



**CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2022**

**UNAUDITED 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
ASSETS					
Cash and bank balances		865,097	835,189	862,391	834,987
Deposits and placements with financial institutions		456,910	672,463	456,910	672,463
Financial investments at fair value through profit or loss	1	721,913	976,032	721,913	976,032
Financial investments at fair value through other comprehensive income	2	19,999,589	20,781,718	19,999,581	20,781,710
Financial investments at amortised cost	3	13,405,875	10,826,850	13,405,875	10,826,850
Financing and advances	4	77,118,757	77,296,437	77,388,255	77,516,581
Trade receivables		2,241	909	-	-
Other assets	5	920,443	620,169	901,255	596,551
Right-of-use assets		44,788	49,075	52,970	60,948
Inventories		37,624	23,393	-	-
Investment in subsidiaries		-	-	100,744	100,744
Property and equipment		619,143	606,186	527,123	514,446
Intangible assets		546,965	579,046	533,780	565,861
Investment properties		1,468,743	1,388,091	948,920	948,920
Prepaid lease payment		55,566	59,038	55,566	59,038
Tax recoverable		184,453	142,078	182,945	138,747
Deferred tax assets		333,484	201,484	333,000	201,000
TOTAL ASSETS		116,781,591	115,058,158	116,471,228	114,794,878

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2021.

**UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022 (CONTINUED)**

		Group		Bank	
		30 September 2022	31 December 2021	30 September 2022	31 December 2021
	Note	RM'000	RM'000	RM'000	RM'000
LIABILITIES					
Deposits from customers	6	86,784,999	86,523,884	86,784,999	86,523,884
Investment accounts of customers	7	7,241	-	7,241	-
Deposits and placements from banks and financial institutions		1,377,258	850,000	1,377,258	850,000
Trade payables		1,586	1,839	-	-
Recourse obligations on financing sold to Cagamas		301,573	318,311	301,573	318,311
Debt securities issued		3,993,442	3,297,940	3,993,442	3,297,940
Cashline facility		700,160	700,417	700,160	700,417
Other liabilities	8	1,536,782	1,697,022	1,694,774	1,884,260
Provision for taxation		2,422	-	-	-
Deferred tax liabilities		13,550	13,550	-	-
TOTAL LIABILITIES		94,719,013	93,402,963	94,859,447	93,574,812
SHAREHOLDERS' FUND					
Share capital		2,986,030	2,986,030	2,986,030	2,986,030
Share redemption fund		3,637	5,885	3,637	5,885
Reserves	9	19,072,911	18,663,280	18,622,114	18,228,151
TOTAL SHAREHOLDERS' FUND		22,062,578	21,655,195	21,611,781	21,220,066
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		116,781,591	115,058,158	116,471,228	114,794,878
COMMITMENTS AND CONTINGENCIES	15	2,571,874	2,543,134	2,571,874	2,543,134

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2021.

**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2022**

Group	Note	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
Income	10	1,503,721	1,418,892	4,352,888	4,282,827
Expenditure	11	(611,567)	(552,804)	(1,728,900)	(1,623,067)
Net income		892,154	866,088	2,623,988	2,659,760
Allowance for impairment	12	(140,449)	(106,826)	(498,576)	(529,052)
Other operating income	13	129,258	81,712	316,671	243,535
Operating expenses	14	(438,525)	(369,716)	(1,117,313)	(1,102,511)
Profit before taxation and zakat		442,438	471,258	1,324,770	1,271,732
Taxation		99,138	62,107	165,756	156,274
Zakat		(9,669)	(9,522)	(28,939)	(27,490)
Profit after taxation and zakat		531,907	523,843	1,461,587	1,400,516
<u>Other comprehensive loss</u>					
Items that will not be reclassified to profit or loss:					
Change in fair value reserve (equity instruments)		4,269	3,462	11,263	8,377
Items that may be reclassified subsequently to profit or loss:					
Fair value reserve (debt instruments)					
- Change in fair value		(81,790)	(175,507)	(633,003)	(549,818)
- Amount transferred to profit or loss		-	-	(1,349)	(2,304)
Change in expected credit loss ("ECL") reserve on debt Instruments at FVOCI		(2)	8	(18)	(11)
Other comprehensive loss for the period		(77,523)	(172,037)	(623,107)	(543,756)
Total comprehensive income for the period		454,384	351,806	838,480	856,760

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2021.

**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2022 (CONTINUED)**

Bank	Note	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
Income	10	1,485,519	1,402,878	4,291,273	4,257,030
Expenditure	11	(594,065)	(539,448)	(1,672,123)	(1,602,255)
Net income		891,454	863,430	2,619,150	2,654,775
Allowance for impairment	12	(140,212)	(106,799)	(498,309)	(531,830)
Other operating income	13	125,380	81,688	297,579	237,717
Operating expenses	14	(439,075)	(368,012)	(1,118,214)	(1,101,816)
Profit before taxation and zakat		437,547	470,307	1,300,206	1,258,846
Taxation		100,369	62,449	172,564	159,796
Zakat		(9,000)	(9,000)	(26,851)	(25,964)
Profit after taxation and zakat		528,916	523,756	1,445,919	1,392,678
<u>Other comprehensive loss</u>					
Items that will not be reclassified to profit or loss:					
Change in fair value reserve (equity instruments)		4,269	3,462	11,263	8,377
Items that may be reclassified subsequently to profit or loss:					
Fair value reserve (debt instruments)					
- Change in fair value		(81,790)	(175,507)	(633,003)	(549,818)
- Amount transferred to profit or loss		-	-	(1,349)	(2,304)
Change in expected credit loss ("ECL") reserve on debt instruments at FVOCI		(2)	8	(18)	(11)
Other comprehensive loss for the period		(77,523)	(172,037)	(623,107)	(543,756)
Total comprehensive income for the period		451,393	351,719	822,812	848,922

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2021.

