

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

INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

		Bank Group		Bank	
		30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
		RM'000	RM'000	RM'000	RM'000
Assets					
Cash and short-term funds	6(a)	1,045,313	645,205	978,263	624,629
Deposits and placements with banks and other financial institutions	6(b)	849,733	843,856	-	100,093
Derivative financial assets	7	33,499	637	33,499	637
Financial investments at fair value through profit or loss	8	240,345	240,209	240,345	240,209
Financial investments at fair value through other comprehensive income	9	10,689,495	11,811,115	10,689,495	11,811,115
Financial investments at amortised cost	10	1,207,086	630,334	1,207,086	630,334
Financing and advances	11	35,447,516	34,026,013	35,447,516	34,026,013
Sukuk Commodity Murabahah		-	-	2,374,400	2,404,630
Other receivables	12	462,380	498,867	529,297	554,872
Statutory deposits with Bank Negara Malaysia		650,000	650,000	650,000	650,000
Investment property		820	820	820	820
Property and equipment		91,619	54,355	91,619	54,355
Intangible assets		93,831	101,184	93,831	101,184
Right-of-use assets		33,586	41,354	33,586	41,354
Tax recoverable		1,163	1,049	-	-
Deferred tax assets		152,196	17,292	152,196	17,292
Assets held for sale	14	1,511	2,122	1,511	2,122
Total assets		51,000,093	49,564,412	52,523,464	51,259,659
Liabilities					
Deposits from customers	15	28,346,955	25,418,212	28,346,955	25,418,212
Deposits and placements of banks and other financial institutions	16	5,995,176	8,649,581	5,995,176	8,649,581
Investment accounts of customers	17	2,026,447	2,094,914	2,026,447	2,094,914
Derivative financial liabilities	7	11,848	2,363	11,848	2,363
Other payables	18	584,557	985,880	2,391,289	2,952,415
Lease liabilities		34,215	41,973	34,215	41,973
Recourse obligation on financing sold		3,850,770	3,141,309	3,850,770	3,141,309
Sukuk-MBSB Structured Covered Murabahah		991,706	1,072,972	991,706	1,072,972
Sukuk Wakalah		1,616,802	1,294,247	1,616,802	1,294,247
Provision for taxation		46,767	77,202	46,767	77,202
Total liabilities		43,505,243	42,778,653	45,311,975	44,745,188
Equity					
Share capital		6,427,972	5,427,972	6,427,972	5,427,972
Reserves		1,066,878	1,357,787	783,517	1,086,499
Total equity		7,494,850	6,785,759	7,211,489	6,514,471
Total Liabilities and Equity		51,000,093	49,564,412	52,523,464	51,259,659
Commitments and contingencies	27	6,881,113	3,253,338	6,881,113	3,253,338
Capital Adequacy					
	30	Bank Group	Bank		
CET1 capital		17.709%	17.162%	16.849%	16.324%
Tier 1 capital		17.709%	17.162%	16.849%	16.324%
Total capital ratio		22.318%	21.794%	21.256%	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 THIRD QUARTER ENDED 30 SEPTEMBER 2022

		Bank Group			
		3rd Quarter Ended		Nine Months Ended	
		30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	19	516,584	544,571	1,587,464	1,620,646
Income derived from investment of shareholders' funds	20	107,581	153,318	327,866	380,893
Income derived from investment of investment accounts' funds	21	22,795	20,356	79,037	38,329
Net allowance for impairment on financing and advances and other financial assets	22	(162,159)	(260,232)	(372,827)	(172,503)
Net loss on modification of cash flows		-	(146,944)	(8,961)	(196,608)
Total distributable income		484,801	311,069	1,612,579	1,670,757
Income attributable to depositors and others	23	(308,312)	(271,272)	(876,084)	(799,822)
Total net income		176,489	39,797	736,495	870,935
Personnel expenses	24	(86,172)	(68,825)	(236,867)	(177,505)
Other overhead expenses	25	(62,714)	(74,102)	(187,187)	(162,817)
Profit/(loss) before taxation and zakat		27,603	(103,130)	312,441	530,613
Taxation		(21,470)	16,052	(80,819)	(155,109)
Zakat		(3,177)	641	(3,177)	(34)
Profit/(loss) for the financial period		2,956	(86,437)	228,445	375,470
Profit/(loss) attributable to:					
Owner of the Bank Group		2,956	(86,437)	228,445	375,470
		2,956	(86,437)	228,445	375,470
Profit/(loss) for the financial period		2,956	(86,437)	228,445	375,470
Other comprehensive expense, net of tax	26	(33,023)	(64,622)	(356,515)	(355,815)
		(33,023)	(64,622)	(356,515)	(355,815)
Total comprehensive (expense)/income for the financial period		(30,067)	(151,059)	(128,070)	19,655
Earnings per share (sen)		0.05	(1.59)	4.21	6.91

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022 (CONTINUED)

		Bank			
		3rd Quarter Ended		Nine Months Ended	
		30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	19	539,693	555,344	1,657,571	1,654,476
Income derived from investment of shareholders' funds	20	111,649	155,317	340,809	387,077
Income derived from investment of investment accounts' funds	21	22,795	20,356	79,037	38,329
Net allowance for impairment on financing and advances and other financial assets	22	(162,159)	(260,232)	(372,827)	(172,503)
Net loss on modification of cash flows		-	(146,944)	(8,961)	(196,608)
Total distributable income		511,978	323,841	1,695,629	1,710,771
Income attributable to depositors and others	23	(336,886)	(305,522)	(974,480)	(901,459)
Total net income		175,092	18,319	721,149	809,312
Personnel expenses	24	(86,172)	(68,825)	(236,867)	(177,505)
Other overhead expenses	25	(62,475)	(73,510)	(186,102)	(160,964)
Profit/(loss) before taxation and zakat		26,445	(124,016)	298,180	470,843
Taxation		(20,633)	17,352	(78,631)	(151,208)
Zakat		(3,177)	641	(3,177)	(34)
Profit/(loss) for the financial period		2,635	(106,023)	216,372	319,601
Profit/(loss) attributable to:					
Owner of the Bank		2,635	(106,023)	216,372	319,601
		2,635	(106,023)	216,372	319,601
Profit/(loss) for the financial period		2,635	(106,023)	216,372	319,601
Other comprehensive expense, net of tax	26	(33,023)	(64,622)	(356,515)	(355,815)
		(33,023)	(64,622)	(356,515)	(355,815)
Total comprehensive expense for the financial period		(30,388)	(170,645)	(140,143)	(36,214)
Earnings per share (sen)		0.05	(1.95)	3.98	5.89

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022**

	← Non-distributable →			Distributable	
	Share Capital	Regulatory Reserve	Fair value reserve	Retained profits	Total
Bank Group	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	5,427,972	5,234	(160,950)	1,513,503	6,785,759
Profit for the financial period	-	-	-	228,445	228,445
Other comprehensive expense for the financial period	-	-	(356,515)	-	(356,515)
Total comprehensive (expense)/income for the financial period	-	-	(356,515)	228,445	(128,070)
Transfer of regulatory reserve to retained profits	-	(5,234)	-	5,234	-
Dividend	-	-	-	(162,839)	(162,839)
Issuance of ordinary shares	1,000,000	-	-	-	1,000,000
At 30 September 2022	6,427,972	-	(517,465)	1,584,343	7,494,850
At 1 January 2021	5,159,859	5,234	234,762	1,367,488	6,767,343
Profit for the financial period	-	-	-	375,470	375,470
Other comprehensive expense for the financial period	-	-	(355,815)	-	(355,815)
Total comprehensive (expense)/income for the financial period	-	-	(355,815)	375,470	19,655
Dividend	-	-	-	(69,754)	(69,754)
Issuance of ordinary shares	268,113	-	-	-	268,113
At 30 September 2021	5,427,972	5,234	(121,053)	1,673,204	6,985,357

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022 (CONTINUED)**

	← Non-distributable →			Distributable	
	Share Capital	Regulatory Reserve	Fair value reserve	Retained profits	Total
Bank	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	5,427,972	5,234	(160,950)	1,242,215	6,514,471
Profit for the financial period	-	-	-	216,372	216,372
Other comprehensive expense for the financial period	-	-	(356,515)	-	(356,515)
Total comprehensive (expense)/income for the financial period	-	-	(356,515)	216,372	(140,143)
Transfer of regulatory reserve to retained profits	-	(5,234)	-	5,234	-
Dividend	-	-	-	(162,839)	(162,839)
Issuance of ordinary shares	1,000,000	-	-	-	1,000,000
At 30 September 2022	6,427,972	-	(517,465)	1,300,982	7,211,489
At 1 January 2021	5,159,859	5,234	234,762	791,724	6,191,579
Profit for the financial period	-	-	-	319,601	319,601
Other comprehensive expense for the financial period	-	-	(355,815)	-	(355,815)
Total comprehensive (expense)/income for the financial period	-	-	(355,815)	319,601	(36,214)
Dividend	-	-	-	(69,754)	(69,754)
Issuance of ordinary shares	268,113	-	-	-	268,113
At 30 September 2021	5,427,972	5,234	(121,053)	1,041,571	6,353,724

