

Unaudited Interim Financial Statements

Condensed consolidated statements of financial position
As at 30 June 2024

	Note	Group		Bank	
		30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Assets					
Cash and short-term funds	11	330,190	720,386	292,194	701,948
Financial investments at fair value through other comprehensive income ("FVOCI")	12	2,221,215	1,767,952	2,221,215	1,767,952
Financial investments at amortised cost	13	2,152,050	2,292,077	2,152,050	2,292,077
Loans, advances and financing	14	1,676,672	1,632,137	1,676,672	1,632,137
Derivative assets	15	5,544	7,275	5,544	7,275
Other assets	16	67,393	42,523	105,012	60,741
Statutory deposits with Bank Negara Malaysia		102,877	102,661	102,877	102,661
Investment in subsidiaries		-	-	-*	-*
Property, plant and equipment		3,370	3,732	3,370	3,732
Intangible assets		11,978	12,263	11,978	12,263
Right-of-use asset		3,827	-	3,827	-
Deferred tax assets		3,694	7,926	3,694	7,926
Total assets		6,578,810	6,588,932	6,578,433	6,588,712
Liabilities					
Deposits from customers	17	3,988,147	4,182,091	3,988,147	4,182,091
Deposits and placements of bank and other financial institutions	18	1,616,395	1,473,612	1,616,395	1,473,612
Other liabilities	19	61,736	48,128	61,729	48,128
Lease liability		3,854	-	3,854	-
Provision for tax and zakat		1,238	910	1,225	906
Total liabilities		5,671,370	5,704,741	5,671,350	5,704,737
Equity					
Share capital		369,111	369,111	369,111	369,111
Reserves		538,329	515,080	537,972	514,864
Total equity		907,440	884,191	907,083	883,975
Total liabilities and equity		6,578,810	6,588,932	6,578,433	6,588,712
Commitments and contingencies	28	1,016,449	1,006,998	1,016,449	1,006,998

* 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 2023.

Unaudited Interim Financial Statements

Consolidated statements of profit or loss
For the six months ended 30 June 2024

Group	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Operating revenue		90,107	84,661	177,288	165,622
Interest income	20	29,468	26,582	57,796	51,445
Interest expense	21	(15,451)	(14,054)	(30,172)	(26,885)
Net interest income		14,017	12,528	27,624	24,560
Net income from Islamic Banking operation	33(p)	20,110	17,971	36,945	37,329
Non-interest income	22	6,437	3,532	12,621	6,031
		40,564	34,031	77,190	67,920
Operating expenses	23	(23,585)	(22,644)	(45,078)	(45,370)
Operating profit before allowances		16,979	11,387	32,112	22,550
Impairment loss (made)/written back on:					
- loans, advances and financing	24	(4,120)	839	(7,685)	(1,011)
- financial investments	25	(210)	(807)	(69)	(273)
- other assets	26	110	400	171	281
Profit before taxation and zakat		12,759	11,819	24,529	21,547
Taxation		(3,243)	(2,918)	(6,061)	(5,617)
Zakat		(159)	(223)	(319)	(424)
Profit for the period attributable to equity holder of the Bank		9,357	8,678	18,149	15,506
Earnings per ordinary share (sen)					
- Basic and diluted	27	6.04	5.60	11.71	10.00

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 2023.

Unaudited Interim Financial Statements

Consolidated statements of comprehensive income
For the six months ended 30 June 2024

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Profit for the period attributable to equity holder of the Bank	9,357	8,678	18,149	15,506
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	147	111	360	110
Net gain/(loss) on financial investment at FVOCI:				
- Transfer of gain to profit or loss upon disposal	(225)	(212)	(353)	(815)
- Fair value changes	1,789	2,139	5,093	14,468
Other comprehensive (loss)/income for the period, net of tax	1,711	2,038	5,100	13,763
Total comprehensive income for the period attributable to equity holder of Bank	11,068	10,716	23,249	29,269

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 2023.

Unaudited Interim Financial Statements

Consolidated statements of profit or loss
For the six months ended 30 June 2024

Bank	Note	Individual Quarter		Cumulative Quarter	
		3 Months Ended		6 Months Ended	
		30 June	30 June	30 June	30 June
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Operating revenue		89,999	84,593	177,092	165,454
Interest income	20	29,468	26,582	57,796	51,445
Interest expense	21	(15,451)	(14,054)	(30,172)	(26,885)
Net interest income		14,017	12,528	27,624	24,560
Net income from Islamic Banking operation	33(p)	20,110	17,971	36,945	37,329
Non-interest income	22	6,329	3,464	12,425	5,863
		40,456	33,963	76,994	67,752
Operating expenses	23	(23,580)	(22,639)	(45,068)	(45,360)
Operating profit before allowances		16,876	11,324	31,926	22,392
Impairment loss (made)/written back on:					
- loans, advances and financing	24	(4,120)	839	(7,685)	(1,011)
- financial investments	25	(210)	(807)	(69)	(273)
- other assets	26	110	400	171	281
Profit before taxation and zakat		12,656	11,756	24,343	21,389
Taxation		(3,218)	(2,902)	(6,016)	(5,579)
Zakat		(159)	(223)	(319)	(424)
Profit for the period attributable to equity holder of the Bank		9,279	8,631	18,008	15,386

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 2023.

Unaudited Interim Financial Statements

Consolidated statements of comprehensive income
For the six months ended 30 June 2024

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
Bank	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Profit for the period attributable to equity holder of the Bank	9,279	8,631	18,008	15,386
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	147	111	360	110
Net gain/(loss) on financial investment at FVOCI:				
- Transfer of gain to profit or loss upon disposal	(225)	(212)	(353)	(815)
- Fair value changes	1,789	2,139	5,093	14,468
Other comprehensive (loss)/income for the period, net of tax	1,711	2,038	5,100	13,763
Total comprehensive income for the period attributable to equity holder of Bank	10,990	10,669	23,108	29,149

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 2023.

Unaudited Interim Financial Statements

**Consolidated statements of changes in equity
For the six months ended 30 June 2024**

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 2024	369,111	37,324	(7,651)	485,407	884,191
Profit for the financial period	-	-	-	18,149	18,149
Other comprehensive income for the period	-	-	5,100	-	5,100
Total comprehensive income for the period	-	-	5,100	18,149	23,249
Transactions with owner					
Transfer to regulatory reserve	-	2,612	-	(2,612)	-
At 30 June 2024	369,111	39,936	(2,551)	500,944	907,440
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	-	-	-	(100,000)	(100,000)
At 30 June 2023	369,111	35,312	(14,464)	472,243	862,202

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 2023.

Unaudited Interim Financial Statements

**Consolidated statements of changes in equity
For the six months ended 30 June 2024 (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 2024	369,111	37,324	(7,651)	485,191	883,975
Profit for the financial period	-	-	-	18,008	18,008
Other comprehensive income for the period	-	-	5,100	-	5,100
Total comprehensive income for the period	-	-	5,100	18,008	23,108
Transactions with owner					
Transfer to regulatory reserve	-	2,612	-	(2,612)	-
At 30 June 2024	369,111	39,936	(2,551)	500,587	907,083
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	-	-	-	(100,000)	(100,000)
At 30 June 2023	369,111	35,312	(14,464)	471,960	861,919

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 2023.

Unaudited Interim Financial Statements

Consolidated statements of cash flows
For the six months ended 30 June 2024

	Note	Group		Bank	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Profit before taxation and zakat		24,529	21,547	24,343	21,389
Adjustments for non-cash items		14,262	9,306	14,262	9,306
Operating profit before changes in working capital		38,791	30,853	38,605	30,695
Changes in working capital:					
Net changes in operating assets		(390,252)	149,734	(409,608)	145,669
Net changes in operating liabilities		(37,473)	(186,863)	(37,489)	(186,884)
Net cash generated from operating activities		(388,934)	(6,276)	(408,492)	(10,520)
Net cash used in investing activities		(1,262)	(4,990)	(1,262)	(4,990)
Net cash used in financing activities - Dividend paid		-	(100,000)	-	(100,000)
Net change in cash and cash equivalents		(390,196)	(111,266)	(409,754)	(115,510)
Cash and cash equivalents at beginning of the period		720,386	468,059	701,948	438,107
Cash and cash equivalents at end of the period	11	330,190	356,793	292,194	322,597
Cash and cash equivalents comprise of:					
Cash and short-term funds		330,190	356,793	292,194	322,597

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 2023.

