

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	Group		Bank	
		30 June	31 December	30 June	31 December
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		2,970,102	3,577,514	2,970,054	3,577,461
Deposits and placements with banks and other financial institutions		2,327,385	89,770	2,327,385	89,770
Derivative financial assets		16,137	16,074	16,137	16,074
Debt instruments at fair value through other comprehensive income ("FVOCI")	10	2,041,293	1,992,554	2,041,293	1,992,554
Equity instruments at FVOCI	11	15,016	19,008	15,016	19,008
Debt instruments at amortised cost	12	70,176	70,183	70,176	70,183
Equity instrument at fair value through profit & loss ("FVTPL")	13	374	-	374	-
Loans and advances	14	9,978,424	10,422,439	9,978,424	10,422,439
Other assets	15	16,453	22,444	16,237	22,073
Right-of-use assets		21,533	26,894	17,534	21,242
Tax recoverable		2,984	17,617	3,192	17,607
Deferred tax assets		28,488	31,339	28,488	31,202
Statutory deposits with Bank Negara Malaysia		104,000	92,000	104,000	92,000
Investment in a subsidiary		-	-	1,000	1,000
Property and equipment		43,698	45,850	43,436	45,465
Intangible assets		1,184	1,724	1,184	1,724
TOTAL ASSETS		17,637,247	16,425,410	17,633,930	16,419,802
LIABILITIES AND EQUITY					
Deposits from customers	16	10,075,225	9,597,622	10,075,367	9,598,810
Deposits and placements of banks and other financial institutions	17	3,106,951	3,029,594	3,106,951	3,029,594
Derivative financial liabilities		15,534	14,504	15,534	14,504
Other liabilities	18	383,432	343,157	378,538	334,653
Other borrowing	19	463,355	-	463,355	-
Subordinated loan	20	1,484,294	1,441,742	1,484,294	1,441,742
TOTAL LIABILITIES		15,528,791	14,426,619	15,524,039	14,419,303
Share capital		760,518	760,518	760,518	760,518
Reserves		1,347,938	1,238,273	1,349,373	1,239,981
TOTAL EQUITY		2,108,456	1,998,791	2,109,891	2,000,499
TOTAL LIABILITIES AND EQUITY		17,637,247	16,425,410	17,633,930	16,419,802
COMMITMENTS AND CONTINGENCIES	27	11,628,645	8,559,867	11,631,645	8,571,867

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 2023

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Note	2nd Quarter Ended		Six Months Ended	
		30 June	30 June	30 June	30 June
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
		RM'000	RM'000	RM'000	RM'000
Group					
Interest income	21	203,761	167,444	397,903	326,620
Interest expense	22	(122,678)	(92,014)	(236,827)	(176,033)
Net interest income		81,083	75,430	161,076	150,587
Other operating income	23	42,288	26,754	77,568	50,677
Other operating expenses	24	(41,157)	(41,878)	(85,011)	(82,321)
Operating profit before allowance for expected credit losses		82,214	60,306	153,633	118,943
Expected credit losses ("ECL") written-back/ (made) on loans and advances and other financial assets	25	7,042	(4,753)	(6,489)	5,531
Profit before taxation		89,256	55,553	147,144	124,474
Taxation		(21,518)	(13,852)	(35,993)	(30,366)
Profit for the financial period		67,738	41,701	111,151	94,108
Other comprehensive income:					
<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		(2,085)	2,092	(1,415)	11,967
- Net changes in expected credit losses in debt instruments at FVOCI		(41)	(29)	(68)	(34)
- Net gain on foreign exchange translation		(10)	(1)	(3)	11
Other comprehensive income, net of tax		(2,136)	2,062	(1,486)	11,944
Total comprehensive income for the period, net of tax		65,602	43,763	109,665	106,052
Earnings per share					
- Basic/fully diluted (sen)				14.62	12.37

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 2023

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

		2nd Quarter Ended		Six Months Ended	
		30 June	30 June	30 June	30 June
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Bank					
Interest income	21	203,761	167,551	397,903	326,840
Interest expense	22	(122,678)	(92,014)	(236,827)	(176,033)
Net interest income		81,083	75,537	161,076	150,807
Other operating income	23	40,235	23,454	75,335	45,988
Other operating expenses	24	(41,282)	(40,159)	(83,519)	(79,123)
Operating profit before allowance for expected credit losses		80,036	58,832	152,892	117,672
Expected credit losses ("ECL") written-back/ (made) on loans and advances and other financial assets	25	7,042	(4,892)	(6,375)	5,316
Profit before taxation		87,078	53,940	146,517	122,988
Taxation		(21,107)	(13,288)	(35,639)	(30,065)
Profit for the financial period		65,971	40,652	110,878	92,923
Other comprehensive income:					
Items that will be reclassified subsequently to profit or loss when specific conditions are met:					
- Net fair value changes in debt instrument at FVOCI, net of tax		(2,085)	2,092	(1,415)	11,967
- Net changes in expected credit losses in debt instruments at FVOCI		(41)	(29)	(68)	(34)
- Net gain on foreign exchange translation		(10)	(1)	(3)	11
Other comprehensive income, net of tax		(2,136)	2,062	(1,486)	11,944
Total comprehensive income for the period, net of tax		63,835	42,714	109,392	104,867
Earnings per share					
- Basic/fully diluted (sen)				14.58	12.22

