15,887	3,177	300,000	18,180	3,636
Other commitments such as formal and credit lines, with original:						
- Maturity not exceeding one year	352,645	70,529	70,529	297,849	59,570	59,570
- Maturity exceeding one year	260,932	130,466	130,466	168,108	84,054	84,054
<b>Total</b>	<b>972,077</b>	<b>275,382</b>	<b>262,672</b>	<b>829,457</b>	<b>225,304</b>	<b>210,760</b>
<b>Company</b>						
Irrevocable commitments to extend credit:						
- Maturity exceeding one year	9,272	4,636	4,636	8,838	4,419	4,419
<b>Total</b>	<b>9,272</b>	<b>4,636</b>	<b>4,636</b>	<b>8,838</b>	<b>4,419</b>	<b>4,419</b>

\* 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:

	<b>Group</b>		<b>Company</b>	
	<b>6 Months Ended</b>		<b>6 Months Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Immediate holding company</b>				
Income:				
Interest income on financial investments	2,485	2,495	-	-
Brokerage fees earned	213	671	-	-
<b>Subsidiaries</b>				
Income:				
Dividend income	-	-	100,000	20,000
Management fees	-	-	13,037	19,350
Expenditures:				
Management fees	-	-	5,341	5,615
<b>Other related companies</b>				
Income:				
Interest income on loans and advances	1,308	1,937	-	-
Fee income	265	144	-	-
Brokerage fees earned	101	566	-	-
Expenditures:				
Interest expense on deposits	972	373	-	-

**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 30 June 2023 RM'000	As at 31 December 2022 RM'000	As at 30 June 2023 RM'000	As at 31 December 2022 RM'000
<b>Immediate holding company</b>				
Amount due from:				
Financial investments	100,000	100,000	-	-
Sundry deposit	1,996	1,579	1,996	1,579
<b>Subsidiaries</b>				
Amount due from:				
Trade receivables	-	-	2,680	6,460
Amount due to:				
Rental deposit received	-	-	649	649
<b>Associate</b>				
Amount due from:				
Trade receivables	-	-	-	1
<b>Other related companies</b>				
Amount due from:				
Loans, advances and financing	100,000	100,000	-	-
Amount due to:				
Deposits from customer	149,924	99,766	-	-
Deposits from placements of banks and other financial institutions	6,500	27,307	-	-
Other payables	319	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 30 June 2023	As at 31 December 2022
(i) Outstanding credit exposures with connected parties	230,493	225,871
(ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	4.48%	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 30 June 2023 RM'000	As at 31 December 2022 RM'000	As at 30 June 2023 RM'000	As at 31 December 2022 RM'000
<b>Tier 1 Capital</b>				
Common Equity Tier 1 ("CET1")				
Capital				
Share capital	879,931	879,931	879,931	879,931
FVOCI reserve	(14,464)	(28,227)	(54,567)	(54,567)
Regulatory reserve	35,312	34,491	-	-
Retained profits	313,161	766,465	(94,678)	355,322
	1,213,940	1,652,660	730,686	1,180,686
Less: Regulatory adjustments	(168,672)	(174,601)	(622,806)	(625,694)
Total CET1 Capital / Tier 1 Capital	1,045,268	1,478,059	107,880	554,992
<b>Tier 2 Capital</b>				
Loss provision and regulatory reserve	39,767	39,179	2,812	3,880
Total Tier 2 capital	39,767	39,179	2,812	3,880
<b>Total Capital</b>	<b>1,085,035</b>	<b>1,517,238</b>	<b>110,692</b>	<b>558,872</b>
<b>Before deducting dividend payment:</b>				
CET 1 Capital	27.131%	38.577%	20.248%	90.800%
Tier 1 Capital	27.131%	38.577%	20.248%	90.800%
Total Capital	28.163%	39.599%	20.776%	91.434%
<b>After deducting dividend payment:</b>				
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 30 June 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 30 June 2023 RM'000	As at 31 December 2022 RM'000	As at 30 June 2023 RM'000	As at 31 December 2022 RM'000
Total risk weighted assets for credit risk	3,181,327	3,134,343	323,579	402,530
Total risk weighted assets for market risk	130,885	168,956	36,398	37,208
Total risk weighted assets for operational risk	540,524	528,171	172,823	171,490
	<u>3,852,736</u>	<u>3,831,470</u>	<u>532,800</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
<b>At 30 June 2023</b>				
<b>Financial assets</b>				
<b>Assets measured at fair value:</b>				
Financial assets at FVTPL				
- Unquoted instruments	-	-	51,025	51,025
- Unit trusts	-	32,265	-	32,265
Financial investments at FVOCI				
Money market instruments	-	1,063,307	-	1,063,307
Unquoted instruments	-	882,032	1,502	883,534
Derivative assets	-	9,418	-	9,418
<b>Assets for which fair value are disclosed:</b>				
Financial investments at amortised cost				
Money market instruments	-	807,972	-	807,972
Unquoted instruments	-	1,540,015	-	1,540,015
Loans, advances and financing				
- Hire purchase	-	4,825	-	4,825
- Staff loans	-	426	-	426
Investment properties				
Residential properties	-	-	6,381	6,381
Office property	-	-	905	905