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

**INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

	Bank Group		Bank	
	9 months ended		9 months ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	312,441	530,613	298,180	470,843
Adjustments for non-cash items	312,310	243,002	220,452	193,230
Operating profit before working capital changes	624,751	773,615	518,632	664,073
Working capital changes:				
Net changes in operating assets	(1,759,220)	(1,257,505)	(1,757,967)	(990,649)
Net changes in operating liabilities	51,118	1,770,820	(15,043)	1,479,246
Income taxes and zakat paid	(91,474)	(36,711)	(89,172)	(32,733)
Net cash (used in)/generated from operating activities	(1,174,825)	1,250,219	(1,343,550)	1,119,937
Cash flows from investing activities				
Purchase of property and equipment	(51,615)	(16,409)	(51,615)	(16,409)
Purchase of intangible assets	(22,395)	(17,424)	(22,395)	(17,424)
Profit income from financial investments	401,976	335,324	401,976	335,324
Net purchase of financial investments	(2,251)	(2,679,101)	(2,251)	(2,679,101)
Profit income from Sukuk Commodity Murabahah	-	-	92,021	49,773
Proceeds from Sukuk Commodity Murabahah	-	-	30,230	84,474
Net cash generated from/(used in) investing activities	325,715	(2,377,610)	447,966	(2,243,363)
Cash flows from financing activities				
Repayment of recourse obligation on financing sold	704,732	971,545	704,732	971,545
Profit expense paid on recourse obligation on financing sold	(103,212)	(63,027)	(103,212)	(63,027)
Profit expense paid on Sukuk MBSB-SC Murabahah	(27,252)	(34,247)	(27,252)	(34,247)
Profit expense paid on Sukuk Wakalah	(34,017)	(33,925)	(34,017)	(33,925)
Repayment of Sukuk MBSB-SC Murabahah	(93,330)	(97,911)	(93,330)	(97,911)
Payment of lease liabilities	(34,864)	(19,173)	(34,864)	(19,173)
Dividend paid on ordinary shares	(162,839)	(69,754)	(162,839)	(69,754)
Issuance of ordinary shares	1,000,000	268,113	1,000,000	268,113
Net cash generated from financing activities	1,249,218	921,621	1,249,218	921,621
Net increase/(decrease) in cash and cash equivalents	400,108	(205,770)	353,634	(201,805)
Cash and cash equivalents at the beginning of financial period	645,205	731,160	624,629	726,996
Cash and cash equivalents at the end of financial period	1,045,313	525,390	978,263	525,191

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022**

1. Basis of preparation

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

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Financial Reporting for Islamic Banking Institutions policy issued by Bank Negara Malaysia ("BNM"). The unaudited interim financial statements should be read in conjunction with the audited annual financial statements of MBSB Bank Group and MBSB Bank for the financial year ended 31 December 2021. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of MBSB Bank Group and MBSB Bank since the financial year ended 31 December 2021.

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

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

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

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

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

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

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

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

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

MBSB BANK BERHAD (200501033981 / 716122-P)

(Incorporated in Malaysia)

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

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

3. Seasonality and Cyclicity of Operation 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. Issuance of shares

During the quarter, the Bank increased its issued and paid-up share capital from RM5,427,971,969 to RM6,427,971,970 via the issuance of 869,565,218 new ordinary shares.

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	
	30-Sep-22 RM'000	31-Dec-21 RM'000	30-Sep-22 RM'000	31-Dec-21 RM'000
(a) Cash and balances with banks and other financial institutions	442,272	125,180	375,222	104,604
Money at call and deposit placements maturing within one month	603,041	520,025	603,041	520,025
Total cash and short-term funds	1,045,313	645,205	978,263	624,629
(b) Deposits and placements with financial institutions with original maturity of more than one month				
- Licensed Islamic banks	849,733	843,856	-	100,093
	1,895,046	1,489,061	978,263	724,722

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

7. Derivative financial assets/(liabilities)

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

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

	Bank Group and Bank					
	30-Sep-22			31-Dec-21		
	Contract/ Notional amount RM'000	Fair value		Contract/ Notional amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Foreign exchange contracts:</u>						
Currency forward						
- Less than one year	4,195,009	33,499	(11,848)	419,278	637	(2,363)

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

	Bank Group and Bank	
	30-Sep-22 RM'000	31-Dec-21 RM'000
At fair value		
<u>In Malaysia</u>		
Investment with fund manager - Money Market Securities	240,345	240,209
	240,345	240,209

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

	Bank Group and Bank	
	30-Sep-22	31-Dec-21
	RM'000	RM'000
At fair value		
Money Market Instruments		
Malaysian Government Investment Issues	7,790,136	8,317,698
Debt securities:		
<u>In Malaysia</u>		
Private and Islamic debt securities	1,015,109	1,139,722
Government Guaranteed corporate sukuk	1,884,250	2,353,695
	<u>10,689,495</u>	<u>11,811,115</u>

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

ECL movement for financial investments at FVOCI:

	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	14	-	-	14
Charged to profit or loss:	(7)	-	-	(7)
New financial investments purchased during the year	-	-	-	-
Matured financial investments during the year	(4)	-	-	(4)
Change in credit risk	(3)	-	-	(3)
At 30 September 2022	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>

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

10. Financial investments at amortised cost

	Bank Group and Bank 30-Sep-22 RM'000	31-Dec-21 RM'000
At amortised cost		
Money Market Instruments		
Malaysian Government Investment Issues	298,958	20,666
In Malaysia		
Private and Islamic debt securities	858,273	610,880
Government Guaranteed corporate sukuk	50,791	-
	<u>1,208,022</u>	<u>631,546</u>
Less: ECL Stage 1	(670)	(841)
ECL Stage 2	(266)	(371)
	<u>1,207,086</u>	<u>630,334</u>

ECL movement for financial investments at amortised cost:

	Bank Group and Bank			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL at 1 January 2022	841	371	-	1,212
Charged to profit or loss	(171)	(105)	-	(276)
Change in credit risk	(202)	(105)	-	(307)
Matured financial investments during the period	(2)	-	-	(2)
New financial investments purchased during the period	33	-	-	33
ECL at 30 September 2022	<u>670</u>	<u>266</u>	<u>-</u>	<u>936</u>

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

11. Financing and advances

12

11. Financing and advances (continued)

(iv) By type of customers

	Bank Group and Bank	
	30-Sep-22	31-Dec-21
	RM'000	RM'000
Individuals	27,471,464	26,916,815
Domestic business enterprises		
- Small medium enterprises	2,701,687	2,298,710
- Non-bank financial institutions	1,410,881	739,048
- Others	5,413,941	5,328,983
Foreign entities	131,488	31,337
	<u>37,129,461</u>	<u>35,314,893</u>

(v) By sector

	Bank Group and Bank	
	30-Sep-22	31-Dec-21
	RM'000	RM'000
Household sectors	27,473,422	26,916,816
Construction	3,257,178	3,356,831
Finance, insurance and business services	3,285,047	2,501,746
Wholesale & retail trade and restaurants & hotels	1,073,126	857,239
Manufacturing	1,132,605	907,471
Transport, storage and communications	328,215	242,399
Mining and quarrying	112,083	185,409
Electricity, gas and water	184,896	174,723
Education, health and others	237,734	135,680
Agriculture	45,155	36,579
	<u>37,129,461</u>	<u>35,314,893</u>

(vi) By profit rate sensitivity

	Bank Group and Bank	
	30-Sep-22	31-Dec-21
	RM'000	RM'000
Fixed rate:		
Personal financing	15,542,642	16,092,439
Auto financing	55,387	77,622
Property financing	387,983	416,749
Bridging, structured and term financing	744,277	868,877
Variable rate:		
Personal financing	3,845,633	3,531,300
Property financing	7,712,615	6,878,621
Bridging, structured and term financing	8,840,924	7,449,285
	<u>37,129,461</u>	<u>35,314,893</u>

(vii) By geographical distribution

	Bank Group and Bank	
	30-Sep-22	31-Dec-21
	RM'000	RM'000
Malaysia	<u>37,129,461</u>	<u>35,314,893</u>

11. Financing and advances (continued)

(viii) Financing by types and Shariah contracts

Bank Group and Bank
30-Sep-22

Type	Tawarruq RM'000	Bai' RM'000	Ijarah RM'000	Total RM'000
Term Financing	30,956,815	1,874,094	1,348,574	34,179,483
Property financing	6,284,697	1,787,571	-	8,072,268
Bridging financing	444,681	-	-	444,681
Hire purchase receivables	-	-	713,697	713,697
Auto financing	-	-	53,296	53,296
Personal financing	19,379,503	113	-	19,379,616
Other term financing	4,847,934	86,410	581,581	5,515,925
Cash line	128,060	-	-	128,060
Staff financing	36,976	11	2,092	39,079
Revolving credit	905,958	-	-	905,958
Others	1,876,881	-	-	1,876,881
	<u>33,904,690</u>	<u>1,874,105</u>	<u>1,350,666</u>	<u>37,129,461</u>

Bank Group and Bank
31-Dec-21

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

11. Financing and advances (continued)

(ix) Movement of gross financing and advances

30-Sep-22	Bank Group and Bank			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Gross carrying amount as at 1 January 2022	29,129,287	5,222,077	963,529	35,314,893
Transfer to stage 1	2,700,658	(2,686,893)	(13,765)	-
Transfer to stage 2	(729,251)	768,029	(38,778)	-
Transfer to stage 3	(282,486)	(844,581)	1,127,067	-
New financing / disbursement during the period	5,753,686	147,136	251,822	6,152,644
Repayment during the period	(4,234,908)	(236,934)	(74,339)	(4,546,181)
Other movements	260,365	(95,118)	60,675	225,922
Loss on modification of cash flows	(8,281)	(680)	-	(8,961)
Write-offs	-	-	(8,856)	(8,856)
Gross carrying amount as at 30 September 2022	<u>32,589,070</u>	<u>2,273,036</u>	<u>2,267,355</u>	<u>37,129,461</u>

