

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 30 June 2022

	Note	The Group		The Bank	
		30/6/2022 RM'000	31/12/2021 RM'000	30/6/2022 RM'000	31/12/2021 RM'000
ASSETS					
Cash and short-term funds		3,294,720	6,394,457	1,017,403	2,525,482
Deposits and placements with banks and other financial institutions		1,173,660	1,169,809	1,173,660	1,171,657
Investment accounts due from designated financial institutions		-	-	1,763,715	1,825,525
Financial assets at fair value through profit or loss ("FVTPL")	A9	2,815,760	598,600	2,630,778	368,676
Derivative financial assets	A29	422,406	186,881	290,755	104,640
Financial investments at fair value through other comprehensive income ("FVOCI")	A10	3,836,110	3,877,622	192,168	198,148
Financial investments at amortised cost ("AC")	A11	15,813,399	11,435,142	11,715,368	9,040,198
Loans, advances and financing	A12	54,455,313	50,528,068	28,780,522	26,879,336
Trade receivables	A13	243,340	527,166	-	-
Other assets	A14	386,361	312,732	219,285	164,088
Amount due from subsidiaries		-	-	1,255,430	758,924
Amount due from joint ventures		15,467	15,737	-	-
Amount due from associate		30,889	30,888	30,889	30,888
Tax recoverable		193,407	144,638	149,929	117,036
Deferred tax assets		209,108	223,344	105,868	111,900
Statutory deposits with Bank Negara Malaysia		111,710	68,625	91,909	58,325
Investment in subsidiaries		-	-	3,053,899	3,053,899
Investment in joint ventures		191,749	181,853	194,240	194,240
Investment in associates		730,100	725,440	548,482	548,482
Property and equipment		1,212,414	1,066,826	1,199,609	1,044,020
Right-of-use assets		39,133	45,387	35,201	36,547
Intangible assets		701,010	895,850	189,925	198,733
		85,876,056	78,429,065	54,639,035	48,430,744
Non-current Assets Held for Sale	B6(b)	800,819	-	-	-
TOTAL ASSETS		86,676,875	78,429,065	54,639,035	48,430,744
LIABILITIES AND EQUITY					
Deposits from customers	B7	64,451,556	58,794,404	37,203,338	33,241,763
Investment accounts of customers		1,096	1,329	-	-
Deposits and placements of banks and other financial institutions	B7	3,281,764	2,866,040	1,834,617	2,277,723
Obligation on securities sold under repurchase agreements		3,109,166	-	3,059,924	-
Derivative financial liabilities	A29	327,990	201,629	229,791	125,537
Bills and acceptances payable		33,680	28,644	33,680	28,644
Recourse obligation on loans/financing sold to Cagamas Berhad		1,124,088	669,212	1,074,054	619,179
Trade payables		306,142	982,362	-	-
Lease liabilities	B7	30,699	36,872	28,243	29,232
Other liabilities	A15	1,084,944	1,603,803	661,437	676,112
Amount due to subsidiaries		-	-	2,688	2,500
Provision for taxation		6	8,040	-	-
Borrowings	B7	2,283,101	3,303,075	1,525,974	2,548,081
		76,034,232	68,495,410	45,653,746	39,548,771
Non-current Liabilities Held for Sale	B6(b)	497,934	-	-	-
TOTAL LIABILITIES		76,532,166	68,495,410	45,653,746	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 30 June 2022

	Note	The Group		The Bank	
		30/6/2022 RM'000	31/12/2021 RM'000	30/6/2022 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	(2,433)	90,473	151,647	157,267
Regulatory reserves	A16	631,025	754,603	575,785	636,095
Foreign exchange reserves	A16	39	39	-	-
Other reserves	A16	(88,737)	(88,737)	-	-
Retained profits	A16	4,588,789	4,163,442	3,288,707	3,119,461
Equity attributable to equity holders of the Bank		10,097,833	9,888,970	8,985,289	8,881,973
Non-controlling interest		46,876	44,685	-	-
TOTAL EQUITY		10,144,709	9,933,655	8,985,289	8,881,973
TOTAL LIABILITIES AND EQUITY		86,676,875	78,429,065	54,639,035	48,430,744
COMMITMENTS AND CONTINGENCIES	A28	51,055,009	45,197,294	34,760,819	25,947,933
CAPITAL ADEQUACY RATIOS	A31				
<u>With transitional arrangements</u>					
CET 1 capital ratio		13.645%	14.418%	12.771%	13.568%
Tier 1 capital ratio		15.139%	16.041%	14.239%	15.149%
Total capital ratio		18.408%	21.306%	16.785%	20.825%
CET 1 capital ratio (net of proposed dividends)		13.440%	14.198%	12.439%	13.209%
Tier 1 capital ratio (net of proposed dividends)		14.934%	15.820%	13.906%	14.791%
Total capital ratio (net of proposed dividends)		18.204%	21.085%	16.452%	20.467%
Net assets per share attributable to equity holders of the Bank (RM)		4.75	4.66	4.23	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 30 June 2022

The Group	Note	Individual Quarter Ended		Cumulative Quarter Ended	
		30/6/2022 RM'000	30/6/2021 RM'000	30/6/2022 RM'000	30/6/2021 RM'000
Interest income	A17	489,862	419,220	929,588	806,467
Interest expense	A18	(230,265)	(191,515)	(440,875)	(386,012)
Net interest income		259,597	227,705	488,713	420,455
Income from Islamic banking business		164,470	126,774	313,341	255,657
		424,067	354,479	802,054	676,112
Fee and commission income	A19	61,298	61,708	125,329	135,621
Fee and commission expense	A19	(2,301)	(1,211)	(4,262)	(2,374)
Net fee and commission income	A19	58,997	60,497	121,067	133,247
Net gains on financial instruments	A20	18,447	38,321	30,326	77,887
Other income	A21	2,104	10,839	(342)	24,365
Net income		503,615	464,136	953,105	911,611
Other operating expenses	A22	(309,188)	(281,580)	(605,382)	(573,946)
Operating profit before allowances		194,427	182,556	347,723	337,665
Allowances for credit impairment losses	A23	(34,785)	(80,207)	(34,586)	(173,863)
Allowances for impairment losses on other assets	A24	(3,185)	(1,344)	(3,456)	(1,344)
Operating profit		156,457	101,005	309,681	162,458
Share of results of a joint venture		218	3,657	4,059	6,485
Share of results of an associate		17,519	14,268	25,754	17,391
Profit before zakat and taxation		174,194	118,930	339,494	186,334
Zakat		(17)	(552)	(167)	(1,491)
Profit before taxation		174,177	118,378	339,327	184,843
Taxation	B5	(45,131)	(28,112)	(84,688)	(48,077)
Profit from continuing operations		129,046	90,266	254,639	136,766
Profit from discontinuing operations	B6(b)	28,659	43,198	55,646	78,306
Net profit after zakat and taxation		157,705	133,464	310,285	215,072
Attributable to :-					
Equity holders of the Bank		146,908	117,948	289,594	186,885
Non-controlling interest		10,797	15,516	20,691	28,187
		157,705	133,464	310,285	215,072
Attributable to equity holders of the Bank :-					
- Continuing operations		129,046	90,266	254,639	136,766
- Discontinuing operations		17,862	27,682	34,955	50,119
		146,908	117,948	289,594	186,885
Basic earnings per share (sen) attributable to the equity holders of the Bank					
- Continuing operations	B10	6.08	4.30	11.99	6.52
- Discontinuing operations	B10	0.84	1.32	1.65	2.39

