

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 31 March 2022

	Note	GROUP		BANK	
		31/3/2022 RM'000	31/12/2021 RM'000	31/3/2022 RM'000	31/12/2021 RM'000
ASSETS					
Cash and short-term funds		5,625,022	6,394,457	1,730,876	2,525,482
Deposits and placements with banks and other financial institutions		451,563	1,169,809	451,563	1,171,657
Investment accounts due from designated financial institutions		-	-	1,883,802	1,825,525
Financial assets at fair value through profit or loss ("FVTPL")	A9	908,488	598,600	629,477	368,676
Derivative financial assets	A29	170,690	186,881	105,471	104,640
Financial investments at fair value through other comprehensive income ("FVOCI")	A10	3,921,870	3,877,622	198,148	198,148
Financial investments at amortised cost ("AC")	A11	15,476,055	11,435,142	11,780,974	9,040,198
Loans, advances and financing	A12	52,587,523	50,528,068	28,033,556	26,879,336
Trade receivables	A13	525,641	527,166	-	-
Other assets	A14	316,708	312,732	175,686	164,088
Amount due from subsidiaries		-	-	98	758,924
Amount due from joint ventures		16,133	15,737	-	-
Amount due from associate		30,893	30,888	30,893	30,888
Tax recoverable		178,222	144,638	133,202	117,036
Deferred tax assets		209,380	223,344	105,575	111,900
Statutory deposits with Bank Negara Malaysia		67,329	68,625	18,170	58,325
Investment in subsidiaries		-	-	3,053,899	3,053,899
Investment in joint ventures		188,874	181,853	194,240	194,240
Investment in associates		725,944	725,440	548,482	548,482
Property and equipment		1,148,706	1,066,826	1,127,096	1,044,020
Right-of-use assets		45,161	45,387	37,530	36,547
Intangible assets		890,453	895,850	193,255	198,733
TOTAL ASSETS		83,484,655	78,429,065	50,431,993	48,430,744
LIABILITIES AND EQUITY					
Deposits from customers	B7	62,254,550	58,794,404	33,963,331	33,241,763
Investment accounts of customers		1,213	1,329	-	-
Deposits and placements of banks and other financial institutions	B7	3,282,761	2,866,040	1,986,282	2,277,723
Obligation on securities sold under repurchase agreements		1,949,980	-	1,949,980	-
Derivative financial liabilities	A29	158,624	201,629	102,450	125,537
Bills and acceptances payable		26,622	28,644	26,622	28,644
Recourse obligation on loans/financing sold to Cagamas Berhad		1,125,495	669,212	1,075,152	619,179
Trade payables		869,081	982,362	-	-
Lease liabilities	B7	36,888	36,872	30,515	29,232
Other liabilities	A15	1,448,878	1,603,803	682,453	676,112
Amount due to subsidiaries		-	-	185,700	2,500
Provision for taxation		3,260	8,040	-	-
Borrowings	B7	2,272,256	3,303,075	1,506,204	2,548,081
TOTAL LIABILITIES		73,429,608	68,495,410	41,508,689	39,548,771

The Condensed 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.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 31 March 2022

	Note	GROUP		BANK	
		31/3/2022 RM'000	31/12/2021 RM'000	31/3/2022 RM'000	31/12/2021 RM'000
EQUITY					
Share capital		4,969,150	4,969,150	4,969,150	4,969,150
Reserves:-					
FVOCI revaluation reserves	A16	59,567	90,473	157,267	157,267
Regulatory reserves	A16	721,424	754,603	626,162	636,095
Foreign exchange reserves	A16	39	39	-	-
Other reserves	A16	(88,914)	(88,737)	-	-
Retained profits	A16	4,339,307	4,163,442	3,170,725	3,119,461
Equity attributable to equity holders of the Bank		10,000,573	9,888,970	8,923,304	8,881,973
Non-controlling interest		54,474	44,685	-	-
TOTAL EQUITY		10,055,047	9,933,655	8,923,304	8,881,973
TOTAL LIABILITIES AND EQUITY		83,484,655	78,429,065	50,431,993	48,430,744
COMMITMENTS AND CONTINGENCIES	A28	49,154,439	45,197,294	32,403,662	25,947,933
CAPITAL ADEQUACY RATIOS	A31				
<u>With transitional arrangements</u>					
CET 1 capital ratio		13.940%	14.418%	13.056%	13.568%
Tier 1 capital ratio		15.505%	16.041%	14.583%	15.149%
Total capital ratio		18.899%	21.306%	17.216%	20.825%
CET 1 capital ratio (net of proposed dividends)		13.725%	14.198%	12.710%	13.209%
Tier 1 capital ratio (net of proposed dividends)		15.290%	15.820%	14.237%	14.791%
Total capital ratio (net of proposed dividends)		18.685%	21.085%	16.869%	20.467%
Net assets per share attributable to equity holders of the Bank (RM)		4.71	4.66	4.20	4.18

The Condensed 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.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Income Statements for the Financial Quarter Ended 31 March 2022

GROUP	Note	Individual Quarter Ended		Cumulative Quarter Ended	
		31/3/2022	31/3/2021	31/3/2022	31/3/2021
		RM'000	RM'000	RM'000	RM'000
Interest income	A17	440,389	387,818	440,389	387,818
Interest expense	A18	(211,342)	(195,207)	(211,342)	(195,207)
Net interest income		229,047	192,611	229,047	192,611
Modification loss	A18 (a)	(15)	-	(15)	-
Income from Islamic banking business		148,871	128,883	148,871	128,883
		377,903	321,494	377,903	321,494
Fee and commission income	A19 (a)	185,565	316,070	185,565	316,070
Fee and commission expense	A19 (b)	(39,874)	(154,381)	(39,874)	(154,381)
Net fee and commission income	A19	145,691	161,689	145,691	161,689
Net gains on financial instruments	A20	7,152	39,353	7,152	39,353
Other income	A21	(1,930)	15,093	(1,930)	15,093
Net income		528,816	537,629	528,816	537,629
Other operating expenses	A22	(340,354)	(340,462)	(340,354)	(340,462)
Operating profit before allowances		188,462	197,167	188,462	197,167
Write-back of/(allowances for) credit impairment losses	A23	201	(93,792)	201	(93,792)
Allowances for impairment losses on other assets	A24	(271)	-	(271)	-
Operating profit		188,392	103,375	188,392	103,375
Share of results of a joint venture		3,841	2,828	3,841	2,828
Share of results of an associate		8,235	3,123	8,235	3,123
Profit before zakat and taxation		200,468	109,326	200,468	109,326
Zakat		(309)	(1,165)	(309)	(1,165)
Profit before taxation		200,159	108,161	200,159	108,161
Taxation	B5	(47,579)	(26,553)	(47,579)	(26,553)
Net profit after zakat and taxation		152,580	81,608	152,580	81,608
Attributable to :-					
Equity holders of the Bank		142,686	68,937	142,686	68,937
Non-controlling interest		9,894	12,671	9,894	12,671
		152,580	81,608	152,580	81,608
Earnings per share attributable to equity holders of the Bank (sen) :-					
Basic/Diluted	B10	6.72	3.31	6.72	3.31

The Condensed 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.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Quarter Ended 31 March 2022

GROUP	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
Profit after zakat and taxation	152,580	81,608	152,580	81,608
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss :</u>				
- Net fair value change in financial investments at FVOCI (debt instruments)	(32,523)	(511,496)	(32,523)	(511,496)
- Net credit impairment loss change in financial investments at FVOCI (debt instruments)	171	40,658	171	40,658
- Net gain/(loss) on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)	(2,380)	(23,532)	(2,380)	(23,532)
- Deferred tax on financial investments at FVOCI	8,377	128,406	8,377	128,406
- Share of other comprehensive income/(loss) of a joint venture	3,180	(2,412)	3,180	(2,412)
- Share of other comprehensive loss of an associate	(7,731)	(19,444)	(7,731)	(19,444)
Other comprehensive loss for the financial year, net of tax	(30,906)	(387,820)	(30,906)	(387,820)
Total comprehensive income/(loss) for the financial year	121,674	(306,212)	121,674	(306,212)
Total comprehensive income/(loss) for the financial year attributable to :-				
Equity holders of the Bank	111,780	(318,883)	111,780	(318,883)
Non-controlling interest	9,894	12,671	9,894	12,671
	121,674	(306,212)	121,674	(306,212)

The Condensed 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.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)

Condensed Interim Financial Statements

Unaudited Income Statements for the Financial Quarter Ended 31 March 2022

<u>BANK</u>	Note	Individual Quarter Ended		Cumulative Quarter Ended	
		31/3/2022	31/3/2021	31/3/2022	31/3/2021
		RM'000	RM'000	RM'000	RM'000
Interest income	A17	403,418	359,223	403,418	359,223
Interest expense	A18	(191,246)	(173,679)	(191,246)	(173,679)
Net interest income		212,172	185,544	212,172	185,544
Modification loss	A18 (a)	(1)	-	(1)	-
		212,171	185,544	212,171	185,544
Fee and commission income	A19 (a)	35,260	31,103	35,260	31,103
Fee and commission expense	A19 (b)	(1,961)	(1,163)	(1,961)	(1,163)
Net fee and commission income	A19	33,299	29,940	33,299	29,940
Net gains on financial instruments	A20	(2,343)	10,921	(2,343)	10,921
Other income	A21	(4,075)	44,496	(4,075)	44,496
Net income		239,052	270,901	239,052	270,901
Other operating expenses	A22	(185,518)	(173,719)	(185,518)	(173,719)
Operating profit before allowances		53,534	97,182	53,534	97,182
Write-back of/(allowances for) credit impairment losses	A23	1,123	(58,663)	1,123	(58,663)
Profit before zakat and taxation		54,657	38,519	54,657	38,519
Zakat		-	-	-	-
Profit before taxation		54,657	38,519	54,657	38,519
Taxation	B5	(13,326)	(4,220)	(13,326)	(4,220)
Net profit after zakat and taxation		41,331	34,299	41,331	34,299
Earnings per share attributable to equity holders of the Bank (sen) :-					
Basic/Diluted	B10	1.95	1.65	1.95	1.65

The Condensed 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.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Quarter Ended 31 March 2022

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2022 RM'000	31/3/2021 RM'000	31/3/2022 RM'000	31/3/2021 RM'000
<u>BANK</u>				
Profit after zakat and taxation	41,331	34,299	41,331	34,299
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss :</u>				
- Net fair value change in financial investments at FVOCI (debt instruments)	-	(265,868)	-	(265,868)
- Net credit impairment loss change in financial investments at FVOCI (debt instruments)	-	35,816	-	35,816
- Net loss on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)	-	(5,053)	-	(5,053)
- Deferred tax on financial investments at FVOCI	-	65,021	-	65,021
Other comprehensive loss for the financial year, net of tax	-	(170,084)	-	(170,084)
Total comprehensive income/(loss) for the financial year	41,331	(135,785)	41,331	(135,785)

The Condensed 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.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Unaudited Condensed Consolidated Statements Of Changes In Equity
for the Financial Quarter Ended 31 March 2022

<----- Attributable to Equity Holders of the Bank ----->

GROUP	Share capital	FVOCI revaluation reserves	Regulatory reserves	Foreign exchange reserves	Other reserves*	Retained profits	Total shareholders' equity	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	4,969,150	90,473	754,603	39	(88,737)	4,163,442	9,888,970	44,685	9,933,655
Net profit for the financial period	-	-	-	-	-	142,686	142,686	9,894	152,580
Other comprehensive income (net of tax) :									
- Financial investments at FVOCI	-	(26,355)	-	-	-	-	(26,355)	-	(26,355)
- Share of other comprehensive income of a joint venture	-	3,180	-	-	-	-	3,180	-	3,180
- Share of other comprehensive loss of an associate	-	(7,731)	-	-	-	-	(7,731)	-	(7,731)
Total comprehensive income	-	(30,906)	-	-	-	142,686	111,780	9,894	121,674
Options exercised	-	-	-	-	(177)	-	(177)	(105)	(282)
Transfer from regulatory reserves	-	-	(33,179)	-	-	33,179	-	-	-
At 31 March 2022	4,969,150	59,567	721,424	39	(88,914)	4,339,307	10,000,573	54,474	10,055,047

* Other reserves represents corresponding debts arising from Group's obligation to purchase subsidiaries' shares held by non-controlling interest as discussed in Note A16 (c).

The Condensed 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.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Unaudited Condensed Consolidated Statements Of Changes In Equity
for the Financial Quarter Ended 31 March 2022

<----- Attributable to Equity Holders of the Bank ----->

<u>GROUP</u>	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Foreign exchange reserves RM'000	Other reserves* RM'000	Retained profits RM'000	Total shareholders' equity RM'000	Non- controlling interest RM'000	Total equity RM'000
At 1 January 2021	4,902,300	266,412	781,679	(205)	(65,909)	3,682,234	9,566,511	70,585	9,637,096
Net profit for the financial period	-	-	-	-	-	68,937	68,937	12,671	81,608
Other comprehensive income (net of tax) :									
- Financial investments at FVOCI	-	(365,964)	-	-	-	-	(365,964)	-	(365,964)
- Share of other comprehensive loss of a joint venture	-	(2,412)	-	-	-	-	(2,412)	-	(2,412)
- Share of other comprehensive loss of an associate	-	(19,444)	-	-	-	-	(19,444)	-	(19,444)
Total comprehensive income	-	(387,820)	-	-	-	68,937	(318,883)	12,671	(306,212)
Transfer from regulatory reserves	-	-	(58,744)	-	-	58,744	-	-	-
Dividends	-	-	-	-	-	-	-	(16,444)	(16,444)
At 31 March 2021	4,902,300	(121,408)	722,935	(205)	(65,909)	3,809,915	9,247,628	66,812	9,314,440

* Other reserves represents corresponding debts arising from Group's obligation to purchase subsidiaries' shares held by non-controlling interest as discussed in Note 16 (c).

