

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022**

	Note	Group		Bank	
		30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
<b>ASSETS</b>					
Cash and short-term funds		2,848,042	2,535,201	2,847,981	2,535,019
Deposits and placements with banks and other financial institutions		1,786,108	495,772	1,786,108	495,772
Derivative financial assets		49,899	15,917	49,899	15,917
Debt instruments at fair value through other comprehensive income ("FVOCI")	10	1,799,375	1,672,558	1,799,375	1,672,558
Equity instruments at FVOCI	11	13,223	17,347	13,223	17,347
Debt instruments at amortised cost	12	-	852,061	-	852,061
Equity instrument at fair value through profit & loss ("FVTPL")	13	-	-	-	-
Loans and advances	14	8,556,683	8,877,009	8,565,998	8,882,517
Other assets	15	20,782	30,551	20,319	29,874
Right-of-use assets		26,918	28,624	23,799	27,732
Tax recoverable		2,099	14,777	-	12,949
Deferred tax assets		36,008	29,252	36,008	29,021
Statutory deposits with Bank Negara Malaysia		7,873	7,475	7,873	7,475
Investment in a subsidiary		-	-	1,000	1,000
Property and equipment		42,338	46,015	41,111	44,245
Intangible assets		1,818	2,281	1,818	2,281
<b>TOTAL ASSETS</b>		<b>15,191,166</b>	<b>14,624,840</b>	<b>15,194,512</b>	<b>14,625,768</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	16	8,621,828	8,250,053	8,622,565	8,250,642
Deposits and placements of banks and other financial institutions	17	2,990,156	3,177,714	2,990,156	3,177,714
Derivative financial liabilities		57,348	15,529	57,348	15,529
Other liabilities	18	258,626	159,676	254,731	157,972
Provision for taxation		8,401	-	8,401	-
Deferred tax liabilities		69	-	-	-
Subordinated loan	19	1,445,050	1,291,240	1,445,050	1,291,240
<b>TOTAL LIABILITIES</b>		<b>13,381,478</b>	<b>12,894,212</b>	<b>13,378,251</b>	<b>12,893,097</b>
Share capital		760,518	760,518	760,518	760,518
Reserves		1,049,170	970,110	1,055,743	972,153
<b>TOTAL EQUITY</b>		<b>1,809,688</b>	<b>1,730,628</b>	<b>1,816,261</b>	<b>1,732,671</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>15,191,166</b>	<b>14,624,840</b>	<b>15,194,512</b>	<b>14,625,768</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	26	<b>8,995,531</b>	<b>6,264,284</b>	<b>8,998,031</b>	<b>6,265,784</b>

*The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021*

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	Note	3rd Quarter Ended		Nine Months Ended	
		30 September	30 September	30 September	30 September
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		RM'000	RM'000	RM'000	RM'000
<b>Group</b>					
Interest income	20	<b>126,408</b>	90,071	<b>316,684</b>	265,388
Interest expense	21	<b>(56,834)</b>	(34,582)	<b>(133,616)</b>	(101,409)
Net interest income		<b>69,574</b>	55,489	<b>183,068</b>	163,979
Other operating income	22	<b>21,769</b>	17,509	<b>62,752</b>	51,036
Other operating expenses	23	<b>(43,029)</b>	(35,626)	<b>(118,683)</b>	(108,352)
Operating profit before allowance for expected credit losses		<b>48,314</b>	37,372	<b>127,137</b>	106,663
Expected credit losses ("ECL") written back/ (made) on loans and advances other financial assets	24	<b>13,585</b>	(17,842)	<b>15,009</b>	(12,128)
Profit before taxation		<b>61,899</b>	19,530	<b>142,146</b>	94,535
Taxation		<b>(19,451)</b>	(6,366)	<b>(41,039)</b>	(25,704)
<b>Profit for the financial period</b>		<b>42,448</b>	13,164	<b>101,107</b>	68,831
<b>Other comprehensive income:</b>					
<i>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</i>					
- Net fair value changes in debt instrument at FVOCI, net of tax		<b>(3,245)</b>	(6,026)	<b>(22,166)</b>	(15,648)
- Net changes in expected credit losses in debt instruments at FVOCI		<b>(1,944)</b>	-	<b>126</b>	-
- Net gain on foreign exchange translation		<b>(12)</b>	3	<b>(7)</b>	17
Other comprehensive income, net of tax		<b>(5,201)</b>	(6,023)	<b>(22,047)</b>	(15,631)
Total comprehensive income for the period, net of tax		<b>37,247</b>	7,141	<b>79,060</b>	53,200
Earnings per share					
- Basic/fully diluted (sen)				<b>13.29</b>	9.05

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	Note	3rd Quarter Ended		Nine Months Ended	
		30 September	30 September	30 September	30 September
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		RM'000	RM'000	RM'000	RM'000
<b>Bank</b>					
Interest income	20	126,492	90,101	316,879	265,432
Interest expense	21	(56,834)	(34,582)	(133,616)	(101,409)
Net interest income		69,658	55,519	183,263	164,023
Other operating income	22	21,482	17,546	62,349	51,059
Other operating expenses	23	(41,442)	(33,974)	(114,030)	(103,381)
Operating profit before allowance for expected credit losses		49,698	39,091	131,582	111,701
Expected credit losses ("ECL") written-back/ (made) on loans and advances					
other financial assets	24	13,370	(17,842)	14,794	(12,128)
Profit before taxation		63,068	21,249	146,376	99,573
Taxation		(19,365)	(6,381)	(40,739)	(25,613)
<b>Profit for the financial period</b>		<b>43,703</b>	<b>14,868</b>	<b>105,637</b>	<b>73,960</b>
<b>Other comprehensive income:</b>					
<i>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</i>					
- Net fair value changes in debt instrument at FVOCI, net of tax		(3,245)	(6,026)	(22,166)	(15,648)
- Net changes in expected credit losses in debt instruments at FVOCI		(1,944)	-	126	-
- Net gain on foreign exchange translation		(12)	3	(7)	17
Other comprehensive income, net of tax		(5,201)	(6,023)	(22,047)	(15,631)
Total comprehensive income for the period, net of tax		<b>38,502</b>	<b>8,845</b>	<b>83,590</b>	<b>58,329</b>
Earnings per share					
- Basic/fully diluted (sen)				<b>13.89</b>	<b>9.72</b>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	← Non-distributable			→ Distributable		Total RM'000
	Share capital RM'000	Foreign exchange reserve RM'000	Fair value through other comprehensive reserve RM'000	Regulatory reserve RM'000	Retained profits RM'000	
<b>Group</b>						
Balance as at 1 January 2022	760,518	27	11,925	14,800	943,358	1,730,628
Profit for the financial period	-	-	-	-	101,107	101,107
Other comprehensive income, net of tax	-	(7)	(22,040)	-	-	(22,047)
Total comprehensive income for the financial period, net of tax	-	(7)	(22,040)	-	101,107	79,060
Transfer from retained profits to regulatory reserve	-	-	-	2,200	(2,200)	-
<b>At 30 September 2022</b>	<b>760,518</b>	<b>20</b>	<b>(10,115)</b>	<b>17,000</b>	<b>1,042,265</b>	<b>1,809,688</b>
Balance as at 1 January 2021	760,518	-	35,391	14,800	872,259	1,682,968
Profit for the financial period	-	-	-	-	68,831	68,831
Other comprehensive income, net of tax	-	17	(15,648)	-	-	(15,631)
Total comprehensive income for the financial period, net of tax	-	17	(15,648)	-	68,831	53,200
At 30 September 2021	760,518	17	19,743	14,800	941,090	1,736,168