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

Group	← Non-distributable →			Distributable	
	Share capital RM'000	Share redemption fund RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000
At 1 January 2021	2,986,030	9,977	8,091,563	9,860,818	20,948,388
Total comprehensive income for the period	-	-	(543,756)	1,400,516	856,760
Issuance to new members	14,184	-	-	-	14,184
Share withdrawal	(16,892)	-	-	-	(16,892)
Transfer to share capital	2,708	(2,708)	-	-	-
Dividends	-	-	-	(373,230)	(373,230)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	589	589
At 30 September 2021	2,986,030	7,269	7,547,807	10,888,693	21,429,799
At 1 January 2022	2,986,030	5,885	7,853,902	10,809,378	21,655,195
Total comprehensive income for the period	-	-	(623,107)	1,461,587	838,480
Issuance to new members	18,568	-	-	-	18,568
Share withdrawal	(20,816)	-	-	-	(20,816)
Transfer to/(from) share capital	2,248	(2,248)	-	-	-
Dividends	-	-	-	(429,476)	(429,476)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	627	627
At 30 September 2022	2,986,030	3,637	7,230,795	11,842,116	22,062,578

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2021

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022 (CONTINUED)**

Bank	← Non-distributable →			Distributable	
	Share capital RM'000	Share redemption fund RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000
At 1 January 2021	2,986,030	9,977	8,092,304	9,430,095	20,518,406
Total comprehensive income for the period	-	-	(543,756)	1,392,678	848,922
Issuance to new members	14,184	-	-	-	14,184
Share withdrawal	(16,892)	-	-	-	(16,892)
Transfer to share capital	2,708	(2,708)	-	-	-
Dividends	-	-	-	(373,230)	(373,230)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	589	589
At 30 September 2021	2,986,030	7,269	7,548,548	10,450,132	20,991,979
At 1 January 2022	2,986,030	5,885	7,854,643	10,373,508	21,220,066
Total comprehensive income for the period	-	-	(623,107)	1,445,919	822,812
Issuance to new members	18,568	-	-	-	18,568
Share withdrawal	(20,816)	-	-	-	(20,816)
Transfer from share capital	2,248	(2,248)	-	-	-
Dividends	-	-	-	(429,476)	(429,476)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	627	627
At 30 September 2022	2,986,030	3,637	7,231,536	11,390,578	21,611,781

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2021

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

	Group		Bank	
	Nine Months Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the period	1,461,587	1,400,516	1,445,919	1,392,678
Adjustments for:				
Taxation	(165,756)	(156,274)	(172,564)	(159,796)
Zakat	28,939	27,490	26,851	25,964
Profit expense on debt securities issued	110,183	99,267	110,183	99,267
Allowance for impairment on financing and advances	505,992	529,385	505,725	532,163
Writeback for impairment on financial investment at fair value through other comprehensive income	(18)	(11)	(18)	(11)
Writeback for impairment on financial investment at amortised cost	(7,398)	(322)	(7,398)	(322)
Depreciation of property and equipment	21,012	27,096	20,826	26,352
Depreciation of right-of-use assets	14,706	14,037	18,475	16,621
Amortisation of prepaid lease payment	3,472	1,192	3,472	1,192
Amortisation of intangible assets	41,189	36,615	41,189	36,615
Finance cost on lease liabilities	1,590	1,831	1,832	2,136
Property and equipment written off	36	143	36	143
Gain on disposal of property and equipment	(25)	(16)	(5)	-
Loss on financing written off	5,231	4,996	5,231	4,996
Gain on revaluation of investment properties	(18,942)	(5,746)	-	-
Impairment of trade and other receivables	3,272	204	3,272	120
Impairment/(Writeback) for impairment on trade receivables	2	(995)	-	-
Net loss/(gain) on disposal of financial investment at fair value through profit or loss	2,566	(2,038)	2,566	(2,038)
Net loss on revaluation of financial investments at fair value through profit or loss	29,560	35,627	29,560	35,627
Net gain on disposal of financial investments at fair value through other comprehensive income	(1,349)	(2,304)	(1,349)	(2,304)
Profit expense on financing sold with recourse to Cagamas	11,706	12,526	11,706	12,526
Profit expense on cashline facility	2,204	2,523	2,204	2,523
Dividend from financial investments at fair value through profit or loss	(15,147)	(16,967)	(15,147)	(16,967)
Operating profit before working capital changes	2,034,612	2,008,775	2,032,566	2,007,485