The Condensed 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.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Unaudited Condensed Consolidated Statements Of Changes In Equity
for the Financial Quarter Ended 31 March 2022

	<-----Non-distributable----->			< Distributable >	
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total equity RM'000
BANK					
At 1 January 2022	4,969,150	157,267	636,095	3,119,461	8,881,973
Net profit for the financial period	-	-	-	41,331	41,331
Total comprehensive income	-	-	-	41,331	41,331
Transfer from regulatory reserves	-	-	(9,933)	9,933	-
At 31 March 2022	4,969,150	157,267	626,162	3,170,725	8,923,304
At 1 January 2021	4,902,300	183,078	643,613	2,799,501	8,528,492
Net profit for the financial period	-	-	-	34,299	34,299
Other comprehensive income (net of tax) :					
- Financial investments at FVOCI	-	(170,084)	-	-	(170,084)
Total comprehensive income	-	(170,084)	-	34,299	(135,785)
Transfer from regulatory reserves	-	-	(29,510)	29,510	-
At 31 March 2021	4,902,300	12,994	614,103	2,863,310	8,392,707

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AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Unaudited Condensed Consolidated Statements of Cash Flows
for the Financial Quarter Ended 31 March 2022

	GROUP		BANK	
	31/3/2022 RM'000	31/3/2021 RM'000	31/3/2022 RM'000	31/3/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	200,159	108,161	54,657	38,519
Adjustments for items not involving the movement of cash and cash equivalents	(47,119)	81,567	(37,856)	25,756
Operating profit before changes in working capital	153,040	189,728	16,801	64,275
Net changes in operating assets	(2,351,605)	(1,063,960)	(568,150)	(198,727)
Net changes in operating liabilities	5,322,462	1,185,645	2,460,663	968,794
Tax and zakat paid	(66,793)	(48,129)	(23,167)	(13,333)
Net cash generated from operating activities	3,057,104	263,284	1,886,147	821,009
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received :				
- financial investments at FVOCI	28,715	73,570	-	71,027
- financial investments at AC	67,422	2,090	72,428	273
Dividend income :				
- financial assets at FVTPL	684	1,465	-	-
- subsidiaries	-	-	-	35,000
Net purchase/redemption of :				
- financial investments at FVOCI	(86,304)	432,703	-	(1,128,071)
- financial investments at AC	(3,789,454)	(121,693)	(2,709,146)	(131,300)
Purchase of :				
- property and equipment	(88,672)	(73,499)	(87,983)	(71,916)
- intangible assets	(1,054)	(904)	(265)	(472)
Proceeds from disposal of :				
- property and equipment	194	244	-	2
Net cash (used in)/generated from investing activities	(3,868,469)	313,976	(2,724,966)	(1,225,457)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	(1,000,000)	-	(1,000,000)	-
Interest payment on borrowings	(70,235)	(78,224)	(66,955)	(67,244)
Payment of dividend to non-controlling interest	-	(16,444)	-	-
Proceeds from recourse obligation on loans/financing sold to Cagamas Berhad	450,001	307	450,001	-
Lease payments	(4,844)	(9,432)	(2,504)	(6,864)
Net cash used in financing activities	(625,078)	(103,793)	(619,458)	(74,108)
Net (decrease)/increase in cash and cash equivalents	(1,436,443)	473,467	(1,458,277)	(478,556)
Effects of foreign exchange	21,755	(14,198)	17,100	12,828
Cash and cash equivalents at beginning of the financial period	7,422,090	5,511,423	3,623,616	1,886,901
Cash and cash equivalents at end of the financial period	6,007,402	5,970,692	2,182,439	1,421,173
<u>Cash and cash equivalents comprise the following :</u>				
Cash and short-term funds	5,625,022	6,042,970	1,730,876	1,421,876
Deposits and placements of banks and other financial institutions	451,563	-	451,563	-
	6,076,585	6,042,970	2,182,439	1,421,876
Less:				
Amount held on behalf of commissioned dealer's representatives	(69,183)	(72,278)	-	-
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months	-	-	-	(703)
	6,007,402	5,970,692	2,182,439	1,421,173

The Condensed 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.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period under review have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values :

- (i) financial assets at FVTPL,
- (ii) financial investments at FVOCI, and
- (iii) derivative financial instruments.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), Chapter 9, part K of the Listing Requirements of the Bursa Malaysia Securities Berhad and Policy Document on Financial Reporting issued by Bank Negara Malaysia ("BNM").

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021. The explanatory notes 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 financial year ended 31 December 2021.

A2. ACCOUNTING POLICIES AND METHODS OF COMPUTATIONS

The significant accounting policies and methods of computation applied in the condensed interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2021, except for the adoption of the following amendments to MFRS that are applicable to the Bank effective for the financial year beginning on 1 January 2022:

- Annual Improvements to MFRS 9 'Fees in the 10% test for derecognition of financial liabilities' (effective 1 January 2022) clarifies that only fees paid or received between the customer and the financier, including the fees paid or received on each other's behalf, are included in the cash flow of the new financing when performing the 10% test.
- Amendments to MFRS 3 'Reference to Conceptual Framework' (effective 1 January 2022) replace the reference to 'Framework for Preparation and Presentation of Financial Statements' with '2018 Conceptual Framework'. The amendments did not change the current accounting for business combinations on acquisition date.
- Amendments to MFRS 116 'Proceeds Before Intended Use' (effective 1 January 2022) prohibit an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds should instead be recognised in profit or loss.
- Amendments to MFRS 137 'Onerous Contracts - Cost of Fulfilling a Contract' (effective 1 January 2022) clarify that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, impairment loss that has occurred on assets used in fulfilling the contract should be recognised.

A3. 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 subjected to any qualification.

A4. SEASONAL OR CYCLICAL FACTORS

The operations of the Group and the Bank are generally not affected by any seasonal or cyclical factors but in tandem with the country's economic situation.

A5. ITEMS OF UNUSUAL NATURE, SIZE AND INCIDENCE AFFECTING NET ASSETS, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank during the financial period under review.

A6. CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial period that have a material effect during the financial period under review.

A7. DEBT AND EQUITY SECURITIES

There were no shares issuance or cancellations, share buy-backs, resale of shares bought back and repayment of debts and equity securities by the Group and the Bank during the financial period other than the redemption of Tier-2 Subordinated MTN of RM1.0 billion issued on 7 February 2017.

A8. DIVIDENDS PAID

No dividend has been paid during the financial quarter under review.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

At fair value	Group		Bank	
	31/3/2022 RM'000	31/12/2021 RM'000	31/3/2022 RM'000	31/12/2021 RM'000
<u>Money market instruments</u>				
Malaysian Government Securities	253,031	-	222,489	-
Malaysian Government Investment Issues	29,883	-	-	-
Malaysian Government Treasury Bills	49,517	-	49,517	-
Negotiable Instruments of Deposit	237,901	249,582	237,901	249,582
	570,332	249,582	509,907	249,582
<u>Quoted Securities</u>				
Shares, warrants and REITs in Malaysia	29,443	30,862	-	-
Shares, warrants and REITs outside Malaysia	78,242	79,553	-	-
Unit Trusts in Malaysia	109,698	118,501	-	-
	217,383	228,916	-	-
<u>Unquoted Securities</u>				
Shares in Malaysia	104,171	104,171	104,171	104,171
Private equity funds	200	-	-	-
Corporate Bonds/Sukuk in Malaysia	16,402	15,931	15,399	14,923
	908,488	598,600	629,477	368,676

A10. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

At fair value	Group		Bank	
	31/3/2022 RM'000	31/12/2021 RM'000	31/3/2022 RM'000	31/12/2021 RM'000
<u>Money market instruments</u>				
Malaysian Government Securities	809,039	768,784	-	-
Malaysian Government Investment Issues	1,103,859	1,137,984	-	-
Cagamas Bonds/Sukuk	125,304	90,757	-	-
Khazanah Bonds/Sukuk	9,658	9,625	-	-
	2,047,860	2,007,150	-	-
<u>Unquoted Securities</u>				
Shares in Malaysia *	224,855	224,855	198,148	198,148
Corporate bonds/Sukuk in Malaysia #	1,621,203	1,618,659	-	-
Corporate Bonds/Sukuk outside Malaysia	27,952	26,958	-	-
	1,874,010	1,870,472	198,148	198,148
	3,921,870	3,877,622	198,148	198,148

* Equity securities designated at FVOCI.

Certain unquoted perpetual bonds are designated at FVOCI.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A10. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI") (Cont.)

Movements in allowances for impairment which reflect the ECL model on impairment are as follows:

Group 31/3/2022	12-Month ECL	Lifetime ECL not credit	Lifetime ECL credit	Total
	Stage 1	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period	252	18,856	-	19,108
New financial assets originated or purchased	170	-	-	170
Changes due to change in credit risk	1	-	-	1
At end of the financial period	423	18,856	-	19,279
31/12/2021				
At beginning of the financial year	22,201	31,457	12,170	65,828
Total transfer between stages due to change in credit risk :-	(522)	522	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(522)	522	-	-
Financial assets derecognised (other than write-off)	(10,741)	(240)	-	(10,981)
New financial assets originated or purchased	7,216	-	-	7,216
Changes due to change in credit risk	(9,117)	70,543	(724)	60,702
Changes in models/risk parameters	(2,374)	-	-	(2,374)
Write-off	-	-	(11,446)	(11,446)
Other adjustments				-
- Reclassification to AC	(6,406)	(83,426)	-	(89,832)
- Foreign exchange and other movements	(5)	-	-	(5)
At end of the financial year	252	18,856	-	19,108
Bank				
31/3/2022				
At beginning/end of the financial period	-	-	-	-
31/12/2021				
At beginning of the financial year	17,563	27,237	-	44,800
Financial assets derecognised (other than write-off)	(9,832)	(240)	-	(10,072)
New financial assets originated or purchased	7,574	-	-	7,574
Changes due to change in credit risk	(7,632)	56,429	-	48,797
Other adjustments				
- Reclassification to AC	(7,669)	(83,426)	-	(91,095)
- Foreign exchange and other movements	(4)	-	-	(4)
At end of the financial year	-	-	-	-

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A11. FINANCIAL INVESTMENTS AT AMORTISED COST ("AC")

	Group		Bank	
	31/3/2022 RM'000	31/12/2021 RM'000	31/3/2022 RM'000	31/12/2021 RM'000
At amortised cost				
Malaysian Government treasury bills	-	97,747	-	-
Malaysian Government Securities	3,144,929	1,822,807	3,144,929	1,822,807
Malaysian Government Investment Issues	2,804,469	3,540,004	2,754,640	1,970,328
Cagamas bonds/Sukuk	60,783	30,512	60,783	30,512
Negotiable Instruments of Deposit and Islamic Debt Certificates	1,047,781	731,259	1,803,380	1,485,853
Bank Negara Malaysia Sukuk	-	10,299	-	-
	7,057,962	6,232,628	7,763,732	5,309,500
Unquoted Securities				
Corporate Bonds/Sukuk in Malaysia	8,229,849	5,126,845	3,825,617	3,651,356
Corporate Bonds/Sukuk Outside Malaysia	256,914	164,194	256,914	164,194
Loan Stock in Malaysia	15,000	15,000	-	-
	8,501,763	5,306,039	4,082,531	3,815,550
Less: ECL	(83,670)	(103,525)	(65,289)	(84,852)
	15,476,055	11,435,142	11,780,974	9,040,198

Movements in ECL for Financial Investments at AC are as follows:-

	12-Month	Lifetime ECL	Lifetime ECL	Total
	ECL	not credit	credit	
	Stage 1	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	RM'000
31/3/2022				
Group				
At beginning of the financial period	5,099	83,426	15,000	103,525
Financial assets derecognised (other than write-off)	(187)	-	-	(187)
New financial assets originated or purchased	1,093	-	-	1,093
Changes due to change in credit risk	(1,098)	(19,669)	-	(20,767)
Other adjustments				
- Foreign exchange and other movements	6	-	-	6
At end of the financial period	4,913	63,757	15,000	83,670
Bank				
At beginning of the financial period	1,426	83,426	-	84,852
Financial assets derecognised (other than write-off)	(187)	-	-	(187)
New financial assets originated or purchased	957	-	-	957
Changes due to change in credit risk	(670)	(19,669)	-	(20,339)
Other adjustments				
- Foreign exchange and other movements	6	-	-	6
At end of the financial period	1,532	63,757	-	65,289
31/12/2021				
Group				
At beginning of the financial year	160	-	12,922	13,082
Financial assets derecognised (other than write-off)	(50)	-	-	(50)
New financial assets originated or purchased	4,844	-	-	4,844
Changes due to change in credit risk	(2,592)	-	2,078	(514)
Changes in models/risk parameters	(6,667)	-	-	(6,667)
Reclassification from FVOCI	9,404	83,426	-	92,830
At end of the financial year	5,099	83,426	15,000	103,525
Bank				
At beginning of the financial year	236	-	-	236
Financial assets derecognised (other than write-off)	(6)	-	-	(6)
New financial assets originated or purchased	4,202	-	-	4,202
Changes due to change in credit risk	(4,008)	-	-	(4,008)
Changes in models/risk parameters	(6,667)	-	-	(6,667)
Reclassification from FVOCI	7,669	83,426	-	91,095
At end of the financial year	1,426	83,426	-	84,852

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A12. LOANS, ADVANCES AND FINANCING

(a) BY TYPE	Group		Bank	
	31/3/2022 RM'000	31/12/2021 RM'000	31/3/2022 RM'000	31/12/2021 RM'000
Overdrafts	2,022,539	1,955,229	1,356,669	1,304,046
Term loans/financing:				
- Housing loans/financing	14,544,547	13,763,496	5,942,585	5,320,110
- Hire purchase receivables	11,705,936	11,435,528	6,973,874	6,874,108
- Syndicated financing	1,684,059	1,583,610	654,900	611,200
- Other term loans/financing	15,002,526	14,593,058	8,300,218	8,249,044
Bills receivables	488,835	491,857	382,931	398,979
Trust receipts	245,529	192,868	235,120	179,726
Claims on customers under acceptances credits	2,597,314	2,220,512	1,865,591	1,519,194
Staff loans/financing (of which RM Nil to Directors)	212,983	213,525	101,574	105,468
Credit cards	281,982	265,476	232,808	220,646
Revolving credits	3,823,697	3,919,212	2,642,330	2,726,082
Margin financing	888,558	782,767	-	-
Factoring	213	202	213	202
Gross loans, advances and financing	53,498,718	51,417,340	28,688,813	27,508,805
Less: ECL	(911,195)	(889,272)	(655,257)	(629,469)
Total net loans, advances and financing	52,587,523	50,528,068	28,033,556	26,879,336

Included in the Group's business term loans/financing as at reporting date is RM42.5 million (2021: RM56.5 million) of term financing disbursed by AiBB to joint venture AFFIN-i Nadayu Sdn Bhd.