*The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021*

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	← Non-distributable			→ Distributable		Total RM'000
	Share capital RM'000	Foreign exchange reserve RM'000	Fair value through other comprehensive reserve RM'000	Regulatory reserve RM'000	Retained profits RM'000	
<b>Bank</b>						
Balance as at 1 January 2022	760,518	27	11,925	14,800	945,401	1,732,671
Profit for the financial period	-	-	-	-	105,637	105,637
Other comprehensive income, net of tax	-	(7)	(22,040)	-	-	(22,047)
Total comprehensive income for the financial period, net of tax	-	(7)	(22,040)	-	105,637	83,590
Transfer from retained profits to regulatory reserve	-	-	-	2,200	(2,200)	-
<b>At 30 September 2022</b>	<b>760,518</b>	<b>20</b>	<b>(10,115)</b>	<b>17,000</b>	<b>1,048,838</b>	<b>1,816,261</b>
Balance as at 1 January 2021	760,518	-	35,391	14,800	867,881	1,678,590
Profit for the financial period	-	-	-	-	73,960	73,960
Other comprehensive income, net of tax	-	17	(15,648)	-	-	(15,631)
Total comprehensive income for the financial period, net of tax	-	17	(15,648)	-	73,960	58,329
At 30 September 2021	760,518	17	19,743	14,800	941,841	1,736,919

*The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021*

**INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2022</b>	30 September 2021	<b>30 September 2022</b>	30 September 2021
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Profit before taxation	<b>142,146</b>	94,535	<b>146,376</b>	99,573
Adjustments for non cash items	<b>(28,905)</b>	(9,019)	<b>(30,516)</b>	(10,547)
Operating profit before working capital changes	<b>113,241</b>	85,516	<b>115,860</b>	89,026
Changes in working capital:				
Net changes in operating assets	<b>(948,798)</b>	(1,852,668)	<b>(949,593)</b>	(1,857,406)
Net changes in operating liabilities	<b>434,759</b>	1,496,403	<b>431,699</b>	1,496,136
Income taxes paid	<b>(19,647)</b>	(19,628)	<b>(19,376)</b>	(19,151)
Net cash used in operating activities	<b>(420,445)</b>	(290,377)	<b>(421,410)</b>	(291,395)
Net cash generated from investing activities	<b>748,632</b>	239,980	<b>748,652</b>	240,305
Net cash used in financing activities	<b>(15,346)</b>	(11,679)	<b>(14,280)</b>	(10,685)
<b>Net increase/ (decrease) in cash and cash equivalents during the financial period</b>	<b>312,841</b>	(62,076)	<b>312,962</b>	(61,775)
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>2,535,201</b>	2,965,675	<b>2,535,019</b>	2,965,223
<b>Cash and cash equivalents at end of the financial period</b>	<b>2,848,042</b>	2,903,599	<b>2,847,981</b>	2,903,448

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**1 Performance Review**

For the nine months ended 30 September 2022, the Group operating income registered RM245.8 million, grew by RM30.8 million or 14.32%, contributed by net interest income increased by RM19.1 million and other operating income by RM11.7 million. Profit after tax recorded RM101.1 million, grew by RM32.3 million or 46.88% mainly due to the rapid growth in interest income and trading income, coupled with ECL writeback in the current period.

Total assets stood at RM15.2 billion as at 30 September 2022, an increase of RM0.6 billion or 3.87% compared to 31 December 2021, mainly due to increase deposits and placements with banks and other financial institutions. Total liabilities stood at RM13.4 billion, an increase of RM0.5 billion or 3.77% compared to 31 December 2021, mainly due to increase in deposits from customers.

**2 Economic Outlook**

Global economic and market outlook are expected to remain challenging and volatile in Q4 2022, reflecting concerns about the risk of global recession, especially in the US economy and Europe due to global monetary tightening to tame still high inflation pressures. China's economic slowdown has also been more significant than expected, mainly driven by stress in real estate, lower consumption and disrupted activities as China retains its Zero-Covid policy. China's economy is expected to grow by 4% in 2022, before improving to approximately 4.8% in 2023. The World Bank has warned that the world may be edging towards a global recession in 2023 as central banks across the world simultaneously hike interest rates in response to inflation. It said that if this was accompanied by financial-market stress, global GDP growth would slow to 0.5% in 2023.

From the US monetary perspective, the Federal Reserve Board (Fed) has raised benchmark interest rate 5 times consecutively this year, taking the FED Fund Rate (FFR) to 3.00%-3.25% as of September 2022. The Fed has indicated more rate hikes in the pipeline to bring inflation down even if it means hurting the economy. Markets are now expecting the Fed's FFR to reach 4.00% by end-2022 and increase further to 4.50% in 1H 2023.

On the domestic front, Malaysia's Gross Domestic Product (GDP) registered higher than expected 8.9% YoY growth in 2Q 2022 (+5.0% YoY in 1Q), mainly driven by a strong surge in private consumption, which underpinned the recovery in services demand and continued exports supporting the manufacturing sector. Reopening of international borders and realisation of multi-year projects are expected to improve the labour market condition and public income prospects amid the transition to endemic phase. Bank Negara Malaysia has maintained FY2022 GDP growth estimate between 5.3% and 6.3%. Headline inflation stood at 3.1% in the first eight months of 2022 and is projected to peak in 3Q 2022 before moderating thereafter.

However, lingering uncertainties about domestic political condition and plausible dissolution of Parliament in 4th quarter of 2022 pose additional downside risk to the Malaysia economy and fiscal outlook.