**35. Fair value hierarchy (cont'd.)**

<b>Group (cont'd.)</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<b>At 31 December 2022</b>				
<b>Financial assets</b>				
<b>Assets measured at fair value:</b>				
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
<b>Liability measured at fair value</b>				
Derivative assets	-	11,778	-	11,778
<b>Assets for which fair value are disclosed:</b>				
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
<b>Liability for which fair values are disclosed:</b>				
Borrowings	-	-	184,797	184,797

**35. Fair value hierarchy (cont'd.)**

**Company**

<b>At 30 June 2023</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
Financial assets at FVTPL				
- Unit trusts	-	18,199	-	18,199
Financial investments at FVOCI				
- Unquoted instruments	-	-	124,435	124,435
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- Hire purchase	-	4,825	-	4,825
- Staff loans	-	308	-	308
<b>Liabilities for which fair values are disclosed:</b>				
Borrowings	-	-	159,112	159,112
<b>At 31 December 2022</b>				
<b>Assets measured at fair value:</b>				
Financial assets at FVTPL				
- Unit trusts	-	18,604	-	18,604
Financial investments at FVOCI				
- Unquoted instruments	-	-	138,435	138,435
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- Hire purchase	-	5,628	-	5,628
- Staff loans	-	312	-	312
<b>Liabilities for which fair values are disclosed:</b>				
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:

<b>Group</b>	<b>Financial investments at FVOCI RM'000</b>	<b>Financial asset at FVTPL RM'000</b>	<b>Total RM'000</b>
<b>At 30 June 2023</b>			
At 1 January/30 June 2023	1,502	51,025	52,527
<b>At 31 December 2022</b>			
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

<b>Company</b>	<b>Financial investments at FVOCI RM'000</b>	<b>Financial asset at FVTPL RM'000</b>	<b>Total RM'000</b>
<b>At 30 June 2023</b>			
At 1 January 2023	138,435	-	138,435
Addition	4,000	-	4,000
Redemption*	(18,000)	-	(18,000)
At 30 June 2023	124,435	-	124,435
<b>At 31 December 2022</b>			
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 redemption of redeemable preference shares of a subsidiary of the Company.

### 36. Operations of Islamic Banking Business

The state of affairs at 30 June 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 30 JUNE 2023

	Note	Group		Company	
		30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
<b>ASSETS</b>					
Cash and short-term funds	(f)	438,242	532,335	113,361	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)	1,700,197	1,682,322	-	-
Financial investments at amortised cost	(j)	2,097,681	2,189,606	-	-
Financing and advances	(k)	813,498	801,612	47,657	52,012
Other assets	(l)	121,906	120,134	66,379	70,107
Deferred tax assets		7,011	11,450	865	1,223
<b>TOTAL ASSETS</b>		<b>5,220,235</b>	<b>5,379,159</b>	<b>269,962</b>	<b>253,116</b>
<b>LIABILITIES</b>					
Deposits from customers	(m)	3,204,161	3,279,209	-	-
Deposits and placements of banks and other financial institutions	(n)	851,619	931,931	-	-
Borrowings and government grant	(o)	116,000	116,000	116,000	116,000
Other liabilities	(p)	249,766	204,532	61,155	36,528
Provision for taxation and zakat		2,569	1,902	895	652
<b>TOTAL LIABILITIES</b>		<b>4,424,115</b>	<b>4,533,574</b>	<b>178,050</b>	<b>153,180</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>					
Funds allocated from Head Office		501,600	501,600	75,000	75,000
Reserves		294,520	343,985	16,912	24,936
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>796,120</b>	<b>845,585</b>	<b>91,912</b>	<b>99,936</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>5,220,235</b>	<b>5,379,159</b>	<b>269,962</b>	<b>253,116</b>



