

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

INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022**

|  |      | <b>Bank Group</b> |                   | <b>Bank</b>       |                   |
|--|------|-------------------|-------------------|-------------------|-------------------|
|  |      | <b>31-Dec-22</b>  | <b>31-Dec-21</b>  | <b>31-Dec-22</b>  | <b>31-Dec-21</b>  |
|  |      | <b>RM'000</b>     | <b>RM'000</b>     | <b>RM'000</b>     | <b>RM'000</b>     |
| <b>Assets</b>  |      |                   |                   |                   |                   |
| Cash and short-term funds  | 6(a) | 2,192,818         | 645,205           | 2,079,255         | 624,629           |
| Deposits and placements with banks and other financial institutions    | 6(b) | 597,746           | 843,856           | -                 | 100,093           |
| Derivative financial assets  | 7    | 15,017            | 637               | 15,017            | 637               |
| Financial investments at fair value through profit or loss             | 8    | 240,357           | 240,209           | 240,357           | 240,209           |
| Financial investments at fair value through other comprehensive income | 9    | 11,392,780        | 11,811,115        | 11,392,780        | 11,811,115        |
| Financial investments at amortised cost                                | 10   | 1,625,792         | 630,334           | 1,625,792         | 630,334           |
| Financing and advances   | 11   | 36,565,207        | 34,026,013        | 36,565,207        | 34,026,013        |
| Sukuk Commodity Murabahah  |      | -                 | -                 | 2,104,499         | 2,404,630         |
| Other receivables  | 12   | 514,926           | 498,867           | 583,692           | 554,872           |
| Statutory deposits with Bank Negara Malaysia                           |      | 610,000           | 650,000           | 610,000           | 650,000           |
| Investment property  |      | 820               | 820               | 820               | 820               |
| Property and equipment   |      | 87,491            | 54,355            | 87,491            | 54,355            |
| Intangible assets  |      | 96,157            | 101,184           | 96,157            | 101,184           |
| Right-of-use assets  |      | 28,778            | 41,354            | 28,778            | 41,354            |
| Tax recoverable  |      | 209               | 1,049             | -                 | -                 |
| Deferred tax assets  |      | 107,238           | 17,292            | 107,238           | 17,292            |
| Non-current assets held for sale                                       | 14   | 564               | 2,122             | 564               | 2,122             |
| <b>Total assets</b>  |      | <b>54,075,900</b> | <b>49,564,412</b> | <b>55,537,647</b> | <b>51,259,659</b> |
| <b>Liabilities</b>   |      |                   |                   |                   |                   |
| Deposits from customers  | 15   | 29,112,699        | 25,418,212        | 29,112,699        | 25,418,212        |
| Deposits and placements of banks and other financial institutions      | 16   | 7,511,336         | 8,649,581         | 7,511,336         | 8,649,581         |
| Investment accounts of customers                                       | 17   | 2,080,767         | 2,094,914         | 2,080,767         | 2,094,914         |
| Derivative financial liabilities                                       | 7    | 23,470            | 2,363             | 23,470            | 2,363             |
| Other payables   | 18   | 508,679           | 985,880           | 2,245,002         | 2,952,415         |
| Lease liabilities  |      | 29,370            | 41,973            | 29,370            | 41,973            |
| Recourse obligation on financing sold                                  |      | 4,355,408         | 3,141,309         | 4,355,408         | 3,141,309         |
| Sukuk-MBSB Structured Covered Murabahah                                |      | 833,805           | 1,072,972         | 833,805           | 1,072,972         |
| Sukuk Wakalah  |      | 1,596,912         | 1,294,247         | 1,596,912         | 1,294,247         |
| Provision for taxation   |      | 106,902           | 77,142            | 106,902           | 77,142            |
| Provision for zakat  |      | -                 | 60                | -                 | 60                |
| <b>Total liabilities</b>   |      | <b>46,159,348</b> | <b>42,778,653</b> | <b>47,895,671</b> | <b>44,745,188</b> |
| <b>Equity</b>  |      |                   |                   |                   |                   |
| Share capital  |      | 6,427,972         | 5,427,972         | 6,427,972         | 5,427,972         |
| Reserves   |      | 1,488,580         | 1,357,787         | 1,214,004         | 1,086,499         |
| <b>Total equity</b>  |      | <b>7,916,552</b>  | <b>6,785,759</b>  | <b>7,641,976</b>  | <b>6,514,471</b>  |
| <b>Total Liabilities and Equity</b>                                    |      | <b>54,075,900</b> | <b>49,564,412</b> | <b>55,537,647</b> | <b>51,259,659</b> |
| <b>Commitments and contingencies</b>                                   | 28   | <b>5,124,328</b>  | <b>3,253,338</b>  | <b>5,124,328</b>  | <b>3,253,338</b>  |
| <b>Capital Adequacy</b>  |      |                   |                   |                   |                   |
|  | 31   | <b>Bank Group</b> |                   | <b>Bank</b>       |                   |
| CET1 capital   |      | 19.202%           | 17.162%           | 18.398%           | 16.324%           |
| Tier 1 capital   |      | 19.202%           | 17.162%           | 18.398%           | 16.324%           |
| Total capital ratio  |      | 23.755%           | 21.794%           | 22.782%           | 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 YEAR ENDED 31 DECEMBER 2022**

|   |    | <b>Bank Group</b>        |                  |                            |                  |
|---|----|--------------------------|------------------|----------------------------|------------------|
|   |    | <b>4rd Quarter Ended</b> |                  | <b>Twelve Months Ended</b> |                  |
|   |    | <b>31-Dec-22</b>         | <b>31-Dec-21</b> | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|   |    | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>              | <b>RM'000</b>    |
| Income derived from investment of depositors' funds                   | 19 | 468,126                  | 528,442          | 2,055,590                  | 2,149,088        |
| Income derived from investment of shareholders' funds                 | 20 | 179,034                  | 121,636          | 506,901                    | 502,527          |
| Income derived from investment of investment accounts' funds          | 21 | 34,550                   | 22,638           | 113,587                    | 60,967           |
| Expected credit losses on financing and advances and other impairment | 22 | 166,985                  | 48,048           | (205,842)                  | (124,455)        |
| Net loss on modification of cash flows                                |    | -                        | (115,057)        | (8,961)                    | (311,665)        |
| Total distributable income  |    | 848,695                  | 605,707          | 2,461,275                  | 2,276,462        |
| Income attributable to depositors and others                          | 23 | (353,160)                | (273,723)        | (1,229,244)                | (1,073,545)      |
| Total net income  |    | 495,535                  | 331,984          | 1,232,031                  | 1,202,917        |
| Personnel expenses  | 24 | (71,775)                 | (79,861)         | (308,642)                  | (257,360)        |
| Other overhead expenses   | 25 | (92,898)                 | (111,191)        | (280,085)                  | (274,014)        |
| Profit before taxation and zakat                                      |    | 330,862                  | 140,932          | 643,304                    | 671,543          |
| Taxation  |    | (85,259)                 | (61,864)         | (166,078)                  | (216,973)        |
| Zakat   |    | -                        | 175              | (3,177)                    | 141              |
| Profit for the financial period                                       |    | 245,603                  | 79,243           | 474,049                    | 454,711          |
| Profit attributable to:   |    |                          |                  |                            |                  |
| Owner of the Bank Group   |    | 245,603                  | 79,243           | 474,049                    | 454,711          |
|   |    | 245,603                  | 79,243           | 474,049                    | 454,711          |
| <b>Profit for the financial period</b>                                |    | 245,603                  | 79,243           | 474,049                    | 454,711          |
| Other comprehensive income/(expense), net of tax                      | 26 | 176,098                  | (39,897)         | (180,417)                  | (395,712)        |
|   |    | 176,098                  | (39,897)         | (180,417)                  | (395,712)        |
| <b>Total comprehensive income for the financial period</b>            |    | 421,701                  | 39,346           | 293,632                    | 58,999           |
| Earnings per share (sen)  |    | 4.35                     | 1.46             | 8.39                       | 8.39             |

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 YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

|   |    | <b>Bank</b>              |                  |                            |                  |
|---|----|--------------------------|------------------|----------------------------|------------------|
|   |    | <b>4rd Quarter Ended</b> |                  | <b>Twelve Months Ended</b> |                  |
|   |    | <b>31-Dec-22</b>         | <b>31-Dec-21</b> | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|   |    | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>              | <b>RM'000</b>    |
| Income derived from investment of depositors' funds                   | 19 | 487,566                  | 594,385          | 2,145,137                  | 2,248,861        |
| Income derived from investment of shareholders' funds                 | 20 | 185,362                  | 134,491          | 526,172                    | 521,566          |
| Income derived from investment of investment accounts' funds          | 21 | 34,550                   | 22,638           | 113,587                    | 60,967           |
| Expected credit losses on financing and advances and other impairment | 22 | 166,985                  | 48,048           | (205,842)                  | (124,455)        |
| Net loss on modification of cash flows                                |    | -                        | (115,057)        | (8,961)                    | (311,665)        |
| Total distributable income  |    | 874,463                  | 684,505          | 2,570,093                  | 2,395,274        |
| Income attributable to depositors and others                          | 23 | (372,748)                | (309,023)        | (1,347,228)                | (1,210,482)      |
| Total net income  |    | 501,715                  | 375,482          | 1,222,865                  | 1,184,792        |
| Personnel expenses  | 24 | (71,775)                 | (79,861)         | (308,642)                  | (257,360)        |
| Other overhead expenses   | 25 | (92,067)                 | (111,414)        | (278,169)                  | (272,384)        |
| Profit before taxation and zakat                                      |    | 337,873                  | 184,207          | 636,054                    | 655,048          |
| Taxation  |    | (83,485)                 | (61,888)         | (162,116)                  | (213,096)        |
| Zakat   |    | -                        | 175              | (3,177)                    | 141              |
| Profit for the financial period                                       |    | 254,388                  | 122,494          | 470,761                    | 442,093          |
| Profit attributable to:   |    |                          |                  |                            |                  |
| Owner of the Bank   |    | 254,388                  | 122,494          | 470,761                    | 442,093          |
|   |    | 254,388                  | 122,494          | 470,761                    | 442,093          |
| <b>Profit for the financial period</b>                                |    | 254,388                  | 122,494          | 470,761                    | 442,093          |
| Other comprehensive income/(expense), net of tax                      | 26 | 176,098                  | (39,897)         | (180,417)                  | (395,712)        |
|   |    | 176,098                  | (39,897)         | (180,417)                  | (395,712)        |
| <b>Total comprehensive income for the financial period</b>            |    | 430,486                  | 82,597           | 290,344                    | 46,381           |
| Earnings per share (sen)  |    | 4.50                     | 2.17             | 8.33                       | 7.83             |

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 YEAR ENDED 31 DECEMBER 2022**

|   | ← Non-distributable → |                       |                          | Distributable       |                  |
|---|-----------------------|-----------------------|--------------------------|---------------------|------------------|
|   | Share<br>Capital      | Regulatory<br>Reserve | Fair<br>value<br>reserve | Retained<br>profits | Total            |
| Bank Group  | RM'000                | RM'000                | RM'000                   | RM'000              | RM'000           |
| <b>At 1 January 2022</b>                                      | 5,427,972             | 5,234                 | (160,950)                | 1,513,503           | 6,785,759        |
| Profit for the financial period                               | -                     | -                     | -                        | 474,049             | 474,049          |
| Other comprehensive expense for the financial period          | -                     | -                     | (180,417)                | -                   | (180,417)        |
| Total comprehensive (expense)/income for the financial period | -                     | -                     | (180,417)                | 474,049             | 293,632          |
| Transfer of regulatory reserve to retained profits            | -                     | (5,234)               | -                        | 5,234               | -                |
| Issuance of ordinary shares                                   | 1,000,000             | -                     | -                        | -                   | 1,000,000        |
| Dividends to owner of the Bank                                | -                     | -                     | -                        | (162,839)           | (162,839)        |
| <b>At 31 December 2022</b>                                    | <b>6,427,972</b>      | <b>-</b>              | <b>(341,367)</b>         | <b>1,829,947</b>    | <b>7,916,552</b> |
| <b>At 1 January 2021</b>                                      | 5,159,859             | 5,234                 | 234,762                  | 1,291,385           | 6,691,240        |
| Profit for the financial period                               | -                     | -                     | -                        | 454,711             | 454,711          |
| Other comprehensive expense for the financial period          | -                     | -                     | (395,712)                | -                   | (395,712)        |
| Total comprehensive (expense)/income for the financial period | -                     | -                     | (395,712)                | 454,711             | 58,999           |
| Issuance of ordinary shares                                   | 268,113               | -                     | -                        | -                   | 268,113          |
| Dividends to owner of the Bank                                | -                     | -                     | -                        | (232,593)           | (232,593)        |
| <b>At 31 December 2021</b>                                    | <b>5,427,972</b>      | <b>5,234</b>          | <b>(160,950)</b>         | <b>1,513,503</b>    | <b>6,785,759</b> |

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 YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

|   | ← Non-distributable → |                       |                          | Distributable       |                  |
|---|-----------------------|-----------------------|--------------------------|---------------------|------------------|
|   | Share<br>Capital      | Regulatory<br>Reserve | Fair<br>value<br>reserve | Retained<br>profits | Total            |
| Bank  | RM'000                | RM'000                | RM'000                   | RM'000              | RM'000           |
| <b>At 1 January 2022</b>                                      | 5,427,972             | 5,234                 | (160,950)                | 1,242,215           | 6,514,471        |
| Profit for the financial period                               | -                     | -                     | -                        | 470,761             | 470,761          |
| Other comprehensive expense for the financial period          | -                     | -                     | (180,417)                | -                   | (180,417)        |
| Total comprehensive (expense)/income for the financial period | -                     | -                     | (180,417)                | 470,761             | 290,344          |
| Transfer of regulatory reserve to retained profits            | -                     | (5,234)               | -                        | 5,234               | -                |
| Issuance of ordinary shares                                   | 1,000,000             | -                     | -                        | -                   | 1,000,000        |
| Dividends to owner of the Bank                                | -                     | -                     | -                        | (162,839)           | (162,839)        |
| <b>At 31 December 2022</b>                                    | <b>6,427,972</b>      | <b>-</b>              | <b>(341,367)</b>         | <b>1,555,371</b>    | <b>7,641,976</b> |
| <b>At 1 January 2021</b>                                      | 5,159,859             | 5,234                 | 234,762                  | 1,032,715           | 6,432,570        |
| Profit for the financial period                               | -                     | -                     | -                        | 442,093             | 442,093          |
| Other comprehensive expense for the financial period          | -                     | -                     | (395,712)                | -                   | (395,712)        |
| Total comprehensive (expense)/income for the financial period | -                     | -                     | (395,712)                | 442,093             | 46,381           |
| Issuance of ordinary shares                                   | 268,113               | -                     | -                        | -                   | 268,113          |
| Dividends to owner of the Bank                                | -                     | -                     | -                        | (232,593)           | (232,593)        |
| <b>At 31 December 2021</b>                                    | <b>5,427,972</b>      | <b>5,234</b>          | <b>(160,950)</b>         | <b>1,242,215</b>    | <b>6,514,471</b> |