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

(x) Movement of ECL for financing and advances

30-Sep-22	Bank Group and Bank			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL as at 1 January 2022	345,477	588,894	354,509	1,288,880
Charged to profit or loss, of which:	50,652	(229,760)	581,029	401,921
Changes in the impairment allowance:				
- Transfer to stage 1	204,711	(196,982)	(7,729)	-
- Transfer to stage 2	(11,446)	37,167	(25,721)	-
- Transfer to stage 3	(6,069)	(135,521)	141,590	-
New financing / disbursement during the period	74,703	20,489	97,433	192,625
Repayment during the period	(222,047)	(108,463)	(31,499)	(362,009)
Change in credit risk parameters #	10,800	153,550	406,955	571,305
Write-offs	-	-	(8,856)	(8,856)
ECL as at 30 September 2022	<u>396,129</u>	<u>359,134</u>	<u>926,682</u>	<u>1,681,945</u>

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

11. Financing and advances (continued)

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

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

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

(xi) Movement of impaired financing and advances

	Bank Group and Bank	
	30-Sep-22 RM'000	31-Dec-21 RM'000
Balance as at 1 January	963,529	987,231
Classified as impaired during the period	1,378,889	320,692
Reclassified as non-impaired	(52,543)	(214,622)
Amount recovered	(74,339)	(66,529)
Amount written off	(8,856)	(137,358)
Other movements	60,675	97,786
Reclassification to assets held-for-sale	-	(23,671)
Balance as at end of financial period	2,267,355	963,529
Gross impaired financing and advances as a % of gross financing and advances	6.11%	2.73%

11. Financing and advances (continued)

(xii) Impaired financing and advances by economic purpose

	Bank Group and Bank	
	30-Sep-22	31-Dec-21
	RM'000	RM'000
Personal use	346,104	75,824
Construction	1,125,942	523,546
Purchase of landed property:		
- Residential	203,853	112,955
- Non-residential	212,764	146,339
Working Capital	345,282	73,606
Purchase of other fixed assets	26,002	26,700
Purchase of transport vehicles	6,547	3,585
Purchase of consumer durables	745	791
Others	116	183
	<u>2,267,355</u>	<u>963,529</u>

(xiii) Impaired financing and advances by sector

	Bank Group and Bank	
	30-Sep-22	31-Dec-21
	RM'000	RM'000
Household sector	574,584	201,203
Construction	862,414	305,071
Finance, insurance and business services	205,981	210,921
Manufacturing	255,114	101,470
Education, health and others	84,697	88,161
Mining and quarrying	1,089	26,423
Wholesale & retail trade and restaurants & hotels	283,476	26,248
Transport, storage and communications	-	4,032
	<u>2,267,355</u>	<u>963,529</u>

(xiii) Impaired financing by geographical distribution

	Bank Group and Bank	
	30-Sep-22	31-Dec-21
	RM'000	RM'000
Malaysia	<u>2,267,355</u>	<u>963,529</u>

12. Other receivables

	Bank Group		Bank	
	30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
	RM'000	RM'000	RM'000	RM'000
Amount due from subsidiary	-	-	68,903	62,715
Financing to related companies	500,523	546,039	500,523	546,039
Prepayments and deposits	17,730	10,237	17,730	10,150
Deferred expenses	39,769	60,499	39,769	53,876
Sundry receivables	7,220	1,683	5,234	1,683
	<u>565,242</u>	<u>618,458</u>	<u>632,159</u>	<u>674,463</u>
Less: ECL at stage 1	(4,029)	(4,989)	(4,029)	(4,989)
Less: ECL at stage 3	(98,833)	(114,602)	(98,833)	(114,602)
	<u>462,380</u>	<u>498,867</u>	<u>529,297</u>	<u>554,872</u>

13. Investment in subsidiary

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

14. Assets held for sale

	Bank Group and Bank	
	30-Sep-22	31-Dec-21
	RM'000	RM'000
Balance as at 1 January	23,671	-
Reclassification from financing	-	23,671
Other movement	155	-
Gross assets held for sale	<u>23,826</u>	<u>23,671</u>
Less impairment allowance:		
Balance as at 1 January	(21,549)	-
Reclassification from financing	-	(21,549)
Charged to profit or loss (stage 3)	(766)	-
Total impairment allowance	<u>(22,315)</u>	<u>(21,549)</u>
Net assets held for sale	<u>1,511</u>	<u>2,122</u>
By economic purpose:		
Purchase of residential properties	22,636	22,481
Purchase of non-residential properties	960	960
Purchase of other fixed assets	138	138
Purchase of transport vehicles	47	47
Others	45	45
	<u>23,826</u>	<u>23,671</u>

In the 3rd quarter ended 30 September 2021, the Bank entered into an agreement to dispose identified retail financing to an external party.

15. Deposits from customers

(i) By type of deposits:

	Bank Group and Bank 30-Sep-22 RM'000	31-Dec-21 RM'000
<u>Non-Mudharabah Funds:</u>		
Commodity Murabahah Term Deposits	26,591,786	24,421,230
Demand deposits	1,076,053	611,386
Savings deposits	679,116	385,596
	<u>28,346,955</u>	<u>25,418,212</u>

The deposit above are under the Islamic contract of Tawarruq.

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

	Bank Group and Bank 30-Sep-22 RM'000	31-Dec-21 RM'000
Within six months	21,009,817	15,626,072
More than six months to one year	3,194,423	6,347,608
More than one year to three years	1,264,582	2,213,495
More than three years	1,122,964	234,055
	<u>26,591,786</u>	<u>24,421,230</u>

(iii) By type of customers:

	Bank Group and Bank 30-Sep-22 RM'000	31-Dec-21 RM'000
Government and statutory bodies	15,030,155	12,283,703
Business enterprises	9,145,795	8,793,405
Individuals	4,171,005	4,341,104
	<u>28,346,955</u>	<u>25,418,212</u>

16. Deposits and placements of banks and other financial institutions

	Bank Group and Bank	
	30-Sep-22	31-Dec-21
	RM'000	RM'000
(i) By type of deposits:		
<u>Non-Mudharabah Funds:</u>		
-Licensed Investment Banks	6,096	948
-Licensed Islamic Banks	530,849	534,051
-Other financial institutions	5,458,231	8,114,582
	<u>5,995,176</u>	<u>8,649,581</u>
(ii) By type of contract:		
Tawarruq	5,995,176	8,649,581

17. Investment accounts of customers

	Bank Group and Bank	
	30-Sep-22	31-Dec-21
	RM'000	RM'000
Wakalah unrestricted investment accounts	<u>2,026,447</u>	<u>2,094,914</u>

The investment account placements are used to fund personal financing.

	Bank Group and Bank	
	30-Sep-22	31-Dec-21
	RM'000	RM'000
(i) By type of customers:		
Government and statutory bodies	1,811,072	2,014,773
Other financial institutions	215,375	80,141
	<u>2,026,447</u>	<u>2,094,914</u>

	Bank Group and Bank	
	30-Sep-22	31-Dec-21
	RM'000	RM'000
(ii) Movement of investment accounts of customers:		
At beginning of the financial period	2,094,914	-
New placement during the financial period	3,466,373	2,506,314
Redemption	(3,533,068)	(426,328)
Finance expense	37,226	23,456
Profit distributed	(38,998)	(8,528)
At end of financial period	<u>2,026,447</u>	<u>2,094,914</u>

17. Investment accounts of customers (continued)

		Bank Group and Bank	
		30-Sep-22	31-Dec-21
		RM'000	RM'000
(iii) By Maturity:			
Due within six months		1,919,545	1,006,242
More than six months to one year		101,282	1,083,050
More than one year to three years		5,620	5,622
		<u>2,026,447</u>	<u>2,094,914</u>
(iv) Rate of Return ("ROR") and Performance Incentive Fee based on residual maturity			
30-Sep-22		Investment	
		Account	
		Holder	Bank Group
		Average	Performance
		ROR	incentive fee
		%	%
Unrestricted investment accounts:			
Due within six months		2.98	1.32
More than six months to one year		3.00	1.30
More than one year to three years		2.95	1.35
31-Dec-21		Investment	
		Account	
		Holder	Bank Group
		Average	Performance
		ROR	incentive fee
		%	%
Unrestricted investment accounts:			
Due within six months		2.58	5.32
More than six months to one year		2.75	5.14
More than one year to three years		2.95	4.95

18. Other payables

	Bank Group		Bank	
	30-Sep-22	31-Dec-21	30-Sep-22	31-Dec-21
	RM'000	RM'000	RM'000	RM'000
Amount due to subsidiary	-	-	1,806,861	1,966,742
Amount due to related companies	-	7,679	-	7,679
Amount due to holding company	25,035	138,410	25,035	138,410
Al-Mudharabah security fund	138,576	147,604	138,576	147,604
ECL for commitments and contingencies (i)	46,322	54,184	46,322	54,184
Other provisions and accruals	111,664	115,621	111,632	115,599
Deferred income	17,060	21,658	17,060	21,658
Sundry creditors	245,900	500,724	245,803	500,539
	<u>584,557</u>	<u>985,880</u>	<u>2,391,289</u>	<u>2,952,415</u>