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

(b) CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD  
ENDED 30 JUNE 2023

<u>Group</u>	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Income derived from investment of depositors' funds and others	(q)	44,714	45,520	91,293	83,220
Income derived from investment of Islamic Banking funds	(r)	25,535	21,757	46,915	44,355
ECL allowances written back/ (made)					
- financing and advances	(s)	1,080	(789)	(1,283)	(5,762)
- financial investments	(t)	(647)	1,905	(631)	1,794
- other assets	(u)	59	150	(27)	347
<b>Total attributable income</b>		<u>70,741</u>	<u>68,543</u>	<u>136,267</u>	<u>123,954</u>
Income attributable to depositors	(v)	<u>(36,603)</u>	<u>(28,528)</u>	<u>(70,871)</u>	<u>(48,979)</u>
<b>Total net income</b>		<u>34,138</u>	<u>40,015</u>	<u>65,396</u>	<u>74,975</u>
Other operating expenses		<u>(16,330)</u>	<u>(13,816)</u>	<u>(33,236)</u>	<u>(30,257)</u>
<b>Profit before taxation and zakat</b>		<u>17,808</u>	<u>26,199</u>	<u>32,160</u>	<u>44,718</u>
Taxation		<u>(3,185)</u>	<u>(4,990)</u>	<u>(5,981)</u>	<u>(8,379)</u>
Zakat		<u>(372)</u>	<u>(752)</u>	<u>(667)</u>	<u>(1,330)</u>
<b>Profit for the financial period</b>		<u>14,251</u>	<u>20,457</u>	<u>25,512</u>	<u>35,009</u>
 <u>Company</u>					
Income derived from investment of Islamic Banking funds	(r)	15,675	15,076	30,008	29,129
ECL allowances written back/ (made)					
- financing and advances	(s)	323	258	(145)	(562)
- other assets	(u)	-	(6)	2	(3)
<b>Total attributable income</b>		<u>15,998</u>	<u>15,328</u>	<u>29,865</u>	<u>28,564</u>
Other operating expenses		<u>(9,639)</u>	<u>(9,576)</u>	<u>(19,748)</u>	<u>(18,716)</u>
<b>Profit before taxation and zakat</b>		<u>6,359</u>	<u>5,752</u>	<u>10,117</u>	<u>9,848</u>
Taxation		<u>(371)</u>	<u>(332)</u>	<u>(358)</u>	<u>(55)</u>
Zakat		<u>(149)</u>	<u>(144)</u>	<u>(243)</u>	<u>(252)</u>
<b>Profit for the financial period</b>		<u>5,839</u>	<u>5,276</u>	<u>9,516</u>	<u>9,541</u>

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

**(c) CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023**

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b>Group</b>				
<b>Profit for the financial period</b>	14,251	20,457	25,512	35,009
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	119	(38)	121	(23)
Net realised (loss)/income on financial investments at FVOCI				
- Transfer of loss to profit or loss upon disposal	(276)	(1)	(750)	(39)
- Fair value changes	2,061	(15,344)	13,192	(19,126)
Other comprehensive income/(loss) for the period net of tax	1,904	(15,383)	12,563	(19,188)
<b>Other comprehensive income/(loss) for the financial period, net of tax</b>	1,904	(15,383)	12,563	(19,188)
<b>Total comprehensive income for the financial period</b>	16,155	5,074	38,075	15,821