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 2023.

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 2023.

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 2023.

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 2024.

Description

- Amendments to MFRS 16: *Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101: *Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
- Amendments to MFRS 107 and MFRS 7: *Supplier Finance Arrangements*

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 121 : <i>Lack of Exchangeability</i>	1 January 2025
MFRS 18: <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
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 2024.

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 2024.

6. Debt and equity instruments

There were no changes to the debt and equity instruments for the quarter ended 30 June 2024.

7. Dividend paid/payable

There were no dividends declared or paid during the quarter ended 30 June 2024.

8. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2023 was not qualified.

Unaudited Interim Financial Statements

9. Performance review

The Group and the Bank recorded a higher pre-tax profit of RM12.7 million for the second quarter ended 30 June 2024, as compared to the pre-tax profit of RM11.8 million recorded in the corresponding quarter ended 30 June 2023. The higher profit for the current period is mainly from higher net operating income by RM6.5 million net off with higher operating expenses by RM0.9 million and higher net impairment loss made by RM4.7 million.

The pre-tax profit of the Group and the Bank for the six months ended 30 June 2024 amounted to RM24.5 million, a increase of RM3.0 million or 13.84% as compared to pre-tax profit of RM21.5 million recorded in the previous corresponding quarter ended 30 June 2023. The higher profit for the period is mainly from higher net interest income by RM9.3 million and lower operating expenses by RM0.3 million offset with higher net impairment loss made by RM6.6 million.

10. Review for 2024

The world economy is expected to experience another below-trend growth this year, with the IMF forecasting the global economic growth will be sustained at +3.2% (2023: +3.2%). Prospects of growth for the advanced economies will be constrained by the previous policy tightening and the high borrowing costs, but the outlook for the US was recently upgraded to more normal levels amid continued resilience in consumer spending and the job market. For the developing economies, sustained rise in domestic demand would remain as the anchor for economic growth. Meanwhile, central banks especially in the advanced economies are expected to adopt policy easing as inflation has generally moderated. With economic growth which has also slowed, together with the reduced demand pressures, the pressure will be to begin easing policy restrictiveness to encourage greater economic activities.

As for Malaysia, its economic growth accelerated to +4.2% year-over-year (“yoy”) in 1Q 2024 (4Q 2023: +2.9%yoy) which was the fastest growth in 4 quarters. The slight upward revision from the advance estimate of +3.9%yoy was due to the stronger consumer spending and more encouraging growth in the manufacturing and construction sectors. On quarter-to-quarter basis, Malaysia’s seasonally adjusted GDP surged +1.4% quarter-over-quarter (“qoq”), reversing the -1.0%qoq contraction in 4Q 2023, anchored by the sequential rebound in both domestic and external demands. This is an encouraging development given the continued expansion in domestic demand which will remains key driver of Malaysia’s economic growth in 2024, further bolstered by the external trade recovery. The positive growth momentum is expected to continue in the coming quarters. Domestic spending activities will continue to grow on the back of positive labour market conditions, positive income growth and increased tourist arrivals. In addition, external demand is expected to recover as Malaysia stands to benefit from improvements in the global production and international trade, especially growing demand from major trading partners such as China and the US. The downside risks that could constrain this year’s growth outlook are; escalation in geopolitical and trade tensions; weaker growth in China and the US; and significant slowdown in final demand from the major markets (in view of the high borrowing costs). On the domestic front, policy changes may result in higher inflation, which could adversely affect consumer sentiment.

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10. Review for 2024 (cont'd.)

In the equities market, investors are still waiting for clues on the first US rate cuts, despite the progress in inflation. The Fed Chairman reiterated that the FOMC needs more confidence before committing to rate cuts. In any period of uncertainty, investors have decided to lock in gains, hence the weak performance in markets such as Nikkei (which was best performer in 1Q 2024), Dow Jones, DAX, CAC and ASEAN markets such as Jakarta Composite Index, Stock Exchange of Thailand and Philippines Stock Exchange Index. This was especially the case after the FOMC meeting in June 2024. Even the FBM KLCI was not spared as it fell -0.4% in June 2024 (as of 24 June 2024). Nevertheless, the FBM KLCI was buoyed by foreign fund net inflows from the period of mid-April to mid-May which lifted its performance for 2Q 2024. This resulted in a YTD performance of +9.3%.

On monetary policy direction, in-line with market expectation, Bank Negara Malaysia (“BNM”) kept the Overnight Policy Rate (“OPR”) unchanged at 3.00% at the Monetary Policy Committee (“MPC”) meeting held in May 2024. BNM continues to expect both headline and core inflation to remain modest in 2024, with headline inflation to average between 2.0%-3.5% yoy after incorporating the potential impact of subsidy rationalisation. Likewise, the US Federal Reserve (“Fed”) had also maintained its fed fund rate unchanged within the range of 5.25% to 5.50% at the Federal Open Market Committee (“FOMC”) meeting held in June 2024. In addition, new bonds/sukuk issuances might increase in coming months, providing more investment opportunities for market players and investors. However, given the tighter credit spreads, trading activities in the secondary market are expected to remain selective in near term, with greater preferences for corporate bonds/sukuk for yield pick-up.

The MYR remained weak against the USD and closed the 2Q 2024 at 3.72 against the USD. According to BNM, the MYR currently does not reflect Malaysia's economic fundamentals and growth prospects. The external factors, such as the shifting expectation of major economies' monetary policy directions as well as the ongoing geo-political tensions have led to heightened volatility in both capital flows and exchange rates across region, including the MYR. Despite heightened market volatility, liquidity condition remained healthy in the local banking system with daily surplus funds averaging around RM50.0 billion in the 2Q 2024. This had positively contributed towards the stability of the local deposit rates in the 2Q 2024, supported by market expectation of no change in the OPR this year. As for the Kuala Lumpur Interbank Offered Rates (“KLIBORs”), the KLIBORs remained relatively stable across the board in the 2Q2024, with 1-month KLIBOR only moved 1 bps higher to 3.30%, while the 3-month and 6-month KLIBOR stayed put at 3.59% and 3.64% respectively, as compared to their closing level as at end of 1Q 2024.

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10. Review for 2024 (cont'd.)

In the fixed income market, the yields of the Malaysian Government Securities (“MGS”) were broadly stable in the 2Q2024. The 3-year MGS closed 4 bps higher at 3.53%, while the 5-year and 10-year MGS closed unchanged at 3.63% and 3.87% respectively as compared to their respective 1Q 2024 closing level. Overall, the MGS market movement was very much reflecting the trend in US Treasury market, where players have been adjusting their view that the Fed is not in a hurry to cut rates. In the local corporate bonds/sukuk market space, trading activities of corporate bonds/sukuk improved in the 2Q 2024, driven by bullish investor sentiment and preference for yield. This has led to tightening of credit spread between the government and corporate bonds/sukuk in the local bond market.

The Bank will remain vigilant in the evolving 2024 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 2024.

11. Cash and short-term funds

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Cash and balances with banks and other financial institutions	67,123	38,371	29,127	19,933
Money at call and deposit placements maturing within one month	263,067	682,015	263,067	682,015
	330,190	720,386	292,194	701,948

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group and the Bank amounted to approximately RM27,238,000 and RM22,610,000 respectively (2023: RM16,994,000 and RM16,970,000 respectively). These amounts are excluded from the cash and short-term funds of the Group and of the Bank.