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 2023

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Non-distributable			Distributable	
	Fair value				
	Share	Foreign	through other	Regulatory	Retained
	capital	exchange	comprehensive	reserve	profits
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
					<u>Total</u>
					<u>RM'000</u>
Group					
Balance as at 1 January 2024	760,518	11	8,160	55,000	1,175,102
Profit for the financial period	-	-	-	-	111,151
Other comprehensive expense, net of tax	-	(3)	(1,483)	-	-
Total comprehensive income for the financial period, net of tax	-	(3)	(1,483)	-	111,151
At 30 June 2024	760,518	8	6,677	55,000	1,286,253
Balance as at 1 January 2023	760,518	(4)	(6,697)	38,000	1,036,085
Profit for the financial period	-	-	-	-	94,108
Other comprehensive income, net of tax	-	11	11,933	-	-
Total comprehensive income for the financial period, net of tax	-	11	11,933	-	94,108
Transfer from regulatory reserve to retained profits	-	-	-	17,000	(17,000)
At 30 June 2023	760,518	7	5,236	55,000	1,113,193

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 2023

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Non-distributable			Distributable	
	Fair value				
	Share	Foreign	through other	Regulatory	Retained
	capital	exchange	comprehensive	reserve	profits
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
					<u>Total</u>
					<u>RM'000</u>
Bank					
Balance as at 1 January 2024	760,518	11	8,160	55,000	1,176,810
Profit for the financial period	-	-	-	-	110,878
Other comprehensive expense, net of tax	-	(3)	(1,483)	-	-
Total comprehensive income for the financial period, net of tax	-	(3)	(1,483)	-	110,878
At 30 June 2024	760,518	8	6,677	55,000	1,287,688
Balance as at 1 January 2023	760,518	(4)	(6,697)	38,000	1,039,913
Profit for the financial period	-	-	-	-	92,923
Other comprehensive income, net of tax	-	11	11,933	-	-
Total comprehensive income for the financial period, net of tax	-	11	11,933	-	92,923
Transfer from regulatory reserve to retained profits	-	-	-	17,000	(17,000)
At 30 June 2023	760,518	7	5,236	55,000	1,115,836

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 2023

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD
ENDED 31 MARCH 2024

	Group		Bank	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Profit before taxation	147,144	124,474	146,517	122,988
Adjustments for non cash items	31,303	17,330	30,437	16,461
Operating profit before working capital changes	178,447	141,804	176,954	139,449
Changes in working capital:				
Net changes in operating assets	(1,805,883)	(1,556,005)	(1,807,164)	(1,555,361)
Net changes in operating liabilities	640,977	174,155	643,624	174,999
Income taxes paid	(18,063)	(23,066)	(18,063)	(22,951)
Net cash used in operating activities	(1,004,522)	(1,263,112)	(1,004,649)	(1,263,864)
Net cash used in investing activities	(13,628)	(332,441)	(13,628)	(332,441)
Net cash generated/(used) in financing activities	410,738	(40,290)	410,870	(39,568)
Net decrease in cash and cash equivalents during the financial period	(607,412)	(1,635,843)	(607,407)	(1,635,873)
Cash and cash equivalents at beginning of the financial period	3,577,514	2,727,104	3,577,461	2,727,053
Cash and cash equivalents at end of the financial period	2,970,102	1,091,261	2,970,054	1,091,180

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

1 Performance Review

The Group's operating income grew by 18.57% or RM37.38 million to RM238.64 million for the period ended 30 June 2024 compared to the corresponding period of 2023. This was due to an increase in other operating income of RM26.89 million. Profit after tax increased by 18.11% or RM17.04 million to RM111.15 million compared to the corresponding period, mainly due to increased in operating income.

Total assets increased by 7.38% or RM1.21 billion to RM17.64 billion as at 30 June 2024 compared to 31 December 2023, mainly as a result of higher deposits and placements with banks and other financial institutions. Total liabilities increased by 7.64% or RM1.10 billion to RM15.53 billion compared to 31 December 2023, largely due to an increase in customer deposits and other borrowing.

2 Economic Outlook

The world economy continues growing, underpinned by strong labour market and a gradual recovery in global trade. Despite global headline inflation continuing to slow, some advanced economies have experienced a slowdown in disinflation. This increases the prospect of interest rates remaining high for longer, particularly in the US economy. While the US economy remains on a soft landing track, the Federal Reserve may require more data before cutting rates. The official projection for rate easing has reduced from 3 rate cuts to 1 rate cut by end of 2024.

Malaysia's GDP is well placed to expand within the official forecast range of 4.0% to 5.0% in 2024, while inflation increased by 1.8% in January-May 2024. The manufacturing output expanded by 4.9% in April (2.1% in Q1); higher manufacturing sales growth of 5.7% (1.8% in Q1); and exports expanded by 8.1% in April-May (2.2% in Q1). Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") at 3.00% as of June 2024.

