

MBSB BANK BERHAD (200501033981 / 716122-P)
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

		Bank Group		Bank	
		30-June-22	31-Dec-21	30-June-22	31-Dec-21
		RM'000	RM'000	RM'000	RM'000
Assets					
Cash and short-term funds	6(a)	594,742	645,205	529,954	624,629
Deposits and placements with banks and other financial institutions	6(b)	752,630	843,856	-	100,093
Derivative financial assets	7	2,238	637	2,238	637
Financial investments at fair value through profit or loss	8	458,721	240,209	458,721	240,209
Financial investments at fair value through other comprehensive income	9	11,050,665	11,811,115	11,050,665	11,811,115
Financial investments at amortised cost	10	970,199	630,334	970,199	630,334
Financing and advances	11	34,534,333	34,026,013	34,534,333	34,026,013
Sukuk Commodity Murabahah		-	-	2,344,017	2,404,630
Other receivables	12	480,058	498,867	544,922	554,872
Statutory deposits with Bank Negara Malaysia		650,000	650,000	650,000	650,000
Investment property		820	820	820	820
Property and equipment		55,804	54,355	55,804	54,355
Intangible assets		97,992	101,184	97,992	101,184
Right-of-use assets		47,156	41,354	47,156	41,354
Tax recoverable		1,163	1,049	-	-
Deferred tax assets		131,427	17,292	131,427	17,292
Assets held for sale	14	1,519	2,122	1,519	2,122
Total assets		49,829,467	49,564,412	51,419,767	51,259,659
Liabilities					
Deposits from customers	15	26,968,642	25,418,212	26,968,642	25,418,212
Deposits and placements of banks and other financial institutions	16	6,862,368	8,649,581	6,862,368	8,649,581
Investment accounts of customers	17	1,812,098	2,094,914	1,812,098	2,094,914
Derivative financial liabilities	7	11,243	2,363	11,243	2,363
Other payables	18	987,560	985,880	2,860,900	2,952,415
Lease liabilities		47,845	41,973	47,845	41,973
Recourse obligation on financing sold		3,971,929	3,141,309	3,971,929	3,141,309
Sukuk-MBSB Structured Covered Murabahah		978,515	1,072,972	978,515	1,072,972
Sukuk Wakalah		1,596,306	1,294,247	1,596,306	1,294,247
Provision for taxation		68,044	77,202	68,044	77,202
Total liabilities		43,304,550	42,778,653	45,177,890	44,745,188
Equity					
Share capital		5,427,972	5,427,972	5,427,972	5,427,972
Reserves		1,096,945	1,357,787	813,905	1,086,499
Total equity		6,524,917	6,785,759	6,241,877	6,514,471
Total Liabilities and Equity		49,829,467	49,564,412	51,419,767	51,259,659
Commitments and contingencies	28	4,438,790	3,253,338	4,438,790	3,253,338
Capital Adequacy					
		Bank Group		Bank	
CET1 capital	31	15.235%	17.162%	14.528%	16.324%
Tier 1 capital		15.235%	17.162%	14.528%	16.324%
Total capital ratio		19.846%	21.794%	18.938%	20.751%

The interim financial statements should be read in conjunction with the audited financial statements of the Bank Group and the Bank for the financial year ended 31 December 2021.

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2022

		Bank Group			
		2nd Quarter Ended		Six Months Ended	
		30-June-22	30-June-21	30-June-22	30-June-21
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	19	539,610	530,878	1,070,880	1,076,075
Income derived from investment of shareholders' funds	20	110,737	116,441	220,285	227,575
Income derived from investment of investment accounts' funds	21	22,753	16,284	56,242	17,973
Net (allowance)/writeback for impairment on financing and advances and other financial assets	22	(44,024)	245,454	(210,668)	87,729
Loss on modification of cash flows		-	(13,201)	(8,961)	(49,664)
Total distributable income		629,076	895,856	1,127,778	1,359,688
Income attributable to depositors and others	23	(288,583)	(265,911)	(567,772)	(528,550)
Total net income		340,493	629,945	560,006	831,138
Personnel expenses	24	(66,969)	(41,559)	(150,695)	(108,680)
Other overhead expenses	25	(61,742)	(60,278)	(124,473)	(88,715)
Profit before taxation and zakat		211,782	528,108	284,838	633,743
Taxation		(40,989)	(129,248)	(59,349)	(171,161)
Zakat		75	-	-	(675)
Profit for the financial period		170,868	398,860	225,489	461,907
Profit attributable to:					
Owner of the Bank Group		170,868	398,860	225,489	461,907
		170,868	398,860	225,489	461,907
Profit for the financial period		170,868	398,860	225,489	461,907
Other comprehensive (expense)/income, net of tax	26	(176,081)	78,606	(323,492)	(291,193)
		(176,081)	78,606	(323,492)	(291,193)
Total comprehensive (expense)/income for the financial period		(5,213)	477,466	(98,003)	170,714
Earnings per share (sen)		3.15	7.35	4.15	8.51

The interim financial statements should be read in conjunction with the audited financial statements of the Bank Group and the Bank for the financial year ended 31 December 2021.

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

		Bank			
		2nd Quarter Ended		Six Months Ended	
		30-June-22	30-June-21	30-June-22	30-June-21
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	19	563,078	542,223	1,117,878	1,099,132
Income derived from investment of shareholders' funds	20	115,073	118,508	229,160	231,760
Income derived from investment of investment accounts' funds	21	22,753	16,284	56,242	17,973
Net (allowance)/writeback for impairment on financing and advances and other financial assets	22	(44,024)	245,454	(210,668)	87,729
Loss on modification of cash flows		-	(13,201)	(8,961)	(49,664)
Total distributable income		656,880	909,268	1,183,651	1,386,930
Income attributable to depositors and others	23	(323,360)	(299,369)	(637,594)	(595,937)
Total net income		333,520	609,899	546,057	790,993
Personnel expenses	24	(66,969)	(41,559)	(150,695)	(108,680)
Other overhead expenses	25	(61,285)	(59,669)	(123,627)	(87,454)
Profit before taxation and zakat		205,266	508,671	271,735	594,859
Taxation		(40,459)	(127,947)	(57,998)	(168,560)
Zakat		75	-	-	(675)
Profit for the financial period		164,882	380,724	213,737	425,624
Profit attributable to:					
Owner of the Bank		164,882	380,724	213,737	425,624
Profit for the financial period		164,882	380,724	213,737	425,624
Other comprehensive (expense)/income, net of tax	26	(176,081)	78,606	(323,492)	(291,193)
		(176,081)	78,606	(323,492)	(291,193)
Total comprehensive (expense)/income for the financial period		(11,199)	459,330	(109,755)	134,431
Earnings per share (sen)		3.04	7.01	3.94	7.84

The interim financial statements should be read in conjunction with the audited financial statements of the Bank Group and the Bank for the financial year ended 31 December 2021.

MBSB BANK BERHAD (200501033981 / 716122-P)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

	← Non-distributable →			Distributable	
	Share Capital	Regulatory Reserve	Fair value reserve	Retained profits	Total
Bank Group	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	5,427,972	5,234	(160,950)	1,513,503	6,785,759
Profit for the financial period	-	-	-	225,489	225,489
Other comprehensive expense for the financial period	-	-	(323,492)	-	(323,492)
Total comprehensive (expense)/income for the financial period	-	-	(323,492)	225,489	(98,003)
Dividend	-	-	-	(162,839)	(162,839)
At 30 June 2022	5,427,972	5,234	(484,442)	1,576,153	6,524,917
At 1 January 2021	5,159,859	5,234	234,762	1,367,488	6,767,343
Profit for the financial period	-	-	-	461,907	461,907
Other comprehensive expense for the financial period	-	-	(291,193)	-	(291,193)
Total comprehensive (expense)/income for the financial period	-	-	(291,193)	461,907	170,714
Issuance of ordinary shares	268,113	-	-	-	268,113
At 30 June 2021	5,427,972	5,234	(56,431)	1,829,395	7,206,170

The interim financial statements should be read in conjunction with the Audited Financial Statements of the Bank Group and the Bank for the financial year ended 31 December 2021.

MBSB BANK BERHAD (200501033981 / 716122-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

FOR THE SECOND QUARTER ENDED 30 JUNE 2022 (CONTINUED)

	← Non-distributable →			Distributable	
	Share Capital	Regulatory Reserve	Fair value reserve	Retained profits	Total
Bank	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	5,427,972	5,234	(160,950)	1,242,215	6,514,471
Profit for the financial period	-	-	-	213,737	213,737
Other comprehensive expense for the financial period	-	-	(323,492)	-	(323,492)
Total comprehensive (expense)/income for the financial period	-	-	(323,492)	213,737	(109,755)
Dividend	-	-	-	(162,839)	(162,839)
At 30 June 2022	<u>5,427,972</u>	<u>5,234</u>	<u>(484,442)</u>	<u>1,293,113</u>	<u>6,241,877</u>
At 1 January 2021	5,159,859	5,234	234,762	791,724	6,191,579
Profit for the financial period	-	-	-	425,624	425,624
Other comprehensive expense for the financial period	-	-	(291,193)	-	(291,193)
Total comprehensive (expense)/income for the financial period	-	-	(291,193)	425,624	134,431
Issuance of ordinary shares	268,113	-	-	-	268,113
At 30 June 2021	<u>5,427,972</u>	<u>5,234</u>	<u>(56,431)</u>	<u>1,217,348</u>	<u>6,594,123</u>

The interim financial statements should be read in conjunction with the Audited Financial Statements of the Bank Group and the Bank for the financial year ended 31 December 2021.

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

	Bank Group		Bank	
	6 months ended		6 months ended	
	30-June-22	30-June-21	30-June-22	30-June-21
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	284,838	633,743	271,735	594,859
Adjustments for non-cash items	180,287	(177,147)	180,287	(210,798)
Operating profit before working capital changes	465,125	456,596	452,022	384,061
Working capital changes:				
Net changes in operating assets	(560,760)	(360,044)	(604,148)	(172,754)
Net changes in operating liabilities	(258,117)	3,025,698	(247,303)	2,749,018
Income taxes and zakat refund/(paid)	(69,392)	(37,117)	(67,927)	(34,440)
Net cash (used in)/generated from operating activities	(423,144)	3,085,133	(467,356)	2,925,885
Cash flows from investing activities				
Purchase of property and equipment	(9,708)	(15,839)	(9,708)	(15,839)
Purchase of intangible assets	(16,278)	(9,294)	(16,278)	(9,294)
Profit income from financial investments	268,977	217,322	268,977	217,322
Net purchase of financial investments	(287,127)	(2,787,888)	(287,127)	(2,787,888)
Profit income from Sukuk Commodity Murabahah	-	-	-	33,651
Proceeds from Sukuk Commodity Murabahah	-	-	-	100,596
Net cash used in investing activities	(44,136)	(2,595,699)	(44,136)	(2,461,452)
Cash flows from financing activities				
Issuance/(repayment) of recourse obligation on financing sold	825,349	(464,858)	825,349	(464,858)
Profit expense paid on recourse obligation on financing sold	(66,726)	(44,002)	(66,726)	(44,002)
Profit expense paid on Sukuk MBSB-SC Murabahah	(27,252)	(34,247)	(27,252)	(34,247)
Profit expense paid on Sukuk Wakalah	(33,787)	(33,740)	(33,787)	(33,740)
Repayment of Sukuk MBSB-SC Murabahah	(93,899)	(98,614)	(93,899)	(98,614)
Payment of lease liabilities	(24,029)	(6,788)	(24,029)	(6,788)
Dividend paid on ordinary shares	(162,839)	-	(162,839)	-
Issuance of ordinary shares	-	268,113	-	268,113
Net cash generated from/(used in) financing activities	416,817	(414,136)	416,817	(414,136)
Net (decrease)/increase in cash and cash equivalents	(50,463)	75,298	(94,675)	50,297
Cash and cash equivalents at the beginning of financial period	645,205	731,160	624,629	726,996
Cash and cash equivalents at the end of financial period	594,742	806,458	529,954	777,293

The interim financial statements should be read in conjunction with the audited financial statements of the Bank Group and the Bank for the financial year ended 31 December 2021.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022**

1. Basis of preparation

The unaudited condensed interim financial statements for the financial quarter ended 30 June 2022 have been prepared under the historical cost convention except for financial assets which are recognised at fair value and the following financial assets and financial liabilities which are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit method: financing and advances, trade and other payables, bank borrowings and recourse obligations on financing sold.