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12. Financial investments at FVOCI

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
At fair value		
Money market instruments:		
Government investment issues	962,719	841,770
Islamic Negotiable Instruments	199,771	-
	<u>1,162,490</u>	<u>841,770</u>
Unquoted instruments in Malaysia:		
Corporate bonds/sukuk	1,057,318	924,775
Shares	1,407	1,407
	<u>1,058,725</u>	<u>926,182</u>
	<u>2,221,215</u>	<u>1,767,952</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 2024	422	14,196	14,618
Total charge to profit or loss	98	-	98
New financial investments purchased	262	-	262
Matured financial investments	(132)	-	(132)
Changes in credit risk	(32)	-	(32)
At 30 June 2024	<u>520</u>	<u>14,196</u>	<u>14,716</u>
At 1 January 2023	227	14,196	14,423
Total charge to profit or loss	195	-	195
New financial investments purchased	234	-	234
Matured financial investments	(87)	-	(87)
Changes in credit risk	48	-	48
At 31 December 2023	<u>422</u>	<u>14,196</u>	<u>14,618</u>

There was no Stage 2 exposure as at 30 June 2024 and 31 December 2023.

Unaudited Interim Financial Statements

13. Financial investments at amortised cost

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Money market instruments:		
Government investment issues	627,122	657,885
Unquoted instruments in Malaysia:		
Corporate bonds/sukuk	1,526,033	1,635,379
Less: ECL allowance	(1,105)	(1,187)
	<u>2,152,050</u>	<u>2,292,077</u>

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

Group and Bank	Stage 1 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2024	1,187	-	1,187
Total reversal to profit or loss	(82)	-	(82)
Matured financial investments	(43)	-	(43)
Changes in credit risk	(39)	-	(39)
At 30 June 2024	<u>1,105</u>	<u>-</u>	<u>1,105</u>
At 1 January 2023	411	2,849	3,260
Total charge/(reversal) to profit or loss	776	(2,849)	(2,073)
New financial investments purchased	55	-	55
Matured financial investments	(43)	-	(43)
Changes in credit risk	764	-	764
Written back	-	(2,849)	(2,849)
At 31 December 2023	<u>1,187</u>	<u>-</u>	<u>1,187</u>

There was no Stage 2 exposure as at 30 June 2024 and 31 December 2023.

Unaudited Interim Financial Statements

14. Loans, advances and financing

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Term loans/financing		
Syndicated term loans/financing	383,295	386,854
Other term loans/financing	313,824	324,332
	<u>697,119</u>	<u>711,186</u>
Margin accounts	1,070,477	1,003,996
Staff loans/financing	143	125
	<u>1,767,739</u>	<u>1,715,307</u>
Gross loans, advances and financing		
Less: ECL allowance	(91,067)	(83,170)
Net loans, advances and financing	<u>1,676,672</u>	<u>1,632,137</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	31 December
	2024	2023
	RM'000	RM'000
Domestic other non-bank financial institutions	34,767	38,180
Domestic business enterprises		
- Small medium enterprises	938,448	933,168
Individuals	794,524	743,959
Gross loans, advances and financing	<u>1,767,739</u>	<u>1,715,307</u>

Unaudited Interim Financial Statements

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

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

(ii) By interest rate sensitivity

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Fixed rate		
Staff loans	143	125
Margin accounts	1,070,477	1,003,996
Variable rate		
Bridging, structured and term loans and financing	697,119	711,186
Gross loans, advances and financing	<u>1,767,739</u>	<u>1,715,307</u>

(iii) By economic sector

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Household	794,524	743,959
Finance, insurance and business services	618,606	569,191
Wholesale, retail trade, restaurants and hotels	104,290	43,844
Construction	100,381	100,394
Manufacturing	51,315	65,414
Electricity, gas and water supply	50,123	33,753
Mining and quarrying	48,500	48,500
Transport, storage and communications	-	110,118
Others	-	134
Gross loans, advances and financing	<u>1,767,739</u>	<u>1,715,307</u>

Unaudited Interim Financial Statements

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

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

(iv) By maturity profile

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Within one year	1,200,768	1,184,736
One year to three years	351,443	192,024
Three years to five years	65	131,292
After five years	215,463	207,255
Gross financing and advances	<u>1,767,739</u>	<u>1,715,307</u>

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

(i) Movements in ILs

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
At 1 January	130,269	130,769
Classified as impaired	11,835	-
Recovered	-	(500)
	<u>142,104</u>	<u>130,269</u>
Less: ECL allowance	(85,733)	(79,201)
Net ILs	<u>56,371</u>	<u>51,068</u>
Ratio of net ILs to gross loans, advances and financing less ECL allowance (Stage 3)	<u>3.35%</u>	<u>3.12%</u>

Unaudited Interim Financial Statements

14. 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 2024 RM'000	31 December 2023 RM'000
Finance, insurance and business services	81,750	81,750
Mining and quarrying	48,500	48,500
Household	11,854	19
	<u>142,104</u>	<u>130,269</u>

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

(i) ECL allowance

Term loans and financing

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans, 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 2024	530,483	50,453	130,250	711,186
New financing/ disbursement	172,708	-	-	172,708
Repayment	(136,322)	(50,453)	-	(186,775)
At 30 June 2024	<u>566,869</u>	<u>-</u>	<u>130,250</u>	<u>697,119</u>
At 1 January 2023	757,888	-	130,750	888,638
Transfer to Stage 2	(50,453)	50,453	-	-
New financing/ disbursement	230,893	-	-	230,893
Repayment	(407,845)	-	(500)	(408,345)
At 31 December 2023	<u>530,483</u>	<u>50,453</u>	<u>130,250</u>	<u>711,186</u>

Unaudited Interim Financial Statements

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

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

(i) ECL allowance (cont'd.)

Term loans and financing (cont'd.)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term loans, advances and financing is as follows: (cont'd.)

Group and Bank	Stage 1 Collective RM'000	Stage 2 Individual RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2024	3,365	604	79,182	83,151
Charge/(reversal) to profit or loss	950	(604)	6,551	6,897
New financing/ disbursement	1,635	-	-	1,635
Repayment	(557)	(604)	-	(1,161)
Changes in credit risk parameters #	(128)	-	6,551	6,423
At 30 June 2024	<u>4,315</u>	<u>-</u>	<u>85,733</u>	<u>90,048</u>
At 1 January 2023	4,112	-	75,364	79,476
(Reversal)/charge to profit or loss	(747)	604	3,818	3,675
Changes in the ECL due to transfer within stages:				
- Transfer to Stage 2	(604)	604	-	-
New financing/ disbursement	2,162	-	-	2,162
Repayment	(2,310)	-	-	(2,310)
Changes in credit risk parameters #	5	-	3,818	3,823
At 31 December 2023	<u>3,365</u>	<u>604</u>	<u>79,182</u>	<u>83,151</u>

The changes in credit risk parameters include impact of forward-looking on key macroeconomic variables ("MEV") and changes to loss rate for the ECL model.

Unaudited Interim Financial Statements

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

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

(i) ECL allowance (cont'd.)

Margin accounts

An analysis of changes in the gross carrying amount in relation to margin accounts is as follows:

Group and Bank	Stage 1 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2024	1,003,996	-	1,003,996
Transfer to Stage 3	(11,835)	11,835	-
New financing/disbursement	147,544	-	147,544
Repayment	(81,063)	-	(81,063)
At 30 June 2024	<u>1,058,642</u>	<u>11,835</u>	<u>1,070,477</u>
At 1 January 2023	810,767	-	810,767
New financing/disbursement	241,978	-	241,978
Repayment	(48,749)	-	(48,749)
At 31 December 2023	<u>1,003,996</u>	<u>-</u>	<u>1,003,996</u>

From the total margin accounts outstanding, RM1,000,000 (2023: NIL) is classified under Stage 3 ECL allowances.

Staff loans and financing

An analysis of changes in the gross carrying amount in relation to staff loans/financing is as follows:

Group and Bank	Stage 1 Collective RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2024	106	19	125
New financing/disbursement	42	-	42
Repayment	(24)	-	(24)
At 30 June 2024	<u>124</u>	<u>19</u>	<u>143</u>
At 1 January 2023	164	19	183
New financing/disbursement	26	-	26
Repayment	(84)	-	(84)
At 31 December 2023	<u>106</u>	<u>19</u>	<u>125</u>

From the total staff loan/financing outstanding, RM19,369 (2023: RM19,369) is classified under Stage 3 ECL allowances.