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

**(d) CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED  
30 JUNE 2023**

<b>Group</b>	----- Non-distributable -----			Distributable	
	<b>Islamic banking funds RM'000</b>	<b>Regulatory reserve RM'000</b>	<b>FVOCI reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Total RM'000</b>
At 1 January 2022	486,600	7,385	(14,385)	305,691	785,291
Profit for the financial period	-	-	-	35,009	35,009
Other comprehensive loss for the financial period	-	-	(19,188)	-	(19,188)
Total comprehensive (loss)/income for the financial period	-	-	(19,188)	35,009	15,821
Transfer to regulatory reserve	-	9,138	-	(9,138)	-
At 30 June 2022	<u>486,600</u>	<u>16,523</u>	<u>(33,573)</u>	<u>331,562</u>	<u>801,112</u>
At 1 January 2023	501,600	19,957	(26,498)	350,526	845,585
Profit for the financial period	-	-	-	25,512	25,512
Other comprehensive income for the financial period	-	-	12,563	-	12,563
Total comprehensive income for the financial period	-	-	12,563	25,512	38,075
<b>Transaction with owner</b>					
Dividends	-	-	-	(70,000)	(70,000)
Transfer to regulatory reserve	-	446	-	(446)	-
Allocation to Head Office	-	-	-	(17,540)	(17,540)
At 30 June 2023	<u>501,600</u>	<u>20,403</u>	<u>(13,935)</u>	<u>288,052</u>	<u>796,120</u>

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

**(d) CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED  
 30 JUNE 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	14,763	74,763
Total comprehensive income for the financial period	-	9,541	9,541
At 30 June 2022	<u>60,000</u>	<u>24,304</u>	<u>84,304</u>
At 1 January 2023	75,000	24,936	99,936
Total comprehensive income for the financial period	-	9,516	9,516
Allocation to Head Office	-	(17,540)	(17,540)
At 30 June 2023	<u>75,000</u>	<u>16,912</u>	<u>91,912</u>

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

**(e) CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED  
30 JUNE 2023**

	Group		Company	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b>Profit before taxation and zakat</b>	32,160	44,718	10,117	9,848
Adjustments for non-cash items	7,179	7,659	(268)	(631)
Operating profit before changes in working capital	39,339	52,377	9,849	9,217
<b>Changes in working capital:</b>				
Net changes in operating assets	59,922	(203,948)	4,039	(14,095)
Net changes in operating liabilities	(105,501)	141,774	29,252	6,420
Tax and zakat paid	(313)	(3,413)	(313)	(3,413)
<b>Net cash (used in)/generated from operating activities</b>	(6,553)	(13,210)	42,827	(1,871)
<b>Net cash used in financing activities</b>	(87,540)	-	(17,540)	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	(94,093)	(13,210)	25,287	(1,871)
Cash and cash equivalents at beginning of the period	574,035	486,573	129,774	148,401
<b>Cash and cash equivalents at end of the financial period</b>	479,942	473,363	155,061	146,530

Cash and cash equivalents comprise:

	Group		Company	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Cash and short-term funds	438,242	431,663	113,361	104,830
Deposits and placements	41,700	41,700	41,700	41,700
	479,942	473,363	155,061	146,530

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

**(f) Cash and short-term funds**

	Group		Company	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Cash and bank balances	20,742	25,435	861	7,674
Money at call and deposit placements maturing within one month	417,500	506,900	112,500	80,400
	<u>438,242</u>	<u>532,335</u>	<u>113,361</u>	<u>88,074</u>

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

	Group and Company	
	30 June 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	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 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	
	30 June 2023 RM'000	31 December 2022 RM'000
<b>At fair value</b>		
Money market instruments:		
Government Investment Issues	754,011	1,221,548
Islamic Negotiable Instruments	198,701	-
	<u>952,712</u>	<u>1,221,548</u>
Unquoted instruments:		
Corporate Sukuk	747,485	460,774
	<u>1,700,197</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:

<b>Expected credit loss allowance</b>	<b>Stage 1 Collective RM'000</b>	<b>Stage 3 Individual RM'000</b>	<b>Total RM'000</b>
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	121	-	121
At 30 June 2023	<u>306</u>	<u>8,112</u>	<u>8,418</u>

There was no Stage 2 exposure as of 30 June 2023 and 31 December 2022.