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

30-Sep-22

	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2022	16,943	35,869	1,372	54,184
Charged to profit or loss, of which:	2,275	(14,926)	4,789	(7,862)
Changes in the impairment allowance				
- Transfer to stage 1	4,017	(4,017)	-	-
- Transfer to stage 2	(544)	576	(32)	-
- Transfer to stage 3	(25)	(863)	888	-
New financing/ disbursement during the period	10,183	1,722	159	12,064
Repayment/drawdown to financing during the period	(5,545)	(19,364)	(623)	(25,532)
Changes in credit risk parameters #	(5,811)	7,020	4,397	5,606
Write-off	-	-	-	-
ECL as at 30 September 2022	<u>19,218</u>	<u>20,943</u>	<u>6,161</u>	<u>46,322</u>

31-Dec-21

	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2021	18,878	13,274	12,291	44,443
Charged to profit or loss, of which:	(1,935)	22,595	(10,918)	9,742
Changes in the impairment allowance				
- Transfer to stage 1	2,861	(999)	(1,862)	-
- Transfer to stage 2	(764)	802	(38)	-
- Transfer to stage 3	(3)	(43)	46	-
New financing/ disbursement during the year	8,719	26,614	590	35,923
Repayment/drawdown to financing during the year	(5,818)	(8,475)	(9,668)	(23,961)
Changes in credit risk parameters #	(6,930)	4,696	14	(2,220)
Write-off	-	-	(1)	(1)
ECL as at 31 December 2021	<u>16,943</u>	<u>35,869</u>	<u>1,372</u>	<u>54,184</u>

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

19. Income derived from investment of depositors' funds

	Bank Group			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah:</u>				
Financing and advances	418,508	434,590	1,271,333	1,311,468
Financial investments at FVOCI	86,809	90,041	260,629	262,424
Financial investments at amortised cost	10,451	6,861	27,459	17,809
Financial investments at FVTPL	638	2,653	5,563	3,270
Money at call and deposits with financial institutions	7,543	5,829	18,928	17,369
Others	(7,365)	4,597	3,552	8,306
	<u>516,584</u>	<u>544,571</u>	<u>1,587,464</u>	<u>1,620,646</u>
of which financing income earned on impaired financing	<u>4,111</u>	<u>2,779</u>	<u>8,832</u>	<u>7,994</u>

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah:</u>				
Financing and advances	418,508	434,590	1,271,333	1,311,468
Financial investments at FVOCI	86,809	90,041	260,629	262,424
Financial investments at amortised cost	10,451	6,861	27,459	17,809
Financial investments at FVTPL	638	2,653	5,563	3,270
Money at call and deposits with financial institutions	3,918	2,303	8,975	7,129
Profit on Sukuk commodity murabahah	25,872	13,598	77,719	42,081
Others	(6,503)	5,298	5,893	10,295
	<u>539,693</u>	<u>555,344</u>	<u>1,657,571</u>	<u>1,654,476</u>
of which financing income earned on impaired financing	<u>4,111</u>	<u>2,779</u>	<u>8,832</u>	<u>7,994</u>

20. Income derived from investment of shareholders' funds

	Bank Group			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah:</u>				
Financing and advances	76,831	84,372	248,504	246,728
Financial investments at FVOCI	15,138	16,692	47,963	47,968
Financial investments at amortised cost	1,841	1,269	5,053	3,255
Financial investments at FVTPL	94	486	1,024	598
Money at call and deposits with financial institutions	1,333	1,082	3,483	3,175
Others	(1,408)	845	654	1,518
	<u>93,829</u>	<u>104,746</u>	<u>306,681</u>	<u>303,242</u>
of which financing income earned on impaired financing	<u>734</u>	<u>515</u>	<u>1,625</u>	<u>1,461</u>
<u>Other operating income:</u>				
Financing related fees	1,509	14,216	8,021	8,758
Gain on disposal of property and equipment	-	2	-	2
(Loss)/gain from sale of financial investments at FVOCI	(207)	1,351	(8,574)	11,662
Gain/(loss) from sale of financial investments at FVTPL	2,621	-	(18,449)	-
Gain/(loss) on financial investments at FVTPL	1,058	(6,197)	3,141	(6,230)
Commission	5,557	4,120	14,638	9,596
Gain on foreign exchange transactions	2,017	30,337	8,881	48,288
Sundry income	1,197	4,743	13,527	5,575
	<u>13,752</u>	<u>48,572</u>	<u>21,185</u>	<u>77,651</u>
	<u>107,581</u>	<u>153,318</u>	<u>327,866</u>	<u>380,893</u>

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah:</u>				
Financing and advances	76,831	84,372	248,504	246,728
Financial investments at FVOCI	15,138	16,692	47,963	47,968
Financial investments at amortised cost	1,841	1,269	5,053	3,255
Financial investments at FVTPL	94	486	1,024	598
Money at call and deposits with financial institutions	697	427	1,652	1,303
Profit on Sukuk commodity murabahah	4,511	2,524	14,302	7,692
Others	(1,256)	975	1,085	1,882
	<u>97,856</u>	<u>106,745</u>	<u>319,583</u>	<u>309,426</u>
of which financing income earned on impaired financing	<u>734</u>	<u>515</u>	<u>1,625</u>	<u>1,461</u>
<u>Other operating income:</u>				
Financing related fees	1,509	14,216	8,021	8,758
Gain on disposal of property and equipment	-	2	-	2
(Loss)/gain from sale of financial investments at FVOCI	(207)	1,351	(8,574)	11,662
Gain/(loss) from sale of financial investments at FVTPL	2,621	-	(18,449)	-
Gain on financial investments at FVTPL	1,058	(6,197)	3,141	(6,230)
Commission	5,557	4,120	14,638	9,596
Gain on foreign exchange transactions	2,017	30,337	8,881	48,288
Sundry income	1,238	4,743	13,568	5,575
	<u>13,793</u>	<u>48,572</u>	<u>21,226</u>	<u>77,651</u>
	<u>111,649</u>	<u>155,317</u>	<u>340,809</u>	<u>387,077</u>

21. Income derived from investment of investment accounts' funds

	Bank Group and Bank			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
Financing and advances	22,795	20,356	79,037	38,329
	<u>22,795</u>	<u>20,356</u>	<u>79,037</u>	<u>38,329</u>

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

	Bank Group and Bank			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
<u>ECL on financing and advances made/(written back)</u>				
Financing and advances				
- Stage 1	10,451	5,388	50,652	(79,010)
- Stage 2	(14,158)	106,028	(229,760)	(15,129)
- Stage 3	190,293	88,338	581,029	225,164
Financing held for sale				
- Stage 3	59	-	766	-
Credit impaired financing and advances:				
- Write - off	3,582	2,398	11,375	3,177
- Recovered	(10,756)	(4,409)	(20,683)	(8,895)
	<u>179,471</u>	<u>197,743</u>	<u>393,379</u>	<u>125,307</u>
<u>Other ECL and impairment allowances made/(written back):</u>				
Financial investments at FVOCI	(3)	(5)	(7)	7
Financial investments at amortised cost	(220)	(237)	(276)	454
Other receivables	-	142	(143)	140
Financing to related compnaies	(17,591)	30,938	(12,264)	23,485
Financing commitments and financial guarantees	502	31,651	(7,862)	23,110
	<u>(17,312)</u>	<u>62,489</u>	<u>(20,552)</u>	<u>47,196</u>
	<u>162,159</u>	<u>260,232</u>	<u>372,827</u>	<u>172,503</u>

23. Income attributable to depositors and others

	Bank Group			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
(a) Income attributable to depositors				
Deposits from customers:				
- Non-mudharabah funds	224,944	210,146	630,327	619,348
Deposits and placements of banks				
- Non-mudharabah funds	1,548	1,446	4,338	4,262
	<u>226,492</u>	<u>211,592</u>	<u>634,665</u>	<u>623,610</u>
(b) Income attributable to securitisation	35,944	18,944	107,941	61,563
(c) Income attributable to sukuk	33,117	33,182	96,252	100,389
(d) Income attributable to wakalah unrestricted investment account	12,759	7,554	37,226	14,260
	<u>308,312</u>	<u>271,272</u>	<u>876,084</u>	<u>799,822</u>

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
(a) Income attributable to depositors				
Deposits from customers:				
- Non-mudharabah funds	224,944	210,146	630,327	619,348
Deposits and placements of banks				
- Non-mudharabah funds	1,548	1,446	4,338	4,262
	<u>226,492</u>	<u>211,592</u>	<u>634,665</u>	<u>623,610</u>
(b) Income attributable to securitisation	35,944	18,944	107,942	61,563
(c) Income attributable to sukuk	33,117	33,182	96,252	100,389
(d) Income attributable to wakalah unrestricted investment account	12,759	7,554	37,226	14,260
(e) Others	28,574	34,250	98,395	101,637
	<u>336,886</u>	<u>305,522</u>	<u>974,480</u>	<u>901,459</u>