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") and Financial Reporting for Islamic Banking Institutions policy issued by Bank Negara Malaysia ("BNM"). The unaudited interim financial statements should be read in conjunction with the audited annual financial statements of MBSB Bank Group and MBSB Bank for the financial year ended 31 December 2021. The explanatory notes attached to the 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 MBSB Bank Group and MBSB Bank since the financial year ended 31 December 2021.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2021.

On 1 January 2022, where applicable, MBSB Bank Group and MBSB Bank adopted the following MFRSs and Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 January 2022:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Bank Group and the Bank:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

MBSB BANK BERHAD (200501033981 / 716122-P)

(Incorporated in Malaysia)

2. Audit Report of Preceding Financial Year Ended 31 December 2021

The audit report on the financial statements of the preceding year was not qualified.

3. Seasonality and Cyclicity of Operation

The business operations of MBSB Bank Group and MBSB Bank have not been affected by any seasonal or cyclical factors.

4. Exceptional or Unusual Items

There were no exceptional or unusual items during the quarter.

5. Dividend

On 28 June 2022, the Bank paid single-tier final dividend for the financial year ended 31 December 2021 of RM162,839,159 to the holding company, Malaysia Building Society Berhad.

6. Cash and short-term funds and deposits and placements with banks and other financial institutions

	Bank Group		Bank	
	30-June-22 RM'000	31-Dec-21 RM'000	30-June-22 RM'000	31-Dec-21 RM'000
(a) Cash and balances with banks and other financial institutions	234,723	125,180	169,935	104,604
Money at call and deposit placements maturing within one month	360,019	520,025	360,019	520,025
Total cash and short-term funds	594,742	645,205	529,954	624,629
(b) Deposits and placements with financial institutions with original maturity of more than one month				
- Licensed Islamic banks	752,630	843,856	-	100,093
	1,347,372	1,489,061	529,954	724,722

The expected credit losses ("ECL") for cash and short-term funds and deposits and placements with banks and other financial institutions above is nil (2021: nil).

7. Derivative financial assets/(liabilities)

The following table summarises the contractual or underlying principal amounts of derivative financial instruments held at fair value through profit or loss. The principal or contractual amount of these instruments reflects the volume of transactions outstanding at financial position date, and do not represent amounts at risk.

Trading derivative financial instruments are revalued on a gross position and the unrealised gains or losses are reflected as derivative financial assets and liabilities respectively.

	Bank Group and Bank					
	30-June-22			31-Dec-21		
	Contract/ Notional amount RM'000	Fair value		Contract/ Notional amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
Foreign exchange contracts:						
Currency forward						
- Less than one year	1,729,955	2,238	(11,243)	419,278	637	(2,363)

8. Financial investments at fair value through profit or loss ("FVTPL")

	Bank Group and Bank	
	30-June-22 RM'000	31-Dec-21 RM'000
At fair value		
In Malaysia		
Investment with fund manager - Money Market Securities	240,345	240,209
Malaysian Government Investment Issues	218,376	-
	458,721	240,209

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

	Bank Group and Bank	
	30-June-22	31-Dec-21
	RM'000	RM'000
At fair value		
Money Market Instruments		
Malaysian Government Investment Issues	8,108,205	8,317,698
Debt securities:		
<u>In Malaysia</u>		
Private and Islamic debt securities	1,010,832	1,139,722
Government Guaranteed corporate sukuk	1,931,628	2,353,695
	<u>11,050,665</u>	<u>11,811,115</u>

The carrying amount of financial investments measured at FVOCI is its fair value. Accordingly, the recognition of impairment loss does not affect the carrying amount of those assets, but is reflected as a debit to profit or loss or retained earnings, and credit to other comprehensive income.

ECL movement for financial investments at FVOCI:

	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	14	-	-	14
Charged to profit or loss:	(4)	-	-	(4)
New financial investments purchased during the period	-	-	-	-
Matured financial investments during the year	(4)	-	-	(4)
Change in credit risk	-	-	-	-
At 30 June 2022	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>

	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	7	-	-	7
Charged to profit or loss:	7	-	-	7
New financial investments purchased during the year	13	-	-	13
Matured financial investments during the year	(5)	-	-	(5)
Change in credit risk	(1)	-	-	(1)
At 31 December 2021	<u>14</u>	<u>-</u>	<u>-</u>	<u>14</u>

10. Financial investments at amortised cost

	Bank Group and Bank	
	30-June-22	31-Dec-21
	RM'000	RM'000
At amortised cost		
Money Market Instruments		
Malaysian Government Investment Issues	259,056	20,666
In Malaysia		
Private and Islamic debt securities	692,143	610,880
Government Guaranteed corporate sukuk	20,156	-
	<u>971,355</u>	<u>631,546</u>
Less: ECL Stage 1	(864)	(841)
ECL Stage 2	(292)	(371)
	<u>970,199</u>	<u>630,334</u>

ECL movement for financial investments at amortised cost:

	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
ECL at 1 January 2022	841	371	-	1,212
Charged to profit or loss	23	(79)	-	(56)
Change in credit risk	-	(79)	-	(79)
Matured financial investments during the period	(2)	-	-	(2)
New financial investments purchased during the period	25	-	-	25
ECL at 30 June 2022	<u>864</u>	<u>292</u>	<u>-</u>	<u>1,156</u>

	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
ECL at 1 January 2021	90	501	-	591
Charged to profit or loss	751	(130)	-	621
Change in credit risk	(3)	(130)	-	(133)
Matured financial investments during the period	-	-	-	-
New financial investments purchased during the year	754	-	-	754
ECL at 31 December 2021	<u>841</u>	<u>371</u>	<u>-</u>	<u>1,212</u>

11. Financing and advances

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11. Financing and advances (continued)

(iv) By type of customers

	Bank Group and Bank	
	30-June-22	31-Dec-21
	RM'000	RM'000
Individuals	27,526,416	26,916,815
Domestic business enterprises		
- Small medium enterprises	2,320,449	2,298,710
- Non-bank financial institutions	634,396	739,048
- Others	5,384,201	5,328,983
Foreign entities	164,230	31,337
	<u>36,029,692</u>	<u>35,314,893</u>

(v) By sector

	Bank Group and Bank	
	30-June-22	31-Dec-21
	RM'000	RM'000
Household sectors	27,526,415	26,916,816
Construction	3,023,716	3,356,831
Finance, insurance and business services	2,534,454	2,501,746
Wholesale & retail trade and restaurants & hotels	1,052,453	857,239
Manufacturing	1,076,569	907,471
Transport, storage and communications	266,991	242,399
Mining and quarrying	64,833	185,409
Electricity, gas and water	174,136	174,723
Education, health and others	269,498	135,680
Agriculture	40,627	36,579
	<u>36,029,692</u>	<u>35,314,893</u>

(vi) By profit rate sensitivity

	Bank Group and Bank	
	30-June-22	31-Dec-21
	RM'000	RM'000
Fixed rate:		
Personal financing	15,794,575	16,092,439
Auto financing	65,172	77,622
Property financing	388,730	416,749
Bridging, structured and term financing	885,736	868,877
Variable rate:		
Personal financing	3,936,286	3,531,300
Property financing	7,420,230	6,878,621
Bridging, structured and term financing	7,538,963	7,449,285
	<u>36,029,692</u>	<u>35,314,893</u>

(vii) By geographical distribution

	Bank Group and Bank	
	30-June-22	31-Dec-21
	RM'000	RM'000
Malaysia	<u>36,029,692</u>	<u>35,314,893</u>

11. Financing and advances (continued)

(viii) Financing by types and Shariah contracts

**Bank Group and Bank
30-June-22**

Type	Tawarruq RM'000	Bai' RM'000	Ijarah RM'000	Total RM'000
Term Financing	30,709,411	1,909,873	1,341,252	33,960,536
Property financing	5,958,068	1,821,842	4	7,779,914
Bridging financing	428,852	-	-	428,852
Hire purchase receivables	-	-	680,572	680,572
Auto financing	-	-	62,734	62,734
Personal financing	19,721,796	130	-	19,721,926
Other term financing	4,600,695	87,901	597,942	5,286,538
Cash line	122,536	-	-	122,536
Staff financing	37,976	12	2,451	40,439
Revolving credit	176,849	-	-	176,849
Others	1,729,332	-	-	1,729,332
	<u>32,776,104</u>	<u>1,909,885</u>	<u>1,343,703</u>	<u>36,029,692</u>

**Bank Group and Bank
31-Dec-21**

Type	Tawarruq RM'000	Bai' RM'000	Ijarah RM'000	Total RM'000
Term Financing	30,275,614	1,967,172	1,387,214	33,630,000
Property financing	5,387,921	1,876,845	1,537	7,266,303
Bridging financing	411,617	-	-	411,617
Hire purchase receivables	-	-	679,199	679,199
Auto financing	-	-	75,121	75,121
Personal financing	19,613,199	141	-	19,613,340
Other term financing	4,862,877	90,186	631,357	5,584,420
Cash line	125,147	-	-	125,147
Staff financing	39,450	21	2,900	42,371
Revolving credit	175,464	-	-	175,464
Others	1,341,911	-	-	1,341,911
	<u>31,957,586</u>	<u>1,967,193</u>	<u>1,390,114</u>	<u>35,314,893</u>

