

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

INTERIM FINANCIAL STATEMENTS
OF THE BANK GROUP AND OF THE BANK
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

		Bank Group		Bank	
		30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
		RM'000	RM'000	RM'000	RM'000
Assets					
Cash and short-term funds	6(a)	1,075,806	2,192,818	1,024,746	2,079,255
Deposits and placements with banks and other financial institutions	6(b)	847,353	597,746	140,882	-
Derivative financial assets	7	3,447	15,017	3,447	15,017
Financial investments at fair value through profit or loss	8	1,203,672	240,357	1,203,672	240,357
Financial investments at fair value through other comprehensive income	9	11,386,537	11,392,780	11,386,537	11,392,780
Financial investments at amortised cost	10	2,141,535	1,625,792	2,141,535	1,625,792
Financing and advances	11	38,776,816	36,565,207	38,776,816	36,565,207
Sukuk Commodity Murabahah		-	-	2,069,402	2,104,499
Tax recoverable		24,297	209	24,297	-
Non-current assets held for sale	12	-	564	-	564
Other receivables	13	594,482	514,926	591,162	583,692
Statutory deposits with Bank Negara Malaysia		720,000	610,000	720,000	610,000
Investment property		820	820	820	820
Property and equipment		99,022	87,491	99,022	87,491
Right-of-use assets		56,149	28,778	56,149	28,778
Intangible assets		87,857	96,157	87,857	96,157
Deferred tax assets		92,416	107,238	92,416	107,238
Total assets		57,110,209	54,075,900	58,418,760	55,537,647
Liabilities					
Deposits from customers	15	33,943,881	29,112,699	33,943,881	29,112,699
Deposits and placements of banks and other financial institutions	16	7,505,172	7,511,336	7,505,172	7,511,336
Investment accounts of customers	17	-	2,080,767	-	2,080,767
Derivative financial liabilities	7	4,881	23,470	4,881	23,470
Other payables	18	662,158	508,679	2,225,691	2,245,002
Lease liabilities		56,982	29,370	56,982	29,370
Recourse obligation on financing sold		4,109,947	4,355,408	4,109,947	4,355,408
Sukuk-MBSB Structured Covered Murabahah		749,561	833,805	749,561	833,805
Sukuk Wakalah		1,617,653	1,596,912	1,617,653	1,596,912
Islamic repurchase agreement		581,732	-	581,732	-
Provision for taxation		34,580	106,902	-	106,902
Total liabilities		49,266,547	46,159,348	50,795,500	47,895,671
Equity					
Ordinary share capital		6,427,972	6,427,972	6,427,972	6,427,972
Reserves		1,415,690	1,488,580	1,195,288	1,214,004
Total equity		7,843,662	7,916,552	7,623,260	7,641,976
Total Liabilities and Equity		57,110,209	54,075,900	58,418,760	55,537,647
Commitments and contingencies	27	7,061,665	5,124,328	7,061,665	5,124,328
Capital Adequacy					
	30	Bank Group		Bank	
CET1 capital		15.910%	19.186%	15.411%	18.408%
Tier 1 capital		15.910%	19.186%	15.411%	18.408%
Total capital ratio		20.027%	23.735%	19.409%	22.794%

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 2022.

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2023

		Bank Group			
		3rd Quarter Ended		Nine Months Ended	
		30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	19	604,327	516,584	1,705,176	1,587,464
Income derived from investment of shareholders' funds	20	137,512	107,581	391,418	327,866
Income derived from investment of investment accounts' funds	21	4,884	22,795	47,999	79,037
Expected credit losses on financing and advances and other impairment	22	(78,268)	(162,159)	(59,528)	(372,827)
Net loss on modification of cash flows		-	-	-	(8,961)
Total distributable income		668,455	484,801	2,085,065	1,612,579
Income attributable to depositors and others	23	(466,626)	(308,312)	(1,311,670)	(876,084)
Total net income		201,829	176,489	773,395	736,495
Personnel expenses	24	(92,767)	(86,172)	(270,130)	(236,867)
Other overhead expenses	25	(71,563)	(62,714)	(194,095)	(187,187)
Profit before taxation and zakat		37,499	27,603	309,170	312,441
Taxation		10,877	(21,470)	(62,030)	(80,819)
Zakat		(2,837)	(3,177)	(2,837)	(3,177)
Profit for the financial period		45,539	2,956	244,303	228,445
Profit attributable to:					
Owner of the Bank Group		45,539	2,956	244,303	228,445
		45,539	2,956	244,303	228,445
Profit for the financial period		45,539	2,956	244,303	228,445
Other comprehensive (expense)/income, net of tax:					
Items that may be reclassified to profit or loss:					
Revaluation reserve on financial investments at fair value through other comprehensive income					
- Net (loss)/profit from change in fair values		(49,017)	(43,244)	172,787	(460,523)
- Realised gain/(loss) transferred to statements of income on disposal		2,669	(207)	(10,128)	(8,574)
- Transfer from/(to) deferred tax		11,126	10,428	(39,024)	112,582
Other comprehensive (expense)/income, net of tax	26	(35,222)	(33,023)	123,635	(356,515)
Total comprehensive income/(expense) for the financial period		10,317	(30,067)	367,938	(128,070)
Earnings per share (sen)		0.72	0.05	3.88	4.21

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 2022.

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2023 (CONTINUED)

		Bank			
		3rd Quarter Ended		Nine Months Ended	
		30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	19	622,129	539,693	1,762,421	1,657,571
Income derived from investment of shareholders' funds	20	141,389	111,649	403,369	340,809
Income derived from investment of investment accounts' funds	21	4,884	22,795	47,999	79,037
Expected credit losses on financing and advances and other impairment	22	(78,268)	(162,159)	(59,528)	(372,827)
Net loss on modification of cash flows		-	-	-	(8,961)
Total distributable income		690,134	511,978	2,154,261	1,695,629
Income attributable to depositors and others	23	(482,896)	(336,886)	(1,363,398)	(974,480)
Total net income		207,238	175,092	790,863	721,149
Personnel expenses	24	(92,767)	(86,172)	(270,130)	(236,867)
Other overhead expenses	25	(71,097)	(62,475)	(192,684)	(186,102)
Profit before taxation and zakat		43,374	26,445	328,049	298,180
Taxation		8,920	(20,633)	(26,735)	(78,631)
Zakat		(2,837)	(3,177)	(2,837)	(3,177)
Profit for the financial period		49,457	2,635	298,477	216,372
Profit attributable to:					
Owner of the Bank		49,457	2,635	298,477	216,372
		49,457	2,635	298,477	216,372
Profit for the financial period		49,457	2,635	298,477	216,372
Other comprehensive (expense)/income, net of tax:					
Items that may be reclassified to profit or loss:					
Revaluation reserve on financial investments at fair value through other comprehensive income					
- Net (loss)/profit from change in fair values		(49,017)	(43,244)	172,787	(460,523)
- Realised gain/(loss) transferred to statements of income on disposal		2,669	(207)	(10,128)	(8,574)
- Transfer from/(to) deferred tax		11,126	10,428	(39,024)	112,582
Other comprehensive (expense)/income, net of tax	26	(35,222)	(33,023)	123,635	(356,515)
Total comprehensive income/(expense) for the financial period		14,235	(30,388)	422,112	(140,143)
Earnings per share (sen)		0.79	3.04	4.74	3.94

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 2022.

MBSB BANK BERHAD (200501033981 / 716122-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2023

Bank Group	← Non-distributable →			Distributable	Total
	Share Capital	Regulatory Reserve	Fair value reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	6,427,972	-	(341,367)	1,829,947	7,916,552
Profit for the financial period	-	-	-	244,303	244,303
Other comprehensive expense for the financial period					
- transfer from retained earnings	-	69,320	-	(69,320)	-
- net changes in fair value	-	-	172,787	-	172,787
- realised loss transferred to statements of income on disposal	-	-	(10,128)	-	(10,128)
- income tax relating to component of other comprehensive income	-	-	(39,024)	-	(39,024)
	-	69,320	123,635	(69,320)	123,635
Dividends to owner of the Bank	-	-	-	(440,828)	(440,828)
At 30 September 2023	6,427,972	69,320	(217,732)	1,564,102	7,843,662
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					
- net changes in fair value	-	-	(460,523)	-	(460,523)
- realised loss transferred to statements of income on disposal	-	-	(8,574)	-	(8,574)
- income tax relating to component of other comprehensive income	-	-	112,582	-	112,582
	-	-	(356,515)	-	(356,515)
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)
At 30 September 2022	6,427,972	-	(517,465)	1,584,343	7,494,850

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 2022.