24. Personnel expenses

	Bank Group and Bank			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	63,906	54,571	175,003	136,736
Contributions to Employee Provident Fund and SOCSO	11,444	9,591	30,777	23,993
Directors' remuneration	603	586	1,988	2,100
Shariah Advisory Committee members' remuneration	151	140	407	360
Other staff related expenses	10,068	3,937	28,692	14,316
	<u>86,172</u>	<u>68,825</u>	<u>236,867</u>	<u>177,505</u>

25. Other overhead expenses

	Bank Group			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
<u>Establishment related expenses</u>				
Depreciation of property and equipment	6,092	2,749	14,351	7,523
Depreciation of right of use assets	10,612	12,712	33,943	19,456
Amortisation of intangible assets	10,278	8,878	29,748	25,716
Rental of premises	-	5,797	-	12,977
Software and hardware maintenance	13,682	15,536	38,424	30,782
Security expenses	1,284	(46)	2,424	1,387
Lease profit expense	163	989	931	1,249
Others	2,468	(3,245)	5,516	1,447
	<u>44,579</u>	<u>43,370</u>	<u>125,337</u>	<u>100,537</u>
<u>Promotion and marketing related expenses</u>				
Advertising and promotional activities	3,310	3,045	8,130	7,800
	<u>3,310</u>	<u>3,045</u>	<u>8,130</u>	<u>7,800</u>
<u>General administrative expenses</u>				
License and association fees and levies	-	544	470	1,018
Travelling, transport and accommodation expenses	651	304	1,403	1,207
Printing, stationery, postage and clearing charges	1,421	2,384	3,580	4,875
Electricity and water	973	814	2,791	2,579
Other professional fees	(5,320)	2,360	10,636	11,996
Auditors remuneration	301	451	902	1,102
Repair and maintenance of office equipment	296	-	308	-
Others	6,046	12,299	10,977	18,046
	<u>4,368</u>	<u>19,156</u>	<u>31,067</u>	<u>40,823</u>
<u>Commission fees</u>				
Angkasa charges	6,544	4,767	15,442	16,822
Commission fees	7,161	7,696	16,954	8,706
	<u>13,705</u>	<u>12,463</u>	<u>32,396</u>	<u>25,528</u>
Inter-company recharges^	(3,248)	(3,932)	(9,743)	(11,871)
	<u>62,714</u>	<u>74,102</u>	<u>187,187</u>	<u>162,817</u>

25. Other overhead expenses (continued)

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
<u>Establishment related expenses</u>				
Depreciation of property and equipment	6,092	2,749	14,351	7,523
Depreciation of right-of-use assets	10,612	12,712	33,943	19,456
Amortisation of intangible assets	10,278	8,878	29,748	25,716
Rental of premises	-	5,797	-	12,977
Software and hardware maintenance	13,682	15,536	38,424	30,782
Security expenses	1,284	(46)	2,424	1,387
Lease profit expense	163	989	931	1,249
Others	2,468	(3,245)	5,516	1,447
	<u>44,579</u>	<u>43,370</u>	<u>125,337</u>	<u>100,537</u>
<u>Promotion and marketing related expenses</u>				
Advertising and promotional activities	3,310	3,045	8,130	7,800
	<u>3,310</u>	<u>3,045</u>	<u>8,130</u>	<u>7,800</u>
<u>General administrative expenses</u>				
License and association fees and levies	-	544	470	1,018
Travelling, transport and accommodation expenses	651	304	1,403	1,207
Printing, stationery, postage and clearing charges	1,421	2,384	3,580	4,875
Electricity and water	973	814	2,791	2,579
Other professional fees	(5,321)	2,359	10,554	11,911
Auditors remuneration	297	448	892	1,093
Repair and maintenance of office equipment	308	-	308	-
Others	6,065	12,170	10,779	17,665
	<u>4,394</u>	<u>19,023</u>	<u>30,777</u>	<u>40,348</u>
<u>Commission fees</u>				
Angkasa charges	6,544	4,767	15,442	16,822
Commission fees	7,161	7,696	16,954	8,706
	<u>13,705</u>	<u>12,463</u>	<u>32,396</u>	<u>25,528</u>
Inter-company recharges^	(3,513)	(4,391)	(10,538)	(13,249)
	<u>62,475</u>	<u>73,510</u>	<u>186,102</u>	<u>160,964</u>

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

26. Other comprehensive loss, net of tax

	Bank Group and Bank			
	3rd Quarter Ended 30-Sep-22 RM'000	30-Sep-21 RM'000	Nine Months Ended 30-Sep-22 RM'000	30-Sep-21 RM'000
Net loss from change in fair value of financial investments at FVOCI	(33,020)	(64,617)	(356,508)	(355,822)
Changes in ECL of financial investments at FVOCI	(3)	(5)	(7)	7
	<u>(33,023)</u>	<u>(64,622)</u>	<u>(356,515)</u>	<u>(355,815)</u>

27. Commitments and contingencies

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

	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Bank Group and Bank			
30-Sep-22			
Direct credit substitutes	21,123	21,123	21,123
Trade-related contingencies	85,250	38,597	38,597
Short term self liquidating trade related contingencies	22,245	4,449	4,449
Irrevocable commitments to extend credit:			
- one year or less	603,779	120,427	120,427
- over one year to five years	1,930,508	963,448	871,997
- over five years	23,199	11,600	11,600
Foreign exchange related contracts			
- one year or less	4,195,009	96,421	36,056
	<u>6,881,113</u>	<u>1,256,065</u>	<u>1,104,249</u>

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

28. Segmental information on revenue and results

Bank Group	Consumer banking RM'000	Corporate banking RM'000	Global Markets RM'000	Others RM'000	Inter- segment RM'000	Consolidated RM'000
3rd Quarter ended 30 September 2022						
<u>External:</u>						
Fund based income	402,298	120,183	115,237	(4,510)	-	633,208
Non-fund based income	(4,796)	(10,873)	3,575	3,438	-	(8,656)
	<u>397,502</u>	<u>109,310</u>	<u>118,812</u>	<u>(1,072)</u>	<u>-</u>	<u>624,552</u>
<u>Inter-segment</u>						
Fund based income	30,383	-	-	(84,559)	54,176	-
Total revenue	<u>427,885</u>	<u>109,310</u>	<u>118,812</u>	<u>(85,631)</u>	<u>54,176</u>	<u>624,552</u>
Profit before zakat and tax	15,967	(34,418)	33,318	12,736	-	27,603
Taxation						(21,470)
Zakat						(3,177)
Net profit for the period						<u>2,956</u>
Segment assets	26,604,804	9,385,269	13,524,425	-	-	49,514,498
Tax recoverable						1,163
Deferred tax assets						152,196
Unallocated assets						<u>1,332,236</u>
Total assets						<u>51,000,093</u>
Segment liabilities	27,367,097	6,182,516	9,007,202	282,889	-	42,839,704
Provision for taxation and zakat						46,767
Unallocated liabilities						<u>618,772</u>
Total liabilities						<u>43,505,243</u>
Nine months ended 30 September 2022						
<u>External:</u>						
Fund based income	1,269,225	345,095	342,871	15,991	-	1,973,182
Non-fund based income	12,621	9,946	(23,790)	-	-	(1,223)
	<u>1,281,846</u>	<u>355,041</u>	<u>319,081</u>	<u>15,991</u>	<u>-</u>	<u>1,971,959</u>
<u>Inter-segment</u>						
Fund based income	92,021	-	-	-	(92,021)	-
Total revenue	<u>1,373,867</u>	<u>355,041</u>	<u>319,081</u>	<u>15,991</u>	<u>(92,021)</u>	<u>1,971,959</u>
Profit before zakat and tax	187,481	35,195	69,453	20,312	-	312,441
Taxation						(80,819)
Zakat						(3,177)
Net profit for the period						<u>228,445</u>
Segment assets	26,604,804	9,385,269	13,524,425	-	-	49,514,498
Tax recoverable						1,163
Deferred tax assets						152,196
Unallocated assets						<u>1,332,236</u>
Total assets						<u>51,000,093</u>
Segment liabilities	27,367,097	6,182,516	9,007,202	282,889	-	42,839,704
Provision for taxation and zakat						46,767
Unallocated liabilities						<u>618,772</u>
Total liabilities						<u>43,505,243</u>