In addition, the depreciating MYR, especially against the USD is expected to increase the cost of imported inputs and final goods for businesses and households, and hence would weaken domestic activities. For BOCM, the impact of depreciating MYR is limited in view that there is no FX proprietary trading business, a majority of the Bank's bond investment portfolios are denominated in MYR and most of BOCM's borrowers have put in place forex hedging strategy or the loans are naturally hedged. Nevertheless, potential currency translation risk may arise from the income and expenses from non-MYR loan and deposit.

Bank Negara Malaysia (BNM) has raised the Overnight Policy Rate (OPR) by 75bps in total year to date to 2.50% as of September 2022. Markets now are expecting a few more hikes between 4th quarter of 2022 and in 2023 on the expectations of higher inflation risk and also the need for BNM to rebuild monetary policy buffer against future shocks.

BOCM's financial outlook is expected to benefit from the interest rate hike cycle as the bank is running on a positive gapping on both MYR and USD book. In addition, BOCM as the major CNY clearing bank in Malaysia, is expected to benefit from the increase in trade volume between China and Malaysia amid a gradual recovery in China's economy.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**2 Economic Outlook (continued)**

Nevertheless, the weakening consumer spending power due to inflation and rising cost of living as well as the expected economic slowdown and cautious business outlook may dampen the demand for bank loans in the local market.

**3 Group Accounting Policies**

The unaudited condensed consolidated interim financial statements for the financial period ended 30 September 2022 have been prepared in accordance with MFRS134 Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB"). The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021.

The accounting policies adopted by the Bank for the interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2021.

**4 Audit Report**

The audit report for the financial year ended 31 December 2021 was not qualified.

**5 Seasonal or Cyclical Factors**

The business operations of the Bank have not been affected by any material seasonal cyclical factors.

**6 Exceptional or Extraordinary Items**

There were no exceptional or extraordinary items in the financial period ended 30 September 2022.

**7 Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the financial period ended 30 September 2022.

**8 Changes in Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period under review.

**9 Dividend Paid**

No dividend was paid during the financial period ended 30 September 2022.



**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**10 Debt Instruments at Fair Value Through Other Comprehensive Income ("FVOCI")**

	<b>Group and Bank</b>	
	<b>30 September</b>	31 December
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Money market instrument:		
Malaysian Government Securities ("MGS")	<b>582,405</b>	494,965
Malaysian Government Investment Issue ("MGII")	<b>1,100,275</b>	1,059,312
Unquoted securities		
Corporate bond	<b>50,137</b>	50,736
Foreign bond	<b>66,558</b>	67,545
	<b>116,695</b>	118,281
	<b>1,799,375</b>	1,672,558

Included in debt instruments at FVOCI of the Group and the Bank are MGS of RM80 million as part of the Bank Statutory Reserve Requirement ("SRR") compliance effective 16 May 2020.

**Movements in ECL on corporate bond**

	<b>Group and Bank</b>	
	<b>30 September</b>	31 December
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Stage 1 (12-month ECL):		
As at 1 January	<b>92</b>	197
ECL allowance/ (written-back) during the financial period/ year (Note 24)	<b>126</b>	(105)
As at 30 September 2022/31 December 2021	<b>218</b>	92

**11 Equity Instruments at FVOCI**

	<b>Group and Bank</b>	
	<b>30 September</b>	31 December
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
At fair value:		
Unquoted securities in Malaysia		
of which:		
- Cagamas Holdings Berhad	<b>10,020</b>	13,896
- Credit Guarantee Corporation ("CGC")	<b>3,203</b>	3,451
	<b>13,223</b>	17,347

**12 Debt Instruments at Amortised Cost**

	<b>Group and Bank</b>	
	<b>30 September</b>	31 December
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
At amortised cost:		
Money market instrument:		
Negotiable instruments of deposits	<b>-</b>	852,061
	<b>-</b>	852,061

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**13 Equity Instrument at Fair Value Through Profit & Loss ("FVTPL")**

The quoted securities was measured at fair value.

**14 Loans and Advances**

**At amortised cost**

**(i) By type**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Overdrafts	<b>292,831</b>	301,611	<b>292,831</b>	301,611
Terms loans				
- Housing loans	<b>705,912</b>	589,255	<b>705,912</b>	589,255
- Syndicated term loans	<b>3,299,691</b>	3,598,233	<b>3,299,691</b>	3,598,233
- Other term loans	<b>1,637,256</b>	1,868,587	<b>1,637,256</b>	1,868,587
Bills receivables	<b>560,485</b>	466,483	<b>560,485</b>	466,483
Trust receipts	<b>2,407</b>	-	<b>2,407</b>	-
Claims on customers under acceptance credits	<b>654,028</b>	585,075	<b>654,028</b>	585,075
Revolving credits	<b>1,649,099</b>	1,712,995	<b>1,658,617</b>	1,718,503
Staff loans	<b>1,153</b>	1,235	<b>1,153</b>	1,235
Gross loans and advances	<b>8,802,862</b>	9,123,474	<b>8,812,380</b>	9,128,982
Less: allowance for ECL	<b>(246,179)</b>	(246,465)	<b>(246,382)</b>	(246,465)
Total net loans and advances	<b>8,556,683</b>	8,877,009	<b>8,565,998</b>	8,882,517

**(ii) By geographical distribution**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia	<b>5,875,317</b>	5,527,556	<b>5,884,835</b>	5,533,064
Other countries	<b>2,927,545</b>	3,595,918	<b>2,927,545</b>	3,595,918
Gross loans and advances	<b>8,802,862</b>	9,123,474	<b>8,812,380</b>	9,128,982

**(iii) By interest rate sensitivity**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fixed rate				
- Other fixed rate loans	<b>1,364,052</b>	1,423,348	<b>1,364,052</b>	1,423,348
Variable rate				
- Base lending rate/base rate plus	<b>1,666,542</b>	1,610,085	<b>1,666,542</b>	1,610,085
- Cost of funds plus	<b>5,347,617</b>	5,545,284	<b>5,357,135</b>	5,550,792
- Other variable rates	<b>424,651</b>	544,757	<b>424,651</b>	544,757
Gross loans and advances	<b>8,802,862</b>	9,123,474	<b>8,812,380</b>	9,128,982

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**14 Loans and Advances (continued)**