With the signing of the Belt and Road Cooperation Plan between Malaysia and China, it will further synergise development strategies, enhance practical economic and investment cooperation of key projects, including Malaysia's East Coast Rail Link and the "Two Countries, Twin Parks" which provide a good business environment for deepening bilateral economic and trade exchanges.

The Bank, as the major CNY clearing bank in Malaysia and China, remains as the largest trading partner of Malaysia, remains confident in achieving sustainable business growth in the future. The Bank will continuously respond to the uncertainty in global environment and domestic economic conditions, seeking out new growth opportunities while maintaining a strong capital level.

3 Group Accounting Policies

The unaudited condensed consolidated interim financial statements for the financial period ended 30 June 2024 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 2023.

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 2023.

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

4 Audit Report

The audit report for the financial year ended 31 December 2023 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 June 2024.

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 June 2024.

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 June 2024.

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

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Money market instrument:		
Malaysian Government Securities ("MGS")	857,349	966,986
Malaysian Government Investment Issue ("MGII")	1,110,206	952,341
Unquoted securities:		
Corporate bond	40,334	40,301
Foreign bond	33,404	32,926
	73,738	73,227
	2,041,293	1,992,554

Movements in ECL on corporate bond

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Stage 1 (12-month ECL):		
As at 1 January	137	191
ECL written back during the financial period/year (Note 25)	(68)	(54)
As at 30 June 2024/31 December 2023	69	137

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

11 Equity Instruments at FVOCI

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
At fair value:		
Unquoted securities in Malaysia		
of which:		
- Cagamas Holdings Berhad	11,801	15,793
- Credit Guarantee Corporation ("CGC")	3,215	3,215
	15,016	19,008

12 Debt Instruments at Amortised Cost

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
At amortised cost:		
Unquoted corporate bond	70,176	70,183

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

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
At fair value:		
Unquoted securities		
Shares of corporations in Malaysia	374	-

14 Loans and Advances

At amortised cost

(i) By type

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Overdrafts	232,597	251,822
Terms loans		
- Housing loans	956,810	857,439
- Syndicated term loans	3,613,657	3,737,894
- Other term loans	1,420,103	1,471,281
Bills receivables	511,488	585,694
Trust receipts	8,697	3,358
Claims on customers under acceptance credits	679,509	528,056
Revolving credits	2,819,777	3,240,772
Staff loans	642	973
Gross loans and advances	10,243,280	10,677,289
Less: Allowance for ECL	(264,856)	(254,850)
Total net loans and advances	9,978,424	10,422,439

(ii) By geographical distribution

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Malaysia	7,254,475	7,619,159
Other countries	2,988,805	3,058,130
Gross loans and advances	10,243,280	10,677,289

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

14 Loans and Advances (continued)

At amortised cost (continued)

(iii) By interest rate sensitivity

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Fixed rate		
- Other fixed rate loans	1,685,866	2,062,037
Variable rate		
- Base lending rate/base rate plus	1,717,128	1,627,018
- Cost of funds plus	6,712,298	6,584,514
- Other variable rates	127,988	403,720
Gross loans and advances	10,243,280	10,677,289

(iv) By economic sector

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Agriculture, forestry and fishing	258,153	227,788
Mining and quarrying	121,088	133,293
Manufacturing	2,057,524	2,169,179
Electricity, gas, steam and air conditioning supply	941,401	941,563
Water supply; sewerage, waste management and remediation activities	3,224	3,532
Construction	478,398	892,960
Wholesale and retail trade; repair of motor vehicles and motorcycles	365,129	319,291
Transportation and storage	1,129,895	1,111,911
Accommodation and food service activities	54,984	56,299
Information and communication	301,984	264,358
Financial and insurance/takaful activities	1,663,507	1,378,471
Real estate activities	1,035,123	1,474,994
Professional, scientific and technical activities	123,610	100,613
Administrative and support service activities	146,049	152,896
Public administration and defence; compulsory social security	11,493	14,536
Education	226,996	209,252
Arts, entertainment and recreation	72,472	71,686
Household	1,252,250	1,154,667
Gross loans and advances	10,243,280	10,677,289

(v) By residual contractual maturity

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Up to one month	1,662,777	1,818,013
More than one month to three months	1,210,337	929,617
More than three months to six months	342,764	388,419
More than six months to twelve months	8,599	938,236
More than twelve months	7,018,803	6,603,004
Gross loans and advances	10,243,280	10,677,289

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

14 Loans and Advances (continued)

(vi) Changes in gross loans and advances carrying amount

Group	12-month 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 2024	10,070,036	231,777	375,476	10,677,289
Transferred to 12-month ECL (Stage 1)	50,220	(50,220)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(20,049)	20,416	(367)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	-	(4,107)	4,107	-
Changes due to change in credit risk	(860,330)	7,348	(1,184)	(854,166)
New loans and advances originated	420,157	-	-	420,157
Gross carrying amount as at 30 June 2024	<u>9,660,034</u>	<u>205,214</u>	<u>378,032</u>	<u>10,243,280</u>
	12-month 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 2023	8,174,429	540,728	380,832	9,095,989
Transferred to 12-month ECL (Stage 1)	195,840	(190,796)	(5,044)	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(152,942)	153,054	(112)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	(6,586)	(16,515)	23,101	-
Changes due to change in credit risk	(829,745)	(268,051)	(2,628)	(1,100,424)
New loans and advances originated	2,689,040	13,357	-	2,702,397
Amount written off	-	-	(20,673)	(20,673)
Gross carrying amount as at 31 December 2023	<u>10,070,036</u>	<u>231,777</u>	<u>375,476</u>	<u>10,677,289</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