MBSB BANK BERHAD (200501033981 / 716122-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF CHANGES IN EQUITY

FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2023 (CONTINUED)

	← Non-distributable →		Fair value reserve	Distributable	
Bank	Share Capital	Regulatory Reserve		Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	6,427,972	-	(341,367)	1,555,371	7,641,976
Profit for the financial period	-	-	-	298,477	298,477
Other comprehensive expense for the financial period					
- transfer from retained earnings	-	69,320	-	(69,320)	-
- net changes in fair value	-	-	172,787	-	172,787
- realised loss transferred to statements of income on disposal	-	-	(10,128)	-	(10,128)
- income tax relating to component of other comprehensive income	-	-	(39,024)	-	(39,024)
	-	69,320	123,635	(69,320)	123,635
Dividends to owner of the Bank	-	-	-	(440,828)	(440,828)
At 30 September 2023	6,427,972	69,320	(217,732)	1,343,700	7,623,260
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					
- net changes in fair value	-	-	(460,523)	-	(460,523)
- realised loss transferred to statements of income on disposal	-	-	(8,574)	-	(8,574)
- income tax relating to component of other comprehensive income	-	-	112,582	-	112,582
	-	-	(356,515)	-	(356,515)
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)
At 30 September 2022	6,427,972	-	(517,465)	1,300,982	7,211,489

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 2022.

MBSB BANK BERHAD (200501033981 / 716122-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENTS OF CASH FLOWS****FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2023**

	Bank Group		Bank	
	9 months ended		9 months ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	309,170	312,441	328,049	298,180
Adjustments for non-cash items	(17,741)	312,310	(99,316)	220,452
Operating profit before working capital changes	291,429	624,751	228,733	518,632
Working capital changes:				
Net changes in operating assets	(2,914,342)	(1,759,220)	(2,698,445)	(1,757,967)
Net changes in operating liabilities	2,924,961	51,118	2,678,548	(15,043)
Income taxes and zakat refunded/(paid)	13,271	(91,474)	13,271	(89,172)
Net cash generated from/(used in) operating activities	315,319	(1,174,825)	222,107	(1,343,550)
Cash flows from investing activities				
Purchase of property and equipment	(32,734)	(51,615)	(32,734)	(51,615)
Purchase of intangible assets	(21,472)	(22,395)	(21,472)	(22,395)
Profit income from financial investments	412,963	401,976	412,963	401,976
Net purchase of financial investments	(1,400,034)	(2,251)	(1,360,991)	(2,251)
Profit income from Sukuk Commodity Murabahah	-	-	81,575	92,021
Proceeds from Sukuk Commodity Murabahah	-	-	35,097	30,230
Net cash (used in)/generated from investing activities	(1,041,277)	325,715	(885,562)	447,966
Cash flows from financing activities				
(Repayment)/issuance of recourse obligation on financing sold	(244,072)	704,732	(244,072)	704,732
Profit expense paid on recourse obligation on financing sold	(122,184)	(103,212)	(122,184)	(103,212)
Profit expense paid on Sukuk MBSB-SC Murabahah	(21,672)	(27,252)	(21,672)	(27,252)
Profit expense paid on Sukuk Wakalah	(40,785)	(34,017)	(40,785)	(34,017)
Repayment of Sukuk MBSB-SC Murabahah	(93,387)	(93,330)	(93,387)	(93,330)
Profit expense paid on islamicrepurchase agreement	(124)	-	(124)	-
Issuance on Islamic repurchase agreement	595,037	-	595,037	-
Payment of lease liabilities	(23,039)	(34,864)	(23,039)	(34,864)
Dividend paid on ordinary shares	(440,828)	(162,839)	(440,828)	(162,839)
Issuance of ordinary shares	-	1,000,000	-	1,000,000
Net cash (used in)/generated from financing activities	(391,054)	1,249,218	(391,054)	1,249,218
Net (decrease)/increase in cash and cash equivalents	(1,117,012)	400,108	(1,054,509)	353,634
Cash and cash equivalents at the beginning of financial period	2,192,818	645,205	2,079,255	624,629
Cash and cash equivalents at the end of financial period	1,075,806	1,045,313	1,024,746	978,263

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 2022.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2023**

1. Basis of preparation

The unaudited condensed interim financial statements for the financial quarter ended 30 September 2023 have been prepared under the historical cost convention except for financial assets which are recognised at fair value and 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.

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 2022. 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 2022.

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 2022.

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 2023 are as follows:

- 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 Bank.

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

- (i) 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 Company.

2. Audit Report of Preceding Financial Year Ended 31 December 2022

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. Exceptional on 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	
	30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
	RM'000	RM'000	RM'000	RM'000
(a) Cash and balances with banks and other financial institutions	575,874	354,349	524,814	240,786
Money at call and deposit placements maturing within one month	499,932	1,838,469	499,932	1,838,469
	<u>1,075,806</u>	<u>2,192,818</u>	<u>1,024,746</u>	<u>2,079,255</u>
(b) Deposits and placements with financial institutions with original maturity of more than one month				
- Licensed Islamic banks	847,353	597,746	140,882	-
	<u>1,923,159</u>	<u>2,790,564</u>	<u>1,165,628</u>	<u>2,079,255</u>

The ECL for cash and short-term funds and deposits and placements with banks and other financial institutions above is nil (2022: 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-23			31-Dec-22		
	Contract/	Fair value		Contract/	Fair value	
	Notional	Assets	Liabilities	Notional	Assets	Liabilities
	amount	RM'000	RM'000	amount	RM'000	RM'000
	RM'000			RM'000		
Trading derivatives						
<u>Foreign exchange contracts:</u>						
Currency forward						
- Less than one year	2,852,727	3,447	(4,881)	1,976,886	15,017	(23,470)

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

	Bank Group and Bank	
	30-Sep-23	31-Dec-22
	RM'000	RM'000
Money market instruments		
<u>In Malaysia</u>		
Private mandate investments	240,345	240,357
Malaysian Government Investment Issues	963,327	-
	<u>1,203,672</u>	<u>240,357</u>

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

	Bank Group and Bank	
	30-Sep-23	31-Dec-22
	RM'000	RM'000
Money market instruments		
Malaysian Government Investment Issues	8,064,710	8,479,600
Debt securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	1,660,542	1,021,894
Government Guaranteed debt securities	1,661,285	1,891,286
	<u>11,386,537</u>	<u>11,392,780</u>

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:

	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	10	-	-	10
Total reversal to profit or loss:	59	-	-	59
New financial investments purchased during the year	62	-	-	62
Matured financial investments during the year	-	-	-	-
Changes in credit risk parameters	(3)	-	-	(3)
At 30 September 2023	<u>69</u>	<u>-</u>	<u>-</u>	<u>69</u>

	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
Total charge/(reversal) to profit or loss:	(4)	-	-	(4)
Matured financial investments during the year	(4)	-	-	(4)
At 31 December 2022	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>

10. Financial investments at amortised cost

	Bank Group and Bank 30-Sep-23 RM'000	31-Dec-22 RM'000
Money market instruments		
Malaysian Government Investment Issues	517,400	378,302
<u>In Malaysia</u>		
Private and Islamic debt securities	1,549,460	1,183,318
Government Guaranteed corporate sukuk	75,382	65,279
	<u>2,142,242</u>	<u>1,626,899</u>
Less: ECL		
- Stage 1	(707)	(868)
- Stage 2	-	(239)
	<u>2,141,535</u>	<u>1,625,792</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 2023	868	239	-	1,107
Charge/(Reversal) to profit or loss	(161)	(239)	-	(400)
Transfer to stage 1	239	(239)	-	-
Change in credit risk	(411)	-	-	(411)
New financial investments purchased during the period	11	-	-	11
ECL at 30 September 2023	<u>707</u>	<u>-</u>	<u>-</u>	<u>707</u>

	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
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 year	30	-	-	30
ECL at 31 December 2022	<u>868</u>	<u>239</u>	<u>-</u>	<u>1,107</u>

11. Financing and advances

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

**Bank Group and Bank
30-Sep-23**

	Tawarruq RM'000	Bai' RM'000	Ijarah RM'000	Total financing and advances RM'000
Term Financing	33,534,460	1,750,772	1,240,062	36,525,294
Property financing	7,662,769	1,666,175	-	9,328,944
Bridging financing	441,572	-	-	441,572
Hire purchase receivables	-	-	769,913	769,913
Auto financing	-	-	27,287	27,287
Personal financing	19,705,160	98	-	19,705,258
Other term financing	5,724,959	84,499	442,862	6,252,320
Cash line	171,946	-	-	171,946
Staff financing	26,624	-	1,945	28,569
Revolving credit	923,657	-	-	923,657
Trade finance	2,364,221	-	-	2,364,221
Gross financing and advances	37,020,908	1,750,772	1,242,007	40,013,687
Less: ECL				
- Stage 1				(307,085)
- Stage 2				(124,780)
- Stage 3				(805,006)
Net financing and advances				<u>38,776,816</u>