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 30 June 2022

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/6/2022 RM'000	30/6/2021 RM'000	30/6/2022 RM'000	30/6/2021 RM'000
The Group				
Profit after zakat and taxation	157,705	133,464	310,285	215,072
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)	(49,484)	122,455	(82,007)	(389,041)
- Net credit impairment loss change in financial investments at FVOCI (debt instruments)	72	8,871	243	49,529
- Net gains on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)	-	(12,018)	(2,380)	(35,550)
- Deferred tax on financial investments at FVOCI	14,036	(24,625)	22,413	103,781
- Share of other comprehensive income/(loss) of a joint venture	2,657	7	5,837	(2,405)
- Share of other comprehensive (loss)/income of an associate	(13,363)	35,082	(21,094)	15,638
<u>Items that may not be reclassified subsequently to profit or loss :</u>				
- Net fair value change in financial investments designated at FVOCI (equity instruments)	(3,743)	(191)	(3,743)	(191)
Other comprehensive (loss)/income for the financial year, net of tax	(49,825)	129,581	(80,731)	(258,239)
Total comprehensive income/(loss) for the financial year	107,880	263,045	229,554	(43,167)
Total comprehensive income/(loss) for the financial period attributable to:				
- Equity holders of the Bank	97,083	247,529	208,863	(71,354)
- Non-controlling interest	10,797	15,516	20,691	28,187
	107,880	263,045	229,554	(43,167)
Total comprehensive income/(loss) attributable to the equity holders of the Bank:				
- Continuing operations	79,221	219,847	173,908	(121,473)
- Discontinuing operations	17,862	27,682	34,955	50,119
	97,083	247,529	208,863	(71,354)

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 30 June 2022

	Note	Individual Quarter Ended		Cumulative Quarter Ended	
		30/6/2022 RM'000	30/6/2021 RM'000	30/6/2022 RM'000	30/6/2021 RM'000
The Bank					
Interest income	A17	450,634	385,051	854,051	744,274
Interest expense	A18	(207,784)	(173,091)	(399,030)	(346,770)
Net interest income		242,850	211,960	455,021	397,504
Fee and commission income	A19	37,213	29,386	72,473	60,489
Fee and commission expense	A19	(2,301)	(1,210)	(4,262)	(2,373)
Net fee and commission income	A19	34,912	28,176	68,211	58,116
Net gains on financial instruments	A20	8,576	4,980	6,233	15,901
Other income	A21	712	14,886	(3,363)	59,382
Net income		287,050	260,002	526,102	530,903
Other operating expenses	A22	(202,642)	(172,206)	(388,160)	(345,925)
Operating profit before allowances		84,408	87,796	137,942	184,978
Allowances for credit impairment losses	A23	(6,811)	(52,417)	(5,688)	(111,080)
Allowances for impairment losses on other assets	A25	(1,261)	-	(1,261)	-
Profit before zakat and taxation		76,336	35,379	130,993	73,898
Zakat		-	-	-	-
Profit before taxation		76,336	35,379	130,993	73,898
Taxation	B5	(17,731)	(9,518)	(31,057)	(13,738)
Net profit after zakat and taxation		58,605	25,861	99,936	60,160
Earnings per share (sen) attributable to the equity holders of the Bank					
- Basic	B10	2.76	1.23	4.70	2.87

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AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Quarter Ended 30 June 2022

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/6/2022 RM'000	30/6/2021 RM'000	30/6/2022 RM'000	30/6/2021 RM'000
The Bank				
Profit after zakat and taxation	58,605	25,861	99,936	60,160
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)	-	63,587	-	(202,281)
- Net credit impairment loss change in financial investments at FVOCI (debt instruments)	-	18,023	-	53,839
- Net gain on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)	-	(1,920)	-	(6,973)
- Deferred tax on financial investments at FVOCI	-	(14,800)	-	50,221
<u>Items that may not be reclassified subsequently to profit or loss :</u>				
- Net fair value change in financial investments designated at FVOCI (equity instruments)	(5,620)	(191)	(5,620)	(191)
Other comprehensive income/(loss) for the financial period, net of tax	(5,620)	64,699	(5,620)	(105,385)
Total comprehensive income/(loss) for the financial period	52,985	90,560	94,316	(45,225)

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 30 June 2022

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

The Group	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 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	-	-	-	-	-	289,594	289,594	20,691	310,285
Other comprehensive income (net of tax) :									
- Financial investments at FVOCI	-	(65,474)	-	-	-	-	(65,474)	-	(65,474)
- Share of other comprehensive income of a joint venture	-	5,837	-	-	-	-	5,837	-	5,837
- Share of other comprehensive loss of an associate	-	(21,094)	-	-	-	-	(21,094)	-	(21,094)
Total comprehensive income	-	(80,731)	-	-	-	289,594	208,863	20,691	229,554
Net gain/(loss) on disposal of financial investment designated at FVOCI (equity instruments)	-	(12,175)	-	-	-	12,175	-	-	-
Transfer from regulatory reserves	-	-	(123,578)	-	-	123,578	-	-	-
Dividends	-	-	-	-	-	-	-	(18,500)	(18,500)
At 30 June 2022	4,969,150	(2,433)	631,025	39	(88,737)	4,588,789	10,097,833	46,876	10,144,709

* 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 30 June 2022

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

The Group	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	-	-	-	-	-	186,885	186,885	28,187	215,072
Other comprehensive income (net of tax) :									
- Financial investments at FVOCI	-	(271,472)	-	-	-	-	(271,472)	-	(271,472)
- Share of other comprehensive loss of a joint venture	-	(2,405)	-	-	-	-	(2,405)	-	(2,405)
- Share of other comprehensive income of an associate	-	15,638	-	-	-	-	15,638	-	15,638
Total comprehensive income	-	(258,239)	-	-	-	186,885	(71,354)	28,187	(43,167)
Issuance of new shares	66,850	-	-	-	-	-	66,850	-	66,850
Net gain/(loss) on disposal of financial investment designated at FVOCI (equity instruments)	-	9	-	-	-	(9)	-	-	-
Transfer from regulatory reserves	-	-	(62,996)	-	-	62,996	-	-	-
Dividends	-	-	-	-	-	(72,793)	(72,793)	(36,999)	(109,792)
At 30 June 2021	4,969,150	8,182	718,683	(205)	(65,909)	3,859,313	9,489,214	61,773	9,550,987

* 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).