14 Loans and Advances (continued)

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

Bank	12-month 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 2024	10,070,036	231,777	375,476	10,677,289
Transferred to 12-month ECL (Stage 1)	50,220	(50,220)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(20,049)	20,416	(367)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	-	(4,107)	4,107	-
Changes due to change in credit risk	(860,330)	7,348	(1,184)	(854,166)
New loans and advances originated	420,157	-	-	420,157
Gross carrying amount as at 30 June 2024	<u>9,660,034</u>	<u>205,214</u>	<u>378,032</u>	<u>10,243,280</u>

	12-month 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 2023	8,174,429	551,250	380,832	9,106,511
Transferred to 12-month ECL (Stage 1)	195,840	(190,796)	(5,044)	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(152,942)	153,054	(112)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	(6,586)	(16,515)	23,101	-
Changes due to change in credit risk	(829,745)	(278,573)	(2,628)	(1,110,946)
New loans and advances originated	2,689,040	13,357	-	2,702,397
Amount written off	-	-	(20,673)	(20,673)
Gross carrying amount as at 31 December 2023	<u>10,070,036</u>	<u>231,777</u>	<u>375,476</u>	<u>10,677,289</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

14 Loans and Advances (continued)

(vii) Movements in ECL on loans and advances measured at amortised cost

Group	12-month 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 2024	36,760	39,396	178,694	254,850
Transferred to 12-month ECL (Stage 1)	3,514	(3,514)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(233)	600	(367)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	-	(447)	447	-
New loans and advances originated	1,328	-	-	1,328
ECL (written-back)/made during the financial period	(3,390)	10,285	(46)	6,849
Full settlement	(913)	(811)	-	(1,724)
Other movement	-	-	3,553	3,553
Allowance for ECL as at 30 June 2024	37,066	45,509	182,281	264,856

	12-month 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 2023	41,064	28,466	178,597	248,127
Transferred to 12-month ECL (Stage 1)	5,234	(5,234)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(2,659)	2,771	(112)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	(245)	(4,680)	4,925	-
New loans and advances originated	2,875	1,355	-	4,230
ECL (written-back)/made during the financial year	(5,572)	25,694	36,202	56,324
Full settlement	(3,937)	(8,976)	(19,084)	(31,997)
Amount written off	-	-	(20,673)	(20,673)
Other movement	-	-	(1,161)	(1,161)
Allowance for ECL as at 31 December 2023	36,760	39,396	178,694	254,850

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

14 Loans and Advances (continued)

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

Bank	12-month 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 2024	36,760	39,396	178,694	254,850
Transferred to 12-month ECL (Stage 1)	3,514	(3,514)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(233)	600	(367)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	-	(447)	447	-
New loans and advances originated	1,328	-	-	1,328
ECL (written-back)/made during the financial period	(3,390)	10,285	(46)	6,849
Full settlement	(913)	(811)	-	(1,724)
Other movement	-	-	3,553	3,553
Allowance for ECL as at 30 June 2024	37,066	45,509	182,281	264,856

	12-month 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 2023	41,064	28,707	178,597	248,368
Transferred to 12-month ECL (Stage 1)	5,234	(5,234)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(2,659)	2,771	(112)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	(245)	(4,680)	4,925	-
New loans and advances originated	2,875	1,355	-	4,230
ECL (written-back)/made during the financial year	(5,572)	25,453	36,202	56,083
Full settlement	(3,937)	(8,976)	(19,084)	(31,997)
Amount written off	-	-	(20,673)	(20,673)
Other movement	-	-	(1,161)	(1,161)
Allowance for ECL as at 31 December 2023	36,760	39,396	178,694	254,850

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

14 Loans and Advances (continued)

(viii) Gross credit impaired loans and advances

(a) Movements in credit impaired loans and advances

	Group and Bank	
	30 June	31 December
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
As at 1 January	375,476	380,832
Classified as credit impaired during the financial period/year	14,843	38,832
Reclassified as non-credit impaired during the financial period/year	(367)	(5,156)
Amount recovered	(11,920)	(18,359)
Amount written-off	-	(20,673)
As at 30 June 2024/31 December 2023	378,032	375,476
Less: Lifetime ECL (credit impaired) (Stage 3)	(182,281)	(178,694)
	195,751	196,782

(b) By geographical distribution

	Group and Bank	
	30 June	31 December
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Malaysia	364,724	359,611
Other countries	13,308	15,865
	378,032	375,476