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15. Derivative assets

Group and Bank	Contract or underlying principal amount RM'000	Derivative assets RM'000
30 June 2024		
Interest rate related derivatives:		
- Interest rate swaps	300,000	5,544
31 December 2023		
Interest rate related derivatives:		
- Interest rate swaps	300,000	7,275

16. Other assets

	Note	Group		Bank	
		30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Amounts due from brokers and clients	(a)	44,655	20,156	44,655	20,156
Deposits, prepayments and other receivables		9,521	9,247	9,521	9,247
Less: ECL allowance	(b)	(1,601)	(1,772)	(1,601)	(1,772)
		<u>7,920</u>	<u>7,475</u>	<u>7,920</u>	<u>7,475</u>
Amount due from related companies	(c)	281	208	281	208
Amount due from immediate holding company	(c)	-	3,164	-	3,167
Amount due from subsidiaries	(c)	-	-	37,627	18,218
Tax recoverable		14,537	11,520	14,529	11,517
		<u>67,393</u>	<u>42,523</u>	<u>105,012</u>	<u>60,741</u>

Unaudited Interim Financial Statements

16. Other assets (cont'd.)

(a) Amounts due from brokers and clients

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Brokers	191	3,724
Clients	44,464	16,432
	<u>44,655</u>	<u>20,156</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

Movements in impairment allowance

(i) ECL allowance

Group and Bank	Total RM'000
At 1 January 2024	1,772
Written back	(171)
At 30 June 2024	<u>1,601</u>
At 1 January 2023	1,902
Written back	(130)
At 31 December 2023	<u>1,772</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 2024 RM'000	31 December 2023 RM'000
(a) By types of deposit		
Call deposits	60,580	63,097
Fixed deposits	3,927,567	4,118,994
	3,988,147	4,182,091
(b) By types of customer		
Business enterprises	2,109,545	2,142,860
Government and statutory bodies	1,875,653	2,036,337
Individual	2,949	2,894
	3,988,147	4,182,091
(c) By maturity structure of term deposits		
Due within six months	3,923,631	4,110,580
Six months to one year	64,516	70,989
One year to two years	-	522
	3,988,147	4,182,091

18. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
(a) Call deposits		
- Other financial institutions	42,409	28,737
	42,409	28,737
(b) Fixed deposits		
- Other financial institutions	1,573,986	1,444,875
	1,573,986	1,444,875
	1,616,395	1,473,612

Unaudited Interim Financial Statements

19. Other liabilities

	Note	Group		Bank	
		30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Amounts due to brokers and clients	(a)	45,300	19,880	45,300	19,880
Accrued liabilities and other payables		7,935	24,590	7,935	24,590
Employee benefits		2,466	2,360	2,466	2,360
Amount due to immediate holding company	(b)	4,788	-	4,781	-
Amount due to related company	(b)	332	171	332	171
ECL allowances on loans, advances and financing commitments	(c)	915	1,127	915	1,127
		<u>61,736</u>	<u>48,128</u>	<u>61,729</u>	<u>48,128</u>

(a) Amounts due to brokers and clients

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Brokers	2,929	10,237
Clients	42,371	9,643
	<u>45,300</u>	<u>19,880</u>

Broker' and 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.

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19. Other liabilities (cont'd.)

- (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 is as follows:

Group and Bank	Loans, advances and financing commitments RM'000
At 1 January 2024	1,127
Total reversal to profit or loss	(212)
New financing/disbursement	524
Derecognised/converted to financing (other than write-offs)	(703)
Changes in credit risk parameters#	(33)
At 30 June 2024	<u>915</u>
At 1 January 2023	510
Total charge to profit or loss	617
New financing/disbursement	893
Derecognised/converted to financing (other than write-offs)	(225)
Changes in credit risk parameters#	(51)
At 31 December 2023	<u>1,127</u>

The changes in credit risk parameters include impact of forward-looking on key macroeconomic variables ("MEV") and changes to loss rate for the ECL model.

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20. Interest income

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income on non-impaired loans	23,630	19,869	46,314	37,979
Money at call and deposit placements with financial institutions	1,117	545	2,140	738
Financial investments at FVOCI				
- Interest income on non-impaired instruments	1,981	2,843	3,769	6,026
Financial investments at amortised cost				
- Interest income on non-impaired instruments	2,008	2,233	4,019	4,442
Derivative instruments	1,086	1,094	2,248	2,176
	<u>29,822</u>	<u>26,584</u>	<u>58,490</u>	<u>51,361</u>
Accretion of discount less amortisation of premium	(354)	(2)	(694)	84
	<u>29,468</u>	<u>26,582</u>	<u>57,796</u>	<u>51,445</u>

21. Interest expense

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	10,724	11,060	21,583	20,377
Deposits and placements of bank and other financial institutions	4,684	2,976	8,494	6,457
Derivative instruments	1	(1)	24	5
	<u>15,409</u>	<u>14,035</u>	<u>30,101</u>	<u>26,839</u>
Lease liabilities	42	19	71	46
	<u>15,451</u>	<u>14,054</u>	<u>30,172</u>	<u>26,885</u>

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22. Non-interest income

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Fees on loans and advances	69	18	139	35
Corporate advisory fees	1,000	1,253	2,895	1,773
Brokerage commission	3,849	1,408	6,147	2,671
Rollover charges	1,835	1,105	3,596	2,084
Facility fee	75	60	350	460
Redemption fee	244	89	385	326
Placement fees	89	101	89	286
Other fee income	185	249	360	485
	<u>7,346</u>	<u>4,283</u>	<u>13,961</u>	<u>8,120</u>
Investment income:				
Net gain/(loss) on sale of financial investments at FVOCI	43	(64)	63	65
Net unrealised loss on revaluation of derivative instruments	(1,073)	(760)	(1,714)	(2,361)
	<u>(1,030)</u>	<u>(824)</u>	<u>(1,651)</u>	<u>(2,296)</u>
Other income:				
Gain on disposal of property, plant and equipment	-	-	2	-
Intercompany management fee	24	27	48	54
Others	97	46	261	153
	<u>121</u>	<u>73</u>	<u>311</u>	<u>207</u>
	<u>6,437</u>	<u>3,532</u>	<u>12,621</u>	<u>6,031</u>

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

Bank	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Fee income:				
Fees on loans and advances	69	18	139	35
Corporate advisory fees	1,000	1,253	2,895	1,773
Brokerage commission	3,849	1,408	6,147	2,671
Rollover charges	1,835	1,105	3,596	2,084
Facility fee	75	60	350	460
Redemption fee	244	89	385	326
Placement fees	89	101	89	286
Other fee income	164	217	325	431
	<u>7,325</u>	<u>4,251</u>	<u>13,926</u>	<u>8,066</u>
Investment income:				
Net gain/(loss) on sale of financial investments at FVOCI	43	(64)	63	65
Net unrealised loss on revaluation of derivative instruments	(1,073)	(760)	(1,714)	(2,361)
	<u>(1,030)</u>	<u>(824)</u>	<u>(1,651)</u>	<u>(2,296)</u>
Other income:				
Gain on disposal of property, plant and equipment	-	-	2	-
Intercompany management fee	24	27	48	54
Others	10	10	100	39
	<u>34</u>	<u>37</u>	<u>150</u>	<u>93</u>
	<u>6,329</u>	<u>3,464</u>	<u>12,425</u>	<u>5,863</u>

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23. Operating expenses

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
(i) Staff costs:				
Wages, salaries and bonuses	12,442	11,462	22,251	22,824
Employees' benefits	53	48	106	95
Defined contribution plans	1,881	1,766	3,390	3,521
Social security costs	55	18	108	36
Other staff related expenses	930	788	1,858	1,873
	<u>15,361</u>	<u>14,082</u>	<u>27,713</u>	<u>28,349</u>
(ii) Establishment costs:				
Depreciation and amortisation	1,038	660	1,936	1,066
Depreciation of right-of-use assets	303	533	504	1,066
Rental of premises and office equipment	5	9	263	18
General repairs and maintenance	-	11	8	22
Insurance	55	19	110	243
Electricity	-	24	8	32
IT expenses	1,891	1,671	4,842	3,722
	<u>3,292</u>	<u>2,927</u>	<u>7,671</u>	<u>6,169</u>
(iii) Promotion and marketing -related expenses:				
Business promotion and advertisement	547	283	1,101	829
Entertainment	3	88	(34)	199
	<u>550</u>	<u>371</u>	<u>1,067</u>	<u>1,028</u>

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23. Operating expenses (cont'd.)