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2021

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022 (CONTINUED)**

	Group		Bank	
	Nine Months Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
(Increase)/Decrease in assets:				
Deposits and placements with financial institutions	215,553	26,928	215,553	26,928
Financing and advances	(334,798)	(422,866)	(383,885)	(441,566)
Trade receivables	(1,334)	(1,719)	-	-
Other assets	(303,546)	364,618	(307,976)	359,778
Inventories	(14,231)	(23,171)	-	-
Increase/(Decrease) in liabilities:				
Deposits from customers	261,115	1,009,840	261,115	1,009,840
Investment accounts of customers	7,241	-	7,241	-
Deposits and placements from banks and financial institutions	527,258	1,130,000	527,258	1,130,000
Trade payables	(253)	33	-	-
Recourse obligations on financing sold to Cagamas	(28,444)	(28,596)	(28,444)	(28,596)
Other liabilities	(235,185)	(210,845)	(263,969)	(232,588)
Cash generated from operations	2,127,988	3,852,997	2,059,459	3,831,281
Income tax paid	(6,197)	(45,208)	(3,634)	(43,311)
Zakat paid	(20,336)	(25,977)	(19,090)	(23,521)
Net cash generated from operating activities	2,101,455	3,781,812	2,036,735	3,764,449
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of financial investments at fair value through profit or loss	(290,000)	(960,000)	(330,000)	(960,000)
Net proceed from disposal of financial investments at fair value through profit or loss	511,993	372,653	551,993	372,653
Purchases of financial investments at fair value through other comprehensive income	(2,120,000)	(4,293,000)	(2,120,000)	(4,293,000)
Net proceed from disposal of financial investment at fair value through other comprehensive income	2,280,389	2,672,122	2,280,389	2,672,122

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2021

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022 (CONTINUED)**

	Group		Bank	
	Nine Months Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES (CONTINUED)				
Purchases of financial investments at amortised cost	(3,661,150)	(3,805,000)	(3,661,150)	(3,805,000)
Proceed from disposal of financial investments at amortised cost	1,089,523	1,963,367	1,089,523	1,963,367
Purchases of investment property	(61,710)	(25,531)	-	(6,836)
Purchases of property and equipment	(34,021)	(28,397)	(33,555)	(28,243)
Purchases of intangible assets	(9,108)	(31,243)	(9,108)	(31,243)
Proceeds from disposal of property and equipment	41	19	21	-
Purchase of right-of-use assets	-	(10,982)	-	(8,276)
Dividend from financial investments at fair value through profit or loss	15,147	16,967	15,147	16,967
Net cash used in investing activities	(2,278,896)	(4,129,025)	(2,216,740)	(4,107,489)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares to members	18,668	14,184	18,668	14,184
Dividend paid	(429,476)	(373,230)	(429,476)	(373,230)
Fund received from government	55,779	155,000	55,779	155,000
Proceeds from debt securities issued	1,500,000	1,300,000	1,500,000	1,300,000
Payment of profit expenses on debt securities issued	(914,681)	(355,769)	(914,681)	(355,769)
Repayment of lease liabilities	(20,480)	(13,536)	(20,420)	(18,356)
Repayment of cashline facility	(702,461)	(803,393)	(702,461)	(803,393)
Receipt of cashline facility	700,000	400,000	700,000	400,000
Net cash generated from financing activities	207,349	323,256	207,409	318,436
Net increase/(decrease) in cash and cash equivalents	29,908	(23,957)	27,404	(24,604)
Cash and cash equivalents at beginning of period	835,189	881,621	834,987	881,165
Cash and cash equivalents at end of period	865,097	857,664	862,391	856,561

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2021

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”)

Basis of Preparation

The unaudited interim financial statements for the third quarter and nine months ended 30 September 2022 have been prepared under historical cost convention except for the following assets and liabilities which are stated at fair values, i.e. financial investments at fair value through profit or loss, financial investments at fair value through other comprehensive income, and investment properties.

The unaudited interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by Malaysian Accounting Standards 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 explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 31 December 2021.

Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the audited financial statements for the financial year ended 31 December 2021 was not qualified.

Comments on Seasonal or Cyclical Factors

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the third quarter and nine months ended 30 September 2022.

Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, shareholders’ fund, net income or cash flows of the Group and the Bank in the third quarter and nine months ended 30 September 2022.

Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the third quarter and nine months ended 30 September 2022.

Debt and Equity Securities

On 12 May 2022, the Bank issued the fifth and sixth tranches of RM700 million and RM800 million, respectively. The fifth tranche bears a profit distribution rate at 4.38% maturing on 12 May 2027. The sixth tranche bears a profit distribution rate at 4.77% maturing on 11 May 2029. The profit is payable semi-annually each year commencing 14 November 2022.

Dividends Paid and Distributed

During the nine months ended 30 September 2022, final dividend for the year ended 31 December 2021 was paid amounting to RM429,476,370 comprising of 15% cash dividend.

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”) (CONTINUED)

Significant Changes in Regulatory Requirements

Based on the BNM’s revised guideline on Financial Reporting for Development Financial Institutions, the prescribed development financial institutions (“DFIs”) shall make a one-time election in 2020 to apply revisions to the original effective profit rate in respect of any modifications made to the contractual cash flows of financing. In the event of election, the requirements shall apply for financial years beginning between 1 January 2020 to 31 December 2022 and in respect of financing for which the contractual cash flows are modified, including payments deferred under moratoriums provided by DFIs during these financial years.

The Group and the Bank elected to adopt the modified accounting treatment. The comparison of the financial impact of applying the accounting treatment in accordance with Malaysian Financial Reporting Standard (“MFRS”) and the modified accounting treatment is as follows:

	Group		Bank	
	2022	2021	2022	2021
As at 30 September	RM'000	RM'000	RM'000	RM'000
Financing and Advances				
Closing balance under MFRS	79,316,580	77,480,622	79,599,417	77,714,372
Modification loss	774,861	977,874	774,861	977,874
Loss of income due to changes in effective rate	(260,705)	(139,917)	(260,705)	(139,917)
Closing balance under modified accounting treatment	79,830,736	78,318,579	80,113,573	78,552,329

	Group		Bank	
	2022	2021	2022	2021
The Third Quarter Ended 30 September	RM'000	RM'000	RM'000	RM'000
Income				
Closing balance under MFRS	3,407,532	2,772,464	3,412,090	2,779,308
Modification loss	8,565	628,444	8,565	628,444
Loss of income due to changes in effective rate	(84,173)	(77,976)	(84,173)	(77,976)
Closing balance under modified accounting treatment	3,331,924	3,322,932	3,336,482	3,329,776