(b) BY MATURITY STRUCTURE	Group		Bank	
	31/3/2022 RM'000	31/12/2021 RM'000	31/3/2022 RM'000	31/12/2021 RM'000
Maturing within one year	10,565,983	9,988,942	6,737,076	6,373,086
One year to three years	3,289,521	3,530,728	2,540,851	2,850,312
Three years to five years	6,558,535	6,129,495	4,129,194	3,608,729
Over five years	33,084,679	31,768,175	15,281,692	14,676,678
	53,498,718	51,417,340	28,688,813	27,508,805

(c) BY TYPE OF CUSTOMER	Group		Bank	
	31/3/2022 RM'000	31/12/2021 RM'000	31/3/2022 RM'000	31/12/2021 RM'000
Domestic banking financial institutions	6,695	5	6,695	5
Domestic non-banking institutions:				
- Others	431,686	441,888	167,387	164,108
Domestic business enterprises:				
- Small medium enterprises	9,183,487	8,892,968	6,553,972	6,330,465
- Others	13,620,376	13,404,843	8,715,755	8,544,263
Government and statutory bodies	753,430	780,174	21,521	26,549
Individuals	28,932,688	27,427,578	12,813,385	12,135,474
Other domestic entities	868	683	706	461
Foreign entities	569,488	469,201	409,392	307,480
	53,498,718	51,417,340	28,688,813	27,508,805

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A12. LOANS, ADVANCES AND FINANCING (Cont.)

	Group		Bank	
	31/3/2022 RM'000	31/12/2021 RM'000	31/3/2022 RM'000	31/12/2021 RM'000
(d) <u>BY INTEREST / PROFIT RATE SENSITIVITY</u>				
Fixed rate:				
- Housing loans/financing	216,786	218,662	172,315	174,972
- Hire purchase receivables	11,707,746	11,437,057	6,973,875	6,874,108
- Other fixed rate loans/financing	1,466,887	1,457,455	403,589	397,722
Variable rate:				
- Base rate/base lending rate plus	29,919,790	28,175,720	15,175,618	14,005,781
- Cost plus	10,157,409	10,098,599	5,963,416	6,056,222
- Other variable rates	30,100	29,847	-	-
	53,498,718	51,417,340	28,688,813	27,508,805
(e) <u>BY ECONOMIC PURPOSE</u>				
Purchase of securities	2,189,261	2,029,621	461,900	502,582
Purchase of transport vehicles	12,318,842	12,052,256	7,344,431	7,251,417
Purchase of landed property of which:				
- Residential	14,898,855	14,112,442	6,115,066	5,499,101
- Non-residential	6,342,325	6,281,669	3,975,163	3,879,335
Fixed assets other than land and building	278,973	268,994	205,942	193,019
Personal use	2,018,317	1,698,684	639,436	620,774
Credit card	281,982	265,477	232,808	220,647
Consumer durable	10	15	10	15
Construction	2,352,020	2,330,318	1,395,994	1,388,349
Merger and acquisition	55,998	57,340	55,998	57,340
Working capital	11,423,160	10,974,409	7,500,228	7,138,735
Others	1,338,975	1,346,115	761,837	757,491
	53,498,718	51,417,340	28,688,813	27,508,805
(f) <u>BY ECONOMIC SECTOR</u>				
Primary agriculture	1,375,143	1,378,344	590,538	606,394
Mining and quarrying	224,927	214,553	76,732	65,873
Manufacturing	3,799,842	3,540,982	2,525,593	2,383,437
Electricity, gas and water supply	456,556	452,791	62,788	68,379
Construction	1,678,005	1,626,208	947,796	918,966
Real estate	5,566,196	5,808,007	3,991,760	4,119,620
Wholesale, retail trade, hotels and restaurants	4,866,389	4,697,985	3,833,902	3,563,575
Transport, storage and communication	2,045,976	1,887,303	1,421,222	1,283,979
Finance, insurance and business services	2,114,434	2,252,805	1,479,703	1,417,645
Education, health and others	2,305,904	1,996,721	867,283	866,183
Household	29,065,346	27,561,299	12,891,496	12,214,412
Others	-	342	-	342
	53,498,718	51,417,340	28,688,813	27,508,805

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A12. LOANS, ADVANCES AND FINANCING (Cont.)

	Group		Bank	
	31/3/2022	31/12/2021	31/3/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
(g) <u>BY GEOGRAPHICAL DISTRIBUTION</u>				
Perlis	117,136	117,849	16,681	17,453
Kedah	1,527,959	1,474,660	514,472	502,811
Pulau Pinang	3,223,121	2,955,889	1,836,301	1,638,139
Perak	1,563,479	1,516,796	838,925	837,557
Selangor	17,044,370	16,404,033	8,902,266	8,566,724
Wilayah Persekutuan	11,992,676	11,448,932	6,644,286	6,390,734
Negeri Sembilan	1,833,041	1,791,349	628,934	615,886
Melaka	1,045,768	1,022,170	640,323	648,411
Johor	6,963,514	6,789,713	4,221,216	4,017,802
Pahang	1,669,833	1,594,148	799,607	766,758
Terengganu	1,063,833	1,016,296	196,599	189,615
Kelantan	517,479	475,972	53,545	55,574
Sarawak	2,368,009	2,359,461	1,683,488	1,676,966
Sabah	2,258,246	2,244,293	1,423,964	1,398,589
Labuan	82,471	85,623	60,444	65,634
Outside Malaysia	227,783	120,156	227,762	120,152
	53,498,718	51,417,340	28,688,813	27,508,805

(h) IMPAIRED LOANS, ADVANCES AND FINANCING

(i) Movements of impaired loans, advances and financing

At beginning of the financial period/year	1,305,953	1,628,669	841,839	1,223,906
Classified as impaired	74,801	520,249	41,856	205,382
Reclassified as non-impaired	(58,224)	(277,718)	(33,309)	(164,511)
Amount written-back	(12,408)	(484,399)	(6,681)	(361,904)
Amount written-off	(11,428)	(80,848)	(4,653)	(61,034)
At end of the financial period/year	1,298,694	1,305,953	839,052	841,839
Ratio of gross impaired loans, advances and financing to gross loans, advances and financing (*)	2.43%	2.54%	3.23%	3.38%

(*) For the Bank, RIA excluded in the ratio calculation amounting to RM1,899.1 million (2021: RM1,834.6 million) with impaired financing amounting to RM150.0 million (2021: RM149.9 million).

The Group and the Bank may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written-off during the financial period/year amounting to RM11,428,000 (2021: RM80,848,000) for the Group and RM4,653,000 (2021: RM61,034,000) for the Bank respectively. The Group and the Bank still seek to recover amounts that are legally owed in full, but which have been partially written-off due to no reasonable expectation of full recovery.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A12. LOANS, ADVANCES AND FINANCING (Cont.)

(h) IMPAIRED LOANS, ADVANCES AND FINANCING (Cont.)

	Group		Bank	
	31/3/2022	31/12/2021	31/3/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
(ii) <u>Impaired loans by economic purpose</u>				
Purchase of securities	26,320	26,212	61	41
Purchase of transport vehicles	361,540	361,050	190,269	189,174
Purchase of landed property of which:				
- Residential	139,121	152,519	65,746	69,671
- Non-residential	254,087	254,140	184,280	186,213
Fixed assets other than land and building	14,694	14,903	14,694	14,903
Personal use	19,011	15,011	13,448	11,582
Credit card	1,868	1,370	1,513	1,090
Consumer durable	3	-	3	-
Construction	218,216	217,829	218,133	216,593
Working capital	255,708	254,748	148,779	150,401
Others	8,126	8,171	2,126	2,171
	1,298,694	1,305,953	839,052	841,839
(iii) <u>Impaired loans by economic sector</u>				
Primary agriculture	9,809	10,054	9,795	9,870
Mining and quarrying	36,085	31,668	5,186	5,187
Manufacturing	13,901	14,155	6,274	5,167
Electricity, gas and water supply	58	105	58	105
Construction	80,984	82,068	41,494	42,533
Real estate	144,514	144,538	71,321	71,353
Wholesale, retail trade, hotels and restaurants	53,367	53,856	51,015	51,279
Transport, storage and communication	364,747	361,456	159,252	155,928
Finance, insurance and business services	72,842	71,784	71,084	70,912
Education, health and others	305,562	304,140	304,967	303,521
Household	216,825	232,129	118,606	125,984
	1,298,694	1,305,953	839,052	841,839
(iv) <u>Impaired loans by geographical distribution</u>				
Perlis	2,729	2,717	170	127
Kedah	57,525	58,786	50,981	51,579
Pulau Pinang	29,898	30,861	23,613	23,547
Perak	62,790	64,260	8,120	9,208
Selangor	226,069	231,746	105,310	111,232
Wilayah Persekutuan	82,045	83,717	63,387	63,396
Negeri Sembilan	65,902	68,446	55,398	56,654
Melaka	16,405	16,594	14,460	14,374
Johor	358,704	355,986	316,820	312,956
Pahang	24,577	23,877	21,173	22,145
Terengganu	301,939	298,303	149,428	146,411
Kelantan	2,260	2,730	412	587
Sarawak	56,389	55,111	19,773	18,522
Sabah	11,462	12,819	10,007	11,101
	1,298,694	1,305,953	839,052	841,839

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A12. LOANS, ADVANCES AND FINANCING (Cont.)

(v) Movements in ECL for loans, advances and financing

Group 31/3/2022	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
At beginning of the financial period	237,148	314,020	338,104	889,272
Total transfer between stages due to change in credit risk:	17,860	609	(18,469)	-
- Transfer to 12-month ECL (Stage 1)	23,848	(20,661)	(3,187)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(5,980)	22,184	(16,204)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(8)	(914)	922	-
Loans/financing derecognised (other than write-off)	(14,921)	(12,335)	(1,633)	(28,889)
New loans/financing originated or purchased	19,595	12,685	-	32,280
Changes due to change in credit risk	(51,363)	61,265	19,699	29,601
Write-off	-	-	(11,125)	(11,125)
Other adjustments				
- Foreign exchange and other movements	10	46	-	56
At end of the financial period	208,329	376,290	326,576	911,195

Group 31/12/2021	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
At beginning of the financial year	177,087	151,204	451,486	779,777
Total transfer between stages due to change in credit risk:	51,311	23,902	(75,213)	-
- Transfer to 12-month ECL (Stage 1)	64,134	(54,454)	(9,680)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(12,585)	90,018	(77,433)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(238)	(11,662)	11,900	-
Loans/financing derecognised (other than write-off)	(62,069)	(10,433)	(10,023)	(82,525)
New loans/financing originated or purchased	76,093	9,269	-	85,362
Changes due to change in credit risk	(5,274)	140,078	43,820	178,624
Write-off	-	-	(71,966)	(71,966)
At end of the financial year	237,148	314,020	338,104	889,272

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A12. LOANS, ADVANCES AND FINANCING (Cont.)

(v) Movements in ECL for loans, advances and financing (Cont.)

Bank	12-Month ECL Stage 1	Lifetime ECL not credit impaired Stage 2	Lifetime ECL credit impaired Stage 3	Total
31/3/2022	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period	163,175	214,857	251,437	629,469
Total transfer between stages due to change in credit risk:	14,494	(3,841)	(10,653)	-
- Transfer to 12-month ECL (Stage 1)	18,610	(16,155)	(2,455)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(4,113)	12,833	(8,720)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(3)	(519)	522	-
Loans/financing derecognised (other than write-off)	(6,780)	(11,043)	(1,082)	(18,905)
New loans/financing originated or purchased	9,722	11,512	-	21,234
Changes due to change in credit risk	(34,446)	50,323	11,955	27,832
Write-off	-	-	(4,428)	(4,428)
Other adjustments				
- Foreign exchange and other movements	9	46	-	55
At end of the financial period	146,174	261,854	247,229	655,257

Bank	12-Month ECL Stage 1	Lifetime ECL not credit impaired Stage 2	Lifetime ECL credit impaired Stage 3	Total
31/12/2021	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	128,045	88,348	348,004	564,397
Total transfer between stages due to change in credit risk:	33,858	12,013	(45,871)	-
- Transfer to 12-month ECL (Stage 1)	41,876	(37,526)	(4,350)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(7,903)	55,421	(47,518)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(115)	(5,882)	5,997	-
Loans/financing derecognised (other than write-off)	(28,113)	(9,212)	(5,364)	(42,689)
New loans/financing originated or purchased	35,468	8,582	-	44,050
Changes due to change in credit risk	(6,083)	115,126	7,107	116,150
Write-off	-	-	(52,439)	(52,439)
At end of the financial year	163,175	214,857	251,437	629,469

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A13. TRADE RECEIVABLES

	Group	
	31/3/2022 RM'000	31/12/2021 RM'000
Amount due from stock-broking clients:		
- performing accounts	289,380	324,833
- impaired accounts (i)	1,136	942
Amount due from brokers	91,028	47,221
Amount due from Bursa Securities Clearing Sdn Bhd	35,810	-
Management fees receivable on fund management	109,903	155,703
	<u>527,257</u>	<u>528,699</u>
Less: ECL (ii)	(1,616)	(1,533)
	<u>525,641</u>	<u>527,166</u>
(i) Movements of impaired trade receivables		
At beginning of the financial period/year	942	1,387
Classified as impaired	647	3,126
Amount written-back	(453)	(3,571)
At end of the financial period/year	<u>1,136</u>	<u>942</u>
(ii) Movements in ECL in trade receivables		
At beginning of the financial period/year	1,533	2,809
Allowance made	1,537	5,031
Amount written-back	(1,454)	(6,307)
At end of the financial period/year	<u>1,616</u>	<u>1,533</u>