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
(iv) Administrative and general expenses:				
Auditors' remuneration				
- Audit	94	88	187	177
Non-Executive Directors' remuneration	177	214	368	406
Shariah Committee remuneration	4	16	15	43
Management fees	2,863	3,648	5,831	7,258
Securities commission's levy	314	90	471	176
Brokerage fee	239	308	479	459
Bursa fee	58	62	190	145
License fee and stamp duty	46	48	94	91
Corporate dealers' and remisier' commissions	238	96	253	201
Professional fees	171	464	370	526
Regulatory expenses	27	192	101	216
Others	151	38	268	126
	<u>4,382</u>	<u>5,264</u>	<u>8,627</u>	<u>9,824</u>
	<u>23,585</u>	<u>22,644</u>	<u>45,078</u>	<u>45,370</u>

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23. Operating expenses (cont'd.)

Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
(i) Staff costs:				
Wages, salaries and bonuses	12,442	11,462	22,251	22,824
Employees' benefits	53	48	106	95
Defined contribution plans	1,881	1,766	3,390	3,521
Social security costs	55	18	108	36
Other staff related expenses	930	788	1,858	1,873
	<u>15,361</u>	<u>14,082</u>	<u>27,713</u>	<u>28,349</u>
(ii) Establishment costs:				
Depreciation and amortisation	1,038	660	1,936	1,066
Depreciation of right-of-use assets	303	533	504	1,066
Rental of premises and office equipment	5	9	263	18
General repairs and maintenance	-	11	8	22
Insurance	55	19	110	243
Electricity	-	24	8	32
IT expenses	1,891	1,671	4,842	3,722
	<u>3,292</u>	<u>2,927</u>	<u>7,671</u>	<u>6,169</u>
(iii) Promotion and marketing -related expenses:				
Business promotion and advertisement	547	283	1,101	829
Entertainment	3	88	(34)	199
	<u>550</u>	<u>371</u>	<u>1,067</u>	<u>1,028</u>

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23. Operating expenses (cont'd.)

Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
(iv) Administrative and general expenses:				
Auditors' remuneration				
- Audit	94	89	187	177
Non-Executive Directors' remuneration	177	214	368	406
Shariah Committee remuneration	4	16	15	43
Management fees	2,858	3,643	5,821	7,248
Securities commission's levy	314	90	471	176
Brokerage fee	239	309	479	459
Bursa fees	58	62	190	145
License fee and stamp duty	46	47	94	91
Corporate dealers' and remisiers' commissions	238	95	253	201
Professional fees	171	464	370	526
Regulatory expenses	27	192	101	216
Others	151	38	268	126
	<u>4,377</u>	<u>5,259</u>	<u>8,617</u>	<u>9,814</u>
	<u>23,580</u>	<u>22,639</u>	<u>45,068</u>	<u>45,360</u>

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
ECL allowance (made)/written back				
- Stage 1	1,380	839	(738)	(1,000)
- Stage 2	-	-	604	-
- Stage 3	(5,500)	-	(7,551)	(158)
	<u>(4,120)</u>	<u>839</u>	<u>(7,685)</u>	<u>(1,158)</u>
Interest on impaired loans recovered	-	-	-	147
	<u>(4,120)</u>	<u>839</u>	<u>(7,685)</u>	<u>(1,011)</u>

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
Financial investments at FVOCI	(33)	(111)	(151)	(110)
Financial investments at amortised cost	(177)	(696)	82	2,172
Bad debts written off	-	-	-	(2,335)
	<u>(210)</u>	<u>(807)</u>	<u>(69)</u>	<u>(273)</u>

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26. Impairment loss written back on other assets

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
ECL allowance				
- Written back	110	400	171	281

27. Basic earnings per ordinary shares

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Profit for the period	9,357	8,678	18,149	15,506
Weighted average number of ordinary shares	155,000	155,000	155,000	155,000
Basic and diluted earnings per ordinary share (sen)	6.04	5.60	11.71	10.00

Unaudited Interim Financial Statements

28. Commitments and contingencies

	<----- 30 June 2024 ----->			<----- 31 December 2023 ----->		
	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	78,500	78,500	78,500	57,500	57,500	57,500
Interest rate related contracts with an original maturity of:						
- Over one year to five years:	300,000	8,544	1,709	300,000	10,275	2,055
Other commitments, such as formal and credit lines, with an original maturity of:						
- not exceeding one year	392,974	78,595	78,595	392,776	78,555	78,555
- exceeding one year	244,975	122,488	122,487	256,722	128,361	128,361
Total	1,016,449	288,127	281,291	1,006,998	274,691	266,471

* 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.

29. Credit exposures arising from credit transactions with connected parties

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
(i) Outstanding credit exposures with connected parties	330,666	294,928
(ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	6.43%	5.66%
(iii) Percentage of outstanding credit exposures to connected parties which is impaired or in default	Nil	Nil

Unaudited Interim Financial Statements

30. 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 2024 RM'000	30 June 2023 RM'000
Ultimate holding company		
Income:		
Brokerage fees earned	3,193	-
Expenditure:		
Interest expense on deposits	172	-
	172	-
Penultimate holding company		
Income:		
Interest/profit income on financial investments	-	2,485
Brokerage fees earned	-	213
Fee income	100	-
	100	-
Immediate holding company		
Income		
Fee income	-	3,000
Expenditure:		
Rental of premises	553	-
Management fees	5,821	7,248
	5,821	7,248
Other related companies		
Income:		
Interest income on financial investments	1,553	-
Interest income on loans, advances and financing	-	1,308
Brokerage fees earned	86	101
Fee income	-	265
Expenditure:		
Interest expense on deposits	8	972
	8	972

Unaudited Interim Financial Statements

30. 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
	2024	2023
	RM'000	RM'000
Ultimate holding company		
Amount due to:		
Deposits from placements of banks and other financial institutions	14,101	-
Deposits from customers	250,148	-
	<u>264,249</u>	<u>-</u>
Penultimate holding company		
Amount due from:		
Fee receivable	108	-
	<u>108</u>	<u>-</u>
Immediate holding company		
Amount due to:		
Deposits from placements of banks and other financial institutions	-	400,000
Other payables	4,229	3,070
	<u>4,229</u>	<u>403,070</u>
Other related companies		
Amount due to:		
Deposits from placements of banks and other financial institutions	2,603	-
Amount due from:		
Financial investments	80,668	735,000
	<u>83,271</u>	<u>735,000</u>

Other related companies include companies within the MBSB Group and companies related to the Directors of the Bank.