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AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Unaudited Condensed Consolidated Statements Of Changes In Equity
for the Financial Quarter Ended 30 June 2022

	<-----Non-distributable----->			< Distributable >	
The Bank	Share capital	FVOCI revaluation reserves	Regulatory reserves	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	4,969,150	157,267	636,095	3,119,461	8,881,973
Net profit for the financial period	-	-	-	99,936	99,936
Other comprehensive income (net of tax) :					
- Financial investments at FVOCI	-	(5,620)	-	-	(5,620)
Total comprehensive income	-	(5,620)	-	99,936	94,316
Net gain/(loss) on disposal of financial investment designated at FVOCI (equity instruments)	-	-	-	9,000	9,000
Transfer from regulatory reserves	-	-	(60,310)	60,310	-
At 30 June 2022	4,969,150	151,647	575,785	3,288,707	8,985,289
At 1 January 2021	4,902,300	183,078	643,613	2,799,501	8,528,492
Net profit for the financial period	-	-	-	60,160	60,160
Other comprehensive income (net of tax) :					
- Financial investments at FVOCI	-	(105,385)	-	-	(105,385)
Total comprehensive income	-	(105,385)	-	60,160	(45,225)
Issuance of new shares	66,850	-	-	-	66,850
Net gain/(loss) on disposal of financial investment designated at FVOCI (equity instruments)	-	9	-	(9)	-
Transfer from regulatory reserves	-	-	(29,510)	29,510	-
Dividends	-	-	-	(72,793)	(72,793)
At 30 June 2021	4,969,150	77,702	614,103	2,816,369	8,477,324

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AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Unaudited Condensed Consolidated Statements of Cash Flows
for the Financial Quarter Ended 30 June 2022

	The Group		The Bank	
	30/6/2022	30/6/2021	30/6/2022	30/6/2021
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation :-				
- Continuing operations	339,327	184,843	130,993	73,898
- Discontinuing operations	69,182	97,396	-	-
	408,509	282,239	130,993	73,898
Adjustments for items not involving the movement of cash and cash equivalents	(108,562)	79,530	(126,723)	53,060
Operating profit before changes in working capital	299,947	361,769	4,270	126,958
Net changes in operating assets	(6,672,531)	(2,244,671)	(5,460,508)	(580,238)
Net changes in operating liabilities	8,070,727	5,485,785	6,587,705	2,754,873
Tax and zakat paid	(105,168)	(95,189)	(53,011)	(33,384)
Net cash generated from operating activities	1,592,975	3,507,694	1,078,456	2,268,209
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received :				
- financial investments at FVOCI	68,568	205,637	-	129,171
- financial investments at AC	173,245	4,585	191,843	9,608
Dividend income :				
- financial assets at FVTPL	1,177	3,543	-	549
- financial investments at FVOCI	662	393	549	180
- subsidiaries	-	-	845	42,400
Net purchase/redemption of :				
- financial investments at FVOCI	(74,279)	(989,294)	9,360	(1,603,902)
- financial investments at AC	(3,995,225)	(91,166)	(2,658,390)	(79,985)
Purchase of :				
- property and equipment	(169,214)	(149,588)	(167,730)	(146,203)
- intangible assets	(3,936)	(1,260)	(1,942)	(503)
Proceeds from disposal of :				
- property and equipment	609	141	-	-
Net cash used in investing activities	(3,998,393)	(1,017,009)	(2,625,465)	(1,648,685)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	(1,000,000)	-	(1,000,000)	-
Interest payment on borrowings	(93,498)	(104,250)	(66,955)	(67,244)
Payment of dividend to the equity holders of the Bank	-	(72,793)	-	(72,793)
Payment of dividend to non-controlling interest	(18,500)	(36,999)	-	-
Issuance of new shares	-	66,850	-	66,850
Proceeds from recourse obligation on loans/financing sold to Cagamas Berhad	440,450	-	440,450	-
Lease payments	(9,545)	(18,468)	(5,027)	(12,233)
Net cash used in financing activities	(681,093)	(165,660)	(631,532)	(85,420)
Net (decrease)/increase in cash and cash equivalents	(3,086,511)	2,325,025	(2,178,541)	534,104
Effects of foreign exchange	65,651	(4,366)	64,010	(6,034)
Cash and cash equivalents at beginning of the financial period	7,422,090	5,511,423	3,352,536	1,886,901
Cash and cash equivalents at end of the financial period	4,401,230	7,832,082	1,238,005	2,414,971
<u>Cash and cash equivalents comprise the following :</u>				
Cash and short-term funds	3,294,720	7,671,446	1,017,403	2,414,971
Deposits and placements of banks and other financial institutions	1,173,660	230,097	1,173,660	200,084
	4,468,380	7,901,543	2,191,063	2,615,055
Less:				
Amount held on behalf of commissioned dealer's representatives	(67,150)	(69,461)	-	-
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months	-	-	(953,058)	(200,084)
	4,401,230	7,832,082	1,238,005	2,414,971

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")

	The Group		The Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
At fair value				
<u>Money market instruments</u>				
Malaysian Government Securities	90,994	-	70,525	-
Malaysian Government Investment Issues	388,954	-	319,723	-
Malaysian Government Treasury Bills	147,702	-	147,702	-
Cagamas Bonds	50,038	-	50,038	-
Negotiable Instruments of Deposit	1,878,471	249,582	1,878,471	249,582
	2,556,159	249,582	2,466,459	249,582
<u>Quoted Securities</u>				
Shares, warrants and REITs in Malaysia	29,777	30,862	-	-
Shares, warrants and REITs outside Malaysia	498	79,553	-	-
Unit Trusts in Malaysia	65,000	118,501	-	-
	95,275	228,916	-	-
<u>Unquoted Securities</u>				
Shares in Malaysia	104,206	104,171	104,206	104,171
Corporate Bonds/Sukuk in Malaysia	60,120	15,931	60,113	14,923
	164,326	120,102	164,319	119,094
	2,815,760	598,600	2,630,778	368,676

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

	The Group		The Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
At fair value				
<u>Money market instruments</u>				
Malaysian Government Securities	783,799	768,784	-	-
Malaysian Government Investment Issues	1,078,541	1,137,984	-	-
Cagamas Bonds/Sukuk	124,307	90,757	-	-
Khazanah Bonds/Sukuk	9,658	9,625	-	-
	1,996,305	2,007,150	-	-
<u>Unquoted Securities</u>				
Shares in Malaysia *	215,553	224,855	192,168	198,148
Corporate bonds/Sukuk in Malaysia #	1,596,055	1,618,659	-	-
Corporate Bonds/Sukuk outside Malaysia	28,197	26,958	-	-
	1,839,805	1,870,472	192,168	198,148
	3,836,110	3,877,622	192,168	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:

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit Stage 2 RM'000	Lifetime ECL credit Stage 3 RM'000	Total RM'000
The Group				
30/6/2022				
At beginning of the financial period	252	18,856	-	19,108
Financial assets derecognised (other than write-off)	(2)	-	-	(2)
New financial assets originated or purchased	172	-	-	172
Changes due to change in credit risk	73	-	-	73
At end of the financial period	495	18,856	-	19,351
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
	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit Stage 2 RM'000	Lifetime ECL credit Stage 3 RM'000	Total RM'000
The Bank				
30/6/2022				
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")

	The Group		The Bank	
	30/6/2022 RM'000	31/12/2021 RM'000	30/6/2022 RM'000	31/12/2021 RM'000
<u>At amortised cost</u>				
Malaysian Government Treasury Bills	-	97,747	-	-
Malaysian Government Securities	3,535,887	1,822,807	3,486,354	1,822,807
Malaysian Government Investment Issues	3,128,076	3,540,004	3,058,056	1,970,328
Cagamas bonds/Sukuk	161,250	30,512	161,250	30,512
Negotiable Instruments of Deposit and Islamic Debt Certificates	-	731,259	754,518	1,485,853
Bank Negara Malaysia Sukuk	-	10,299	-	-
	6,825,213	6,232,628	7,460,178	5,309,500
<u>Unquoted Securities</u>				
Shares in Malaysia	14,915	-	14,915	-
Corporate Bonds/Sukuk in Malaysia	8,717,637	5,126,845	3,980,948	3,651,356
Corporate Bonds/Sukuk Outside Malaysia	321,603	164,194	321,603	164,194
Loan Stock in Malaysia	15,000	15,000	-	-
	9,069,155	5,306,039	4,317,466	3,815,550
Less: ECL	(80,969)	(103,525)	(62,276)	(84,852)
	15,813,399	11,435,142	11,715,368	9,040,198