A14. OTHER ASSETS

	Group		Bank	
	31/3/2022 RM'000	31/12/2021 RM'000	31/3/2022 RM'000	31/12/2021 RM'000
Other debtors	234,714	232,679	116,324	101,897
Prepayments and deposits	58,093	48,485	48,703	47,747
Cheque clearing accounts	8,022	20,325	2,174	5,959
Foreclosed properties (i)	13,358	13,358	8,485	8,485
Collaterals pledged for derivative transactions	5,101	-	-	-
Clearing guarantee fund	1,730	1,924	-	-
	<u>321,018</u>	<u>316,771</u>	<u>175,686</u>	<u>164,088</u>
Less: ECL (ii)	(4,310)	(4,039)	-	-
	<u>316,708</u>	<u>312,732</u>	<u>175,686</u>	<u>164,088</u>
(i) Foreclosed properties				
At beginning of the financial period/year	13,358	16,962	8,485	12,089
Disposal	-	(3,315)	-	(3,315)
Diminution in value	-	(289)	-	(289)
At end of the financial period/year	<u>13,358</u>	<u>13,358</u>	<u>8,485</u>	<u>8,485</u>
(ii) Movements in ECL				
At beginning of the financial period/year			4,039	3,966
Allowance made			880	2,829
Amount written-back			(609)	(2,756)
At end of the financial period/year			<u>4,310</u>	<u>4,039</u>

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A15. OTHER LIABILITIES

	Group		Bank	
	31/3/2022 RM'000	31/12/2021 RM'000	31/3/2022 RM'000	31/12/2021 RM'000
BNM and CGC Funding programmes (a)	239,185	238,834	227,589	228,890
Margin and collateral deposits	106,158	97,665	86,402	79,609
Other creditors and accruals	213,494	205,072	79,060	69,941
Sundry creditors	245,794	283,626	169,917	132,270
Treasury and cheque clearing accounts	15,259	18,677	15,259	18,677
Provision for zakat	2,092	2,494	189	157
Defined contribution plan (b)	35,579	26,408	33,960	25,194
Accrued employee benefits	84,301	194,477	23,690	75,032
Unearned income	20,169	19,708	15,069	15,020
Commissioned dealer's representatives trust balances	69,183	68,653	-	-
Securities borrowings and lending - borrow	91,108	106,823	-	-
Amounts payable to commissioned and salaried dealer's representatives	79,711	95,426	-	-
Puttable liabilities (c)	189,988	189,026	-	-
Add : ECL (d)				
- loan/financing commitments and financial guarantees	56,857	56,914	31,318	31,322
	1,448,878	1,603,803	682,453	676,112

(a) Includes monies received by the Group and the Bank under government financing scheme 'BNM SRF SME Fund' and 'SRF Tourism Fund' as part of the government support measures in response to Covid-19 for the purpose of SME lending with a six-year maturity amounting to RM48.1million (2021: RM196.7 million). The financing under the government scheme is for lending at concession rates to SMEs.

(b) The Group and the Bank contribute to EPF, the national defined contribution plan. Once the contributions have been paid, the Group and the Bank have no further payment obligations.

(c) Puttable liabilities are in respect of the following:

	Group	
	31/3/2022 RM'000	31/12/2021 RM'000
Obligations to buy subsidiaries' shares from non-controlling interest:		
- AHAM (i)	134,815	134,134
- AVA (ii)	21,731	21,450
Investment in funds (iii)	33,442	33,442
	189,988	189,026

(i) On 8 March 2019, under the Employee Stock Option Incentive Scheme, the options holders have fully exercised the 1000 employee stock options at exercise price of RM40.30 per share. As a result, the employee stock option holder(s) were allotted a total of 1,111,000 units of new ordinary shares for a total consideration of RM44.77 million.

Pursuant to the exercise of the employee stock option incentive scheme, there is a Selective Capital Reduction ('SCR') provision within the scheme which requires AHAM to buy back the ordinary shares issued to the option holders from 1 March 2021 to 1 March 2023 at a certain price, if the conditions within the SCR provision are not met by 31 December 2020. As at 31 March 2022, no option holders have exercised their rights in relation to the buy back.

The SCR provision represents a purchase of AHAM's own equity instrument and a liability equal to the present value of the estimated future redemption amount is reclassified from equity on initial recognition. The liability is then subsequently measured at amortised cost with the unwinding of the present value of the redemption amount to be recognised as finance costs within the income statements. In the event of a change in the estimated future redemption amount of SCR, the remeasurement amounts will be recognised in equity as the changes in the Bank's ownership interest in AHAM does not result in the Bank losing control of AHAM.

(ii) This represents the present value of an option to purchase AccelVantage Academy Sdn Bhd's ('AVA') shares pursuant to the terms of the exit mechanism in a shareholders agreement entered into between the Bank's subsidiary, AHAM and GV Capital Dynamic Sdn Bhd ('GVCD').

AHAM is granted a call option to acquire the entire 49% equity shares in AVA held by GVCD within 90 days of the call option period. The exercise price under the call option is determined based on pre-agreed formula.

The financial liability at Group is initially recognised at the present value of the redemption amount and accreted through finance charges in the income statements over the contract period, up to the final redemption amount. In the event of a change in the exercise price under the call option, the remeasurement amounts will be recognised in equity as the changes in AHAM's ownership interest in AVA does not result in AHAM losing control of AVA.

(iii) This represents the units held by other investors of the funds which has been consolidated by the Group. The amount is equal to a proportion of the Net Asset Value of the funds not held by the Group.

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A15. OTHER LIABILITIES (Cont.)

	Group		Bank	
	31/3/2022	31/12/2021	31/3/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
(d) Movement in ECL				
At beginning of financial period/year	56,914	38,448	31,322	15,908
Net remeasurement of loss allowance	(2,023)	16,044	(1,472)	14,553
New loan commitments and financial guarantees issued	1,964	8,650	1,468	6,936
Loan commitment and financial guarantees derecognised	-	(7,596)	-	(6,075)
Changes due to change in credit risk	2	1,368	-	-
At end of the financial period/year	56,857	56,914	31,318	31,322

A16. RESERVES

	Group		Bank	
	31/3/2022	31/12/2021	31/3/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
FVOCI revaluation reserves (a)	59,567	90,473	157,267	157,267
Regulatory reserves (b)	721,424	754,603	626,162	636,095
Foreign exchange reserves	39	39	-	-
Other reserves (c)	(88,914)	(88,737)	-	-
Retained profits	4,339,307	4,163,442	3,170,725	3,119,461
	5,031,423	4,919,820	3,954,154	3,912,823

- (a) FVOCI revaluation reserves represent the unrealised gains or losses arising from the change in fair value of investments classified as financial investments at FVOCI. The gains or losses are transferred to the income statement upon disposal or when the securities become impaired.
- (b) Pursuant to BNM Financial Reporting policy dated 27 September 2019, the Group and the Bank must maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of all credit exposures, net of loss allowance for credit-impaired exposures.
- (c) Other reserves represents the Group's obligation to purchase subsidiaries' shares held by non-controlling interest disclosed in Note A15 (c) (i) and (ii).

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A17. INTEREST INCOME

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
Loan, advances and financing	326,571	302,268	326,571	302,268
Money at call and deposits placements with financial institutions	14,747	6,867	14,747	6,867
Financial investments at FVOCI	19,040	73,570	19,040	73,570
Financial investments at AC	77,785	2,090	77,785	2,090
Others	2,246	3,023	2,246	3,023
	440,389	387,818	440,389	387,818
Bank				
Loan, advances and financing	293,176	279,382	293,176	279,382
Money at call and deposits placements with financial institutions	28,103	20,955	28,103	20,955
Financial investments at FVOCI	-	53,539	-	53,539
Financial investments at AC	81,119	4,852	81,119	4,852
Others	1,020	495	1,020	495
	403,418	359,223	403,418	359,223

A18. INTEREST EXPENSE

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	165,357	155,515	165,357	155,515
Deposits and placements of banks and other financial institutions	7,615	5,449	7,615	5,449
Obligation on securities sold under repurchase agreements	5,422	-	5,422	-
Loans sold to Cagamas Berhad	5,973	-	5,973	-
Subordinated medium term notes	25,078	32,992	25,078	32,992
Foreign currency borrowing	-	38	-	38
Others	1,897	1,213	1,897	1,213
	211,342	195,207	211,342	195,207
Bank				
Deposits from customers	144,418	129,605	144,418	129,605
Deposits and placements of banks and other financial institutions	9,343	10,729	9,343	10,729
Obligation on securities sold under repurchase agreements	5,422	-	5,422	-
Loans sold to Cagamas Berhad	5,973	-	5,973	-
Subordinated medium term notes	25,078	32,992	25,078	32,992
Others	1,012	353	1,012	353
	191,246	173,679	191,246	173,679

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A18 (a). MODIFICATION LOSS

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
Group	RM'000	RM'000	RM'000	RM'000
Loss on modification of cash flows	15	-	15	-
Benefits recognised under the various Government schemes	-	-	-	-
Net effects	15	-	15	-
Bank				
Loss on modification of cash flows	1	-	1	-
Benefits recognised under the various Government schemes	-	-	-	-
Net effects	1	-	1	-

The modification loss represents the cost of deferring cashflows of the loans/financing impacted by the payment moratorium. The modification loss is shown net of benefits from various government financing schemes to support measures to assist SMEs that are adversely impacted by Covid-19/floods in order to sustain their business operations.

The moratorium does not automatically result in stage transfer under MFRS 9 in the absence of other factors relevant to the assessment.

A19. NET FEE AND COMMISSION INCOME

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
Group	RM'000	RM'000	RM'000	RM'000
(a) Fee and commission income:				
Net brokerage	22,257	33,551	22,257	33,551
Portfolio management fees	104,220	114,600	104,220	114,600
Corporate advisory fees	2,607	1,769	2,607	1,769
Commission	11,904	11,195	11,904	11,195
Service charges and fees	18,728	14,947	18,728	14,947
Guarantee fees	4,605	4,010	4,605	4,010
Arrangement fees	1,471	425	1,471	425
Initial service charges	12,143	126,482	12,143	126,482
Other fee income	7,630	9,091	7,630	9,091
	185,565	316,070	185,565	316,070
(b) Fee and commission expenses:				
Commission and referral expense	(39,874)	(154,381)	(39,874)	(154,381)
Net fee and commission income	145,691	161,689	145,691	161,689
Bank				
(a) Fee and commission income:				
Commission	12,249	12,146	12,249	12,146
Service charges and fees	18,632	14,947	18,632	14,947
Guarantee fees	4,379	4,010	4,379	4,010
	35,260	31,103	35,260	31,103
(b) Fee and commission expense:				
Commission and referral expense	(1,961)	(1,163)	(1,961)	(1,163)
Net fee and commission income	33,299	29,940	33,299	29,940

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A20. NET GAINS ON FINANCIAL INSTRUMENTS

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2022 RM'000	31/3/2021 RM'000	31/3/2022 RM'000	31/3/2021 RM'000
Income from financial instruments:				
Gains/(Loss) arising on financial assets at FVTPL:				
- net gain on disposal	8,315	16,359	8,315	16,359
- unrealised (loss)/gain	(16,842)	(17,752)	(16,842)	(17,752)
- interest income	8,108	6,020	8,108	6,020
- gross dividend income	684	1,465	684	1,465
Gains/(Loss) on derivatives instruments:				
- realised	487	-	487	-
- unrealised	5,062	13,130	5,062	13,130
- interest expense	(1,079)	(2,208)	(1,079)	(2,208)
Gains arising on financial investments at FVOCI:				
- net (loss)/gain on disposal	2,417	22,339	2,417	22,339
	7,152	39,353	7,152	39,353

Bank

Income from financial instruments:				
Gains arising on financial assets at FVTPL:				
- net gain/(loss) on disposal	(138)	-	(138)	-
- unrealised (loss)/gain	(9,646)	(8,232)	(9,646)	(8,232)
- interest income	3,436	2,046	3,436	2,046
Gains/(Loss) on derivatives instruments:				
- realised	453	-	453	-
- unrealised	5,800	14,054	5,800	14,054
- interest expense	(2,248)	(2,023)	(2,248)	(2,023)
Gains arising on financial investments at FVOCI:				
- net (loss)/gain on disposal	-	5,076	-	5,076
	(2,343)	10,921	(2,343)	10,921

A21. OTHER INCOME

Group

Foreign exchange gain/(loss):				
- realised	(24,567)	27,326	(24,567)	27,326
- unrealised	21,755	(14,198)	21,755	(14,198)
Rental income	5	2	5	2
Gain/(Loss) on sale of property and equipment	186	114	186	114
Gain on disposal of foreclosed properties	-	-	-	-
Other non-operating income	691	1,849	691	1,849
Total other income	(1,930)	15,093	(1,930)	15,093

Bank

Foreign exchange gain/(loss):				
- realised	(22,046)	19,972	(22,046)	19,972
- unrealised	17,100	(12,122)	17,100	(12,122)
Rental income	28	25	28	25
Other non-operating income	843	1,621	843	1,621
Gross dividend received from subsidiaries	-	35,000	-	35,000
Total other income	(4,075)	44,496	(4,075)	44,496

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A22. OTHER OPERATING EXPENSES

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs</u>				
Wages, salaries and bonus	166,024	173,854	166,024	173,854
Defined contribution plan	29,202	30,277	29,202	30,277
Other personnel costs	23,387	25,776	23,387	25,776
	218,613	229,907	218,613	229,907
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	5,744	5,819	5,744	5,819
Entertainment	1,785	1,418	1,785	1,418
Travelling and accommodation	703	625	703	625
Commission and brokerage expenses	1,332	1,960	1,332	1,960
Others marketing expenses	4,916	1,302	4,916	1,302
	14,480	11,124	14,480	11,124
<u>Establishment expenses</u>				
Equipment rental	883	244	883	244
Repair and maintenance	21,108	15,340	21,108	15,340
Depreciation of property and equipment	6,735	7,309	6,735	7,309
Depreciation of right-of-use assets	9,551	10,959	9,551	10,959
Amortisation of intangible assets	6,451	7,390	6,451	7,390
IT consultancy fee	14,297	14,369	14,297	14,369
Dataline rental	7,496	4,934	7,496	4,934
Security services	3,308	3,901	3,308	3,901
Electricity, water and sewerage	2,741	2,756	2,741	2,756
Insurance/Takaful and indemnities	5,244	5,546	5,244	5,546
Other establishment costs	2,595	2,380	2,595	2,380
	80,409	75,128	80,409	75,128
<u>General and administrative expenses</u>				
Telecommunication expenses	3,283	4,255	3,283	4,255
Auditors' remuneration:				
(i) Statutory audit fees	607	600	607	600
(ii) Regulatory related fees	10	10	10	10
(iii) Tax fees	-	51	-	51
(iv) Non-audit fees	170	179	170	179
Professional fees	3,725	1,814	3,725	1,814
Property and equipment written-off	48	13	48	13
Mail and courier charges	614	1,041	614	1,041
Stationery and consumables	1,599	2,196	1,599	2,196
Directors' fees and allowances	635	609	635	609
Donations	833	933	833	933
Settlement, clearing and bank charges	6,616	4,531	6,616	4,531
Stamp duties	61	63	61	63
Operational and litigation write-off expenses	2	428	2	428
Subscription fees	3,771	4,082	3,771	4,082
Other administration and general expenses	4,878	3,498	4,878	3,498
	26,852	24,303	26,852	24,303
Total other operating expenses	340,354	340,462	340,354	340,462

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A22. OTHER OPERATING EXPENSES (Cont.)