**(j) Financial investments at amortised costs**

	<b>Group</b>	
	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Money market instruments:		
Government Investment Issues	732,217	733,141
Unquoted instruments:		
Corporate Sukuk	1,366,367	1,456,858
Less: ECL allowance	<u>(903)</u>	<u>(393)</u>
	<u>2,097,681</u>	<u>2,189,606</u>

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

<b>Expected credit loss allowance</b>	<b>Stage 1 Collective RM'000</b>	<b>Stage 2 Individual RM'000</b>	<b>Total RM'000</b>
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
Impairment made	510	-	510
At 30 June 2023	<u>903</u>	<u>-</u>	<u>903</u>

There was no Stage 3 exposure as at 30 June 2023 and 31 December 2022.

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

**(k) Financing and advances**

	Group		Company	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Term financing				
Syndicated term financing	420,852	492,928	-	-
Islamic hire purchase/leasing	5,784	6,802	5,784	6,802
Other term financing	481,052	397,284	56,427	61,413
Staff financing	29	23	-	-
	<u>907,717</u>	<u>897,037</u>	<u>62,211</u>	<u>68,215</u>
Less: Unearned income	(6,144)	(7,398)	(6,144)	(7,398)
Gross financing and advances	<u>901,573</u>	<u>889,639</u>	<u>56,067</u>	<u>60,817</u>
Less: Expected credit losses allowance	(88,075)	(88,027)	(8,410)	(8,805)
Total net financing and advances	<u>813,498</u>	<u>801,612</u>	<u>47,657</u>	<u>52,012</u>

**(i) By contract**

**Group**

	Sale-based		Lease-based Al-Ijarah RM'000	Total financing and advances RM'000
	Commodity RM'000	Bai Bithaman RM'000		
<b>30 June 2023</b>				
Syndicated term financing	845,477	-	-	845,477
Deferred payment sales	-	50,925	-	50,925
Staff financing	29	-	-	29
Finance lease	-	-	5,142	5,142
	<u>845,506</u>	<u>50,925</u>	<u>5,142</u>	<u>901,573</u>

**31 December 2022**

	Sale-based		Lease-based Al-Ijarah RM'000	Total financing and advances RM'000
	Commodity RM'000	Bai Bithaman 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
<b>30 June 2023</b>			
Deferred payment sales	50,925	-	50,925
Finance lease	-	5,142	5,142
	50,925	5,142	56,067
<b>31 December 2022</b>			
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	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Domestic other non-bank financial institutions	41,580	44,988	-	-
Domestic business enterprises	859,964	844,628	56,067	60,817
Individual	29	23	-	-
	901,573	889,639	56,067	60,817

**(iii) By profit rate sensitivity**

	Group		Company	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Variable rate				
Cost-plus	845,477	828,799	-	-
Fixed rate				
Staff financing	29	23	-	-
Al-Ijarah Thumma Al-Bai (finance lease)	5,142	6,068	5,142	6,068
Bai Bithaman Ajil (deferred payment sales)	50,925	54,749	50,925	54,749
	901,573	889,639	56,067	60,817

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

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

**(iv) By economic sector**

	Group		Company	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Finance, insurance and business services	317,495	324,721	8,968	9,844
Education, health and others	99,754	96,597	-	-
Construction	100,379	100,355	-	-
Mining and quarrying	48,500	49,000	-	-
Electricity, gas and water supply	75,350	70,311	-	-
Wholesale and retail trade and restaurants and hotels	48,986	45,093	33,253	34,802
Manufacturing	55,294	54,029	261	293
Transport, storage and communications	152,719	144,568	10,518	10,936
Household	3,096	4,965	3,067	4,942
	<u>901,573</u>	<u>889,639</u>	<u>56,067</u>	<u>60,817</u>

**(v) By residual contractual maturity**

	Group		Company	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Within one year	309,203	292,379	19,352	14,804
One year to five years	456,747	459,510	17,204	18,497
After five years	135,623	137,750	19,511	27,516
	<u>901,574</u>	<u>889,639</u>	<u>56,067</u>	<u>60,817</u>