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 CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

|   | <b>Bank Group</b>      |                  | <b>Bank</b>            |                  |
|---|------------------------|------------------|------------------------|------------------|
|   | <b>12 months ended</b> |                  | <b>12 months ended</b> |                  |
|   | <b>31-Dec-22</b>       | <b>31-Dec-21</b> | <b>31-Dec-22</b>       | <b>31-Dec-21</b> |
|   | <b>RM'000</b>          | <b>RM'000</b>    | <b>RM'000</b>          | <b>RM'000</b>    |
| <b>Cash flows from operating activities</b>                           |                        |                  |                        |                  |
| Profit before taxation  | 643,304                | 671,543          | 636,054                | 655,048          |
| Adjustments for non-cash items  | 131,224                | 10,355           | 9,873                  | (121,392)        |
| Operating profit before working capital changes                       | 774,528                | 681,898          | 645,927                | 533,656          |
| Working capital changes:  |                        |                  |                        |                  |
| Net changes in operating assets                                       | (2,682,029)            | (1,454,980)      | (2,840,806)            | (1,499,169)      |
| Net changes in operating liabilities                                  | 2,224,501              | 2,609,632        | 1,994,289              | 2,420,116        |
| Income taxes and zakat paid   | (103,688)              | (120,225)        | (100,567)              | (115,953)        |
| Net cash generated from/(cash used in) operating activities           | 213,312                | 1,716,325        | (301,157)              | 1,338,650        |
| <b>Cash flows from investing activities</b>                           |                        |                  |                        |                  |
| Purchase of property and equipment                                    | (53,713)               | (38,779)         | (53,713)               | (38,779)         |
| Purchase of intangible assets   | (35,408)               | (24,930)         | (35,408)               | (24,930)         |
| Proceeds from disposal of property and equipment                      | 11                     | 2                | 11                     | 2                |
| Profit income from financial investments                              | 541,055                | 550,246          | 541,055                | 550,246          |
| Net purchase of financial investments                                 | (915,520)              | (2,636,141)      | (915,520)              | (2,636,141)      |
| Profit income from Sukuk Commodity Murabahah                          | -                      | -                | 121,351                | 131,746          |
| Proceeds from Sukuk Commodity Murabahah                               | -                      | -                | 300,131                | 229,517          |
| Net cash used in investing activities                                 | (463,575)              | (2,149,602)      | (42,093)               | (1,788,339)      |
| <b>Cash flows from financing activities</b>                           |                        |                  |                        |                  |
| Repayment of recourse obligation on financing sold                    | 1,210,324              | 880,460          | 1,210,324              | 880,460          |
| Profit expense paid on recourse obligation on financing sold          | (138,539)              | (92,912)         | (138,539)              | (92,912)         |
| Profit expense paid on Sukuk MBSB-SC Murabahah                        | (52,381)               | (66,263)         | (52,381)               | (66,263)         |
| Profit expense paid on Sukuk Wakalah                                  | (73,767)               | (66,766)         | (73,767)               | (66,766)         |
| Repayment of Sukuk MBSB-SC Murabahah                                  | (237,786)              | (292,253)        | (237,786)              | (292,253)        |
| Payment of lease liabilities  | (46,136)               | (50,464)         | (46,136)               | (50,464)         |
| Issuance of sukuk wakalah   | 299,000                | -                | 299,000                | -                |
| Dividend paid on ordinary shares                                      | (162,839)              | (232,593)        | (162,839)              | (232,593)        |
| Issuance of ordinary shares   | 1,000,000              | 268,113          | 1,000,000              | 268,113          |
| Net cash generated from financing activities                          | 1,797,876              | 347,322          | 1,797,876              | 347,322          |
| <b>Net increase/(Decrease) in cash and cash equivalents</b>           | 1,547,613              | (85,955)         | 1,454,626              | (102,367)        |
| <b>Cash and cash equivalents at the beginning of financial period</b> | 645,205                | 731,160          | 624,629                | 726,996          |
| <b>Cash and cash equivalents at the end of financial period</b>       | 2,192,818              | 645,205          | 2,079,255              | 624,629          |

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 FINANCIAL QUARTER ENDED 31 DECEMBER 2022**

**1. Basis of preparation**

The unaudited condensed interim financial statements for the financial quarter ended 31 December 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 unaudited interim financial statement of MBSB Bank Group ("The Bank Group") comprises of MBSB Bank Berhad ("MBSB Bank" or "the bank") and its subsidiary, Jana Kapital Sdn Bhd ("JKSB"). 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.

The new accounting standards, amendments to published standards and interpretation that are effective and applicable to the Bank Group and the Bank for the financial year beginning 1 January 2022 are as follows:

- Amendment to MFRS 16 '*COVID-19-Related Rent Concessions beyond 30 June 2021*'
- Amendments to MFRS 116 '*Proceeds before intended use*'
- Amendments to MFRS 3 '*Reference to Conceptual Framework*'
- Amendment to MFRS 16 '*COVID-19-Related Rent Concessions beyond 30 June 2021*'
- Amendments to MFRS 137 '*Onerous Contracts – Cost of Fulfilling a Contract*'
- Annual improvements to MFRS 9 '*Fees in the 10% test for derecognition of financial liabilities*'
- Annual Improvements to MFRS 1 '*Subsidiary as First-time Adopter*'
- Annual Improvements to Illustrative Example accompanying MFRS 16 '*Leases: Lease Incentives*'
- Annual Improvements to MFRS 141 '*Taxation in Fair Value Measurements*'

The adoption of the above amendments to published standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

The Bank Group and the Bank will apply these standards and amendments to published standards from:

- (i) Financial year beginning on/after 1 January 2023
  - Amendments to MFRS 112 '*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*'
  - Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on disclosure of accounting policies and definition of accounting estimates.

The adoption of the above new accounting standards, amendments to published standards and interpretations are not expected to give rise to any material financial impact to the Bank Group and the Bank.

- (ii) Financial year beginning on/after 1 January 2024
  - Amendments to MFRS 101 '*Classification of liabilities as current or non-current*'
  - Amendments to MFRS 16 '*Lease Liability*' in a Sale and Leaseback

The adoption of the above new accounting standards, amendments to published standards and interpretations are not expected to give rise to material financial impact to the Bank Group and the Bank.



**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 Cyclicalities of Operation and Unusual Items**

The business operations of MBSB Bank Group and MBSB Bank have not been affected by any seasonal, cyclical factors or unusual items during the quarter.

**4. Exceptional or Unusual items**

There were no exceptional or unusual items during the quarter.

**5. Dividend**

No dividend was paid in the current quarter.

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

|   | Bank Group          |                     | Bank                |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 31-Dec-22<br>RM'000 | 31-Dec-21<br>RM'000 | 31-Dec-22<br>RM'000 | 31-Dec-21<br>RM'000 |
| (a) Cash and balances with banks and other financial institutions                                     | 354,349             | 125,180             | 240,786             | 104,604             |
| Money at call and deposit placements maturing within one month  | 1,838,469           | 520,025             | 1,838,469           | 520,025             |
|   | <u>2,192,818</u>    | <u>645,205</u>      | <u>2,079,255</u>    | <u>624,629</u>      |
| (b) Deposits and placements with financial institutions with original maturity of more than one month |                     |                     |                     |                     |
| - Licensed Islamic banks  | 597,746             | 843,856             | -                   | 100,093             |
|   | <u>2,790,564</u>    | <u>1,489,061</u>    | <u>2,079,255</u>    | <u>724,722</u>      |

The 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                       |                  |                       |   |                  |                       |
|------------------------------------|---|------------------|-----------------------|---|------------------|-----------------------|
|                                    | 31-Dec-22                                 |                  |                       | 31-Dec-21                                 |                  |                       |
|                                    | Contract/<br>Notional<br>amount<br>RM'000 | Fair value       |                       | Contract/<br>Notional<br>amount<br>RM'000 | Fair value       |                       |
|                                    |   | Assets<br>RM'000 | Liabilities<br>RM'000 |   | Assets<br>RM'000 | Liabilities<br>RM'000 |
| <b>Trading derivatives</b>         |   |                  |                       |   |                  |                       |
| <u>Foreign exchange contracts:</u> |   |                  |                       |   |                  |                       |
| Currency forward                   |   |                  |                       |   |                  |                       |
| - Less than one year               | 1,976,886                                 | 15,017           | (23,470)              | 419,278                                   | 637              | (2,363)               |

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

|                                 | Bank Group and Bank |                     |
|---------------------------------|---------------------|---------------------|
|                                 | 31-Dec-22<br>RM'000 | 31-Dec-21<br>RM'000 |
| <b>Money market instruments</b> |                     |                     |
| <u>In Malaysia</u>              |                     |                     |
| Private mandate investments     | 240,357             | 240,209             |
|                                 | <u>240,357</u>      | <u>240,209</u>      |

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

|  | <b>Bank Group and Bank</b> |                   |
|--|----------------------------|-------------------|
|  | <b>31-Dec-22</b>           | <b>31-Dec-21</b>  |
|  | <b>RM'000</b>              | <b>RM'000</b>     |
| <b>Money market instruments</b>        |                            |                   |
| Malaysian Government Investment Issues | 8,479,600                  | 8,317,698         |
| <b>Debt securities</b>                 |                            |                   |
| <u>In Malaysia</u>                     |                            |                   |
| Private and Islamic debt securities    | 1,021,894                  | 1,139,722         |
| Government Guaranteed debt securities  | 1,891,286                  | 2,353,695         |
|  | <u>11,392,780</u>          | <u>11,811,115</u> |

During the year, a total loss amounting to RM250,452,000 (2021: RM528,712,000) was recognised in other comprehensive income. Upon sale of the financial investments, the Bank Group and the Bank recognised a loss of RM13,066,000 (2021: RM8,029,000) to the profit and loss.

The carrying amount of financial investments measured at FVOCI is its fair value. Accordingly, the recognition of an 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:

|   | <b>Bank Group and Bank</b> |                |                |               |
|---|----------------------------|----------------|----------------|---------------|
|   | <b>Stage 1</b>             | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>  |
|   | <b>RM'000</b>              | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b> |
| At 1 January 2022                             | 14                         | -              | -              | 14            |
| Total reversal to profit or loss:             | (4)                        | -              | -              | (4)           |
| New financial investments purchased           |                            |                |                |               |
| during the year                               | -                          | -              | -              | -             |
| Matured financial investments during the year | (4)                        | -              | -              | (4)           |
| Change in credit risk                         | -                          | -              | -              | -             |
| At 31 December 2022                           | <u>10</u>                  | <u>-</u>       | <u>-</u>       | <u>10</u>     |

|   | <b>Bank Group and Bank</b> |                |                |               |
|---|----------------------------|----------------|----------------|---------------|
|   | <b>Stage 1</b>             | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>  |
|   | <b>RM'000</b>              | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b> |
| At 1 January 2021                             | 7                          | -              | -              | 7             |
| Total charge/(reversal) 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**

|  | <b>Bank Group and Bank<br/>31-Dec-22<br/>RM'000</b> | <b>31-Dec-21<br/>RM'000</b> |
|--|---|-----------------------------|
| <b>Money market instruments</b>        |   |                             |
| Malaysian Government Investment Issues | 378,302   | 20,666                      |
| <u>In Malaysia</u>                     |   |                             |
| Private and Islamic debt securities    | 1,183,318   | 610,880                     |
| Government Guaranteed corporate sukuk  | 65,279  | -                           |
|  | <u>1,626,899</u>                                    | <u>631,546</u>              |
| Less: ECL                              |   |                             |
| - Stage 1                              | (868)   | (841)                       |
| - Stage 2                              | (239)   | (371)                       |
|  | <u>1,625,792</u>                                    | <u>630,334</u>              |

ECL movement for financial investments at amortised cost:

|   | <b>Bank Group and Bank</b> |                           |                           |                         |
|---|----------------------------|---------------------------|---------------------------|-------------------------|
|   | <b>Stage 1<br/>RM'000</b>  | <b>Stage 2<br/>RM'000</b> | <b>Stage 3<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
| ECL at 1 January 2022                                 | 841                        | 371                       | -                         | 1,212                   |
| Charge/(reversal) to profit or loss                   | 27                         | (132)                     | -                         | (105)                   |
| Change in credit risk                                 | (1)                        | (132)                     | -                         | (133)                   |
| Matured financial investments during the period       | (2)                        | -                         | -                         | (2)                     |
| New financial investments purchased during the period | 30                         | -                         | -                         | 30                      |
| ECL at 31 December 2022                               | <u>868</u>                 | <u>239</u>                | <u>-</u>                  | <u>1,107</u>            |

|   | <b>Bank Group and Bank</b> |                           |                           |                         |
|---|----------------------------|---------------------------|---------------------------|-------------------------|
|   | <b>Stage 1<br/>RM'000</b>  | <b>Stage 2<br/>RM'000</b> | <b>Stage 3<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
| ECL at 1 January 2021                               | 90                         | 501                       | -                         | 591                     |
| Charge/(reversal) 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**

**(i) By type and Shariah contract  
At amortised cost**

**Bank Group and Bank  
31-Dec-22**

|                              | <b>Tawarruq<br/>RM'000</b> | <b>Bai'<br/>RM'000</b> | <b>Ijarah<br/>RM'000</b> | <b>Total<br/>financing and<br/>advances<br/>RM'000</b> |
|------------------------------|----------------------------|------------------------|--------------------------|--|
| Term Financing               | 31,126,428                 | 1,851,629              | 1,329,322                | 34,307,379   |
| Property financing           | 6,628,198                  | 1,765,272              | -                        | 8,393,470  |
| Bridging financing           | 450,897                    | -                      | -                        | 450,897  |
| Hire purchase receivables    | -                          | -                      | 718,549                  | 718,549  |
| Auto financing               | -                          | -                      | 45,128                   | 45,128   |
| Personal financing           | 19,154,137                 | 102                    | -                        | 19,154,239   |
| Other term financing         | 4,893,196                  | 86,255                 | 565,645                  | 5,545,096  |
| Cash line                    | 141,846                    | -                      | -                        | 141,846  |
| Staff financing              | 36,868                     | 9                      | 1,977                    | 38,854   |
| Revolving credit             | 1,614,785                  | -                      | -                        | 1,614,785  |
| Trade finance                | 1,827,761                  | -                      | -                        | 1,827,761  |
| Gross financing and advances | 34,747,688                 | 1,851,638              | 1,331,299                | 37,930,625   |
| Less: ECL                    |                            |                        |                          |  |
| - Stage 1                    |                            |                        |                          | (292,757)  |
| - Stage 2                    |                            |                        |                          | (334,400)  |
| - Stage 3                    |                            |                        |                          | (738,261)  |
| Net financing and advances   |                            |                        |                          | <u>36,565,207</u>                                      |

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

|                              | <b>Tawarruq<br/>RM'000</b> | <b>Bai'<br/>RM'000</b> | <b>Ijarah<br/>RM'000</b> | <b>Total<br/>financing and<br/>advances<br/>RM'000</b> |
|------------------------------|----------------------------|------------------------|--------------------------|--|
| Term Financing               | 30,275,613                 | 1,967,172              | 1,387,214                | 33,629,999   |
| 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           | 19,613,198                 | 141                    | -                        | 19,613,339   |
| 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  |
| Trade finance                | 1,341,912                  | -                      | -                        | 1,341,912  |
| Gross financing and advances | 31,957,586                 | 1,967,193              | 1,390,114                | 35,314,893   |
| Less: ECL                    |                            |                        |                          |  |
| - Stage 1                    |                            |                        |                          | (345,477)  |
| - Stage 2                    |                            |                        |                          | (588,894)  |
| - Stage 3                    |                            |                        |                          | (354,509)  |
| Net financing and advances   |                            |                        |                          | <u>34,026,013</u>                                      |

**(ii) By residual contractual maturity**

|                                     | <b>Bank Group and Bank</b>  |                             |
|-------------------------------------|-----------------------------|-----------------------------|
|                                     | <b>31-Dec-22<br/>RM'000</b> | <b>31-Dec-21<br/>RM'000</b> |
| Maturity within one year            | 4,310,073                   | 2,426,329                   |
| More than one year to three years   | 1,721,488                   | 1,355,651                   |
| More than three years to five years | 2,144,712                   | 1,815,082                   |
| More than five years                | 29,754,352                  | 29,717,831                  |
|                                     | <u>37,930,625</u>           | <u>35,314,893</u>           |