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

	Tawarruq RM'000	Bai' RM'000	Ijarah RM'000	Total financing and advances RM'000
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>

(ii) By residual contractual maturity

	Bank Group and Bank	
	30-Sep-23 RM'000	31-Dec-22 RM'000
Maturity within one year	4,372,007	4,310,073
More than one year to three years	2,276,792	1,721,488
More than three years to five years	2,480,862	2,144,712
More than five years	30,884,026	29,754,352
	<u>40,013,687</u>	<u>37,930,625</u>

11. Financing and advances (continued)

(iii) By economic purpose

	Bank Group and Bank	
	30-Sep-23	31-Dec-22
	RM'000	RM'000
Personal use	19,769,795	19,238,348
Construction	3,465,992	3,556,918
Purchase of landed property:		
- Residential	8,860,582	7,971,626
- Non-residential	945,544	923,224
Working capital	5,830,278	5,180,187
Purchase of transport vehicles	45,877	53,642
Purchase of other fixed assets	1,092,376	1,003,088
Purchase of other securities	355	369
Purchase of consumer durables	105	107
Others	2,783	3,116
	<u>40,013,687</u>	<u>37,930,625</u>

(iv) By type of customers

	Bank Group and Bank	
	30-Sep-23	31-Dec-22
	RM'000	RM'000
Domestic business enterprises		
- Small medium enterprise	3,162,177	2,658,304
- Non-bank financial institutions	777,278	1,422,819
- Others	6,271,933	6,162,095
Individuals		
- Malaysian nationals	29,029,130	27,559,728
- Foreign nationals	773,169	127,679
	<u>40,013,687</u>	<u>37,930,625</u>

(v) By sector

	Bank Group and Bank	
	30-Sep-23	31-Dec-22
	RM'000	RM'000
Household sectors	29,029,130	27,560,564
Construction	3,180,879	3,194,534
Finance, insurance, real estate and business services	2,621,443	3,394,664
Wholesale & retail trade and restaurants & hotels	1,302,001	1,084,469
Manufacturing	1,355,826	1,088,782
Electricity, gas and water	909,673	911,234
Transport, storage and communication	368,187	338,405
Agriculture	181,637	47,636
Mining and quarrying	177,297	65,077
Education, health and others	887,614	245,260
	<u>40,013,687</u>	<u>37,930,625</u>

(vi) By profit rate sensitivity

	Bank Group and Bank	
	30-Sep-23	31-Dec-22
	RM'000	RM'000
Fixed rate:		
Personal financing	13,586,222	14,704,765
Auto financing	29,231	47,105
Property financing	352,802	378,941
Bridging, structured and term financing	790,520	771,882
	<u>14,758,775</u>	<u>15,902,693</u>
Variable rate:		
Personal financing	6,119,035	4,457,223
Property financing	9,002,766	8,043,656
Bridging, structured and term financing	10,133,111	9,527,053
	<u>25,254,912</u>	<u>22,027,932</u>
	<u>40,013,687</u>	<u>37,930,625</u>

11. Financing and advances (continued)

(vii) By geographical distribution

	Bank Group and Bank	
	30-Sep-23	31-Dec-22
	RM'000	RM'000
Malaysia	40,013,687	37,930,625

(viii) Movement of gross financing and advances

30-Sep-23	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January	33,370,254	2,490,767	2,069,604	37,930,625
Transfer to stage 1	786,214	(722,651)	(63,563)	-
Transfer to stage 2	(540,785)	604,957	(64,172)	-
Transfer to stage 3	(181,556)	(348,244)	529,800	-
New financing/disbursement during the year	8,464,050	218,336	95,491	8,777,877
Repayment during the year	(6,120,680)	(188,325)	(249,471)	(6,558,476)
Other movements	11,318	(22,075)	95,532	84,775
Refinancing from MBSB	42	-	251	293
Reclassification from non-current asset held for sale	-	-	1,403	1,403
Write-offs	-	-	(222,810)	(222,810)
As at 30 September	35,788,857	2,032,765	2,192,065	40,013,687

31-Dec-22	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
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	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

(ix) Movement of ECL for financing and advances

30-Sep-23	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January	292,757	334,400	738,261	1,365,418
Charge/(Reversal) to profit or loss	14,328	(209,620)	288,081	92,789
Changes in ECL due to transfer within stages:				
- Transfer to stage 1	95,217	(51,899)	(43,318)	-
- Transfer to stage 2	(4,971)	40,828	(35,857)	-
- Transfer to stage 3	(2,532)	(81,713)	84,245	-
New financing/disbursement during the year	68,530	2,011	5,711	76,252
Repayment during the year	(167,606)	(108,978)	(44,048)	(320,632)
Changes in credit risk parameters #	25,689	(9,869)	321,205	337,025
Refinancing from MBSB	1	-	143	144
Reclassification from non-current asset held for sale	-	-	1,417	1,417
Write-offs	-	-	(222,753)	(222,753)
As at 30 September	307,085	124,780	805,006	1,236,871

11. Financing and advances (continued)

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

31-Dec-22	Bank Group and Bank			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
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	15	6,720	89,280	96,015
Reclassification to assets 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 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	
	30-Sep-23 RM'000	31-Dec-22 RM'000
Balance as at 1 January	2,069,604	963,529
Classified as impaired during the period	625,291	1,183,350
Reclassified as non-impaired	(127,735)	(53,591)
Amount recovered	(249,471)	(124,602)
Amount written off	(222,810)	(221,730)
Other movements	95,532	180,195
Refinancing from MBSB	251	130,239
Reclassification to assets held-for-sale	1,403	12,214
Balance as at end of financial period	2,192,065	2,069,604
Net impaired as a percentage of net financing and advances	3.58%	3.64%
Gross impaired financing and advances as a % of gross financing and advances	5.48%	5.46%

(xi) Impaired financing and advances by economic purpose

	Bank Group and Bank	
	30-Sep-23 RM'000	31-Dec-22 RM'000
Personal use	229,993	212,962
Construction	1,091,503	979,735
Purchase of landed property:		
- Residential	330,445	255,350
- Non-residential	213,574	280,034
Working Capital	300,358	311,709
Purchase of other fixed assets	23,460	24,744
Purchase of transport vehicles	2,732	4,866
Others	-	204
	2,192,065	2,069,604

11. Financing and advances (continued)

(xii) Impaired financing and advances by sector

	Bank Group and Bank	
	30-Sep-23	31-Dec-22
	RM'000	RM'000
Household sector	587,985	486,393
Construction	828,793	782,599
Finance, insurance, real estate and business services	206,648	194,807
Manufacturing	200,178	233,941
Education, health and others	83,594	84,900
Mining and quarrying	-	511
Wholesale & retail trade and restaurants & hotels	284,393	286,095
Transport, storage and communications	474	358
	<u>2,192,065</u>	<u>2,069,604</u>

(xiii) Impaired financing by geographical distribution

	Bank Group and Bank	
	30-Sep-23	31-Dec-22
	RM'000	RM'000
Malaysia	<u>2,192,065</u>	<u>2,069,604</u>

12. Non-current assets held for sale

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

13. Other receivables

	Bank Group		Bank	
	30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
	RM'000	RM'000	RM'000	RM'000
Amount due from subsidiary	-	-	-	71,825
Financing to related companies	407,243	494,820	407,243	494,820
Amount due from holding company	-	40,527	-	40,527
Amount due from related companies	103	335	103	335
Prepayments and deposits	34,599	15,845	34,599	15,846
Deferred expenses	54,595	41,706	54,595	41,706
Sundry receivables	102,030	20,959	98,710	17,899
	<u>598,570</u>	<u>614,192</u>	<u>595,250</u>	<u>682,958</u>
Less: ECL at stage 1	(4,075)	(4,414)	(4,075)	(4,414)
Less: ECL at stage 3	(13)	(94,852)	(13)	(94,852)
	<u>594,482</u>	<u>514,926</u>	<u>591,162</u>	<u>583,692</u>

14. 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 2023 is RM 2 (31 December 2022: RM 2).