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

	Lifetime ECL not credit impaired		Lifetime ECL credit impaired		Total RM'000
	12-Month ECL Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000		
30/6/2022					
The Group					
At beginning of the financial period	5,099	83,426	15,000		103,525
Financial assets derecognised (other than write-off)	(391)	-	-		(391)
New financial assets originated or purchased	1,590	-	-		1,590
Changes due to change in credit risk	(843)	(22,932)	-		(23,775)
Other adjustments :					
- Foreign exchange and other movements	20	-	-		20
At end of the financial period	5,475	60,494	15,000		80,969
The Bank					
At beginning of the financial period	1,426	83,426	-		84,852
Financial assets derecognised (other than write-off)	(381)	-	-		(381)
New financial assets originated or purchased	1,175	-	-		1,175
Changes due to change in credit risk	(458)	(22,932)	-		(23,390)
Other adjustments :					
- Foreign exchange and other movements	20	-	-		20
At end of the financial period	1,782	60,494	-		62,276
31/12/2021					
The 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
The 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	The Group		The Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Overdrafts	2,017,738	1,955,229	1,305,360	1,304,046
Term loans/financing:				
- Housing loans/financing	15,296,315	13,763,496	6,502,812	5,320,110
- Hire purchase receivables	12,158,681	11,435,528	7,235,234	6,874,108
- Syndicated financing	1,515,638	1,583,610	603,650	611,200
- Other term loans/financing	15,485,657	14,593,058	8,336,865	8,249,044
Bills receivables	611,696	491,857	495,651	398,979
Trust receipts	192,395	192,868	173,593	179,726
Claims on customers under acceptances credits	2,784,245	2,220,512	1,896,622	1,519,194
Staff loans/financing (of which RM Nil to Directors)	214,169	213,525	98,283	105,468
Credit cards	298,197	265,476	247,116	220,646
Revolving credits	3,884,796	3,919,212	2,573,243	2,726,082
Margin financing	969,318	782,767	-	-
Factoring	224	202	224	202
Gross loans, advances and financing	55,429,069	51,417,340	29,468,653	27,508,805
Less: ECL	(973,756)	(889,272)	(688,131)	(629,469)
Total net loans, advances and financing	54,455,313	50,528,068	28,780,522	26,879,336

Included in the Group's business term loans/financing as at reporting date is RM56.8 million (2021: RM56.5 million) of term financing disbursed by AiBB to joint venture AFFIN-i Nadayu Sdn Bhd.

(b) BY MATURITY STRUCTURE	The Group		The Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	10,885,471	9,988,942	6,690,112	6,373,086
One year to three years	3,977,864	3,530,728	2,426,077	2,850,312
Three years to five years	5,741,722	6,129,495	4,159,296	3,608,729
Over five years	34,824,012	31,768,175	16,193,168	14,676,678
	55,429,069	51,417,340	29,468,653	27,508,805

(c) BY TYPE OF CUSTOMER	The Group		The Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Domestic banking financial institutions	14,795	5	14,795	5
Domestic non-banking institutions:				
- Others	462,511	441,888	163,076	164,108
Domestic business enterprises:				
- Small medium enterprises	9,484,903	8,892,968	6,765,400	6,330,465
- Others	13,626,661	13,404,843	8,482,569	8,544,263
Government and statutory bodies	720,457	780,174	6,547	26,549
Individuals	30,463,208	27,427,578	13,535,517	12,135,474
Other domestic entities	766	683	666	461
Foreign entities	655,768	469,201	500,083	307,480
	55,429,069	51,417,340	29,468,653	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.)

	The Group		The Bank	
	30/6/2022 RM'000	31/12/2021 RM'000	30/6/2022 RM'000	31/12/2021 RM'000
(d) <u>BY INTEREST / PROFIT RATE SENSITIVITY</u>				
Fixed rate:				
- Housing loans/financing	210,647	218,662	165,703	174,972
- Hire purchase receivables	12,160,157	11,437,057	7,235,234	6,874,108
- Other fixed rate loans/financing	1,406,804	1,457,455	374,944	397,722
Variable rate:				
- Base rate/base lending rate plus	31,670,370	28,175,720	16,075,205	14,005,781
- Cost plus	9,949,544	10,098,599	5,617,567	6,056,222
- Other variable rates	31,547	29,847	-	-
	55,429,069	51,417,340	29,468,653	27,508,805
(e) <u>BY ECONOMIC PURPOSE</u>				
Purchase of securities	2,291,840	2,029,621	397,206	502,582
Purchase of transport vehicles	12,758,687	12,052,256	7,585,479	7,251,417
Purchase of landed property of which:				
- Residential	15,640,773	14,112,442	6,664,542	5,499,101
- Non-residential	6,401,717	6,281,669	4,038,022	3,879,335
Fixed assets other than land and building	299,475	268,994	222,934	193,019
Personal use	2,295,420	1,698,684	626,488	620,774
Credit card	298,197	265,477	247,116	220,647
Consumer durable	4	15	4	15
Construction	2,340,967	2,330,318	1,397,689	1,388,349
Merger and acquisition	56,021	57,340	56,021	57,340
Working capital	11,358,596	10,974,409	7,280,994	7,138,735
Others	1,687,372	1,346,115	952,158	757,491
	55,429,069	51,417,340	29,468,653	27,508,805
(f) <u>BY ECONOMIC SECTOR</u>				
Primary agriculture	1,387,800	1,378,344	615,553	606,394
Mining and quarrying	229,585	214,553	87,496	65,873
Manufacturing	3,884,006	3,540,982	2,576,603	2,383,437
Electricity, gas and water supply	488,909	452,791	61,037	68,379
Construction	1,723,841	1,626,208	844,401	918,966
Real estate	5,533,366	5,808,007	3,961,215	4,119,620
Wholesale, retail trade, hotels and restaurants	5,117,891	4,697,985	3,872,200	3,563,575
Transport, storage and communication	2,040,454	1,887,303	1,422,445	1,283,979
Finance, insurance and business services	2,268,086	2,252,805	1,586,710	1,417,645
Education, health and others	2,161,338	1,996,721	827,023	866,183
Household	30,593,533	27,561,299	13,613,710	12,214,412
Others	260	342	260	342
	55,429,069	51,417,340	29,468,653	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.)

