

Unaudited Interim Financial Statements

Condensed consolidated statements of financial position
As at 30 June 2023

	Note	Group		Bank	
		30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Assets					
Cash and short-term funds	11	356,793	468,059	322,597	438,107
Financial assets at fair value through profit or loss ("FVTPL")	12	51,025	51,025	51,025	51,025
Financial investments at fair value through other comprehensive income ("FVOCI")	13	1,946,839	1,988,301	1,946,839	1,988,301
Financial investments at amortised cost	14	2,347,759	2,497,223	2,347,759	2,497,223
Loans, advances and financing	15	1,702,965	1,620,093	1,702,965	1,620,093
Derivative assets	19	9,418	11,778	9,418	11,778
Other assets	16	90,784	112,514	124,666	142,293
Statutory deposits with Bank Negara Malaysia		102,088	113,363	102,088	113,363
Investment in subsidiaries		-	-	-*	-*
Property, plant and equipment		1,166	106	1,166	106
Intangible assets		7,528	4,683	7,528	4,683
Right-of-use asset		1,066	2,132	1,066	2,132
Deferred tax assets		8,488	14,943	8,488	14,943
Total assets		6,625,919	6,884,220	6,625,605	6,884,047
Liabilities					
Deposits from customers	17	4,391,064	4,393,911	4,391,064	4,393,911
Deposits and placements of bank and other financial institutions	18	1,302,997	1,458,966	1,302,997	1,458,966
Other liabilities	20	66,851	94,957	66,836	94,950
Lease liabilities		1,115	2,200	1,115	2,200
Provision for taxation and zakat		1,690	1,253	1,674	1,250
Total liabilities		5,763,717	5,951,287	5,763,686	5,951,277
Equity					
Share capital		369,111	369,111	369,111	369,111
Reserves		493,091	563,822	492,808	563,659
Total equity		862,202	932,933	861,919	932,770
Total liabilities and equity		6,625,919	6,884,220	6,625,605	6,884,047
Commitments and contingencies	29	962,805	820,619	962,805	820,619

* Denotes RM4

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2022.

Unaudited Interim Financial Statements

Consolidated statements of profit or loss
For the six months ended 30 June 2023

Group	Note	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
Operating revenue		84,688	81,247	165,622	153,967
Interest income	21	26,582	21,361	51,445	39,255
Interest expense	22	(14,054)	(10,594)	(26,885)	(17,555)
Net interest income		12,528	10,767	24,560	21,700
Net income from Islamic Banking operation	34(p)	17,971	23,673	37,329	49,467
Non-interest income	23	3,532	7,685	6,031	16,350
		34,031	42,125	67,920	87,517
Operating expenses	24	(22,644)	(21,240)	(45,370)	(43,024)
Operating profit before allowances		11,387	20,885	22,550	44,493
Impairment loss written back/ (made) on:					
- loans, advances and financing	25	839	(889)	(1,011)	(5,123)
- financial investments	26	(807)	2,952	(273)	2,950
- other assets	27	400	(127)	281	74
Profit before taxation and zakat		11,819	22,821	21,547	42,394
Taxation		(2,918)	(5,364)	(5,617)	(10,492)
Zakat		(223)	(608)	(424)	(1,078)
Profit for the period attributable to equity holder of the Bank		8,678	16,849	15,506	30,824
Earnings per ordinary share (sen)					
- Basic and diluted	28	5.60	10.87	10.00	19.89

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2022.

Unaudited Interim Financial Statements

Consolidated statements of comprehensive income
For the six months ended 30 June 2023

Group	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
Profit for the period attributable to equity holder of the Bank	8,678	16,849	15,506	30,824
Other comprehensive (loss)/ income to be reclassified to profit or loss in subsequent periods:				
Changes in allowance for expected credit loss ("ECL") on financial investments at FVOCI	111	(41)	110	(26)
Net gain/(loss) 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 period, net of tax	2,038	(17,201)	13,763	(21,470)
Total comprehensive income/(loss) for the period attributable to equity holder of Bank	10,716	(352)	29,269	9,354

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2022.

Unaudited Interim Financial Statements

Consolidated statements of profit or loss
For the six months ended 30 June 2023

Bank	Note	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
Operating revenue		84,620	81,194	165,454	153,876
Interest income	21	26,582	21,361	51,445	39,255
Interest expense	22	(14,054)	(10,594)	(26,885)	(17,555)
Net interest income		12,528	10,767	24,560	21,700
Net income from Islamic Banking operation	34(p)	17,971	23,673	37,329	49,467
Non-interest income	23	3,464	7,632	5,863	16,259
		33,963	42,072	67,752	87,426
Operating expenses	24	(22,639)	(21,235)	(45,360)	(43,014)
Operating profit before allowances		11,324	20,837	22,392	44,412
Impairment loss written back/ (made) on:					
- loans, advances and financing	25	839	(889)	(1,011)	(5,123)
- financial investments	26	(807)	2,952	(273)	2,950
- other assets	27	400	(127)	281	74
Profit before taxation and zakat		11,756	22,773	21,389	42,313
Taxation		(2,902)	(5,352)	(5,579)	(10,473)
Zakat		(223)	(608)	(424)	(1,078)
Profit for the period attributable to equity holder of the Bank		8,631	16,813	15,386	30,762

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2022.

Unaudited Interim Financial Statements

Consolidated statements of comprehensive income
For the six months ended 30 June 2023

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June	30 June	30 June	30 June
	2023	2022	2023	2022
Bank	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to equity holder of the Bank	8,631	16,813	15,386	30,762
Other comprehensive (loss)/ income to be reclassified to profit or loss in subsequent periods:				
Changes in allowance for expected credit loss ("ECL")	111	(41)	110	(26)
Net gain/(loss) 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 period, net of tax	2,038	(17,201)	13,763	(21,470)
Total comprehensive income/(loss) for the period attributable to equity holder of Bank	10,669	(388)	29,149	9,292

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2022.

Unaudited Interim Financial Statements

Consolidated statements of changes in equity
For the six months ended 30 June 2023

Group	<----- Non-distributable ----->			Distributable	Total RM'000
	Share capital RM'000	Regulatory reserve# RM'000	FVOCI reserve^ RM'000	Retained profits RM'000	
At 1 January 2023	369,111	34,491	(28,227)	557,558	932,933
Profit for the financial period	-	-	-	15,506	15,506
Other comprehensive income for the period	-	-	13,763	-	13,763
Total comprehensive income for the period	-	-	13,763	15,506	29,269
Transactions with owner					
Transfer to regulatory reserve	-	821	-	(821)	-
Dividend (Note 7)	-	-	-	(100,000)	(100,000)
At 30 June 2023	369,111	35,312	(14,464)	472,243	862,202
At 1 January 2022	369,111	18,485	(14,721)	502,456	875,331
Profit for the financial period	-	-	-	30,824	30,824
Other comprehensive loss for the period	-	-	(21,470)	-	(21,470)
Total comprehensive income for the period	-	-	(21,470)	30,824	9,354
Transactions with owner					
Transfer to regulatory reserve	-	9,128	-	(9,128)	-
At 30 June 2022	369,111	27,613	(36,191)	524,152	884,685

The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Bank is required to maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of total exposures, net of loss allowance for credit-impaired exposures.

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

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2022.

Unaudited Interim Financial Statements

Consolidated statements of changes in equity
For the six months ended 30 June 2023 (cont'd.)

Bank	Non-distributable			Distributable	Total RM'000
	Share capital RM'000	Regulatory reserve# RM'000	FVOCI reserve^ RM'000	Retained profits RM'000	
At 1 January 2023	369,111	34,491	(28,227)	557,395	932,770
Profit for the financial period	-	-	-	15,386	15,386
Other comprehensive income for the period	-	-	13,763	-	13,763
Total comprehensive income for the period	-	-	13,763	15,386	29,149
Transactions with owner					
Transfer to regulatory reserve	-	821	-	(821)	-
Dividend (Note 7)	-	-	-	(100,000)	(100,000)
At 30 June 2023	369,111	35,312	(14,464)	471,960	861,919
At 1 January 2022	369,111	18,485	(14,721)	502,435	875,310
Profit for the financial period	-	-	-	30,762	30,762
Other comprehensive loss for the period	-	-	(21,470)	-	(21,470)
Total comprehensive (loss)/ income for the period	-	-	(21,470)	30,762	9,292
Transactions with owner					
Transfer to regulatory reserve	-	9,128	-	(9,128)	-
At 30 June 2022	369,111	27,613	(36,191)	524,069	884,602

The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Bank is required to maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of total exposures, net of loss allowance for credit-impaired exposures.