28. Segmental information on revenue and results (continued)

Bank Group	Consumer banking RM'000	Corporate banking RM'000	Global Markets RM'000	Others RM'000	Inter- segment RM'000	Consolidated RM'000
3rd Quarter ended 30 September 2021						
<u>External:</u>						
Fund based income	428,054	45,108	113,977	(202)	(2,353)	584,584
Non-fund based income	12,559	(685)	(3,890)	(13,278)	-	(5,294)
	<u>440,613</u>	<u>44,423</u>	<u>110,087</u>	<u>(13,480)</u>	<u>(2,353)</u>	<u>579,290</u>
<u>Inter-segment</u>						
Fund based income	16,121	-	-	-	(16,121)	-
Total revenue	<u>456,734</u>	<u>44,423</u>	<u>110,087</u>	<u>(13,480)</u>	<u>(18,474)</u>	<u>579,290</u>
Profit before zakat and tax	40,221	(131,295)	1,857	(13,913)	-	(103,130)
Taxation						16,052
Zakat						641
Net profit for the period						<u>(86,437)</u>
Segment assets	25,729,260	8,380,641	13,806,209	-	-	47,916,110
Tax recoverable						730
Deferred tax assets						14,438
Unallocated assets						<u>1,345,976</u>
Total assets						<u>49,277,254</u>
Segment liabilities	26,018,275	5,633,752	9,486,803	-	-	41,138,830
Provision for taxation and zakat						32,354
Unallocated liabilities						<u>1,120,713</u>
Total liabilities						<u>42,291,897</u>
Bank Group	Consumer banking RM'000	Corporate banking RM'000	Global Markets RM'000	Others RM'000	Inter- segment RM'000	Consolidated RM'000
Nine months ended 30 September 2021						
<u>External:</u>						
Fund based income	1,268,676	273,405	325,289	12,112	(2,353)	1,877,129
Non-fund based income	2,083	7,615	5,725	8,361	-	23,784
	<u>1,270,759</u>	<u>281,020</u>	<u>331,014</u>	<u>20,473</u>	<u>(2,353)</u>	<u>1,900,913</u>
<u>Inter-segment</u>						
Fund based income	49,772	-	-	-	(49,772)	-
Total revenue	<u>1,320,531</u>	<u>281,020</u>	<u>331,014</u>	<u>20,473</u>	<u>(52,125)</u>	<u>1,900,913</u>
Profit before zakat and tax	419,483	(31,126)	88,762	53,494	-	530,613
Taxation						(155,109)
Zakat						(34)
Net profit for the period						<u>375,470</u>
Segment assets	25,729,260	8,380,641	13,806,208	-	-	47,916,109
Tax recoverable						730
Deferred tax assets						14,438
Unallocated assets						<u>1,345,976</u>
Total assets						<u>49,277,253</u>
Segment liabilities	26,018,275	5,633,752	9,486,802	-	-	41,138,829
Provision for taxation and zakat						32,354
Deferred tax liabilities						-
Unallocated liabilities						<u>1,120,713</u>
Total liabilities						<u>42,291,896</u>

29. Financial risk management

29.1 Credit quality

(i) Financing and advances

Financing and advances are summarised as follows:

30-Sep-22	Bank Group and Bank			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>Neither past due nor impaired</u>				
Corporate financing				
Excellent	132,865	201	-	133,066
Good	3,188,645	25,369	-	3,214,014
Average	3,650,953	295,799	-	3,946,752
Below Average	347,963	156,554	-	504,517
Poor	20,775	40,184	-	60,959
Retail financing				
Unrated	25,247,869	661,122	-	25,908,991
	32,589,070	1,179,229	-	33,768,299
<u>Past due but not impaired</u>				
Corporate financing				
Excellent	-	1,018	-	1,018
Good	-	18,964	-	18,964
Average	-	11,845	-	11,845
Below Average	-	1,710	-	1,710
Retail financing				
Unrated	-	1,060,270	-	1,060,270
	-	1,093,807	-	1,093,807
<u>Impaired</u>				
Corporate financing	-	-	574,998	574,998
Retail financing	-	-	1,692,357	1,692,357
Gross financing and advances	32,589,070	2,273,036	2,267,355	37,129,461
Less: ECL	(396,129)	(359,134)	(926,682)	(1,681,945)
Net financing and advances	32,192,941	1,913,902	1,340,673	35,447,516

29. Financial risk management (continued)

29.1 Credit quality (continued)

(i) Financing and advances (continued)

Financing and advances are summarised as follows (continued):

31-Dec-21	Bank Group and Bank			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>Neither past due nor impaired</u>				
Corporate financing				
Excellent	111,667	-	-	111,667
Good	2,450,734	271,536	-	2,722,270
Average	2,558,625	1,530,769	-	4,089,394
Below Average	49,568	388,663	-	438,231
Poor	1,048	63,095	-	64,143
Retail financing				
Unrated	23,957,645	2,056,646	-	26,014,291
	29,129,287	4,310,709	-	33,439,996
<u>Past due but not impaired</u>				
Corporate financing				
Good	-	13,397	-	13,397
Average	-	116,508	-	116,508
Below Average	-	-	-	-
Poor	-	686	-	686
Retail financing				
Unrated	-	780,777	-	780,777
	-	911,368	-	911,368
<u>Impaired</u>				
Corporate financing	-	-	201,870	201,870
Retail financing	-	-	761,659	761,659
Gross financing and advances	29,129,287	5,222,077	963,529	35,314,893
Less: ECL	(345,477)	(588,894)	(354,509)	(1,288,880)
Net financing and advances	28,783,810	4,633,183	609,020	34,026,013

29. Financial risk management (continued)

29.1 Credit quality (continued)

(ii) Other financial assets

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

Bank Group

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
30-Sep-22				
Cash and short-term funds				
AAA	603,041	-	-	603,041
	603,041	-	-	603,041
Deposits and placements with banks and other financial institutions				
AAA	849,701	-	-	849,701
AA and below	32	-	-	32
	849,733	-	-	849,733
Debt investments				
AAA	904,922	-	-	904,922
AA and below	110,187	-	-	110,187
Unrated *	10,920,011	201,806	-	11,121,817
	11,935,120	201,806	-	12,136,926
Other financial assets				
Unrated	353,412	-	55,083	408,495
	353,412	-	55,083	408,495

Bank Group

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

* Unrated debt investments for Bank Group and Bank include government guaranteed securities of RM9,674,386,000 (2021: RM10,671,393,000)

29. Financial risk management (continued)

29.1 Credit quality (continued)

(ii) Other financial assets (continued)

<u>Bank</u>				
	Stage 1	Stage 2	Stage 3	Total
30-Sep-22	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds				
AAA	603,041	-	-	603,041
	603,041	-	-	603,041
Debt investments				
AAA	904,922	-	-	904,922
AA and below	110,187	-	-	110,187
Unrated *	10,920,011	201,806	-	11,121,817
	11,935,120	201,806	-	12,136,926
Other financial assets				
Unrated	420,329	-	55,083	475,412
	420,329	-	55,083	475,412
<u>Bank</u>				
	Stage 1	Stage 2	Stage 3	Total
31-Dec-21	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds				
AAA	520,025	-	-	520,025
	520,025	-	-	520,025
Deposits and placements with banks and other financial institutions				
AA and below	100,093	-	-	100,093
	100,093	-	-	100,093
Debt investments				
AAA	977,336	-	-	977,336
AA and below	162,386	-	-	162,386
Unrated *	11,337,042	204,894	-	11,541,936
	12,476,764	204,894	-	12,681,658
Other financial assets				
Unrated	452,143	-	57,400	509,543
	452,143	-	57,400	509,543

* Unrated debt investments for Bank Group and Bank include government guaranteed securities of RM9,674,386,000 (2021: RM10,671,393,000)

29. Financial risk management (continued)

29.2 Market risk

Profit Rate Risk

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

Bank Group	<----- Non-trading book ----->							Total
	Up to 1	1-3	3-12	1-5	Over 5	Non-profit	Trading	
	months	months	months	years	years	sensitive	book	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30-Sep-22								
Financial Assets								
Cash and short-term funds	603,041	-	-	-	-	442,272	-	1,045,313
Deposits and placements								
with financial institutions	174,277	675,456	-	-	-	-	-	849,733
Derivative financial assets	14,450	13,941	5,108	-	-	-	-	33,499
Financial investments at FVTPL	-	-	-	-	-	-	240,345	240,345
Financial investments at FVOCI	-	85,125	613,098	3,428,906	6,457,910	104,456	-	10,689,495
Financial investments at amortised cost	-	2,000	-	385,634	807,729	11,723	-	1,207,086
Financing and advances								
- non-impaired	537,779	1,326,750	1,231,689	2,630,890	29,134,999	(755,263)	-	34,106,844
- impaired, net of allowances*	-	-	-	-	-	1,340,672	-	1,340,672
Assets held for sale	-	-	-	-	-	1,511	-	1,511
Other financial assets ^	-	-	-	346,607	-	58,274	-	404,881
Statutory deposits with Bank Negara Malaysia**	-	-	-	300,000	350,000	-	-	650,000
Total financial assets	1,329,547	2,103,272	1,849,895	7,092,037	36,750,638	1,203,645	240,345	50,569,379

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

^ Other financial assets exclude prepayments and deferred expenses.

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

29. Financial risk management (continued)

29.2 Market risk (continued)

Profit Rate Risk (continued)

Bank Group	----- Non-trading book ----->					Non-profit sensitive	Trading book	Total
	Up to 1	1-3	3-12	1-5	Over 5			
	months	months	months	years	years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30-Sep-22								
<u>Financial Liabilities</u>								
Deposits from customers	8,737,525	9,917,821	7,115,742	2,377,474	10,072	188,321	-	28,346,955
Deposits and placements of banks	2,475,434	1,147,754	780,012	1,566,320	-	25,656	-	5,995,176
Investment accounts of customers	219,961	916,973	870,744	5,614	-	13,155	-	2,026,447
Derivative financial liabilities	9,072	2,728	48	-	-	-	-	11,848
Other financial liabilities#	-	-	-	-	-	455,834	-	455,834
Lease liabilities	3,480	6,931	16,525	7,279	-	-	-	34,215
Recourse obligation on financing sold	5,594	847,724	143,527	2,838,347	-	15,578	-	3,850,770
Sukuk-MBSB SC Murabahah	74,593	69,634	94,476	590,638	142,802	19,563	-	991,706
Sukuk Wakalah	-	-	-	200,000	1,391,681	25,121	-	1,616,802
Total financial liabilities	11,525,659	12,909,565	9,021,074	7,585,672	1,544,555	743,228	-	43,329,753
Total profit-sensitivity gap	(10,196,112)	(10,806,293)	(7,171,179)	(493,635)	35,206,083	460,417	240,345	7,239,626

Other financial liabilities exclude deferred income.