**At amortised cost (continued)**

**(iv) By economic sector**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	291,418	314,135	291,418	314,135
Mining and quarrying	615,124	601,082	615,124	601,082
Manufacturing	1,683,900	1,715,825	1,683,900	1,715,825
Electricity, gas and water supply	930,442	865,939	930,442	865,939
Construction	358,582	338,824	358,582	338,824
Real estate	1,811,971	2,002,415	1,811,971	2,002,415
Wholesale and retail trade and restaurants and hotels	646,026	550,375	646,026	550,375
Transport, storage and communication	62,067	82,268	62,067	82,268
Finance, insurance and business services	1,036,493	1,407,342	1,036,493	1,407,342
Education, health and others	327,821	318,344	337,339	323,852
Household	1,039,018	926,925	1,039,018	926,925
	<b>8,802,862</b>	<b>9,123,474</b>	<b>8,812,380</b>	<b>9,128,982</b>

**(v) By residual contractual maturity - remaining**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Up to one month	1,292,417	1,119,692	1,301,935	1,125,200
More than one month to three months	1,180,900	1,001,798	1,180,900	1,001,798
More than three months to six months	1,027,419	497,468	1,027,419	497,468
More than six months to twelve months	393,934	1,004,590	393,934	1,004,590
More than twelve months	4,908,192	5,499,926	4,908,192	5,499,926
Gross loans and advances	<b>8,802,862</b>	<b>9,123,474</b>	<b>8,812,380</b>	<b>9,128,982</b>

The loans and advances were based on the remaining length of time that will be carried and from the report date to the expiry date of the contract created.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**14 Loans and Advances (continued)**

**(vi) Changes in gross loans and advances carrying amount**

<b>Group</b>	<b>12 months ECL (Stage 1) RM'000</b>	<b>Lifetime ECL (non- credit impaired) (Stage 2) RM'000</b>	<b>Lifetime ECL (credit impaired) (Stage 3) RM'000</b>	<b>Total RM'000</b>
As at 1 January 2022	7,954,572	970,911	197,991	9,123,474
Transferred to 12-month ECL (stage 1)	362,820	(362,820)	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(104,676)	114,469	(9,793)	-
Transferred to lifetime ECL (credit impaired) (stage 3)	(25,160)	(129,865)	155,025	-
Changes due to change in credit risk	(786,775)	(82,481)	18,464	(850,792)
New loans and advances originated	535,254	-	-	535,254
Bad debts written-off	-	-	(5,074)	(5,074)
Gross carrying amount as at 30 September 2022	<u>7,936,035</u>	<u>510,214</u>	<u>356,613</u>	<u>8,802,862</u>
	12 months ECL (Stage 1) RM'000	Lifetime ECL (non- credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	Total RM'000
As at 1 January 2021	7,863,757	549,553	199,948	8,613,258
Transferred to 12-month ECL (stage 1)	13,822	(13,822)	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(481,328)	481,328	-	-
Transferred to lifetime ECL (credit impaired) (stage 3)	(258)	(7,232)	7,490	-
Changes due to change in credit risk	(830,951)	(41,722)	(8,713)	(881,386)
New loans and advances originated	1,389,530	2,806	-	1,392,336
Bad debts written off	-	-	(734)	(734)
Gross carrying amount as at 31 December 2021	<u>7,954,572</u>	<u>970,911</u>	<u>197,991</u>	<u>9,123,474</u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**14 Loans and Advances (continued)**

**(vi) Changes in gross loans and advances carrying amount (continued)**

<b>Bank</b>	<b>12 months ECL (Stage 1) RM'000</b>	<b>Lifetime ECL (non- credit impaired) (Stage 2) RM'000</b>	<b>Lifetime ECL (credit impaired) (Stage 3) RM'000</b>	<b>Total RM'000</b>
As at 1 January 2022	7,960,080	970,911	197,991	9,128,982
Transferred to 12-month ECL (stage 1)	362,820	(362,820)	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(110,184)	119,977	(9,793)	-
Transferred to lifetime ECL (credit impaired) (stage 3)	(25,160)	(129,865)	155,025	-
Changes due to change in credit risk	(786,775)	(78,471)	18,464	(846,782)
New loans and advances originated	535,254	-	-	535,254
Bad debts written-off	-	-	(5,074)	(5,074)
Gross carrying amount as at 30 September 2022	<u>7,936,035</u>	<u>519,732</u>	<u>356,613</u>	<u>8,812,380</u>
	12 months ECL (Stage 1) RM'000	Lifetime ECL (non- credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	Total RM'000
As at 1 January 2021	7,863,757	549,553	199,948	8,613,258
Transferred to 12-month ECL (stage 1)	13,822	(13,822)	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(481,328)	481,328	-	-
Transferred to lifetime ECL (credit impaired) (stage 3)	(258)	(7,232)	7,490	-
Changes due to change in credit risk	(830,951)	(41,722)	(8,713)	(881,386)
New loans and advances originated	1,395,038	2,806	-	1,397,844
Bad debts written off	-	-	(734)	(734)
Gross carrying amount as at 31 December 2021	<u>7,960,080</u>	<u>970,911</u>	<u>197,991</u>	<u>9,128,982</u>



**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**14 Loans and Advances (continued)**

**(vii) Movements in allowance for impairment on Loans and advances measured at amortised cost (continued)**

<b>Bank</b>	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL (non- credit impaired) (Stage 2) RM'000</b>	<b>Lifetime ECL (credit impaired) (Stage 3) RM'000</b>	<b>Total RM'000</b>
As at 1 January 2021	53,237	96,527	96,701	246,465
Transferred to 12-month ECL (stage 1)	4,162	(4,162)	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(1,670)	3,853	(2,183)	-
Transferred to lifetime ECL (credit impaired) (stage 3)	(309)	(45,000)	45,309	-
New loans and advances originated	1,275	-	-	1,275
(Reversal)/ Allowance during the financial period	(12,298)	(1,520)	2,622	(11,196)
Full settlement	(1,155)	(4,097)	(1,283)	(6,535)
Amount written-off	-	-	(5,506)	(5,506)
Other movement	-	-	21,879	21,879
Allowance for ECL as at 30 September 2022	<b>43,242</b>	<b>45,601</b>	<b>157,539</b>	<b>246,382</b>

  

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL (non- credit impaired) (Stage 2) RM'000</b>	<b>Lifetime ECL (credit impaired) (Stage 3) RM'000</b>	<b>Total RM'000</b>
As at 1 January 2021	62,750	49,117	97,975	209,842
Transferred to 12-month ECL (stage 1)	958	(958)	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(4,397)	4,397	-	-
Transferred to lifetime ECL (credit impaired) (stage 3)	(4)	(737)	741	-
New loans and advances originated	12,722	35,813	-	48,535
(Reversal)/allowance during the financial year	(17,286)	9,333	(273)	(8,226)
Full settlement	(1,506)	(438)	(1,008)	(2,952)
Amount written-off	-	-	(734)	(734)
Allowance for ECL as at 31 December 2021	<b>53,237</b>	<b>96,527</b>	<b>96,701</b>	<b>246,465</b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**14 Loans and Advances (continued)**