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

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2022.

Unaudited Interim Financial Statements

Consolidated statements of cash flows
For the six months ended 30 June 2023

	Note	Group		Bank	
		30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Profit before taxation and zakat		21,547	42,394	21,389	42,313
Adjustments for non-cash items		9,306	(475)	9,306	(475)
Operating profit before changes in working capital		30,853	41,919	30,695	41,838
Changes in working capital:					
Net changes in operating assets		149,734	(317,381)	145,669	(334,532)
Net changes in operating liabilities		(186,863)	434,905	(186,884)	435,391
Net cash generated from operating activities		(6,276)	159,443	(10,520)	142,697
Net cash (used in)/generated from investing activities		(4,990)	(199)	(4,990)	(199)
Net cash used in financing activities - Dividend paid		(100,000)	-	(100,000)	-
Net change in cash and cash equivalents		(111,266)	159,244	(115,510)	142,498
Cash and cash equivalents at beginning of the period		468,059	405,764	438,107	390,925
Cash and cash equivalents at end of the period	11	356,793	565,008	322,597	533,423
Cash and cash equivalents comprise of:					
Cash and short-term funds		356,793	565,008	322,597	533,423

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2022.

Unaudited Interim Financial Statements

Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134, Interim Financial Reporting ("MFRS 134"), IAS 34, Guidelines on Financial Reporting and Guidelines on Financial Reporting for Islamic Banking Institutions issued by Bank Negara Malaysia

1. Basis of preparation

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), 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 Bank 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 Bank since the financial year ended 31 December 2022.

2. Significant accounting policies

The accounting policies applied by the Group and the Bank in these condensed interim financial statements are the same as those applied by the Group and the Bank in their financial statements for the year ended 31 December 2022.

2.1 Adoption of Amendments and Annual Improvements to Standards

The Group and the Bank have adopted the following Amendments and Annual Improvements to Standards, with a date of initial application of 1 January 2023.

Description

- 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 Bank.

Unaudited Interim Financial Statements

2. Significant accounting policies (cont'd.)

2.2 Standards issued but not yet effective

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

	Effective for financial periods beginning on or after
Amendments to MFRS 16: <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7: <i>Supplier Finance Agreements</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

3. Comments about seasonal or cyclical factors

The Group's and the Banks's performance is not materially affected by any seasonal or cyclical factors but is affected by the level of activities in the debt instruments and derivatives markets.

4. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 30 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 instruments

There were no changes to the debt and equity instruments for the quarter ended 30 June 2023.

Unaudited Interim Financial Statements

7. Dividend paid/payable

A single-tier interim dividend in respect of the current financial year ended 31 December 2022 of 64.516 sen per share on 155,000,000 ordinary shares, amounting to a net dividend payable of RM100.0 million has been approved by the Board of Directors on 27 October 2022. On 14 February 2023, Bank Negara Malaysia ("BNM") approved this dividend. The dividend was paid on 30 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 and the Bank recorded a lower pre-tax profit of RM11.8 million for the second quarter ended 30 June 2023, as compared to the pre-tax profit of RM22.8 million recorded in the corresponding quarter ended 30 June 2022. The lower profit for the current period is mainly from lower net operating income by RM8.1 million, higher operating expenses by RM1.4 million and lower net impairment loss written back by RM1.5 million.

The pre-tax profit of the Group and the Bank for the six months ended 30 June 2023 amounted to RM21.5 million, a decrease of RM20.8 million or 49.2% as compared to pre-tax profit of RM42.4 million recorded in the previous corresponding quarter ended 30 June 2022. The lower profit for the period is mainly from lower net operating income by RM19.6 million, higher operating expenses by RM2.3 million and lower net impairment loss written back by RM1.1 million.

10. Review for 2023

Malaysia's economic growth moderated to +5.6% year-over-year ("yoy"). Domestic demand remained as the major driver of growth, cushioning the impact of weaker external demand. On quarter-to-quarter ("qoq") basis, Malaysia's seasonally adjusted GDP rebounded and rose by +0.9%qoq, alleviating concerns over overall growth outlook after growth momentum weakened in the final quarter last year (4QCY22: -1.7%qoq). Nevertheless, the quarterly jump which was largely driven by increased consumer spending (+2%qoq) was limited by declines in government spending (-1.7%qoq), fixed investment (-1.4%qoq), and exports (-8.9%qoq) from previous quarter.

Meanwhile, the Leading Index (LI) suggests growth momentum for Malaysia's economy will slow in the near term as the index fell sharper by -2.7%yoy in April 23. In addition, current economic condition remained on moderating trend although the level of activities remained above a year ago as the expansion in Coincident Index (CI) slowed to +2.2%yoy, mainly supported by the growing retail trade volume. Nevertheless, labour market conditions in Malaysia remained favourable as the post-pandemic improvement continued in Apr-23, keeping unemployment rate at pandemic-low 3.5%. On the back of continued rise of +2%yoy in labour force, employment continued expanding +2.5%yoy amid upbeat domestic economic momentum, in contrast to weaker external front.

Unaudited Interim Financial Statements

10. Review for 2023 (cont'd.)

In the equities market, the FBM KLCI, registered a -6.7% year-to-date (“YTD”) decline as of 23 June 2023, but it was stark contrast with the mid-cap index. Notably, FBM70 index moved in tandem with most other markets (except ASEAN) as it posted +3.3%YTD gains over the same period. The heavyweights were bogged down mainly by price underperformance of Financial Services as well as commodity-related Industrial P&S (namely Petronas Chemicals and Press Metal) and Plantation stocks. The former sector was impacted by banking turmoil in the US and Europe while the latter by lower commodity product prices. In addition, foreign funds flow data also suggested that foreigners were buying the mid-cap stocks.

Despite continued ample liquidity in the domestic banking system throughout the second quarter of 2023, stiff competition in the deposit markets remained unabated as many banks were seen still offering high fixed deposit rates as part of their strategies to secure funding to meet the regulatory compliances and attract new clients. Meanwhile, in a surprised move, Bank Negara Malaysia (“BNM”) raised the Overnight Policy Rate (“OPR”) by another 25 basis points (“bps”) to 3.00% on 3 May 2023, citing a need to normalise the monetary accommodation given the economy was resilient and more importantly to combat the persistent inflationary pressures.

Meanwhile, despite higher OPR, there were mixed movements in the benchmark Kuala Lumpur Interbank Offered Rates (“KLIBORs”), where only the 1-month KLIBOR closed the 2Q2023 higher at 3.18% from 2.96% as at end 1Q2023. On the other hand, the 3- and 6-month KLIBOR closed the 2Q2023 lower at 3.45% and 3.55% respectively from 3.62% and 3.72% as at end 1Q2023.

Concerns over potential global recessions coupled with the spectre of stubbornly high inflation, as well as a stronger US Dollar against other major currencies, have all played a role in shaping the market dynamics and sentiment, which had also influenced our domestic bond market. Bond traders and investors generally remained cautious as they faced the market volatility and uncertainty, while mitigating the potential downside risk. Despite all this backdrop as well as the generally higher US Treasury yields across the board, the domestic bond market continued to record a net foreign inflow of RM3.0 billion in May 2023, its fifth consecutive months of net foreign inflows. The relatively strong foreign demand reflected the attractiveness of our domestic bonds, mainly the Malaysian Government Securities (“MGS”), amid the anticipated moderation in inflationary pressure this year. Overall, foreign holdings of the total outstanding domestic bonds remained steady at 13.6% as at end of May 2023. The yields of the 3-, 5-, 7- and 10-year MGS closed the 2Q2023 mixed at 3.47%, 3.59%, 3.72% and 3.81% respectively, as compared to 3.35%, 3.54%, 3.81% and 3.90% as at end 1Q2023.