MBSB BANK BERHAD (200501033981 / 716122-P)

(Incorporated in Malaysia)

29. Financial risk management (continued)
29.2 Market risk (continued)
Profit Rate Risk (continued)

Bank	Non-trading book					Non-profit sensitive	Trading book	Total
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30-Sep-22								
Financial Assets								
Cash and short-term funds	603,041	-	-	-	-	375,222	-	978,263
Derivative financial assets	14,450	13,941	5,108	-	-	-	-	33,499
Financial investments at FVTPL	-	-	-	-	-	-	240,345	240,345
Financial investments at FVOCI	-	85,125	613,098	3,428,906	6,457,910	104,456	-	10,689,495
Financial investments at amortised cost	-	2,000	-	385,634	807,729	11,723	-	1,207,086
Financing and advances								
- non-impaired	537,779	1,326,750	1,231,689	2,630,890	29,134,999	(755,263)	-	34,106,844
- impaired, net of allowances*	-	-	-	-	-	1,340,672	-	1,340,672
Assets held for sale	-	-	-	-	-	1,511	-	1,511
Sukuk Commodity Murabahah	493,728	155,396	98,930	1,104,227	501,577	20,542	-	2,374,400
Other financial assets ^	68,903	-	-	346,607	-	56,288	-	471,798
Statutory deposits with Bank Negara Malaysia**	-	-	-	300,000	350,000	-	-	650,000
Total financial assets	1,717,901	1,583,212	1,948,825	8,196,264	37,252,215	1,155,151	240,345	52,093,913

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

^ Other financial assets exclude prepayments and deferred expenses.

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

29. Financial risk management (continued)

29.2 Market risk (continued)

Profit Rate Risk (continued)

Bank	----- Non-trading book ----->					Non-profit sensitive	Trading book	Total
	Up to 1	1-3	3-12	1-5	Over 5			
	months	months	months	years	years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30-Sep-22								
<u>Financial Liabilities</u>								
Deposits from customers	8,737,525	9,917,821	7,115,742	2,377,474	10,072	188,321	-	28,346,955
Deposits and placements of banks	2,475,434	1,147,754	780,012	1,566,320	-	25,656	-	5,995,176
Investment accounts of customers	219,961	916,973	870,744	5,614	-	13,155	-	2,026,447
Derivative financial liabilities	9,072	2,728	48	-	-	-	-	11,848
Other financial liabilities#	1,806,861	-	-	-	-	455,737	-	2,262,598
Lease liabilities	3,480	6,931	16,525	7,279	-	-	-	34,215
Recourse obligation on financing sold	5,594	847,724	143,527	2,838,347	-	15,578	-	3,850,770
Sukuk-MBSB SC Murabahah	74,593	69,634	94,476	590,638	142,802	19,563	-	991,706
Sukuk Wakalah	-	-	-	200,000	1,391,681	25,121	-	1,616,802
Total financial liabilities	13,332,520	12,909,565	9,021,074	7,585,672	1,544,555	743,131	-	45,136,517
Total profit-sensitivity gap	(11,614,619)	(11,326,353)	(7,072,249)	610,592	35,707,660	412,020	240,345	6,957,396

Other financial liabilities exclude deferred income.

MBSB BANK BERHAD (200501033981 / 716122-P)

(Incorporated in Malaysia)

29. Financial risk management (continued)
29.2 Market risk (continued)
Profit Rate Risk (continued)

Bank Group	Non-trading book					Non-profit sensitive	Trading book	Total
	Up to 1	1-3	3-12	1-5	Over 5			
	months	months	months	years	years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31-Dec-21								
Financial Assets								
Cash and short-term funds	520,025	-	-	-	-	125,180	-	645,205
Deposits and placements								
with financial institutions	32	100,093	743,731	-	-	-	-	843,856
Derivative financial assets	616	5	16	-	-	-	-	637
Financial investments at FVTPL	-	-	-	-	-	-	240,209	240,209
Financial investments at FVOCI	65,115	60,187	627,015	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
Total financial assets	992,266	951,698	2,262,468	7,222,288	37,243,702	390,311	240,209	49,302,942

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

^ Other financial assets exclude prepayments and deferred expenses.

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

29. Financial risk management (continued)

29.2 Market risk (continued)

Profit Rate Risk (continued)

Bank Group	----- Non-trading book ----->					Non-profit sensitive	Trading book	Total
	Up to 1	1-3	3-12	1-5	Over 5			
	months	months	months	years	years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31-Dec-21								
<u>Financial Liabilities</u>								
Deposits from customers	4,505,507	6,846,433	11,428,759	2,436,934	10,616	189,963	-	25,418,212
Deposits and placements of banks	3,377,956	1,098,057	3,647,683	503,837	-	22,048	-	8,649,581
Investment accounts of customers	10,089	695,188	1,369,096	5,614	-	14,927	-	2,094,914
Derivative financial liabilities	2,338	-	25	-	-	-	-	2,363
Other financial liabilities#	-	-	-	-	-	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
Total financial liabilities	7,905,303	8,692,199	17,709,193	5,716,162	1,445,195	1,213,241	-	42,681,293
Total profit-sensitivity gap	(6,913,037)	(7,740,501)	(15,446,725)	1,506,126	35,798,507	(822,930)	240,209	6,621,649

Other financial liabilities exclude deferred income.

29. Financial risk management (continued)

29.2 Market risk (continued)

Profit Rate Risk (continued)

Bank	----- Non-trading book ----->					Non-profit sensitive	Trading book	Total
	Up to 1	1-3	3-12	1-5	Over 5			
	months	months	months	years	years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31-Dec-21								
<u>Financial Assets</u>								
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
Total financial assets	1,513,677	951,698	1,874,383	8,560,966	37,493,758	364,634	240,209	50,999,325

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

^ Other financial assets exclude prepayments and deferred expenses.

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

29. Financial risk management (continued)

29.2 Market risk (continued)

Profit Rate Risk (continued)

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

Other financial liabilities exclude deferred income.

30. 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'.

30. Capital adequacy (continued)

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

	Bank Group			
	with TA	without TA	with TA	without TA
	30-Sep-22 RM'000	30-Sep-22 RM'000	31-Dec-21 RM'000	31-Dec-21 RM'000
<u>Common Equity Tier 1 ("CET 1") Capital</u>				
Ordinary share capital	6,427,972	6,427,972	5,427,972	5,427,972
Retained profits exclude merger reserve	1,009,015	1,009,015	1,166,619	1,166,619
Other reserves	(517,465)	(517,465)	(155,716)	(155,716)
	<u>6,919,522</u>	<u>6,919,522</u>	<u>6,438,875</u>	<u>6,438,875</u>
Less : Regulatory adjustments				
Deferred tax assets	(152,196)	(152,196)	(17,292)	(17,292)
55% cumulative gains on FVOCI instruments	(7,510)	(7,510)	(57,882)	(57,882)
Regulatory reserve	-	-	(5,234)	(5,234)
Intangible assets	(93,831)	(93,831)	(101,184)	(101,184)
Other CET 1 regulatory adjustments	-	-	144,121	-
Total CET 1 Capital	<u>6,665,985</u>	<u>6,665,985</u>	<u>6,401,404</u>	<u>6,257,283</u>

Tier 1 Capital

Additional Tier 1 capital instruments	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-
Total Tier 1 capital	<u>6,665,985</u>	<u>6,665,985</u>	<u>6,401,404</u>	<u>6,257,283</u>

Tier 2 Capital

Stage 1 & Stage 2 ECL [^]	435,209	435,209	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>1,735,209</u>	<u>1,735,209</u>	<u>1,727,865</u>	<u>1,727,865</u>
Total capital base	<u>8,401,194</u>	<u>8,401,194</u>	<u>8,129,269</u>	<u>7,985,148</u>

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

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

	Bank Group			
	with TA	without TA	with TA	without TA
	30-Sep-22 RM'000	30-Sep-22 RM'000	31-Dec-21 RM'000	31-Dec-21 RM'000
<u>Total risk weighted assets ("RWA")</u>				
- Credit risk	34,816,684	34,816,684	34,689,443	34,689,443
- Market risk	126,146	126,146	62,619	62,619
- Operational risk	2,699,990	2,699,990	2,547,591	2,547,591
Total RWA	<u>37,642,820</u>	<u>37,642,820</u>	<u>37,299,653</u>	<u>37,299,653</u>
<u>Capital adequacy ratios</u>				
CET 1 capital ratio	17.709%	17.709%	17.162%	16.776%
Tier 1 capital ratio	17.709%	17.709%	17.162%	16.776%
Total capital ratio	<u>22.318%</u>	<u>22.318%</u>	<u>21.794%</u>	<u>21.408%</u>