Bank	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs</u>				
Wages, salaries and bonus	87,729	84,914	87,729	84,914
Defined contribution plan	15,551	14,386	15,551	14,386
Other personnel costs	11,491	11,619	11,491	11,619
	114,771	110,919	114,771	110,919
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	3,456	3,423	3,456	3,423
Entertainment	752	697	752	697
Travelling and accommodation	358	254	358	254
Commission and brokerage expenses	595	2,257	595	2,257
Others marketing expenses	3,629	513	3,629	513
	8,790	7,144	8,790	7,144
<u>Establishment expenses</u>				
Equipment rental	580	117	580	117
Repair and maintenance	9,839	4,358	9,839	4,358
Depreciation of property and equipment	4,857	4,691	4,857	4,691
Depreciation of right-of-use assets	7,359	8,278	7,359	8,278
Amortisation of intangible assets	5,744	5,878	5,744	5,878
IT consultancy fee	8,216	9,528	8,216	9,528
Dataline rental	5,543	3,067	5,543	3,067
Security services	1,885	2,170	1,885	2,170
Electricity, water and sewerage	857	1,030	857	1,030
Insurance/Takaful and indemnities	3,355	4,104	3,355	4,104
Other establishment costs	830	685	830	685
	49,065	43,906	49,065	43,906
<u>General and administrative expenses</u>				
Telecommunication expenses	537	918	537	918
Auditors' remuneration :				
(i) Statutory audit fees	374	324	374	324
(ii) Non-audit fees	150	162	150	162
Professional fees	293	1,437	293	1,437
Property and equipment written-off	48	13	48	13
Mail and courier charges	344	568	344	568
Stationery and consumables	782	1,248	782	1,248
Directors' fees and allowances	635	609	635	609
Donations	716	803	716	803
Settlement, clearing and bank charges	5,796	3,900	5,796	3,900
Stamp duties	44	59	44	59
Operational and litigation write-off expenses	2	428	2	428
Other administration and general expenses	3,171	1,281	3,171	1,281
	12,892	11,750	12,892	11,750
Total other operating expenses	185,518	173,719	185,518	173,719

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A23. ALLOWANCES FOR /(WRITE-BACK OF) CREDIT IMPAIRMENT LOSSES

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
ECL made/(written-back) on:				
- loans, advances and financing	33,048	61,753	33,048	61,753
- trace receivables	83	154	83	154
- securities and placements	(19,760)	40,808	(19,760)	40,808
- loan/financing commitments and financial guarantee	(57)	(200)	(57)	(200)
Bad debts and financing :				
- recovered	(13,909)	(8,771)	(13,909)	(8,771)
- written-off	394	48	394	48
	(201)	93,792	(201)	93,792
Bank				
ECL made/(written-back) on :				
- loans, advances and financing	30,216	30,876	30,216	30,876
- securities and placements	(19,647)	35,251	(19,647)	35,251
- loan/financing commitments and financial guarantee	(4)	(470)	(4)	(470)
Bad debts and financing :				
- recovered	(12,004)	(7,055)	(12,004)	(7,055)
- written-off	316	61	316	61
	(1,123)	58,663	(1,123)	58,663

A24. ALLOWANCES FOR IMPAIRMENT LOSSES ON OTHER ASSETS

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment on:				
- other debtors	271	-	271	-
	271	-	271	-

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A25. SEGMENTAL INFORMATION ON REVENUE AND PROFIT

The segment analysis by activity for the individual and cumulative quarters ended 31 March 2022 and 31 March 2021 are as follows:

	<----- Current year's individual and cumulative quarter ended 31 March 2022 ----->					
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External revenue	385,287	140,614	-	2,915	-	528,816
Intersegment revenue	100	726	-	183	(1,009)	-
Segment revenue	385,387	141,340	-	3,098	(1,009)	528,816
Operating expenses	(252,903)	(85,833)	-	(2,627)	1,009	(340,354)
of which :-						
Depreciation of property and equipment	(4,971)	(1,687)	-	(77)	-	(6,735)
Depreciation of right-of-use assets	(7,474)	(1,990)	-	(87)	-	(9,551)
Amortisation of intangible assets	(5,797)	(651)	-	(3)	-	(6,451)
Write-back of/(allowances for) impairment advances, financing and trade receivables/ securities/ other assets	7,308	(7,305)	-	-	(73)	(70)
Segment results	139,792	48,202	-	471	(73)	188,392
Share of results of a joint venture (net of tax)	-	-	3,841	-	-	3,841
Share of results of associates (net of tax)	-	-	8,235	-	-	8,235
Profit before zakat and taxation	139,792	48,202	12,076	471	(73)	200,468
Zakat	-	(309)	-	-	-	(309)
Profit before taxation	139,792	47,893	12,076	471	(73)	200,159
Taxation						(47,579)
Net profit for the individual quarter						152,580

	<----- Preceding year's individual and cumulative quarter ended 31 March 2021 ----->					
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue						
External revenue	356,561	177,692	-	3,376	-	537,629
Intersegment revenue	35,037	1,883	-	201	(37,121)	-
Segment revenue	391,598	179,575	-	3,577	(37,121)	537,629
Operating expenses	(236,184)	(103,378)	-	(3,021)	2,121	(340,462)
of which :-						
Depreciation of property and equipment	(4,832)	(2,465)	-	(12)	-	(7,309)
Depreciation of right-of-use assets	(8,394)	(2,478)	-	(87)	-	(10,959)
Amortisation of intangible assets	(5,931)	(1,458)	-	(1)	-	(7,390)
(Allowances for)/write-back of impairment advances, financing and trade receivables/ securities/ other assets	(84,425)	(9,734)	-	-	367	(93,792)
Segment results	70,989	66,463	-	556	(34,633)	103,375
Share of results of a joint venture (net of tax)	-	-	2,828	-	-	2,828
Share of results of associates (net of tax)	-	-	3,123	-	-	3,123
Profit before zakat and taxation	70,989	66,463	5,951	556	(34,633)	109,326
Zakat	-	(1,165)	-	-	-	(1,165)
Profit before taxation	70,989	65,298	5,951	556	(34,633)	108,161
Taxation						(26,553)
Net profit for the individual quarter						81,608

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A26. SUBSEQUENT MATERIAL EVENT

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

A27. CHANGES IN THE COMPOSITION OF THE GROUP

There were no significant changes in the composition of the Group during the financial period under review.

A28. COMMITMENTS 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. The commitments and contingencies are not secured over the assets of the Group and the Bank.

The notional amounts of the commitments and contingencies of the Group and the Bank are as follows :

	Group		Bank	
	Principal Amount 31/3/2022 RM'000	31/12/2021 RM'000	Principal Amount 31/3/2022 RM'000	31/12/2021 RM'000
Direct credit substitutes *	488,761	548,856	398,105	456,935
Transaction-related contingent items	1,470,967	1,477,614	992,142	982,691
Short-term self-liquidating trade-related contingencies	293,148	461,206	109,404	200,556
Irrevocable commitments to extend credit				
- Maturity less than one year	5,233,148	5,069,907	3,541,858	3,541,944
- Maturity more than one year	2,254,711	2,039,539	1,427,515	1,197,170
Foreign exchange related contracts #				
- Less than one year	27,771,776	25,519,945	18,987,782	14,563,705
- One year to less than five years	828,957	897,663	-	83,340
Interest rate related contracts #				
- Less than one year	860,000	1,135,000	180,000	355,000
- One year to less than five years	4,668,000	4,813,000	2,798,000	2,663,000
- Five years and above	835,000	955,000	835,000	955,000
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrowers' creditworthiness	1,097,416	1,116,522	-	-
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions. (i.e. repurchase / reverse repurchase and securities lending / borrowing transactions.	2,116,141	-	2,116,141	-
Unutilised credit card lines	1,236,414	1,163,042	1,017,715	948,592
	49,154,439	45,197,294	32,403,662	25,947,933

* Included in direct credit substitutes are financial guarantee contracts of RM488.8 million and RM398.1 million at the Group and the Bank respectively (2021: RM548.9 million and RM456.9 million at the Group and the Bank respectively), of which fair value at the time of issuance is zero.

The fair value of these derivatives have been recognised as "derivative financial assets" and "derivative financial liabilities" in the statement of financial position.

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A29. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts and classified by remaining period to maturity/repricing date (whichever is earlier) as at reporting date are as follows:-

GROUP	< ----- Contract/Notional Amount ----- >				< ----- Positive Fair Value ----- >				< ----- Negative Fair Value ----- >			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
As at 31 March 2022												
Trading derivatives												
Foreign exchange derivatives :												
- Currency forwards	8,790,029	295,122	30,195	9,115,346	20,163	827	638	21,628	36,403	5,507	-	41,910
- Cross currency swaps	13,612,548	-	-	13,612,548	30,538	-	-	30,538	30,036	-	-	30,036
- Currency swaps	5,278,231	473,415	30,225	5,781,871	27,158	8,980	-	36,138	8,899	4,074	611	13,584
- Currency options	90,968	-	-	90,968	43	-	-	43	429	-	-	429
Interest rate derivatives :												
- Interest rate swaps	860,000	2,958,000	2,545,000	6,363,000	4,396	28,564	49,383	82,343	4,048	29,096	39,521	72,665
	28,631,776	3,726,537	2,605,420	34,963,733	82,298	38,371	50,021	170,690	79,815	38,677	40,132	158,624
As at 31 December 2021												
Trading derivatives												
Foreign exchange derivatives :												
- Currency forwards	8,792,955	214,266	103,735	9,110,956	25,015	65	125	25,205	54,391	5,944	1,475	61,810
- Cross currency swaps	10,928,966	83,340	-	11,012,306	45,503	-	-	45,503	49,343	1,231	-	50,574
- Currency swaps	5,798,024	392,469	103,853	6,294,346	31,338	9,781	1,561	42,680	15,098	3,766	103	18,967
Interest rate derivatives :												
- Interest rate swaps	1,135,000	2,928,000	2,840,000	6,903,000	3,908	30,795	38,790	73,493	5,157	36,908	28,213	70,278
	26,654,945	3,618,075	3,047,588	33,320,608	105,764	40,641	40,476	186,881	123,989	47,849	29,791	201,629

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A29. DERIVATIVE FINANCIAL INSTRUMENTS (Cont.)

Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts and classified by remaining period to maturity/repricing date (whichever is earlier) as at reporting date are as follows: (continued)

	< ----- Contract/Notional Amount ----- >				< ----- Positive Fair Value ----- >				< ----- Negative Fair Value ----- >			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
BANK												
As at 31 March 2022												
Trading derivatives												
Foreign exchange derivatives :												
- Currency forwards	3,637,711	-	-	3,637,711	10,237	-	-	10,237	9,559	-	-	9,559
- Cross currency swaps	15,259,103	-	-	15,259,103	32,794	-	-	32,794	33,705	-	-	33,705
- Currency options	90,968	-	-	90,968	43	-	-	43	429	-	-	429
Interest rate derivatives :												
- Interest rate swaps	180,000	1,418,000	2,215,000	3,813,000	704	16,090	45,603	62,397	1,239	20,230	37,288	58,757
	19,167,782	1,418,000	2,215,000	22,800,782	43,778	16,090	45,603	105,471	44,932	20,230	37,288	102,450
As at 31 December 2021												
Trading derivatives												
Foreign exchange derivatives :												
- Currency forwards	2,731,419	-	-	2,731,419	7,210	-	-	7,210	17,756	-	-	17,756
- Cross currency swaps	11,832,286	83,340	-	11,915,626	47,504	-	-	47,504	53,763	1,231	-	54,994
Interest rate derivatives :												
- Interest rate swaps	355,000	1,368,000	2,250,000	3,973,000	1,466	15,204	33,256	49,926	2,075	23,710	27,002	52,787
	14,918,705	1,451,340	2,250,000	18,620,045	56,180	15,204	33,256	104,640	73,594	24,941	27,002	125,537

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A29. DERIVATIVE FINANCIAL INSTRUMENTS (Cont.)

Foreign exchange and interest rate related contracts are subject to market risk, credit risk and liquidity risk.

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at the reporting date, the notional amount of foreign exchange exposure which was not hedged and hence, exposed to market risk was RM28.6 million (2021 : RM18.2 million), while the notional amount of interest rate contract was RM896.3 million (2021 : RM899.3 million).

Credit risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the commercial bank has a gain position. As at the reporting date, the amounts of foreign exchange and interest rate credit risk, measured in terms of the cost to replace the profitable contracts, was RM324.8 million (2021 : RM383.6 million) and RM195.6 million (2021 : RM185.3 million) respectively. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity risk

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. The exposure to liquidity risk is mitigated by entering into transactions where the underlying financial instruments are widely traded and also easily closed out through alternative markets.

Cash Requirement of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at the reporting date, there is no requirement for the Group to post any additional cash collateral on its derivative contracts.