**(vi) Impaired financing and advances by economic sector**

	Group		Company	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Mining and quarrying	48,500	49,000	-	-
Manufacturing	175	195	175	195
Wholesale and retail trade and restaurants and hotels	8,325	5,492	8,325	5,492
Transport, storage and communications	3,078	3,557	3,078	3,557
Finance, insurance and business services	85,609	84,684	3,859	2,934
Others	-	428	-	428
	<u>145,687</u>	<u>143,356</u>	<u>15,437</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	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
At 1 January	143,356	90,787	12,606	9,037
Impaired	4,116	58,888	4,116	3,888
Amount written off	(427)	-	(427)	-
Amount recovered	(1,358)	(6,319)	(858)	(319)
At 30 June/31 December	145,687	143,356	15,437	12,606
Less: ECL allowance	(80,643)	(80,309)	(5,121)	(4,945)
Net impaired financing and advances	65,044	63,047	10,316	7,661
As % of gross financing and advances less ECL allowance	7.92%	7.79%	20.25%	13.71%

**Expected credit loss allowance**

	Stage 1 Collective RM'000	Stage 2 Individual RM'000	Stage 3 Individual RM'000	Total RM'000
<b>Group</b>				
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	655	-	-	655
Impairment made	-	2,271	(1,467)	804
Written back	(370)	(166)	(210)	(746)
Amount written off	-	-	(427)	(427)
Discount unwind	-	-	(238)	(238)
At 30 June 2023	4,695	5,413	77,967	88,075
<b>Company</b>				
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	-	2,271	(1,625)	646
Written back	-	(166)	(210)	(376)
Amount written off	-	-	(427)	(427)
Discount unwind	-	-	(238)	(238)
At 30 June 2023	552	5,413	2,445	8,410

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

**(i) Other assets**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Profit receivables	36,135	39,726	249	230
Other debtors, deposits and prepayment	22,200	5,661	20,431	4,193
Less: ECL allowance (i)	<u>(1,093)</u>	<u>(1,066)</u>	<u>(2)</u>	<u>(4)</u>
	21,107	4,595	20,428	4,189
Amount due from MITI (SLSSS)	11,413	10,421	11,413	10,421
Amount due from MIDF DFD Conventional	13,719	29,248	13,719	29,248
Amount due from Government Scheme Funds	-	5,762	-	5,762
Amount due from brokers and clients	14,002	8,309	-	-
Amount due from immediate holding companies	4,960	1,816	-	-
Tax recoverable	20,570	20,257	20,570	20,257
	<u>121,906</u>	<u>120,134</u>	<u>66,379</u>	<u>70,107</u>

(i) Other debtors, deposits and prepayments

Movement in ECL allowance

	<b>Group</b>	
	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
At 1 January	1,066	3,147
Impairment made	29	-
Written back	(2)	(743)
Written off	-	(1,338)
At 30 June/31 December	<u>1,093</u>	<u>1,066</u>

  

	<b>Company</b>	
	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
At 1 January	4	6
Written back	(2)	(2)
At 30 June/31 December	<u>2</u>	<u>4</u>

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

**(m) Deposits from customers**

	<b>Group</b>	
	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
<b>(i) By type of deposit</b>		
<b>Commodity murabahah fund</b>		
Term deposits	<u>3,204,161</u>	<u>3,279,209</u>
<b>(ii) By type of customers</b>		
<b>Commodity murabahah fund</b>		
Business enterprises	1,346,051	1,388,711
Government and statutory bodies	<u>1,858,110</u>	<u>1,890,498</u>
	<u>3,204,161</u>	<u>3,279,209</u>
<b>(iii) Maturity structure of term deposits</b>		
Due within six months	3,042,159	3,196,649
Six months to one year	162,002	82,560
	<u>3,204,161</u>	<u>3,279,209</u>

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

	<b>Group</b>	
	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
<b>(i) By type of deposits</b>		
<b>Commodity murabahah fund</b>		
Term deposits	<u>851,619</u>	<u>931,931</u>
<b>(ii) By type of customers</b>		
<b>Commodity Murabahah Fund</b>		
Other financial institutions	<u>851,619</u>	<u>931,931</u>

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

**(o) Borrowings and government grant**

	<b>Group and Company</b>	
	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
<b>Borrowings</b>		
Loan from MITI	96,069	93,753
	<u>96,069</u>	<u>93,753</u>
<b>Government grant</b>		
Loan from MITI	19,931	22,247
	<u>19,931</u>	<u>22,247</u>
<b>Total borrowings and government grant</b>	<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")