Moving into 2H2023, the surplus liquidity in the domestic banking system is expected to continue to lend support to the domestic money and capital market activities and hence will also help to cushion the impact of the weakening ringgit on the Malaysian economy. Given the market’s expectation of further interest rate tightening in the US, there’s a similar market sentiment on BNM adopting the same approach if required to ensure financial stability and balance are preserved moving forward.

The Bank will remain vigilant in the evolving 2023 operating landscape, whilst maintaining a cautiously optimistic outlook. The Bank will strive to maintain a healthy balance between growth and diligence as it pursues its activities in 2023.

Unaudited Interim Financial Statements

11. Cash and short-term funds

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Cash and balances with banks and other financial institutions	51,793	40,959	17,597	11,007
Money at call and deposits placements maturing within one month	305,000	427,100	305,000	427,100
	<u>356,793</u>	<u>468,059</u>	<u>322,597</u>	<u>438,107</u>

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group and the Bank amounted to approximately RM21,350,000 and RM21,287,000 respectively (2022: RM10,209,000 and RM9,773,000 respectively). These amounts are excluded from the cash and short-term funds of the Group and of the Bank.

12. Financial assets at FVTPL

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
At fair value		
Unquoted instruments in Malaysia: Shares	<u>51,025</u>	<u>51,025</u>
	<u>51,025</u>	<u>51,025</u>

Unaudited Interim Financial Statements

13. Financial investments at FVOCI

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
At fair value		
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>
Unquoted instruments in Malaysia:		
Corporate bonds/sukuk	882,032	614,519
Shares	1,500	1,500
	<u>883,532</u>	<u>616,019</u>
	<u>1,946,839</u>	<u>1,988,301</u>

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

Group and Bank	Stage 1 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2023	227	14,196	14,423
Made [Note 26]	110	-	110
At 30 June 2023	<u>337</u>	<u>14,196</u>	<u>14,533</u>
At 1 January 2022	322	59,810	60,132
Written back	(95)	-	(95)
Written off	-	(45,614)	(45,614)
At 31 December 2022	<u>227</u>	<u>14,196</u>	<u>14,423</u>

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

Unaudited Interim Financial Statements

14. Financial investments at amortised cost

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

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

Group and Bank	Stage 1 Collective RM'000	Stage 2 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2023	411	-	2,849	3,260
Made [Note 26]	677	-	-	677
Written back	-	-	(2,849)	(2,849)
At 30 June 2023	1,088	-	-	1,088
At 1 January 2022	507	2,426	7,132	10,065
Transfer	17	-	-	17
Written back	(113)	(2,426)	(4,283)	(6,822)
At 31 December 2022	411	-	2,849	3,260

Unaudited Interim Financial Statements

15. Loans, advances and financing

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Term loans/financing		
Syndicated term loans/financing	420,852	492,928
Other term loans	484,455	395,710
	<u>905,307</u>	<u>888,638</u>
Margin accounts	877,451	810,767
Staff loans	159	183
	<u>1,782,917</u>	<u>1,699,588</u>
Gross loans, advances and financing	1,782,917	1,699,588
Less: ECL allowance	(79,952)	(79,495)
Net loans, advances and financing	<u>1,702,965</u>	<u>1,620,093</u>

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

(a) Gross loans, advances and financing

(i) By types of customer

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Domestic other non-bank financial institutions	41,580	44,988
Domestic business enterprises		
- Small medium enterprises	1,122,161	1,076,637
Individuals	619,176	577,963
Gross loans, advances and financing	<u>1,782,917</u>	<u>1,699,588</u>

Unaudited Interim Financial Statements

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

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

(ii) By interest rate sensitivity

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Fixed rate		
Staff loans	159	183
Margin accounts	877,451	810,767
Variable rate		
Cost-plus	905,307	888,638
Gross loans, advances and financing	<u>1,782,917</u>	<u>1,699,588</u>

(iii) By economic sector

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Household	619,177	577,963
Finance, insurance and business services	559,627	546,718
Education, health and others	159,584	156,436
Transport, storage and communications	142,201	133,632
Construction	100,379	100,355
Electricity, gas and water supply	75,350	70,311
Manufacturing	55,033	53,736
Mining and quarrying	48,500	49,000
Wholesale & retail trade and restaurants & hotels	16,547	11,066
Others	6,519	371
Gross loans, advances and financing	<u>1,782,917</u>	<u>1,699,588</u>

Unaudited Interim Financial Statements

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

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

(iv) By maturity profile

	Group and Bank	
	30 June 2023	31 December 2022
	RM'000	RM'000
Within one year	1,167,329	1,088,434
One year to five years	499,476	500,921
After five years	116,112	110,233
Gross loans, advances and financing	<u>1,782,917</u>	<u>1,699,588</u>

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

(i) Movements in IIs

	Group and Bank	
	30 June 2023	31 December 2022
	RM'000	RM'000
At 1 January	130,769	92,498
Classified as impaired	-	55,000
Recovered	(500)	(6,000)
Written off	-	(10,729)
	<u>130,269</u>	<u>130,769</u>
Less: ECL allowance	(75,541)	(75,383)
Net IIs	<u>54,728</u>	<u>55,386</u>
Ratio of net IIs to gross loans, advances and financing less ECL allowance (Stage 3)	<u>3.21%</u>	<u>3.41%</u>

Unaudited Interim Financial Statements

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

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

(ii) ILs by economic sector

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Finance, insurance and business services	81,750	81,750
Mining and quarrying	48,500	49,000
Household	19	19
	<u>130,269</u>	<u>130,769</u>

(c) Movements in ECL allowances by class of financial assets

An analysis of changes in the corresponding ECL allowances in relation to loan, advances and financing is as follows:

Group and Bank	Stage 1 Collective RM'000	Stage 2 Individual RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2023	4,112	-	75,383	79,495
Transfer Made	655	-	-	655
Written back	-	-	158	158
Written back	(356)	-	-	(356)
At 30 June 2023	<u>4,411</u>	<u>-</u>	<u>75,541</u>	<u>79,952</u>
At 1 January 2022	9,993	1,934	72,061	83,988
Transfer	2,323	-	-	2,323
Transfer to Stage 3	-	(1,934)	1,934	-
Made	-	-	12,117	12,117
Written back	(8,204)	-	-	(8,204)
Written off	-	-	(10,729)	(10,729)
At 31 December 2022	<u>4,112</u>	<u>-</u>	<u>75,383</u>	<u>79,495</u>

Unaudited Interim Financial Statements

16. Other assets

	Note	Group		Bank	
		30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Interest/profit receivables		41,458	45,173	41,458	45,173
Amounts due from brokers and clients	(a)	24,224	38,923	24,224	38,923
Deposits, prepayments and other receivables		7,722	7,560	7,718	7,560
Less: ECL allowance	(b)	(1,621)	(1,902)	(1,621)	(1,902)
		<u>6,101</u>	<u>5,658</u>	<u>6,097</u>	<u>5,658</u>
Amount due from Danaharta		96,973	96,973	96,973	96,973
Less: ECL allowance		(96,973)	(96,973)	(96,973)	(96,973)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount due from related companies	(c)	925	767	925	767
Amount due from subsidiaries	(c)	-	-	33,886	29,784
Tax recoverable		18,076	21,993	18,076	21,988
		<u>90,784</u>	<u>112,514</u>	<u>124,666</u>	<u>142,293</u>

Unaudited Interim Financial Statements

16. Other assets (cont'd.)

- (a) Amounts due from brokers and clients

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Brokers	4,910	795
Clients	19,314	38,128
	<u>24,224</u>	<u>38,923</u>

Brokers' and clients' debit balances arose from trading of securities through the Bank which are not yet due for settlement as at reporting date under the Rules of Bursa Malaysia Securities Berhad.