NOTE 1: FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Bank	
	30 September 2022	31 December 2021
	RM'000	RM'000
Debt instruments at fair value through profit or loss:		
Government investment issues	434,763	695,939
Government sukuk	29,711	-
Islamic redeemable convertible preference shares	213,200	213,200
	677,674	909,139
Equity securities at fair value through profit or loss:		
Quoted shares	44,239	66,893
	44,239	66,893
Total financial investments at fair value through profit or loss	721,913	976,032

NOTE 2: FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Debt instruments at fair value through other comprehensive income:				
Islamic debt securities	4,752,829	5,036,372	4,752,829	5,036,372
Government investment issues	5,825,219	5,550,252	5,825,219	5,550,252
Government sukuk	8,336,345	8,709,494	8,336,345	8,709,494
Khazanah sukuk	-	156,319	-	156,319
Cagamas sukuk	1,001,154	1,256,502	1,001,154	1,256,502
	19,915,547	20,708,939	19,915,547	20,708,939
Equity securities at fair value through other comprehensive income:				
Unquoted shares	84,042	72,779	84,034	72,771
	84,042	72,779	84,034	72,771
Total financial investments at fair value through other comprehensive income	19,999,589	20,781,718	19,999,581	20,781,710

Movement of allowance for Expected Credit Loss (“ECL”) by stage for debt instruments at fair value through other comprehensive income is as follows:

Group and Bank	12-month ECL Stage 1 RM'000
At 1 January 2021	174
Changes in credit risk	(45)
At 31 December 2021/1 January 2022	129
Changes in credit risk	(18)
At 30 September 2022	111

NOTE 3: FINANCIAL INVESTMENTS AT AMORTISED COST

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
At amortised cost		
Islamic debt securities	1,121,461	471,788
Government investment issues	8,597,827	6,925,903
Government sukuk	3,358,145	3,170,872
Khazanah sukuk	62,694	100,040
Cagamas sukuk	76,559	76,349
Negotiable Islamic debt certificates	199,833	99,940
	13,416,519	10,844,892
Less: Allowance for ECL		
Negotiable Islamic debt certificates	-	(12)
Islamic debt securities	(10,644)	(18,030)
Total financial investments at amortised cost	13,405,875	10,826,850

Movement of allowance for ECL by stage is as follows:

Group and Bank	12-month ECL Stage 1 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
	At 1 January 2021	39	18,651
Changes in credit risk	(7)	(641)	(648)
At 31 December 2021/1 January 2022	32	18,010	18,042
Changes in credit risk	7	(7,405)	(7,398)
At 30 September 2022	39	10,605	10,644

Included in financial investments at amortised cost are government sukuk that are used for the underlying assets of Unrestricted Investment Accounts. The details are as follows:

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Government sukuk		
Unrestricted Investment Accounts	2,172	-

NOTE 4: FINANCING AND ADVANCES

(i) By type of financing

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
At amortised cost				
Term financing				
- Personal financing	58,662,724	59,910,443	58,662,724	59,910,443
- House financing	9,109,722	8,389,280	9,392,559	8,623,030
- Hire-purchase receivables	2,103,703	1,922,355	2,103,703	1,922,355
- Syndicated financing	359,613	346,196	359,613	346,196
- Bridging financing	93,262	257,291	93,262	257,291
- Other term financing	5,907,973	5,402,134	5,907,973	5,402,134
Pawn broking	2,160,165	2,015,803	2,160,165	2,015,803
Cashline	329,717	224,006	329,717	224,006
Revolving credit	230,919	304,539	230,919	304,539
Credit card	376,607	356,279	376,607	356,279
Staff financing	496,330	487,138	496,330	487,138
Gross financing and advances, net of unearned income	79,830,735	79,615,464	80,113,572	79,849,214
Allowance for ECL on financing and advances:				
Stage 1 - 12 months ECL	(943,912)	(934,553)	(957,251)	(948,159)
Stage 2 - lifetime ECL not credit impaired	(770,876)	(609,842)	(770,876)	(609,842)
Stage 3 - lifetime ECL credit impaired	(997,190)	(774,632)	(997,190)	(774,632)
Net financing and advances	77,118,757	77,296,437	77,388,255	77,516,581

Included in financing and advances are personal financing that are used for the underlying assets of Unrestricted Investment Accounts. The details are as follows:

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Personal financing		
Unrestricted Investment Accounts	5,069	-

NOTE 4: FINANCING AND ADVANCES (CONTINUED)

(ii) By type of customer

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Individuals	73,939,941	74,104,154	73,939,941	74,104,154
Business enterprises	3,436,654	3,041,960	3,719,491	3,275,710
Non-bank financial institutions				
- Co-operatives	2,237,662	2,214,452	2,237,662	2,214,452
Foreign entities	1,469	1,566	1,469	1,566
Other entities	215,009	253,332	215,009	253,332
	79,830,735	79,615,464	80,113,572	79,849,214

(iii) By economic sector

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000 Restated	30 September 2022 RM'000	31 December 2021 RM'000 Restated
Household	73,945,765	74,105,720	73,945,765	74,105,720
Agriculture	86,315	79,408	86,315	79,408
Mining and quarrying	5,351	3,225	5,351	3,225
Manufacturing	102,811	69,211	102,811	69,211
Electricity, gas and water	139,388	47,628	139,388	47,628
Construction	858,027	654,022	858,027	654,022
Wholesale and retail trade	530,361	544,081	530,361	544,081
Transportation and communication	813,934	736,135	813,934	736,135
Financial, takaful and business services	2,399,708	2,874,224	2,682,545	3,107,974
Community, social and personal services	949,075	501,810	949,075	501,810
	79,830,735	79,615,464	80,113,572	79,849,214