	The Group		The Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
(g) <u>BY GEOGRAPHICAL DISTRIBUTION</u>				
Perlis	118,817	117,849	17,732	17,453
Kedah	1,596,822	1,474,660	536,081	502,811
Pulau Pinang	3,368,596	2,955,889	1,924,425	1,638,139
Perak	1,607,409	1,516,796	846,358	837,557
Selangor	17,688,206	16,404,033	9,230,917	8,566,724
Wilayah Persekutuan	12,297,297	11,448,932	6,575,120	6,390,734
Negeri Sembilan	1,896,656	1,791,349	657,912	615,886
Melaka	1,068,060	1,022,170	639,394	648,411
Johor	7,385,499	6,789,713	4,482,588	4,017,802
Pahang	1,740,352	1,594,148	818,026	766,758
Terengganu	1,059,049	1,016,296	196,685	189,615
Kelantan	561,151	475,972	48,782	55,574
Sarawak	2,391,232	2,359,461	1,697,674	1,676,966
Sabah	2,251,605	2,244,293	1,419,449	1,398,589
Labuan	49,596	85,623	28,796	65,634
Outside Malaysia	348,722	120,156	348,714	120,152
	55,429,069	51,417,340	29,468,653	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	196,978	520,249	102,062	205,382
Reclassified as non-impaired	(133,701)	(277,718)	(75,581)	(164,511)
Amount written-back	(83,737)	(484,399)	(36,654)	(361,904)
Amount written-off	(23,360)	(80,848)	(14,205)	(61,034)
At end of the financial period/year	1,262,133	1,305,953	817,461	841,839
Ratio of gross impaired loans, advances and financing to gross loans, advances and financing (*)	2.28%	2.54%	3.09%	3.38%

(*) For the Bank, RIA included in the ratio calculation amounting to RM1,770.2 million (2021: RM1,834.6 million) with impaired financing amounting to RM148.1 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 RM23,360,000 (2021: RM80,848,000) for the Group and RM14,205,000 (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.)

	The Group		The Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
(ii) <u>Impaired loans by economic purpose</u>				
Purchase of securities	22,704	26,212	72	41
Purchase of transport vehicles	356,194	361,050	184,745	189,174
Purchase of landed property of which:				
- Residential	140,545	152,519	58,467	69,671
- Non-residential	247,650	254,140	182,081	186,213
Fixed assets other than land and building	14,590	14,903	14,590	14,903
Personal use	21,099	15,011	11,996	11,582
Credit card	1,848	1,370	1,555	1,090
Consumer durable	3	-	3	-
Construction	218,123	217,829	218,123	216,593
Working capital	231,450	254,748	143,912	150,401
Others	7,927	8,171	1,917	2,171
	1,262,133	1,305,953	817,461	841,839
(iii) <u>Impaired loans by economic sector</u>				
Primary agriculture	9,798	10,054	9,719	9,870
Mining and quarrying	28,423	31,668	5,184	5,187
Manufacturing	16,331	14,155	8,057	5,167
Electricity, gas and water supply	60	105	60	105
Construction	80,575	82,068	40,595	42,533
Real estate	140,367	144,538	71,093	71,353
Wholesale, retail trade, hotels and restaurants	60,369	53,856	55,472	51,279
Transport, storage and communication	344,264	361,456	158,003	155,928
Finance, insurance and business services	59,312	71,784	58,002	70,912
Education, health and others	304,412	304,140	303,806	303,521
Household	218,222	232,129	107,470	125,984
	1,262,133	1,305,953	817,461	841,839
(iv) <u>Impaired loans by geographical distribution</u>				
Perlis	2,332	2,717	150	127
Kedah	59,737	58,786	50,370	51,579
Pulau Pinang	30,005	30,861	24,471	23,547
Perak	49,184	64,260	7,602	9,208
Selangor	216,676	231,746	108,570	111,232
Wilayah Persekutuan	71,701	83,717	46,630	63,396
Negeri Sembilan	62,315	68,446	53,223	56,654
Melaka	15,876	16,594	14,164	14,374
Johor	364,765	355,986	314,221	312,956
Pahang	22,217	23,877	20,719	22,145
Terengganu	297,910	298,303	147,447	146,411
Kelantan	2,650	2,730	302	587
Sarawak	54,774	55,111	18,141	18,522
Sabah	11,990	12,819	11,450	11,101
Labuan	1	-	1	-
	1,262,133	1,305,953	817,461	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

The Group	12-Month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
30/6/2022	Stage 1	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	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:	30,093	5,970	(36,063)	-
- Transfer to 12-month ECL (Stage 1)	39,243	(33,782)	(5,461)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(9,132)	44,092	(34,960)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(18)	(4,340)	4,358	-
Loans/financing derecognised (other than write-off)	(30,970)	(20,024)	(16,712)	(67,706)
New loans/financing originated or purchased	38,878	21,100	-	59,978
Changes due to change in credit risk	(64,477)	115,397	62,238	113,158
Write-off	-	-	(21,261)	(21,261)
Other adjustments :				
- Foreign exchange and other movements	77	238	-	315
At end of the financial period	210,749	436,701	326,306	973,756

The Group	12-Month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
31/12/2021	Stage 1	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	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.)

The Bank 30/6/2022	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	163,175	214,857	251,437	629,469
Total transfer between stages due to change in credit risk:	23,772	(3,901)	(19,871)	-
- Transfer to 12-month ECL (Stage 1)	29,451	(26,375)	(3,076)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(5,677)	25,078	(19,401)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(2)	(2,604)	2,606	-
Loans/financing derecognised (other than write-off)	(14,298)	(13,931)	(10,419)	(38,648)
New loans/financing originated or purchased	18,608	14,092	-	32,700
Changes due to change in credit risk	(46,592)	92,828	30,340	76,576
Write-off	-	-	(12,275)	(12,275)
Other adjustments :				
- Foreign exchange and other movements	71	238	-	309
At end of the financial period	144,736	304,183	239,212	688,131

The Bank 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	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)
Other adjustments	-	-	-	-
At end of the financial year	163,175	214,857	251,437	629,469

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

A13. TRADE RECEIVABLES

	The Group	
	30/6/2022	31/12/2021
	RM'000	RM'000
Amount due from stock-broking clients:		
- performing accounts	172,095	324,833
- impaired accounts (i)	279	942
Amount due from brokers	64,760	47,221
Amount due from Bursa Securities Clearing Sdn Bhd	6,565	-
Management fees receivable on fund management	-	155,703
	243,699	528,699
Less: ECL (ii)	(359)	(1,533)
	243,340	527,166
(i) Movements of impaired trade receivables		
At beginning of the financial period/year	942	1,387
Classified as impaired	740	3,126
Amount written-back	(1,403)	(3,571)
At end of the financial period/year	279	942
(ii) Movements in ECL in trade receivables		
At beginning of the financial period/year	1,533	2,809
Allowance made	2,462	5,031
Amount written-back	(3,403)	(6,307)
Transfer to Non Current Assets Held for Sale	(233)	-
At end of the financial period/year	359	1,533

A14. OTHER ASSETS

	The Group		The Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Other debtors	158,372	232,679	105,585	101,897
Prepayments and deposits	77,793	48,485	60,747	47,747
Cheque clearing accounts	81,436	20,325	44,468	5,959
Foreclosed properties (i)	13,358	13,358	8,485	8,485
Collaterals pledged for derivative transactions	57,877	-	-	-
Clearing guarantee fund	1,889	1,924	-	-
	390,725	316,771	219,285	164,088
Less: ECL (ii)	(4,364)	(4,039)	-	-
	386,361	312,732	219,285	164,088
(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	13,358	13,358	8,485	8,485
(ii) Movements in ECL			The Group	
			30/6/2022	31/12/2021
			RM'000	RM'000
At beginning of the financial period/year			4,039	3,966
Allowance made			1,277	2,829
Amount written-back			(952)	(2,756)
At end of the financial period/year			4,364	4,039