(c) By economic sector

	Group and Bank	
	30 June	31 December
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Agriculture, forestry and fishing	38,844	39,794
Manufacturing	84,279	81,891
Electricity, gas, steam and air conditioning supply	13,308	15,865
Construction	621	671
Accommodation and food service activities	17,999	17,454
Financial and insurance/takaful activities	42,631	39,783
Real estate activities	6,323	6,976
Arts, entertainment and recreation	72,473	71,686
Household	101,554	101,356
	378,032	375,476

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

15 Other Assets

	Group		Bank	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Other receivables	11,397	18,758	11,520	18,799
Sundry deposits	2,970	2,930	2,618	2,505
Prepayment	3,690	1,767	3,690	1,767
Precious metal inventories	28	37	28	37
	18,085	23,492	17,856	23,108
Less: ECL	(1,632)	(1,048)	(1,619)	(1,035)
	16,453	22,444	16,237	22,073

Movements in ECL on other assets

	Group		Bank	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Stage 1 (12-month ECL):				
As at 1 January	1,048	645	1,035	632
ECL made during the financial period/ year (Note 25)	626	403	626	403
Amounts written-off	(42)	-	(42)	-
As at 30 June 2024/31 December 2023	1,632	1,048	1,619	1,035

16 Deposits From Customers

(i) By type of deposits

	Group		Bank	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Demand deposits	3,364,191	3,199,289	3,364,333	3,200,477
Savings deposits	536,252	532,873	536,252	532,873
Fixed deposits	6,172,232	5,862,910	6,172,232	5,862,910
Other	2,550	2,550	2,550	2,550
	10,075,225	9,597,622	10,075,367	9,598,810

(ii) By type of customers

	Group		Bank	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	2,550	2,550	2,550	2,550
Business enterprises	4,367,501	4,098,739	4,367,643	4,099,927
Individuals	4,598,482	4,121,412	4,598,482	4,121,412
Others	1,106,692	1,374,921	1,106,692	1,374,921
	10,075,225	9,597,622	10,075,367	9,598,810

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

16 Deposits From Customers (continued)

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

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Due within six months	4,112,273	4,004,920
Six months to one year	2,056,169	1,813,309
One year to three years	3,790	44,681
	<u>6,172,232</u>	<u>5,862,910</u>

17 Deposits and Placements of Banks and Other Financial Institutions

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Bank Negara Malaysia	16,346	16,259
Licensed banks	3,076,826	3,000,045
Licensed investment banks	7,646	6,011
Licensed Islamic banks	6,131	7,276
Other financial institutions	2	3
	<u>3,106,951</u>	<u>3,029,594</u>

18 Other Liabilities

	Group		Bank	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Accrued expenses	29,470	47,620	29,392	46,898
Margin deposits	147,412	96,141	147,412	96,141
Interest advances from loans	20,200	20,937	20,200	20,937
Remittances	86,845	70,410	86,845	70,410
Other liabilities	62,498	65,515	62,289	63,408
Lease liabilities	23,305	28,491	18,694	22,698
Allowance for ECL on commitments and contingencies (Note 18 (i))	13,702	14,043	13,706	14,161
	<u>383,432</u>	<u>343,157</u>	<u>378,538</u>	<u>334,653</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

18 Other Liabilities (continued)

(i) Movements in ECL on commitment and contingencies:

Group	30 June 2024			
	12-month 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 2024	8,359	5,684	-	14,043
Transferred to 12-month ECL (Stage 1)	83	(83)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(48)	48	-	-
New loans and advances originated	383	-	-	383
Allowance/(Reversal) during the financial period	12	(680)	-	(668)
Full settlement	(56)	-	-	(56)
As at 30 June 2024	<u>8,733</u>	<u>4,969</u>	<u>-</u>	<u>13,702</u>

Group	31 December 2023			
	12-month 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 2023	9,449	1,531	-	10,980
Transferred to 12-month ECL (Stage 1)	446	(446)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(1,814)	1,814	-	-
New loans and advances originated	530	33	-	563
Allowance during the financial year	166	3,635	-	3,801
Full settlement	(418)	(883)	-	(1,301)
As at 31 December 2023	<u>8,359</u>	<u>5,684</u>	<u>-</u>	<u>14,043</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

18 Other Liabilities (continued)

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

Bank	30 June 2024			
	12-month 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 2024	8,359	5,802	-	14,161
Transferred to 12-month ECL (Stage 1)	202	(202)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(48)	48	-	-
New loans and advances originated	383	-	-	383
Reversal during the financial period	(102)	(680)	-	(782)
Full settlement	(56)	-	-	(56)
As at 30 June 2024	<u>8,738</u>	<u>4,968</u>	<u>-</u>	<u>13,706</u>

Bank	31 December 2023			
	12-month 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 2023	9,449	1,538	-	10,987
Transferred to 12-month ECL (Stage 1)	446	(446)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(1,814)	1,814	-	-
New loans and advances originated	530	33	-	563
Allowance during the financial year	166	3,746	-	3,912
Full settlement	(418)	(883)	-	(1,301)
As at 31 December 2023	<u>8,359</u>	<u>5,802</u>	<u>-</u>	<u>14,161</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

19 Other borrowing

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Unsecured:		
Chinese Yuan Renminbi term loans	463,355	-

The unsecured Chinese Yuan Renminbi term loans are maturing in one (1) year.