**11. Financing and advances (continued)**

**(iii) By economic purpose**

|                                | <b>Bank Group and Bank</b> |                   |
|--------------------------------|----------------------------|-------------------|
|                                | <b>31-Dec-22</b>           | <b>31-Dec-21</b>  |
|                                | <b>RM'000</b>              | <b>RM'000</b>     |
| Personal use                   | 19,238,348                 | 19,697,222        |
| Construction                   | 3,556,917                  | 3,519,709         |
| Purchase of landed property:   |                            |                   |
| - Residential                  | 7,971,626                  | 6,875,705         |
| - Non-residential              | 923,224                    | 842,591           |
| Working capital                | 5,180,187                  | 3,243,641         |
| Purchase of transport vehicles | 1,003,088                  | 77,009            |
| Purchase of other fixed assets | 53,642                     | 928,278           |
| Purchase of other securities   | 369                        | 432               |
| Purchase of consumer durables  | 107                        | 901               |
| Others                         | 3,117                      | 129,405           |
|                                | <u>37,930,625</u>          | <u>35,314,893</u> |

**(iv) By type of customers**

|                                   | <b>Bank Group and Bank</b> |                   |
|-----------------------------------|----------------------------|-------------------|
|                                   | <b>31-Dec-22</b>           | <b>31-Dec-21</b>  |
|                                   | <b>RM'000</b>              | <b>RM'000</b>     |
| Domestic business enterprises     |                            |                   |
| - Small medium enterprise         | 2,658,304                  | 2,298,710         |
| - Non-bank financial institutions | 1,422,819                  | 739,048           |
| - Others                          | 6,162,095                  | 5,328,983         |
| Individuals                       |                            |                   |
| - Malaysian nationals             | 27,559,728                 | 26,916,815        |
| - Foreign nationals               | 127,679                    | 31,337            |
|                                   | <u>37,930,625</u>          | <u>35,314,893</u> |

**(v) By sector**

|   | <b>Bank Group and Bank</b> |                   |
|---|----------------------------|-------------------|
|   | <b>31-Dec-22</b>           | <b>31-Dec-21</b>  |
|   | <b>RM'000</b>              | <b>RM'000</b>     |
| Household sectors                                     | 27,560,564                 | 26,916,815        |
| Construction  | 3,194,534                  | 3,356,831         |
| Finance, insurance, real estate and business services | 3,394,664                  | 2,501,746         |
| Wholesale & retail trade and restaurants & hotels     | 1,084,469                  | 857,239           |
| Manufacturing   | 1,088,782                  | 907,471           |
| Electricity, gas and water                            | 911,234                    | 174,723           |
| Transport, storage and communication                  | 338,405                    | 242,399           |
| Agriculture   | 47,636                     | 36,579            |
| Mining and quarrying                                  | 65,077                     | 185,409           |
| Education, health and others                          | 245,260                    | 135,681           |
|   | <u>37,930,625</u>          | <u>35,314,893</u> |

**(vi) By profit rate sensitivity**

|   | <b>Bank Group and Bank</b> |                   |
|---|----------------------------|-------------------|
|   | <b>31-Dec-22</b>           | <b>31-Dec-21</b>  |
|   | <b>RM'000</b>              | <b>RM'000</b>     |
| Fixed rate:                             |                            |                   |
| Personal financing                      | 14,704,765                 | 16,092,439        |
| Auto financing                          | 47,105                     | 77,622            |
| Property financing                      | 378,941                    | 416,749           |
| Bridging, structured and term financing | 771,882                    | 868,877           |
|   | <u>15,902,693</u>          | <u>17,455,687</u> |
| Variable rate:                          |                            |                   |
| Personal financing                      | 4,457,223                  | 3,531,300         |
| Property financing                      | 8,043,656                  | 6,878,621         |
| Bridging, structured and term financing | 9,527,053                  | 7,449,285         |
|   | <u>22,027,932</u>          | <u>17,859,206</u> |
|   | <u>37,930,625</u>          | <u>35,314,893</u> |

**11. Financing and advances (continued)**

**(vii) By geographical distribution**

|          | <b>Bank Group and Bank</b> |                  |
|----------|----------------------------|------------------|
|          | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|          | <b>RM'000</b>              | <b>RM'000</b>    |
| Malaysia | 37,930,625                 | 35,314,893       |

**(viii) Movement of gross financing and advances**

| <b>31-Dec-22</b>                                      | <b>Bank Group and Bank</b> |                |                |               |
|---|----------------------------|----------------|----------------|---------------|
|   | <b>Stage 1</b>             | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>  |
|   | <b>RM'000</b>              | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b> |
| As at 1 January                                       | 29,129,287                 | 5,222,077      | 963,529        | 35,314,893    |
| Transfer to stage 1                                   | 2,174,885                  | (2,156,785)    | (18,100)       | -             |
| Transfer to stage 2                                   | (860,946)                  | 896,437        | (35,491)       | -             |
| Transfer to stage 3                                   | (216,567)                  | (854,022)      | 1,070,589      | -             |
| New financing/disbursement during the year            | 7,292,700                  | 406,502        | 112,570        | 7,811,772     |
| Repayment during the year                             | (4,412,541)                | (977,302)      | (124,602)      | (5,514,445)   |
| Other movements                                       | 271,431                    | (93,360)       | 168,772        | 346,843       |
| Loss on modification of cash flows                    | (8,371)                    | (590)          | -              | (8,961)       |
| Refinancing from MBSB Holding                         | 376                        | 47,810         | 130,239        | 178,425       |
| Reclassification from non-current asset held for sale | -                          | -              | 12,214         | 12,214        |
| Write-offs  | -                          | -              | (210,116)      | (210,116)     |
| As at 31 December                                     | 33,370,254                 | 2,490,767      | 2,069,604      | 37,930,625    |

| <b>31-Dec-21</b>                           | <b>Bank Group and Bank</b> |                |                |               |
|--|----------------------------|----------------|----------------|---------------|
|  | <b>Stage 1</b>             | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>  |
|  | <b>RM'000</b>              | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b> |
| As at 1 January                            | 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)     |
| Conversion                                 | -                          | -              | (23,671)       | (23,671)      |
| Write-offs                                 | -                          | -              | (137,358)      | (137,358)     |
| As at 31 December                          | 29,129,287                 | 5,222,077      | 963,529        | 35,314,893    |

**(ix) Movement of ECL for financing and advances**

| <b>31-Dec-22</b>                                      | <b>Bank Group and Bank</b> |                |                |               |
|---|----------------------------|----------------|----------------|---------------|
|   | <b>Stage 1</b>             | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>  |
|   | <b>RM'000</b>              | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b> |
| As at 1 January                                       | 345,477                    | 588,894        | 354,509        | 1,288,880     |
| (Reversal)/Charge to profit or loss                   | (52,720)                   | (254,494)      | 583,212        | 275,998       |
| Changes in ECL due to transfer within stages:         |                            |                |                |               |
| - Transfer to stage 1                                 | 230,355                    | (219,725)      | (10,630)       | -             |
| - Transfer to stage 2                                 | (13,720)                   | 36,753         | (23,033)       | -             |
| - Transfer to stage 3                                 | (2,670)                    | (125,340)      | 128,010        | -             |
| New financing/disbursement during the year            | 85,737                     | 27,214         | 14,897         | 127,848       |
| Repayment during the year                             | (242,109)                  | (43,736)       | (26,619)       | (312,464)     |
| Changes in credit risk parameters #                   | (8,904)                    | 65,502         | 458,454        | 515,052       |
| Changes to model assumptions and methodologies ^      | (101,424)                  | (1,882)        | (47,147)       | (150,453)     |
| Refinancing from MBSB Holding                         | 15                         | 6,720          | 89,280         | 96,015        |
| Reclassification from non-current asset held for sale | -                          | -              | 10,656         | 10,656        |
| Write-offs  | -                          | -              | (210,116)      | (210,116)     |
| As at 31 December                                     | 292,757                    | 334,400        | 738,261        | 1,365,418     |

# 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)**

**(ix) Movement of ECL for financing and advances (continued)**

| 31-Dec-21                                     | Bank Group and Bank |                   |                   |                 |
|---|---------------------|-------------------|-------------------|-----------------|
|   | Stage 1<br>RM'000   | Stage 2<br>RM'000 | Stage 3<br>RM'000 | Total<br>RM'000 |
| As at 1 January                               | 365,538             | 587,652           | 425,587           | 1,378,777       |
| (Reversal)/charge to profit or loss           | (20,061)            | 1,242             | 87,829            | 69,010          |
| Changes in ECL due to transfer within stages: |                     |                   |                   |                 |
| - 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)       |
| Changes 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)       |
| As at 31 December                             | 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.

^ The changes to model assumptions and methodologies were in relation to incorporation of Macro Economic Variables ("MEV") factors with more intuitive trends, revision to Probability of Default ("PD") and Loss Given Default ("LGD") modelling and management overlays.

**(x) Movement of impaired financing and advances**

|  | Bank Group and Bank |                     |
|--|---------------------|---------------------|
|  | 31-Dec-22<br>RM'000 | 31-Dec-21<br>RM'000 |
| Balance as at 1 January  | 963,529             | 987,231             |
| Classified as impaired during the period                                     | 1,358,851           | 320,692             |
| Reclassified as non-impaired   | (53,591)            | (214,622)           |
| Amount recovered   | (123,735)           | (66,529)            |
| Amount written off   | (210,046)           | (137,358)           |
| Other movements  | 134,596             | 97,786              |
| Reclassification to assets held-for-sale                                     | -                   | (23,671)            |
| Balance as at end of financial period  | 2,069,604           | 963,529             |
| Net impaired as a percentage of net financing and advances                   | 3.64%               | 1.79%               |
| Gross impaired financing and advances as a % of gross financing and advances | 5.46%               | 2.73%               |

**(xi) Impaired financing and advances by economic purpose**

|                                | Bank Group and Bank |                     |
|--------------------------------|---------------------|---------------------|
|                                | 31-Dec-22<br>RM'000 | 31-Dec-21<br>RM'000 |
| Personal use                   | 212,962             | 75,824              |
| Construction                   | 979,735             | 523,546             |
| Purchase of landed property:   |                     |                     |
| - Residential                  | 255,350             | 112,955             |
| - Non-residential              | 280,034             | 146,339             |
| Working Capital                | 311,709             | 73,606              |
| Purchase of other fixed assets | 24,744              | 26,700              |
| Purchase of transport vehicles | 4,866               | 3,585               |
| Purchase of consumer durables  | -                   | 791                 |
| Others                         | 204                 | 183                 |
|                                | 2,069,604           | 963,529             |



**11. Financing and advances (continued)**

**(xii) Impaired financing and advances by sector**

|   | <b>Bank Group and Bank</b> |                  |
|---|----------------------------|------------------|
|   | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|   | <b>RM'000</b>              | <b>RM'000</b>    |
| Household sector                                      | 486,393                    | 201,203          |
| Construction  | 782,599                    | 305,071          |
| Finance, insurance, real estate and business services | 194,807                    | 210,921          |
| Manufacturing   | 233,941                    | 101,470          |
| Education, health and others                          | 84,900                     | 88,161           |
| Mining and quarrying                                  | 511                        | 26,423           |
| Wholesale & retail trade and restaurants & hotels     | 286,095                    | 26,248           |
| Transport, storage and communications                 | 358                        | 4,032            |
|   | <u>2,069,604</u>           | <u>963,529</u>   |

**(xiii) Impaired financing by geographical distribution**

|          | <b>Bank Group and Bank</b> |                  |
|----------|----------------------------|------------------|
|          | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|          | <b>RM'000</b>              | <b>RM'000</b>    |
| Malaysia | <u>2,069,604</u>           | <u>963,529</u>   |

**12. Other receivables**

|                                   | <b>Bank Group</b> |                  | <b>Bank</b>      |                  |
|-----------------------------------|-------------------|------------------|------------------|------------------|
|                                   | <b>31-Dec-22</b>  | <b>31-Dec-21</b> | <b>31-Dec-22</b> | <b>31-Dec-21</b> |
|                                   | <b>RM'000</b>     | <b>RM'000</b>    | <b>RM'000</b>    | <b>RM'000</b>    |
| Amount due from subsidiary        | -                 | -                | 71,825           | 62,715           |
| Financing to related companies    | 494,820           | 546,039          | 494,820          | 546,039          |
| Amount due from holding company   | 40,527            | -                | 40,527           | -                |
| Amount due from related companies | 335               | -                | 335              | -                |
| Prepayments and deposits          | 15,845            | 10,237           | 15,846           | 10,150           |
| Deferred expenses                 | 41,706            | 60,499           | 41,706           | 36,464           |
| Sundry receivables                | 20,959            | 1,683            | 17,899           | 19,095           |
|                                   | <u>614,192</u>    | <u>618,458</u>   | <u>682,958</u>   | <u>674,463</u>   |
| Less: ECL at stage 1              | (4,414)           | (4,989)          | (4,414)          | (4,989)          |
| Less: ECL at stage 3              | (94,852)          | (114,602)        | (94,852)         | (114,602)        |
|                                   | <u>514,926</u>    | <u>498,867</u>   | <u>583,692</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 31 December 2022 is RM 2 (31 December 2021: RM 2).

**14. Non-current assets held for sale**

|  | <b>Bank Group and Bank</b> |                  |
|--|----------------------------|------------------|
|  | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|  | <b>RM'000</b>              | <b>RM'000</b>    |
| Balance as at 1 January                | 23,671                     | -                |
| Reclassification (to)/from financing   | (12,214)                   | 23,671           |
| Gross non-current assets held for sale | 11,457                     | 23,671           |
| Less impairment allowance:             |                            |                  |
| Balance as at 1 January                | (21,549)                   | -                |
| Reclassification to/(from) financing   | 10,656                     | (21,549)         |
| Total impairment allowance             | (10,893)                   | (21,549)         |
| Net non-current assets held for sale   | 564                        | 2,122            |
| <b>By economic purpose:</b>            |                            |                  |
| Purchase of residential properties     | 11,233                     | 22,481           |
| Purchase of non-residential properties | -                          | 960              |
| Purchase of other fixed assets         | 136                        | 138              |
| Purchase of transport vehicles         | 43                         | 47               |
| Others                                 | 45                         | 45               |
|  | 11,457                     | 23,671           |

The non-current assets held for sale is in relation to the agreement which the Bank entered with an external party to dispose of its retail financing. The exercise is expected to complete in the first quarter of year 2023.