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

A15. OTHER LIABILITIES

	The Group		The Bank	
	30/6/2022 RM'000	31/12/2021 RM'000	30/6/2022 RM'000	31/12/2021 RM'000
BNM and CGC Funding programmes (a)	242,649	238,834	227,210	228,890
Margin and collateral deposits	134,541	97,665	109,183	79,609
Other creditors and accruals	123,269	205,072	68,874	69,941
Sundry creditors	253,355	283,626	183,572	132,270
Treasury and cheque clearing accounts	-	18,677	-	18,677
Provision for zakat	1,396	2,494	28	157
Defined contribution plan (b)	17,814	26,408	17,203	25,194
Accrued employee benefits	54,262	194,477	27,771	75,032
Unearned income	20,650	19,708	15,925	15,020
Commissioned dealer's representatives trust balances	67,150	68,653	-	-
Securities borrowings and lending - borrow	63,108	106,823	-	-
Amounts payable to commissioned and salaried dealer's representatives	70,756	95,426	-	-
Puttable liabilities (c)	-	189,026	-	-
Add : ECL (d)				
- loan/financing commitments and financial guarantees	35,994	56,914	11,671	31,322
	1,084,944	1,603,803	661,437	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 RM48.5 million (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	
	30/6/2022 RM'000	31/12/2021 RM'000
Obligations to buy subsidiaries' shares from non-controlling interest:		
- AHAM (i)	-	134,134
- AVA (ii)	-	21,450
Investment in funds (iii)	-	33,442
	-	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 30 June 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.

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

A15. OTHER LIABILITIES (Cont.)

	Group		Bank	
	30/6/2022	31/12/2021	30/6/2022	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	(20,769)	16,044	(21,093)	14,553
New loan commitments and financial guarantees issued	1,773	8,650	1,442	6,936
Loan commitment and financial guarantees derecognised	-	(7,596)	-	(6,075)
Changes due to change in credit risk	(1,924)	1,368	-	-
At end of the financial period/year	35,994	56,914	11,671	31,322

A16. RESERVES

	Group		Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
FVOCI revaluation reserves (a)	(2,433)	90,473	151,647	157,267
Regulatory reserves (b)	631,025	754,603	575,785	636,095
Foreign exchange reserves	39	39	-	-
Other reserves (c)	(88,737)	(88,737)	-	-
Retained profits	4,588,789	4,163,442	3,288,707	3,119,461
	5,128,683	4,919,820	4,016,139	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 29 April 2022, 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).

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

A17. INTEREST INCOME

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/6/2022	30/6/2021	30/6/2022	30/6/2021
	RM'000	RM'000	RM'000	RM'000
The Group				
Loan, advances and financing	362,027	334,092	688,583	636,360
Money at call and deposits placements with financial institutions	11,852	8,428	25,951	14,724
Financial investments at FVOCI	35,683	70,315	54,723	143,885
Financial investments at AC	78,341	2,495	156,126	4,585
Others	1,959	3,890	4,205	6,913
	489,862	419,220	929,588	806,467
The Bank				
Loan, advances and financing	326,878	298,368	620,053	577,750
Money at call and deposits placements with financial institutions	28,065	19,914	56,168	40,869
Financial investments at FVOCI	-	60,034	-	113,573
Financial investments at AC	94,670	5,150	175,789	10,002
Others	1,021	1,585	2,041	2,080
	450,634	385,051	854,051	744,274

A18. INTEREST EXPENSE

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/6/2022	30/6/2021	30/6/2022	30/6/2021
	RM'000	RM'000	RM'000	RM'000
The Group				
Deposits from customers	181,625	148,501	346,982	304,016
Deposits and placements of banks and other financial institutions	6,977	5,025	14,592	9,861
Obligation on securities sold under repurchase agreements	12,871	-	18,293	-
Loans sold to Cagamas Berhad	7,834	-	13,807	-
Subordinated medium term notes	19,771	33,358	44,849	66,350
Others	1,187	4,631	2,352	5,785
	230,265	191,515	440,875	386,012
The Bank				
Deposits from customers	158,554	125,605	302,972	255,210
Deposits and placements of banks and other financial institutions	7,856	12,342	17,199	23,071
Obligation on securities sold under repurchase agreements	12,770	-	18,192	-
Loans sold to Cagamas Berhad	7,834	-	13,807	-
Subordinated medium term notes	19,771	33,358	44,849	66,350
Others	999	1,786	2,011	2,139
	207,784	173,091	399,030	346,770

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A19. NET FEE AND COMMISSION INCOME

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/6/2022 RM'000	30/6/2021 RM'000	30/6/2022 RM'000	30/6/2021 RM'000
The Group				
Fee and commission income:				
Net brokerage	17,515	25,210	39,772	58,761
Corporate advisory fees	1,472	1,420	2,356	2,827
Commission	13,320	11,545	25,224	22,740
Service charges and fees	20,351	13,027	39,079	27,907
Guarantee fees	3,593	3,992	8,198	8,002
Arrangement fees	784	104	2,255	529
Agency fees	860	-	860	-
Other fee income	3,403	6,410	7,585	14,855
	61,298	61,708	125,329	135,621
Fee and commission expenses:				
Commission and referral expense	(2,301)	(1,211)	(4,262)	(2,374)
Net fee and commission income	58,997	60,497	121,067	133,247
The Bank				
Fee and commission income:				
Commission	13,576	12,143	25,825	24,289
Service charges and fees	20,219	13,251	38,851	28,198
Guarantee fees	3,418	3,992	7,797	8,002
	37,213	29,386	72,473	60,489
Fee and commission expense:				
Commission and referral expense	(2,301)	(1,210)	(4,262)	(2,373)
Net fee and commission income	34,912	28,176	68,211	58,116

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

A20. NET GAINS ON FINANCIAL INSTRUMENTS

The Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30/6/2022	30/6/2021	30/6/2022	30/6/2021
	RM'000	RM'000	RM'000	RM'000
Income from financial instruments:				
Gains/(Losses) arising on financial assets at FVTPL:				
- net gain on disposal	4,296	9,672	11,488	25,937
- unrealised (loss)/gain	(5,359)	6,459	(16,204)	(10,986)
- interest income	8,216	9,027	16,324	15,047
- gross dividend income	471	2,078	1,008	3,543
Gains/(Losses) on derivatives instruments:				
- realised	647	12	1,134	12
- unrealised	10,510	(232)	15,572	12,898
- interest expense	(997)	(2,088)	(2,076)	(4,296)
Gains arising on financial investments at FVOCI:				
- net gain on disposal	-	13,000	2,417	35,339
- gross dividend income	662	393	662	393
Gains arising on financial investments at AC				
- net gain on redemption	1	-	1	-
	18,447	38,321	30,326	77,887

The Bank

Income from financial instruments:				
Gains/(Losses) arising on financial assets at FVTPL:				
- net gain/(loss) on disposal	(903)	-	(1,041)	-
- unrealised (loss)/gain	(4,740)	2,932	(14,386)	(5,300)
- interest income	4,063	2,704	7,499	4,750
- gross dividend income	-	549	-	549
Gains/(Losses) on derivatives instruments:				
- realised	703	-	1,156	-
- unrealised	10,848	(1,547)	16,648	12,507
- interest expense	(1,945)	(1,871)	(4,193)	(3,894)
Gains arising on financial investments at FVOCI:				
- net gain on disposal	-	2,033	-	7,109
- gross dividend income	549	180	549	180
Gains arising on financial investments at AC				
- net gain on redemption	1	-	1	-
	8,576	4,980	6,233	15,901