30. Capital adequacy (continued)

	Bank			
	with TA 30-Sep-22 RM'000	without TA 30-Sep-22 RM'000	with TA 31-Dec-21 RM'000	without TA 31-Dec-21 RM'000
<u>Common Equity Tier 1 ("CET 1") Capital</u>				
Ordinary share capital	6,427,972	6,427,972	5,427,972	5,427,972
Retained profits exclude merger reserve	1,084,606	1,084,606	1,242,215	1,242,215
Other reserves	(517,465)	(517,465)	(155,716)	(155,716)
	6,995,113	6,995,113	6,514,471	6,514,471
Less : Regulatory adjustments				
Deferred tax assets	(152,196)	(152,196)	(17,292)	(17,292)
55% cumulative gains on FVOCI instruments	(7,510)	(7,510)	(57,882)	(57,882)
Regulatory reserve	-	-	(5,234)	(5,234)
Intangible assets	(93,831)	(93,831)	(101,184)	(101,184)
Other CET 1 regulatory adjustments	-	-	144,121	-
Total CET 1 Capital	6,741,576	6,741,576	6,477,000	6,332,879
<u>Tier 1 Capital</u>				
Additional Tier 1 capital instruments	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-
Total Tier 1 capital	6,741,576	6,741,576	6,477,000	6,332,879
<u>Tier 2 Capital</u>				
Stage 1 & Stage 2 ECL ^	463,586	463,586	462,503	462,503
Tier 2 capital instruments	1,300,000	1,300,000	1,294,247	1,294,247
Total Tier 2 capital	1,763,586	1,763,586	1,756,750	1,756,750
Total capital base	8,505,162	8,505,162	8,233,750	8,089,629

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

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

	Bank			
	with TA 30-Sep-22 RM'000	without TA 30-Sep-22 RM'000	with TA 31-Dec-21 RM'000	without TA 31-Dec-21 RM'000
<u>Total risk weighted assets ("RWA")</u>				
- Credit risk	37,086,891	37,086,891	37,000,275	37,000,275
- Market risk	126,146	126,146	62,619	62,619
- Operational risk	2,799,424	2,799,424	2,615,184	2,615,184
Total RWA	40,012,461	40,012,461	39,678,078	39,678,078
<u>Capital adequacy ratios</u>				
CET 1 capital ratio	16.849%	16.849%	16.324%	15.961%
Tier 1 capital ratio	16.849%	16.849%	16.324%	15.961%
Total capital ratio	21.256%	21.256%	20.751%	20.388%

In accordance with BNM's Guidelines on Investment Account paragraph 31.1, the credit and market risk weighted assets funded by Unrestricted Investment Accounts ("URIA") shall be recognised as risk absorbent and excluded from the calculation of capital adequacy ratio of the Bank Group and the Bank. As at 30 September 2022, URIA risk weighted assets excluded from the Total Capital Ratio calculation amounted to RM1,955.3 mil (31 December 2021: RM2,080.8 mil).

PERFORMANCE REVIEW FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2022

1. Performance Review

During the quarter, the Bank Group reported a profit before tax ("PBT") of RM27.6 mil with net funded income of RM338.6 mil, net impairment allowance of RM162.2 mil and operating expenses ("OPEX") of RM148.9 mil. The additional net impairment allowance is mainly because of deterioration in staging of financing customers for retail portfolio and increase in exposures for corporate portfolio. OPEX for the quarter is contributed by personnel expenses of RM86.2 mil and other expenses such as rental of the headquarters and software/hardware maintenance.

Outlook for 2022

Malaysia's economy is expected to register a stronger growth within the range of 6.5% – 7% for 2022, having recorded a 14.2% growth in third quarter of 2022. For 2023, the increasingly challenging global economic environment has prompted the International Monetary Fund to revise its global economic growth forecast to a lower rate of 3.2% for 2022 and 2.7% next year. In tandem with this global slowdown, Malaysia's economy is forecast to decelerate to between 4% – 5% in 2023. The pace of economic recovery in 2023 is also dependent on successful containment of the pandemic, and efforts in mitigating risks such as geopolitics, rising inflation as well as tightening financial conditions. (Ministry of Finance: Economic Outlook 2023).

The Overnight Policy Rate ("OPR") increased four times between May and November 2022 as monetary accommodation was reduced following strong domestic growth prospects and inflationary pressures. The higher OPR would have an impact on customers' affordability next year, amid rising cost of living. In this respect, our business strategy will be centred on enhancing our strength in our core business in retail segment, and targeting large, quality corporates to provide the Bank with new source of financing growth. The Bank is also formulating collection strategies to tackle specific needs of different groups of customers to improve its asset quality.

1. Performance Review (continued)

Financing

Variation of Results against Preceding Year Corresponding Quarter

	Current Year Quarter 30-Sep-22 (3Q22)	Preceding Year Corresponding Quarter 30-Sep-21 (3Q21)	Changes	
	RM'000	RM'000	RM'000	%
Personal financing	19,388,275	19,625,361	(237,086)	(1.2)%
Corporate financing	9,585,201	8,488,627	1,096,574	12.9%
Property financing	8,100,598	6,854,432	1,246,166	18.2%
Auto financing	55,387	85,285	(29,898)	(35.1)%
Total gross financing and advances	<u>37,129,461</u>	<u>35,053,705</u>	<u>2,075,756</u>	5.9%

Variation of Results against Immediate Preceding Quarter

Financing

	Current Year Quarter 30-Sep-22 (3Q22)	Immediate Preceding Quarter 30-June-22 (2Q22)	Changes	
	RM'000	RM'000	RM'000	%
Personal financing	19,388,275	19,730,862	(342,587)	(1.7)%
Corporate financing	9,585,201	8,424,699	1,160,502	13.8%
Property financing	8,100,598	7,808,959	291,639	3.7%
Auto financing	55,387	65,172	(9,785)	(15.0)%
Total gross financing and advances	<u>37,129,461</u>	<u>36,029,692</u>	<u>1,099,769</u>	3.1%

Bank Group gross financing and advances grew by 5.9% and 3.1% for 3Q22 compared to 3Q21 and 2Q22 respectively. Overall, growth of financing and advances is contributed mainly from corporate financing following conversion of conventional loans to islamic financing during the quarter. Personal financing remains as the biggest financing portfolio while auto financing is at a decreasing base as the Bank Group focuses on growing asset base of other portfolios.

1. Performance Review (continued)

(b) Income statement

Current Year Quarter vs Preceding Year Corresponding Quarter

	Current Year Quarter 30-Sep-22 (3Q22) RM'000	Preceding Year Corresponding Quarter 30-Sep-21 (3Q21) RM'000	Changes	
			RM'000	%
Income derived from investment of depositors' funds	516,584	544,571	(27,987)	(5.1)%
Income derived from investment of shareholders' funds	107,581	153,318	(45,737)	(29.8)%
Income derived from investment of investment accounts' funds	<u>22,795</u>	<u>20,356</u>	2,439	12.0%
Total income derived from investment of depositors, shareholders and investment account funds	646,960	718,245	(71,285)	(9.9)%
Expected credit losses on financing and advances and other impairment	(162,159)	(260,232)	98,073	(37.7)%
Loss on modification of cash flows	-	(146,944)	146,944	>-100%
Total net income	176,489	39,797	136,692	>100%
Total overhead expenses	<u>(148,886)</u>	<u>(142,927)</u>	(5,959)	4.2%
Profit/(loss) before tax	<u>27,603</u>	<u>(103,130)</u>	130,733	>-100%
Profit/(loss) after tax	<u>2,956</u>	<u>(86,437)</u>	89,393	>-100%
Profit/(loss) attributable to owner of the Bank	<u>2,956</u>	<u>(86,437)</u>	89,393	>-100%

Current Year Quarter vs Immediate Preceding Quarter

	Current Year Quarter 30-Sep-22 (3Q22) RM'000	Immediate Preceding Quarter 30-June-22 (2Q22) RM'000	Changes	
			RM'000	%
Income derived from investment of depositors' funds	516,584	539,610	(23,026)	-4.3%
Income derived from investment of shareholders' funds	107,581	110,737	(3,156)	-2.8%
Income derived from investment of investment accounts' funds	<u>22,795</u>	<u>22,753</u>	42	0.2%
Total income derived from investment of depositors, shareholders and investment account funds	646,960	673,100	(26,140)	-3.9%
Expected credit losses on financing and advances and other impairment	(162,159)	(44,024)	(118,135)	>100%
Total net income	176,489	340,493	(164,004)	-48.2%
Total overhead expenses	<u>(148,886)</u>	<u>(128,711)</u>	(20,175)	15.7%
Profit before tax	<u>27,603</u>	<u>211,782</u>	(184,179)	-87.0%
Profit after tax	<u>2,956</u>	<u>170,868</u>	(167,912)	-98.3%
Profit attributable to owner of the Bank	<u>2,956</u>	<u>170,868</u>	(167,912)	-98.3%

The Bank Group's total income derived from investment of depositors', shareholders' and investment accounts' funds recorded at RM647.0 mil, a decrease of 9.9% as compared to 3Q21 due to lower profit income. The total income as compared to 2Q22 however slightly decreased by 3.9%.

1. Performance Review (continued)

The Bank recorded net impairment allowance of RM162.2 mil in 3Q22 mainly due to the deterioration in staging of financing customers at retail portfolios and increase in exposures for corporate portfolio.

The total overhead expenses recorded higher compared to 3Q21 mainly because of the increase in personnel expenses and establishment costs such as depreciation of the new headquarters and higher software/hardware maintenances.

2. Authorisation for issue

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