**15. Deposits from customers**

**(i) By type of deposits:**

|                                   | <b>Bank Group and Bank</b> |                  |
|-----------------------------------|----------------------------|------------------|
|                                   | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|                                   | <b>RM'000</b>              | <b>RM'000</b>    |
| <u>Non-Mudharabah Funds:</u>      |                            |                  |
| Commodity Murabahah Term Deposits | 26,895,884                 | 24,421,230       |
| Demand deposits                   | 1,482,264                  | 611,386          |
| Savings deposits                  | 734,551                    | 385,596          |
|                                   | 29,112,699                 | 25,418,212       |

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

|                                   | <b>Bank Group and Bank</b> |                  |
|-----------------------------------|----------------------------|------------------|
|                                   | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|                                   | <b>RM'000</b>              | <b>RM'000</b>    |
| Within six months                 | 19,673,851                 | 15,626,072       |
| More than six months to one year  | 4,421,626                  | 6,347,608        |
| More than one year to three years | 1,366,471                  | 2,213,495        |
| More than three years             | 1,433,936                  | 234,055          |
|                                   | 26,895,884                 | 24,421,230       |

**(iii) By type of customers:**

|                                 | <b>Bank Group and Bank</b> |                  |
|---------------------------------|----------------------------|------------------|
|                                 | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|                                 | <b>RM'000</b>              | <b>RM'000</b>    |
| Government and statutory bodies | 15,232,596                 | 12,283,703       |
| Business enterprises            | 9,065,228                  | 8,793,405        |
| Individuals                     | 4,814,875                  | 4,341,104        |
|                                 | 29,112,699                 | 25,418,212       |

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

|                                  |  | <b>Bank Group and Bank</b> |                  |
|----------------------------------|--|----------------------------|------------------|
|                                  |  | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|                                  |  | <b>RM'000</b>              | <b>RM'000</b>    |
| <b>(i) By type of deposits:</b>  |  |                            |                  |
| <u>Non-Mudharabah Funds:</u>     |  |                            |                  |
| - Licensed Investment Banks      |  | 779                        | 948              |
| - Licensed Islamic Banks         |  | 1,121,734                  | 534,051          |
| - Other financial institutions   |  | 6,388,823                  | 8,114,582        |
|                                  |  | <u>7,511,336</u>           | <u>8,649,581</u> |
| <b>(ii) By type of contract:</b> |  |                            |                  |
| Tawarruq                         |  | <u>7,511,336</u>           | <u>8,649,581</u> |

**17. Investment accounts of customers**

|  |  | <b>Bank Group and Bank</b> |                  |
|--|--|----------------------------|------------------|
|  |  | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|  |  | <b>RM'000</b>              | <b>RM'000</b>    |
| Wakalah unrestricted investment accounts |  | <u>2,080,767</u>           | <u>2,094,914</u> |

The investment account placements are used to fund personal financing.

|                                  |  | <b>Bank Group and Bank</b> |                  |
|----------------------------------|--|----------------------------|------------------|
|                                  |  | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|                                  |  | <b>RM'000</b>              | <b>RM'000</b>    |
| <b>(i) By type of customers:</b> |  |                            |                  |
| Government and statutory bodies  |  | 1,626,676                  | 2,014,773        |
| Other financial institutions     |  | 454,091                    | 80,141           |
|                                  |  | <u>2,080,767</u>           | <u>2,094,914</u> |

|   |  | <b>Bank Group and Bank</b> |                  |
|---|--|----------------------------|------------------|
|   |  | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|   |  | <b>RM'000</b>              | <b>RM'000</b>    |
| <b>(ii) Movement of investment accounts of customers:</b> |  |                            |                  |
| At beginning of the financial period                      |  | 2,094,914                  | -                |
| New placement during the financial period                 |  | 5,795,123                  | 2,506,314        |
| Redemption during the financial year                      |  | (5,809,189)                | (426,328)        |
| Finance expense   |  | 52,685                     | 23,456           |
| Profit distributed  |  | (52,766)                   | (8,528)          |
| At end of financial period                                |  | <u>2,080,767</u>           | <u>2,094,914</u> |

**17. Investment accounts of customers (continued)**

|                                   | <b>Bank Group and Bank</b> |                  |
|-----------------------------------|----------------------------|------------------|
|                                   | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|                                   | <b>RM'000</b>              | <b>RM'000</b>    |
| <b>(iii) By Maturity:</b>         |                            |                  |
| Due within six months             | 1,926,610                  | 1,006,242        |
| More than six months to one year  | 154,157                    | 1,083,050        |
| More than one year to three years | -                          | 5,622            |
|                                   | <u>2,080,767</u>           | <u>2,094,914</u> |

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

| <b>31-Dec-22</b>                  | <b>Investment<br/>Account<br/>Holder<br/>Average<br/>ROR<br/>%</b> | <b>Bank Group<br/>Performance<br/>incentive fee<br/>%</b> |
|-----------------------------------|--|---|
| Unrestricted investment accounts: |  |   |
| Due within six months             | 4.13   | 4.67  |
| More than six months to one year  | 4.05   | 4.76  |
| More than one year to three years | -  | -   |
| <b>31-Dec-21</b>                  |  |   |
|                                   | <b>Investment<br/>Account<br/>Holder<br/>Average<br/>ROR<br/>%</b> | <b>Bank Group<br/>Performance<br/>incentive fee<br/>%</b> |
| 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**

|   | <b>Bank Group</b> |                  | <b>Bank</b>      |                  |
|---|-------------------|------------------|------------------|------------------|
|   | <b>31-Dec-22</b>  | <b>31-Dec-21</b> | <b>31-Dec-22</b> | <b>31-Dec-21</b> |
|   | <b>RM'000</b>     | <b>RM'000</b>    | <b>RM'000</b>    | <b>RM'000</b>    |
| Amount due to subsidiary                  | -                 | -                | 1,736,343        | 1,966,742        |
| Amount due to related companies           | -                 | 7,679            | -                | 7,679            |
| Amount due to holding company             | -                 | 138,410          | -                | 138,410          |
| Al-Mudharabah security fund               | 132,944           | 147,604          | 132,944          | 147,604          |
| ECL for commitments and contingencies (i) | 52,351            | 54,184           | 52,351           | 54,184           |
| Other provisions and accruals             | 99,837            | 115,621          | 99,817           | 115,599          |
| Deferred income                           | 1,314             | 21,658           | 1,314            | 21,658           |
| Sundry creditors                          | 222,233           | 500,724          | 222,233          | 500,539          |
|   | <u>508,679</u>    | <u>985,880</u>   | <u>2,245,002</u> | <u>2,952,415</u> |

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

| <b>31-Dec-22</b>                                  | <b>Bank Group and Bank</b> |                |                |               |
|---|----------------------------|----------------|----------------|---------------|
|   | <b>Stage 1</b>             | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>  |
| As at 1 January                                   | 16,943                     | 35,869         | 1,372          | 54,184        |
| Total (reversal)/charge to profit or loss         | (1,797)                    | (3,500)        | 3,792          | (1,505)       |
| Changes in ECL due to transfer within stages:     |                            |                |                |               |
| - Transfer to stage 1                             | 24,738                     | (24,737)       | (1)            | -             |
| - Transfer to stage 2                             | (298)                      | 371            | (73)           | -             |
| - Transfer to stage 3                             | (22)                       | (841)          | 863            | -             |
| New financing/ disbursement during the period     | 12,333                     | 1,395          | 95             | 13,823        |
| Repayment/drawdown to financing during the period | (6,672)                    | (8,093)        | (540)          | (15,305)      |
| Changes in credit risk parameters #               | (24,253)                   | 2,569          | 4,163          | (17,521)      |
| Change to model assumptions and methodologies ^   | (7,623)                    | 25,836         | (715)          | 17,498        |
| Write-off   | -                          | -              | (328)          | (328)         |
| As at 31 December                                 | <u>15,146</u>              | <u>32,369</u>  | <u>4,836</u>   | <u>52,351</u> |

  

| <b>31-Dec-21</b>                                | <b>Bank Group and Bank</b> |                |                |               |
|---|----------------------------|----------------|----------------|---------------|
|   | <b>Stage 1</b>             | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>  |
| As at 1 January                                 | 18,878                     | 13,274         | 12,291         | 44,443        |
| Total (reversal)/charge to profit or loss       | (1,935)                    | 22,595         | (10,918)       | 9,742         |
| Changes in ECL due to transfer within stages:   |                            |                |                |               |
| - 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                           | <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.

^ The changes to model assumptions and methodologies were in relation to incorporation of Macro Economic Variables ("MEV") factors with more intuitive trends, revision to Probability of Default ("PD") and Loss Given Default ("LGD") modelling and management overlays.

**19. Income derived from investment of depositors' funds**

|  | <b>Bank Group</b>        |                  |                            |                  |
|--|--------------------------|------------------|----------------------------|------------------|
|  | <b>4rd Quarter Ended</b> |                  | <b>Twelve Months Ended</b> |                  |
|  | <b>31-Dec-22</b>         | <b>31-Dec-21</b> | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|  | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>              | <b>RM'000</b>    |
| <u>Finance income and hibah:</u>                       |                          |                  |                            |                  |
| Financing and advances                                 | 364,008                  | 419,714          | 1,635,341                  | 1,731,182        |
| Financial investments at FVOCI                         | 76,682                   | 89,205           | 337,311                    | 351,629          |
| Financial investments at amortised cost                | 14,491                   | 6,644            | 41,950                     | 24,453           |
| Financial investments at FVTPL                         | (140)                    | 493              | 5,423                      | 3,763            |
| Money at call and deposits with financial institutions | 8,052                    | 5,185            | 26,980                     | 22,554           |
| Others   | 5,033                    | 7,201            | 8,585                      | 15,507           |
|  | <u>468,126</u>           | <u>528,442</u>   | <u>2,055,590</u>           | <u>2,149,088</u> |
| of which financing income earned on impaired financing | <u>3,466</u>             | <u>468</u>       | <u>12,298</u>              | <u>8,377</u>     |

|  | <b>Bank</b>              |                  |                            |                  |
|--|--------------------------|------------------|----------------------------|------------------|
|  | <b>4rd Quarter Ended</b> |                  | <b>Twelve Months Ended</b> |                  |
|  | <b>31-Dec-22</b>         | <b>31-Dec-21</b> | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|  | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>              | <b>RM'000</b>    |
| <u>Finance income and hibah:</u>                       |                          |                  |                            |                  |
| Financing and advances                                 | 364,008                  | 419,714          | 1,635,341                  | 1,731,182        |
| Financial investments at FVOCI                         | 76,682                   | 89,205           | 337,311                    | 351,629          |
| Financial investments at amortised cost                | 14,491                   | 6,644            | 41,950                     | 24,453           |
| Financial investments at FVTPL                         | (140)                    | 493              | 5,423                      | 3,763            |
| Money at call and deposits with financial institutions | 4,411                    | 1,861            | 13,386                     | 8,990            |
| Profit on Sukuk commodity murabahah                    | 22,211                   | 68,555           | 99,930                     | 110,636          |
| Others   | 5,903                    | 7,913            | 11,796                     | 18,208           |
|  | <u>487,566</u>           | <u>594,385</u>   | <u>2,145,137</u>           | <u>2,248,861</u> |
| of which financing income earned on impaired financing | <u>3,466</u>             | <u>89</u>        | <u>12,298</u>              | <u>8,377</u>     |

**20. Income derived from investment of shareholders' funds**

|   | <b>Bank Group</b>        |                  |                            |                  |
|---|--------------------------|------------------|----------------------------|------------------|
|   | <b>4rd Quarter Ended</b> |                  | <b>Twelve Months Ended</b> |                  |
|   | <b>31-Dec-22</b>         | <b>31-Dec-21</b> | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|   | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>              | <b>RM'000</b>    |
| <u>Finance income and hibah:</u>                        |                          |                  |                            |                  |
| Financing and advances                                  | 126,407                  | 95,238           | 374,911                    | 341,966          |
| Financial investments at FVOCI                          | 24,345                   | 19,127           | 72,308                     | 67,095           |
| Financial investments at amortised cost                 | 3,940                    | 1,411            | 8,993                      | 4,666            |
| Financial investments at FVTPL                          | 139                      | 120              | 1,163                      | 718              |
| Money at call and deposits with financial institutions  | 2,300                    | 1,129            | 5,783                      | 4,304            |
| Others  | 1,187                    | 1,441            | 1,841                      | 2,959            |
|   | <u>158,318</u>           | <u>118,466</u>   | <u>464,999</u>             | <u>421,708</u>   |
| of which financing income earned on impaired financing  | <u>1,011</u>             | <u>468</u>       | <u>2,636</u>               | <u>1,599</u>     |
| <u>Other operating income:</u>                          |                          |                  |                            |                  |
| Financing related fees                                  | 18,201                   | 2,765            | 26,222                     | 11,523           |
| Loss from sale of financial investments at FVOCI        | (4,492)                  | (19,691)         | (13,066)                   | (8,029)          |
| Gain/(loss) from sale of financial investments at FVTPL | 254                      | (1,595)          | (18,195)                   | (7,825)          |
| Gain on financial investments at FVTPL                  | 1,059                    | 221              | 4,200                      | 221              |
| Commission  | (3,541)                  | 3,633            | 11,097                     | 13,229           |
| Gain/(loss) on foreign exchange transactions            | 3,509                    | (6,162)          | 12,390                     | 42,126           |
| Ta'widh   | 5,636                    | 1,239            | 10,455                     | 4,575            |
| Sundry income   | 90                       | 22,760           | 8,799                      | 24,999           |
|   | <u>20,716</u>            | <u>3,170</u>     | <u>41,902</u>              | <u>80,819</u>    |
|   | <u>179,034</u>           | <u>121,636</u>   | <u>506,901</u>             | <u>502,527</u>   |

|   | <b>Bank</b>              |                  |                            |                  |
|---|--------------------------|------------------|----------------------------|------------------|
|   | <b>4rd Quarter Ended</b> |                  | <b>Twelve Months Ended</b> |                  |
|   | <b>31-Dec-22</b>         | <b>31-Dec-21</b> | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|   | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>              | <b>RM'000</b>    |
| <u>Finance income and hibah:</u>                        |                          |                  |                            |                  |
| Financing and advances                                  | 126,407                  | 95,238           | 374,911                    | 341,966          |
| Financial investments at FVOCI                          | 24,345                   | 19,127           | 72,308                     | 67,095           |
| Financial investments at amortised cost                 | 3,940                    | 1,411            | 8,993                      | 4,666            |
| Financial investments at FVTPL                          | 139                      | 120              | 1,163                      | 718              |
| Money at call and deposits with financial institutions  | 1,217                    | 412              | 2,869                      | 1,715            |
| Profit on Sukuk commodity murabahah                     | 7,119                    | 13,419           | 21,421                     | 21,111           |
| Others  | 1,444                    | 1,594            | 2,529                      | 3,476            |
|   | <u>164,611</u>           | <u>131,321</u>   | <u>484,194</u>             | <u>440,747</u>   |
| of which financing income earned on impaired financing  | <u>1,011</u>             | <u>89</u>        | <u>2,636</u>               | <u>1,599</u>     |
| <u>Other operating income:</u>                          |                          |                  |                            |                  |
| Financing related fees                                  | 18,201                   | 2,765            | 26,222                     | 11,523           |
| Loss from sale of financial investments at FVOCI        | (4,492)                  | (19,691)         | (13,066)                   | (8,029)          |
| Gain/(loss) from sale of financial investments at FVTPL | 254                      | (1,595)          | (18,195)                   | (7,825)          |
| Gain on financial investments at FVTPL                  | 1,059                    | 221              | 4,200                      | 221              |
| Commission  | (3,541)                  | 3,633            | 11,097                     | 13,229           |
| Gain/(loss) on foreign exchange transactions            | 3,509                    | (6,162)          | 12,390                     | 42,126           |
| Ta'widh   | 5,636                    | 1,239            | 10,455                     | 4,575            |
| Sundry income   | 125                      | 22,760           | 8,875                      | 24,999           |
|   | <u>20,751</u>            | <u>3,170</u>     | <u>41,978</u>              | <u>80,819</u>    |
|   | <u>185,362</u>           | <u>134,491</u>   | <u>526,172</u>             | <u>521,566</u>   |

**21. Income derived from investment of investment accounts' funds**

|                        | Bank Group and Bank |               |                     |               |
|------------------------|---------------------|---------------|---------------------|---------------|
|                        | 4rd Quarter Ended   |               | Twelve Months Ended |               |
|                        | 31-Dec-22           | 31-Dec-21     | 31-Dec-22           | 31-Dec-21     |
|                        | RM'000              | RM'000        | RM'000              | RM'000        |
| Financing and advances | 34,550              | 22,638        | 113,587             | 60,967        |
|                        | <u>34,550</u>       | <u>22,638</u> | <u>113,587</u>      | <u>60,967</u> |