20 Subordinated Loan

	Group and Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
At cost	1,442,120	1,442,120
Interest accrued	22,334	21,942
Foreign exchange difference	19,840	(22,320)
	1,484,294	1,441,742

On 5 July 2023, the Bank has drawdown a new subordinated loan facility ("Subordinated Loan 2") of USD310 million and redeemed the existing unsecured subordinated loan facility ("Subordinated Loan 1") of USD310 million via contra-off/set-off against the Subordinated Loan 2 simultaneously. The Subordinated Loan 2 is an USD310 million subordinated loan (ten (10) years maturity, non-callable five (5) years from the drawdown date) which bears interest rate equal to 0.97% plus SOFR Overnight at a 5 days lookback, interest payable at every 3 months and is prepayable after first five years subject to BNM's approval and other conditions.

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

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 JUNE 2024

21 Interest Income

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income on non-credit impaired loans and advances	140,832	122,917	281,783	242,224
- Interest income on credit impaired loans and advances	1,687	1,967	3,553	2,319
Money at call and deposit placement with financial institutions	43,790	27,472	78,193	53,416
Debt instruments at FVOCI	19,257	17,332	38,001	34,499
Debt instruments at amortised cost	642	499	1,285	499
Other interest income	410	1,275	853	1,736
	<u>206,618</u>	<u>171,462</u>	<u>403,668</u>	<u>334,693</u>
Amortisation of premium less accretion of discount	(2,857)	(4,018)	(5,765)	(8,073)
Total interest income	<u>203,761</u>	<u>167,444</u>	<u>397,903</u>	<u>326,620</u>

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income on non-credit impaired loans and advances	140,832	123,024	281,783	242,444
- Interest income on credit impaired loans and advances	1,687	1,967	3,553	2,319
Money at call and deposit placement with financial institutions	43,790	27,472	78,193	53,416
Debt instruments at FVOCI	19,257	17,332	38,001	34,499
Debt instruments at amortised cost	642	499	1,285	499
Other interest income	410	1,275	853	1,736
	<u>206,618</u>	<u>171,569</u>	<u>403,668</u>	<u>334,913</u>
Amortisation of premium less accretion of discount	(2,857)	(4,018)	(5,765)	(8,073)
Total interest income	<u>203,761</u>	<u>167,551</u>	<u>397,903</u>	<u>326,840</u>

22 Interest Expense

Group and Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	36,877	24,127	65,458	49,239
Deposits from customers	60,154	48,382	120,779	89,851
Other borrowing	1,565	-	2,436	-
Subordinated loan	23,432	19,304	46,816	36,249
Others	650	201	1,338	694
	<u>122,678</u>	<u>92,014</u>	<u>236,827</u>	<u>176,033</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

23 Other Operating Income

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Fee income:				
- Fee on loans and advances	2,122	2,178	4,388	4,694
- Service charges and fees	(113)	6,369	674	9,308
- Guarantee fees	4,538	4,690	8,471	9,291
- Commission related income	2,059	-	1,929	-
	<u>8,606</u>	<u>13,237</u>	<u>15,462</u>	<u>23,293</u>
Fee expense:				
- Commission related expenses	-	(2,275)	-	(3,249)
Net fee income	<u>8,606</u>	<u>10,962</u>	<u>15,462</u>	<u>20,044</u>
Foreign exchange income/(loss):				
- Realised	30,291	15,473	62,590	33,871
- Unrealised	3,466	771	(265)	(3,254)
Net loss on revaluation of derivatives	(214)	(548)	(968)	(425)
Unrealised (loss)/gain on equity instrument at FVTPL	(39)	-	377	-
Gain from derivative financial instrument	106	36	240	365
Revenue from sale of precious metal products	9	-	16	5
Net gain on disposal of property and equipment	1	-	1	-
Dividend income:				
- Equity instruments at FVOCI	45	45	45	45
Other income	17	15	70	26
	<u>42,288</u>	<u>26,754</u>	<u>77,568</u>	<u>50,677</u>
Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Fee income:				
- Fee on loans and advances	2,122	2,178	4,388	4,694
- Service charges and fees	(113)	741	352	1,264
- Guarantee fees	4,538	4,690	8,471	9,291
	<u>6,547</u>	<u>7,609</u>	<u>13,211</u>	<u>15,249</u>
Foreign exchange income/(loss):				
- Realised	30,304	15,473	62,603	33,871
- Unrealised	3,466	771	(265)	(3,254)
Net loss on revaluation of derivatives	(214)	(548)	(968)	(425)
Unrealised (loss)/gain on equity instrument at FVTPL	(39)	-	377	-
Gain from derivative financial instrument	106	36	240	365
Revenue from sale of precious metal products	9	-	16	5
Dividend income:				
- Equity instruments at FVOCI	45	45	45	45
Other income	11	68	76	132
	<u>40,235</u>	<u>23,454</u>	<u>75,335</u>	<u>45,988</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