- (b) Deposits, prepayments and other receivables

- (i) ECL allowance

Group and Bank	Total RM'000
At 1 January 2023	1,902
Made [Note 27]	14
Written back [Note 27]	(295)
At 30 June 2023	<u>1,621</u>
At 1 January 2022	3,731
Written back	(400)
Written off	(1,429)
At 31 December 2022	<u>1,902</u>

- (c) The amounts due from related companies and subsidiaries arose mainly from expenses paid on behalf of the companies. These amounts are non-trade in nature, unsecured, interest-free and are repayable on demand.

Unaudited Interim Financial Statements

17. Deposits from customers

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
(a) By types of deposit		
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) By types of customer		
Business enterprises	2,233,398	2,242,218
Government and statutory bodies	2,154,866	2,148,935
Individual	2,800	2,758
	<u>4,391,064</u>	<u>4,393,911</u>
(c) The maturity structure of term deposits		
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 and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
(a) Call deposits		
- Other financial institutions	<u>77,406</u>	<u>55,574</u>
(b) Fixed deposits		
- 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>

Unaudited Interim Financial Statements

19. Derivative assets

Group and Bank	Contract or underlying principal amount RM'000	Derivative assets RM'000
30 June 2023		
Interest rate related derivatives:		
- Interest rate swaps	300,000	9,418
31 December 2022		
Interest rate related derivatives:		
- Interest rate swaps	300,000	11,778

20. Other liabilities

	Note	Group		Bank	
		30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Amounts due to brokers and clients	(a)	21,750	44,436	21,750	44,436
Interest/profit payables		17,420	17,852	17,420	17,852
Accrued liabilities and other payables		22,982	26,110	22,977	26,110
Employee benefits		2,146	2,052	2,146	2,052
Amount due to immediate holding company	(b)	1,126	3,857	1,116	3,850
Amount due to related company	(b)	216	140	216	140
ECL allowances on loans, advances and financing commitments and financial investments	(c)	1,211	510	1,211	510
		<u>66,851</u>	<u>94,957</u>	<u>66,836</u>	<u>94,950</u>

Unaudited Interim Financial Statements

20. Other liabilities (cont'd.)

- (a) Amounts due to brokers and clients

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Brokers	12,407	26,316
Clients	9,343	18,120
	<u>21,750</u>	<u>44,436</u>

Clients' credit balances arose from trading of securities through the Bank which are not yet due for settlement as at reporting date under the Rules of Bursa Malaysia Securities Berhad.

- (b) The amounts due to immediate holding company and related company are non-trade in nature, unsecured, interest-free and are repayable on demand.
- (c) Movements in the ECL allowances on loans, advances and financing commitments and financial investments are as follows:

Group and Bank	Loans, advances and financing commitments RM'000	Financial investments at amortised cost RM'000	Total RM'000
At 1 January 2023	510	-	510
Transfer	(655)	-	(655)
Made	1,385	-	1,385
Written back	(29)	-	(29)
At 30 June 2023	<u>1,211</u>	<u>-</u>	<u>1,211</u>
At 1 January 2022	1,262	17	1,279
Transfer	(2,323)	(17)	(2,340)
Made	2,052	-	2,052
Written back	(481)	-	(481)
At 31 December 2022	<u>510</u>	<u>-</u>	<u>510</u>

Unaudited Interim Financial Statements

21. Interest income

Group and Bank	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
Loans and advances				
- Interest income on non-impaired loans	19,869	12,508	37,979	24,832
Money at call and deposit placements with financial institutions	545	703	738	1,743
Financial investments at FVOCI				
- Interest income on non-impaired instruments	2,843	2,318	6,026	4,789
Financial investments at amortised cost				
- Interest income on non-impaired instruments	2,233	5,333	4,442	7,382
Derivative instruments	1,094	-	2,176	-
	<u>26,584</u>	<u>20,862</u>	<u>51,361</u>	<u>38,746</u>
Accretion of discount less amortisation of premium	(2)	499	84	509
	<u>26,582</u>	<u>21,361</u>	<u>51,445</u>	<u>39,255</u>

22. Interest expense

Group and Bank	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
Deposits from customers	11,060	7,382	20,377	14,197
Deposits and placements of bank and other financial institutions	2,976	3,066	6,457	3,068
Derivative instruments	(1)	113	5	218
	<u>14,035</u>	<u>10,561</u>	<u>26,839</u>	<u>17,483</u>
Lease liabilities	19	33	46	72
	<u>14,054</u>	<u>10,594</u>	<u>26,885</u>	<u>17,555</u>

Unaudited Interim Financial Statements

23. Non-interest income

Group	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
Fee income:				
Fees on loans and advances	18	25	35	53
Corporate advisory fees	1,253	980	1,773	1,303
Underwriting fees	-	-	-	459
Brokerage commission	1,408	1,451	2,671	4,163
Rollover charges	1,105	961	2,084	2,058
Facility fee	60	50	460	73
Redemption fee	89	58	326	153
Placement fees	101	-	286	-
Other fee income	249	23	485	40
	<u>4,283</u>	<u>3,548</u>	<u>8,120</u>	<u>8,302</u>
Investment income:				
Net (loss)/gain on sale of financial investments at FVOCI	(64)	6	65	11
Net gain on sale of financial investments at amortised cost	-	-	-	630
Net unrealised (loss)/gain on revaluation of derivative instruments	(760)	4,010	(2,361)	6,825
	<u>(824)</u>	<u>4,016</u>	<u>(2,296)</u>	<u>7,466</u>
Other income:				
Intercompany management fee	27	40	54	84
Others	46	81	153	498
	<u>73</u>	<u>121</u>	<u>207</u>	<u>582</u>
	<u>3,532</u>	<u>7,685</u>	<u>6,031</u>	<u>16,350</u>

Unaudited Interim Financial Statements

23. Non-interest income (contd.)

	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
Bank				
Fee income:				
Fees on loans and advances	18	25	35	53
Corporate advisory fees	1,253	980	1,773	1,303
Underwriting fees	-	-	-	459
Brokerage commission	1,408	1,451	2,671	4,163
Rollover charges	1,105	961	2,084	2,058
Facility fee	60	50	460	73
Redemption fee	89	58	326	153
Placement fees	101	-	286	-
Other fee income	217	8	431	9
	<u>4,251</u>	<u>3,533</u>	<u>8,066</u>	<u>8,271</u>
Investment income:				
Net (loss)/gain on sale of financial investments at FVOCI	(64)	6	65	11
Net gain on sale of financial investments at amortised cost	-	-	-	630
Net unrealised (loss)/gain on revaluation of derivative instruments	(760)	4,010	(2,361)	6,825
	<u>(824)</u>	<u>4,016</u>	<u>(2,296)</u>	<u>7,466</u>
Other income:				
Intercompany management fee	27	40	54	84
Others	10	43	39	438
	<u>37</u>	<u>83</u>	<u>93</u>	<u>522</u>
	<u>3,464</u>	<u>7,632</u>	<u>5,863</u>	<u>16,259</u>

Unaudited Interim Financial Statements

24. Operating expenses

Group	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
(i) Staff costs:				
Wages, salaries and bonuses	11,462	10,797	22,824	21,369
Employees' benefits	48	53	95	106
Defined contribution plans	1,766	1,684	3,521	3,305
Social security costs	18	44	36	87
Other staff related expenses	788	859	1,873	1,742
	<u>14,082</u>	<u>13,437</u>	<u>28,349</u>	<u>26,609</u>
(ii) Establishment costs:				
Depreciation and amortisation	660	350	1,066	670
Depreciation of right-of-use assets	533	533	1,066	1,066
Rental of premises and office equipment	9	18	18	30
General repairs and maintenance	11	12	22	22
Insurance	19	54	243	205
Electricity	24	30	32	37
IT expenses	1,671	1,652	3,722	3,146
	<u>2,927</u>	<u>2,649</u>	<u>6,169</u>	<u>5,176</u>
(iii) Promotion and marketing -related expenses:				
Business promotion and advertisement	283	474	829	761
Entertainment	88	59	199	170
	<u>371</u>	<u>533</u>	<u>1,028</u>	<u>931</u>