**(viii) Gross credit impaired loans and advances**

**(a) Movements in credit impaired loans and advances**

	<b>Group and Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	197,991	199,948
Classified as credit impaired during the financial period/year	179,209	9,389
Reclassified as non-credit impaired during the financial period/year	(9,793)	-
Amount recovered	(5,288)	(10,612)
Amount written-off	(5,506)	(734)
As at 30 September 2022/31 December 2021	<b>356,613</b>	197,991
Less: Lifetime ECL (credit impaired) (Stage 3)	<b>(157,539)</b>	(96,701)
	<b>199,074</b>	<b>101,290</b>
Ratio of net impaired loans and advances to gross loans and advances less Lifetime ECL (credit impaired) (Stage 3)	<b>2.300%</b>	1.121%

**(b) By geographical distribution**

	<b>Group and Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysia	330,530	174,122
Other countries	26,083	23,869
	<b>356,613</b>	<b>197,991</b>

**(c) By economic sector**

	<b>Group and Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	36,554	5,081
Manufacturing	128,384	58,575
Electricity, gas and water supply	26,083	23,869
Construction	787	2,719
Real estate	3,223	11,422
Wholesale and retail trade and restaurants and hotels	-	-
Education, health and others	75,940	75,307
Household	85,642	21,018
	<b>356,613</b>	<b>197,991</b>



**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**15 Other Assets**

	<u>Group</u>		<u>Bank</u>	
	<u>30 September 2022</u>	<u>31 December 2021</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
	RM'000	RM'000	RM'000	RM'000
Other receivables	15,490	27,103	15,500	26,828
Sundry deposits	2,852	2,860	2,435	2,441
Prepayment	2,916	1,033	2,842	1,032
Precious metal inventories	80	109	80	109
	<u>21,338</u>	<u>31,105</u>	<u>20,857</u>	<u>30,410</u>
Less: ECL	<u>(556)</u>	<u>(554)</u>	<u>(538)</u>	<u>(536)</u>
	<u><u>20,782</u></u>	<u><u>30,551</u></u>	<u><u>20,319</u></u>	<u><u>29,874</u></u>

**Movements in ECL on other assets**

	<u>Group</u>		<u>Bank</u>	
	<u>30 September 2022</u>	<u>31 December 2021</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
	RM'000	RM'000	RM'000	RM'000
Stage 1 (12-month ECL):				
As at 1 January	554	392	536	376
ECL made during the financial period/ year (Note 24)	180	162	180	160
Amounts written-off	(178)	-	(178)	-
As at 30 September 2022/31 December 2021	<u><u>556</u></u>	<u><u>554</u></u>	<u><u>538</u></u>	<u><u>536</u></u>

**16 Deposits From Customers**

**(i) By type of deposits**

	<u>Group</u>		<u>Bank</u>	
	<u>30 September 2022</u>	<u>31 December 2021</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
	RM'000	RM'000	RM'000	RM'000
Demand deposits	2,520,399	1,842,729	2,521,136	1,843,318
Savings deposits	486,524	459,237	486,524	459,237
Fixed deposits	5,609,905	5,647,419	5,609,905	5,647,419
Negotiable instruments of deposits	-	300,668	-	300,668
Other	5,000	-	5,000	-
	<u><u>8,621,828</u></u>	<u><u>8,250,053</u></u>	<u><u>8,622,565</u></u>	<u><u>8,250,642</u></u>

**(ii) By type of customers**

	<u>Group</u>		<u>Bank</u>	
	<u>30 September 2022</u>	<u>31 December 2021</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	5,000	-	5,000	-
Business enterprises	3,341,010	2,789,092	3,341,747	2,789,681
Individuals	3,688,631	3,491,708	3,688,631	3,491,708
Others	1,587,187	1,969,253	1,587,187	1,969,253
	<u><u>8,621,828</u></u>	<u><u>8,250,053</u></u>	<u><u>8,622,565</u></u>	<u><u>8,250,642</u></u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**16 Deposits From Customers (continued)**

(iii) The maturity structure of fixed deposits and negotiable instruments of deposits are as follows:

	<b>Group and Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	3,731,637	4,617,444
Six months to one year	1,824,659	1,318,940
One year to three years	53,609	11,703
	<b>5,609,905</b>	<b>5,948,087</b>

**17 Deposits and Placements Of Banks and Other Financial Institutions**

	<b>Group and Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank Negara Malaysia	16,374	16,430
Licensed banks	2,964,331	3,152,882
Licensed investment banks	6,059	5,792
Licensed Islamic banks	3,390	2,607
Other financial institutions	2	3
	<b>2,990,156</b>	<b>3,177,714</b>

**18 Other Liabilities**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Accrued expenses	28,914	33,558	28,596	33,077
Margin deposits	86,292	30,702	86,292	30,702
Other liabilities	104,971	56,731	104,534	56,451
Lease liabilities	28,255	29,819	25,103	28,876
Allowance for ECL on commitments and contingencies (Note 18 (i))	10,194	8,866	10,206	8,866
	<b>258,626</b>	<b>159,676</b>	<b>254,731</b>	<b>157,972</b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**18 Other Liabilities (continued)**

**(i) Movements in ECL on commitment and contingencies:**

Group	30 September 2022			
	12 months ECL (Stage 1)	Lifetime ECL (non-credit impaired) (Stage 2)	Lifetime ECL (credit impaired) (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022	8,789	77	-	8,866
Transferred to 12 months ECL (stage 1)	4	(4)	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(232)	232	-	-
Transferred to lifetime ECL (credit impaired) (stage 3)	(4)	-	4	-
New loans and advances originated	550	-	-	550
Allowance/ (Reversal) during the financial period	434	379	(4)	809
Full settlement	(21)	(10)	-	(31)
As at 30 September 2022	<u>9,520</u>	<u>674</u>	<u>-</u>	<u>10,194</u>

Group	31 December 2021			
	12 months ECL (Stage 1)	Lifetime ECL (non-credit impaired) (Stage 2)	Lifetime ECL (credit impaired) (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2021	8,424	230	-	8,654
Transferred to 12 months ECL (stage 1)	23	(23)	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(92)	92	-	-
Transferred to lifetime ECL (credit impaired) (stage 3)	-	(41)	41	-
New loans and advances originated	3,730	9	-	3,739
Reversal during the financial year	(3,022)	(122)	(41)	(3,185)
Full settlement	(274)	(68)	-	(342)
Amount written-off	-	-	-	-
As at 31 December 2021	<u>8,789</u>	<u>77</u>	<u>-</u>	<u>8,866</u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**18 Other Liabilities (continued)**