Unaudited Interim Financial Statements

31. 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 2024				
Assets measured at fair value				
Financial investments at FVOCI				
- Money market instruments	-	1,162,490	-	1,162,490
- Unquoted instruments	-	1,057,318	1,407	1,058,725
Derivative assets	-	5,544	-	5,544
Assets for which fair values are disclosed:				
Financial investments at amortised cost				
- Money market instruments	-	628,285	-	628,285
- Unquoted instruments	-	1,525,985	-	1,525,985
Loans, advances and financing				
- staff loans	-	104	-	104

Unaudited Interim Financial Statements

31. 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 2023				
Assets measured at fair value				
Financial investments at FVOCI				
- Money market instruments	-	841,770	-	841,770
- Unquoted instruments	-	924,775	1,407	926,182
Derivative assets	-	7,275	-	7,275
Assets for which fair values are disclosed:				
Financial investments at amortised cost				
- Money market instruments	-	652,293	-	652,293
- Unquoted instruments	-	1,633,773	-	1,633,773
Loans, advances and financing				
- staff loans	-	89	-	89

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

Unaudited Interim Financial Statements

31. 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 2024 / 30 June 2024	-	1,407
At 1 January 2023	51,025	1,500
Disposal	(51,025)	(93)
At 31 December 2023	-	1,407

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

32. Capital management

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

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Tier 1 Capital				
Common Equity Tier 1 ("CET1") Capital				
Ordinary shares	369,111	369,111	369,111	369,111
Regulatory reserve	39,936	37,324	39,936	37,324
FVOCI reserve	(2,551)	(7,651)	(2,551)	(7,651)
Retained profits	482,795	485,407	482,579	485,191
	<u>889,291</u>	<u>884,191</u>	<u>889,075</u>	<u>883,975</u>
Less: Regulatory adjustments	(55,609)	(57,513)	(55,609)	(57,513)
<i>Total CET1 Capital</i>	<u>833,682</u>	<u>826,678</u>	<u>833,466</u>	<u>826,462</u>
Total Tier 1 Capital	<u>833,682</u>	<u>826,678</u>	<u>833,466</u>	<u>826,462</u>
Tier 2 Capital				
Loss provision / loss provision and regulatory reserve	35,696	33,393	36,071	33,574
Total Tier 2 capital	<u>35,696</u>	<u>33,393</u>	<u>36,071</u>	<u>33,574</u>
Total Capital	<u>869,378</u>	<u>860,071</u>	<u>869,537</u>	<u>860,036</u>
CET1 Capital Ratio	25.768%	26.954%	25.525%	26.820%
Tier 1 Capital Ratio	25.768%	26.954%	25.525%	26.820%
Total Capital Ratio	26.872%	28.043%	26.629%	27.909%

* There are no proposed dividends for period ended 30 June 2024.

Unaudited Interim Financial Statements

32. 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 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Total risk-weighted assets for credit risk	2,855,687	2,671,416	2,885,707	2,685,947
Total risk-weighted assets equivalent for market risk	41,253	43,227	41,253	43,227
Total risk-weighted assets equivalent for operational risk	338,368	352,354	338,368	352,354
	<u>3,235,308</u>	<u>3,066,997</u>	<u>3,265,328</u>	<u>3,081,528</u>

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI)

Condensed consolidated statements of financial position
As at 30 June 2024

	Note	Group and Bank	
		30 June 2024 RM'000	31 December 2023 RM'000
Assets			
Cash and short-term funds	(a)	131,601	449,904
Financial investments at FVOCI	(b)	2,023,938	1,590,351
Financial investments at amortised cost	(c)	1,964,407	2,096,500
Financing and advances	(d)	607,136	628,065
Other assets	(e)	3,153	12,075
Deferred tax assets		2,606	4,203
Total assets		4,732,841	4,781,098
Liabilities			
Deposits from customers	(f)	2,732,185	2,833,214
Deposits and placements of banks and other financial institutions	(g)	1,050,601	989,624
Other liabilities	(h)	203,767	229,049
Provision for tax and zakat		1,225	906
Total liabilities		3,987,778	4,052,793
Islamic banking capital funds			
Islamic banking funds		426,600	426,600
Reserves		318,463	301,705
Total Islamic banking capital funds		745,063	728,305
Total liabilities and Islamic banking capital funds		4,732,841	4,781,098

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 2023.

Unaudited Interim Financial Statements

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

Condensed consolidated statements of profit or loss
For the six months ended 30 June 2024

Group and Bank	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Income derived from investment of depositors' funds	(i)	45,214	44,719	89,863	91,293
Income derived from investment of Islamic Banking funds	(j)	9,012	9,855	17,058	16,907
Impairment loss made on financing and advances	(k)	(3,136)	757	(6,690)	(1,138)
Impairment loss made on financial investments	(l)	(196)	(647)	(127)	(631)
Impairment loss written back/(made) on other assets	(m)	49	59	52	(29)
Total attributable income		50,943	54,743	100,156	106,402
Income attributable to depositors	(n)	(34,116)	(36,603)	(69,976)	(70,871)
Total net income		16,827	18,140	30,180	35,531
Operating expenses	(o)	(9,112)	(6,691)	(13,914)	(13,488)
Profit before taxation and zakat		7,715	11,449	16,266	22,043
Taxation		(1,893)	(2,814)	(3,907)	(5,623)
Zakat		(159)	(223)	(319)	(424)
Profit for the period		5,663	8,412	12,040	15,996

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 2023.

Unaudited Interim Financial Statements

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

Condensed consolidated statements of comprehensive income
For the six months ended 30 June 2024

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Profit for the period attributable to equity holder of the Bank	5,663	8,412	12,040	15,996
Other comprehensive (loss)/ income to be reclassified to profit or loss in subsequent periods:				
Changes in allowance for ECL for investments at FVOCI	14	119	142	121
Net gain/(loss) on financial investments at FVOCI				
- Transfer of gain to profit or loss upon disposal	(182)	(276)	(290)	(750)
- Fair value changes	1,701	2,061	4,866	13,192
Other comprehensive (loss)/ income for the period, net of tax	1,533	1,904	4,718	12,563
Total comprehensive (loss)/income for the period attributable to equity holder of the Bank	7,196	10,316	16,758	28,559

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 2023.

Unaudited Interim Financial Statements

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

Condensed consolidated statements of changes in equity
For the six months ended 30 June 2024

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 2024	426,600	21,237	(7,533)	288,001	728,305
Profit for the financial period	-	-	-	12,040	12,040
Other comprehensive income for the financial period	-	-	4,718	-	4,718
Total comprehensive income for the financial period	-	-	4,718	12,040	16,758
Transactions with owner					
Transfer to regulatory reserve	-	1,676	-	(1,676)	-
At 30 June 2024	426,600	22,913	(2,815)	298,365	745,063
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 period	-	-	12,563	15,996	28,559
Transactions with owner					
Transfer to regulatory reserve	-	446	-	(446)	-
Dividend	-	-	-	(70,000)	(70,000)
At 30 June 2023	426,600	20,403	(13,935)	270,604	703,672

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 2023.

Unaudited Interim Financial Statements

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

Condensed consolidated statements of cash flows
For the six months ended 30 June 2024

	Note	Group and Bank	
		30 June 2024 RM'000	30 June 2023 RM'000
Profit before taxation and zakat		16,266	22,043
Adjustments for non-cash items		9,509	7,447
Operating profit before changes in working capital		25,775	29,490
Changes in working capital:			
Net changes in operating assets		(278,744)	55,883
Net changes in operating liabilities		(65,334)	(134,753)
Net cash generated from operating activities		(318,303)	(49,380)
Net cash used in financing activities			
- Dividend paid		-	(70,000)
		-	(70,000)
Net change in cash and cash equivalents		(318,303)	(119,380)
Cash and cash equivalents at beginning of the period		449,904	444,261
Cash and cash equivalents at end of the period	33(a)	131,601	324,881
Cash and cash equivalents comprise of:			
Cash and short-term funds		131,601	324,881

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 2023.

Unaudited Interim Financial Statements

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

(a) Cash and short-term funds

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Cash and balances with banks and other financial institutions	9,601	16,904
Money at call and deposit placements maturing within one month	122,000	433,000
	<u>131,601</u>	<u>449,904</u>

(b) Financial investments at FVOCI

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Money market instruments:		
Government investment issues	820,549	740,235
Islamic negotiable instruments	199,771	-
	<u>1,020,320</u>	<u>740,235</u>
Corporate sukuk	1,003,618	850,116
	<u>2,023,938</u>	<u>1,590,351</u>

Unaudited Interim Financial Statements

33. 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 2024	388	8,112	8,500
Total charge to profit or loss	112	-	112
New financial investments purchased	263	-	263
Matured financial investments	(121)	-	(121)
Changes in credit risk	(30)	-	(30)
At 30 June 2024	500	8,112	8,612
At 1 January 2023	185	8,112	8,297
Total charge to profit or loss	203	-	203
New financial investments purchased	235	-	235
Matured financial investments	(77)	-	(77)
Changes in credit risk	45	-	45
At 31 December 2023	388	8,112	8,500

There was no Stage 2 exposure as at 30 June 2024 and 31 December 2023.