11. Financing and advances (continued)

(ix) Movement of gross financing and advances

30-June-22	Bank Group and Bank			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2022	29,129,287	5,222,077	963,529	35,314,893
Transfer to stage 1	2,426,943	(2,413,339)	(13,604)	-
Transfer to stage 2	(612,060)	646,139	(34,079)	-
Transfer to stage 3	(124,800)	(702,235)	827,035	-
New financing / disbursement during the period	3,712,320	188,652	11,890	3,912,862
Repayment during the period	(3,284,178)	(209,761)	(55,948)	(3,549,887)
Other movements	325,856	(98,230)	142,015	369,641
Loss on modification of cash flows	(8,187)	(774)	-	(8,961)
Write-offs	-	-	(8,856)	(8,856)
Gross carrying amount as at 30 June 2022	31,565,181	2,632,529	1,831,982	36,029,692

31-Dec-21	Bank Group and Bank			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2021	28,711,142	4,543,908	987,231	34,242,281
Transfer to stage 1	1,603,920	(1,476,762)	(127,158)	-
Transfer to stage 2	(2,090,037)	2,177,501	(87,464)	-
Transfer to stage 3	(158,818)	(130,337)	289,155	-
New financing / disbursement during the year	4,314,854	1,282,980	31,537	5,629,371
Repayment during the year	(3,205,995)	(1,089,886)	(66,529)	(4,362,410)
Other movements	194,032	(13,473)	97,786	278,345
Loss on modification of cash flows	(239,811)	(71,854)	-	(311,665)
Reclassification to assets held-for-sale	-	-	(23,671)	(23,671)
Write-offs	-	-	(137,358)	(137,358)
Gross carrying amount as at 31 December 2021	29,129,287	5,222,077	963,529	35,314,893

(x) Movement of ECL for financing and advances

30-June-22	Bank Group and Bank			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2022	345,477	588,894	354,509	1,288,880
Charged to profit or loss, of which:	40,201	(215,602)	390,736	215,335
Changes in the impairment allowance:				
- Transfer to stage 1	181,626	(174,056)	(7,570)	-
- Transfer to stage 2	(8,885)	31,033	(22,148)	-
- Transfer to stage 3	(1,343)	(126,325)	127,668	-
New financing / disbursement during the period	47,842	15,336	9,252	72,430
Repayment during the period	(193,584)	(108,091)	(25,511)	(327,186)
Change in credit risk parameters #	14,545	146,501	309,045	470,091
Write-offs	-	-	(8,856)	(8,856)
ECL as at 30 June 2022	385,678	373,292	736,389	1,495,359

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.

11. Financing and advances (continued)

(x) Movement of ECL for financing and advances (continued)

31-Dec-21	Bank Group and Bank			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2021	365,538	587,652	425,587	1,378,777
Charged to profit or loss, of which:	(20,061)	1,242	87,829	69,010
Changes in the impairment allowance:				
- Transfer to stage 1	231,487	(189,892)	(41,595)	-
- Transfer to stage 2	(30,230)	78,365	(48,135)	-
- Transfer to stage 3	(2,778)	(29,910)	32,688	-
New financing / disbursement during the year	58,927	122,807	17,576	199,310
Repayment during the year	(303,617)	(211,442)	(109,991)	(625,050)
Change in credit risk parameters #	26,150	231,314	237,286	494,750
Reclassification to assets held-for-sale	-	-	(21,549)	(21,549)
Write-offs	-	-	(137,358)	(137,358)
ECL as at 31 December 2021	345,477	588,894	354,509	1,288,880

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

(xi) Movement of impaired financing and advances

	Bank Group and Bank	
	30-June-22 RM'000	31-Dec-21 RM'000
Balance as at 1 January	963,529	987,231
Classified as impaired during the period	838,925	320,692
Reclassified as non-impaired	(47,683)	(214,622)
Amount recovered	(55,948)	(66,529)
Amount written off	(8,856)	(137,358)
Other movements	142,015	97,786
Reclassification to assets held-for-sale	-	(23,671)
Balance as at end of financial period	1,831,982	963,529
Gross impaired financing and advances as a % of gross financing and advances	5.08%	2.73%

11. Financing and advances (continued)

(xii) Impaired financing and advances by economic purpose

	Bank Group and Bank	
	30-June-22	31-Dec-21
	RM'000	RM'000
Personal use	287,804	75,824
Construction	886,404	523,546
Purchase of landed property:		
- Residential	170,171	112,955
- Non-residential	146,347	146,339
Working Capital	305,794	73,606
Purchase of other fixed assets	28,185	26,700
Purchase of transport vehicles	6,152	3,585
Purchase of consumer durables	801	791
Others	324	183
	<u>1,831,982</u>	<u>963,529</u>

(xiii) Impaired financing and advances by sector

	Bank Group and Bank	
	30-June-22	31-Dec-21
	RM'000	RM'000
Household sector	479,014	201,203
Construction	528,448	305,071
Finance, insurance and business services	204,592	210,921
Manufacturing	253,024	101,470
Education, health and others	86,092	88,161
Mining and quarrying	1,426	26,423
Wholesale & retail trade and restaurants & hotels	278,926	26,248
Transport, storage and communications	460	4,032
	<u>1,831,982</u>	<u>963,529</u>

(xiii) Impaired financing by geographical distribution

	Bank Group and Bank	
	30-June-22	31-Dec-21
	RM'000	RM'000
Malaysia	<u>1,831,982</u>	<u>963,529</u>

12. Other receivables

	Bank Group		Bank	
	30-June-22	31-Dec-21	30-June-22	31-Dec-21
	RM'000	RM'000	RM'000	RM'000
Amount due from subsidiary	-	-	66,768	62,715
Financing to related companies	547,666	546,039	547,666	546,039
Prepayments and deposits	9,972	10,237	9,891	10,150
Deferred expenses	1,552	1,683	1,552	1,683
Sundry receivables	45,644	60,499	43,821	53,876
	<u>604,834</u>	<u>618,458</u>	<u>669,698</u>	<u>674,463</u>
Less: ECL at stage 1	(6,271)	(4,989)	(6,271)	(4,989)
Less: ECL at stage 3	(118,505)	(114,602)	(118,505)	(114,602)
	<u>480,058</u>	<u>498,867</u>	<u>544,922</u>	<u>554,872</u>

13. Investment in subsidiary

The Bank has a wholly owned subsidiary, Jana Kapital Sdn.Bhd. ("JKSB"), an investment holding company incorporated in Malaysia. The unquoted shares at cost in JKSB as at 30 June 2022 is RM 2 (31 December 2021: RM 2).

14. Assets held for sale

	Bank Group and Bank	
	30-June-22	31-Dec-21
	RM'000	RM'000
Balance as at 1 January	23,671	-
Reclassification from financing	-	23,671
Other movement	104	-
Gross assets held for sale	<u>23,775</u>	<u>23,671</u>
Less impairment allowance:		
Balance as at 1 January	(21,549)	-
Reclassification from financing	-	(21,549)
Charged to profit or loss (stage 3)	(707)	-
Total impairment allowance	<u>(22,256)</u>	<u>(21,549)</u>
Net assets held for sale	<u><u>1,519</u></u>	<u><u>2,122</u></u>
By economic purpose:		
Purchase of residential properties	22,585	22,481
Purchase of non-residential properties	960	960
Purchase of other fixed assets	138	138
Purchase of transport vehicles	47	47
Others	45	45
	<u><u>23,775</u></u>	<u><u>23,671</u></u>

In the 2nd quarter ended 30 June 2021, the Bank entered into an agreement to dispose identified retail financing to an external party. The sale is expected to complete in 2022.

15. Deposits from customers

(i) By type of deposits:

	Bank Group and Bank	
	30-June-22	31-Dec-21
	RM'000	RM'000
<u>Non-Mudharabah Funds:</u>		
Commodity Murabahah Term Deposits	25,344,507	24,421,230
Demand deposits	1,032,020	611,386
Savings deposits	592,115	385,596
	<u>26,968,642</u>	<u>25,418,212</u>

The deposit above are under the Islamic contract of Tawarruq.

(ii) Maturity structure of term deposits are as follows:

	Bank Group and Bank	
	30-June-22	31-Dec-21
	RM'000	RM'000
Within six months	18,284,310	15,626,072
More than six months to one year	4,439,393	6,347,608
More than one year to three years	1,975,364	2,213,495
More than three years	645,440	234,055
	<u>25,344,507</u>	<u>24,421,230</u>

(iii) By type of customers:

	Bank Group and Bank	
	30-June-22	31-Dec-21
	RM'000	RM'000
Government and statutory bodies	12,471,053	12,283,703
Business enterprises	10,330,535	8,793,405
Individuals	4,167,054	4,341,104
	<u>26,968,642</u>	<u>25,418,212</u>

16. Deposits and placements of banks and other financial institutions

		Bank Group and Bank	
		30-June-22	31-Dec-21
		RM'000	RM'000
(i) By type of deposits:			
<u>Non-Mudharabah Funds:</u>			
-Licensed Investment Banks		1,158	948
-Licensed Islamic Banks		270,632	534,051
-Other financial institutions		6,590,578	8,114,582
		<u>6,862,368</u>	<u>8,649,581</u>
(ii) By type of contract:			
Tawarruq		<u>6,862,368</u>	<u>8,649,581</u>

17. Investment accounts of customers

		Bank Group and Bank	
		30-June-22	31-Dec-21
		RM'000	RM'000
Wakalah unrestricted investment accounts		<u>1,812,098</u>	<u>2,094,914</u>

The investment account placements are used to fund personal financing.

		Bank Group and Bank	
		30-June-22	31-Dec-21
		RM'000	RM'000
(i) By type of customers:			
Government and statutory bodies		1,741,703	2,014,773
Other financial institutions		70,395	80,141
		<u>1,812,098</u>	<u>2,094,914</u>

		Bank Group and Bank	
		30-June-22	31-Dec-21
		RM'000	RM'000
(ii) Movement of investment accounts of customers:			
At beginning of the financial period		2,094,914	-
New placement during the financial period		1,373,155	2,506,314
Redemption		(1,648,484)	(426,328)
Finance expense		24,771	23,456
Profit distributed		(32,258)	(8,528)
At end of financial period		<u>1,812,098</u>	<u>2,094,914</u>

17. Investment accounts of customers (continued)

		Bank Group and Bank	
		30-June-22	31-Dec-21
		RM'000	RM'000
(iii) By Maturity:			
Due within six months		1,403,712	1,006,242
More than six months to one year		402,766	1,083,050
More than one year to three years		5,620	5,622
		<u>1,812,098</u>	<u>2,094,914</u>

(iv) Rate of Return ("ROR") and Performance Incentive Fee based on residual maturity

30-June-22	Investment Account Holder Average ROR %	Bank Group Performance incentive fee %
Unrestricted investment accounts:		
Due within six months	2.59	2.88
More than six months to one year	2.85	2.62
More than one year to three years	2.95	2.52
31-Dec-21		
	Investment Account Holder Average ROR %	Bank Group Performance incentive fee %
Unrestricted investment accounts:		
Due within six months	2.58	5.32
More than six months to one year	2.75	5.14
More than one year to three years	2.95	4.95