**22. Expected credit losses on financing and advances and other impairment**

|   | Bank Group and Bank |                 |                     |                |
|---|---------------------|-----------------|---------------------|----------------|
|   | 4rd Quarter Ended   |                 | Twelve Months Ended |                |
|   | 31-Dec-22           | 31-Dec-21       | 31-Dec-22           | 31-Dec-21      |
|   | RM'000              | RM'000          | RM'000              | RM'000         |
| <u>ECL on financing and advances made/(written back)</u>        |                     |                 |                     |                |
| Financing and advances  |                     |                 |                     |                |
| - Stage 1   | (103,372)           | 58,949          | (52,720)            | (20,061)       |
| - Stage 2   | (24,734)            | 16,371          | (254,494)           | 1,242          |
| - Stage 3   | 1,417               | (137,335)       | 583,212             | 87,829         |
| Credit impaired financing and advances:                         |                     |                 |                     |                |
| - Write - off   | 8,844               | 2,499           | 20,219              | 5,676          |
| - Recovered   | (52,076)            | (1,725)         | (72,759)            | (10,620)       |
|   | <u>(169,921)</u>    | <u>(61,241)</u> | <u>223,458</u>      | <u>64,066</u>  |
| <u>Other ECL and impairment allowances made/(written back):</u> |                     |                 |                     |                |
| Financial investments at FVOCI                                  | 3                   | -               | (4)                 | 7              |
| Financial investments at amortised cost                         | 171                 | 167             | (105)               | 621            |
| Other receivables   | -                   | -               | (143)               | 140            |
| Financing to related companies                                  | (3,595)             | 26,394          | (15,859)            | 49,879         |
| Financing commitments and financial guarantees                  | 6,357               | (13,368)        | (1,505)             | 9,742          |
|   | <u>2,936</u>        | <u>13,193</u>   | <u>(17,616)</u>     | <u>60,389</u>  |
|   | <u>(166,985)</u>    | <u>(48,048)</u> | <u>205,842</u>      | <u>124,455</u> |



**23. Income attributable to depositors and others**

|   | Bank Group        |                |                     |                  |
|---|-------------------|----------------|---------------------|------------------|
|   | 4rd Quarter Ended |                | Twelve Months Ended |                  |
|   | 31-Dec-22         | 31-Dec-21      | 31-Dec-22           | 31-Dec-21        |
|   | RM'000            | RM'000         | RM'000              | RM'000           |
| <b>(a) Income attributable to depositors</b>                              |                   |                |                     |                  |
| Deposits from customers:  |                   |                |                     |                  |
| - Non-mudharabah funds  | 269,295           | 199,156        | 899,622             | 629,226          |
| Deposits and placements of banks  |                   |                |                     |                  |
| - Non-mudharabah funds  | 1,853             | 3,490          | 6,191               | 197,030          |
|   | <u>271,148</u>    | <u>202,646</u> | <u>905,813</u>      | <u>826,256</u>   |
| <b>(b) Income attributable to securitisation</b>                          | 34,373            | 29,667         | 142,314             | 91,230           |
| <b>(c) Income attributable to sukuk</b>                                   | 32,180            | 32,214         | 128,432             | 132,603          |
| <b>(d) Income attributable to wakalah unrestricted investment account</b> | 15,459            | 9,196          | 52,685              | 23,456           |
|   | <u>353,160</u>    | <u>273,723</u> | <u>1,229,244</u>    | <u>1,073,545</u> |

|   | Bank              |                |                     |                  |
|---|-------------------|----------------|---------------------|------------------|
|   | 4rd Quarter Ended |                | Twelve Months Ended |                  |
|   | 31-Dec-22         | 31-Dec-21      | 31-Dec-22           | 31-Dec-21        |
|   | RM'000            | RM'000         | RM'000              | RM'000           |
| <b>(a) Income attributable to depositors</b>                              |                   |                |                     |                  |
| Deposits from customers:  |                   |                |                     |                  |
| - Non-mudharabah funds  | 269,295           | 199,156        | 899,622             | 629,226          |
| Deposits and placements of banks  |                   |                |                     |                  |
| - Non-mudharabah funds  | 1,853             | 3,490          | 6,191               | 197,030          |
|   | <u>271,148</u>    | <u>202,646</u> | <u>905,813</u>      | <u>826,256</u>   |
| <b>(b) Income attributable to securitisation</b>                          | 34,372            | 29,667         | 142,314             | 91,230           |
| <b>(c) Income attributable to sukuk</b>                                   | 32,180            | 32,214         | 128,432             | 132,603          |
| <b>(d) Income attributable to wakalah unrestricted investment account</b> | 15,459            | 9,196          | 52,685              | 23,456           |
| <b>(e) Others</b>   | 19,589            | 35,300         | 117,984             | 136,937          |
|   | <u>372,748</u>    | <u>309,023</u> | <u>1,347,228</u>    | <u>1,210,482</u> |

**24. Personnel expenses**

|  | Bank Group and Bank |               |                     |                |
|--|---------------------|---------------|---------------------|----------------|
|  | 4rd Quarter Ended   |               | Twelve Months Ended |                |
|  | 31-Dec-22           | 31-Dec-21     | 31-Dec-22           | 31-Dec-21      |
|  | RM'000              | RM'000        | RM'000              | RM'000         |
| Salaries, allowances and bonuses                 | 55,072              | 57,203        | 230,075             | 194,013        |
| Contributions to EPF and SOCSO                   | 3,563               | 10,050        | 34,340              | 33,972         |
| Directors' remuneration                          | 282                 | 632           | 2,270               | 2,485          |
| Shariah Advisory Committee members' remuneration | 89                  | 165           | 496                 | 490            |
| Other staff related expenses                     | 12,769              | 11,811        | 41,461              | 26,400         |
|  | <u>71,775</u>       | <u>79,861</u> | <u>308,642</u>      | <u>257,360</u> |

**25. Other overhead expenses**

|  | <b>Bank Group</b>        |                  |                            |                  |
|--|--------------------------|------------------|----------------------------|------------------|
|  | <b>4rd Quarter Ended</b> |                  | <b>Twelve Months Ended</b> |                  |
|  | <b>31-Dec-22</b>         | <b>31-Dec-21</b> | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|  | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>              | <b>RM'000</b>    |
| <u>Establishment related expenses</u>              |                          |                  |                            |                  |
| Depreciation of property and equipment             | 6,207                    | 4,783            | 20,558                     | 12,306           |
| Depreciation of right of use assets                | 10,962                   | 29,693           | 44,905                     | 49,149           |
| Amortisation of intangible assets                  | 10,687                   | 9,479            | 40,435                     | 35,195           |
| Rental of premises                                 | -                        | (11,058)         | -                          | 1,919            |
| Software and hardware maintenance                  | 17,726                   | 24,472           | 56,150                     | 55,254           |
| Security expenses                                  | 817                      | 881              | 3,241                      | 2,268            |
| Lease profit expense                               | 276                      | 861              | 1,207                      | 2,110            |
| Others   | 2,492                    | 1,507            | 8,008                      | 2,954            |
|  | <u>49,167</u>            | <u>60,618</u>    | <u>174,504</u>             | <u>161,155</u>   |
| <u>Promotion and marketing related expenses</u>    |                          |                  |                            |                  |
| Advertising and promotional activities             | 7,759                    | 6,253            | 15,889                     | 14,053           |
|  | <u>7,759</u>             | <u>6,253</u>     | <u>15,889</u>              | <u>14,053</u>    |
| <u>General administrative expenses</u>             |                          |                  |                            |                  |
| License and association fees and levies            | -                        | -                | 470                        | 1,018            |
| Travelling, transport and accommodation expenses   | 897                      | 82               | 2,300                      | 1,289            |
| Printing, stationery, postage and clearing charges | 3,375                    | 1,255            | 6,955                      | 6,130            |
| Electricity and water                              | 1,303                    | 1,568            | 4,094                      | 4,147            |
| Other professional fees                            | 3,373                    | 2,361            | 14,009                     | 14,342           |
| Auditors remuneration                              | 501                      | 355              | 1,403                      | 1,514            |
| Repair and maintenance of office equipment         | 177                      | -                | 485                        | 5,206            |
| Others   | 12,029                   | 33,908           | 23,006                     | 46,712           |
|  | <u>21,655</u>            | <u>39,529</u>    | <u>52,722</u>              | <u>80,358</u>    |
| <u>Commission fees</u>                             |                          |                  |                            |                  |
| Angkasa charges                                    | 6,286                    | 2,347            | 21,728                     | 19,169           |
| Commission fees                                    | 7,541                    | 3,608            | 24,495                     | 12,314           |
|  | <u>13,827</u>            | <u>5,955</u>     | <u>46,223</u>              | <u>31,483</u>    |
| Inter-company recharges^                           | 490                      | (1,164)          | (9,253)                    | (13,035)         |
|  | <u>92,898</u>            | <u>111,191</u>   | <u>280,085</u>             | <u>274,014</u>   |

**25. Other overhead expenses (continued)**

|  | Bank              |                |                     |                |
|--|-------------------|----------------|---------------------|----------------|
|  | 4rd Quarter Ended |                | Twelve Months Ended |                |
|  | 31-Dec-22         | 31-Dec-21      | 31-Dec-22           | 31-Dec-21      |
|  | RM'000            | RM'000         | RM'000              | RM'000         |
| <u>Establishment related expenses</u>              |                   |                |                     |                |
| Depreciation of property and equipment             | 6,207             | 4,783          | 20,558              | 12,306         |
| Depreciation of right-of-use assets                | 10,962            | 29,693         | 44,905              | 49,149         |
| Amortisation of intangible assets                  | 10,687            | 9,479          | 40,435              | 35,195         |
| Rental of premises                                 | -                 | (11,058)       | -                   | 1,919          |
| Software and hardware maintenance                  | 17,726            | 24,472         | 56,150              | 55,254         |
| Security expenses                                  | 817               | 881            | 3,241               | 2,268          |
| Lease profit expense                               | 276               | 861            | 1,207               | 2,110          |
| Others   | 2,492             | 1,507          | 8,008               | 2,954          |
|  | <u>49,167</u>     | <u>60,618</u>  | <u>174,504</u>      | <u>161,155</u> |
| <u>Promotion and marketing related expenses</u>    |                   |                |                     |                |
| Advertising and promotional activities             | 7,759             | 6,253          | 15,889              | 14,053         |
|  | <u>7,759</u>      | <u>6,253</u>   | <u>15,889</u>       | <u>14,053</u>  |
| <u>General administrative expenses</u>             |                   |                |                     |                |
| License and association fees and levies            | -                 | -              | 470                 | 1,018          |
| Travelling, transport and accommodation expenses   | 899               | 82             | 2,302               | 1,289          |
| Printing, stationery, postage and clearing charges | 3,375             | 1,255          | 6,955               | 6,130          |
| Electricity and water                              | 1,303             | 1,568          | 4,094               | 4,147          |
| Other professional fees                            | 3,365             | 2,357          | 13,919              | 14,253         |
| Auditors remuneration                              | 498               | 351            | 1,390               | 1,501          |
| Repair and maintenance of office equipment         | 175               | -              | 483                 | 5,206          |
| Others   | 11,932            | 33,821         | 22,711              | 46,244         |
|  | <u>21,547</u>     | <u>39,434</u>  | <u>52,324</u>       | <u>79,788</u>  |
| <u>Commission fees</u>                             |                   |                |                     |                |
| Angkasa charges                                    | 6,286             | 2,347          | 21,728              | 19,169         |
| Commission fees                                    | 7,541             | 3,608          | 24,495              | 12,314         |
|  | <u>13,827</u>     | <u>5,955</u>   | <u>46,223</u>       | <u>31,483</u>  |
| Inter-company recharges <sup>^</sup>               | (233)             | (846)          | (10,771)            | (14,095)       |
|  | <u>92,067</u>     | <u>111,414</u> | <u>278,169</u>      | <u>272,384</u> |

Rental of premises was at credit for 4Q21 due to reclassification of expenses to depreciation of right-of-use assets.

<sup>^</sup> 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 income/(expense), net of tax**

|   | <b>Bank Group and Bank</b> |                  |                            |                  |
|---|----------------------------|------------------|----------------------------|------------------|
|   | <b>4rd Quarter Ended</b>   | <b>31-Dec-21</b> | <b>Twelve Months Ended</b> | <b>31-Dec-21</b> |
|   | <b>31-Dec-22</b>           | <b>31-Dec-21</b> | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|   | <b>RM'000</b>              | <b>RM'000</b>    | <b>RM'000</b>              | <b>RM'000</b>    |
| Net gain/(loss) from change in fair value of financial investments at FVOCI | 176,095                    | (39,897)         | (180,413)                  | (395,719)        |
| Changes in ECL of financial investments at FVOCI                            | 3                          | -                | (4)                        | 7                |
|   | <u>176,098</u>             | <u>(39,897)</u>  | <u>(180,417)</u>           | <u>(395,712)</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:

|   | <b>Bank Group and Bank</b> |                  |
|---|----------------------------|------------------|
|   | <b>31-Dec-22</b>           | <b>31-Dec-21</b> |
|   | <b>RM'000</b>              | <b>RM'000</b>    |
| Outstanding credit exposures with connected parties   | <u>1,246,640</u>           | <u>1,088,812</u> |
| Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures | <u>2.86%</u>               | <u>2.78%</u>     |
| Percentage of outstanding credit exposures to connected parties which is non-performing or in default   | <u>0.30%</u>               | <u>0.26%</u>     |

**28. Commitments and contingencies**

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

|   | <b>Principal amount</b> | <b>Credit equivalent amount</b> | <b>Risk weighted amount</b> |
|---|-------------------------|---------------------------------|-----------------------------|
|   | <b>RM'000</b>           | <b>RM'000</b>                   | <b>RM'000</b>               |
| <b>Bank Group and Bank</b>                              |                         |                                 |                             |
| <b>31-Dec-22</b>  |                         |                                 |                             |
| Direct credit substitutes                               | 19,359                  | 19,359                          | 19,359                      |
| Trade-related contingencies                             | 81,715                  | 37,169                          | 37,169                      |
| Short term self liquidating trade related contingencies | 29,069                  | 5,814                           | 5,814                       |
| Irrevocable commitments to extend credit:               |                         |                                 |                             |
| - one year or less                                      | 793,601                 | 158,218                         | 158,218                     |
| - over one year to five years                           | 1,876,101               | 937,407                         | 837,213                     |
| - over five years                                       | 347,597                 | 173,799                         | 173,799                     |
| Foreign exchange related contracts                      |                         |                                 |                             |
| - one year or less                                      | 1,976,886               | 44,668                          | 17,499                      |
|   | <u>5,124,328</u>        | <u>1,376,434</u>                | <u>1,249,071</u>            |
| <b>Bank Group and Bank</b>                              |                         |                                 |                             |
| <b>31-Dec-21</b>  |                         |                                 |                             |
| 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<br>banking<br>RM'000 | Corporate<br>banking<br>RM'000 | Global<br>Markets<br>RM'000 | Others<br>RM'000 | Inter-<br>segment<br>RM'000 | Consolidated<br>RM'000 |
|---|-------------------------------|--------------------------------|-----------------------------|------------------|-----------------------------|------------------------|
| <b>4th Quarter ended 31 December 2022</b>   |                               |                                |                             |                  |                             |                        |
| <u>External:</u>                            |                               |                                |                             |                  |                             |                        |
| Fund based income                           | 386,603                       | 139,682                        | 123,767                     | 516              | -                           | 650,568                |
| Non-fund based income                       | (7,627)                       | 18,854                         | (3,178)                     | 13,991           | -                           | 22,040                 |
|   | 378,976                       | 158,536                        | 120,589                     | 14,507           | -                           | 672,608                |
| <u>Inter-segment</u>                        |                               |                                |                             |                  |                             |                        |
| Fund based income                           | 29,329                        | -                              | -                           | -                | (29,329)                    | -                      |
| Total revenue                               | 408,305                       | 158,536                        | 120,589                     | 14,507           | (29,329)                    | 672,608                |
| Profit before tax and zakat                 | 318,913                       | (42,327)                       | 20,801                      | 33,475           | -                           | 330,862                |
| Taxation                                    |                               |                                |                             |                  |                             | (85,259)               |
| Zakat                                       |                               |                                |                             |                  |                             | -                      |
| Net profit for the period                   |                               |                                |                             |                  |                             | 245,603                |
| Segment assets                              | 27,049,413                    | 10,104,527                     | 15,476,341                  | -                | -                           | 52,630,281             |
| Tax recoverable                             |                               |                                |                             |                  |                             | 209                    |
| Deferred tax assets                         |                               |                                |                             |                  |                             | 107,238                |
| Unallocated assets                          |                               |                                |                             |                  |                             | 1,338,172              |
| Total assets                                |                               |                                |                             |                  |                             | 54,075,900             |
| Segment liabilities                         | 28,039,992                    | 6,843,565                      | 10,334,941                  | 295,900          | -                           | 45,514,398             |
| Provision for taxation<br>and zakat         |                               |                                |                             |                  |                             | 106,902                |
| Unallocated liabilities                     |                               |                                |                             |                  |                             | 538,048                |
| Total liabilities                           |                               |                                |                             |                  |                             | 46,159,348             |
| <b>Twelve months ended 31 December 2022</b> |                               |                                |                             |                  |                             |                        |
| <u>External:</u>                            |                               |                                |                             |                  |                             |                        |
| Fund based income                           | 1,655,828                     | 484,777                        | 466,638                     | 16,508           | -                           | 2,623,751              |
| Non-fund based income                       | 4,994                         | 28,800                         | (26,968)                    | 13,991           | -                           | 20,817                 |
|   | 1,660,822                     | 513,577                        | 439,670                     | 30,499           | -                           | 2,644,568              |
| <u>Inter-segment</u>                        |                               |                                |                             |                  |                             |                        |
| Fund based income                           | 121,350                       | -                              | -                           | -                | (121,350)                   | -                      |
| Total revenue                               | 1,782,172                     | 513,577                        | 439,670                     | 30,499           | (121,350)                   | 2,644,568              |
| Profit before tax and zakat                 | 506,394                       | (7,132)                        | 90,254                      | 53,788           | -                           | 643,304                |
| Taxation                                    |                               |                                |                             |                  |                             | (166,078)              |
| Zakat                                       |                               |                                |                             |                  |                             | (3,177)                |
| Net profit for the period                   |                               |                                |                             |                  |                             | 474,049                |
| Segment assets                              | 27,049,413                    | 10,104,527                     | 15,476,341                  | -                | -                           | 52,630,281             |
| Tax recoverable                             |                               |                                |                             |                  |                             | 209                    |
| Deferred tax assets                         |                               |                                |                             |                  |                             | 107,238                |
| Unallocated assets                          |                               |                                |                             |                  |                             | 1,338,172              |
| Total assets                                |                               |                                |                             |                  |                             | 54,075,900             |
| Segment liabilities                         | 28,039,992                    | 6,843,565                      | 10,334,941                  | 295,900          | -                           | 45,514,398             |
| Provision for taxation<br>and zakat         |                               |                                |                             |                  |                             | 106,902                |
| Unallocated liabilities                     |                               |                                |                             |                  |                             | 538,048                |
| Total liabilities                           |                               |                                |                             |                  |                             | 46,159,348             |