(c) Financial investments at amortised costs

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Money market instruments:		
Government investment issues	606,717	637,418
Corporate sukuk	1,358,681	1,460,110
	1,965,398	2,097,528
Less: ECL allowance	(991)	(1,028)
	1,964,407	2,096,500

Unaudited Interim Financial Statements

33. 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
At 1 January 2024	1,028
Total reversal to profit or loss [Note 33(l)]	(37)
Changes in credit risk	(37)
At 30 June 2024	<u>991</u>
At 1 January 2023	393
Total charge to profit or loss	635
New financial investments purchased	57
Matured financial investments	(39)
Changes in credit risk	617
At 31 December 2023	<u>1,028</u>

There was no Stage 2 and Stage 3 exposure as at 30 June 2024 and 31 December 2023.

(d) Financing and advances

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Term financing		
- Syndicated term financing	383,295	446,674
- Other term financing	313,824	264,512
	<u>697,119</u>	<u>711,186</u>
Staff financing	65	30
Gross financing and advances	<u>697,184</u>	<u>711,216</u>
Less: ECL allowance	(90,048)	(83,151)
Net financing and advances	<u>607,136</u>	<u>628,065</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

33. 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	31 December
	2024	2023
	RM'000	RM'000
Domestic business enterprises	662,352	673,006
Domestic other non-bank financial institutions	34,767	38,180
Individuals	65	30
Gross financing and advances	<u>697,184</u>	<u>711,216</u>

(ii) By profit rate sensitivity

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Fixed rate		
Staff financing	65	30
Variable rate		
Bridging, structured and term financing	697,119	711,186
Gross financing and advances	<u>697,184</u>	<u>711,216</u>

Unaudited Interim Financial Statements

33. 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	31 December
	2024	2023
	RM'000	RM'000
Finance, insurance and business services	345,307	312,424
Wholesale & retail trade and restaurants and hotels	101,493	40,582
Construction	100,381	100,395
Manufacturing	51,315	65,414
Electricity, gas and water supply	50,123	33,753
Mining and quarrying	48,500	48,500
Household	65	30
Transport, storage and communications	-	110,118
Gross financing and advances	<u>697,184</u>	<u>711,216</u>

(iv) By maturity profile

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Within one year	130,270	180,714
One year to three years	351,412	192,001
Three years to five years	39	131,246
After five years	215,463	207,255
Gross financing and advances	<u>697,184</u>	<u>711,216</u>

Unaudited Interim Financial Statements

33. 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
	2024	2023
	RM'000	RM'000
Term financing		
Commodity Murabahah	697,119	711,186
Staff financing	65	30
Gross financing and advances	697,184	711,216

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

(i) Movements in IF

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
At 1 January	130,250	130,750
Recovered	-	(500)
	130,250	130,250
Less: ECL allowance	(85,733)	(79,182)
Net IF	44,517	51,068
Ratio of net IF to gross financing and advances less ECL allowance	7.28%	8.08%

(ii) IF by economic sector

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Finance, insurance and business services	81,750	81,750
Mining and quarrying	48,500	48,500
	130,250	130,250

Unaudited Interim Financial Statements

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

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

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

(i) ECL allowance

Term loans and financing

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to term 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 2024	530,483	50,453	130,250	711,186
New financing/ disbursement	172,708	-	-	172,708
Repayment	(136,322)	(50,453)	-	(186,775)
At 30 June 2024	<u>566,869</u>	<u>-</u>	<u>130,250</u>	<u>697,119</u>
At 1 January 2023	698,049	-	130,750	828,799
Transfer to Stage 2	(50,453)	50,453	-	-
New financing/ disbursement	230,893	-	-	230,893
Repayment	(348,006)	-	(500)	(348,506)
At 31 December 2023	<u>530,483</u>	<u>50,453</u>	<u>130,250</u>	<u>711,186</u>

Unaudited Interim Financial Statements

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

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

(b) Movement in impairment allowances by class of financial assets (cont'd.)

(i) ECL allowance (cont'd.)

Group and Bank	Stage 1 Collective RM'000	Stage 2 Individual RM'000	Stage 3 Individual RM'000	Total RM'000
At 1 January 2024	3,365	604	79,182	83,151
Total charge/(reversal) to profit or loss	950	(604)	6,551	6,897
New financing/ disbursement	1,635	-	-	1,635
Repayment	(557)	(604)	-	(1,161)
Changes in credit risk parameter#	(128)	-	6,551	6,423
At 30 June 2024	4,315	-	85,733	90,048
At 1 January 2023	3,858	-	75,364	79,222
Total (reversal)/charge to profit or loss	(493)	604	3,818	3,929
Changes in ECL due to transfer within stages: - Transfer to Stage 2	(604)	604	-	-
New financing/ disbursement	2,162	-	-	2,162
Repayment	(2,056)	-	-	(2,056)
Changes in credit risk parameter#	5	-	3,818	3,823
At 31 December 2023	3,365	604	79,182	83,151

The changes in credit risk parameters include impact of forward-looking on key macroeconomic variables ("MEV") and changes to loss rate for the ECL model.

Unaudited Interim Financial Statements

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

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

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

(i) ECL allowance (cont'd.)

Staff financing

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to staff financing is as follows:

Group and Bank	Stage 1 Collective RM'000
At 1 January 2024	30
New financing/disbursement	42
Repayment	(7)
At 30 June 2024	<u>65</u>
At 1 January 2023	23
New financing/disbursement	17
Repayment	(10)
At 31 December 2023	<u>30</u>

No ECL allowance provided from the total staff financing outstanding.

Unaudited Interim Financial Statements

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

(e) Other assets

	Note	Group and Bank	
		30 June 2024 RM'000	31 December 2023 RM'000
Other debtors, deposits and prepayments		1,874	2,318
Less: ECL allowance	(i)	(1,102)	(1,154)
		<u>772</u>	<u>1,164</u>
Amounts due from clients	(ii)	2,381	10,911
		<u>3,153</u>	<u>12,075</u>

(i) Other debtors, deposits and prepayments

Movement in ECL allowance

Group and Bank	Total RM'000
At 1 January 2024	1,154
Written back [Note 33(m)]	(52)
At 30 June 2024	<u>1,102</u>
At 1 January 2023	1,062
Impairment made	92
At 31 December 2023	<u>1,154</u>

(ii) Amounts due from clients

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Clients	<u>2,381</u>	<u>10,911</u>

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

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

(f) Deposits from customers

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
(i) By type of deposit		
Commodity murabahah fund		
Term deposits	2,732,185	2,833,214
(ii) By type of customer		
Commodity murabahah fund		
Business enterprises	1,108,506	1,221,768
Government and statutory bodies	1,623,679	1,611,446
	<u>2,732,185</u>	<u>2,833,214</u>
(iii) By maturity structure of term deposits		
Due within six months	2,692,928	2,765,186
Six months to one year	39,257	67,506
One year to two years	-	522
	<u>2,732,185</u>	<u>2,833,214</u>

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

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
(i) By types of deposit		
Commodity murabahah fund		
Term deposits	1,050,601	989,624
(ii) By type of customer		
Commodity murabahah fund		
Other financial institutions	1,050,601	989,624

Unaudited Interim Financial Statements

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

(h) Other liabilities

	Note	Group and Bank	
		30 June 2024 RM'000	31 December 2023 RM'000
Amounts due to brokers and clients	(i)	2,338	10,854
Sundry creditors and accruals		17,539	18,018
ECL allowances on financing and advances commitments	(ii)	881	1,088
Amount due to immediate holding company		75	97
Amount due to Head Office		182,934	198,992
		<u>203,767</u>	<u>229,049</u>

(i) Amounts due to brokers and clients

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Brokers	2,083	9,102
Clients	255	1,752
	<u>2,338</u>	<u>10,854</u>

Brokers' and 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.