24 Other Operating Expenses

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
<u>Personnel expenses</u>				
Salaries & wages	17,984	17,003	35,795	33,898
Bonuses	7,315	7,419	15,109	14,837
Defined contribution plan ("EPF")	3,555	3,475	7,803	6,830
Staff welfare expenses	720	1,124	1,045	1,935
Other personnel costs	2,954	3,095	6,216	5,493
	<u>32,528</u>	<u>32,116</u>	<u>65,968</u>	<u>62,993</u>
<u>Marketing expenses</u>				
Entertainment	138	99	361	270
Other marketing	77	317	471	716
	<u>215</u>	<u>416</u>	<u>832</u>	<u>986</u>
<u>Establishment costs</u>				
Rental of premises	4	-	4	-
Depreciation of property and equipment	1,410	1,952	2,865	3,902
Depreciation of right-of-use assets	2,158	2,199	4,350	4,496
Finance cost on lease liabilities	240	320	511	597
Amortisation of intangible assets	267	457	540	908
Repairs and maintenance	327	423	673	794
Property and equipment written-off	1	-	4	-
Information technology expenses	388	1,228	1,648	2,187
Other establishment costs	702	241	1,292	528
	<u>5,497</u>	<u>6,820</u>	<u>11,887</u>	<u>13,412</u>
<u>Administration and general expenses</u>				
Insurance premium	745	814	1,411	1,559
Auditors' remuneration				
- statutory audit fees	62	63	125	126
- regulatory related service	46	46	94	96
Travelling and accommodation	81	120	186	202
Telecommunication and utilities	534	288	664	468
Printing, stationery and postage	278	326	557	606
Legal and professional fees	143	119	279	239
Other administration and general expenses	1,023	750	3,000	1,631
	<u>2,913</u>	<u>2,526</u>	<u>6,317</u>	<u>4,927</u>
<u>Other expenses</u>				
Cost of sales of precious metal	4	-	7	3
	<u>4</u>	<u>-</u>	<u>7</u>	<u>3</u>
	<u>41,157</u>	<u>41,878</u>	<u>85,011</u>	<u>82,321</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

24 Other Operating Expenses (continued)

	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Bank	RM'000	RM'000	RM'000	RM'000
<u>Personnel expenses</u>				
Salaries & wages	17,985	16,284	35,436	32,548
Bonuses	7,794	7,343	15,588	14,686
Defined contribution plan ("EPF")	3,592	3,403	7,805	6,688
Staff welfare expenses	720	1,085	1,021	1,870
Other personnel costs	2,953	2,999	5,491	5,358
	33,044	31,114	65,341	61,150
<u>Marketing expenses</u>				
Entertainment	138	99	361	270
Other marketing	77	317	471	716
	215	416	832	986
<u>Establishment costs</u>				
Rental of premises	4	4	4	-
Depreciation of property and equipment	1,382	1,786	2,746	3,569
Depreciation of right-of-use assets	1,911	1,884	3,821	3,878
Finance cost on lease liabilities	195	252	410	464
Amortisation of intangible assets	267	457	540	908
Repairs and maintenance	322	419	658	790
Information technology expenses	381	1,224	1,640	2,182
Other establishment costs	648	243	1,268	538
	5,110	6,269	11,087	12,329
<u>Administration and general expenses</u>				
Insurance premium	745	814	1,411	1,559
Auditors' remuneration				
- statutory audit fees	62	55	125	110
- regulatory related service	47	42	95	89
Travelling and accommodation	82	119	186	201
Telecommunication and utilities	533	254	652	403
Printing, stationery and postage	278	272	543	524
Legal and professional fees	143	119	279	238
Other administration and general expenses	1,019	685	2,961	1,531
	2,909	2,360	6,252	4,655
<u>Other expenses</u>				
Cost of sales of precious metal	4	-	7	3
	4	-	7	3
	41,282	40,159	83,519	79,123

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD
 ENDED 30 JUNE 2024

25 Allowance For Impairment On Loans and Advances and Other Financial Assets

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Allowance/(written-back) for impairment on:				
Cash and short-term funds				
- Stage 1	19	6	(74)	-
Deposits and placements with banks and other financial institutions				
- Stage 1	54	(4)	103	(15)
Debt instruments at FVOCI				
- Stage 1	(41)	(30)	(68)	(35)
Debt instruments at amortised cost				
- Stage 1	-	536	-	536
Other assets				
- Stage 1	356	(59)	626	127
Loans and advances				
- Stage 1	(5,089)	(470)	(2,975)	(2,848)
- Stage 2	1,129	3,144	9,474	(1,540)
- Stage 3	(1,560)	793	(46)	(2,183)
Commitments and contingencies				
- Stage 1	(416)	908	339	734
- Stage 2	(1,494)	(71)	(680)	(307)
- Stage 3	-	-	-	-
Bad debt recover during the financial period/year	-	-	(210)	-
	<u>(7,042)</u>	<u>4,753</u>	<u>6,489</u>	<u>(5,531)</u>
Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Allowance/(written-back) for impairment on:				
Cash and short-term funds				
- Stage 1	19	6	(74)	-
Deposits and placements with banks and other financial institutions				
- Stage 1	54	(4)	103	(15)
Debt instruments at FVOCI				
- Stage 1	(41)	(30)	(68)	(35)
Debt instruments at amortised cost				
- Stage 1	-	536	-	536
Other assets				
- Stage 1	356	(59)	626	127
Loans and advances				
- Stage 1	(5,089)	(469)	(2,975)	(2,847)
- Stage 2	1,129	3,268	9,474	(1,342)
- Stage 3	(1,560)	793	(46)	(2,183)
Commitments and contingencies				
- Stage 1	(416)	908	225	734
- Stage 2	(1,494)	(57)	(680)	(291)
- Stage 3	-	-	-	-
Bad debt recover during the financial period/year	-	-	(210)	-
	<u>(7,042)</u>	<u>4,892</u>	<u>6,375</u>	<u>(5,316)</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