NOTE 4: FINANCING AND ADVANCES (CONTINUED)

(iv) Impaired financing and advances by economic sector

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000 Restated
Household	907,601	629,082
Agriculture	2,767	2,397
Mining and quarrying	1,294	-
Manufacturing	2,785	2,011
Electricity, gas and water	1,731	-
Construction	186,961	184,089
Wholesale and retail trade	41,620	8,060
Transportation and communication	106,747	119,438
Financial, takaful and business services	414,933	407,789
Community, social and personal services	44,544	634
	1,710,983	1,353,500

(v) Movement in impaired financing and advances

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
At 1 January	1,353,500	1,518,204
Classified as impaired during the period	1,637,726	2,005,755
Amount written back in respect of recoveries	(1,165,947)	(1,685,467)
Amount written off during the period	(114,296)	(484,992)
	357,483	(164,704)
Closing balance	1,710,983	1,353,500
Gross impaired financing and advances as a percentage of gross financing and advances	2.14%	1.70%

NOTE 4: FINANCING AND ADVANCES (CONTINUED)

(vi) Movements in allowance for ECL on financing and advances are as follows:

Group	12-month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
ECL Allowance				
At 1 January 2021	388,082	709,254	975,349	2,072,685
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	398,873	(336,297)	(62,576)	-
- Transfer to lifetime ECL not credit impaired (Stage 2)	(30,758)	113,902	(83,144)	-
- Transfer to lifetime ECL credit impaired (Stage 3)	(2,623)	(35,976)	38,599	-
New financial assets originated	108,643	14,599	16,998	140,240
Changes in credit risk	99,925	174,923	405,806	680,654
Financial assets derecognised	(27,589)	(30,563)	(31,408)	(89,560)
Amount written off	-	-	(484,992)	(484,992)
At 31 December 2021	934,553	609,842	774,632	2,319,027
At 1 January 2022	934,553	609,842	774,632	2,319,027
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	93,996	(67,306)	(26,690)	-
- Transfer to lifetime ECL not credit impaired (Stage 2)	(22,670)	69,375	(46,705)	-
- Transfer to lifetime ECL credit impaired (Stage 3)	(5,776)	(49,528)	55,304	-
New financial assets originated	116,013	21,023	75,550	212,586
Changes in credit risk	(126,596)	224,570	308,821	406,795
Financial assets derecognised	(45,608)	(37,100)	(29,426)	(112,134)
Amount written off	-	-	(114,296)	(114,296)
At 30 September 2022	943,912	770,876	997,190	2,711,978

NOTE 4: FINANCING AND ADVANCES (CONTINUED)

(vi) Movements in allowance for ECL on financing and advances are as follows:

Bank	12-month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
ECL Allowance				
At 1 January 2021	400,965	709,254	975,349	2,085,568
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	398,873	(336,297)	(62,576)	-
- Transfer to lifetime ECL not credit impaired (Stage 2)	(30,758)	113,902	(83,144)	-
- Transfer to lifetime ECL credit impaired (Stage 3)	(2,623)	(35,976)	38,599	-
New financial assets originated	108,643	14,599	16,998	140,240
Changes in credit risk	100,648	174,923	405,806	681,377
Financial assets derecognised	(27,589)	(30,563)	(31,408)	(89,560)
Amount written off	-	-	(484,992)	(484,992)
At 31 December 2021	948,159	609,842	774,632	2,332,633
At 1 January 2022	948,159	609,842	774,632	2,332,633
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	93,996	(67,306)	(26,690)	-
- Transfer to lifetime ECL not credit impaired (Stage 2)	(22,670)	69,375	(46,705)	-
- Transfer to lifetime ECL credit impaired (Stage 3)	(5,776)	(49,528)	55,304	-
New financial assets originated	116,013	21,023	75,550	212,586
Changes in credit risk	(126,863)	224,570	308,821	406,528
Financial assets derecognised	(45,608)	(37,100)	(29,426)	(112,134)
Amount written off	-	-	(114,296)	(114,296)
At 30 September 2022	957,251	770,876	997,190	2,725,317

NOTE 5: OTHER ASSETS

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Amount due from subsidiaries	-	-	11,549	12,524
Other receivables	659,945	351,626	659,959	350,797
Allowance for ECL	(19,875)	(11,096)	(19,346)	(10,567)
Refundable deposits	41,465	45,989	10,552	10,479
Prepayments	38,908	33,650	38,541	33,318
Contribution to Central Liquidity Monetary Fund	200,000	200,000	200,000	200,000
	920,443	620,169	901,255	596,551

NOTE 6: DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Savings deposits		
Qard	9,631,171	9,231,952
Term deposits		
Tawarruq	74,546,328	74,016,432
Negotiable Islamic debt certificate	2,607,500	3,275,500
	86,784,999	86,523,884

(ii) By type of customer

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Government	41,027,696	43,517,087
Business enterprises	21,706,967	19,314,090
Co-operatives	2,675,954	2,439,694
Individuals	19,333,158	19,597,897
Others	2,041,224	1,655,116
	86,784,999	86,523,884

NOTE 7: INVESTMENT ACCOUNTS OF CUSTOMERS

(i) By type of deposit

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Unrestricted investment accounts		
Without maturity		
Mudharabah	7,241	-
Investment portfolio:		
Personal financing	5,069	-
Government sukuk	2,172	-
	7,241	-