Related Accounting Policies

The related accounting policies for off-balance sheet financial instruments applied in the condensed interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2021.

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A30. FAIR VALUE MEASUREMENTS

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:-

- (a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
(b) Level 2 - quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
(c) Level 3 - valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

Group	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31 March 2022				
Financial Assets				
Financial assets at FVTPL:				
- Money market instruments	-	570,332	-	570,332
- Corporate bonds/Sukuk	-	1,003	15,399	16,402
- Shares and unit trusts	217,383	-	104,171	321,554
- Private equity funds	-	200	-	200
Derivative financial assets	-	170,690	-	170,690
Financial investments at FVOCI:				
- Money market instruments	-	2,047,860	-	2,047,860
- Shares, unit trusts and REITs	-	-	224,855	224,855
- Corporate bonds/Sukuk	-	1,649,155	-	1,649,155
	217,383	4,439,240	344,425	5,001,048
Financial Liabilities				
Derivative financial liabilities	-	158,624	-	158,624
Puttable liability - investment in funds	33,442	-	-	33,442
Other liabilities - equities trading	1,042	-	-	1,042
	34,484	158,624	-	193,108
31 December 2021				
Financial Assets				
Financial assets at FVTPL :				
- Money market instruments	-	249,582	-	249,582
- Shares and unit trusts	-	1,008	14,923	15,931
- Corporate bonds/Sukuk	228,916	-	104,171	333,087
Derivative financial assets	-	186,881	-	186,881
Financial investments at FVOCI :				
- Money market instruments	-	2,007,150	-	2,007,150
- Shares, unit trusts and REITs	-	-	224,855	224,855
- Corporate bonds/Sukuk	-	1,645,617	-	1,645,617
	228,916	4,090,238	343,949	4,663,103
Financial Liabilities				
Derivative financial liabilities	-	201,629	-	201,629
Puttable liability - investment in funds	33,442	-	-	33,442
Other liabilities - equities trading	2,853	-	-	2,853
	36,295	201,629	-	237,924

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A30. FAIR VALUE MEASUREMENTS (Cont.)

Bank	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31 March 2022				
Financial Assets				
Financial assets at FVTPL:				
- Money market instruments	-	509,907	-	509,907
- Corporate bonds/Sukuk	-	-	15,399	15,399
- Unquoted shares	-	-	104,171	104,171
Derivative financial assets	-	105,471	-	105,471
Financial investments at FVOCI:				
- Unquoted shares	-	-	198,148	198,148
	-	615,378	317,718	933,096
Financial Liabilities				
Derivative financial liabilities	-	102,450	-	102,450
31 December 2021				
Financial Assets				
Financial assets at FVTPL:				
- Money market instruments	-	249,582	-	249,582
- Unquoted shares	-	-	14,923	14,923
- Corporate bonds/Sukuk	-	-	104,171	104,171
Derivative financial assets	-	104,640	-	104,640
Financial investments at FVOCI:				
- Unquoted shares	-	-	198,148	198,148
	-	354,222	317,242	671,464
Financial Liabilities				
Derivative financial liabilities	-	125,537	-	125,537

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include actively traded listed equities and actively exchange-traded derivatives.

Where fair value is determined using quoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determine fair value based upon valuation techniques that use as inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques.

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A30. FAIR VALUE MEASUREMENTS (Cont.)

This category includes unquoted shares held for socio economic reasons. Fair values for shares held for socio economic reasons are based on the net tangible assets of the affected companies. The Group's and the Bank's exposure to financial instruments classified as Level 3 comprised a small number of financial instruments which constitute an insignificant component of the Group's and the Bank's portfolio of financial instruments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

The Group and the Bank recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial period (2021: Nil).

The following table presents the changes in Level 3 instruments for the financial period/year ended:-

	Group		Bank	
	31/3/2022	31/12/2021	31/3/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	343,949	325,731	317,242	300,401
Sales/Redemption	-	(252)	-	(252)
Net changes in income accrued		-	-	-
Total gains recognised in other comprehensive income	476	18,470	476	17,093
At end of the financial year/period	344,425	343,949	317,718	317,242

Effect of changes in significant unobservable assumptions to reasonably possible alternative

As at reporting date, financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) mainly include unquoted shares held for socio economic purposes.

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A31. CAPITAL ADEQUACY

Capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) updated on 9 December 2020.

The Group and the Bank are currently adopting Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk. The minimum capital adequacy requirement by BNM for Common Equity Tier 1 Capital Ratio ("CET1"), Tier 1 Capital Ratio and Total Capital Ratio are 7.00%, 8.50% and 10.50% respectively for year 2019 onwards.

The Group and the Bank have elected to apply BNM's transitional arrangement for four financial years beginning on 1 January 2020. Under the transitional arrangements, a financial institution is allowed to add back the amount of loss allowance measured at an amount equal to 12-month and lifetime expected credit losses to the extent they are ascribed to non-credit-impaired exposures (which is Stage 1 and Stage 2 provisions), to CET1 capital.

	Group		Bank	
	31/3/2022 RM'000	31/12/2021 RM'000	31/3/2022 RM'000	31/12/2021 RM'000
a) The components of CET 1, Tier 1 and Tier 2 capital :				
<u>CET 1</u>				
Paid-up share capital	4,969,150	4,969,150	4,969,150	4,969,150
Retained profits	4,196,621	4,163,442	3,129,394	3,119,461
Unrealised gains on FVOCI instruments	59,567	90,473	157,267	157,267
Other disclosed reserves	(88,914)	(88,737)	-	-
Foreign exchange reserves	39	39	-	-
	9,136,463	9,134,367	8,255,811	8,245,878
Less: Regulatory adjustments:				
- Goodwill and other intangibles	(890,453)	(895,850)	(193,254)	(198,733)
- Deferred tax assets	(209,380)	(223,344)	(105,575)	(111,900)
- 55% of cumulative unrealised gains on FVOCI instruments	(32,762)	(49,760)	(86,497)	(86,497)
- Investment in subsidiaries, joint ventures and associates	(914,818)	(907,293)	(3,796,621)	(3,796,621)
- Other CET1 transitional adjustment	281,353	341,998	201,050	238,228
Total CET 1 Capital	7,370,403	7,400,118	4,274,914	4,290,355
<u>Additional Tier 1 Capital</u>				
Additional Tier 1 Capital	800,000	800,000	500,000	500,000
Qualifying capital instruments held by third party	27,407	32,933	-	-
	827,407	832,933	500,000	500,000
Total Tier 1 Capital	8,197,810	8,233,051	4,774,914	4,790,355
<u>Tier 2 Capital</u>				
Subordinated MTNs	1,455,000	2,455,000	1,000,000	2,000,000
Expected loss provisions [#]	370,503	277,775	237,832	170,816
Less: Regulatory adjustments:				
- Investment in capital instruments of unconsolidated financial and insurance entities	(30,914)	(30,914)	(375,914)	(375,914)
Total Tier 2 Capital	1,794,589	2,701,861	861,918	1,794,902
Total Capital	9,992,399	10,934,912	5,636,832	6,585,257
b) The breakdown of risk-weighted assets:				
Credit risk	48,640,953	46,962,011	30,649,297	29,381,798
Market risk	591,577	781,246	409,782	567,804
Operational risk	3,640,298	3,580,698	1,683,244	1,671,929
Total risk-weighted assets	52,872,828	51,323,955	32,742,323	31,621,531
c) Capital adequacy ratios:				
<u>With transitional arrangements</u>				
CET 1 capital ratio	13.940%	14.418%	13.056%	13.568%
Tier 1 capital ratio	15.505%	16.041%	14.583%	15.149%
Total capital ratio	18.899%	21.306%	17.216%	20.825%
CET 1 capital ratio (net of proposed dividends) ^{Note 1}	13.725%	14.198%	12.710%	13.209%
Tier 1 capital ratio (net of proposed dividends) ^{Note 1}	15.290%	15.820%	14.237%	14.791%
Total capital ratio (net of proposed dividends) ^{Note 1}	18.685%	21.085%	16.869%	20.467%

[#] Qualifying loss provisions are restricted to allowances on the unimpaired portion of the loans, advances and other financing.

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A31. CAPITAL ADEQUACY (Cont.)

	Group		Bank	
	31/3/2022 RM'000	31/12/2021 RM'000	31/3/2022 RM'000	31/12/2021 RM'000
c) Capital adequacy ratios (cont.):				
<u>Without transitional arrangements</u>				
CET 1 capital ratio	13.408%	13.752%	12.442%	12.814%
Tier 1 capital ratio	14.973%	15.375%	13.969%	14.396%
Total capital ratio	18.816%	21.242%	17.045%	20.693%
CET 1 capital ratio (net of proposed dividends) ^{Note 1}	13.193%	13.531%	12.096%	12.456%
Tier 1 capital ratio (net of proposed dividends) ^{Note 1}	14.758%	15.154%	13.623%	14.037%
Total capital ratio (net of proposed dividends) ^{Note 1}	18.602%	21.021%	16.699%	20.335%

Note 1 :

Under the Dividend Reinvestment Plan ("DRP"), the amount of declared dividend to be deducted in the calculation of CET 1 Capital Ratio is determined in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components) (Implementation Guidance) issued on 2 February 2019.

Under the said Implementation Guidance, where a portion of the dividend may be reinvested under a DRP (the electable portion), the amount of the declared dividend to be deducted in the calculation of CET 1 Capital Ratio may be reduced as follows:-

- (i) where an irrevocable written undertaking from shareholder has been obtained to reinvest the electable portion of the dividend; or
- (ii) where there is no irrevocable written undertaking provided, the average of the preceding 3-year take-up rates or if less than 3 preceding years, the available average historical take-up rates, subject to the amount being not more than 50% of the total electable portion of the dividend.

In arriving at the capital adequacy ratios, the portion of the proposed dividends where no irrevocable written undertaking from shareholders to reinvest the electable portion into new ordinary shares of the Bank is obtained, is assumed to be paid in cash and has been deducted from the calculation of CET 1 Capital Ratio.

In accordance with BNM's Guidelines on Investment Account, the credit and market risk weighted on the assets funded by the RIA are included in calculation of capital adequacy for the Bank. As at 31 March 2022, RIA assets included in the Total Capital Ratio calculation amounted to RM1,899.1 million (2021: RM1,834.6 million).

The capital adequacy ratios of AFFIN Islamic Bank Berhad are as follows :

	Economic Entity		Bank	
	31/3/2022	31/12/2021	31/3/2022	31/12/2021
<u>With transitional arrangements</u>				
CET 1 capital ratio	11.746%	12.138%	11.746%	12.138%
Tier 1 capital ratio	13.425%	13.873%	13.425%	13.873%
Total capital ratio	18.587%	19.027%	18.587%	19.027%
<u>Without transitional arrangements</u>				
CET 1 capital ratio	11.422%	11.669%	11.422%	11.669%
Tier 1 capital ratio	13.100%	13.404%	13.100%	13.404%
Total capital ratio	18.587%	19.027%	18.587%	19.027%

The capital adequacy ratios of AFFIN Hwang Investment Bank Berhad are as follows :

	Group		Bank	
	31/3/2022	31/12/2021	31/3/2022	31/12/2021
<u>With transitional arrangements</u>				
CET 1 capital ratio	31.505%	31.426%	44.268%	45.802%
Tier 1 capital ratio	32.426%	32.508%	44.268%	45.802%
Total capital ratio	33.094%	33.028%	45.049%	46.578%
CET 1 capital ratio (net of proposed dividends)	31.505%	31.426%	44.268%	45.802%
Tier 1 capital ratio (net of proposed dividends)	32.426%	32.508%	44.268%	45.802%
Total capital ratio (net of proposed dividends)	33.094%	33.028%	45.049%	46.578%
<u>Without transitional arrangements</u>				
CET 1 capital ratio	30.741%	30.665%	43.124%	44.641%
Tier 1 capital ratio	31.662%	31.747%	43.124%	44.641%
Total capital ratio	32.330%	32.437%	43.905%	45.416%
CET 1 capital ratio (net of proposed dividends)	30.741%	30.665%	43.124%	44.641%
Tier 1 capital ratio (net of proposed dividends)	31.662%	31.747%	43.124%	44.641%
Total capital ratio (net of proposed dividends)	32.330%	32.437%	43.905%	45.416%

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A32. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD

(i) Unaudited Statements of Financial Position

	Economic Entity	
	31/3/2022	31/12/2021
	RM'000	RM'000
ASSETS		
Cash and short-term funds	2,593,179	2,240,427
Deposits and placements with banks and other financial institutions	-	50,008
Derivative financial assets	5,058	11,436
Financial investments at amortised cost ("AC")	4,636,565	3,464,981
Financing and other financing	23,377,679	22,570,323
Other assets	77,849	77,711
Amount due from holding company	183,133	-
Amount due from joint ventures	16,133	15,737
Deferred tax assets	23,556	22,484
Statutory deposits with Bank Negara Malaysia	36,458	-
Property and equipment	1,325	1,328
Right-of-use assets	519	632
Intangible assets	292	345
TOTAL ASSETS	30,951,746	28,455,412
LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		
Deposits from customers	24,675,050	21,990,129
Investment accounts of customers	1,213	1,329
Deposits and placements of banks and other financial institutions	867,337	358,050
Investment accounts due to designated financial institutions	1,890,087	1,831,585
Derivative financial liabilities	5,330	10,659
Recourse obligation on financing sold to Cagamas Berhad	50,343	50,033
Other liabilities	122,971	188,453
Amount due to holding company	-	758,812
Provision for taxation	3,254	8,033
Lease liabilities	551	666
Subordinated term financing and medium term notes	1,125,372	1,111,034
TOTAL LIABILITIES	28,741,508	26,308,783
ISLAMIC BANKING CAPITAL FUNDS		
Share capital	1,060,000	1,060,000
Reserves	1,150,238	1,086,629
Total Islamic Banking Capital Funds	2,210,238	2,146,629
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS	30,951,746	28,455,412
COMMITMENTS AND CONTINGENCIES	5,568,599	5,075,670

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A32. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)