18. Other payables

	Bank Group		Bank	
	30-June-22	31-Dec-21	30-June-22	31-Dec-21
	RM'000	RM'000	RM'000	RM'000
Amount due to subsidiary	-	-	1,873,554	1,966,742
Amount due to related companies	7,660	7,679	7,660	7,679
Amount due to holding company	105,598	138,410	105,598	138,410
Al-Mudharabah security fund	144,391	147,604	144,391	147,604
ECL for commitments and contingencies (i)	45,820	54,184	45,820	54,184
Other provisions and accruals	97,332	115,621	97,300	115,599
Deferred income	17,719	21,658	17,719	21,658
Sundry creditors	569,040	500,724	568,858	500,539
	<u>987,560</u>	<u>985,880</u>	<u>2,860,900</u>	<u>2,952,415</u>

(i) Movement of ECL for commitment and contingencies are as follows:

30-June-22				
	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2022	16,943	35,869	1,372	54,184
Charged to profit or loss, of which:	1,908	(14,984)	4,712	(8,364)
Changes in the impairment allowance				
- Transfer to stage 1	17,240	(17,240)	-	-
- Transfer to stage 2	(600)	604	(4)	-
- Transfer to stage 3	(24)	(835)	859	-
New financing/ disbursement during the period	5,386	1,785	159	7,330
Repayment/drawdown to financing during the period	(3,348)	(5,014)	(623)	(8,985)
Changes in credit risk parameters #	(16,746)	5,716	4,321	(6,709)
Write-off	-	-	-	-
ECL as at 30 June 2022	<u>18,851</u>	<u>20,885</u>	<u>6,084</u>	<u>45,820</u>
31-Dec-21				
	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2021	18,878	13,274	12,291	44,443
Charged to profit or loss, of which:	(1,935)	22,595	(10,918)	9,742
Changes in the impairment allowance				
- Transfer to stage 1	2,861	(999)	(1,862)	-
- Transfer to stage 2	(764)	802	(38)	-
- Transfer to stage 3	(3)	(43)	46	-
New financing/ disbursement during the year	8,719	26,614	590	35,923
Repayment/drawdown to financing during the year	(5,818)	(8,475)	(9,668)	(23,961)
Changes in credit risk parameters #	(6,930)	4,696	14	(2,220)
Write-off	-	-	(1)	(1)
ECL as at 31 December 2021	<u>16,943</u>	<u>35,869</u>	<u>1,372</u>	<u>54,184</u>

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

19. Income derived from investment of depositors' funds

	Bank Group			
	2nd Quarter Ended		Six Months Ended	
	30-June-22	30-June-21	30-June-22	30-June-21
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah:</u>				
Financing and advances	428,447	427,325	852,825	876,878
Financial investments at FVOCI	87,601	89,161	173,820	172,383
Financial investments at amortised cost	9,956	5,650	17,008	10,948
Financial investments at FVTPL	2,938	509	4,925	617
Money at call and deposits with financial institutions	5,025	6,354	11,385	11,540
Others	5,643	1,879	10,917	3,709
	<u>539,610</u>	<u>530,878</u>	<u>1,070,880</u>	<u>1,076,075</u>
of which financing income earned on impaired financing	<u>1,563</u>	<u>2,809</u>	<u>4,721</u>	<u>5,215</u>

	Bank			
	2nd Quarter Ended		Six Months Ended	
	30-June-22	30-June-21	30-June-22	30-June-21
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah:</u>				
Financing and advances	428,447	427,325	852,825	876,878
Financial investments at FVOCI	87,601	89,161	173,820	172,383
Financial investments at amortised cost	9,956	5,650	17,008	10,948
Financial investments at FVTPL	2,938	509	4,925	617
Money at call and deposits with financial institutions	1,765	2,913	5,057	4,826
Profit on Sukuk commodity murabahah	25,968	14,125	51,847	28,483
Others	6,403	2,540	12,396	4,997
	<u>563,078</u>	<u>542,223</u>	<u>1,117,878</u>	<u>1,099,132</u>
of which financing income earned on impaired financing	<u>1,563</u>	<u>2,809</u>	<u>4,721</u>	<u>5,215</u>

20. Income derived from investment of shareholders' funds

	Bank Group			
	2nd Quarter Ended		Six Months Ended	
	30-June-22	30-June-21	30-June-22	30-June-21
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah:</u>				
Financing and advances	83,358	80,742	171,673	162,356
Financial investments at FVOCI	16,195	16,224	32,825	31,276
Financial investments at amortised cost	1,852	1,028	3,212	1,986
Financial investments at FVTPL	547	92	930	112
Money at call and deposits with financial institutions	923	1,155	2,150	2,093
Others	1,045	342	2,062	673
	<u>103,920</u>	<u>99,583</u>	<u>212,852</u>	<u>198,496</u>
of which financing income earned on impaired financing	<u>295</u>	<u>511</u>	<u>891</u>	<u>946</u>
<u>Other operating income:</u>				
Financing related fees	2,881	(3,345)	6,512	(5,458)
Gain/(loss) from sale of FVOCI	124	30	(8,367)	10,311
(Loss)/gain from sale of FVTPL	(14,073)	164	(21,070)	(33)
Gain on financial investments at FVTPL	1,047	-	2,083	-
Commission	4,770	3,216	9,081	5,476
Gain on foreign exchange transactions	2,552	16,009	6,864	17,951
Sundry income	9,516	784	12,330	832
	<u>6,817</u>	<u>16,858</u>	<u>7,433</u>	<u>29,079</u>
	<u>110,737</u>	<u>116,441</u>	<u>220,285</u>	<u>227,575</u>
	Bank			
	2nd Quarter Ended		Six Months Ended	
	30-June-22	30-June-21	30-June-22	30-June-21
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah:</u>				
Financing and advances	83,358	80,742	171,673	162,356
Financial investments at FVOCI	16,195	16,224	32,825	31,276
Financial investments at amortised cost	1,852	1,028	3,212	1,986
Financial investments at FVTPL	547	92	930	112
Money at call and deposits with financial institutions	320	530	955	876
Profit on Sukuk commodity murabahah	4,799	2,571	9,791	5,168
Others	1,185	463	2,341	907
	<u>108,256</u>	<u>101,650</u>	<u>221,727</u>	<u>202,681</u>
of which financing income earned on impaired financing	<u>295</u>	<u>511</u>	<u>891</u>	<u>946</u>
<u>Other operating income:</u>				
Financing related fees	2,881	(3,345)	6,512	(5,458)
Gain/(loss) from sale of FVOCI	124	30	(8,367)	10,311
(Loss)/gain from sale of FVTPL	(14,073)	164	(21,070)	(33)
Gain on financial investments at FVTPL	1,047	-	2,083	-
Commission	4,770	3,216	9,081	5,476
Gain on foreign exchange transactions	2,552	16,009	6,864	17,951
Sundry income	9,516	784	12,330	832
	<u>6,817</u>	<u>16,858</u>	<u>7,433</u>	<u>29,079</u>
	<u>115,073</u>	<u>118,508</u>	<u>229,160</u>	<u>231,760</u>

21. Income derived from investment of investment account funds

	Bank Group and Bank			
	2nd Quarter Ended		Six Months Ended	
	30-June-22	30-June-21	30-June-22	30-June-21
	RM'000	RM'000	RM'000	RM'000
Financing and advances	22,753	16,284	56,242	17,973
	<u>22,753</u>	<u>16,284</u>	<u>56,242</u>	<u>17,973</u>

22. Net allowance/(writeback) for impairment on financing and advances and other financial assets

	Bank Group and Bank			
	2nd Quarter Ended		Six Months Ended	
	30-June-22	30-June-21	30-June-22	30-June-21
	RM'000	RM'000	RM'000	RM'000
<u>ECL on financing and advances made/(written back)</u>				
Financing and advances				
- Stage 1	22,580	23,371	40,201	(84,398)
- Stage 2	(210,716)	(306,018)	(215,602)	(121,157)
- Stage 3	239,625	38,037	390,736	136,826
Financing held for sale				
- Stage 3	330	-	707	(2)
Credit impaired financing and advances:				
- Write - off	2,378	647	7,793	779
- Recovered	(4,707)	(2,333)	(9,927)	(4,486)
	<u>49,490</u>	<u>(246,296)</u>	<u>213,908</u>	<u>(72,438)</u>
<u>Other ECL and impairment allowances made/(written back):</u>				
Financial investments at FVOCI	1	8	(4)	12
Financial investments at amortised cost	145	745	(56)	691
Other receivables	(143)	-	(143)	-
Financing to related compnaies	1,966	2,115	5,327	(7,453)
Financing commitments and financial guarantees	(7,435)	(2,026)	(8,364)	(8,541)
	<u>(5,466)</u>	<u>842</u>	<u>(3,240)</u>	<u>(15,291)</u>
	<u>44,024</u>	<u>(245,454)</u>	<u>210,668</u>	<u>(87,729)</u>

23. Income attributable to depositors and others

	Bank Group			
	2nd Quarter Ended		Six Months Ended	
	30-June-22	30-June-21	30-June-22	30-June-21
	RM'000	RM'000	RM'000	RM'000
(a) Income attributable to depositors				
Deposits from customers:				
- Non-mudharabah funds	206,117	205,457	405,383	409,202
Deposits and placements of banks				
- Non-mudharabah funds	1,418	1,414	2,790	2,816
	<u>207,535</u>	<u>206,871</u>	<u>408,173</u>	<u>412,018</u>
(b) Income attributable to securitisation	36,995	19,406	71,997	42,619
(c) Income attributable to sukuk	32,945	33,567	63,135	67,207
(d) Income attributable to wakalah unrestricted investment account	11,108	6,067	24,467	6,706
	<u>288,583</u>	<u>265,911</u>	<u>567,772</u>	<u>528,550</u>

	Bank			
	2nd Quarter Ended		Six Months Ended	
	30-June-22	30-June-21	30-June-22	30-June-21
	RM'000	RM'000	RM'000	RM'000
(a) Income attributable to depositors				
Deposits from customers:				
- Non-mudharabah funds	206,117	205,457	405,383	409,202
Deposits and placements of banks				
- Non-mudharabah funds	1,418	1,414	2,790	2,816
	<u>207,535</u>	<u>206,871</u>	<u>408,173</u>	<u>412,018</u>
(b) Income attributable to securitisation	36,995	19,406	71,997	42,619
(c) Income attributable to sukuk	32,945	33,567	63,135	67,207
(d) Income attributable to wakalah unrestricted investment account	11,108	6,067	24,467	6,706
(e) Others	34,777	33,458	69,822	67,387
	<u>323,360</u>	<u>299,369</u>	<u>637,594</u>	<u>595,937</u>

24. Personnel expenses

	Bank Group and Bank			
	2nd Quarter Ended		Six Months Ended	
	30-June-22	30-June-21	30-June-22	30-June-21
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	50,456	30,269	111,097	82,165
Contributions to Employee Provident Fund and SOCSO	8,736	4,953	19,333	14,402
Directors' remuneration	721	630	1,385	1,514
Shariah Advisory Committee members' remuneration	125	144	256	220
Other staff related expenses	6,931	5,563	18,624	10,379
	<u>66,969</u>	<u>41,559</u>	<u>150,695</u>	<u>108,680</u>