15. Deposits from customers

(i) By type of deposits:

	Bank Group and Bank	
	30-Sep-23	31-Dec-22
	RM'000	RM'000
<u>Non-Mudharabah Funds:</u>		
Commodity Murabahah Term Deposits	31,595,813	26,895,884
Demand deposits	1,527,612	1,482,264
Savings deposits	820,456	734,551
	<u>33,943,881</u>	<u>29,112,699</u>

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

	Bank Group and Bank	
	30-Sep-23	31-Dec-22
	RM'000	RM'000
Within six months	23,819,091	19,673,851
More than six months to one year	5,685,759	4,421,626
More than one year to three years	819,976	1,366,471
More than three years	1,270,987	1,433,936
	<u>31,595,813</u>	<u>26,895,884</u>

(iii) By type of customers:

	Bank Group and Bank	
	30-Sep-23	31-Dec-22
	RM'000	RM'000
Government and statutory bodies	16,171,522	15,232,596
Business enterprises	12,073,924	9,065,228
Individuals	5,698,435	4,814,875
	<u>33,943,881</u>	<u>29,112,699</u>

16. Deposits and placements of banks and other financial institutions

		Bank Group and Bank	
		30-Sep-23	31-Dec-22
		RM'000	RM'000
(i) By type of deposits:			
	<u>Non-Mudharabah Funds:</u>		
	- Licensed Investment Banks	111,014	779
	- Licensed Commercial Banks	991	-
	- Licensed Islamic Banks	940,412	1,121,734
	- Other financial institutions	6,452,755	6,388,823
		<u>7,505,172</u>	<u>7,511,336</u>
(ii) By type of contract:			
	Tawarruq	<u>7,505,172</u>	<u>7,511,336</u>

17. Investment accounts of customers

		Bank Group and Bank	
		30-Sep-23	31-Dec-22
		RM'000	RM'000
	Wakalah unrestricted investment accounts	-	2,080,767

The investment account placements are used to fund personal financing.

		Bank Group and Bank	
		30-Sep-23	31-Dec-22
		RM'000	RM'000
(i) By type of customers:			
	Government and statutory bodies	-	1,626,676
	Other financial institutions	-	454,091
		<u>-</u>	<u>2,080,767</u>

		Bank Group and Bank	
		30-Sep-23	31-Dec-22
		RM'000	RM'000
(ii) Movement of investment accounts of customers:			
	At beginning of the financial period	2,080,767	2,094,914
	New placement during the financial period	2,526,300	5,795,123
	Redemption during the financial year	(4,592,220)	(5,809,189)
	Finance expense	31,473	52,685
	Profit distributed	(46,320)	(52,766)
	At end of financial period	<u>-</u>	<u>2,080,767</u>

17. Investment accounts of customers (continued)

		Bank Group and Bank	
		30-Sep-23	31-Dec-22
		RM'000	RM'000
(iii) By Maturity:			
Due within six months		-	1,926,610
More than six months to one year		-	154,157
		<u>-</u>	<u>2,080,767</u>
(iv) Rate of Return ("ROR") and Performance Incentive Fee based on residual maturity			
30-Sep-23	Investment Account Holder	Average ROR %	Bank Group Performance incentive fee %
Unrestricted investment accounts:			
Due within six months		-	-
More than six months to one year		-	-
31-Dec-22	Investment Account Holder	Average ROR %	Bank Group Performance incentive fee %
Unrestricted investment accounts:			
Due within six months		4.13	4.67
More than six months to one year		4.05	4.76

18. Other payables

	Bank Group		Bank	
	30-Sep-23	31-Dec-22	30-Sep-23	31-Dec-22
	RM'000	RM'000	RM'000	RM'000
Amount due to subsidiary	-	-	1,563,628	1,736,343
Amount due to MBSB	93,510	-	93,510	-
Al-Mudharabah security fund	119,628	132,944	119,628	132,944
ECL for commitments and contingencies (i)	31,147	52,351	31,147	52,351
Other provisions and accruals	58,735	99,837	58,718	99,817
Deferred income	1,362	1,314	1,362	1,314
Sundry creditors	357,776	222,233	357,698	222,233
	662,158	508,679	2,225,691	2,245,002

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

30-Sep-23	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
As at 1 January	15,146	32,369	4,836	52,351
Total charge/(reversal) to profit or loss	5,560	(23,971)	(2,782)	(21,193)
Changes in ECL due to transfer within stages:				
- Transfer to stage 1	1,942	(1,925)	(17)	-
- Transfer to stage 2	(882)	927	(45)	-
- Transfer to stage 3	(8)	(395)	403	-
New financing/disbursement during the period	8,825	210	45	9,080
Repayment/drawdown to financing during the period	(2,316)	(8,670)	(3,947)	(14,933)
Changes in credit risk parameters #	(2,001)	(14,118)	779	(15,340)
Change to model assumptions and methodologies ^	-	-	-	-
Write-off	-	-	(11)	(11)
As at 30 June	20,706	8,398	2,043	31,147

31-Dec-22	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
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 year	12,333	1,395	95	13,823
Repayment/drawdown to financing during the year	(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)
ECL as at 31 December	15,146	32,369	4,836	52,351

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

	Bank Group			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah:</u>				
Financing and advances	480,439	418,508	1,357,980	1,271,333
Financial investments at FVOCI	80,099	86,809	228,240	260,629
Financial investments at amortised cost	20,215	10,451	56,795	27,459
Financial investments at FVTPL	6,685	638	17,029	5,563
Money at call and deposits with financial institutions	12,736	7,543	32,099	18,928
Others	4,153	(7,365)	13,033	3,552
	<u>604,327</u>	<u>516,584</u>	<u>1,705,176</u>	<u>1,587,464</u>
of which financing income earned on impaired financing	<u>4,287</u>	<u>4,111</u>	<u>12,311</u>	<u>8,832</u>

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah:</u>				
Financing and advances	480,439	418,508	1,357,980	1,271,333
Financial investments at FVOCI	80,099	86,809	228,240	260,629
Financial investments at amortised cost	20,215	10,451	56,795	27,459
Financial investments at FVTPL	6,685	638	17,029	5,563
Money at call and deposits with financial institutions	8,540	3,918	20,839	8,975
Profit on Sukuk commodity murabahah	22,002	25,872	67,542	77,719
Others	4,149	(6,503)	13,996	5,893
	<u>622,129</u>	<u>539,693</u>	<u>1,762,421</u>	<u>1,657,571</u>
of which financing income earned on impaired financing	<u>4,287</u>	<u>4,111</u>	<u>12,311</u>	<u>8,832</u>

20. Income derived from investment of shareholders' funds

	Bank Group			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah:</u>				
Financing and advances	104,537	76,831	292,114	248,504
Financial investments at FVOCI	17,237	15,138	47,420	47,963
Financial investments at amortised cost	4,347	1,841	11,800	5,053
Financial investments at FVTPL	1,430	94	3,538	1,024
Money at call and deposits with financial institutions	2,724	1,333	6,669	3,483
Others	899	(1,408)	2,708	654
	<u>131,174</u>	<u>93,829</u>	<u>364,249</u>	<u>306,681</u>
of which financing income earned on impaired financing	<u>923</u>	<u>734</u>	<u>2,558</u>	<u>1,625</u>
<u>Other operating income:</u>				
Financing related fees	1,109	1,509	7,669	8,021
Gain/(loss) from sale of financial investments at FVOCI	2,669	(207)	(10,128)	(8,574)
Gain/(loss) from sale of financial investments at FVTPL	243	2,621	6,780	(18,449)
(Loss)/gain on financial investments at FVTPL	(378)	1,058	293	3,141
Commission	6,866	5,557	18,878	14,638
(Loss)/gain on foreign exchange transactions	(7,817)	2,017	(9,832)	8,881
Ta'widh	2,266	2,208	7,829	4,820
Sundry income	1,380	(1,011)	5,680	8,707
	<u>6,338</u>	<u>13,752</u>	<u>27,169</u>	<u>21,185</u>
	<u>137,512</u>	<u>107,581</u>	<u>391,418</u>	<u>327,866</u>
Bank				
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah:</u>				
Financing and advances	104,537	76,831	292,114	248,504
Financial investments at FVOCI	17,237	15,138	47,420	47,963
Financial investments at amortised cost	4,347	1,841	11,800	5,053
Financial investments at FVTPL	1,430	94	3,538	1,024
Money at call and deposits with financial institutions	1,824	697	4,330	1,652
Profit on Sukuk commodity murabahah	4,755	4,511	14,033	14,302
Others	902	(1,256)	2,908	1,085
	<u>135,032</u>	<u>97,856</u>	<u>376,143</u>	<u>319,583</u>
of which financing income earned on impaired financing	<u>923</u>	<u>734</u>	<u>2,558</u>	<u>1,625</u>
<u>Other operating income:</u>				
Financing related fees	1,109	1,509	7,669	8,021
Gain/(loss) from sale of financial investments at FVOCI	2,669	(207)	(10,128)	(8,574)
Gain/(loss) from sale of financial investments at FVTPL	243	2,621	6,780	(18,449)
(Loss)/gain on financial investments at FVTPL	(378)	1,058	293	3,141
Commission	6,866	5,557	18,878	14,638
(Loss)/gain on foreign exchange transactions	(7,817)	2,017	(9,832)	8,881
Ta'widh	2,266	2,208	7,829	4,820
Sundry income	1,399	(970)	5,737	8,748
	<u>6,357</u>	<u>13,793</u>	<u>27,226</u>	<u>21,226</u>
	<u>141,389</u>	<u>111,649</u>	<u>403,369</u>	<u>340,809</u>