(ii) Unaudited Income Statements

	Economic Entity			
	Individual Quarter Ended 31/3/2022 RM'000	31/3/2021 RM'000	Cumulative Quarter Ended 31/3/2022 RM'000	31/3/2021 RM'000
Income derived from investment of depositors' funds and others	245,233	206,733	245,233	206,733
Income derived from investment of investment accounts	18,954	18,506	18,954	18,506
Income derived from investment of shareholders' funds	22,132	20,200	22,132	20,200
Modification loss	(14)	-	(14)	-
Allowances for impairment losses on financing and other financing	6,212	(25,174)	6,212	(25,174)
Total distributable income	292,517	220,265	292,517	220,265
Income attributable to the depositors and others	(122,123)	(108,343)	(122,123)	(108,343)
Income attributable to the investment accounts holders	(17,884)	(16,449)	(17,884)	(16,449)
Total net income	152,510	95,473	152,510	95,473
Other operating expenses	(67,442)	(62,523)	(67,442)	(62,523)
Profit before zakat and taxation	85,068	32,950	85,068	32,950
Zakat	-	-	-	-
Profit before taxation	85,068	32,950	85,068	32,950
Taxation	(21,459)	(8,945)	(21,459)	(8,945)
Net profit for the financial period	63,609	24,005	63,609	24,005

(iii) Unaudited Statements of Comprehensive Income

	Economic Entity			
	Individual Quarter Ended 31/3/2022 RM'000	31/3/2021 RM'000	Cumulative Quarter Ended 31/3/2022 RM'000	31/3/2021 RM'000
Net profit for the financial period	63,609	24,005	63,609	24,005
Other comprehensive income :				
<u>Items that may be reclassified subsequently to profit or loss :</u>				
- Net fair value change in financial investments at FVOCI	-	(142,279)	-	(142,279)
- Net credit impairment loss change in financial investments at FVOCI	-	(848)	-	(848)
- Net gain on financial investments measured at FVOCI reclassified to profit or loss on disposal	-	(1,672)	-	(1,672)
- Deferred tax on financial investments at FVOCI	-	34,548	-	34,548
Other comprehensive loss for the financial period, net of tax	-	(110,251)	-	(110,251)
Total comprehensive income/(loss) for the financial period	63,609	(86,246)	63,609	(86,246)

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A32. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)

(iv) **Unaudited Condensed Statement Of Changes In Equity**

Economic Entity	<-----Attributable to Equity Holder of the Bank----->				
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2022	1,060,000	-	105,613	981,016	2,146,629
Comprehensive income :					
- Net profit for the financial period	-	-	-	63,609	63,609
Total comprehensive income	-	-	-	63,609	63,609
Transfer from regulatory reserves	-	-	(24,110)	24,110	-
At 31 March 2022	1,060,000	-	81,503	1,068,735	2,210,238

Economic Entity	<-----Attributable to Equity Holder of the Bank----->				
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2021	1,060,000	(4,919)	127,093	768,941	1,951,115
Comprehensive income :					
- Net profit for the financial period	-	-	-	24,005	24,005
Other comprehensive income (net of tax) :					
- Financial investments at FVOCI	-	(110,251)	-	-	(110,251)
Total comprehensive income	-	(110,251)	-	24,005	(86,246)
Transfer from regulatory reserves	-	-	(33,092)	33,092	-
At 31 March 2021	1,060,000	(115,170)	94,001	826,038	1,864,869

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A32. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)

	Economic Entity	
	31/3/2022 RM'000	31/12/2021 RM'000
(v) Financing and other financing		
By type		
Cashline	665,870	651,183
Term financing		
- Housing financing	8,601,962	8,443,386
- Hire purchase receivables	4,732,062	4,561,420
- Syndicated financing	926,715	869,857
- Others term loan/financing	6,582,921	6,221,332
Bills receivables	105,904	92,878
Trust receipts	10,409	13,142
Claims on customers under acceptance credits	731,723	701,318
Staff financing (of which RM Nil to Directors)	107,490	104,165
Credit/charge cards receivables	49,174	44,830
Revolving financing	1,056,426	1,070,514
Gross financing and other financing	23,570,656	22,774,025
Less : ECL	(192,977)	(203,702)
Total net financing and other financing	23,377,679	22,570,323
(vi) Movements of impaired financing		
At beginning of the financial period/year	381,586	315,471
Classified as impaired	32,945	314,867
Reclassified as non-impaired	(24,915)	(113,207)
Amount recovered	(5,095)	(115,731)
Amount written-off	(6,775)	(19,814)
At end of the financial period/year	377,746	381,586
Ratio of gross impaired financing and other financing to gross financing and other financing (exclude restricted investment accounts)*	1.05%	1.50%

(*) For the Bank, RIA excluded in the ratio calculation amounting to RM1,899.1 million (2021: RM1,834.6 million) with impaired financing amounting to RM150.0 million (2021: RM149.9 million).

The Group and the Bank may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the quarter ended 31 March 2022 for the Bank is RM6,775,000 (2021: RM19,814,000). The Bank still seek to recover the amounts that is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A32. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)

(vii) Movements in expected credit losses for financing and other financing

	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
Economic Entity				
31/3/2022				
At beginning of the financial period	72,928	76,859	53,915	203,702
Total transfer between stages due to change in credit risk :	3,366	4,450	(7,816)	-
- Transfer to 12-month ECL (Stage 1)	5,238	(4,506)	(732)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(1,867)	9,351	(7,484)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(5)	(395)	400	-
Financing derecognised (other than write-off)	(8,130)	(1,292)	(551)	(9,973)
New financing and other financing originated or purchased	9,861	1,173	-	11,034
Changes due to change in credit risk	(16,862)	3,825	7,947	(5,090)
Write-off	-	-	(6,697)	(6,697)
Other adjustments	1	-	-	1
At end of the financial period	61,164	85,015	46,798	192,977
Economic Entity				
31/12/2021				
At beginning of the financial year	47,261	54,706	82,430	184,397
Total transfer between stages due to change in credit risk :	18,194	11,148	(29,342)	-
- Transfer to 12-month ECL (Stage 1)	22,251	(16,921)	(5,330)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(3,934)	33,849	(29,915)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(123)	(5,780)	5,903	-
Financing derecognised (other than write-off)	(33,764)	(1,221)	(2,145)	(37,130)
New financing and other financing originated or purchased	40,560	687	-	41,247
Changes due to change in credit risk	676	11,539	22,499	34,714
Write-off	-	-	(19,527)	(19,527)
Other adjustments	1	-	-	1
At end of the financial year	72,928	76,859	53,915	203,702

(viii) Deposits from customers

	Economic Entity	
	31/3/2022 RM'000	31/12/2021 RM'000
<u>Qard</u>		
Demand deposits	4,483,433	4,476,588
Savings deposits	968,548	952,617
	5,451,981	5,429,205
<u>Mudarabah</u>		
General investment deposits	41,108	41,235
<u>Tawarruq</u>		
Murabahah term deposits	16,543,979	14,669,830
Commodity Murabahah Deposit	1,880,251	1,122,215
Savings deposits	166,195	159,324
Demand deposit	591,536	568,320
	19,181,961	16,519,689
Total deposits from customers	24,675,050	21,990,129

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES

Table 1 : Financial review for individual and cumulative quarter ended 31 March 2022 against preceding year's corresponding quarter

	Individual Quarter Ended		Changes		Cumulative Quarter Ended		Changes	
	31/3/2022 RM'000	31/3/2021 RM'000	RM'000	%	31/3/2022 RM'000	31/3/2021 RM'000	RM'000	%
Net Income	528,816	537,629	(8,813)	(1.6)	528,816	537,629	(8,813)	(1.6)
Operating Profit	188,392	103,375	85,017	82.2	188,392	103,375	85,017	82.2
Profit Before Zakat and Tax	200,468	109,326	91,142	83.4	200,468	109,326	91,142	83.4
Profit Before Tax	200,159	108,161	91,998	85.1	200,159	108,161	91,998	85.1
Profit After Tax	152,580	81,608	70,972	87.0	152,580	81,608	70,972	87.0
Profit attributable to equity holders of the Bank	142,686	68,937	73,749	107.0	142,686	68,937	73,749	107.0

(i) Current Period-to-Date vs Previous Corresponding Period-to-Date

The Group registered a profit before tax of RM200.2 million for the 3 months ended 31 March 2022, higher by RM92.0 million or 85.1% as compared to RM108.2 million recorded in the previous corresponding period.

This was due to improved net interest income, Islamic Banking income, net fee and commission income and allowance for impairment losses. These were offset by lower gain on sales from financial instruments. The share of profits from the joint venture and associate were also higher by RM1.0 million and RM5.1 million respectively.

Net interest income increased by RM36.4 million or 18.9% to RM229.0 million against the previous corresponding period of RM192.6 million, due to loan and financial investment growth in 2022. Income from Islamic Banking operations recorded an increase of RM20.0 million or 15.5% to RM148.9 million year-on-year due to financing growth, improved net financing margin and lower impairment allowances.

Non-interest income for the period under review was RM150.9 million, a decrease of RM65.2 million or 30.2% from the RM216.1 million registered in the previous corresponding period. The decrease was due to lower net gain on sales of financial instruments, other income and net fee and commission.

Lower allowance for impairment losses of RM0.07 million as compared to RM93.8 million in the previous corresponding period.

Cost-to-income ratio recorded a slight increase to 64.4% arising from a marginal decrease in net income.

Gross loans and financing grew by 4.0% for the 3 months to RM53.5 billion despite the challenging environment. Customer deposits also increased by 5.9% to RM62.3 billion, whilst the CASA ratio lower at 6.4% as at 31 March 2022.

Common Equity Tier 1 Capital Ratio was in line with the industry average at 13.94%, as at 31 March 2022.

Profit before tax for the financial quarter ended 31 March 2022 as compared to the previous corresponding financial quarter ended 31 March 2021 is further segmented as follows:

Commercial Banking

AFFIN Bank Berhad registered a profit before tax of RM54.7 million for the period ended 31 March 2022 and increase of RM16.1 million or 41.9%. The improved performance was due to lower allowance for impairment loss with higher net interest income partially offset by lower non interest income and higher operating expenses.

AFFIN Islamic Bank Berhad recorded a profit before tax of RM85.1 million, an increase of RM52.1 million or 158.2%. This was due to higher net income and lower allowance for impairment losses.

Investment Banking

AFFIN Hwang Investment Bank ("AHIB") showed a decrease in the profit before tax of 74.9% to RM13.3 million due to lower non interest income, mitigated by higher net interest income and lower operating expenses and allowance for impairment losses.

AFFIN Hwang Asset Management Berhad recorded a decrease in profit before tax by RM6.4 million or 19.3% due to lower non interest income, offset partially by lower other operating expenses.

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES (Cont.)

(i) Current Period-to-Date vs Previous Corresponding Period-to-Date (Cont.)

Profit before tax for the financial quarter ended 31 March 2022 as compared to the previous corresponding financial quarter ended 31 March 2021 is further segmented as follows: (Cont.):

Insurance

The results of the insurance segment are made up of the share of after tax profit in AXA AFFIN Life Insurance Berhad ("AALI") and AXA AFFIN General Insurance Berhad ("AAGI").

AALI registered a profit before tax of RM8.4 million, an increase of RM2.2 million as compared to RM6.2 million in the previous corresponding period. The higher profit was attributed to improved lower reserves for future policyholders' liabilities and higher investment income partially offset with higher management expenses. The Group's share of profit after tax in AALI of RM3.8 million was higher by RM1.0 million as compared of RM2.8 million in the same period last year.

AAGI registered a profit before tax of RM26.4 million, an increase of RM27.0 million as compared to loss of RM0.6 million, due to better underwriting results mainly from lower net claims incurred particularly in Motor and Health. The Group's share of profit after tax in AAGI of RM8.2 million was RM5.1 million higher against previous corresponding period.

B2. COMMENTS ON CURRENT PERFORMANCE AGAINST THE PRECEDING QUARTER'S RESULTS

	Current Financial Quarter	Preceding Financial Quarter	Changes	
	31/3/2022 RM'000	31/12/2021 RM'000	RM'000	%
Net income	528,816	572,133	(43,317)	(7.6)
Operating Profit	188,392	227,730	(39,338)	(17.3)
Profit Before Zakat and Tax	200,468	237,023	(36,555)	(15.4)
Profit Before Tax	200,159	234,805	(34,646)	(14.8)
Profit After Tax	152,580	222,398	(69,818)	(31.4)
Profit attributable to equity holders of the Bank	142,686	206,847	(64,161)	(31.0)

Profit before tax for the Group for the quarter under review decreased by RM34.6 million or 14.8% to RM200.2 million against the preceding quarter ended 31 December 2021 of RM234.8 million. This was due to lower net interest income of RM19.2 million, lower non interest income of RM18.9 million, lower Islamic Banking income of RM10.8 million, partially offset by lower operating expenses and higher share of profits from the joint venture and associate of RM5.9 million and RM2.8 million respectively.

Net interest income was lower by RM19.2 million or 7.7% to RM229.0 million against the previous quarter of RM248.2 million. Income from Islamic Banking operations also decreased by RM10.8 million or 6.8% to RM148.9 million as compared to RM159.7 million recorded in the preceding quarter.

Allowances for impairment losses was a charge of RM0.07 million as compared to a writeback of RM2.0 million in the preceding quarter.

B3. ECONOMIC AND BUSINESS OUTLOOK FOR 2022

Bank Negara Malaysia has projected Malaysia's economy to grow between 5.3% and 6.3% this year. The recovery is expected to gain momentum in 2022, underpinned by several factors including continued expansion in external demand, full upliftment of containment measures, reopening of international borders, and further improvement in labour market conditions. Malaysia's economy is expected to face challenges mainly from the ongoing impact of Covid-19, slower than expected rollout of public infrastructure project, supply chain disruption, increased commodity price volatility, limited fiscal space and higher inflation.

AFFIN Bank Group is optimistic about its growth prospects for 2022 as the economy continues to recover. Loan and financing growth is expected to be in line with 2021 levels based on the expected GDP growth. The Group will focus on realising its key priorities as it enters its final year of the AIM22 Transformation journey. Our AIM22 Journey was charted with the aim of transforming AFFIN Bank Group into a modern and progressive organisation for our customers, shareholders and employees. AFFIN Bank Group remains committed to its five key focus areas which are to increase Return on Equity, improve productivity and efficiency, build the current account and savings account base, digital transformation and focus on people. 2022 will also see the Group strengthening its presence in areas related to Environment, Social and Governance ('ESG').