Unaudited Interim Financial Statements

24. Operating expenses (cont'd.)

Group	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
(iv) Administrative and general expenses:				
Auditors' remuneration				
- Audit	88	74	177	148
Non-Executive Directors' remuneration	214	209	406	426
Management fees	3,648	3,710	7,258	7,440
Securities commission's levy	90	119	176	310
Brokerage fee	307	224	459	461
Bursa fee	62	57	145	120
License fee and stamp duty	47	10	91	163
Corporate dealers' and remisier' commissions	95	170	201	1,010
Professional fees	464	(26)	526	2
Regulatory expenses	192	26	216	82
Others	57	48	169	146
	<u>5,264</u>	<u>4,621</u>	<u>9,824</u>	<u>10,308</u>
	<u>22,644</u>	<u>21,240</u>	<u>45,370</u>	<u>43,024</u>

Unaudited Interim Financial Statements

24. Operating expenses (cont'd.)

Bank	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
(i) Staff costs:				
Wages, salaries and bonuses	11,462	10,797	22,824	21,369
Employees' benefits	48	53	95	106
Defined contribution plans	1,766	1,684	3,521	3,305
Social security costs	18	44	36	87
Other staff related expenses	788	859	1,873	1,742
	<u>14,082</u>	<u>13,437</u>	<u>28,349</u>	<u>26,609</u>
(ii) Establishment costs:				
Depreciation and amortisation	660	350	1,066	670
Depreciation of right-of-use assets	533	533	1,066	1,066
Rental of premises and office equipment	9	-	18	-
General repairs and maintenance	11	12	22	22
Insurance	19	54	243	205
Electricity	24	30	32	37
IT expenses	1,671	1,652	3,722	3,146
	<u>2,927</u>	<u>2,649</u>	<u>6,169</u>	<u>5,176</u>
(iii) Promotion and marketing -related expenses:				
Business promotion and advertisement	283	474	829	761
Entertainment	88	59	199	170
	<u>371</u>	<u>533</u>	<u>1,028</u>	<u>931</u>

Unaudited Interim Financial Statements

24. Operating expenses (cont'd.)

	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
Bank				
(iv) Administrative and general expenses:				
Auditors' remuneration				
- Audit	88	74	177	148
Non-Executive Directors' remuneration	214	209	406	426
Management fees	3,643	3,705	7,248	7,430
Securities commission's levy	90	119	176	310
Brokerage fee	307	224	459	461
Bursa fees	62	57	145	120
License fee and stamp duty	47	10	91	163
Corporate dealers' and remisiers' commissions	95	170	201	1,010
Professional fees	464	(26)	526	2
Regulatory expenses	192	26	216	82
Others	57	48	169	146
	<u>5,259</u>	<u>4,616</u>	<u>9,814</u>	<u>10,298</u>
	<u>22,639</u>	<u>21,235</u>	<u>45,360</u>	<u>43,014</u>

Unaudited Interim Financial Statements

25. Impairment loss written back/(made) on loans, advances and financing

Group and Bank	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
ECL allowance				
- Made (Net)	839	(889)	(1,158)	(5,123)
Interest on impaired loans recovered	-	-	147	-
	<u>839</u>	<u>(889)</u>	<u>(1,011)</u>	<u>(5,123)</u>

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

Group and Bank	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
Financial investments at FVOCI [Note 13]	(111)	41	(110)	26
Financial investments at amortised cost [Note 14]	(696)	2,892	2,172	2,905
Interest on impaired financial investments recovered	-	19	-	19
Bad debts written off	-	-	(2,335)	-
	<u>(807)</u>	<u>2,952</u>	<u>(273)</u>	<u>2,950</u>

Unaudited Interim Financial Statements

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

Group and Bank	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
ECL allowance				
- Made [Note 16(b)(i)]	-	(127)	(14)	-
- Written back [Note 16(b)(i)]	400	-	295	74
	<u>400</u>	<u>(127)</u>	<u>281</u>	<u>74</u>

28. Basic earnings per ordinary shares

Group	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
Profit for the period	<u>8,678</u>	<u>16,849</u>	<u>15,506</u>	<u>30,824</u>
Weighted average number of ordinary shares	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>
Basic and diluted earnings per ordinary share (sen)	<u>5.60</u>	<u>10.87</u>	<u>10.00</u>	<u>19.89</u>

Unaudited Interim Financial Statements

29. Commitments and contingencies

	<----- 30 June 2023 ----->			<----- 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
Group and Bank						
Direct credit substitutes	58,500	58,500	58,500	63,500	63,500	63,500
Interest rate related contract with an original maturity of:						
- over one year to five years	300,000	15,887	3,177	300,000	18,180	3,636
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:						
- not exceeding one year	352,645	70,529	70,529	297,849	59,570	59,570
- exceeding one year	251,660	125,830	125,830	159,270	79,635	79,635
Total	962,805	270,746	258,036	820,619	220,885	206,341

* The credit equivalent and risk weighted amount are arrived at using the credit conversion factors and risk weights respectively as per Bank Negara Malaysia Guidelines.

30. Credit exposures arising from credit transactions with connected parties

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
(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

Unaudited Interim Financial Statements

31. Related party disclosures

(a) Significant related party transactions and balances

The following significant transactions between the Group and the Bank and related parties took place at arm's length during the financial period/year.

	Group and Bank	
	30 June 2023 RM'000	30 June 2022 RM'000
Penultimate holding company		
Income:		
Interest/profit income on financial investments	2,485	2,495
Brokerage fees earned	213	671
	<u>2,698</u>	<u>3,166</u>
Immediate holding company		
Income		
Fee income	3,000	-
	<u>3,000</u>	<u>-</u>
Expenditure:		
Management fees	7,248	7,436
	<u>7,248</u>	<u>7,436</u>
Other related companies		
Income:		
Interest/profit income on loans, advances and financing	1,308	1,937
Brokerage fees earned	101	566
Fee income	265	144
	<u>1,674</u>	<u>2,647</u>
Expenditure:		
Interest/profit expense on deposits	972	373
	<u>972</u>	<u>373</u>

Unaudited Interim Financial Statements

31. Related party disclosures (cont'd.)

(a) Significant related party transactions and balances (cont'd.)

In addition to the related party information disclosed elsewhere in the financial statements, the significant outstanding balances of the Group and of the Bank with their related parties are as follows:

	Group and Bank	
	30 June	31 December
	2023	2022
	RM'000	RM'000
Penultimate holding company		
Amount due from:		
Financial investments	100,000	100,000
Immediate holding company		
Amount due to:		
Other payables	1,116	3,850
Other related companies		
Amount due to:		
Deposits from customers	149,924	99,766
Deposits from placements of banks and other financial institutions	6,500	27,307
Other payables	319	183
Amount due from:		
Loans, advances and financing	100,000	100,000

Other related companies include companies within the Yayasan Perlaburan Bumiputra Group and companies related to the Directors of the Bank.

Unaudited Interim Financial Statements

32. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's and the Bank's assets and liabilities. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group and Bank	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2023				
Assets measured at fair value				
Financial assets at FVTPL				
- Unquoted instruments	-	-	51,025	51,025
Financial investments at FVOCI				
- Money market instruments	-	1,063,307	-	1,063,307
- Unquoted instruments	-	882,032	1,500	883,532
Derivative assets	-	9,418	-	9,418
Assets for which fair values are disclosed:				
Financial investments at amortised cost				
- Money market instruments	-	807,972	-	807,972
- Unquoted instruments	-	1,540,015	-	1,540,015
Loans, advances and financing				
- staff loans	-	118	-	118

Unaudited Interim Financial Statements

32. Fair value hierarchy (cont'd.)

Group and Bank	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2022				
Assets measured at fair value				
Financial assets at FVTPL				
- Unquoted instruments	-	-	51,025	51,025
Financial investments at FVOCI				
- Money market instruments	-	1,372,282	-	1,372,282
- Unquoted instruments	-	614,519	1,500	616,019
Derivative assets	-	11,778	-	11,778
Assets for which fair values are disclosed:				
Financial investments at amortised cost				
- Money market instruments	-	852,120	-	852,120
- Unquoted instruments	-	1,664,713	9,822	1,674,535
Loans, advances and financing				
- staff loans	-	133	-	133

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

Unaudited Interim Financial Statements

32. Fair value hierarchy (cont'd.)

The following table shows a reconciliation of the opening and closing amounts of Level 3 financial instruments which are recorded at fair value:

Group and Bank	Unquoted instruments	
	Financial assets at FVTPL RM'000	Financial investment at FVOCI RM'000
At 1 January 2023 / 30 June 2023	51,025	1,500
At 1 January 2022	30,245	1,500
Revaluation gain	20,780	-
At 31 December 2022	51,025	1,500

There was no transfers between Level 2 and Level 3 during the current and previous financial years for the Group and the Bank.