21. Income derived from investment of investment accounts' funds

	Bank Group and Bank			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-23 RM'000	30-Sep-22 RM'000	30-Sep-23 RM'000	30-Sep-22 RM'000
Financing and advances	4,884	22,795	47,999	79,037
	<u>4,884</u>	<u>22,795</u>	<u>47,999</u>	<u>79,037</u>

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

	Bank Group and Bank			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-23 RM'000	30-Sep-22 RM'000	30-Sep-23 RM'000	30-Sep-22 RM'000
<u>ECL on financing and advances made/(written back)</u>				
Financing and advances				
- Stage 1	59,969	10,510	14,328	51,418
- Stage 2	(57,271)	(14,158)	(209,620)	(229,760)
- Stage 3	73,310	190,293	288,081	581,029
Credit impaired financing and advances:				
- Write-off	5,849	3,582	23,713	11,375
- Recovered	(6,888)	(10,756)	(35,975)	(20,683)
	<u>74,969</u>	<u>179,471</u>	<u>80,527</u>	<u>393,379</u>
<u>Other ECL and impairment allowances made/(written back):</u>				
Financial investments at FVOCI	10	(3)	59	(7)
Financial investments at amortised cost	(163)	(220)	(401)	(276)
Other receivables	-	-	1	(143)
Financing to related companies	(180)	(17,591)	535	(12,264)
Financing commitments and financial guarantees	3,632	502	(21,193)	(7,862)
	<u>3,299</u>	<u>(17,312)</u>	<u>(20,999)</u>	<u>(20,552)</u>
	<u>78,268</u>	<u>162,159</u>	<u>59,528</u>	<u>372,827</u>

23. Income attributable to depositors and others

	Bank Group			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-23 RM'000	30-Sep-22 RM'000	30-Sep-23 RM'000	30-Sep-22 RM'000
(a) Income attributable to depositors				
Deposits from customers:				
- Non-mudharabah funds	324,870	224,944	877,980	630,327
Deposits and placements of banks				
- Non-mudharabah funds	61,051	1,548	182,650	4,338
	<u>385,921</u>	<u>226,492</u>	<u>1,060,630</u>	<u>634,665</u>
(b) Income attributable to securitisation	39,501	35,944	120,794	107,941
(c) Income attributable to sukuk and other borrowings	37,275	33,117	98,773	96,252
(d) Income attributable to wakalah unrestricted investment account	3,929	12,759	31,473	37,226
	<u>466,626</u>	<u>308,312</u>	<u>1,311,670</u>	<u>876,084</u>

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-23 RM'000	30-Sep-22 RM'000	30-Sep-23 RM'000	30-Sep-22 RM'000
(a) Income attributable to depositors				
Deposits from customers:				
- Non-mudharabah funds	324,870	224,944	877,980	630,327
Deposits and placements of banks				
- Non-mudharabah funds	61,051	1,548	182,650	4,338
	<u>385,921</u>	<u>226,492</u>	<u>1,060,630</u>	<u>634,665</u>
(b) Income attributable to securitisation	39,501	35,944	120,794	107,942
(c) Income attributable to sukuk and other borrowings	37,275	33,117	98,773	96,252
(d) Income attributable to wakalah unrestricted investment account	3,929	12,759	31,473	37,226
(e) Others	16,270	28,574	51,728	98,395
	<u>482,896</u>	<u>336,886</u>	<u>1,363,398</u>	<u>974,480</u>

24. Personnel expenses

	Bank Group and Bank			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-23 RM'000	30-Sep-22 RM'000	30-Sep-23 RM'000	30-Sep-22 RM'000
Salaries, allowances and bonuses	69,664	63,906	201,723	175,003
Contributions to EPF and SOCSO	10,754	11,444	32,172	30,777
Directors' remuneration	465	603	1,416	1,988
Shariah Advisory Committee members' remuneration	199	151	559	407
Other staff related expenses	11,685	10,068	34,260	28,692
	<u>92,767</u>	<u>86,172</u>	<u>270,130</u>	<u>236,867</u>

25. Other overhead expenses

	Bank Group			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000
<u>Establishment related expenses</u>				
Depreciation of property and equipment	7,439	6,092	21,203	14,351
Depreciation of right of use assets	10,457	10,612	32,537	33,943
Amortisation of intangible assets	9,524	10,278	29,772	29,748
Software and hardware maintenance	16,453	13,682	39,098	38,424
Security expenses	2,107	1,284	3,611	2,424
Lease profit expense	954	163	1,729	931
Others	549	2,468	2,747	5,516
	<u>47,483</u>	<u>44,579</u>	<u>130,697</u>	<u>125,337</u>
<u>Promotion and marketing related expenses</u>				
Advertising and promotional activities	947	3,310	9,995	8,130
	<u>947</u>	<u>3,310</u>	<u>9,995</u>	<u>8,130</u>
<u>General administrative expenses</u>				
License, association fees and levies	146	-	437	470
Travelling, transport and accommodation expenses	1,041	651	2,823	1,403
Printing, stationery, postage and clearing charges	1,985	1,421	5,617	3,580
Electricity and water	1,696	973	4,871	2,791
Other professional fees	6,770	(5,320)	10,575	10,636
Auditors remuneration	521	301	1,122	902
Repair and maintenance of office equipment	383	296	1,162	308
Others	10,362	6,046	4,861	10,977
	<u>22,904</u>	<u>4,368</u>	<u>31,468</u>	<u>31,067</u>
<u>Commission fees</u>				
Angkasa charges	6,021	6,544	18,318	15,442
Commission fees	(3,504)	7,161	10,481	16,954
	<u>2,517</u>	<u>13,705</u>	<u>28,799</u>	<u>32,396</u>
Inter-company recharges^	(2,288)	(3,248)	(6,864)	(9,743)
	<u>71,563</u>	<u>62,714</u>	<u>194,095</u>	<u>187,187</u>

25. Other overhead expenses (continued)

	Bank			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000
<u>Establishment related expenses</u>				
Depreciation of property and equipment	7,439	6,092	21,203	14,351
Depreciation of right-of-use assets	10,457	10,612	32,537	33,943
Amortisation of intangible assets	9,524	10,278	29,772	29,748
Software and hardware maintenance	16,453	13,682	39,098	38,424
Security expenses	2,107	1,284	3,611	2,424
Lease profit expense	954	163	1,729	931
Others	549	2,468	2,747	5,516
	<u>47,483</u>	<u>44,579</u>	<u>130,697</u>	<u>125,337</u>
<u>Promotion and marketing related expenses</u>				
Advertising and promotional activities	950	3,310	9,998	8,130
	<u>950</u>	<u>3,310</u>	<u>9,998</u>	<u>8,130</u>
<u>General administrative expenses</u>				
License and association fees and levies	146	-	437	470
Travelling, transport and accommodation expenses	1,041	651	2,823	1,403
Printing, stationery, postage and clearing charges	1,985	1,421	5,617	3,580
Electricity and water	1,696	973	4,871	2,791
Other professional fees	6,763	(5,321)	10,544	10,554
Auditors remuneration	517	297	1,112	892
Repair and maintenance of office equipment	383	308	1,162	308
Others	10,284	6,065	4,627	10,779
	<u>22,815</u>	<u>4,394</u>	<u>31,193</u>	<u>30,777</u>
<u>Commission fees</u>				
Angkasa charges	6,021	6,544	18,318	15,442
Commission fees	(3,504)	7,161	10,481	16,954
	<u>2,517</u>	<u>13,705</u>	<u>28,799</u>	<u>32,396</u>
Inter-company recharges [^]	(2,668)	(3,513)	(8,003)	(10,538)
	<u>71,097</u>	<u>62,475</u>	<u>192,684</u>	<u>186,102</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 (expense)/income, net of tax

	Bank Group and Bank			
	3rd Quarter Ended		Nine Months Ended	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000
Net (loss)/gain from change in fair value of financial investments at FVOCI	(35,232)	(33,020)	123,576	(356,508)
Changes in ECL of financial investments at FVOCI	10	(3)	59	(7)
	<u>(35,222)</u>	<u>(33,023)</u>	<u>123,635</u>	<u>(356,515)</u>

27. 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.