(ii) By type of customer

	Group and Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Individuals	7,241	-

NOTE 8: OTHER LIABILITIES

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Amount due to subsidiaries	-	-	175,273	177,889
Sundry creditors	195,185	169,554	181,129	176,286
Income payable	442,510	431,786	442,510	431,786
Other liabilities and accruals	468,036	654,131	454,914	646,389
Lease liabilities	42,765	51,236	55,614	63,705
Allowances for ECL on financial guarantee	2,958	4,213	2,958	4,213
Government fund	324,355	333,732	324,355	333,732
Zakat payable	60,973	52,370	58,021	50,260
	1,536,782	1,697,022	1,694,774	1,884,260

NOTE 9: RESERVES

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Retained profits	11,842,116	10,809,378	11,390,578	10,373,508
Statutory reserve	7,306,693	7,306,693	7,306,693	7,306,693
Capital reserve	14,617	14,617	15,358	15,358
ECL reserve	112	129	112	129
Fair value reserve	(420,299)	202,791	(420,299)	202,791
Regulatory reserve	329,672	329,672	329,672	329,672
	19,072,911	18,663,280	18,622,114	18,228,151

NOTE 10: INCOME

Group	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
Income derived from investment of depositors' fund (i)	1,128,919	1,077,916	3,285,610	3,281,651
Income derived from investment of shareholders' fund (ii)	353,576	322,340	998,079	968,535
Income derived from investment account fund (iii)	60	-	62	-
Income generated by subsidiaries (iv)	21,166	18,636	69,137	32,641
	1,503,721	1,418,892	4,352,888	4,282,827

Bank	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
Income derived from investment of depositors' fund (i)	1,131,179	1,079,936	3,291,379	3,286,935
Income derived from investment of shareholders' fund (ii)	354,280	322,942	999,832	970,095
Income derived from investment account fund (iii)	60	-	62	-
	1,485,519	1,402,878	4,291,273	4,257,030

NOTE 10: INCOME (CONTINUED)

(i) Income derived from investment of depositors' fund

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
Income from financing and advances	880,586	829,865	2,553,291	2,565,701
Income from deposits and placements with bank and financial institutions	2,417	2,594	10,276	5,650
Income from financial investments	245,916	245,457	722,043	710,300
	1,128,919	1,077,916	3,285,610	3,281,651

Bank	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
Income from financing and advances	882,846	831,885	2,559,060	2,570,985
Income from deposits and placements with bank and financial institutions	2,417	2,594	10,276	5,650
Income from financial investments	245,916	245,457	722,043	710,300
	1,131,179	1,079,936	3,291,379	3,286,935

(ii) Income derived from investment of shareholders' fund

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
Income from financing and advances	275,751	248,237	775,620	757,231
Income from deposits and placements with bank and financial institutions	773	772	3,122	1,668
Income from financial investments	77,052	73,331	219,337	209,636
	353,576	322,340	998,079	968,535

NOTE 10: INCOME (CONTINUED)

(ii) Income derived from investment of shareholders' fund (continued)

Bank	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
Income from financing and advances	276,455	248,839	777,373	509,952
Income from deposits and placements with bank and financial institutions	773	772	3,122	896
Income from financial investments	77,052	73,331	219,337	136,305
	354,280	322,942	999,832	647,153

(iii) Income derived from investment account fund

Group and Bank	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
Income from financing and advances	48	-	49	-
Income from financial investments	12	-	13	-
	60	-	62	-

(iv) Income generated by subsidiaries

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
Pawning income	17,909	14,581	61,186	23,278
Rental income	191	1,752	609	2,147
Management fee	3,066	2,303	7,342	7,216
	21,166	18,636	69,137	32,641

NOTE 11: EXPENDITURE

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
Income attributable to depositors (i)	548,828	497,791	1,545,332	1,485,143
Income attributable to investment account holders (ii)	2	-	2	-
Profit expense on financing sold with recourse to Cagamas	3,832	4,108	11,706	12,526
Profit expense on debt securities issued	40,140	36,585	110,183	99,267
Profit expense on cashline facility	277	-	2,204	2,523
Cost of sales	18,488	14,320	59,473	23,608
	611,567	552,804	1,728,900	1,623,067

Bank	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
Income attributable to depositors (i)	549,815	498,755	1,548,029	1,487,939
Income attributable to investment account holders (ii)	2	-	2	-
Profit expense on financing sold with recourse to Cagamas	3,832	4,108	11,706	12,526
Profit expense on debt securities issued	40,140	36,585	110,183	99,267
Profit expense on cashline facility	276	-	2,203	2,523
	594,065	539,448	1,672,123	1,602,255

NOTE 11: EXPENDITURE (CONTINUED)

(i) Income attributable to depositors

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
Deposits from customers				
Non-Mudarabah	541,937	493,396	1,531,277	1,465,511
Deposits and placements from banks and other financial institutions				
Non-Mudarabah	6,891	4,395	14,055	19,632
	548,828	497,791	1,545,332	1,485,143

Bank	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
Deposits from customers				
Non-Mudarabah	542,924	494,360	1,533,974	1,468,307
Deposits and placements from banks and other financial institutions				
Non-Mudarabah	6,891	4,395	14,055	19,632
	549,815	498,755	1,548,029	1,487,939

(ii) Income attributable to investment account holders

Group and bank	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
Unrestricted investment accounts				
Mudarabah	2	-	2	-
	2	-	2	-