Changing one or more of the unobservable inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

Unaudited Interim Financial Statements

33. Capital management

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Tier 1 Capital				
Common Equity Tier 1 ("CET1") Capital				
Ordinary shares	369,111	369,111	369,111	369,111
Regulatory reserve	35,312	34,491	35,312	34,491
FVOCI reserve	(14,464)	(28,227)	(14,464)	(28,227)
Retained profits	456,737	557,558	456,574	557,395
	<u>846,696</u>	<u>932,933</u>	<u>846,533</u>	<u>932,770</u>
Less: Regulatory adjustments	(51,328)	(54,117)	(51,328)	(54,117)
<i>Total CET1 Capital</i>	<u>795,368</u>	<u>878,816</u>	<u>795,205</u>	<u>878,653</u>
Total Tier 1 Capital	<u>795,368</u>	<u>878,816</u>	<u>795,205</u>	<u>878,653</u>
Tier 2 Capital				
Loss provision / loss provision and regulatory reserve	34,688	33,342	35,026	33,640
Total Tier 2 capital	<u>34,688</u>	<u>33,342</u>	<u>35,026</u>	<u>33,640</u>
Total Capital	<u>830,056</u>	<u>912,158</u>	<u>830,231</u>	<u>912,293</u>
Before deducting dividend				
CET1 Capital Ratio	24.874%	28.565%	24.660%	28.341%
Tier 1 Capital Ratio	24.874%	28.565%	24.660%	28.341%
Total Capital Ratio	25.959%	29.649%	25.746%	29.426%
After deducting dividend				
CET1 Capital Ratio	*	25.315%	*	25.115%
Tier 1 Capital Ratio	*	25.315%	*	25.115%
Total Capital Ratio	*	26.399%	*	26.200%

* There are no proposed dividends for period ended 30 June 2023.

Unaudited Interim Financial Statements

33. Capital management (cont'd.)

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

	Group		Bank	
	30 June 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	2,775,046	2,667,371	2,802,089	2,691,160
Total risk-weighted assets equivalent for market risk	66,355	65,224	66,355	65,224
Total risk-weighted assets equivalent for operational risk	356,214	343,931	356,214	343,931
	3,197,615	3,076,526	3,224,658	3,100,315

Unaudited Interim Financial Statements

34. The operations of Islamic Banking Scheme (SPI)

Condensed consolidated statements of financial position
As at 30 June 2023

	Note	Group and Bank	
		30 June 2023 RM'000	31 December 2022 RM'000
Assets			
Cash and short-term funds	(a)	324,881	444,261
Financial investments at FVOCI	(b)	1,700,197	1,682,322
Financial investments at amortised cost	(c)	2,097,681	2,189,606
Financing and advances	(d)	765,841	749,600
Other assets	(e)	55,527	50,027
Deferred tax assets		6,146	10,227
Total assets		4,950,273	5,126,043
Liabilities			
Deposits from customers	(f)	3,204,161	3,279,209
Deposits and placements of banks and other financial institutions	(g)	851,619	931,931
Other liabilities	(h)	189,147	168,540
Provision for taxation and zakat		1,674	1,250
Total liabilities		4,246,601	4,380,930
Islamic banking capital funds			
Islamic banking funds		426,600	426,600
Reserves		277,072	318,513
Total Islamic banking capital funds		703,672	745,113
Total liabilities and Islamic banking capital funds		4,950,273	5,126,043

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2022.

Unaudited Interim Financial Statements

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

Condensed consolidated statements of profit or loss
For the six months ended 30 June 2023

Group and Bank	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	(i)	44,719	45,520	91,293	83,220
Income derived from investment of Islamic Banking funds	(j)	9,855	6,681	16,907	15,226
Impairment loss written back/(made) on financing and advances	(k)	757	(1,047)	(1,138)	(5,200)
Impairment loss (made)/written back on financial investments	(l)	(647)	1,905	(631)	1,794
Impairment loss written back/(made) on other assets	(m)	59	156	(29)	350
Total attributable income		54,743	53,215	106,402	95,390
Income attributable to depositors	(n)	(36,603)	(28,528)	(70,871)	(48,979)
Total net income		18,140	24,687	35,531	46,411
Operating expenses	(o)	(6,691)	(4,240)	(13,488)	(11,541)
Profit before taxation and zakat		11,449	20,447	22,043	34,870
Taxation		(2,814)	(4,658)	(5,623)	(8,324)
Zakat		(223)	(608)	(424)	(1,078)
Profit for the period		8,412	15,181	15,996	25,468

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2022.

Unaudited Interim Financial Statements

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

Condensed consolidated statements of comprehensive income
For the six months ended 30 June 2023

Group and Bank	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
Profit for the period attributable to equity holder of the Bank	8,412	15,181	15,996	25,468
Other comprehensive income:				
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:				
Changes in allowance for ECL for investments at FVOCI	119	(38)	121	(23)
Net (loss)/gain on financial investments at FVOCI				
- Transfer of gain 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)
Total comprehensive income/ (loss) for the period attributable to equity holder of the Bank	10,316	(202)	28,559	6,280

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2022.

Unaudited Interim Financial Statements

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

Condensed consolidated statements of changes in equity
For the six months ended 30 June 2023

Group and Bank	<----- Non-distributable ----->			Distributable	
	Islamic banking funds RM'000	Regulatory reserve# RM'000	FVOCI reserve^ RM'000	Retained profits RM'000	Total RM'000
At 1 January 2023	426,600	19,957	(26,498)	325,054	745,113
Profit for the financial period	-	-	-	15,996	15,996
Other comprehensive income for the financial period	-	-	12,563	-	12,563
Total comprehensive income for the financial period	-	-	12,563	15,996	28,559
Transactions with owner					
Transfer to regulatory reserve	-	446	-	(446)	-
Dividends (Note 7)	-	-	-	(70,000)	(70,000)
At 30 June 2023	426,600	20,403	(13,935)	270,604	703,672
At 1 January 2022	426,600	7,385	(14,385)	290,391	709,991
Profit for the financial period	-	-	-	25,468	25,468
Other comprehensive loss for the financial period	-	-	(19,188)	-	(19,188)
Total comprehensive (loss)/ income for the period	-	-	(19,188)	25,468	6,280
Transactions with owner					
Transfer to regulatory reserve	-	9,138	-	(9,138)	-
At 30 June 2022	426,600	16,523	(33,573)	306,721	716,271

The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Bank is required to maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of total exposures, net of loss allowance for credit-impaired exposures.

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

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2022.

Unaudited Interim Financial Statements

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

Condensed consolidated statements of cash flows
For the six months ended 30 June 2023

	Note	Group and Bank	
		30 June 2023 RM'000	30 June 2022 RM'000
Profit before taxation and zakat		22,043	34,870
Adjustments for non-cash items		7,447	8,290
Operating profit before changes in working capital		29,490	43,160
Changes in working capital:			
Net changes in operating assets		55,883	(189,853)
Net changes in operating liabilities		(134,753)	135,354
Net cash generated from operating activities		(49,380)	(11,339)
Net cash used in financing activities			
- Dividend paid		(70,000)	-
		(70,000)	-
Net change in cash and cash equivalents		(119,380)	(11,339)
Cash and cash equivalents at beginning of the period		444,261	338,172
Cash and cash equivalents at end of the period	34(a)	324,881	326,833
Cash and cash equivalents comprise of:			
Cash and short-term funds		324,881	326,833

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2022.