26 Capital Adequacy

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

	Group		Bank	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>Common Equity Tier 1 ("CET1") Capital</u>				
Paid-up ordinary share capital	760,518	760,518	760,518	760,518
Retained profits	1,175,102	1,175,102	1,176,810	1,176,810
Regulatory reserve	55,000	55,000	55,000	55,000
Fair value through other comprehensive reserve	6,677	8,160	6,677	8,160
Foreign exchange reserve	8	11	8	11
	1,997,305	1,998,791	1,999,013	2,000,499
Regulatory adjustment applied in the calculation of CET 1 Capital				
- Deferred tax assets	(28,488)	(31,339)	(28,488)	(31,202)
- Intangible assets	(1,184)	(1,724)	(1,184)	(1,724)
- 55% of cumulative unrealised gains of FVOCI financial instruments	3,672	4,488	3,672	4,488
- Regulatory reserve attributable to financial assets	(55,000)	(55,000)	(55,000)	(55,000)
	(81,000)	(83,575)	(81,000)	(83,438)
Total CET1 capital/Total Tier 1 capital	1,916,305	1,915,216	1,918,013	1,917,061
<u>Tier-2 capital</u>				
General provision*	133,388	132,466	133,340	132,416
Subordinated loan	1,461,960	1,419,800	1,461,960	1,419,800
Less: Investment in a subsidiary company	-	-	(1,000)	(1,000)
Total Tier-2 capital	1,595,348	1,552,266	1,594,300	1,551,216
Total capital base	3,511,653	3,467,482	3,512,313	3,468,277
CET 1 capital ratio	16.793%	17.003%	16.830%	17.040%
Tier 1 capital ratio	16.793%	17.003%	16.830%	17.040%
Total capital ratio	30.773%	30.784%	30.819%	30.828%

*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 JUNE 2024

26 Capital Adequacy (continued)

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

	Group		Bank	
	30 June	31 December	30 June	31 December
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Credit risk	10,671,070	10,597,266	10,667,170	10,593,264
Market risk	16,423	3,077	16,423	3,077
Operational risk	723,798	663,303	712,948	653,791
Total risk-weighted assets	<u>11,411,291</u>	<u>11,263,646</u>	<u>11,396,541</u>	<u>11,250,132</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 JUNE 2024

27 Commitments and Contingencies

Group	30 June 2024			31 December 2023		
	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	4,762	4,762	4,762	3,187	3,187	3,187
Transaction-related contingent items	2,516,163	1,258,081	661,307	2,553,642	1,276,821	647,176
Short-term self-liquidation trade related contingencies	175,894	35,179	31,435	70,903	14,181	12,646
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	3,824,418	764,883	704,300	3,200,332	640,067	567,959
- Maturity exceeding one year	300,376	150,188	131,282	419,070	209,535	189,620
Foreign exchange related contracts:						
- Less than one year	4,252,305	51,333	21,053	1,731,010	27,578	12,010
Interest/Profit rate related contracts:						
- Less than one year	496,197	2,313	1,595	517,526	3,360	2,686
- More than one year to five year	58,530	4,109	2,493	64,197	4,536	2,750
Total	11,628,645	2,270,848	1,558,227	8,559,867	2,179,265	1,438,034

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

27 Commitments and Contingencies (continued)

	30 June 2024			31 December 2023		
	Principal RM'000	Credit equivalent RM'000	Risk weighted RM'000	Principal RM'000	Credit equivalent RM'000	Risk weighted RM'000
Bank						
Direct credit substitutes	4,762	4,762	4,762	3,187	3,187	3,187
Transaction-related contingent items	2,516,163	1,258,081	661,307	2,553,642	1,276,821	647,176
Short-term self-liquidation trade related contingencies	175,894	35,179	31,435	70,903	14,181	12,646
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	3,827,418	765,483	704,900	3,212,332	642,467	570,359
- Maturity exceeding one year	300,376	150,188	131,282	419,070	209,535	189,620
Foreign exchange related contracts:						
- Less than one year	4,252,305	51,333	21,053	1,731,010	27,578	12,010
Interest/Profit rate related contracts:						
- Less than one year	496,197	2,313	1,595	517,526	3,360	2,686
- More than one year to five year	58,530	4,109	2,493	64,197	4,536	2,750
Total	11,631,645	2,271,448	1,558,827	8,571,867	2,181,665	1,440,434

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

28 Operations of Islamic Banking

There were no Islamic banking operations for the financial period ended 30 June 2024.

29 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.

30 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.

31 Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the financial period ended 30 June 2024.