NOTE 12: ALLOWANCE FOR IMPAIRMENT

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
Allowance for impairment on financing and advances (i)	140,448	106,814	505,992	529,385
Allowance for impairment on financial investments (ii)	1	12	(7,416)	(333)
	140,449	106,826	498,576	529,052

Bank	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
Allowance for impairment on financing and advances (i)	140,211	106,787	505,725	532,163
Allowance for impairment on financial investments (ii)	1	12	(7,416)	(333)
	140,212	106,799	498,309	531,830

(i) Allowance for impairment on financing and advances

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
Stage 1 - 12 months ECL	(73,011)	161,641	8,104	427,109
Stage 2 - lifetime ECL not credit impaired	59,000	(97,263)	161,034	(260,275)
Stage 3 - lifetime ECL credit impaired	154,459	42,436	336,854	362,551
	140,448	106,814	505,992	529,385

Bank	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
Stage 1 - 12 months ECL	(73,248)	161,614	7,837	429,887
Stage 2 - lifetime ECL not credit impaired	59,000	(97,263)	161,034	(260,275)
Stage 3 - lifetime ECL credit impaired	154,459	42,436	336,854	362,551
	140,211	106,787	505,725	532,163

NOTE 12: ALLOWANCE FOR IMPAIRMENT (CONTINUED)

(ii) Allowance for impairment on financial investments

Group and Bank	3rd Quarter Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through other comprehensive income	(2)	8	(18)	(11)
Financial investments at amortised cost	3	4	(7,398)	(322)
	1	12	(7,416)	(333)

NOTE 13: OTHER OPERATING INCOME

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Fees and commission (i)	31,973	17,815	83,529	69,107
Other income (ii)	97,285	63,897	233,142	174,428
	129,258	81,712	316,671	243,535

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Fees and commission (i)	31,973	17,815	83,529	69,107
Other income (ii)	93,407	63,873	214,050	168,610
	125,380	81,688	297,579	237,717

(i) Fees and commission

Group and Bank	3rd Quarter Ended		Nine Months Ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Takaful commission	18,476	10,180	46,949	40,376
ATM service fees	1	2	3	7
Wasiat commission	2,088	1,749	6,292	6,396
Other commission	6,197	3,974	15,694	14,679
Processing fees	1	33	26	34
MEPS fees	4,000	1,161	11,193	4,732
Other fees	1,210	716	3,372	2,883
	31,973	17,815	83,529	69,107

NOTE 13: OTHER OPERATING INCOME (CONTINUED)

(ii) Other income

Group	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
Other income from financial instruments				
Dividend from financial investments at fair value through profit or loss	13,640	13,672	15,147	16,967
Net (loss)/gain on disposal of financial investments at fair value through profit or loss	(2,452)	564	(2,566)	2,038
Net loss on revaluation of financial investments at fair value through profit or loss	(1,226)	(6,279)	(29,560)	(35,627)
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	1,349	2,304
Others				
Rental income	5,503	4,930	15,622	14,403
Compensation for late payment	2,201	1,868	4,551	5,224
Charges from credit card services	1,122	1,339	3,754	4,196
Other service charges	3,208	2,871	10,301	9,274
Recoveries from financing written off	48,306	35,914	139,383	124,375
Writeback for impairment on trade receivables	-	-	100	-
Gain on revaluation of investment properties	3,874	130	18,942	5,746
Gain on disposal of property and equipment	8	4	25	16
Other income	23,101	8,884	56,094	25,512
	97,285	63,897	233,142	174,428

NOTE 13: OTHER OPERATING INCOME (CONTINUED)

(ii) Other income (continued)

Bank	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
Other income from financial instruments				
Dividend from financial investments at fair value through profit or loss	13,640	13,672	15,147	16,967
Net (loss)/gain on disposal of financial investments at fair value through profit or loss	(2,452)	564	(2,566)	2,038
Net loss on revaluation of financial investments at fair value through profit or loss	(1,226)	(6,279)	(29,560)	(35,627)
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	1,349	2,304
Others				
Rental income	5,510	4,937	15,642	14,422
Compensation for late payment	2,201	1,868	4,551	5,224
Charges from credit card services	1,122	1,339	3,754	4,196
Other service charges	3,208	2,871	10,301	9,274
Recoveries from financing written off	48,306	35,914	139,383	124,375
Gain on disposal of property and equipment	5	-	5	-
Other income	23,093	8,987	56,044	25,437
	93,407	63,873	214,050	168,610

NOTE 14: 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
Personnel expenses (i)	290,398	225,024	736,174	677,820
Other overheads and expenditure (ii)	148,127	144,692	381,139	424,691
	438,525	369,716	1,117,313	1,102,511

Bank	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
Personnel expenses (i)	289,092	224,092	731,916	674,697
Other overheads and expenditure (ii)	149,983	143,920	386,298	427,119
	439,075	368,012	1,118,214	1,101,816

(i) Personnel 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
Salaries and wages	125,118	114,173	368,542	341,360
Allowances and bonuses	95,932	64,066	187,324	174,677
Defined contribution plan - EPF	44,433	32,477	121,493	99,066
Social security contributions - SOCSO	1,453	1,283	4,135	3,849
Other staff related costs	23,462	13,025	54,680	58,868
	290,398	225,024	736,174	677,820

Bank	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
Salaries and wages	124,234	113,485	365,952	339,321
Allowances and bonuses	95,557	63,951	186,205	173,917
Defined contribution plan - EPF	44,445	32,386	121,246	98,883
Social security contributions - SOCSO	1,445	1,274	4,112	3,830
Other staff related costs	23,411	12,996	54,401	58,746
	289,092	224,092	731,916	674,697