**29. Segmental information on revenue and results (continued)**

| <b>Bank Group</b>                           | <b>Consumer<br/>banking<br/>RM'000</b> | <b>Corporate<br/>banking<br/>RM'000</b> | <b>Global<br/>Markets<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Inter-<br/>segment<br/>RM'000</b> | <b>Consolidated<br/>RM'000</b> |
|---|--|---|--------------------------------------|--------------------------|--------------------------------------|--------------------------------|
| <b>4th Quarter ended 31 December 2021</b>   |  |   |                                      |                          |                                      |                                |
| <u>External:</u>                            |  |   |                                      |                          |                                      |                                |
| Fund based income                           | 426,195                                | 191,134                                 | 112,437                              | 25,722                   | (863)                                | 754,625                        |
| Non-fund based income                       | 8,432                                  | 6,620                                   | (21,355)                             | (8,361)                  | -                                    | (14,664)                       |
|   | 434,627                                | 197,754                                 | 91,082                               | 17,361                   | (863)                                | 739,961                        |
| <u>Inter-segment</u>                        |  |   |                                      |                          |                                      |                                |
| Fund based income                           | 81,974                                 | -                                       | -                                    | 136,937                  | (218,911)                            | -                              |
| Total revenue                               | 516,601                                | 197,754                                 | 91,082                               | 154,298                  | (219,774)                            | 739,961                        |
| Profit before tax and zakat                 | 97,934                                 | 77,511                                  | (4,785)                              | 107,209                  | (136,937)                            | 140,932                        |
| Taxation                                    |  |   |                                      |                          |                                      | (61,864)                       |
| Zakat                                       |  |   |                                      |                          |                                      | 175                            |
| Net profit for the period                   |  |   |                                      |                          |                                      | 79,243                         |
| Segment assets                              | 26,305,173                             | 8,262,887                               | 13,631,431                           | -                        | -                                    | 48,199,491                     |
| Tax recoverable                             |  |   |                                      |                          |                                      | 1,049                          |
| Deferred tax assets                         |  |   |                                      |                          |                                      | 17,292                         |
| Unallocated assets                          |  |   |                                      |                          |                                      | 1,346,580                      |
| Total assets                                |  |   |                                      |                          |                                      | 49,564,412                     |
| Segment liabilities                         | 26,419,709                             | 5,803,243                               | 9,170,181                            | -                        | -                                    | 41,393,133                     |
| Provision for taxation<br>and zakat         |  |   |                                      |                          |                                      | 77,202                         |
| Deferred tax liabilities                    |  |   |                                      |                          |                                      | -                              |
| Unallocated liabilities                     |  |   |                                      |                          |                                      | 1,308,318                      |
| Total liabilities                           |  |   |                                      |                          |                                      | 42,778,653                     |
| <b>Twelve months ended 31 December 2021</b> |  |   |                                      |                          |                                      |                                |
| <u>External:</u>                            |  |   |                                      |                          |                                      |                                |
| Fund based income                           | 1,694,881                              | 464,539                                 | 437,726                              | 37,834                   | (3,216)                              | 2,631,764                      |
| Non-fund based income                       | 10,515                                 | 14,235                                  | (15,630)                             | -                        | -                                    | 9,120                          |
|   | 1,705,396                              | 478,774                                 | 422,096                              | 37,834                   | (3,216)                              | 2,640,884                      |
| <u>Inter-segment</u>                        |  |   |                                      |                          |                                      |                                |
| Fund based income                           | 131,746                                | -                                       | -                                    | 136,937                  | (268,683)                            | -                              |
| Total revenue                               | 1,837,142                              | 478,774                                 | 422,096                              | 174,771                  | (271,899)                            | 2,640,884                      |
| Profit before tax and zakat                 | 517,417                                | 46,385                                  | 83,977                               | 160,701                  | (136,937)                            | 671,543                        |
| Taxation                                    |  |   |                                      |                          |                                      | (216,973)                      |
| Zakat                                       |  |   |                                      |                          |                                      | 141                            |
| Net profit for the period                   |  |   |                                      |                          |                                      | 454,711                        |
| Segment assets                              | 26,305,173                             | 8,262,887                               | 13,631,431                           | -                        | -                                    | 48,199,491                     |
| Tax recoverable                             |  |   |                                      |                          |                                      | 1,049                          |
| Deferred tax assets                         |  |   |                                      |                          |                                      | 17,292                         |
| Unallocated assets                          |  |   |                                      |                          |                                      | 1,346,580                      |
| Total assets                                |  |   |                                      |                          |                                      | 49,564,412                     |
| Segment liabilities                         | 26,419,709                             | 5,803,243                               | 9,170,181                            | -                        | -                                    | 41,393,133                     |
| Provision for taxation<br>and zakat         |  |   |                                      |                          |                                      | 77,202                         |
| Deferred tax liabilities                    |  |   |                                      |                          |                                      | -                              |
| Unallocated liabilities                     |  |   |                                      |                          |                                      | 1,308,318                      |
| Total liabilities                           |  |   |                                      |                          |                                      | 42,778,653                     |

**30. Financial risk management**

**30.1 Credit quality**

**(i) Financing and advances**

Financing and advances are summarised as follows:

**31-Dec-22**

|   | <b>Bank Group and Bank</b> |                |                |               |
|---|----------------------------|----------------|----------------|---------------|
|   | <b>Stage 1</b>             | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>  |
|   | <b>RM'000</b>              | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b> |
| <u><i>Neither past due nor impaired</i></u> |                            |                |                |               |
| Corporate financing                         |                            |                |                |               |
| Excellent                                   | 142,128                    | 547            | -              | 142,675       |
| Good  | 3,492,094                  | 153,757        | -              | 3,645,851     |
| Average                                     | 4,097,812                  | 367,266        | -              | 4,465,078     |
| Below Average                               | 258,242                    | 115,813        | -              | 374,055       |
| Poor  | 19,230                     | 39,836         | -              | 59,066        |
| Unrated                                     | -                          | -              | -              | -             |
| Retail financing                            | 25,360,748                 | 680,533        | -              | 26,041,281    |
| Total neither past due not impaired         | 33,370,254                 | 1,357,752      | -              | 34,728,006    |
| <u><i>Past due but not impaired</i></u>     |                            |                |                |               |
| Corporate financing                         |                            |                |                |               |
| Excellent                                   | -                          | 1,074          | -              | 1,074         |
| Good  | -                          | 19,278         | -              | 19,278        |
| Average                                     | -                          | 15,021         | -              | 15,021        |
| Below Average                               | -                          | 1,626          | -              | 1,626         |
| Poor  | -                          | -              | -              | -             |
| Retail financing                            | -                          | 1,096,016      | -              | 1,096,016     |
| Total past due but not impaired             | -                          | 1,133,015      | -              | 1,133,015     |
| <u><i>Impaired</i></u>                      |                            |                |                |               |
| Corporate financing                         | -                          | -              | 494,393        | 494,393       |
| Retail financing                            | -                          | -              | 1,575,211      | 1,575,211     |
| Gross financing and advances                | 33,370,254                 | 2,490,767      | 2,069,604      | 37,930,625    |
| Less: ECL                                   | (292,757)                  | (334,400)      | (738,261)      | (1,365,418)   |
| Net financing and advances                  | 33,077,497                 | 2,156,367      | 1,331,343      | 36,565,207    |

**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<br>RM'000   | Stage 2<br>RM'000 | Stage 3<br>RM'000 | Total<br>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          |
| Unrated                              | -                   | -                 | -                 | -               |
| Retail financing                     | 23,957,643          | 2,056,648         | -                 | 26,014,291      |
| Total neither past due nor impaired  | 29,129,285          | 4,310,711         | -                 | 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 but not impaired      | -                   | 911,368           | -                 | 911,368         |
| <u>Impaired</u>                      |                     |                   |                   |                 |
| Corporate financing                  | -                   | -                 | 201,870           | 201,870         |
| Retail financing                     | -                   | -                 | 761,659           | 761,659         |
| Gross financing and advances         | 29,129,285          | 5,222,079         | 963,529           | 35,314,893      |
| Less: ECL                            | (345,477)           | (588,894)         | (354,509)         | (1,288,880)     |
| Net financing and advances           | 28,783,808          | 4,633,185         | 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:

| <b><u>Bank Group</u></b>   | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>  |
|--|----------------|----------------|----------------|---------------|
| <b>31-Dec-22</b>   | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b> |
| <b>Cash and short-term funds</b>   |                |                |                |               |
| AAA  | 1,838,469      | -              | -              | 1,838,469     |
|  | 1,838,469      | -              | -              | 1,838,469     |
| <b>Deposits and placements with banks and other financial institutions</b> |                |                |                |               |
| AAA  | 597,714        | -              | -              | 597,714       |
| AA and below   | 32             | -              | -              | 32            |
|  | 597,746        | -              | -              | 597,746       |
| <b>Debt investments</b>  |                |                |                |               |
| AAA  | 932,750        | -              | -              | 932,750       |
| AA and below   | 89,144         | -              | -              | 89,144        |
| Unrated *  | 12,032,076     | 204,959        | -              | 12,237,035    |
|  | 13,053,970     | 204,959        | -              | 13,258,929    |
| <b>Other financial assets</b>  |                |                |                |               |
| Unrated  | 400,693        | -              | 60,567         | 461,260       |
|  | 400,693        | -              | 60,567         | 461,260       |
| <b><u>Bank Group</u></b>   | <b>Stage 1</b> | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>  |
| <b>31-Dec-21</b>   | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b> |
| <b>Cash and short-term funds</b>   |                |                |                |               |
| AAA  | 520,025        | -              | -              | 520,025       |
|  | 520,025        | -              | -              | 520,025       |
| <b>Deposits and placements with banks and other financial institutions</b> |                |                |                |               |
| AAA  | 743,731        | -              | -              | 743,731       |
| AA and below   | 100,125        | -              | -              | 100,125       |
|  | 843,856        | -              | -              | 843,856       |
| <b>Debt investments</b>  |                |                |                |               |
| 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    |
| <b>Other financial assets</b>  |                |                |                |               |
| 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 RM10,814,467,000 (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             |
| 31-Dec-22  | RM'000            | RM'000         | RM'000        | RM'000            |
| <b>Cash and short-term funds</b>   |                   |                |               |                   |
| AAA  | 1,838,469         | -              | -             | 1,838,469         |
|  | <u>1,838,469</u>  | <u>-</u>       | <u>-</u>      | <u>1,838,469</u>  |
| <b>Debt investments</b>  |                   |                |               |                   |
| AAA  | 932,750           | -              | -             | 932,750           |
| AA and below   | 89,144            | -              | -             | 89,144            |
| Unrated *  | 12,032,076        | 204,959        | -             | 12,237,035        |
|  | <u>13,053,970</u> | <u>204,959</u> | <u>-</u>      | <u>13,258,929</u> |
| <b>Other financial assets</b>  |                   |                |               |                   |
| Unrated  | 469,458           | -              | 60,567        | 530,025           |
|  | <u>469,458</u>    | <u>-</u>       | <u>60,567</u> | <u>530,025</u>    |
| <u>Bank</u>  |                   |                |               |                   |
|  | Stage 1           | Stage 2        | Stage 3       | Total             |
| 31-Dec-21  | RM'000            | RM'000         | RM'000        | RM'000            |
| <b>Cash and short-term funds</b>   |                   |                |               |                   |
| AAA  | 520,025           | -              | -             | 520,025           |
|  | <u>520,025</u>    | <u>-</u>       | <u>-</u>      | <u>520,025</u>    |
| <b>Deposits and placements with<br/>banks and other financial<br/>institutions</b> |                   |                |               |                   |
| AA and below   | 100,093           | -              | -             | 100,093           |
|  | <u>100,093</u>    | <u>-</u>       | <u>-</u>      | <u>100,093</u>    |
| <b>Debt investments</b>  |                   |                |               |                   |
| AAA  | 977,336           | -              | -             | 977,336           |
| AA and below   | 162,386           | -              | -             | 162,386           |
| Unrated *  | 11,337,042        | 204,894        | -             | 11,541,936        |
|  | <u>12,476,764</u> | <u>204,894</u> | <u>-</u>      | <u>12,681,658</u> |
| <b>Other financial assets</b>  |                   |                |               |                   |
| Unrated  | 452,143           | -              | 57,400        | 509,543           |
|  | <u>452,143</u>    | <u>-</u>       | <u>57,400</u> | <u>509,543</u>    |

\* Unrated debt investments for Bank Group and Bank include government guaranteed securities of RM10,814,467,000 (2021: RM10,671,393,000)