25. Other overhead expenses

	Bank Group			
	2nd Quarter Ended		Six Months Ended	
	30-June-22	30-June-21	30-June-22	30-June-21
	RM'000	RM'000	RM'000	RM'000
<u>Establishment related expenses</u>				
Depreciation of property and equipment	4,195	2,724	8,259	4,774
Depreciation of right of use assets	11,558	3,365	23,331	6,744
Amortisation of intangible assets	9,902	8,564	19,470	16,838
Rental of premises	-	7,180	-	7,180
Software and hardware maintenance	12,248	12,658	24,742	15,246
Security expenses	420	788	1,140	1,433
Lease profit expense	393	118	768	260
Others	1,952	2,691	3,048	4,692
	<u>40,668</u>	<u>38,088</u>	<u>80,758</u>	<u>57,167</u>
<u>Promotion and marketing related expenses</u>				
Advertising and promotional activities	1,546	3,287	4,820	4,755
	<u>1,546</u>	<u>3,287</u>	<u>4,820</u>	<u>4,755</u>
<u>General administrative expenses</u>				
License and association fees and levies	-	311	470	474
Travelling, transport and accommodation expenses	395	479	752	903
Printing, stationery, postage and clearing charges	997	1,553	2,159	2,491
Electricity and water	917	899	1,818	1,765
Other professional fees	10,732	7,912	15,956	9,636
Auditors remuneration	300	325	601	651
Repair and maintenance of office equipment	12	62	12	195
Others	(2,093)	3,512	4,931	5,553
	<u>11,260</u>	<u>15,053</u>	<u>26,699</u>	<u>21,668</u>
<u>Commission fees</u>				
Angkasa charges	5,689	529	8,898	1,010
Commission fees	5,826	7,253	9,793	12,055
	<u>11,515</u>	<u>7,782</u>	<u>18,691</u>	<u>13,065</u>
Inter-company recharges^	(3,247)	(3,932)	(6,495)	(7,940)
	<u>61,742</u>	<u>60,278</u>	<u>124,473</u>	<u>88,715</u>

25. Other overhead expenses (continued)

	Bank			
	2nd Quarter Ended		Six Months Ended	
	30-June-22	30-June-21	30-June-22	30-June-21
	RM'000	RM'000	RM'000	RM'000
<u>Establishment related expenses</u>				
Depreciation of property and equipment	4,195	2,724	8,259	4,774
Depreciation of right of use assets	11,558	3,365	23,331	6,744
Amortisation of intangible assets	9,902	8,564	19,470	16,838
Rental of premises	-	7,180	-	7,180
Software and hardware maintenance	12,248	12,658	24,742	15,246
Security expenses	420	788	1,140	1,433
Lease profit expense	393	118	768	260
Others	1,952	2,691	3,048	4,692
	<u>40,668</u>	<u>38,088</u>	<u>80,758</u>	<u>57,167</u>
<u>Promotion and marketing related expenses</u>				
Advertising and promotional activities	1,546	3,287	4,820	4,755
	<u>1,546</u>	<u>3,287</u>	<u>4,820</u>	<u>4,755</u>
<u>General administrative expenses</u>				
License and association fees and levies	-	311	470	474
Travelling, transport and accommodation expenses	395	479	752	903
Printing, stationery, postage and clearing charges	997	1,553	2,159	2,491
Electricity and water	917	899	1,818	1,765
Other professional fees	10,657	7,890	15,875	9,552
Auditors remuneration	298	322	595	645
Repair and maintenance of office equipment	-	62	-	195
Others	(2,196)	3,387	4,714	5,300
	<u>11,068</u>	<u>14,903</u>	<u>26,383</u>	<u>21,325</u>
<u>Commission fees</u>				
Angkasa charges	5,689	529	8,898	1,010
Commission fees	5,826	7,253	9,793	12,055
	<u>11,515</u>	<u>7,782</u>	<u>18,691</u>	<u>13,065</u>
Inter-company recharges^	(3,512)	(4,391)	(7,025)	(8,858)
	<u>61,285</u>	<u>59,669</u>	<u>123,627</u>	<u>87,454</u>

^ The intercompany charges by the Bank were for services provided to related entities in Malaysia. The charges are unsecured, profit free and repayable on demand.

26. Other comprehensive loss, net of tax

	Bank Group and Bank			
	2nd Quarter Ended		Six Months Ended	
	30-June-22	30-June-21	30-June-22	30-June-21
	RM'000	RM'000	RM'000	RM'000
Net loss from change in fair value of financial investments at FVOCI	(176,082)	78,598	(323,488)	(291,205)
Changes in ECL of financial investments at FVOCI	1	8	(4)	12
	<u>(176,081)</u>	<u>78,606</u>	<u>(323,492)</u>	<u>(291,193)</u>

27. Credit exposures arising from transactions with connected parties

Credit exposures with connected parties as per Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties ('Revised BNM/GP6') are as follows:

	Bank Group and Bank	
	30-June-22	31-Dec-21
	RM'000	RM'000
Outstanding credit exposures with connected parties	<u>1,059,284</u>	<u>1,088,812</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>2.58%</u>	<u>2.78%</u>
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<u>0.43%</u>	<u>0.26%</u>

28. Commitments and contingencies

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

	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Bank Group and Bank			
30-June-22			
Direct credit substitutes	18,926	18,926	18,926
Trade-related contingencies	66,911	29,329	29,329
Short term self liquidating trade related contingencies	92,859	18,572	18,572
Irrevocable commitments to extend credit:			
- one year or less	954,805	190,632	190,631
- over one year to five years	1,575,334	786,039	699,645
- over five years	-	-	-
Foreign exchange related contracts			
- one year or less	1,729,955	28,184	12,311
	<u>4,438,790</u>	<u>1,071,682</u>	<u>969,414</u>

	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Bank Group and Bank			
31-Dec-21			
Direct credit substitutes	22,786	22,786	22,786
Trade-related contingencies	81,815	40,908	40,908
Short term self liquidating trade related contingencies	82,061	16,412	16,412
Irrevocable commitments to extend credit:			
- one year or less	906,430	190,286	190,286
- over one year to five years	1,738,664	867,961	773,189
- over five years	2,304	1,150	1,150
Foreign exchange related contracts			
- one year or less	419,278	6,924	5,241
	<u>3,253,338</u>	<u>1,146,427</u>	<u>1,049,972</u>

29. Segmental information on revenue and results

Bank Group	Consumer banking RM'000	Corporate banking RM'000	Global Markets RM'000	Others RM'000	Inter- segment RM'000	Consolidated RM'000
2nd Quarter ended 30 June 2022						
<u>External:</u>						
Fund based income	426,698	113,336	115,700	16,840	-	672,574
Non-fund based income	12,507	15,626	(12,808)	(14,799)	-	526
	439,205	128,962	102,892	2,041	-	673,100
<u>Inter-segment</u>						
Fund based income	61,638	-	-	84,559	(146,197)	-
Total revenue	500,843	128,962	102,892	86,600	(146,197)	673,100
Profit before zakat and tax	120,699	67,768	25,347	(2,032)	-	211,782
Taxation						(40,989)
Zakat						75
Net profit for the year						170,868
Segment assets	26,756,043	8,319,631	13,289,377	-	-	48,365,051
Tax recoverable						1,163
Deferred tax assets						131,427
Unallocated assets						1,331,826
Total assets						49,829,467
Segment liabilities	26,910,102	5,996,875	9,009,789	284,335	-	42,201,101
Provision for taxation and zakat						68,044
Unallocated liabilities						1,035,405
Total liabilities						43,304,550
Bank Group	Consumer banking RM'000	Corporate banking RM'000	Global Markets RM'000	Others RM'000	Inter- segment RM'000	Consolidated RM'000
Six months ended 30 June 2022						
<u>External:</u>						
Fund based income	866,927	224,912	227,634	20,501	-	1,339,974
Non-fund based income	17,417	20,819	(27,365)	(3,438)	-	7,433
	884,344	245,731	200,269	17,063	-	1,347,407
<u>Inter-segment</u>						
Fund based income	61,638	-	-	84,559	(146,197)	-
Total revenue	945,982	245,731	200,269	101,622	(146,197)	1,347,407
Profit before zakat and tax	171,514	69,613	36,135	7,576	-	284,838
Taxation						(59,349)
Zakat						-
Net profit for the year						225,489
Segment assets	26,756,043	8,319,631	13,289,377	-	-	48,365,051
Tax recoverable						1,163
Deferred tax assets						131,427
Unallocated assets						1,331,826
Total assets						49,829,467
Segment liabilities	26,910,102	5,996,875	9,009,789	284,335	-	42,201,101
Provision for taxation and zakat						68,044
Unallocated liabilities						1,035,405
Total liabilities						43,304,550

29. Segmental information on revenue and results (continued)

Bank Group	Consumer banking RM'000	Corporate banking RM'000	Global Markets RM'000	Others RM'000	Inter- segment RM'000	Consolidated RM'000
2nd Quarter ended 30 June 2021						
<u>External:</u>						
Fund based income	415,258	120,805	104,395	8,450	-	648,908
Non-fund based income	(6,013)	4,866	9,517	6,325	-	14,695
	409,245	125,671	113,912	14,775	-	663,603
<u>Inter-segment</u>						
Fund based income	16,696	-	-	-	(16,696)	-
Total revenue	425,941	125,671	113,912	14,775	(16,696)	663,603
Profit before zakat and tax	190,478	267,719	32,701	37,210	-	528,108
Taxation						(129,248)
Zakat						-
Net profit for the year						398,860
Segment assets	25,335,823	8,397,131	14,180,232	-	-	47,913,186
Tax recoverable						730
Unallocated assets						1,319,511
Total assets						49,233,427
Segment liabilities	25,619,280	5,665,799	9,690,301	348,793	-	41,324,173
Provision for taxation and zakat						42,050
Deferred tax liabilities						12,553
Unallocated liabilities						648,481
Total liabilities						42,027,257
Six months ended 30 June 2021						
<u>External:</u>						
Fund based income	840,622	228,297	211,312	12,314	-	1,292,545
Non-fund based income	(10,476)	8,300	9,615	21,639	-	29,078
	830,146	236,597	220,927	33,953	-	1,321,623
<u>Inter-segment</u>						
Fund based income	33,651	-	-	-	(33,651)	-
Total revenue	863,797	236,597	220,927	33,953	(33,651)	1,321,623
Profit before zakat and tax	379,262	100,169	86,905	67,407	-	633,743
Taxation						(171,161)
Zakat						(675)
Net profit for the year						461,907
Segment assets	25,335,823	8,397,131	14,180,232	-	-	47,913,186
Tax recoverable						730
Deferred tax assets						-
Unallocated assets						1,319,511
Total assets						49,233,427
Segment liabilities	25,619,280	5,665,799	9,690,301	348,793	-	41,324,173
Provision for taxation and zakat						42,050
Deferred tax liabilities						12,553
Unallocated liabilities						648,481
Total liabilities						42,027,257

30. Financial risk management

30.1 Credit quality

(i) Financing and advances

Financing and advances are summarised as follows:

30-June-22

	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
<u><i>Neither past due nor impaired</i></u>				
Corporate financing				
Excellent	142,460	555	-	143,015
Good	2,912,575	134,835	-	3,047,410
Average	2,922,387	393,683	-	3,316,070
Below Average	228,207	220,594	-	448,801
Poor	21,276	40,539	-	61,815
Retail financing				
Unrated	25,338,276	777,196	-	26,115,472
	<u>31,565,181</u>	<u>1,567,402</u>	<u>-</u>	<u>33,132,583</u>
<u><i>Past due but not impaired</i></u>				
Corporate financing				
Excellent	-	452	-	452
Good	-	15,282	-	15,282
Average	-	34,796	-	34,796
Below Average	-	4,566	-	4,566
Retail financing				
Unrated	-	1,010,031	-	1,010,031
	<u>-</u>	<u>1,065,127</u>	<u>-</u>	<u>1,065,127</u>
<u><i>Impaired</i></u>	<u>-</u>	<u>-</u>	<u>1,831,982</u>	<u>1,831,982</u>
Gross financing and advances	<u>31,565,181</u>	<u>2,632,529</u>	<u>1,831,982</u>	<u>36,029,692</u>
Less: ECL	<u>(385,678)</u>	<u>(373,292)</u>	<u>(736,389)</u>	<u>(1,495,359)</u>
Net financing and advances	<u>31,179,503</u>	<u>2,259,237</u>	<u>1,095,593</u>	<u>34,534,333</u>

30. Financial risk management (continued)

30.1 Credit quality (continued)

(i) Financing and advances (continued)

Financing and advances are summarised as follows (continued):

31-Dec-21	Bank Group and Bank			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>Neither past due nor impaired</u>				
Corporate financing				
Excellent	111,667	-	-	111,667
Good	2,450,734	271,536	-	2,722,270
Average	2,558,625	1,530,769	-	4,089,394
Below Average	49,568	388,663	-	438,231
Poor	1,048	63,095	-	64,143
Retail financing	23,957,645	2,056,646	-	26,014,291
	29,129,287	4,310,709	-	33,439,996
<u>Past due but not impaired</u>				
Corporate financing				
Good	-	13,397	-	13,397
Average	-	116,508	-	116,508
Below Average	-	-	-	-
Poor	-	686	-	686
Retail financing	-	780,777	-	780,777
Total Past due up to 3 months	-	911,368	-	911,368
<u>Impaired</u>				
	-	-	963,529	963,529
Gross financing and advances	29,129,287	5,222,077	963,529	35,314,893
Less: ECL	(345,477)	(588,894)	(354,509)	(1,288,880)
Net financing and advances	28,783,810	4,633,183	609,020	34,026,013

30. Financial risk management (continued)

30.1 Credit quality (continued)

(ii) Other financial assets

Credit quality of other financial assets by external rating is as follows:

Bank Group

	Stage 1	Stage 2	Stage 3	Total
30-June-22	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds				
AAA	360,019	-	-	360,019
	360,019	-	-	360,019
Deposits and placements with banks and other financial institutions				
AAA	752,598	-	-	752,598
AA and below	32	-	-	32
	752,630	-	-	752,630
Debt investments				
AAA	901,315	-	-	901,315
AA and below	109,526	-	-	109,526
Unrated *	11,263,907	204,837	-	11,468,744
	12,274,748	204,837	-	12,479,585
Other financial assets				
Unrated	378,987	-	57,517	436,505
	378,987	-	57,517	436,505

Bank Group

	Stage 1	Stage 2	Stage 3	Total
31-Dec-21	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds				
AAA	520,025	-	-	520,025
	520,025	-	-	520,025
Deposits and placements with banks and other financial institutions				
AAA	743,731	-	-	743,731
AA and below	100,125	-	-	100,125
	843,856	-	-	843,856
Debt investments				
AAA	977,336	-	-	977,336
AA and below	162,386	-	-	162,386
Unrated *	11,337,042	204,894	-	11,541,936
	12,476,764	204,894	-	12,681,658
Other financial assets				
Unrated	396,051	-	57,400	453,451
	396,051	-	57,400	453,451

* Unrated debt investments for Bank Group and Bank include government guaranteed securities of RM10,039,833,000 (2021: RM10,671,393,000)

30. Financial risk management (continued)

30.1 Credit quality (continued)

(ii) Other financial assets (continued)

<u>Bank</u>				
	Stage 1	Stage 2	Stage 3	Total
30-June-22	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds				
AAA	360,019	-	-	360,019
	360,019	-	-	360,019
Debt investments				
AAA	901,315	-	-	901,315
AA and below	109,526	-	-	109,526
Unrated *	11,263,907	204,837	-	11,468,744
	12,274,748	204,837	-	12,479,585
Other financial assets				
Unrated	443,932	-	57,517	501,449
	443,932	-	57,517	501,449
<u>Bank</u>				
	Stage 1	Stage 2	Stage 3	Total
31-Dec-21	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds				
AAA	520,025	-	-	520,025
	520,025	-	-	520,025
Deposits and placements with banks and other financial institutions				
AA and below	100,093	-	-	100,093
	100,093	-	-	100,093
Debt investments				
AAA	977,336	-	-	977,336
AA and below	162,386	-	-	162,386
Unrated *	11,337,042	204,894	-	11,541,936
	12,476,764	204,894	-	12,681,658
Other financial assets				
Unrated	452,143	-	57,400	509,543
	452,143	-	57,400	509,543

* Unrated debt investments for Bank Group and Bank include government guaranteed securities of RM10,039,833,000 (2021: RM10,671,393,000)

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30. Financial risk management (continued)
30.2 Market risk
Profit Rate Risk

The tables below summarise the Bank Group and the Bank's exposure to profit rate risk. The tables indicate the periods in which the financial instruments mature, whichever is earlier. Assets classified as non-profit sensitive are either non-profit bearing or, if profit bearing, the cashflows arising from these assets are not expected to change significantly if profit rates change.

Bank Group	Non-trading book							Total
	Up to 1	1-3	3-12	1-5	Over 5	Non-profit	Trading	
	months	months	months	years	years	sensitive	book	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30-June-22								
Financial Assets								
Cash and short-term funds	360,019	-	-	-	-	234,723	-	594,742
Deposits and placements								
with financial institutions	32	-	752,598	-	-	-	-	752,630
Derivative financial assets	1,819	291	128	-	-	-	-	2,238
Financial investments at FVTPL	-	-	-	-	-	-	458,721	458,721
Financial investments at FVOCI	60,036	50,136	372,879	3,437,611	7,004,822	125,181	-	11,050,665
Financial investments at amortised cost	-	-	2,000	315,956	642,983	9,260	-	970,199
Financing and advances								
- non-impaired	507,536	1,046,589	767,287	2,597,017	29,279,280	(758,969)	-	33,438,740
- impaired, net of allowances*	-	-	-	-	-	1,095,593	-	1,095,593
Assets held for sale	-	-	-	-	-	1,519	-	1,519
Other financial assets ^	-	-	-	-	-	436,505	-	436,505
Statutory deposits with Bank Negara Malaysia**	-	-	-	200,000	450,000	-	-	650,000
Total financial assets	929,442	1,097,016	1,894,892	6,550,584	37,377,085	1,143,812	458,721	49,451,552

* This is arrived after deducting impairment allowances from gross impaired financing.

^ Other financial assets exclude prepayments and deferred expenses.

** This is disclosed according to maturity bracket of Malaysian Government Securities ("MGS") and Malaysian Government Investment Issues ("MGII") held by the Bank. Effective 16 May 2020, all banking institutions may recognise holdings of MGS and MGII as part of their SRR compliance. This flexibility to banking institutions is available until 31 December 2022.

30. Financial risk management (continued)

30.2 Market risk (continued)

Profit Rate Risk (continued)

Bank Group	Non-trading book					Non-profit sensitive	Trading book	Total
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30-June-22								
<u>Financial Liabilities</u>								
Deposits from customers	5,802,611	6,242,333	12,125,430	2,482,609	138,195	177,464	-	26,968,642
Deposits and placements of banks	2,193,111	1,772,345	1,466,412	1,410,669	-	19,831	-	6,862,368
Investment accounts of customers	249,544	286,996	1,262,504	5,614	-	7,440	-	1,812,098
Derivative financial liabilities	6,038	5,205	-	-	-	-	-	11,243
Other financial liabilities#	-	-	-	-	-	969,341	-	969,341
Lease liabilities	3,779	7,438	23,765	12,863	-	-	-	47,845
Recourse obligation on financing sold	5,598	50,089	966,888	2,933,235	-	16,119	-	3,971,929
Sukuk-MBSB SC Murabahah	-	-	238,550	590,289	142,734	6,942	-	978,515
Sukuk Wakalah	-	-	-	200,000	1,391,451	4,855	-	1,596,306
Total financial liabilities	8,260,681	8,364,406	16,083,549	7,635,279	1,672,380	1,201,992	-	43,218,287
Total profit-sensitivity gap	(7,331,239)	(7,267,390)	(14,188,657)	(1,084,695)	35,704,705	(58,180)	458,721	6,233,265

Other financial liabilities exclude deferred income.

MBSB BANK BERHAD (200501033981 / 716122-P)

(Incorporated in Malaysia)

30. Financial risk management (continued)
30.2 Market risk (continued)
Profit Rate Risk (continued)

Bank	Non-trading book					Non-profit sensitive	Trading book	Total
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30-June-22								
Financial Assets								
Cash and short-term funds	360,019	-	-	-	-	169,935	-	529,954
Derivative financial assets	1,818	291	129	-	-	-	-	2,238
Financial investments at FVTPL	-	-	-	-	-	-	458,721	458,721
Financial investments at FVOCI	60,036	50,136	372,879	3,437,611	7,004,823	125,180	-	11,050,665
Financial investments at amortised cost	-	-	2,000	315,956	642,983	9,260	-	970,199
Financing and advances								
- non-impaired	507,536	1,046,589	767,287	2,597,017	29,279,280	(758,969)	-	33,438,740
- impaired, net of allowances*	-	-	-	-	-	1,095,593	-	1,095,593
Assets held for sale	-	-	-	-	-	1,519	-	1,519
Sukuk Commodity Murabahah	398,316	-	329,006	1,096,568	499,585	20,542	-	2,344,017
Other financial assets ^	66,768	-	-	-	-	501,449	-	568,217
Statutory deposits with Bank Negara Malaysia**	-	-	-	200,000	450,000	-	-	650,000
Total financial assets	1,394,493	1,097,016	1,471,301	7,647,152	37,876,671	1,164,509	458,721	51,109,863

* This is arrived after deducting impairment allowances from gross impaired financing.

^ Other financial assets exclude prepayments and deferred expenses.

** This is disclosed according to maturity bracket of MGS and MGII held by the Bank. Effective 16 May 2020, all banking institutions may recognise holdings of MGS and MGII as part of their SRR compliance. This flexibility to banking institutions is available until 31 December 2022.