	<b>Group and Company</b>	
	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
<b>Borrowing</b>		
At 1 January	93,753	125,018
Repayment	-	(32,000)
Profit expense*	2,316	735
At 31 December	<u>96,069</u>	<u>93,753</u>
<b>Government grant</b>		
At 1 January	22,247	22,982
Amortisation*	(2,316)	(735)
At 31 December	<u>19,931</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 30 June 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	
		30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Profit payable		49,052	48,345	35,830	34,278
Sundry creditors and accruals		31,358	22,418	2,189	2,176
Amount due to brokers and clients		13,942	8,293	-	-
Amount due to Government Scheme Funds		23,064	-	23,064	-
ECL allowance on financing and advances and financial investments commitments	(i)	1,182	489	72	74
Amount due to head office		131,168	124,987	-	-
		<u>249,766</u>	<u>204,532</u>	<u>61,155</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	(655)	-	(655)
Impairment made	1,355	-	1,355
Written back	(7)	-	(7)
At 30 June 2023	<u>1,182</u>	<u>-</u>	<u>1,182</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
Written back	(2)	(2)
At 30 June 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:

<b>Group</b>	<b>Individual Quarter 3 Months Ended</b>		<b>Cumulative Quarter 6 Months Ended</b>	
	<b>30 June 2023 RM'000</b>	<b>30 June 2022 RM'000</b>	<b>30 June 2023 RM'000</b>	<b>30 June 2022 RM'000</b>
<b>Finance income and hibah</b>				
Financing and advances	9,588	5,890	19,258	12,220
Money at call placements				
with financial and deposit institutions	2,352	1,360	3,552	3,340
Financial investments at FVOCI				
-Profit on non-impaired instruments	13,946	16,630	28,426	33,600
Financial investments at amortised cost				
-Profit on non-impaired instruments	20,887	23,640	41,627	38,770
-(Loss)/profit on impaired instruments	(5)	-	3,515	-
	<u>46,768</u>	<u>47,520</u>	<u>96,378</u>	<u>87,930</u>
Accretion of discounts less amortisation of premiums	(2,336)	(2,010)	(5,796)	(5,080)
Total finance income and hibah	<u>44,432</u>	<u>45,510</u>	<u>90,582</u>	<u>82,850</u>
<b>Other operating income</b>				
Net gain on sale of financial investments at FVOCI	246	10	675	40
Net gain on sale of financial investments at FVTPL	-	-	-	330
Net gain on sale of financial investments at amortised cost	36	-	36	-
	<u>282</u>	<u>10</u>	<u>711</u>	<u>370</u>
	<u>44,714</u>	<u>45,520</u>	<u>91,293</u>	<u>83,220</u>



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

**(r) Income derived from investment of Islamic Banking funds**

**Islamic Banking funds**

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
<b>Finance income and hibah</b>				
Financing and advances	1,678	1,195	3,339	2,535
Money at call and deposit placements with financial institutions	336	169	524	419
Financial investments at FVOCI				
-Profit on non-impaired instruments	1,545	1,847	3,159	3,738
Financial investments at amortised cost				
-Profit on non-impaired instruments	2,322	2,617	4,625	4,303
-Profit on impaired instruments	5	-	391	-
	<u>5,886</u>	<u>5,828</u>	<u>12,038</u>	<u>10,995</u>
Accretion of discounts				
less amortisation of premiums	(254)	(221)	(643)	(560)
Total finance income and hibah	<u>5,632</u>	<u>5,607</u>	<u>11,395</u>	<u>10,435</u>
<b>Other operating income</b>				
Net gain on sale of financial investments at FVTPL	-	-	-	33
Net gain/ (loss) on sale of financial investments at FVOCI	30	(9)	75	(1)
Net gain on sale of financial investments at amortised cost	4	4	4	4
	<u>34</u>	<u>(5)</u>	<u>79</u>	<u>36</u>
<b>Fees and others</b>				
Management fee from Government Scheme Funds	14,605	14,143	28,021	27,229
Fee income	4,903	1,581	6,772	5,920
Other income	361	431	648	735
	<u>19,869</u>	<u>16,155</u>	<u>35,441</u>	<u>33,884</u>
	<u>25,535</u>	<u>21,757</u>	<u>46,915</u>	<u>44,355</u>