**(i) Movements in ECL on commitment and contingencies (continued):**

Bank	30 September 2022			Total RM'000
	12 months ECL (Stage 1) RM'000	Lifetime ECL (non-credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	
As at 1 January 2022	8,789	77	-	8,866
Transferred to 12 months ECL (stage 1)	4	(4)	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(232)	232	-	-
Transferred to lifetime ECL (credit impaired) (stage 3)	(4)	-	4	-
New loans and advances originated	550	-	-	550
Allowance/ (Reversal) during the financial period	434	391	(4)	821
Full settlement	(21)	(10)	-	(31)
As at 30 September 2022	<u>9,520</u>	<u>686</u>	<u>-</u>	<u>10,206</u>

Bank	31 December 2021			Total RM'000
	12 months ECL (Stage 1) RM'000	Lifetime ECL (non-credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	
As at 1 January 2021	8,424	230	-	8,654
Transferred to 12 months ECL (stage 1)	23	(23)	-	-
Transferred to lifetime ECL (non-credit impaired) (stage 2)	(92)	92	-	-
Transferred to lifetime ECL (credit impaired) (stage 3)	-	(41)	41	-
New loans and advances originated	3,730	9	-	3,739
Reversal during the financial year	(3,022)	(122)	(41)	(3,185)
Full settlement	(274)	(68)	-	(342)
Amount written-off	-	-	-	-
As at 31 December 2021	<u>8,789</u>	<u>77</u>	<u>-</u>	<u>8,866</u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**19 Subordinated Loan**

	<b>Group and Bank</b>	
	<b>30 September</b>	31 December
	<b>2022</b>	2021
	<b>RM'000</b>	RM'000
At cost	<b>1,254,725</b>	1,254,725
Interest accrued	<b>8,200</b>	1,020
Foreign exchange difference	<b>182,125</b>	35,495
	<b><u>1,445,050</u></b>	<u>1,291,240</u>

On 26 July 2017, the Bank has issued an USD310 million subordinated loan (ten (10) years maturity, non-callable five (5) years) which bears interest rate equal to 0.30% plus 3-month USD LIBOR, payable 3 months in arrears.

The subordinated loan was approved by BNM for inclusion as Tier-2 capital of the Bank under BNM's capital adequacy regulations.

The tenor of the Subordinated Loan facility is 10 years (non-callable five (5) years) from the drawdown date with interest payable in arrears, and is prepayable after 5 years subject to BNM's approval and other conditions.

The subordinated loan constitutes a direct, unsecured and subordinated obligation of the Bank.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**20 Interest Income**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income on non-credit impaired loans and advances	88,181	60,209	216,757	180,551
- Interest income on credit impaired loans and advances	491	1,541	4,213	4,290
Money at call and deposit placement with financial institutions	23,886	15,632	53,634	39,410
Debt instruments at FVOCI	17,897	13,406	50,006	39,430
Debt instruments at amortised cost	-	1,596	3,126	8,027
Other interest income	63	538	747	1,595
	<b>130,518</b>	<b>92,922</b>	<b>328,483</b>	<b>273,303</b>
Amortisation of premium less accretion of discount	(4,110)	(2,851)	(11,799)	(7,915)
Total interest income	<b>126,408</b>	<b>90,071</b>	<b>316,684</b>	<b>265,388</b>

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income on non-credit impaired loans and advances	88,265	60,239	216,952	180,595
- Interest income on credit impaired loans and advances	491	1,541	4,213	4,290
Money at call and deposit placement with financial institutions	23,886	15,632	53,634	39,410
Debt instruments at FVOCI	17,897	13,406	50,006	39,430
Debt instruments at amortised cost	-	1,596	3,126	8,027
Other interest income	63	538	747	1,595
	<b>130,602</b>	<b>92,952</b>	<b>328,678</b>	<b>273,347</b>
Amortisation of premium less accretion of discount	(4,110)	(2,851)	(11,799)	(7,915)
Total interest income	<b>126,492</b>	<b>90,101</b>	<b>316,879</b>	<b>265,432</b>