30. Financial risk management (continued)

30.2 Market risk (continued)

Profit Rate Risk (continued)

Bank	Non-trading book					Non-profit sensitive	Trading book	Total
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30-June-22								
Financial Liabilities								
Deposits from customers	5,802,611	6,242,333	12,125,430	2,482,609	138,195	177,464	-	26,968,642
Deposits and placements of banks	2,193,111	1,772,345	1,466,412	1,410,669	-	19,831	-	6,862,368
Investment accounts of customers	249,544	286,996	1,262,504	5,613	-	7,441	-	1,812,098
Derivative financial liabilities	6,038	5,205	-	-	-	-	-	11,243
Other financial liabilities#	1,873,554	-	-	-	-	969,128	-	2,842,682
Lease liabilities	3,779	7,438	23,765	12,863	-	-	-	47,845
Recourse obligation on financing sold	5,598	50,089	966,888	2,933,235	-	16,119	-	3,971,929
Sukuk-MBSB SC Murabahah	-	-	238,550	590,289	142,734	6,942	-	978,515
Sukuk Wakalah	-	-	-	200,000	1,391,451	4,855	-	1,596,306
Total financial liabilities	10,134,235	8,364,406	16,083,549	7,635,278	1,672,380	1,201,780	-	45,091,628
Total profit-sensitivity gap	(8,739,742)	(7,267,390)	(14,612,248)	11,874	36,204,291	(37,271)	458,721	6,018,235

Other financial liabilities exclude deferred income.

30. Financial risk management (continued)

30.2 Market risk (continued)

Profit Rate Risk (continued)

Bank Group	Non-trading book					Non-profit sensitive	Trading book	Total
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31-Dec-21								
Financial Assets								
Cash and short-term funds	520,025	-	-	-	-	125,180	-	645,205
Deposits and placements with financial institutions	32	100,093	743,731	-	-	-	-	843,856
Derivative financial assets	616	5	16	-	-	-	-	637
Financial investments at FVTPL	-	-	-	-	-	-	240,209	240,209
Financial investments at FVOCI	65,115	60,187	627,014	3,587,463	7,342,616	128,720	-	11,811,115
Financial investments at amortised cost	-	19,999	1,999	310,877	291,271	6,188	-	630,334
Financing and advances								
- non-impaired	406,478	771,414	889,708	3,143,948	29,139,815	(934,370)	-	33,416,993
- impaired, net of allowances*	-	-	-	-	-	609,020	-	609,020
Assets held for sale	-	-	-	-	-	2,122	-	2,122
Other financial assets ^	-	-	-	-	-	453,451	-	453,451
Statutory deposits with Bank Negara Malaysia**	-	-	-	180,000	470,000	-	-	650,000
Total financial assets	992,266	951,698	2,262,468	7,222,288	37,243,702	390,311	240,209	49,302,942

* This is arrived after deducting impairment allowances from gross impaired financing.

^ Other financial assets exclude prepayments and deferred expenses.

** This is disclosed according to maturity bracket of MGS and MGII held by the Bank. Effective 16 May 2020, all banking institutions may recognise holdings of MGS and MGII as part of their SRR compliance. This flexibility to banking institutions is available until 31 December 2022.

30. Financial risk management (continued)

30.2 Market risk (continued)

Profit Rate Risk (continued)

Bank Group	Non-trading book					Non-profit sensitive	Trading book	Total
	Up to 1	1-3	3-12	1-5	Over 5			
	months	months	months	years	years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31-Dec-21								
Financial Liabilities								
Deposits from customers	4,505,507	6,846,433	11,428,759	2,436,934	10,616	189,963	-	25,418,212
Deposits and placements of banks	3,377,956	1,098,057	3,647,683	503,837	-	22,048	-	8,649,581
Investment accounts of customers	10,089	695,188	1,369,096	5,614	-	14,927	-	2,094,914
Derivative financial liabilities	2,338	-	25	-	-	-	-	2,363
Other financial liabilities#	-	-	-	-	-	965,723	-	965,723
Lease liabilities	3,677	5,490	14,131	18,675	-	-	-	41,973
Recourse obligation on financing sold	5,712	47,031	1,011,062	2,066,656	-	10,848	-	3,141,309
Sukuk-MBSB SC Murabahah	24	-	238,437	684,447	142,533	7,531	-	1,072,972
Sukuk Wakalah	-	-	-	-	1,292,046	2,201	-	1,294,247
Total financial liabilities	7,905,303	8,692,199	17,709,193	5,716,163	1,445,195	1,213,241	-	42,681,294
Total profit-sensitivity gap	(6,913,037)	(7,740,501)	(15,446,725)	1,506,125	35,798,507	(822,930)	240,209	6,621,648

Other financial liabilities exclude deferred income.

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(Incorporated in Malaysia)

30. Financial risk management (continued)
30.2 Market risk (continued)
Profit Rate Risk (continued)

Bank	Non-trading book					Non-profit sensitive	Trading book	Total
	Up to 1	1-3	3-12	1-5	Over 5			
	months	months	months	years	years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31-Dec-21								
Financial Assets								
Cash and short-term funds	520,025	-	-	-	-	104,604	-	624,629
Deposits and placements with financial institutions	-	100,093	-	-	-	-	-	100,093
Derivative financial assets	616	5	16	-	-	-	-	637
Financial investments at FVTPL	-	-	-	-	-	-	240,209	240,209
Financial investments at FVOCI	65,115	60,187	627,014	3,587,463	7,342,616	128,720	-	11,811,115
Financial investments at amortised cost	-	19,999	1,999	310,877	291,271	6,188	-	630,334
Financing and advances								
- non-impaired	406,478	771,414	889,708	3,143,948	29,139,815	(934,370)	-	33,416,993
- impaired, net of allowances*	-	-	-	-	-	609,020	-	609,020
Assets held for sale	-	-	-	-	-	2,122	-	2,122
Sukuk Commodity Murabahah	458,728	-	355,646	1,338,678	250,056	1,522	-	2,404,630
Other financial assets ^	62,715	-	-	-	-	446,828	-	509,543
Statutory deposits with Bank Negara Malaysia**	-	-	-	180,000	470,000	-	-	650,000
Total financial assets	1,513,677	951,698	1,874,383	8,560,966	37,493,758	364,634	240,209	50,999,325

* This is arrived after deducting impairment allowances from gross impaired financing.

^ Other financial assets exclude prepayments and deferred expenses.

** This is disclosed according to maturity bracket of MGS and MGII held by the Bank. Effective 16 May 2020, all banking institutions may recognise holdings of MGS and MGII as part of their SRR compliance. This flexibility to banking institutions is available until 31 December 2022.

30. Financial risk management (continued)

30.2 Market risk (continued)

Profit Rate Risk (continued)

Bank	<----- Non-trading book ----->					Non-profit sensitive	Trading book	Total
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31-Dec-21								
<u>Financial Liabilities</u>								
Deposits from customers	4,505,507	6,846,433	11,428,759	2,436,934	10,616	189,963	-	25,418,212
Deposits and placements of banks	3,377,956	1,098,057	3,647,683	503,837	-	22,048	-	8,649,581
Investment accounts of customers	10,089	695,188	1,369,096	5,614	-	14,927	-	2,094,914
Derivative financial liabilities	2,338	-	25	-	-	-	-	2,363
Other financial liabilities#	1,966,742	-	-	-	-	965,516	-	2,932,258
Lease liabilities	3,677	5,490	14,131	18,675	-	-	-	41,973
Recourse obligation on financing sold	5,712	47,031	1,011,062	2,066,656	-	10,848	-	3,141,309
Sukuk-MBSB SC Murabahah	24	-	238,437	684,447	142,533	7,531	-	1,072,972
Sukuk Wakalah	-	-	-	-	1,292,046	2,201	-	1,294,247
Total financial liabilities	9,872,045	8,692,199	17,709,193	5,716,163	1,445,195	1,213,034	-	44,647,829
Total profit-sensitivity gap	(8,358,368)	(7,740,501)	(15,834,810)	2,844,803	36,048,563	(848,400)	240,209	6,351,496

Other financial liabilities exclude deferred income.

31. Capital adequacy

The capital adequacy ratios have been computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (Capital Components and Risk-Weighted Assets). The total risk-weighted assets are computed based on Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk.

In December 2020, Bank Negara Malaysia issued a revised Policy Document on the Capital Adequacy Framework for Islamic Banks (Capital Components) ("CAFIB") and with immediate effect, superseding the version previously issued in February 2020. The revised CAFIB has provided for an optional transitional arrangement for regulatory capital treatment of expected credit losses ("ECL") provisions.

This new optional transitional arrangement allows Islamic financial institutions to add back the amount of loss allowance measured at an amount equal to 12-month and lifetime ECL to the extent they are ascribed to non-credit impaired exposures (hereinafter referred to as Stage 1 and Stage 2 provisions) to CET1 capital on a gradual phase-out basis either over a four-year period from the financial year beginning 2020, or over a three-year period from the financial year beginning 2021.

The Bank Group and the Bank have elected to apply this transitional arrangement ("TA") for four financial years from the financial year beginning 1 January 2020 to 31 December 2023.

For the purpose of disclosures, the capital adequacy of the Bank Group and the Bank are disclosed 'with TA' and 'without TA'.

31. Capital adequacy (continued)

The capital adequacy ratios have been computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II – Risk Weighted Assets). The total risk weighted assets are computed based on Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk.

	Bank Group			
	with TA	without TA	with TA	without TA
	30-June-22 RM'000	30-June-22 RM'000	31-Dec-21 RM'000	31-Dec-21 RM'000
<u>Common Equity Tier 1 ("CET 1") Capital</u>				
Ordinary share capital	5,427,972	5,427,972	5,427,972	5,427,972
Retained profits exclude merger reserve	1,003,781	1,003,781	1,166,619	1,166,619
Other reserves	(479,208)	(479,208)	(155,716)	(155,716)
	<u>5,952,545</u>	<u>5,952,545</u>	<u>6,438,875</u>	<u>6,438,875</u>
Less : Regulatory adjustments				
Deferred tax assets	(131,426)	(131,426)	(17,292)	(17,292)
55% cumulative gains on FVOCI instruments	(12,314)	(12,314)	(57,882)	(57,882)
Regulatory reserve	(5,234)	(5,234)	(5,234)	(5,234)
Intangible assets	(97,992)	(97,992)	(101,184)	(101,184)
Other CET 1 regulatory adjustments	-	-	144,121	-
Total CET 1 Capital	<u>5,705,579</u>	<u>5,705,579</u>	<u>6,401,404</u>	<u>6,257,283</u>

Tier 1 Capital

Additional Tier 1 capital instruments	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-
Total Tier 1 capital	<u>5,705,579</u>	<u>5,705,579</u>	<u>6,401,404</u>	<u>6,257,283</u>

Tier 2 Capital

Stage 1 & Stage 2 ECL [^]	432,060	432,060	433,618	433,618
Tier 2 capital instruments	<u>1,294,438</u>	<u>1,294,438</u>	<u>1,294,247</u>	<u>1,294,247</u>
Total Tier 2 capital	<u>1,726,498</u>	<u>1,726,498</u>	<u>1,727,865</u>	<u>1,727,865</u>
Total capital base	<u>7,432,077</u>	<u>7,432,077</u>	<u>8,129,269</u>	<u>7,985,148</u>

[^] ECL allowance on non-credit impaired exposure and regulatory reserves is subject to a maximum of 1.25% of total credit risk-weighted assets.