	Principal amount	Credit equivalent amount	Risk weighted amount
	RM'000	RM'000	RM'000
Bank Group and Bank			
30-Sep-23			
Direct credit substitutes	13,260	13,260	13,260
Trade-related contingencies	68,001	34,001	34,001
Short term self liquidating trade related contingencies	69,152	13,830	13,830
Irrevocable commitments to extend credit:			
- one year or less	1,989,582	397,910	397,910
- over one year to five years	1,704,934	850,432	756,519
- over five years	364,009	182,004	182,004
Foreign exchange related contracts			
- one year or less	2,852,727	46,235	13,982
	<u>7,061,665</u>	<u>1,537,672</u>	<u>1,411,506</u>
Bank Group and Bank			
31-Dec-22			
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>

28. Segmental information on revenue and results

3rd Quarter Ended

	Consumer Banking		Corporate Banking		Global Markets		Others		Inter-segment elimination		Total	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>External:</u>												
Fund based income	414,939	402,298	182,398	120,183	132,902	115,237	10,148	(4,510)	-	-	740,387	633,208
Non-fund based income	6,035	(4,796)	1,658	(10,873)	(2,475)	3,575	5,504	3,438	-	-	10,722	(8,656)
<u>Inter-segment</u>												
Fund based income	81,575	30,383	-	-	-	-	54,818	(84,559)	(26,757)	54,176	109,636	-
Total revenue	502,549	427,885	184,056	109,310	130,427	118,812	70,470	(85,631)	(26,757)	54,176	860,745	624,552
Profit before zakat and tax	(32,564)	15,967	38,269	(34,418)	(37,249)	33,318	69,043	12,736	-	-	37,499	27,603
Taxation											10,877	(21,470)
Zakat											(2,837)	(3,177)
Net profit for the period											45,539	2,956
Segment assets	28,668,195	26,604,804	10,641,621	9,385,269	15,226,937	13,524,425	1,305,758	-	-	-	55,842,511	49,514,498
Tax recoverable											24,297	1,163
Deferred tax assets											92,416	152,196
Unallocated assets											1,150,985	1,332,236
Total assets											57,110,209	51,000,093
Segment liabilities	14,604,030	27,367,097	4,832,830	6,182,516	24,742,906	9,007,202	4,333,060	282,889	-	-	48,512,826	42,839,704
Provision for taxation and zakat											34,580	46,767
Unallocated liabilities											719,141	618,772
Total liabilities											49,266,547	43,505,243

28. Segmental information on revenue and results (cont'd.)

Nine Months Ended

	Consumer Banking		Corporate Banking		Global Markets		Others		Inter-segment elimination		Total	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>External:</u>												
Fund based income	1,214,987	1,269,225	505,353	345,095	367,745	342,871	29,340	15,991	-	-	2,117,425	1,973,182
Non-fund based income	16,764	12,621	9,732	9,946	(8,060)	(23,790)	567	-	-	-	19,003	(1,223)
<u>Inter-segment</u>												
Fund based income	81,575	92,021	-	-	-	-	-	-	(81,575)	(92,021)	-	-
Total revenue	1,313,326	1,373,867	515,085	355,041	359,685	319,081	29,907	15,991	(81,575)	(92,021)	2,136,428	1,971,959
Profit before												
zakat and tax	121,278	187,481	109,705	35,195	(69,552)	69,453	147,739	20,312	-	-	309,170	312,441
Taxation											(62,030)	(80,819)
Zakat											(2,837)	(3,177)
Net profit for the period											244,303	228,445
Segment assets	28,668,195	26,604,804	10,641,621	9,385,269	15,226,937	13,524,425	1,305,758	-	-	-	55,842,511	49,514,498
Tax recoverable											24,297	1,163
Deferred tax assets											92,416	152,196
Unallocated assets											1,150,985	1,332,236
Total assets											57,110,209	51,000,093
Segment liabilities	14,604,030	27,367,097	4,832,830	6,182,516	24,742,906	9,007,202	4,333,060	282,889	-	-	48,512,826	42,839,704
Provision for taxation											34,580	46,767
Deferred tax liabilities											-	-
Unallocated liabilities											719,141	618,772
Total liabilities											49,266,547	43,505,243

29. Financial risk management

29.1 Credit quality

(i) Financing and advances

Financing and advances are summarised as follows:

30-Sep-23

	Bank Group and Bank			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
<u><i>Neither past due nor impaired</i></u>				
Corporate financing				
Excellent	104,708	225	-	104,933
Good	3,725,169	14,400	-	3,739,569
Average	4,492,430	365,464	-	4,857,894
Below Average	469,572	117,898	-	587,470
Poor	8,001	-	-	8,001
Unrated	-	-	-	-
Retail financing	26,988,978	1,101,857	-	28,090,835
Total neither past due not impaired	35,788,858	1,599,844	-	37,388,702
<u><i>Past due but not impaired</i></u>				
Corporate financing				
Excellent	-	227	-	227
Good	-	5,907	-	5,907
Average	-	4,327	-	4,327
Below Average	-	-	-	-
Poor	-	-	-	-
Retail financing	-	422,459	-	422,459
Total past due but not impaired	-	432,920	-	432,920
<u><i>Impaired</i></u>				
Corporate financing	-	-	589,608	589,608
Retail financing	-	-	1,602,457	1,602,457
Gross financing and advances	35,788,858	2,032,764	2,192,065	40,013,687
Less: ECL	(307,085)	(124,780)	(805,006)	(1,236,871)
Net financing and advances	35,481,773	1,907,984	1,387,059	38,776,816

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-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	142,128	547	-	142,675
Good	3,294,094	153,757	-	3,447,851
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 nor impaired	33,172,254	1,357,752	-	34,530,006
<u>Past due but not impaired</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>Impaired</u>				
Corporate financing	-	-	494,393	494,393
Retail financing	-	-	1,575,211	1,575,211
Gross financing and advances	33,172,254	2,490,767	2,069,604	37,732,625
Less: ECL	(292,757)	(334,400)	(738,261)	(1,365,418)
Net financing and advances	32,879,497	2,156,367	1,331,343	36,367,207

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:

<u>Bank Group</u>	Stage 1	Stage 2	Stage 3	Total
30-Sep-23	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds				
AAA	997,995	-	-	997,995
	997,995	-	-	997,995
Deposits and placements with banks and other financial institutions				
AAA	650,022	-	-	650,022
AA and below	32	-	-	32
	650,054	-	-	650,054
Debt investments				
AAA	1,956,694	-	-	1,956,694
AA and below	713,365	-	-	713,365
Unrated *	11,856,540	205,145	-	12,061,685
	14,526,599	205,145	-	14,731,744
Other financial assets				
Unrated	374,366	-	55,932	430,298
	374,366	-	55,932	430,298
<u>Bank Group</u>				
31-Dec-22	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds				
AAA	1,838,469	-	-	1,838,469
	1,838,469	-	-	1,838,469
Deposits and placements with banks and other financial institutions				
AAA	597,714	-	-	597,714
AA and below	32	-	-	32
	597,746	-	-	597,746
Debt investments				
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
Other financial assets				
Unrated	400,693	-	60,567	461,260
	400,693	-	60,567	461,260

* Unrated debt investments for Bank Group and Bank include government guaranteed securities of RM10,318,777,000 (2022: RM10,814,467,000)

29. Financial risk management (continued)

29.1 Credit quality (continued)

(ii) Other financial assets (continued)

Bank

	Stage 1	Stage 2	Stage 3	Total
30-Sep-23	RM'000	RM'000	RM'000	RM'000

Cash and short-term funds

AAA	997,995	-	-	997,995
	997,995	-	-	997,995

Debt investments

AAA	1,956,694	-	-	1,956,694
AA and below	713,365	-	-	713,365
Unrated *	11,856,540	205,145	-	12,061,685
	14,526,599	205,145	-	14,731,744

Other financial assets

Unrated	369,876	-	55,932	425,808
	369,876	-	55,932	425,808

Bank

	Stage 1	Stage 2	Stage 3	Total
31-Dec-22	RM'000	RM'000	RM'000	RM'000

Cash and short-term funds

AAA	1,838,469	-	-	1,838,469
	1,838,469	-	-	1,838,469

**Deposits and placements with
banks and other financial
institutions**

AA and below	-	-	-	-
	-	-	-	-

Debt investments

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

Other financial assets

Unrated	469,458	-	60,567	530,025
	469,458	-	60,567	530,025

* Unrated debt investments for Bank Group and Bank include government guaranteed securities of RM10,318,777,000 (2022: RM10,814,467,000)