**21 Interest Expense**

	3rd Quarter Ended		Nine Months Ended	
	Group and Bank		Group and Bank	
	30 September	30 September	30 September	30 September
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	13,691	2,412	24,944	6,647
Deposits from customers	33,627	30,115	92,383	88,319
Subordinated loan	9,397	1,459	15,402	4,656
Others	119	596	887	1,787
	<b>56,834</b>	<b>34,582</b>	<b>133,616</b>	<b>101,409</b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**22 Other Operating Income**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	RM'000	RM'000	RM'000	RM'000
Fee income:				
- Fee on loans and advances	2,824	2,697	9,566	7,823
- Service charges and fees	1,475	1,228	3,374	4,442
- Guarantee fees	4,040	3,983	11,686	11,122
	<u>8,339</u>	<u>7,908</u>	<u>24,626</u>	<u>23,387</u>
Fee expense:				
- Commission related expenses	(228)	(7)	(372)	(75)
Net fee income	<u>8,111</u>	<u>7,901</u>	<u>24,254</u>	<u>23,312</u>
Foreign exchange income/(loss):				
- Realised	12,904	9,668	37,095	26,295
- Unrealised	8,726	(259)	8,169	(1,490)
Net (loss)/gain on revaluation of derivatives	(8,204)	95	(7,836)	486
Gain from derivative financial instrument	142	8	547	317
Revenue from sale of precious metal products	30	12	80	141
Dividend income:				
- Equity instruments at FVOCI	15	15	60	60
Other income	45	69	383	1,915
	<u>21,769</u>	<u>17,509</u>	<u>62,752</u>	<u>51,036</u>
Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	RM'000	RM'000	RM'000	RM'000
Fee income:				
- Fee on loans and advances	2,824	2,697	9,566	7,823
- Service charges and fees	907	1,211	2,441	4,254
- Guarantee fees	4,040	3,983	11,686	11,122
	<u>7,771</u>	<u>7,891</u>	<u>23,693</u>	<u>23,199</u>
Foreign exchange income/(loss):				
- Realised	12,904	9,668	37,095	26,295
- Unrealised	8,726	(259)	8,169	(1,490)
Net (loss)/gain on revaluation of derivatives	(8,204)	95	(7,836)	486
Gain from derivative financial instrument	142	8	547	317
Revenue from sale of precious metal products	30	12	80	141
Dividend income:				
- Equity instruments at FVOCI	15	15	60	60
Other income	98	116	541	2,051
	<u>21,482</u>	<u>17,546</u>	<u>62,349</u>	<u>51,059</u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**23 Other Operating Expenses**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>Personnel expenses</u>				
Salaries & wages	16,477	17,233	48,580	52,451
Bonuses	8,488	3,359	21,120	13,582
Defined contribution plan ("EPF")	3,335	2,639	9,133	8,136
Staff welfare expenses	1,036	516	2,627	2,495
Other personnel costs	4,279	3,911	9,444	7,769
	<b>33,615</b>	<b>27,658</b>	<b>90,904</b>	<b>84,433</b>
<u>Marketing expenses</u>				
Entertainment	183	6	380	166
Other marketing	345	100	859	480
	<b>528</b>	<b>106</b>	<b>1,239</b>	<b>646</b>
<u>Establishment costs</u>				
Rental of premises	5	-	5	1
Depreciation of property and equipment	1,404	1,537	4,175	4,645
Depreciation of right-of-use assets	2,058	2,071	6,371	6,195
Finance cost on lease liabilities	282	313	834	951
Amortisation of intangible assets	332	322	1,017	961
Repairs and maintenance	268	265	638	560
Property and equipment written off	-	-	8	13
Information technology expenses	1,105	782	3,375	2,536
Other establishment costs	351	752	1,295	1,793
	<b>5,805</b>	<b>6,042</b>	<b>17,718</b>	<b>17,655</b>
<u>Administration and general expenses</u>				
Insurance premium	926	-	2,150	132
Auditors' remuneration				
- statutory audit fees	64	56	176	167
- regulatory related service	95	174	112	303
Travelling and accommodation	46	23	86	42
Telecommunication and utilities	308	275	912	901
Printing, stationery and postage	279	139	878	538
Legal and professional fees	165	65	642	295
Other administration and general expenses	1,180	1,079	3,809	3,146
	<b>3,063</b>	<b>1,811</b>	<b>8,765</b>	<b>5,524</b>
<u>Other expenses</u>				
Cost of sales of precious metal	18	9	57	94
	<b>18</b>	<b>9</b>	<b>57</b>	<b>94</b>
	<b>43,029</b>	<b>35,626</b>	<b>118,683</b>	<b>108,352</b>



**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**23 Other Operating Expenses (continued)**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
<b>Bank</b>				
<u>Personnel expenses</u>				
Salaries & wages	15,828	16,464	46,467	50,027
Bonuses	8,412	3,230	21,074	13,455
Defined contribution plan ("EPF")	3,262	2,555	8,928	7,929
Staff welfare expenses	981	495	2,510	2,378
Other personnel costs	4,202	3,864	9,207	7,638
	<b>32,685</b>	<b>26,608</b>	<b>88,186</b>	<b>81,427</b>
<u>Marketing expenses</u>				
Entertainment	183	6	380	166
Other marketing	345	100	859	480
	<b>528</b>	<b>106</b>	<b>1,239</b>	<b>646</b>
<u>Establishment costs</u>				
Rental of premises	5	-	5	1
Depreciation of property and equipment	1,217	1,353	3,616	4,168
Depreciation of right-of-use assets	1,722	1,740	5,371	5,202
Finance cost on lease liabilities	247	298	785	894
Amortisation of intangible assets	332	322	1,017	961
Repairs and maintenance	265	265	631	548
Property and equipment written off	1	-	5	12
Information technology expenses	1,103	777	3,364	2,528
Other establishment costs	343	748	1,278	1,640
	<b>5,235</b>	<b>5,503</b>	<b>16,072</b>	<b>15,954</b>
<u>Administration and general expenses</u>				
Insurance premium	926	-	2,142	122
Auditors' remuneration				
- statutory audit fees	60	42	150	135
- regulatory related service	93	171	103	294
Travelling and accommodation	46	22	86	41
Telecommunication and utilities	284	255	848	843
Printing, stationery and postage	276	139	869	536
Legal and professional fees	165	63	633	239
Other administration and general expenses	1,126	1,056	3,645	3,050
	<b>2,976</b>	<b>1,748</b>	<b>8,476</b>	<b>5,260</b>
<u>Other expenses</u>				
Cost of sales of precious metal	18	9	57	94
	<b>18</b>	<b>9</b>	<b>57</b>	<b>94</b>
	<b>41,442</b>	<b>33,974</b>	<b>114,030</b>	<b>103,381</b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**24 Allowance For Impairment On Loans and Advances and Other Financial Assets**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	RM'000	RM'000	RM'000	RM'000
Allowance/(written-back) for impairment on:				
Cash and short-term funds				
- Stage 1	(20)	6	(23)	(30)
Deposits and placements with banks and other financial institutions				
- Stage 1	10	11	39	13
Debt instruments at FVOCI				
- Stage 1	(1,944)	(24)	126	(66)
Other assets				
- Stage 1	29	23	180	68
Loans and advances				
- Stage 1	(4,517)	2,887	(12,178)	(2,108)
- Stage 2	(2,220)	14,590	(5,820)	15,555
- Stage 3	(4,710)	194	1,339	(763)
Commitments and contingencies				
- Stage 1	(344)	177	963	(385)
- Stage 2	131	(22)	369	(156)
- Stage 3	-	-	(4)	-
	<u>(13,585)</u>	<u>17,842</u>	<u>(15,009)</u>	<u>12,128</u>

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	RM'000	RM'000	RM'000	RM'000
Allowance/(written-back) for impairment on:				
Cash and short-term funds				
- Stage 1	(20)	6	(23)	(30)
Deposits and placements with banks and other financial institutions				
- Stage 1	10	11	39	13
Debt instruments at FVOCI				
- Stage 1	(1,944)	(24)	126	(66)
Other assets				
- Stage 1	29	23	180	68
Loans and advances				
- Stage 1	(4,517)	2,887	(12,178)	(2,108)
- Stage 2	(2,017)	14,590	(5,617)	15,555
- Stage 3	(4,710)	194	1,339	(763)
Commitments and contingencies				
- Stage 1	(344)	177	963	(385)
- Stage 2	143	(22)	381	(156)
- Stage 3	-	-	(4)	-
	<u>(13,370)</u>	<u>17,842</u>	<u>(14,794)</u>	<u>12,128</u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**25 Capital Adequacy**

(a) The capital adequacy ratios of the Group and Bank are as follows:

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
<b><u>Common Equity Tier 1 ("CET1") Capital</u></b>				
Paid-up ordinary share capital	760,518	760,518	760,518	760,518
Retained profits	943,358	943,358	945,401	945,401
Regulatory reserve	17,000	14,800	17,000	14,800
Fair value through other comprehensive reserve	(10,115)	11,925	(10,115)	11,925
Foreign exchange reserve	20	27	20	27
	<b>1,710,781</b>	1,730,628	<b>1,712,824</b>	1,732,671
Regulatory adjustment applied in the calculation of CET 1 Capital				
- Deferred tax assets	(36,008)	(29,252)	(36,008)	(29,021)
- 55% of cumulative unrealised gains of FVOCI financial instruments	(6,848)	(6,559)	(6,848)	(6,559)
- Regulatory reserve attributable to financial assets	(17,000)	(14,800)	(17,000)	(14,800)
- Transitional arrangements	4,524	65,684	4,677	65,672
	<b>(55,332)</b>	15,073	<b>(55,179)</b>	15,292
Total CET1 capital / Total Tier 1 capital	<b>1,655,449</b>	1,745,701	<b>1,657,645</b>	1,747,963
<b><u>Tier-2 capital</u></b>				
General provision*	112,237	108,529	112,282	108,523
Subordinated loan	1,436,850	1,290,220	1,436,850	1,290,220
Less: Investment in a subsidiary company	-	-	(1,000)	(1,000)
Total Tier-2 capital	<b>1,549,087</b>	1,398,749	<b>1,548,132</b>	1,397,743
Total capital base	<b>3,204,536</b>	3,144,450	<b>3,205,777</b>	3,145,706
<b><u>With transitional arrangements</u></b>				
CET 1 capital ratio	16.272%	17.601%	16.299%	17.658%
Tier 1 capital ratio	16.272%	17.601%	16.299%	17.658%
Total capital ratio	31.499%	31.705%	31.521%	31.778%
<b><u>Without transitional arrangements</u></b>				
CET 1 capital ratio	16.228%	16.939%	16.253%	16.994%
Tier 1 capital ratio	16.228%	16.939%	16.253%	16.994%
Total capital ratio	31.499%	31.128%	31.521%	31.201%

\*General provision is subject to a maximum of 1.25% of total credit risk-weighted assets determined under the Standardised Approach for credit risk.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**25 Capital Adequacy (continued)**

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 September</b>	31 December	<b>30 September</b>	31 December
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Credit risk	<b>9,620,155</b>	9,361,976	<b>9,624,990</b>	9,364,377
Market risk	<b>2,161</b>	5,385	<b>2,161</b>	5,385
Operational risk	<b>550,889</b>	550,336	<b>542,828</b>	529,162
Total risk-weighted assets	<b><u>10,173,205</u></b>	<u>9,917,697</u>	<b><u>10,169,979</u></b>	<u>9,898,924</u>

The total capital and capital adequacy ratio of the Group and of the Bank are computed in accordance with Bank Negara Malaysia's revised Capital Adequacy Framework (Capital Components) Policy. The Framework sets the approach for computing regulatory capital adequacy ratios, as well as the levels of those ratios at which a financial institution is required to operate. The framework has been developed based on internationally-agreed standards on capital adequacy promulgated by the Basel Committee on Banking Supervision ("BCBS").

The Group and the Bank have adopted the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk.

The Bank maintains, in aggregate, loss allowance for non-credit impaired exposures and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit impaired exposures in accordance with BNM's revised Financial Reporting Policy.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**26 Commitments and Contingencies**

Group	30 September 2022			31 December 2021		
	Principal RM'000	Credit equivalent RM'000	Risk weighted RM'000	Principal RM'000	Credit equivalent RM'000	Risk weighted RM'000
Direct credit substitutes	1,283	1,283	1,283	16,519	16,519	6,519
Transaction-related contingent items	2,382,271	1,191,081	629,417	2,154,394	1,077,197	546,561
Short-term self-liquidation trade related contingencies	116,114	23,223	21,951	53,228	10,646	10,022
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	2,667,277	533,455	463,191	2,238,384	447,677	373,797
- Maturity exceeding one year	500,780	250,390	229,077	508,505	254,253	230,863
Foreign exchange related contracts:						
- Less than one year	2,701,334	72,087	32,891	702,774	17,655	8,936
Interest/Profit rate related contracts:						
- Less than one year	356,149	9,490	3,787	299,858	4,858	4,552
- More than one year to five year	186,848	6,620	4,244	206,199	10,876	8,815
- More than five year	83,475	8,221	5,154	84,423	5,211	3,661
<b>Total</b>	<b>8,995,531</b>	<b>2,095,850</b>	<b>1,390,995</b>	<b>6,264,284</b>	<b>1,844,892</b>	<b>1,193,726</b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**26 Commitments and Contingencies (continued )**

	30 September 2022			31 December 2021		
	Principal RM'000	Credit equivalent RM'000	Risk weighted RM'000	Principal RM'000	Credit equivalent RM'000	Risk weighted RM'000
<b>Bank</b>						
Direct credit substitutes	1,283	1,283	1,283	16,519	16,519	6,519
Transaction-related contingent items	2,382,271	1,191,081	629,417	2,154,394	1,077,197	546,561
Short-term self-liquidation trade related contingencies	116,114	23,223	21,951	53,228	10,646	10,022
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	2,669,777	533,955	463,691	2,239,884	447,977	374,097
- Maturity exceeding one year	500,780	250,390	229,077	508,505	254,253	230,863
Foreign exchange related contracts:						
- Less than one year	2,701,334	72,087	32,891	702,774	17,655	8,936
Interest/Profit rate related contracts:						
- Less than one year	356,149	9,490	3,787	299,858	4,858	4,552
- More than one year to five year	186,848	6,620	4,244	206,199	10,876	8,815
- More than five year	83,475	8,221	5,154	84,423	5,211	3,661
<b>Total</b>	<b>8,998,031</b>	<b>2,096,350</b>	<b>1,391,495</b>	<b>6,265,784</b>	<b>1,845,192</b>	<b>1,194,026</b>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**27 Operations of Islamic Banking**

There were no Islamic banking operations for the financial period ended 30 September 2022.

**28 Valuation of Property, Plant and Equipment**

The Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements.

**29 Events Subsequent to Reporting Date**

There were no material events subsequent to the reporting date that require disclosure or adjustments to the unaudited condensed interim financial statements.

**30 Changes in the Composition of the Group**

There were no significant changes in the composition of the Group for the financial period ended 30 September 2022.