Breakdown of risk weighted assets in various categories of risk weights are as follows:

	Bank Group			
	with TA	without TA	with TA	without TA
	30-June-22 RM'000	30-June-22 RM'000	31-Dec-21 RM'000	31-Dec-21 RM'000
<u>Total risk weighted assets ("RWA")</u>				
- Credit risk	34,564,812	34,564,812	34,689,443	34,689,443
- Market risk	190,806	190,806	62,619	62,619
- Operational risk	2,693,996	2,693,996	2,547,591	2,547,591
Total RWA	<u>37,449,614</u>	<u>37,449,614</u>	<u>37,299,653</u>	<u>37,299,653</u>
<u>Capital adequacy ratios</u>				
CET 1 capital ratio	15.235%	15.235%	17.162%	16.776%
Tier 1 capital ratio	15.235%	15.235%	17.162%	16.776%
Total capital ratio	<u>19.846%</u>	<u>19.846%</u>	<u>21.794%</u>	<u>21.408%</u>

31. Capital adequacy (continued)

	Bank			
	with TA 30-June-22 RM'000	without TA 30-June-22 RM'000	with TA 31-Dec-21 RM'000	without TA 31-Dec-21 RM'000
<u>Common Equity Tier 1 ("CET 1") Capital</u>				
Ordinary share capital	5,427,972	5,427,972	5,427,972	5,427,972
Retained profits exclude merger reserve	1,079,372	1,079,372	1,242,215	1,242,215
Other reserves	(479,208)	(479,208)	(155,716)	(155,716)
	6,028,136	6,028,136	6,514,471	6,514,471
Less : Regulatory adjustments				
Deferred tax assets	(131,427)	(131,427)	(17,292)	(17,292)
55% cumulative gains on FVOCI instruments	(12,314)	(12,314)	(57,882)	(57,882)
Regulatory reserve	(5,234)	(5,234)	(5,234)	(5,234)
Intangible assets	(97,992)	(97,992)	(101,184)	(101,184)
Other CET 1 regulatory adjustments	-	-	144,121	-
Total CET 1 Capital	5,781,169	5,781,169	6,477,000	6,332,879
<u>Tier 1 Capital</u>				
Additional Tier 1 capital instruments	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-
Total Tier 1 capital	5,781,169	5,781,169	6,477,000	6,332,879
<u>Tier 2 Capital</u>				
Stage 1 & Stage 2 ECL ^	460,275	460,275	462,503	462,503
Tier 2 capital instruments	1,294,438	1,294,438	1,294,247	1,294,247
Total Tier 2 capital	1,754,713	1,754,713	1,756,750	1,756,750
Total capital base	7,535,882	7,535,882	8,233,750	8,089,629

^ ECL allowance on non-credit impaired exposure and regulatory reserves is subject to a maximum of 1.25% of total credit risk-weighted assets.

Breakdown of risk weighted assets in various categories of risk weights are as follows:

	Bank			
	with TA 30-June-22 RM'000	without TA 30-June-22 RM'000	with TA 31-Dec-21 RM'000	without TA 31-Dec-21 RM'000
<u>Total risk weighted assets ("RWA")</u>				
- Credit risk	36,822,003	36,822,003	37,000,275	37,000,275
- Market risk	190,806	190,806	62,619	62,619
- Operational risk	2,780,246	2,780,246	2,615,184	2,615,184
Total RWA	39,793,055	39,793,055	39,678,078	39,678,078
<u>Capital adequacy ratios</u>				
CET 1 capital ratio	14.528%	14.528%	16.324%	15.961%
Tier 1 capital ratio	14.528%	14.528%	16.324%	15.961%
Total capital ratio	18.938%	18.938%	20.751%	20.388%

In accordance with BNM's Guidelines on Investment Account paragraph 31.1, the credit and market risk weighted assets funded by Unrestricted Investment Accounts ("URIA") shall be recognised as risk absorbent and excluded from the calculation of capital adequacy ratio of the Bank. As at 30 June 2022, URIA risk weighted assets excluded from the Total Capital Ratio calculation amounted to RM1,793.9 mil (31 Dec 2021: RM2,080.8 mil).

PERFORMANCE REVIEW FOR THE 2ND QUARTER ENDED 30 JUNE 2022

1. Performance Review

During the quarter, the Bank Group reported a profit before tax ("PBT") of RM211.8 mil with net funded income of RM384.5 mil, net impairment allowance of RM44.0 mil and operating expenses ("OPEX") of RM128.7 mil. The net impairment allowance is mainly because of deterioration in staging of financing customers as moratorium ended, while OPEX is contributed by personnel expenses of RM67.0 mil and other expenses such as rental of the headquarters and software/hardware maintenance.

Outlook for 2022

Malaysia's economy is showing some promising signs of recovery on resumption of business activities and reopening of the country's international border on 1 April 2022. This bodes well on financing demand for the banking sector as Malaysia's services sector improves, supported by an environment of macro policy which remains pro-growth. Bank Negara Malaysia's monetary policy settings going forward would be done in a measured and gradual manner, ensuring that monetary policy remains accommodative to support a sustainable economic growth in an environment of price stability (BNM MPC Statement 6 July 2022).

The Bank Group's strategic initiatives for the year are guided by its 2022 – 2023 Strategic Roadmap, which sets out a two-pronged strategy to enhance return on equity and shareholders' value. These initiatives comprise creating new businesses to expand revenue streams and accelerate financing growth; and enhancing existing businesses to improve competitiveness and meet evolving market expectations. The Bank Group will also focus on business sectors, namely in the small, medium enterprises area ("SME"), with high growth potential and providing our products in niche segments of the market. The Bank Group is also targeting to improve non-performing financing by enhancing the credit onboarding and hastening the resolution of impaired financing.

1. Performance Review (continued)

(a) Financing

Variation of Results against Preceding Year Corresponding Quarter

	Current Year Quarter 30-June-22 (2Q22)	Preceding Year Corresponding Quarter 30-June-21 (2Q21)	Changes	
	RM'000	RM'000	RM'000	%
Personal financing	19,730,862	19,557,585	173,277	0.9%
Corporate financing	8,424,699	8,308,324	116,375	1.4%
Property financing	7,808,959	6,521,020	1,287,939	19.8%
Auto financing	65,172	92,845	(27,673)	(29.8)%
Total gross financing and advances	<u>36,029,692</u>	<u>34,479,774</u>	<u>1,549,918</u>	<u>4.5%</u>

Variation of Results against Immediate Preceding Quarter

Financing

	Current Year Quarter 30-June-22 (2Q22)	Immediate Preceding Quarter 31-March-22 (1Q22)	Changes	
	RM'000	RM'000	RM'000	%
Personal financing	19,730,862	19,755,844	(24,982)	(0.1)%
Corporate financing	8,424,699	8,219,823	204,876	2.5%
Property financing	7,808,959	7,544,574	264,385	3.5%
Auto financing	65,172	72,057	(6,885)	(9.6)%
Total gross financing and advances	<u>36,029,692</u>	<u>35,592,298</u>	<u>437,394</u>	<u>1.2%</u>

Bank Group gross financing and advances grew by 4.5% and 1.2% for 2Q22 compared to 2Q21 and 1Q22 respectively. Overall, growth of financing and advances is contributed mainly from property financing. Personal financing remains as the biggest financing portfolio while auto financing is at a decreasing base as the Bank Group focuses on growing asset base of other portfolios.

1. Performance Review (continued)

(b) Income statement

Current Year Quarter vs Preceding Year Corresponding Quarter

	Current Year Quarter 30-June-22 (2Q22)	Preceding Year Corresponding Quarter 30-June-21 (2Q21)	Changes	
	RM'000	RM'000	RM'000	%
Income derived from investment of depositors' funds	539,610	530,878	8,732	1.6%
Income derived from investment of shareholders' funds	110,737	116,441	(5,704)	(4.9)%
Income derived from investment of investment accounts' funds	<u>22,753</u>	<u>16,284</u>	6,469	39.7%
Total income derived from investment of depositors, shareholders and investment account funds	673,100	663,603	9,497	1.4%
Expected credit losses on financing and advances and other impairment	(44,024)	245,454	(289,478)	>-100%
Loss on modification of cash flows	-	(13,201)	13,201	>-100%
Total net income	340,493	629,945	(289,452)	(45.9)%
Total overhead expenses	<u>(128,711)</u>	<u>(101,837)</u>	(26,874)	26.4%
Profit before tax	<u>211,782</u>	<u>528,108</u>	(316,326)	(59.9)%
Profit after tax	<u>170,868</u>	<u>398,860</u>	(227,992)	(57.2)%
Profit attributable to owner of the Bank	<u>170,868</u>	<u>398,860</u>	(227,992)	(57.2)%

Current Year Quarter vs Immediate Preceding Quarter

	Current Year Quarter 30-June-22 (2Q22)	Immediate Preceding Quarter 31-March-22 (1Q22)	Changes	
	RM'000	RM'000	RM'000	%
Income derived from investment of depositors' funds	539,610	531,270	8,340	1.6%
Income derived from investment of shareholders' funds	110,737	109,548	1,189	1.1%
Income derived from investment of investment accounts' funds	<u>22,753</u>	<u>33,489</u>	(10,736)	-32.1%
Total income derived from investment of depositors, shareholders and investment account funds	673,100	674,307	(1,207)	-0.2%
Expected credit losses on financing and advances and other impairment	(44,024)	(166,644)	122,620	-73.6%
Loss on modification of cash flows	-	(8,961)	8,961	-100.0%
Total net income	340,493	219,513	120,980	55.1%
Total overhead expenses	<u>(128,711)</u>	<u>(146,457)</u>	17,746	-12.1%
Profit before tax	<u>211,782</u>	<u>73,056</u>	138,726	>100%
Profit after tax	<u>170,868</u>	<u>54,621</u>	116,247	>100%
Profit attributable to owner of the Bank	<u>170,868</u>	<u>54,621</u>	116,247	>100%

The Bank Group's total income derived from investment of depositors', shareholders' and investment accounts' funds recorded at RM673.1 mil, an increase of 1.4% as compared to 2Q21 contributed by income from investment accounts' funds. The total income as compared to 1Q22 however slightly decreased by 0.2%.

1. Performance Review (continued)

The Bank recorded net impairment allowance of RM44.0 mil in 2Q22 mainly due to the deterioration in staging of financing customers at retail portfolios following end of moratoriums.

The total overhead expenses recorded higher compared to 2Q21 mainly because of the increase in personnel expenses and establishment costs such as depreciation of the new headquarters and higher software/hardware maintenances.

2. Authorisation for issue

The unaudited interim financial report was authorised for issuance by the Board of Directors in accordance with a resolution of the Directors.