Unaudited Interim Financial Statements

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

(a) Cash and short-term funds

	Group and Bank	
	30 June	31 December
	2023	2022
	RM'000	RM'000
Cash and balances with banks and other financial institutions	19,881	17,761
Money at call and deposit placements maturing within one month	305,000	426,500
	<u>324,881</u>	<u>444,261</u>

(b) Financial investments at FVOCI

	Group and Bank	
	30 June	31 December
	2023	2022
	RM'000	RM'000
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>
Corporate sukuk	747,485	460,774
	<u>1,700,197</u>	<u>1,682,322</u>

Unaudited Interim Financial Statements

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

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

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

Group and Bank	Stage 1 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2023	185	8,112	8,297
Made [Note 34(l)]	121	-	121
At 30 June 2023	306	8,112	8,418
At 1 January 2022	270	8,112	8,382
Written back	(85)	-	(85)
At 31 December 2022	185	8,112	8,297

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

(c) Financial investments at amortised costs

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Money market instruments:		
Government investment issues	732,217	733,141
Corporate sukuk	1,366,367	1,456,858
	2,098,584	2,189,999
Less: ECL allowance	(903)	(393)
	2,097,681	2,189,606

Unaudited Interim Financial Statements

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

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

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

Group and Bank	Stage 1 Collective RM'000	Stage 2 Collective RM'000	Total RM'000
At 1 January 2023	393	-	393
Made [Note 34(l)]	510	-	510
At 30 June 2023	<u>903</u>	<u>-</u>	<u>903</u>
At 1 January 2022	380	1,884	2,264
Transfer	14	-	14
Written back	(1)	(1,884)	(1,885)
At 31 December 2022	<u>393</u>	<u>-</u>	<u>393</u>

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

(d) Financing and advances

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Term financing		
- Syndicated term financing	420,852	492,928
- Other term financing	424,625	335,871
	<u>845,477</u>	<u>828,799</u>
Staff financing	29	23
Gross financing and advances	<u>845,506</u>	<u>828,822</u>
Less: ECL allowance	(79,665)	(79,222)
Net financing and advances	<u>765,841</u>	<u>749,600</u>

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

Unaudited Interim Financial Statements

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

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

(a) Gross financing and advances

(i) By types of customer

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Domestic other non-bank financial institutions	41,580	44,988
Domestic business enterprises	803,897	783,811
Individuals	29	23
Gross financing and advances	<u>845,506</u>	<u>828,822</u>

(ii) By profit rate sensitivity

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Fixed rate		
Staff financing	29	23
Variable rate		
Cost-plus	845,477	828,799
Gross financing and advances	<u>845,506</u>	<u>828,822</u>

Unaudited Interim Financial Statements

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

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

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

(iii) By economic sector

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Finance, insurance and business services	308,527	314,877
Transport, storage and communications	142,201	133,632
Construction	100,379	100,355
Education, health and others	99,754	96,597
Electricity, gas and water supply	75,350	70,311
Manufacturing	55,033	53,736
Mining and quarrying	48,500	49,000
Wholesale & retail trade and restaurants & hotels	15,733	10,291
Household	29	23
Gross financing and advances	<u>845,506</u>	<u>828,822</u>

(iv) By maturity profile

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Within one year	289,851	277,575
One year to five years	439,543	441,013
After five years	116,112	110,234
Gross financing and advances	<u>845,506</u>	<u>828,822</u>

Unaudited Interim Financial Statements

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

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

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

(v) By classification of Shariah contracts

	Group and Bank	
	30 June	31 December
	2023	2022
	RM'000	RM'000
Term financing		
Commodity Murabahah	845,477	828,799
Staff financing	29	23
Gross financing and advances	845,506	828,822

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

(i) Movements in IF are as follows:

	Group and Bank	
	30 June	31 December
	2023	2022
	RM'000	RM'000
At 1 January	130,750	81,750
Classified as impaired	-	55,000
Recovered	(500)	(6,000)
	130,250	130,750
Less: ECL allowance	(75,522)	(75,364)
Net IF	54,728	55,386
Ratio of net IF to gross financing and advances less ECL allowance	7.11%	7.35%

Unaudited Interim Financial Statements

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

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

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

(ii) IF by economic sector:

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Finance, insurance and business services	81,750	81,750
Mining and quarrying	48,500	49,000
	<u>130,250</u>	<u>130,750</u>

(b) Movement in impairment allowances by class of financial assets

(i) ECL allowances

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

Group and Bank	Stage 1 Collective RM'000	Stage 2 Individual RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2023	3,858	-	75,364	79,222
Transfer Made	655	-	-	655
Written back	-	-	158	158
	<u>(370)</u>	<u>-</u>	<u>-</u>	<u>(370)</u>
At 30 June 2023	<u>4,143</u>	<u>-</u>	<u>75,522</u>	<u>79,665</u>
At 1 January 2022	8,911	1,934	61,313	72,158
Transfer Made	2,323	-	-	2,323
Transfer to Stage 3 Made	-	(1,934)	1,934	-
Written back	-	-	12,117	12,117
	<u>(7,376)</u>	<u>-</u>	<u>-</u>	<u>(7,376)</u>
At 31 December 2022	<u>3,858</u>	<u>-</u>	<u>75,364</u>	<u>79,222</u>

Unaudited Interim Financial Statements

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

(e) Other assets

	Note	Group and Bank	
		30 June 2023 RM'000	31 December 2022 RM'000
Other debtors, deposits and prepayments		1,770	1,468
Less: ECL allowance	(i)	(1,091)	(1,062)
		679	406
Profit receivables		35,886	39,496
Amounts due from brokers and clients	(ii)	14,002	8,309
Amount due from immediate holding company		4,960	1,816
		<u>55,527</u>	<u>50,027</u>

(i) Other debtors, deposits and prepayments

Movement in ECL allowance

Group and Bank	Total RM'000
At 1 January 2023	1,062
Made [Note 34(m)]	29
At 30 June 2023	<u>1,091</u>
At 1 January 2022	3,141
Written back	(741)
Written off	(1,338)
At 31 December 2022	<u>1,062</u>

(ii) Amounts due from brokers and clients

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Brokers	352	-
Clients	13,650	8,309
	<u>14,002</u>	<u>8,309</u>

Brokers' and clients' debit balances arose from trading of securities through the Bank which are not yet due for settlement as at reporting date under the Rules of Bursa Malaysia Securities Berhad.

Unaudited Interim Financial Statements

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

(f) Deposits from customers

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
(i) By type of deposit		
Commodity Murabahah fund		
Term deposits	3,204,161	3,279,209
(ii) By type of customer		
Commodity Murabahah fund		
Business enterprises	1,346,051	1,388,711
Government and statutory bodies	1,858,110	1,890,498
	<u>3,204,161</u>	<u>3,279,209</u>
(iii) The maturity structure of term deposits		
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>

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

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
(i) By types of deposit		
Commodity Murabahah fund		
Term deposits	851,619	931,931
(ii) By type of customer		
Commodity Murabahah fund		
Other financial institutions	851,619	931,931

Unaudited Interim Financial Statements

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

(h) Other liabilities

	Note	Group and Bank	
		30 June 2023	31 December 2022
		RM'000	RM'000
Profit payable to depositors		13,222	14,067
Amounts due to brokers and clients	(i)	13,942	8,293
Sundry creditors and accruals		29,705	20,778
ECL allowances on financing and advances commitments and financial investments	(ii)	1,110	415
Amount due to Head Office		131,168	124,987
		<u>189,147</u>	<u>168,540</u>

(i) Amounts due to brokers and clients

	Group and Bank	
	30 June 2023	31 December 2022
	RM'000	RM'000
Brokers	12,407	7,163
Clients	1,535	1,130
	<u>13,942</u>	<u>8,293</u>

Unaudited Interim Financial Statements

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

(h) Other liabilities (cont'd.)