NOTE 14: OPERATING EXPENSES (CONTINUED)

(ii) Other overheads and expenditure

Group	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
Establishment				
Rental	1,060	1,031	2,918	340
Depreciation of property and equipment	5,584	8,731	21,012	27,096
Depreciation of right-of-use assets	5,805	5,593	14,706	14,037
Amortisation of prepaid lease payment	2,677	397	3,472	1,192
Amortisation of intangible assets	13,478	12,104	41,189	36,615
Finance cost on lease liabilities	493	707	1,590	1,831
Repair and maintenance	28,068	36,996	50,424	97,213
Takaful	2,774	1,004	8,037	7,680
	59,939	66,563	143,348	186,004
Promotion				
Advertisement and publicity	4,106	4,377	10,281	8,355
	4,106	4,377	10,281	8,355
General expenses				
Legal and professional fees	4,821	3,924	12,192	8,035
Auditors' remuneration	562	500	1,693	1,509
Communication expenses	2,361	10,175	19,177	23,894
Utilities expenses	7,172	7,205	13,269	10,594
Printing and stationery	5,239	3,390	11,364	9,482
Postage and courier	4,461	2,696	8,975	6,549
Security expenses	6,387	7,935	22,407	16,860
Service charges	11,519	8,970	32,287	29,658
Loss on financing written off	1,943	976	5,231	4,996
Property and equipment written off	30	14	36	143
Commission expenses	19,508	10,381	52,038	41,982
Travelling and transportation	4,758	1,219	11,020	3,048
Others	15,321	16,367	37,821	73,582
	84,082	73,752	227,510	230,332
	148,127	144,692	381,139	424,691

NOTE 14: OPERATING EXPENSES (CONTINUED)

(ii) Other overheads and expenditure (continued)

Bank	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
Establishment				
Rental	1,050	1,039	2,905	368
Depreciation of property and equipment	5,526	8,485	20,826	26,352
Depreciation of right-of-use assets	7,208	5,469	18,475	16,621
Amortisation of prepaid lease payment	2,677	397	3,472	1,192
Amortisation of intangible assets	13,478	12,104	41,189	36,615
Finance cost on lease liabilities	591	685	1,832	2,136
Repair and maintenance	28,037	36,989	50,354	97,153
Takaful	2,734	961	7,982	7,633
	61,301	66,129	147,035	188,070
Promotion				
Advertisement and publicity	4,106	4,377	10,271	8,353
	4,106	4,377	10,271	8,353
General expenses				
Legal and professional fees	4,780	3,899	12,117	7,969
Auditors' remuneration	496	437	1,487	1,312
Communication expenses	2,349	10,167	19,141	23,858
Utilities expenses	7,163	7,198	13,241	10,567
Printing and stationery	5,223	3,381	11,301	9,424
Postage and courier	4,446	2,678	8,934	6,510
Security expenses	6,387	7,935	22,407	16,860
Service charges	12,247	8,993	34,725	30,462
Loss on financing written off	1,943	976	5,231	4,996
Property and equipment written off	30	14	36	143
Commission expenses	19,508	10,381	52,038	41,982
Travelling and transportation	4,752	1,216	11,004	3,036
Others	15,252	16,139	37,330	73,577
	84,576	73,414	228,992	230,696
	149,983	143,920	386,298	427,119

NOTE 15: COMMITMENT AND CONTINGENCIES

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

	Group and Bank	
	30 September 2022	31 December 2021
	RM'000	RM'000
Contingent liabilities		
Bank guarantee given in respect of banking facilities granted to customers	134,164	130,900
Claims for damages from litigation taken against the Bank	15,546	140,403
Commitments		
Undrawn financing	2,422,164	2,271,831
	2,571,874	2,543,134

NOTE 16: CAPITAL ADEQUACY

The Bank is required to comply with the core capital ratio and risk-weighted capital adequacy ratio prescribed by Bank Negara Malaysia. The Bank was in compliance with all prescribed capital ratios throughout the period.

	Bank	
	30 September 2022	31 December 2021
Before proposed dividend		
Core capital ratio	23.178%	22.189%
Risk-weighted capital adequacy ratio	25.761%	24.315%
After proposed dividend		
Core capital ratio	23.178%	22.189%
Risk-weighted capital adequacy ratio	25.761%	24.315%

NOTE 16: CAPITAL ADEQUACY (CONTINUED)

The capital ratios are derived by taking into account the core capital and capital base against the risk weighted assets of the Bank. Components of the capital are as follows:

	Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Tier I capital		
Paid-up share capital	2,986,030	2,986,030
Retained profits	9,944,659	9,057,454
Other reserves	7,322,051	6,848,750
Total Tier I capital (core)	20,252,740	18,892,234
Tier II capital		
Subordinated sukuk	300,000	300,000
Collective impairment *	1,728,127	1,280,815
Regulatory reserve	329,672	329,672
Total Tier II capital	2,357,799	1,910,487
Total capital	22,624,357	20,802,721
Less: Investment in subsidiaries	(100,744)	(100,744)
Total capital base	22,509,795	20,701,977

* This is surplus amount allowable after taking into account collective impairment allowance on impaired financing of the Bank.

Assets in various categories are risk-weighted as follows:

	Bank	
	30 September 2022 RM'000	31 December 2021 RM'000
Total assets assigned 20% risk-weighted	346,891	532,297
Total assets assigned 50% risk-weighted	2,531,270	2,535,844
Total assets assigned 100% risk-weighted	83,455,057	81,060,794
Off-Balance Sheet claims assigned 100% risk-weighted	1,047,404	1,012,057
	87,380,622	85,140,992