Unaudited Interim Financial Statements

33. 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 is as follows:

Group and Bank	Financing and advances commitments RM'000
Stage 1 Collective	
At 1 January 2024	1,088
Total reversal to profit or loss	(207)
New financing/disbursement	523
Derecognised/converted to financing (other than write-offs)	(703)
Changes in credit risk parameters#	(27)
At 30 June 2024	<u>881</u>
At 1 January 2023	415
Total charge to profit or loss	673
New financing/disbursement	894
Derecognised/converted to financing (other than write-offs)	(225)
Changes in credit risk parameters#	4
At 31 December 2023	<u>1,088</u>

The changes in credit risk parameters include impact of forward-looking on key macroeconomic variables ("MEV") and changes to loss rate for the ECL model.

Unaudited Interim Financial Statements

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

(i) Income derived from investment of depositors' funds

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Finance income and hibah:				
Financing and advances	9,580	9,588	18,331	19,258
Money at call and deposit placements with financial institutions	855	2,352	2,885	3,552
Financial investments at FVOCI				
- Profit on non-impaired instruments	15,177	13,946	29,831	28,426
Financial investments at amortised costs				
- Profit on non-impaired instruments	20,506	20,887	41,285	41,627
- Profit on impaired instruments	-	-	-	3,515
	<u>46,118</u>	<u>46,773</u>	<u>92,332</u>	<u>96,378</u>
Accretion of discount less amortisation of premium	(1,077)	(2,336)	(2,743)	(5,796)
Total finance income and hibah	<u>45,041</u>	<u>44,437</u>	<u>89,589</u>	<u>90,582</u>
Other operating income:				
Net gain on sale of financial assets at FVTPL	9	-	13	-
Net gain on sale of financial investments at FVOCI	164	246	261	675
Net gain on sale of financial investments at amortised cost	-	36	-	36
	<u>173</u>	<u>282</u>	<u>274</u>	<u>711</u>
	<u>45,214</u>	<u>44,719</u>	<u>89,863</u>	<u>91,293</u>

Unaudited Interim Financial Statements

33. 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 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Finance income and hibah:				
Financing and advances	1,064	1,063	2,036	2,140
Money at call and deposit placements with financial institutions	94	256	320	394
Financial investments at FVOCI				
- Profit on non-impaired instruments	1,686	1,545	3,315	3,159
Financial investments at amortised costs				
- Profit on non-impaired instruments	2,280	2,322	4,588	4,625
- Profit on impaired instruments	-	-	-	391
	<u>5,124</u>	<u>5,186</u>	<u>10,259</u>	<u>10,709</u>
Accretion of discount less amortisation of premium	(120)	(254)	(305)	(643)
Total finance income and hibah	<u>5,004</u>	<u>4,932</u>	<u>9,954</u>	<u>10,066</u>
Other operating income:				
Net gain on sale of financial assets at FVTPL	-	-	1	-
Net gain on sale of financial investments at FVOCI	18	30	29	75
Net gain on sale of financial investments at amortised cost	-	4	-	4
	<u>18</u>	<u>34</u>	<u>30</u>	<u>79</u>

Unaudited Interim Financial Statements

33. 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 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
Fees and others:				
Fee income				
- Fees on financing and advances	297	249	606	562
- Corporate advisory fees	2,210	3,430	4,158	4,450
- Brokerage commission	1,337	289	2,026	618
- Participation fees	106	106	212	211
- Extension fee	-	782	-	807
- Other fee income	31	30	61	94
	<u>3,981</u>	<u>4,886</u>	<u>7,063</u>	<u>6,742</u>
Other income	9	3	11	20
	<u>3,990</u>	<u>4,889</u>	<u>7,074</u>	<u>6,762</u>
	<u>9,012</u>	<u>9,855</u>	<u>17,058</u>	<u>16,907</u>

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
ECL allowance (made)/written back				
- Stage 1	1,364	915	(743)	(980)
- Stage 2	-	-	604	-
- Stage 3	(4,500)	(158)	(6,551)	(158)
	<u>(3,136)</u>	<u>757</u>	<u>(6,690)</u>	<u>(1,138)</u>

Unaudited Interim Financial Statements

33. 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 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
Financial investments at FVOCI	(40)	(119)	(164)	(121)
Financial investments at amortised cost [Note 33(c)]	(156)	(528)	37	(510)
	<u>(196)</u>	<u>(647)</u>	<u>(127)</u>	<u>(631)</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 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
Other assets				
- Written back/(made) [Note 33(e)(i)]	49	59	52	(29)
	<u>49</u>	<u>59</u>	<u>52</u>	<u>(29)</u>

Unaudited Interim Financial Statements

33. 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 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
Commodity murabahah fund				
Deposits from customers	25,670	29,190	52,546	56,035
Deposits and placements of banks and other financial institutions	8,446	7,413	17,430	14,836
	<u>34,116</u>	<u>36,603</u>	<u>69,976</u>	<u>70,871</u>

(o) Operating expenses

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
(i) Staff costs:				
Wages, salaries and bonuses	417	516	920	1,099
Social security costs	4	3	7	7
Defined contribution plan	93	101	192	216
Other staff related expenses	63	72	164	134
	<u>577</u>	<u>692</u>	<u>1,283</u>	<u>1,456</u>

Unaudited Interim Financial Statements

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

(o) Operating expenses (cont'd.)

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
(ii) Establishment costs:				
Rental	-	2	-	3
IT expenses	510	57	690	203
Others	208	116	374	204
	<u>718</u>	<u>175</u>	<u>1,064</u>	<u>410</u>
(iii) Promotion and marketing related expenses				
Business promotion and advertisement	91	-	180	-
Entertainment	1	1	1	1
	<u>92</u>	<u>1</u>	<u>181</u>	<u>1</u>
(iv) Administrative and general expenses:				
Audit fees	56	53	112	106
Non-Executive Directors' remuneration	106	129	221	244
Management fees	3,062	3,406	6,223	6,833
Brokerage fees	130	113	200	216
Others	4,371	2,122	4,630	4,222
	<u>7,725</u>	<u>5,823</u>	<u>11,386</u>	<u>11,621</u>
	<u>9,112</u>	<u>6,691</u>	<u>13,914</u>	<u>13,488</u>

Unaudited Interim Financial Statements

33. 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		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Income derived from investment of depositors' funds	45,214	44,719	89,863	91,293
Income derived from investment of Islamic banking funds	9,012	9,855	17,058	16,907
Less: Income attributable to depositors	(34,116)	(36,603)	(69,976)	(70,871)
	<u>20,110</u>	<u>17,971</u>	<u>36,945</u>	<u>37,329</u>

(q) Capital adequacy

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

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Tier 1 Capital		
Common Equity Tier 1 ("CET1") Capital		
Islamic banking fund	426,600	426,600
Regulatory reserve	22,913	21,237
FVOCI reserve	(2,815)	(7,533)
Retained profits	286,325	288,001
	<u>733,023</u>	<u>728,305</u>
Less: Regulatory adjustments	(25,519)	(25,440)
Total CET 1 Capital, representing Total Tier 1 Capital	<u>707,504</u>	<u>702,865</u>
Tier 2 Capital		
Loss provision/loss provision and regulatory reserve	18,677	17,567
Total Tier 2 capital	<u>18,677</u>	<u>17,567</u>
Total Capital	<u>726,181</u>	<u>720,432</u>

Unaudited Interim Financial Statements

33. 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 2024 RM'000	31 December 2023 RM'000
CET1 Capital Ratio	41.948%	43.564%
Tier 1 Capital Ratio	41.948%	43.564%
Total Capital Ratio	43.055%	44.653%

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

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Total risk-weighted assets for credit risk	1,494,129	1,405,325
Total risk-weighted assets equivalent for operational risk	192,496	208,078
	<u>1,686,625</u>	<u>1,613,403</u>

Unaudited Interim Financial Statements

I, Datuk (Dr.) 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 2024, as set out on pages 1 to 69 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 2024. 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 'Joseph Dominic Silva', with a long horizontal stroke extending to the right.

DATUK (DR.) JOSEPH DOMINIC SILVA
CHIEF EXECUTIVE OFFICER

Date: 26 July 2024