A21. OTHER INCOME

The Group

Foreign exchange gains/(losses):				
- realised	(42,773)	(727)	(67,338)	26,705
- unrealised	43,497	10,892	64,803	(4,735)
Rental income	3	(6)	8	(4)
Gain on sale of property and equipment	-	2	186	11
Other non-operating income	1,377	678	1,999	2,388
Total other income	2,104	10,839	(342)	24,365

The Bank

Foreign exchange gains/(losses):				
- realised	(48,069)	597	(70,115)	20,569
- unrealised	46,910	6,088	64,010	(6,034)
Rental income	27	18	55	43
Gross dividend received from subsidiaries	845	7,400	845	42,400
Other non-operating income	999	783	1,842	2,404
Total other income	712	14,886	(3,363)	59,382

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A22. OTHER OPERATING EXPENSES

The Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30/6/2022 RM'000	30/6/2021 RM'000	30/6/2022 RM'000	30/6/2021 RM'000
<u>Personnel costs</u>				
Wages, salaries and bonus	142,242	147,737	287,407	297,620
Defined contribution plan	24,219	25,484	49,222	50,511
Other personnel costs	19,562	12,982	37,610	31,135
	186,023	186,203	374,239	379,266
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	5,478	4,013	9,443	8,300
Entertainment	1,499	897	2,371	1,688
Travelling and accommodation	543	723	1,142	1,300
Commission and brokerage expenses	1,643	1,885	2,975	3,845
Others marketing expenses	3,795	1,093	8,411	2,139
	12,958	8,611	24,342	17,272
<u>Establishment expenses</u>				
Equipment rental	871	1,071	1,656	1,235
Repair and maintenance	22,458	12,159	40,345	25,443
Depreciation of property and equipment	7,152	7,560	12,984	12,691
Depreciation of right-of-use assets	8,582	10,029	17,148	19,929
Amortisation of intangible assets	6,018	7,500	12,065	14,872
IT consultancy fee	17,391	11,877	31,688	26,246
Dataline rental	7,275	4,797	14,771	9,731
Security services	3,781	3,503	7,089	7,404
Electricity, water and sewerage	2,998	2,634	5,663	5,324
Insurance/Takaful and indemnities	4,207	5,032	9,437	10,545
Other establishment costs	3,234	1,234	5,659	4,245
	83,967	67,396	158,505	137,665
<u>General and administrative expenses</u>				
Telecommunication expenses	2,752	1,633	5,402	5,346
Auditors' remuneration:				-
(i) Statutory audit fees	656	608	1,215	1,171
(ii) Regulatory related fees	-	11	10	21
(iii) Tax fees	-	(2)	-	49
(iv) Non-audit fees	-	(252)	170	(83)
Professional fees	2,681	1,959	4,339	2,276
Property and equipment written-off	61	123	109	136
Mail and courier charges	1,086	1,067	1,700	2,108
Stationery and consumables	3,054	2,409	4,635	4,573
Directors' fees and allowances	1,145	760	1,780	1,369
Donations	421	691	1,186	1,713
Settlement, clearing and bank charges	7,660	5,870	14,206	10,399
Stamp duties	57	71	103	134
Operational and litigation write-off expenses	-	452	2	880
Subscription fees	1,992	1,344	4,223	3,923
Other administration and general expenses	4,675	2,626	9,216	5,728
	26,240	19,370	48,296	39,743
Total other operating expenses	309,188	281,580	605,382	573,946

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

A22. OTHER OPERATING EXPENSES (Cont.)

The Bank	Individual Quarter Ended		Cumulative Quarter Ended	
	30/6/2022	30/6/2021	30/6/2022	30/6/2021
	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs</u>				
Wages, salaries and bonus	84,763	89,328	172,492	174,242
Defined contribution plan	14,930	15,864	30,481	30,250
Other personnel costs	14,269	9,450	25,760	21,069
	113,962	114,642	228,733	225,561
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	4,896	3,329	8,352	6,752
Entertainment	1,362	781	2,114	1,478
Travelling and accommodation	572	405	930	659
Commission and brokerage expenses	1,927	1,700	2,522	3,957
Others marketing expenses	3,190	829	6,819	1,342
	11,947	7,044	20,737	14,188
<u>Establishment expenses</u>				
Equipment rental	722	1,026	1,302	1,143
Repair and maintenance	14,220	3,216	24,059	7,574
Depreciation of property and equipment	6,213	4,825	11,070	9,516
Depreciation of right-of-use assets	7,551	8,366	14,910	16,644
Amortisation of intangible assets	5,707	5,318	11,451	11,196
IT consultancy fee	11,320	7,052	19,536	16,580
Dataline rental	5,321	2,942	10,864	6,009
Security services	2,322	1,768	4,207	3,938
Electricity, water and sewerage	1,027	942	1,884	1,972
Insurance/Takaful and indemnities	2,741	4,432	6,096	8,536
Other establishment costs	2,975	(522)	3,805	163
	60,119	39,365	109,184	83,271
<u>General and administrative expenses</u>				
Telecommunication expenses	759	(1,157)	1,296	(239)
Auditors' remuneration :				
(i) Statutory audit fees	450	324	824	648
(ii) Non-audit fees	-	(96)	150	66
Professional fees	1,136	1,275	1,429	2,712
Property and equipment written-off	61	122	109	135
Mail and courier charges	808	562	1,152	1,130
Stationery and consumables	2,062	1,512	2,844	2,760
Directors' fees and allowances	1,145	760	1,780	1,369
Donations	418	730	1,134	1,533
Settlement, clearing and bank charges	6,728	5,007	12,524	8,907
Stamp duties	54	56	98	115
Operational and litigation write-off expenses	-	452	2	880
Other administration and general expenses	2,993	1,608	6,164	2,889
	16,614	11,155	29,506	22,905
Total other operating expenses	202,642	172,206	388,160	345,925

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

A23. ALLOWANCES FOR CREDIT IMPAIRMENT LOSSES

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/6/2022	30/6/2021	30/6/2022	30/6/2021
	RM'000	RM'000	RM'000	RM'000
The Group				
ECL made on/(written-back) :				
- loans, advances and financing	72,697	61,265	105,745	123,018
- trace receivables	(1,026)	(1,129)	(941)	(1,111)
- securities and placements	(2,628)	22,976	(22,388)	63,784
- loan/financing commitments and financial guarantee	(20,864)	2,304	(20,921)	2,104
Bad debts and financing :				
- recovered	(13,812)	(6,119)	(27,721)	(14,890)
- written-off	418	910	812	958
	34,785	80,207	34,586	173,863
The Bank				
ECL made on/(written-back) :				
- loans, advances and financing	40,721	36,360	70,937	67,236
- securities and placements	(2,994)	18,754	(22,641)	54,005
- loan/financing commitments and financial guarantee	(19,648)	2,064	(19,652)	1,594
Bad debts and financing :				
- recovered	(11,439)	(5,418)	(23,443)	(12,473)
- written-off	171	657	487	718
	6,811	52,417	5,688	111,080