<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
<b>Finance income and hibah</b>				
Financing and advances	615	534	1,199	1,175
Money at call and deposit placements with financial institutions	80	18	130	46
	<u>695</u>	<u>552</u>	<u>1,329</u>	<u>1,221</u>
<b>Fees and others</b>				
Management fee from Government Scheme Funds	14,605	14,143	28,021	27,229
Fee income	17	7	30	18
Other income	358	374	628	661
	<u>14,980</u>	<u>14,524</u>	<u>28,679</u>	<u>27,908</u>
	<u>15,675</u>	<u>15,076</u>	<u>30,008</u>	<u>29,129</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		Cumulative Quarter 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Expected credit loss				
- Impairment made	(1,283)	(1,359)	(4,081)	(6,611)
- Written back	2,297	506	2,673	783
Recoveries from impaired financing and advances	66	64	125	66
	<u>1,080</u>	<u>(789)</u>	<u>(1,283)</u>	<u>(5,762)</u>
<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Expected credit loss				
- Impairment made	(2,040)	(312)	(2,943)	(1,411)
- Written back	2,297	506	2,673	783
Profit on impaired financing recovered	66	64	125	66
	<u>323</u>	<u>258</u>	<u>(145)</u>	<u>(562)</u>

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

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Financial investments at FVOCI	(119)	38	(121)	23
Financial investments at amortised cost	(528)	1,867	(510)	1,771
	<u>(647)</u>	<u>1,905</u>	<u>(631)</u>	<u>1,794</u>

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

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Other assets				
- Impairment made	-	(3)	(29)	(3)
- Written back	59	153	2	350
	<u>59</u>	<u>150</u>	<u>(27)</u>	<u>347</u>
<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Other assets				
- Made	-	(3)	-	(3)
- Written back	-	(3)	2	-
	<u>-</u>	<u>(6)</u>	<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		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
<b>Commodity Fund</b>				
Deposits from customers	29,190	19,854	56,035	40,305
Deposits and placements of banks and financial institutions	7,413	8,674	14,836	8,674
	<u>36,603</u>	<u>28,528</u>	<u>70,871</u>	<u>48,979</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		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	44,714	45,520	91,293	83,220
Income derived from investment of Islamic Banking funds	25,535	21,757	46,915	44,355
Less: Income attributable to depositors	(36,603)	(28,528)	(70,871)	(48,979)
	<u>33,646</u>	<u>38,749</u>	<u>67,337</u>	<u>78,596</u>

<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of Islamic Banking funds	15,675	15,076	30,008	29,129

**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	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
<b>Common Equity Tier 1 (CET1)</b>				
Islamic capital fund	501,600	501,600	75,000	75,000
Regulatory reserve	20,403	19,957	-	-
FVOCI reserve	(13,935)	(26,498)	-	-
Retained profits	262,540	350,526	7,396	24,936
	<u>770,608</u>	<u>845,585</u>	<u>82,396</u>	<u>99,936</u>
Less:				
Regulatory adjustments	(42,864)	(46,528)	(16,315)	(16,344)
<b>Total Tier-1 capital</b>	<u><b>727,744</b></u>	<u><b>799,057</b></u>	<u><b>66,081</b></u>	<u><b>83,592</b></u>
<b>Tier 2 Capital</b>				
Loss provision and regulatory reserve	20,690	19,861	1,870	1,922
<b>Total Tier-2 capital</b>	<u>20,690</u>	<u>19,861</u>	<u>1,870</u>	<u>1,922</u>
<b>Total capital</b>	<u><b>748,434</b></u>	<u><b>818,918</b></u>	<u><b>67,951</b></u>	<u><b>85,514</b></u>
CET1 Capital	36.897%	42.117%	25.680%	32.542%
Tier 1 Capital	36.897%	42.117%	25.680%	32.542%
Total Capital	37.946%	43.163%	26.406%	33.290%

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

	Group		Company	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Total risk weighted assets for credit risk	1,655,220	1,588,910	149,588	153,738
Total risk weighted assets for operational risk	317,140	308,341	107,739	103,138
	<u>1,972,360</u>	<u>1,897,251</u>	<u>257,327</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 30 June 2023, as set out on pages 1 to 59, 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 30 June 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: 31 July 2023**