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 RM'000
	Up to 1 months	1-3 months	3-12 months	1-5 years	Over 5 years	Non-profit sensitive	Trading book	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
30-Sep-23								
<u>Financial Assets</u>								
Cash and short-term funds	499,932	-	-	-	-	575,874	-	1,075,806
Deposits and placements								
with financial institutions	32	140,882	706,439	-	-	-	-	847,353
Derivative financial assets	2,231	369	847	-	-	-	-	3,447
Financial investments at FVTPL	-	-	-	-	-	-	1,203,672	1,203,672
Financial investments at FVOCI	-	20,012	502,748	4,487,700	6,240,163	135,914	-	11,386,537
Financial investments at amortised cost	-	2,999	119,283	970,797	1,021,414	27,042	-	2,141,535
Financing and advances *	19,120,213	564,542	3,242,420	1,283,968	13,178,615	1,387,058	-	38,776,816
Assets held for sale	-	-	-	-	-	-	-	-
Other financial assets ^	-	-	-	-	-	509,404	-	509,404
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	720,000	-	720,000
Total financial assets	19,622,408	728,804	4,571,737	6,742,465	20,440,192	3,355,292	1,203,672	56,664,570

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

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-23								
<u>Financial Liabilities</u>								
Deposits from customers	9,069,956	9,971,200	10,463,696	2,081,907	9,055	2,348,067	-	33,943,881
Deposits and placements of banks	4,049,585	1,548,547	1,467,016	305,180	-	134,844	-	7,505,172
Investment accounts of customers	-	-	-	-	-	-	-	-
Islamic repurchase agreement	-	-	581,732	-	-	-	-	581,732
Derivative financial liabilities	3,322	725	834	-	-	-	-	4,881
Other financial liabilities#	-	-	-	-	-	662,158	-	662,158
Lease liabilities	3,627	6,701	19,167	27,487	-	-	-	56,982
Recourse obligation on financing sold	5,195	61,326	175,652	3,854,540	-	13,234	-	4,109,947
Sukuk-MBSB SC Murabahah	74,602	64,708	94,514	426,737	73,738	15,262	-	749,561
Sukuk Wakalah	-	-	-	200,000	1,392,607	25,046	-	1,617,653
Total financial liabilities	13,206,287	11,653,207	12,802,611	6,895,851	1,475,400	3,198,611	-	49,231,967
Total profit-sensitivity gap	6,416,121	(10,924,403)	(8,230,874)	(153,386)	18,964,792	156,681	1,203,672	7,432,603

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-23								
<u>Financial Assets</u>								
Cash and short-term funds	499,932	-	-	-	-	524,814	-	1,024,746
Deposits and placements with financial institutions	-	140,882	-	-	-	-	-	140,882
Derivative financial assets	2,231	369	847	-	-	-	-	3,447
Financial investments at FVTPL	-	-	-	-	-	-	1,203,672	1,203,672
Financial investments at FVOCI	-	20,012	502,748	4,487,700	6,240,163	135,914	-	11,386,537
Financial investments at amortised cost	-	2,999	119,283	970,797	1,021,414	27,042	-	2,141,535
Financing and advances *	19,120,213	564,542	3,242,420	1,283,968	13,178,615	1,387,058	-	38,776,816
Assets held for sale	-	-	-	-	-	-	-	-
Sukuk Commodity Murabahah	516,601	67,293	99,392	936,651	429,034	20,431	-	2,069,402
Other financial assets ^	-	-	-	-	-	506,084	-	506,084
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	720,000	-	720,000
Total financial assets	20,138,977	796,097	3,964,690	7,679,116	20,869,226	3,321,343	1,203,672	57,973,121

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

29. Financial risk management (continued)

29.2 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
30-Sep-23								
<u>Financial Liabilities</u>								
Deposits from customers	9,069,956	9,971,200	10,463,696	2,081,907	9,055	2,348,067	-	33,943,881
Deposits and placements of banks	4,049,585	1,548,547	1,467,016	305,180	-	134,844	-	7,505,172
Investment accounts of customers	-	-	-	-	-	-	-	-
Derivative financial liabilities	3,322	725	834	-	-	-	-	4,881
Islamic repurchase agreement	-	-	581,732	-	-	-	-	581,732
Other financial liabilities#	-	-	-	-	-	2,224,329	-	2,224,329
Lease liabilities	3,627	6,701	19,167	27,487	-	-	-	56,982
Recourse obligation on financing sold	5,195	61,326	175,652	3,854,540	-	13,234	-	4,109,947
Sukuk-MBSB SC Murabahah	74,602	64,708	94,514	426,737	73,738	15,262	-	749,561
Sukuk Wakalah	-	-	-	200,000	1,392,607	25,046	-	1,617,653
Total financial liabilities	13,206,287	11,653,207	12,802,611	6,895,851	1,475,400	4,760,782	-	50,794,138
Total profit-sensitivity gap	6,932,690	(10,857,110)	(8,837,921)	783,265	19,393,826	(1,439,439)	1,203,672	7,178,983

Other financial liabilities exclude deferred income.

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-22								
<u>Financial Assets</u>								
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 *	16,443,898	36,940	3,362,151	1,290,475	14,100,401	1,331,342	-	36,565,207
Assets held for sale	-	-	-	-	-	564	-	564
Other financial assets	-	-	-	-	-	461,260	-	461,260
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	610,000	-	610,000
Total financial assets	18,290,369	133,952	4,615,065	6,320,724	21,206,735	2,894,339	240,357	53,701,541

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

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 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-22								
Financial Liabilities								
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	-	-	-	-	-	507,365	-	507,365
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
Total financial liabilities	14,689,090	10,075,853	10,311,671	8,670,066	1,475,749	828,703	-	46,051,132
Total profit-sensitivity gap	3,601,279	(9,941,901)	(5,696,606)	(2,349,342)	19,730,986	2,065,636	240,357	7,650,409

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-22								
Financial Assets								
Cash and short-term funds	1,838,469	-	-	-	-	240,786	-	2,079,255
Deposits and placements with financial institutions	-	-	-	-	-	-	-	-
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 *	16,443,898	36,940	3,362,151	1,290,475	14,100,401	1,331,342	-	36,565,207
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
Total financial assets	18,678,196	133,952	4,258,531	7,347,636	21,634,740	2,870,084	240,357	55,163,496

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

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-22								
Financial Liabilities								
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	-	-	-	-	507,345	-	2,243,688
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
Total financial liabilities	16,425,433	10,075,853	10,311,671	8,670,066	1,475,749	828,683	-	47,787,455
Total profit-sensitivity gap	2,252,763	(9,941,901)	(6,053,140)	(1,322,430)	20,158,991	2,041,401	240,357	7,376,041

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) dated 9 December 2020. The total risk-weighted assets are computed based on Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk.

The Capital Adequacy Framework for Islamic Banks (Capital Components) has provided for an optional transitional arrangement for regulatory capital treatment of expected credit losses ("ECL") provisions.

This 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-23 RM'000	30-Sep-23 RM'000	31-Dec-22 RM'000	31-Dec-22 RM'000
<u>Common Equity Tier 1 ("CET 1") Capital</u>				
Ordinary share capital	6,427,972	6,427,972	6,427,972	6,427,972
Retained profits exclude merger reserve	972,913	972,913	1,483,063	1,483,063
Other reserves	(148,411)	(148,411)	(341,367)	(341,367)
	<u>7,252,474</u>	<u>7,252,474</u>	<u>7,569,668</u>	<u>7,569,668</u>
Less : Regulatory adjustments				
Deferred tax assets	(92,416)	(92,416)	(107,238)	(107,238)
55% cumulative gains on FVOCI instruments	(19,225)	(19,225)	(10,856)	(10,856)
Regulatory reserve	(69,320)	(69,320)	-	-
Intangible assets	(87,857)	(87,857)	(96,157)	(96,157)
Other CET 1 regulatory adjustments	-	-	-	-
Total CET 1 Capital	<u>6,983,656</u>	<u>6,983,656</u>	<u>7,355,417</u>	<u>7,355,417</u>

Tier 1 Capital

Additional Tier 1 capital instruments	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-
Total Tier 1 capital	<u>6,983,656</u>	<u>6,983,656</u>	<u>7,355,417</u>	<u>7,355,417</u>

Tier 2 Capital

Stage 1 & Stage 2 ECL [^]	507,185	507,185	443,911	443,911
Tier 2 capital instruments	1,300,000	1,300,000	1,300,000	1,300,000
Total Tier 2 capital	<u>1,807,185</u>	<u>1,807,185</u>	<u>1,743,911</u>	<u>1,743,911</u>
Total capital base	<u>8,790,841</u>	<u>8,790,841</u>	<u>9,099,328</u>	<u>9,099,328</u>