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

There was no profit forecast or profit guarantee issued by the Group and the Bank.

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B5. TAXATION

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
Current tax	30,459	26,001	30,459	26,001
(Over)/Under provision in prior financial year	33	(290)	33	(290)
Deferred tax income :				
- Relating to originating temporary differences	17,087	842	17,087	842
	47,579	26,553	47,579	26,553

For the current period, the Group's effective tax rates was lower than the statutory tax rate, mainly due to certain income not subject to tax or subject to lower tax rate, net of certain expenses not deductible for tax purposes.

For the preceding year's corresponding period, the Group's effective tax rates was slightly higher than the statutory tax rate, mainly due to certain expenses not deductible for tax purposes, net of certain income not subject to tax or subject to lower tax rate.

Bank	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
Current tax	13,326	1,395	13,326	1,395
Deferred tax income :				
- Relating to originating temporary differences	-	2,825	-	2,825
	13,326	4,220	13,326	4,220

For the current period, the Bank's effective tax rates was slightly higher than the statutory tax rate, mainly due to certain expenses not deductible for tax purposes, net of certain income not subject to tax or subject to lower tax rate.

For the preceding year's corresponding period, the Bank's effective tax rates was lower than the statutory tax rate, mainly due to certain income not subject to tax or subject to lower tax rate, net of certain expenses not deductible for tax purposes.

B6. STATUS OF CORPORATE PROPOSALS

- a) **Proposed disposals of 21.00% equity interest in AXA Affin Life Insurance Berhad and approximately 2.95% equity interest in AXA Affin General Insurance Berhad ("AAGI") and proposed merger of the businesses of MPI Generali Insurans Berhad and AAGI**

On 22 June 2021, the Bank announced that it had entered into an Implementation Agreement with Generali Asia N.V. ("Generali") in respect of the following proposals:

- (i) Disposal of 21.00% equity interest in AXA Affin Life Insurance Berhad ("AALI") ("Proposed AALI Disposal"); and
- (ii) Disposal of approximately 2.95% equity interest in AXA Affin General Insurance Berhad ("AAGI") ("Proposed AAGI Disposal").

Further, upon completion of the Proposed AAGI Disposal, AAGI will acquire certain assets and liabilities of MPI Generali Insurans Berhad ("MPIG") via a business transfer to AAGI ("Proposed Merger").

(Proposed AALI Disposal, Proposed AAGI Disposal and Proposed Merger are collectively referred to as the "Proposals").

Simultaneously with the Proposed AALI Disposal and Proposed AAGI Disposal, AXA Asia is also selling its entire 49.00% shareholding in AALI and 49.99% shareholding in AAGI.

Subsequent to the completion of the Proposals, the Bank will hold 30% equity interest each, in AALI and the enlarged equity interest in AAGI after the Proposed Merger, with the remaining 70% equity interest will be held by Generali.

The Bank had on 30 June 2021 submitted the applications to BNM to seek the approval of BNM and the Minister of Finance, Malaysia through BNM, for the Bank to undertake the Proposed AALI Disposal and Proposed AAGI Disposal, the approvals of which are pending.

The financial impact arising from the Proposals is not expected to be significant for the financial quarter ended 31 March 2022.

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

- b) **Proposed divestment of 7,000,000 ordinary shares in Affin Hwang Asset Management Berhad ("AHAM"), representing 63% of the equity interest in AHAM, by Affin Hwang Investment Bank Berhad, a wholly-owned subsidiary of ABB ("Proposed Divestment").**

On 28 January 2022, AHIB, certain key senior management ('KSM') of AHAM and Starlight Asset Sdn Bhd, an investment holding vehicle incorporated by funds advised by CVC Capital Partners ('Starlight Asset' or 'Purchaser'), entered into a conditional share sale and purchase agreement ('SPA') for the proposed disposal of 7,594,338 ordinary shares in AHAM, representing approximately 68.4% of the equity interest in AHAM, for a provisional cash consideration of RM1,537.9 million, subject to certain price adjustments as well as the terms and conditions as set out in the SPA. AHIB and AHAM KSM are collectively referred to as the 'Vendors'.

Vendors	No. of shares ⁽¹⁾	Provisional cash consideration	
		Sale shares %	RM'000
AHIB	7,000,000	63.0	1,417.5
AHAM KSM ⁽²⁾	594,338	5.4	120.4
	7,594,338	68.4	1,537.9

(1) Based on the total of 11,111,000 ordinary shares in AHAM in issue as at 31 December 2021.

(2) Comprising selected AHAM KSM who exercised their AHAM stock options into AHAM Shares pursuant to the stock option scheme for its key employees in 2014.

Details of the Proposed Divestment

AHIB's provisional cash consideration is based on the Purchaser's offer for 100% equity interest in AHAM at an equity value of RM2,250.0 million ("Ascribed Value"), which includes an agreed pre-closing dividend of at least RM100.0 million to be declared by AHAM to its shareholders prior to the completion of the Proposed Disposal. Hence, AHIB's provisional cash consideration is the Ascribed Value attributable to the Group's Sale Shares, i.e. 63.0% of the Ascribed Value.

Subject to the post-closing adjustments, the final disposal consideration ('Final Sale Price') may differ from the Provisional Purchase Price in the event that there is a change in the shareholders' equity of AHAM and its subsidiaries ('AHAM Group') between 31 December 2021 and the closing date of the SPA.

Upon completion of the Proposed Disposal, AHAM will cease to be a subsidiary of the Group.

As at 31 December 2021, AHAM is part of the Investment Banking segment of the Group.

Approvals required

The Proposed Divestment is subject to the following approvals being obtained:

- (i) AHAM and AIIMAN Asset Management Sdn. Bhd. ("AIIMAN") obtaining a written approval from the Securities Commission ("SC") for the following:
 - (a) Change in AHAM and AIIMAN's shareholding resulting in a change of their controlling shareholder (AHIB);
 - (b) The Purchaser to be a related corporation of AHAM and AIIMAN or an entity as may be approved by the SC pursuant to the Licensing Handbook issued by the SC; and
 - (c) Change in AHAM's name.
- (ii) The approval of the shareholders of the Bank for the Proposed Divestment at an Extraordinary General Meeting ("EGM") to be convened.

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B7. DEPOSITS, LEASE LIABILITIES AND BORROWINGS

	Group		Bank	
	31/3/2022 RM'000	31/12/2021 RM'000	31/3/2022 RM'000	31/12/2021 RM'000
(i) <u>Deposits from Customers</u>				
<u>By Type of Deposit:</u>				
Demand Deposits	10,153,855	10,330,348	5,079,459	5,293,917
Savings Deposits	3,259,847	3,209,798	2,125,104	2,097,858
Fixed Deposits	45,545,830	42,389,800	25,438,888	24,202,589
Commodity Murabahah Deposits	1,880,249	1,122,215	-	-
Money Market Deposits	894,849	890,076	894,849	890,076
Negotiable Instruments of Deposits ("NID")	425,031	757,323	425,031	757,323
Others	94,889	94,844	-	-
	62,254,550	58,794,404	33,963,331	33,241,763
<u>By Maturity structure of fixed deposits, NID and others:</u>				
Due within six months	29,492,776	27,663,419	15,602,938	15,138,077
Six months to one year	14,852,135	13,890,498	8,863,164	8,703,922
One year to three years	1,687,219	1,665,795	1,375,461	1,098,211
Three years to five years	33,429	21,760	22,356	19,302
Five years and above	191	495	-	400
	46,065,750	43,241,967	25,863,919	24,959,912
<u>By Type of Customer:</u>				
Government and statutory bodies	13,268,284	11,452,139	2,394,442	2,548,186
Business enterprises	14,361,956	13,076,924	7,204,726	7,312,456
Individuals	28,965,563	27,927,505	21,322,969	20,441,760
Domestic banking institutions	477,488	766,407	477,137	766,180
Domestic non-banking financial institutions	3,683,763	4,117,877	1,441,342	1,092,798
Foreign entities	564,538	572,870	442,047	445,170
Others	932,958	880,682	680,668	635,213
	62,254,550	58,794,404	33,963,331	33,241,763
(ii) <u>Deposits and placement of banks and other financial institutions</u>				
<u>By Type of Institution:</u>				
Licensed banks	1,191,130	340,197	561,340	210,249
Licensed investment banks	515,638	521,830	484,767	407,405
Bank Negara Malaysia	200,010	-	200,010	-
Other financial institutions	1,375,983	2,004,013	740,165	1,660,069
	3,282,761	2,866,040	1,986,282	2,277,723
<u>By Maturity structure of deposits:</u>				
Due within six months	3,282,761	2,866,040	1,986,282	2,277,723
(iii) <u>Lease Liabilities</u>				
At beginning of financial period/year	36,872	50,528	29,232	31,842
Additions	4,503	21,573	3,520	20,907
Interest/Profit expense	357	1,837	267	1,210
Lease payment	(4,844)	(37,066)	(2,504)	(24,727)
At end of the financial period/year	36,888	36,872	30,515	29,232

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B7. DEPOSITS, LEASE LIABILITIES AND BORROWINGS (Cont.)

	Group		Bank	
	31/3/2022	31/12/2021	31/3/2022	31/12/2021
(iv) Borrowings	RM'000	RM'000	RM'000	RM'000
(a) Tier-2 Subordinated Medium Term Notes ("MTN")	1,001,516	2,035,845	1,001,516	2,035,845
(b) Additional Tier-1 Capital Securities ("AT1CS")	504,688	512,236	504,688	512,236
(c) Additional Tier-1 Sukuk Wakalah ("AT1S")	307,662	303,425	-	-
(d) MTN Tier-2 Sukuk Murabahah	458,390	451,569	-	-
	2,272,256	3,303,075	1,506,204	2,548,081

(a) Tier-2 Subordinated Medium Term Notes ("Subordinated MTNs")

ABB had, on 7 February 2017 and 20 September 2017, issued 2 tranches of Tier-2 Subordinated MTNs of RM1.0 billion each out of its approved BASEL III Compliant MTN programme of up to RM6.0 billion in nominal value. The Subordinated MTNs were issued for a tenure of 10 years from the issue date on a 10-year non-callable 5-year basis, at a coupon rate of 5.45% and 5.03% respectively. The MTNs were issued for the purpose of general banking business and working capital requirements of the ABB. On 7 February 2022, the first series of Tier-2 Subordinated MTN of RM1.0 billion was redeemed.

(b) Additional Tier-1 Capital Securities ("AT1CS")

ABB had, on 31 July 2019, issued AT1CS of RM500.0 million out of its approved BASEL III Compliant AT1CS programme of up to RM3.0 billion in nominal value. The AT1CS was on perpetual non-callable 5-year basis, at a coupon rate of 5.80%. The AT1CS was issued for the purpose of general banking business and working capital requirements of the ABB.

(c) Additional Tier 1 Sukuk Wakalah ("AT1S")

AiBB had, on 18 October 2019, issued a tranche of AT1S of RM300.0 million out of its approved BASEL III Complaint Islamic MTN programme ('Sukuk Programme') of up to RM5.0 billion in nominal value. The Sukuk Wakalah was on a perpetual non-callable 5 years basis, at a coupon rate of 5.65%. The Sukuk Wakalah was issued for the purpose of general banking business and working capital requirements of AiBB.

(d) MTN Tier-2 Sukuk Murabahah

AiBB had, on 23 October 2019, issued a MTN Tier-2 Sukuk Murabahah of RM800.0 million out of its Sukuk Programme. The Sukuk Murabahah was issued for a tenure of 10 years from the issue date on a 10-year non-callable 5-year basis, at a coupon rate of 5.05%. The Sukuk Murabahah was issued for the purpose of general banking business and working capital requirements of AiBB.

B8. MATERIAL LITIGATION

- a) A claim by the Plaintiff against the Bank vide Writ of Summons and Statement of Claim dated 22 January 2016 ("Writ") for
- RM56,885,317.82 together with interest at 5% per annum from 1999 till full settlement as alleged damages;
 - SGD9,928,473.75 together with interest at 5% per annum from 2013 till full settlement as alleged losses;
 - RM776,331.00 being alleged losses of Plaintiff's shares in Berlian Ferries Pte. Ltd which was transferred out as a result of his bankruptcy in 2013 with interest at 5% per annum from 2013 till full settlement as alleged losses;
 - RM500,000 as cost in respect of legal proceedings in Singapore.

The above Claim against the Bank by the Plaintiff is as a result of the Debt Recovery Action against the Plaintiff which commenced in the ordinary course of business.

The Board of Directors of the Bank are of the view that save for the orders, cost and other relief sought by the Plaintiff, which will only materialize if the Court rules in the Plaintiff's favour, the Writ and Statement of Claim is not expected to result in any immediate losses, material financial and operational impact on the Bank for the period under review.

- b) There are various legal suits against ABB in respect of claims and counter claims of approximately RM29.0 million (2021: RM15.0 million). Based on legal advice, the Directors are of the opinion that no provision for damages need to be made in the financial statements, as the probability of adverse adjudication against ABB is remote.

B9. DIVIDENDS

No dividend has been proposed for the quarter under review.

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B10. EARNINGS PER SHARE

The basic earnings per ordinary share for the Group and the Bank have been calculated by dividing the net profit attributable to equity holders of the Group and the Bank by the weighted average number of ordinary shares in issue during the financial period.

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021
Net profit attributable to equity holders of the Bank (RM'000)	142,686	68,937	142,686	68,937
Weighted average number of ordinary shares in issue	2,124,062,412	2,079,791,097	2,124,062,412	2,079,791,097
Basic earnings per share (sen)	6.72	3.31	6.72	3.31
Bank				
Net profit attributable to equity holders of the Bank (RM'000)	41,331	34,299	41,331	34,299
Weighted average number of ordinary shares in issue	2,124,062,412	2,079,791,097	2,124,062,412	2,079,791,097
Basic earnings per share (sen)	1.95	1.65	1.95	1.65

There were no dilutive potential ordinary shares outstanding as at 31 March 2022.