**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<br>RM'000   |
|--|--------------------------------|----------------|------------------|------------------|-------------------|-------------------------|-----------------|-------------------|
|  | Up to 1<br>months              | 1-3<br>months  | 3-12<br>months   | 1-5<br>years     | Over 5<br>years   | Non-profit<br>sensitive | Trading<br>book |                   |
|  | RM'000                         | RM'000         | RM'000           | RM'000           | RM'000            | RM'000                  | RM'000          |                   |
| <b>31-Dec-22</b>                             |                                |                |                  |                  |                   |                         |                 |                   |
| <b><u>Financial Assets</u></b>               |                                |                |                  |                  |                   |                         |                 |                   |
| Cash and short-term funds                    | 1,838,469                      | -              | -                | -                | -                 | 354,349                 | -               | 2,192,818         |
| Deposits and placements                      |                                |                |                  |                  |                   |                         |                 |                   |
| with financial institutions                  | 32                             | -              | 597,714          | -                | -                 | -                       | -               | 597,746           |
| Derivative financial assets                  | 7,970                          | 6,917          | 130              | -                | -                 | -                       | -               | 15,017            |
| Financial investments at FVTPL               | -                              | -              | -                | -                | -                 | -                       | 240,357         | 240,357           |
| Financial investments at FVOCI               | -                              | 90,095         | 652,070          | 4,347,246        | 6,182,245         | 121,124                 | -               | 11,392,780        |
| Financial investments at amortised cost      | -                              | -              | 3,000            | 683,003          | 924,089           | 15,700                  | -               | 1,625,792         |
| Financing and advances                       |                                |                |                  |                  |                   |                         |                 |                   |
| - non-impaired                               | 16,443,898                     | 36,940         | 3,362,151        | 1,290,475        | 14,100,401        | -                       | -               | 35,233,865        |
| - impaired, net of allowances*               | -                              | -              | -                | -                | -                 | 1,331,342               | -               | 1,331,342         |
| Assets held for sale                         | -                              | -              | -                | -                | -                 | 564                     | -               | 564               |
| Other financial assets ^                     | -                              | -              | -                | -                | -                 | 461,260                 | -               | 461,260           |
| Statutory deposits with Bank Negara Malaysia | -                              | -              | -                | -                | -                 | 610,000                 | -               | 610,000           |
| <b>Total financial assets</b>                | <b>18,290,369</b>              | <b>133,952</b> | <b>4,615,065</b> | <b>6,320,724</b> | <b>21,206,735</b> | <b>2,894,339</b>        | <b>240,357</b>  | <b>53,701,541</b> |

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

30. Financial risk management (continued)

30.2 Market risk (continued)

Profit Rate Risk (continued)

| Bank Group                            | ----- Non-trading book -----> |                    |                    |                    |                   |                  | Trading book   | Total             |
|---------------------------------------|-------------------------------|--------------------|--------------------|--------------------|-------------------|------------------|----------------|-------------------|
|                                       | Up to 1                       | 1-3                | 3-12               | 1-5                | Over 5            | Non-profit       |                |                   |
|                                       | months                        | months             | months             | years              | years             | sensitive        |                |                   |
|                                       | RM'000                        | RM'000             | RM'000             | RM'000             | RM'000            | RM'000           | RM'000         | RM'000            |
| <b>31-Dec-22</b>                      |                               |                    |                    |                    |                   |                  |                |                   |
| <b>Financial Liabilities</b>          |                               |                    |                    |                    |                   |                  |                |                   |
| Deposits from customers               | 10,072,822                    | 7,169,044          | 8,812,105          | 2,790,338          | 10,070            | 258,320          | -              | 29,112,699        |
| Deposits and placements of banks      | 3,743,120                     | 1,901,516          | 779,994            | 1,064,278          | -                 | 22,428           | -              | 7,511,336         |
| Investment accounts of customers      | 849,359                       | 936,100            | 280,461            | -                  | -                 | 14,847           | -              | 2,080,767         |
| Derivative financial liabilities      | 15,118                        | 8,352              | -                  | -                  | -                 | -                | -              | 23,470            |
| Other financial liabilities#          | -                             | -                  | -                  | -                  | -                 | 506,108          | -              | 506,108           |
| Lease liabilities                     | 3,237                         | 4,989              | 14,317             | 6,827              | -                 | -                | -              | 29,370            |
| Recourse obligation on financing sold | 5,434                         | 55,852             | 191,280            | 4,088,219          | -                 | 14,623           | -              | 4,355,408         |
| Sukuk-MBSB SC Murabahah               | -                             | -                  | 233,514            | 520,404            | 73,768            | 6,119            | -              | 833,805           |
| Sukuk Wakalah                         | -                             | -                  | -                  | 200,000            | 1,391,911         | 5,001            | -              | 1,596,912         |
| <b>Total financial liabilities</b>    | <b>14,689,090</b>             | <b>10,075,853</b>  | <b>10,311,671</b>  | <b>8,670,066</b>   | <b>1,475,749</b>  | <b>827,446</b>   | <b>-</b>       | <b>46,049,875</b> |
| <b>Total profit-sensitivity gap</b>   | <b>3,601,279</b>              | <b>(9,941,901)</b> | <b>(5,696,606)</b> | <b>(2,349,342)</b> | <b>19,730,986</b> | <b>2,066,893</b> | <b>240,357</b> | <b>7,651,666</b>  |

**30. Financial risk management (continued)**

**30.2 Market risk (continued)**

**Profit Rate Risk (continued)**

| Bank   | <----- Non-trading book -----> |                |                  |                  |                   | Non-profit<br>sensitive | Trading<br>book | Total             |
|--|--------------------------------|----------------|------------------|------------------|-------------------|-------------------------|-----------------|-------------------|
|  | Up to 1<br>months              | 1-3<br>months  | 3-12<br>months   | 1-5<br>years     | Over 5<br>years   |                         |                 |                   |
|  | RM'000                         | RM'000         | RM'000           | RM'000           | RM'000            | RM'000                  | RM'000          | RM'000            |
| <b>31-Dec-22</b>                             |                                |                |                  |                  |                   |                         |                 |                   |
| <b><u>Financial Assets</u></b>               |                                |                |                  |                  |                   |                         |                 |                   |
| Cash and short-term funds                    | 1,838,469                      | -              | -                | -                | -                 | 240,786                 | -               | 2,079,255         |
| Derivative financial assets                  | 7,970                          | 6,917          | 130              | -                | -                 | -                       | -               | 15,017            |
| Financial investments at FVTPL               | -                              | -              | -                | -                | -                 | -                       | 240,357         | 240,357           |
| Financial investments at FVOCI               | -                              | 90,095         | 652,070          | 4,347,246        | 6,182,245         | 121,124                 | -               | 11,392,780        |
| Financial investments at amortised cost      | -                              | -              | 3,000            | 683,003          | 924,089           | 15,700                  | -               | 1,625,792         |
| Financing and advances                       |                                |                |                  |                  |                   |                         |                 |                   |
| - non-impaired                               | 16,443,898                     | 36,940         | 3,362,151        | 1,290,475        | 14,100,401        | -                       | -               | 35,233,865        |
| - impaired, net of allowances*               | -                              | -              | -                | -                | -                 | 1,331,342               | -               | 1,331,342         |
| Assets held for sale                         | -                              | -              | -                | -                | -                 | 564                     | -               | 564               |
| Sukuk Commodity Murabahah                    | 387,859                        | -              | 241,180          | 1,026,912        | 428,005           | 20,543                  | -               | 2,104,499         |
| Other financial assets ^                     | -                              | -              | -                | -                | -                 | 530,025                 | -               | 530,025           |
| Statutory deposits with Bank Negara Malaysia | -                              | -              | -                | -                | -                 | 610,000                 | -               | 610,000           |
| <b>Total financial assets</b>                | <b>18,678,196</b>              | <b>133,952</b> | <b>4,258,531</b> | <b>7,347,636</b> | <b>21,634,740</b> | <b>2,870,084</b>        | <b>240,357</b>  | <b>55,163,496</b> |

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

**30. Financial risk management (continued)**

**30.2 Market risk (continued)**

**Profit Rate Risk (continued)**

| Bank                                  | <----- Non-trading book -----> |                    |                    |                    |                   |                  | Trading book   | Total             |
|---------------------------------------|--------------------------------|--------------------|--------------------|--------------------|-------------------|------------------|----------------|-------------------|
|                                       | Up to 1                        | 1-3                | 3-12               | 1-5                | Over 5            | Non-profit       |                |                   |
|                                       | months                         | months             | months             | years              | years             | sensitive        |                |                   |
|                                       | RM'000                         | RM'000             | RM'000             | RM'000             | RM'000            | RM'000           | RM'000         | RM'000            |
| <b>31-Dec-22</b>                      |                                |                    |                    |                    |                   |                  |                |                   |
| <b><u>Financial Liabilities</u></b>   |                                |                    |                    |                    |                   |                  |                |                   |
| Deposits from customers               | 10,072,822                     | 7,169,044          | 8,812,105          | 2,790,338          | 10,070            | 258,320          | -              | 29,112,699        |
| Deposits and placements of banks      | 3,743,120                      | 1,901,516          | 779,994            | 1,064,278          | -                 | 22,428           | -              | 7,511,336         |
| Investment accounts of customers      | 849,359                        | 936,100            | 280,461            | -                  | -                 | 14,847           | -              | 2,080,767         |
| Derivative financial liabilities      | 15,118                         | 8,352              | -                  | -                  | -                 | -                | -              | 23,470            |
| Other financial liabilities#          | 1,736,343                      | -                  | -                  | -                  | -                 | 506,090          | -              | 2,242,433         |
| Lease liabilities                     | 3,237                          | 4,989              | 14,317             | 6,827              | -                 | -                | -              | 29,370            |
| Recourse obligation on financing sold | 5,434                          | 55,852             | 191,280            | 4,088,219          | -                 | 14,623           | -              | 4,355,408         |
| Sukuk-MBSB SC Murabahah               | -                              | -                  | 233,514            | 520,404            | 73,768            | 6,119            | -              | 833,805           |
| Sukuk Wakalah                         | -                              | -                  | -                  | 200,000            | 1,391,911         | 5,001            | -              | 1,596,912         |
| <b>Total financial liabilities</b>    | <b>16,425,433</b>              | <b>10,075,853</b>  | <b>10,311,671</b>  | <b>8,670,066</b>   | <b>1,475,749</b>  | <b>827,428</b>   | <b>-</b>       | <b>47,786,200</b> |
| <b>Total profit-sensitivity gap</b>   | <b>2,252,763</b>               | <b>(9,941,901)</b> | <b>(6,053,140)</b> | <b>(1,322,431)</b> | <b>20,158,991</b> | <b>2,042,656</b> | <b>240,357</b> | <b>7,377,296</b>  |

# 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 Group                                     | ----- Non-trading book -----> |                |                  |                  |                   | Non-profit<br>sensitive | Trading<br>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            |
| <b>31-Dec-21</b>                               |                               |                |                  |                  |                   |                         |                 |                   |
| <b>Financial Assets</b>                        |                               |                |                  |                  |                   |                         |                 |                   |
| 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         | 627,015          | 3,587,463        | 7,342,616         | 128,719                 | -               | 11,811,115        |
| Financial investments at amortised cost        | -                             | 19,999         | 1,999            | 310,877          | 291,270           | 6,189                   | -               | 630,334           |
| Financing and advances                         |                               |                |                  |                  |                   |                         |                 |                   |
| - non-impaired                                 | 406,478                       | 771,414        | 889,707          | 3,143,948        | 29,139,816        | (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           |
| <b>Total financial assets</b>                  | <b>992,266</b>                | <b>951,698</b> | <b>2,262,468</b> | <b>7,222,288</b> | <b>37,243,702</b> | <b>390,311</b>          | <b>240,209</b>  | <b>49,302,942</b> |

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

\*\* 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 Malaysian Government Securities ("MGS") and Malaysian Government Investment Issues ("MGII") as part of their SRR compliance. This flexibility to banking institutions is available until 31 May 2021 and subsequently extended until 31 December 2022.

30. Financial risk management (continued)

30.2 Market risk (continued)

Profit Rate Risk (continued)

| Bank Group                            | Non-trading book   |                    |                     |                  |                   |                  | Trading book   | Total             |
|---------------------------------------|--------------------|--------------------|---------------------|------------------|-------------------|------------------|----------------|-------------------|
|                                       | Up to 1            | 1-3                | 3-12                | 1-5              | Over 5            | Non-profit       |                |                   |
|                                       | months             | months             | months              | years            | years             | sensitive        |                |                   |
|                                       | RM'000             | RM'000             | RM'000              | RM'000           | RM'000            | RM'000           | RM'000         | RM'000            |
| <b>31-Dec-21</b>                      |                    |                    |                     |                  |                   |                  |                |                   |
| <b>Financial Liabilities</b>          |                    |                    |                     |                  |                   |                  |                |                   |
| 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              | 18,674           | -                 | -                | -              | 41,972            |
| 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         |
| <b>Total financial liabilities</b>    | <b>7,905,303</b>   | <b>8,692,199</b>   | <b>17,709,193</b>   | <b>5,716,162</b> | <b>1,445,195</b>  | <b>1,213,241</b> | <b>-</b>       | <b>42,681,293</b> |
| <b>Total profit-sensitivity gap</b>   | <b>(6,913,037)</b> | <b>(7,740,501)</b> | <b>(15,446,725)</b> | <b>1,506,126</b> | <b>35,798,507</b> | <b>(822,930)</b> | <b>240,209</b> | <b>6,621,649</b>  |



**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            |
| <b>31-Dec-21</b>                                    |                  |                |                  |                  |                   |                      |                |                   |
| <b>Financial Assets</b>                             |                  |                |                  |                  |                   |                      |                |                   |
| 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         | 627,015          | 3,587,463        | 7,342,616         | 128,719              | -              | 11,811,115        |
| Financial investments at amortised cost             | -                | 19,999         | 1,999            | 310,877          | 291,270           | 6,189                | -              | 630,334           |
| Financing and advances                              |                  |                |                  |                  |                   |                      |                |                   |
| - non-impaired                                      | 406,478          | 771,414        | 889,707          | 3,143,948        | 29,139,816        | (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           |
| <b>Total financial assets</b>                       | <b>1,513,677</b> | <b>951,698</b> | <b>1,874,383</b> | <b>8,560,966</b> | <b>37,493,758</b> | <b>364,634</b>       | <b>240,209</b> | <b>50,999,325</b> |

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

\*\* 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 Malaysian Government Securities ("MGS") and Malaysian Government Investment Issues ("MGII") as part of their SRR compliance. This flexibility to banking institutions is available until 31 May 2021 and subsequently extended until 31 December 2022.