[^] 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	without TA	with TA	without TA
	30-Sep-23 RM'000	30-Sep-23 RM'000	31-Dec-22 RM'000	31-Dec-22 RM'000
<u>Total risk weighted assets ("RWA")</u>				
- Credit risk	40,574,792	40,574,792	35,512,865	35,512,865
- Market risk	710,066	710,066	90,857	90,857
- Operational risk	2,610,740	2,610,740	2,733,427	2,733,427
Total RWA	<u>43,895,598</u>	<u>43,895,598</u>	<u>38,337,149</u>	<u>38,337,149</u>
<u>Capital adequacy ratios</u>				
CET 1 capital ratio	15.910%	15.910%	19.186%	19.186%
Tier 1 capital ratio	15.910%	15.910%	19.186%	19.186%
Total capital ratio	<u>20.027%</u>	<u>20.027%</u>	<u>23.735%</u>	<u>23.735%</u>

30. Capital adequacy (continued)

	Bank			
	with TA 30-Sep-23 RM'000	without TA 30-Sep-23 RM'000	with TA 31-Dec-22 RM'000	without TA 31-Dec-22 RM'000
<u>Common Equity Tier 1 ("CET 1") Capital</u>				
Ordinary share capital	6,427,972	6,427,972	6,427,972	6,427,972
Retained profits exclude merger reserve	1,045,219	1,045,219	1,555,371	1,555,371
Other reserves	(148,411)	(148,411)	(341,367)	(341,367)
	<u>7,324,780</u>	<u>7,324,780</u>	<u>7,641,976</u>	<u>7,641,976</u>
Less : Regulatory adjustments				
Deferred tax assets	(92,416)	(92,416)	(107,238)	(107,238)
55% cumulative gains on FVOCI instruments	(19,225)	(19,225)	(10,860)	(10,860)
Regulatory reserve	(69,320)	(69,320)	-	-
Intangible assets	(87,857)	(87,857)	(96,157)	(96,157)
Other CET 1 regulatory adjustments	-	-	-	-
Total CET 1 Capital	<u>7,055,962</u>	<u>7,055,962</u>	<u>7,427,721</u>	<u>7,427,721</u>
<u>Tier 1 Capital</u>				
Additional Tier 1 capital instruments	-	-	-	-
Less: Tier 1 regulatory adjustments	-	-	-	-
Total Tier 1 capital	<u>7,055,962</u>	<u>7,055,962</u>	<u>7,427,721</u>	<u>7,427,721</u>
<u>Tier 2 Capital</u>				
Stage 1 & Stage 2 ECL ^	530,291	530,291	469,580	469,580
Tier 2 capital instruments	1,300,000	1,300,000	1,300,000	1,300,000
Total Tier 2 capital	<u>1,830,291</u>	<u>1,830,291</u>	<u>1,769,580</u>	<u>1,769,580</u>
Total capital base	<u>8,886,253</u>	<u>8,886,253</u>	<u>9,197,301</u>	<u>9,197,301</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 30-June-23 RM'000	without TA 30-June-23 RM'000	with TA 31-Dec-22 RM'000	without TA 31-Dec-22 RM'000
<u>Total risk weighted assets ("RWA")</u>				
- Credit risk	42,448,522	42,448,522	37,566,371	37,566,371
- Market risk	710,066	710,066	90,857	90,857
- Operational risk	2,625,161	2,625,161	2,693,139	2,693,139
Total RWA	<u>45,783,749</u>	<u>45,783,749</u>	<u>40,350,367</u>	<u>40,350,367</u>
<u>Capital adequacy ratios</u>				
CET 1 capital ratio	15.411%	15.411%	18.408%	18.408%
Tier 1 capital ratio	15.411%	15.411%	18.408%	18.408%
Total capital ratio	<u>19.409%</u>	<u>19.409%</u>	<u>22.794%</u>	<u>22.794%</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 30 September 2023, URIA risk weighted assets excluded from the Total Capital Ratio calculation amounted to RM nil (31 December 2022: RM2,011.5 mil).

PERFORMANCE REVIEW FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2023

1. Performance Review

Outlook for 2023

The International Monetary Fund forecast a global economic slowdown in 2023, with a predicted growth of 2.0% in its latest October 2023 forecast. In line with this trend, Malaysia's economy is expected to also moderate to 4.0% compared to 8.7% in 2022 according to the Ministry of Finance.

Bank Negara Malaysia ("BNM") took measures to raise the Overnight Policy Rate ("OPR") by a cumulative 125 basis points to 3.0%, the latest in May 2023. At the current OPR level, the monetary policy stance is slightly accommodative and remains supportive of the economy. According to BNM, they will remain vigilant to ongoing developments, and will continue to monitor incoming data to inform the assessment on the outlook of domestic inflation and growth. Given this outlook, our business strategy for the coming year will focus more on strengthening our core retail segment while targeting a wider group of commercial customers to facilitate financing growth.

The acquisition of Malaysian Industrial Development Finance Berhad ("MIDF") by the holding company, Malaysia Building Society Berhad ("MBSB") completed on 2 October 2023. MIDF is now a wholly-owned subsidiary of MBSB and Permodalan Nasional Berhad emerged as a substantial shareholder of MBSB with an equity stake of 12.78%. The Employees Provident Fund's shareholding in MBSB is reduced from 65.78% to 57.45%.

This acquisition is strategically compelling as the enlarged MBSB Group would emerge more financially resilient and as a major player in Islamic banking, with a strengthened capacity through a bigger balance sheet, a wider reach and a whole range of new offerings from Consumer Banking, Commercial & SME Banking to Corporate & Investment Banking businesses.

With its combined strengths, the Bank Group is well-positioned to provide customers with better service, innovative products, personalised experiences, and greater sustainability.

MBSB BANK BERHAD (200501033981 / 716122-P)

(Incorporated in Malaysia)

1. Performance Review (continued)**Income statement****Current Year Quarter vs Preceding Year Corresponding Quarter**

	Current Year Quarter 30-Sep-23 (3Q23) RM'000	Preceding Year Corresponding Quarter 30-Sep-22 (3Q22) RM'000	Changes	
			RM'000	%
Income derived from investment of depositors' funds	604,327	516,584	87,743	17.0%
Income derived from investment of shareholders' funds	137,512	107,581	29,931	27.8%
Income derived from investment of investment accounts' funds	4,884	22,795	(17,911)	(78.6)%
Total income derived from investment of depositors, shareholders and investment account funds	746,723	646,960	99,763	15.4%
Expected credit losses on financing and advances and other impairment	(78,268)	(162,159)	83,891	(51.7)%
Total net income	201,829	176,489	25,340	14.4%
Total overhead expenses	(164,330)	(148,886)	(15,444)	10.4%
Profit before tax	37,499	27,603	9,896	35.9%
Profit after tax	45,539	2,956	42,583	100.0%
Profit attributable to owner of the Bank	45,539	2,956	42,583	100.0%

Current Year Quarter vs Immediate Preceding Quarter

	Current Year Quarter 30-Sep-23 (3Q23) RM'000	Immediate Preceding Quarter 30-June-23 (2Q23) RM'000	Changes	
			RM'000	%
Income derived from investment of depositors' funds	604,327	572,411	31,916	5.6%
Income derived from investment of shareholders' funds	137,512	134,096	3,416	2.5%
Income derived from investment of investment accounts' funds	4,884	14,422	(9,538)	(66.1)%
Total income derived from investment of depositors, shareholders and investment account funds	746,723	720,929	25,794	3.6%
Expected credit losses on financing and advances and other impairment	(78,268)	54,299	(132,567)	>-100%
Total net income	201,829	340,312	(138,483)	(40.7)%
Total overhead expenses	(164,330)	(175,744)	11,414	(6.5)%
Profit before tax	37,499	164,568	(127,069)	(77.2)%
Profit after tax	45,539	103,500	(57,961)	(56.0)%
Profit attributable to owner of the Bank	45,539	103,500	(57,961)	(56.0)%

The Bank Group's total income derived from investment of depositors', shareholders' and investment accounts' funds recorded at RM 746.7 mil, an increase of 15.4% and 3.6% as compared to 3Q22 and 2Q23 respectively. The increase is contributed by higher overall increase in the profit income from financing and advances.

1. Performance Review (continued)

On impairment, the Bank Group recorded additional impairment in the current quarter mainly from consumer segment. The additional impairment is in line with increase in gross impaired financing.

The Bank Group recorded higher OPEX compared to 3Q22 following higher personal costs and general admin costs. However as compared to 2Q23, OPEX decreased with reduction of commission expenses.

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.