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

Group and Bank	Financing and advances commitments RM'000	Financial investments at amortised cost RM'000	Total RM'000
Stage 1 Collective			
At 1 January 2023	415	-	415
Transfer	(655)	-	(655)
Made	1,357	-	1,357
Written back	(7)	-	(7)
At 30 June 2023	1,110	-	1,110
At 1 January 2022	1,261	14	1,275
Transfer	(2,323)	(14)	(2,337)
Made	1,818	-	1,818
Written back	(341)	-	(341)
At 31 December 2022	415	-	415

Unaudited Interim Financial Statements

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

(i) Income derived from investment of depositors' funds

Group and Bank	Individual Quarter		Cumulative Quarter	
	3 Months Ended	3 Months Ended	6 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
Finance income and hibah:				
Financing and advances	9,588	5,890	19,258	12,220
Money at call and deposit placements with financial 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 costs				
- Profit on non-impaired instruments	20,887	23,640	41,627	38,770
- Profit on impaired instruments	-	-	3,515	-
	46,773	47,520	96,378	87,930
Accretion of discount less amortisation of premium	(2,336)	(2,010)	(5,796)	(5,080)
Total finance income and hibah	44,437	45,510	90,582	82,850
Other operating income:				
Net gain on sale of financial assets at FVTPL	-	-	-	330
Net gain on sale of financial investments at FVOCI	246	10	675	40
Net gain on sale of financial investments at amortised cost	36	-	36	-
	282	10	711	370
	44,719	45,520	91,293	83,220

Unaudited Interim Financial Statements

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

(j) Income derived from investment of Islamic Banking funds

Group and Bank	Individual Quarter 3 Months Ended		Cumulative quarter 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Finance income and hibah:				
Financing and advances	1,063	661	2,140	1,360
Money at call and deposit placements with financial institutions	256	151	394	373
Financial investments at FVOCI				
- Profit on non-impaired instruments	1,545	1,847	3,159	3,738
Financial investments at amortised costs				
- Profit on non-impaired instruments	2,322	2,617	4,625	4,303
- Profit on impaired instruments	-	-	391	-
	<u>5,186</u>	<u>5,276</u>	<u>10,709</u>	<u>9,774</u>
Accretion of discount less amortisation of premium	(254)	(221)	(643)	(560)
Total finance income and hibah	<u>4,932</u>	<u>5,055</u>	<u>10,066</u>	<u>9,214</u>
Other operating income:				
Net gain on sale of financial assets 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>

Unaudited Interim Financial Statements

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

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Fees and others:				
Fee income				
- Fees on financing and advances	249	172	562	342
- Corporate advisory fees	3,430	766	4,450	4,033
- Brokerage commission	289	390	618	1,065
- Participation fees	106	106	211	211
- Other fee income	812	140	901	251
	<u>4,886</u>	<u>1,574</u>	<u>6,742</u>	<u>5,902</u>
Other income	3	57	20	74
	<u>4,889</u>	<u>1,631</u>	<u>6,762</u>	<u>5,976</u>
	<u>9,855</u>	<u>6,681</u>	<u>16,907</u>	<u>15,226</u>

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

Group and Bank	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
ECL allowance				
- Written back/(made)	757	(1,047)	(1,138)	(5,200)
	<u>757</u>	<u>(1,047)</u>	<u>(1,138)</u>	<u>(5,200)</u>

Unaudited Interim Financial Statements

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

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

Group and Bank	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
Financial investments at FVOCI [Note 34(b)]	(119)	38	(121)	23
Financial investments at amortised cost [Note 34(c)]	(528)	1,867	(510)	1,771
	<u>(647)</u>	<u>1,905</u>	<u>(631)</u>	<u>1,794</u>

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Other assets				
- Made [Note 34(e)(i)]	-	-	(29)	-
- Written back [Note 34(e)(i)]	59	156	-	350
	<u>59</u>	<u>156</u>	<u>(29)</u>	<u>350</u>

Unaudited Interim Financial Statements

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

(n) Income attributable to depositors

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Commodity Murabahah fund				
Deposits from customers	29,190	19,854	56,035	40,305
Deposits and placements of banks and other 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>

(o) Operating expenses

Group and Bank	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
(i) Staff costs:				
Wages, salaries and bonuses	516	531	1,099	1,078
Social security costs	3	3	7	6
Defined contribution plan	101	104	216	211
Other staff related expenses	72	45	134	89
	<u>692</u>	<u>683</u>	<u>1,456</u>	<u>1,384</u>

Unaudited Interim Financial Statements

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

(o) Operating expenses (cont'd.)

Group and Bank	Individual Quarter		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
(ii) Establishment costs:				
Rental	2	5	3	4
IT expenses	57	222	203	428
Others	116	69	204	124
	<u>175</u>	<u>296</u>	<u>410</u>	<u>556</u>
(iii) Promotion and marketing related expenses				
Business promotion and advertisement	-	25	-	25
Entertainment	1	-	1	-
	<u>1</u>	<u>25</u>	<u>1</u>	<u>25</u>
(iv) Administrative and general expenses:				
Audit fees	53	62	106	125
Non-Executive Directors' remuneration	129	178	244	340
Management fees	3,406	544	6,833	6,419
Brokerage fees	113	100	216	206
Others	2,122	2,352	4,222	2,486
	<u>5,823</u>	<u>3,236</u>	<u>11,621</u>	<u>9,576</u>
	<u>6,691</u>	<u>4,240</u>	<u>13,488</u>	<u>11,541</u>

Unaudited Interim Financial Statements

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

(p) Net income from Islamic banking

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 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	9,860	6,681	16,907	15,226
Less: Income attributable to depositors	(36,603)	(28,528)	(70,871)	(48,979)
	<u>17,971</u>	<u>23,673</u>	<u>37,329</u>	<u>49,467</u>

(q) Capital adequacy

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

	Group and Bank	
	30 June 2023	31 December 2022
	RM'000	RM'000
<u>Tier 1 Capital</u>		
Common Equity Tier 1 ("CET1") Capital		
Islamic banking fund	426,600	426,600
Regulatory reserve	20,403	19,957
FVOCI reserve	(13,935)	(26,498)
Retained profits	254,608	325,054
	<u>687,676</u>	<u>745,113</u>
Less: Regulatory adjustments	(26,549)	(30,184)
Total CET 1 Capital, representing Total Tier 1 Capital	<u>661,127</u>	<u>714,929</u>
<u>Tier 2 Capital</u>		
Loss provision/loss provision and regulatory reserve	18,820	17,940
Total Tier 2 capital	<u>18,820</u>	<u>17,940</u>
Total Capital	<u>679,947</u>	<u>732,869</u>

Unaudited Interim Financial Statements

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

(q) Capital adequacy (cont'd.)

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

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Before deducting dividend		
CET1 Capital Ratio	38.549%	43.583%
Tier 1 Capital Ratio	38.549%	43.583%
Total Capital Ratio	39.646%	44.677%
After deducting dividend		
CET1 Capital Ratio	*	39.316%
Tier 1 Capital Ratio	*	39.316%
Total Capital Ratio	*	40.410%

* There are no proposed dividends for period ended 30 June 2023.

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

	Group and Bank	
	30 June 2023 RM'000	31 December 2022 RM'000
Total risk-weighted assets for credit risk	1,505,632	1,435,172
Total risk-weighted assets equivalent for operational risk	209,401	205,202
	<u>1,715,033</u>	<u>1,640,374</u>

197501002077 (23878-X)

MIDF Amanah Investment Bank Berhad
(A Participating Organization of Bursa Malaysia Berhad)



Unaudited Interim Financial Statements

I, Datuk Joseph Dominic Silva being the Chief Executive Officer primarily responsible for the financial management of MIDF Amanah Investment Bank Berhad, do hereby state that, the unaudited interim financial statements for the six months ended 30 June 2023, as set out on pages 1 to 65 have been prepared from the Group and the Bank's accounting and other records and that to the best of my knowledge and belief, are drawn up so as to give a true and fair view of the state of affairs of the Group and the Bank as at 30 June 2023. The financial performance and cash flows of the Group and the Bank for the period ended on that date are prepared in accordance with the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

A handwritten signature in black ink, appearing to read "Datuk Joseph Dominic Silva", written over a light blue horizontal line.

DATUK JOSEPH DOMINIC SILVA

CHIEF EXECUTIVE OFFICER

Date: 26 July 2023