30. Financial risk management (continued)

30.2 Market risk (continued)

Profit Rate Risk (continued)

| Bank                                  | <----- Non-trading book -----> |                    |                     |                  |                   | Non-profit<br>sensitive | Trading<br>book | Total             |
|---------------------------------------|--------------------------------|--------------------|---------------------|------------------|-------------------|-------------------------|-----------------|-------------------|
|                                       | Up to 1<br>months              | 1-3<br>months      | 3-12<br>months      | 1-5<br>years     | Over 5<br>years   |                         |                 |                   |
|                                       | RM'000                         | RM'000             | RM'000              | RM'000           | RM'000            | RM'000                  | RM'000          | RM'000            |
| <b>31-Dec-21</b>                      |                                |                    |                     |                  |                   |                         |                 |                   |
| <b>Financial Liabilities</b>          |                                |                    |                     |                  |                   |                         |                 |                   |
| 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         |
| <b>Total financial liabilities</b>    | <b>9,872,045</b>               | <b>8,692,199</b>   | <b>17,709,193</b>   | <b>5,716,163</b> | <b>1,445,195</b>  | <b>1,213,034</b>        | <b>-</b>        | <b>44,647,829</b> |
| <b>Total profit-sensitivity gap</b>   | <b>(8,358,368)</b>             | <b>(7,740,501)</b> | <b>(15,834,810)</b> | <b>2,844,803</b> | <b>36,048,563</b> | <b>(848,400)</b>        | <b>240,209</b>  | <b>6,351,496</b>  |

### **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<br>31-Dec-22<br>RM'000 | without TA<br>31-Dec-22<br>RM'000 | with TA<br>31-Dec-21<br>RM'000 | without TA<br>31-Dec-21<br>RM'000 |
| <b><u>Common Equity Tier 1 ("CET 1") Capital</u></b>   |                                |                                   |                                |                                   |
| Ordinary share capital   | 6,427,972                      | 6,427,972                         | 5,427,972                      | 5,427,972                         |
| Retained profits exclude merger reserve  | 1,483,063                      | 1,483,063                         | 1,166,619                      | 1,166,619                         |
| Other reserves   | (341,366)                      | (341,366)                         | (155,716)                      | (155,716)                         |
|  | <u>7,569,669</u>               | <u>7,569,669</u>                  | <u>6,438,875</u>               | <u>6,438,875</u>                  |
| Less : Regulatory adjustments  |                                |                                   |                                |                                   |
| Deferred tax assets  | (107,238)                      | (107,238)                         | (17,292)                       | (17,292)                          |
| 55% cumulative gains on FVOCI instruments  | (10,856)                       | (10,856)                          | (57,882)                       | (57,882)                          |
| Regulatory reserve   | -                              | -                                 | (5,234)                        | (5,234)                           |
| Intangible assets  | (96,157)                       | (96,157)                          | (101,184)                      | (101,184)                         |
| Other CET 1 regulatory adjustments   | -                              | -                                 | 144,121                        | -                                 |
| Total CET 1 Capital  | <u>7,355,418</u>               | <u>7,355,418</u>                  | <u>6,401,404</u>               | <u>6,257,283</u>                  |
| <b><u>Tier 1 Capital</u></b>   |                                |                                   |                                |                                   |
| Additional Tier 1 capital instruments  | -                              | -                                 | -                              | -                                 |
| Less: Tier 1 regulatory adjustments  | -                              | -                                 | -                              | -                                 |
| Total Tier 1 capital   | <u>7,355,418</u>               | <u>7,355,418</u>                  | <u>6,401,404</u>               | <u>6,257,283</u>                  |
| <b><u>Tier 2 Capital</u></b>   |                                |                                   |                                |                                   |
| Stage 1 & Stage 2 ECL <sup>^</sup>   | 443,911                        | 443,911                           | 433,618                        | 433,618                           |
| Tier 2 capital instruments   | 1,300,000                      | 1,300,000                         | 1,294,247                      | 1,294,247                         |
| Total Tier 2 capital   | <u>1,743,911</u>               | <u>1,743,911</u>                  | <u>1,727,865</u>               | <u>1,727,865</u>                  |
| Total capital base   | <u>9,099,329</u>               | <u>9,099,329</u>                  | <u>8,129,269</u>               | <u>7,985,148</u>                  |
| <sup>^</sup> Expected credit loss 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<br>31-Dec-22<br>RM'000 | without TA<br>31-Dec-22<br>RM'000 | with TA<br>31-Dec-21<br>RM'000 | without TA<br>31-Dec-21<br>RM'000 |
| <b><u>Total risk weighted assets ("RWA")</u></b>   |                                |                                   |                                |                                   |
| - Credit risk  | 35,512,865                     | 35,512,865                        | 34,689,443                     | 34,689,443                        |
| - Market risk  | 90,857                         | 90,857                            | 62,619                         | 62,619                            |
| - Operational risk   | 2,701,544                      | 2,701,544                         | 2,547,591                      | 2,547,591                         |
| Total RWA  | <u>38,305,266</u>              | <u>38,305,266</u>                 | <u>37,299,653</u>              | <u>37,299,653</u>                 |
| <b><u>Capital adequacy ratios</u></b>  |                                |                                   |                                |                                   |
| CET 1 capital ratio  | 19.202%                        | 19.202%                           | 17.162%                        | 16.776%                           |
| Tier 1 capital ratio   | 19.202%                        | 19.202%                           | 17.162%                        | 16.776%                           |
| Total capital ratio  | <u>23.755%</u>                 | <u>23.755%</u>                    | <u>21.794%</u>                 | <u>21.408%</u>                    |

**31. Capital adequacy (continued)**

|  | Bank                           |                                   |                                |                                   |
|--|--------------------------------|-----------------------------------|--------------------------------|-----------------------------------|
|  | with TA<br>31-Dec-22<br>RM'000 | without TA<br>31-Dec-22<br>RM'000 | with TA<br>31-Dec-21<br>RM'000 | without TA<br>31-Dec-21<br>RM'000 |
| <b><u>Common Equity Tier 1 ("CET 1") Capital</u></b> |                                |                                   |                                |                                   |
| Ordinary share capital                               | 6,427,972                      | 6,427,972                         | 5,427,972                      | 5,427,972                         |
| Retained profits exclude merger reserve              | 1,555,366                      | 1,555,366                         | 1,242,215                      | 1,242,215                         |
| Other reserves                                       | (341,366)                      | (341,366)                         | (155,716)                      | (155,716)                         |
|  | <u>7,641,972</u>               | <u>7,641,972</u>                  | <u>6,514,471</u>               | <u>6,514,471</u>                  |
| Less : Regulatory adjustments                        |                                |                                   |                                |                                   |
| Deferred tax assets                                  | (107,238)                      | (107,238)                         | (17,292)                       | (17,292)                          |
| 55% cumulative gains on FVOCI instruments            | (10,856)                       | (10,856)                          | (57,882)                       | (57,882)                          |
| Regulatory reserve                                   | -                              | -                                 | (5,234)                        | (5,234)                           |
| Intangible assets                                    | (96,157)                       | (96,157)                          | (101,184)                      | (101,184)                         |
| Other CET 1 regulatory adjustments                   | -                              | -                                 | 144,121                        | -                                 |
| Total CET 1 Capital                                  | <u>7,427,721</u>               | <u>7,427,721</u>                  | <u>6,477,000</u>               | <u>6,332,879</u>                  |
| <b><u>Tier 1 Capital</u></b>                         |                                |                                   |                                |                                   |
| Additional Tier 1 capital instruments                | -                              | -                                 | -                              | -                                 |
| Less: Tier 1 regulatory adjustments                  | -                              | -                                 | -                              | -                                 |
| Total Tier 1 capital                                 | <u>7,427,721</u>               | <u>7,427,721</u>                  | <u>6,477,000</u>               | <u>6,332,879</u>                  |
| <b><u>Tier 2 Capital</u></b>                         |                                |                                   |                                |                                   |
| Stage 1 & Stage 2 ECL ^                              | 469,580                        | 469,580                           | 462,503                        | 462,503                           |
| Tier 2 capital instruments                           | 1,300,000                      | 1,300,000                         | 1,294,247                      | 1,294,247                         |
| Total Tier 2 capital                                 | <u>1,769,580</u>               | <u>1,769,580</u>                  | <u>1,756,750</u>               | <u>1,756,750</u>                  |
| Total capital base                                   | <u>9,197,301</u>               | <u>9,197,301</u>                  | <u>8,233,750</u>               | <u>8,089,629</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                           |                                   |                                |                                   |
|--|--------------------------------|-----------------------------------|--------------------------------|-----------------------------------|
|  | with TA<br>31-Dec-22<br>RM'000 | without TA<br>31-Dec-22<br>RM'000 | with TA<br>31-Dec-21<br>RM'000 | without TA<br>31-Dec-21<br>RM'000 |
| <b><u>Total risk weighted assets ("RWA")</u></b> |                                |                                   |                                |                                   |
| - Credit risk                                    | 37,566,371                     | 37,566,371                        | 37,000,275                     | 37,000,275                        |
| - Market risk                                    | 90,857                         | 90,857                            | 62,619                         | 62,619                            |
| - Operational risk                               | 2,714,225                      | 2,714,225                         | 2,615,184                      | 2,615,184                         |
| Total RWA  | <u>40,371,453</u>              | <u>40,371,453</u>                 | <u>39,678,078</u>              | <u>39,678,078</u>                 |
| <b><u>Capital adequacy ratios</u></b>            |                                |                                   |                                |                                   |
| CET 1 capital ratio                              | 18.398%                        | 18.398%                           | 16.324%                        | 15.961%                           |
| Tier 1 capital ratio                             | 18.398%                        | 18.398%                           | 16.324%                        | 15.961%                           |
| Total capital ratio                              | <u>22.782%</u>                 | <u>22.782%</u>                    | <u>20.751%</u>                 | <u>20.388%</u>                    |

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 Group and the Bank. As at 31 December 2022, URIA risk weighted assets excluded from the Total Capital Ratio calculation amounted to RM2,011.5 mil (31 December 2021: RM2,080.8 mil).

**PERFORMANCE REVIEW FOR THE 4TH QUARTER ENDED 31 DECEMBER 2022**

**1. Performance Review**

During the quarter, the Bank Group reported a profit before tax ("PBT") of RM330.9 mil with net income of RM328.6 mil, net writeback on impairment allowance of RM167.0 mil and operating expenses ("OPEX") of RM164.7 mil. The net writeback on impairment allowance is mainly due to the changes to the ECL model assumptions and methodologies. OPEX for the quarter is contributed by personnel expenses of RM71.8 mil and other expenses such as rental of the headquarters and software/hardware maintenance.

**Outlook for 2023**

Global growth is slowing sharply, with worldwide economic output projected to be just 1.7% in 2023, according to the latest forecast from the World Bank Group. In tandem with this global slowdown, Malaysia's economy is forecast to grow by 4.3% in 2023.

In 2022, Bank Negara Malaysia ("BNM") raised the OPR by a total of 100 basis points to 2.75%. Moving into 2023, headline and core inflation are expected to moderate but remain elevated amid lingering demand and cost pressures, as well as any changes to domestic policy measures, according to BNM. In this respect, our business strategy will be centred on enhancing our strength in our core business in the retail segment, and targeting large, premium corporates to provide the Bank Group with financing growth. We are undertaking various initiatives to improve funding cost, particularly to raise our CASA ratio. The Bank Group has also formulated collection strategies to tackle specific needs of different groups of customers beside hastening the recovery resolution on some of the chunky impaired financing to improve its asset quality.

The small, medium enterprise ("SME") segment has been identified as one of our core pillars to raise exposure to business banking. The Bank Group will continue to drive business share growth in SME by offering relationship-based partnerships and providing innovative and personalised services on banking products.

**1. Performance Review (continued)**

**Financing**

**Variation of Results against Preceding Year Corresponding Quarter**

|                                    | <b>Current<br/>Year<br/>Quarter<br/>31-Dec-22<br/>(4Q22)</b> | <b>Preceding<br/>Year<br/>Corresponding<br/>Quarter<br/>31-Dec-21<br/>(4Q21)</b> | <b>Changes</b>   |          |
|------------------------------------|--|--|------------------|----------|
|                                    | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b>    | <b>%</b> |
| Personal financing                 | 19,161,987   | 19,623,746   | (461,759)        | (2.4)%   |
| Corporate financing                | 10,298,936   | 8,317,955  | 1,980,981        | 23.8%    |
| Property financing                 | 8,422,597  | 7,295,572  | 1,127,025        | 15.4%    |
| Auto financing                     | 47,105   | 77,620   | (30,515)         | (39.3)%  |
| Total gross financing and advances | <u>37,930,625</u>  | <u>35,314,893</u>  | <u>2,615,732</u> | 7.4%     |

**Variation of Results against Immediate Preceding Quarter**

**Financing**

|                                    | <b>Current<br/>Year<br/>Quarter<br/>31-Dec-22<br/>(4Q22)</b> | <b>Immediate<br/>Preceding<br/>Quarter<br/>30-Sep-22<br/>(3Q22)</b> | <b>Changes</b> |          |
|------------------------------------|--|---|----------------|----------|
|                                    | <b>RM'000</b>  | <b>RM'000</b>   | <b>RM'000</b>  | <b>%</b> |
| Personal financing                 | 19,161,987   | 19,388,275  | (226,288)      | (1.2)%   |
| Corporate financing                | 10,298,936   | 9,585,201   | 713,735        | 7.4%     |
| Property financing                 | 8,422,597  | 8,100,598   | 321,999        | 4.0%     |
| Auto financing                     | 47,105   | 55,387  | (8,282)        | (15.0)%  |
| Total gross financing and advances | <u>37,930,625</u>  | <u>37,129,461</u>   | <u>801,164</u> | 2.2%     |

Bank Group gross financing and advances grew by 7.4% and 2.2% for 4Q22 compared to 4Q21 and 3Q22 respectively. Overall, growth of financing and advances is contributed mainly from corporate financing following conversion of conventional loans to islamic financing and active disbursements. 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**

|   | <b>Current<br/>Year<br/>Quarter<br/>31-Dec-22<br/>(4Q22)</b> | <b>Preceding<br/>Year<br/>Corresponding<br/>Quarter<br/>31-Dec-21<br/>(4Q21)</b> | <b>Changes</b> |          |
|---|--|--|----------------|----------|
|   | <b>RM'000</b>  | <b>RM'000</b>  | <b>RM'000</b>  | <b>%</b> |
| Income derived from investment of depositors' funds   | 468,126  | 528,442  | (60,316)       | (11.4)%  |
| Income derived from investment of shareholders' funds   | 179,034  | 121,636  | 57,398         | 47.2%    |
| Income derived from investment of investment accounts' funds                                  | 34,550   | 22,638   | 11,912         | 52.6%    |
| Total income derived from investment of depositors, shareholders and investment account funds | 681,710  | 672,716  | 8,994          | 1.3%     |
| Expected credit losses on financing and advances and other impairment                         | 166,985  | 48,048   | 118,937        | >100%    |
| Loss on modification of cash flows  | -  | (115,057)  | 115,057        | >-100%   |
| Total net income  | 495,535  | 331,984  | 163,551        | 49.3%    |
| Total overhead expenses   | (164,673)  | (191,052)  | 26,379         | (13.8)%  |
| Profit before tax   | 330,862  | 140,932  | 189,930        | >100%    |
| Profit after tax  | 245,603  | 79,243   | 166,360        | >100%    |
| Profit attributable to owner of the Bank  | 245,603  | 79,243   | 166,360        | >100%    |

**Current Year Quarter vs Immediate Preceding Quarter**

|   | <b>Current<br/>Year<br/>Quarter<br/>31-Dec-22<br/>(4Q22)</b> | <b>Immediate<br/>Preceding<br/>Quarter<br/>30-Sep-22<br/>(3Q22)</b> | <b>Changes</b> |          |
|---|--|---|----------------|----------|
|   | <b>RM'000</b>  | <b>RM'000</b>   | <b>RM'000</b>  | <b>%</b> |
| Income derived from investment of depositors' funds   | 468,126  | 516,584   | (48,458)       | -9.4%    |
| Income derived from investment of shareholders' funds   | 179,034  | 107,581   | 71,453         | 66.4%    |
| Income derived from investment of investment accounts' funds                                  | 34,550   | 22,795  | 11,755         | 51.6%    |
| Total income derived from investment of depositors, shareholders and investment account funds | 681,710  | 646,960   | 34,750         | 5.4%     |
| Expected credit losses on financing and advances and other impairment                         | 166,985  | (162,159)   | 329,144        | >-100%   |
| Total net income  | 495,535  | 176,489   | 319,046        | >100%    |
| Total overhead expenses   | (164,673)  | (148,886)   | (15,787)       | 10.6%    |
| Profit before tax   | 330,862  | 27,603  | 303,259        | >100%    |
| Profit after tax  | 245,603  | 2,956   | 242,647        | >100%    |
| Profit attributable to owner of the Bank  | 245,603  | 2,956   | 242,647        | >100%    |

The Bank Group's total income derived from investment of depositors', shareholders' and investment accounts' funds recorded at RM681.7 mil, an increase of 1.3% and 5.4% as compared to 4Q21 and 3Q22 respectively mainly due to higher financing income.



**1. Performance Review (continued)**

The Bank recorded net writeback on impairment allowance of RM167.0 mil in 4Q22 mainly due to the changes to the ECL model assumptions and methodologies.

The total overhead expenses recorded higher compared to the previous quarter mainly due to the increase in general administration costs following higher legal fees related to financing.

**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.