A24. ALLOWANCES FOR IMPAIRMENT LOSSES ON OTHER ASSETS

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/6/2022	30/6/2021	30/6/2022	30/6/2021
	RM'000	RM'000	RM'000	RM'000
The Group				
Allowance for impairment on:				
- amount due from joint ventures	1,130	1,344	1,130	1,344
- other debtors	2,055	-	2,326	-
	3,185	1,344	3,456	1,344
The Bank				
Allowance for impairment on:				
- other debtors	1,261	-	1,261	-
	1,261	-	1,261	-

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 30 June 2022 and 30 June 2021 are as follows:

Current year's individual quarter ended 30 June 2022 :

	Continuing Operations					Total RM'000	Discontinuing Operations RM'000	Total RM'000
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000			
Revenue								
External revenue	474,600	26,743	-	2,272	-	503,615	90,155	593,770
Intersegment revenue	(32,899)	(2,057)	-	145	34,811	-	-	-
Segment revenue	441,701	24,686	-	2,417	34,811	503,615	90,155	593,770
Operating expenses	(281,934)	(24,327)	-	(2,271)	(656)	(309,188)	(48,096)	(357,284)
of which :-								
Depreciation of property and equipment	(6,459)	(611)	-	(82)	-	(7,152)	(2,178)	(9,330)
Depreciation of right-of-use assets	(6,747)	(1,748)	-	(87)	-	(8,582)	(1,059)	(9,641)
Amortisation of intangible assets	(5,626)	(387)	-	(5)	-	(6,018)	(18)	(6,036)
(Allowances for)/write-back of impairment financing and trade receivables/ securities/ other assets	(36,208)	(1,787)	-	-	25	(37,970)	(37)	(38,007)
Segment results	123,559	(1,428)	-	146	34,180	156,457	42,022	198,479
Share of results of a joint venture (net of tax)	-	-	218	-	-	218	-	218
Share of results of associates (net of tax)	-	-	17,519	-	-	17,519	-	17,519
Profit before zakat and taxation	123,559	(1,428)	17,737	146	34,180	174,194	42,022	216,216
Zakat	-	(17)	-	-	-	(17)	-	(17)
Profit before taxation	123,559	(1,445)	17,737	146	34,180	174,177	42,022	216,199
Taxation						(45,131)	(13,363)	(58,494)
Net profit for the individual quarter						129,046	28,659	157,705

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 (Cont.)

The segment analysis by activity for the individual and cumulative quarters ended 30 June 2022 and 30 June 2021 are as follows (Cont.):

Preceding year's individual quarter ended 30 June 2021 :

	Continuing Operations					Total RM'000	Discontinuing Operations RM'000	Total RM'000
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000			
Revenue								
External revenue	380,492	80,963	-	2,681	-	464,136	114,766	578,902
Intersegment revenue	8,269	(51)	-	273	(8,491)	-	-	-
Segment revenue	388,761	80,912	-	2,954	(8,491)	464,136	114,766	578,902
Operating expenses	(230,634)	(49,478)	-	(2,559)	1,091	(281,580)	(58,923)	(340,503)
of which :-								
Depreciation of property and equipment	(4,954)	(2,579)	-	(27)	-	(7,560)	(2,190)	(9,750)
Depreciation of right-of-use assets	(8,481)	(1,460)	-	(88)	-	(10,029)	(1,012)	(11,041)
Amortisation of intangible assets	(5,371)	(2,124)	-	(5)	-	(7,500)	1,473	(6,027)
(Allowances for)/write-back of impairment financing and trade receivables/ securities/ other assets	(69,193)	(12,105)	-	-	(253)	(81,551)	2	(81,549)
Segment results	88,934	19,329	-	395	(7,653)	101,005	55,845	156,850
Share of results of a joint venture (net of tax)	-	-	3,657	-	-	3,657	-	3,657
Share of results of associates (net of tax)	-	-	14,268	-	-	14,268	-	14,268
Profit before zakat and taxation	88,934	19,329	17,925	395	(7,653)	118,930	55,845	174,775
Profit before taxation	88,934	18,777	17,925	395	(7,653)	118,378	55,700	174,078
Taxation						(28,112)	(12,502)	(40,614)
Net profit for the individual quarter						90,266	43,198	133,464

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 (Cont.)

The segment analysis by activity for the individual and cumulative quarters ended 30 June 2022 and 30 June 2021 are as follows (Cont.):

Current year's cumulative quarter ended 30 June 2022 :

	Continuing Operations					Discontinuing Operations RM'000	Total RM'000
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000		
Revenue							
External revenue	831,160	116,297	-	5,648	-	953,105	1,108,010
Intersegment revenue	2,138	(174)		346	(2,310)	-	-
Segment revenue	833,298	116,123	-	5,994	(2,310)	953,105	1,108,010
Operating expenses	(518,119)	(83,436)	-	(5,292)	1,465	(605,382)	(85,394)
of which :-							
Depreciation of property and equipment	(11,291)	(1,599)	-	(94)	-	(12,984)	(13,672)
Depreciation of right-of-use assets	(15,141)	(1,833)	-	(174)	-	(17,148)	(117,685)
Amortisation of intangible assets	(11,557)	(502)	-	(6)	-	(12,065)	502
(Allowances for)/write-back of impairment financing and trade receivables/ securities/ other assets	(36,138)	(1,929)	-	-	25	(38,042)	(37)
Segment results	279,041	(54,636)	-	702	(820)	309,681	69,474
Share of results of a joint venture (net of tax)	-	-	4,059	-	-	4,059	4,059
Share of results of an associate (net of tax)	-	-	25,754	-	-	25,754	25,754
Profit before zakat and taxation	279,041	(54,636)	29,813	702	(820)	339,494	69,474
Zakat	-	(167)	-	-	-	(167)	(292)
Profit before taxation	279,041	(54,803)	29,813	702	(820)	339,327	69,182
Taxation						(84,688)	(13,536)
Net profit for the cumulative quarter						254,639	55,646

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 (Cont.)

The segment analysis by activity for the individual and cumulative quarters ended 30 June 2022 and 30 June 2021 are as follows (Cont.):

Preceding year's cumulative quarter ended 30 June 2021 :

	Continuing Operations					Total RM'000	Discontinuing Operations RM'000	Total RM'000
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000			
Revenue								
External revenue	737,052	168,502	-	6,057	-	911,611	204,920	1,116,531
Intersegment revenue	43,306	1,832	-	474	(45,612)	-	-	-
Segment revenue	780,358	170,334	-	6,531	(45,612)	911,611	204,920	1,116,531
Operating expenses	(466,818)	(104,760)	-	(5,580)	3,212	(573,946)	(107,020)	(680,966)
of which :-								
Depreciation of property and equipment	(9,786)	(2,866)	-	(39)	-	(12,691)	(2,079)	(14,770)
Depreciation of right-of-use assets	(16,875)	(2,879)	-	(175)	-	(19,929)	(2,058)	(21,987)
Amortisation of intangible assets	(11,302)	(3,564)	-	(6)	-	(14,872)	(847)	(15,719)
(Allowances for)/write-back of impairment advances, financing and trade receivables/ securities/ other assets	(153,618)	(21,703)	-	-	114	(175,207)	(134)	(175,341)
Segment results	159,922	43,871	-	951	(42,286)	162,458	97,766	260,224
Share of results of a joint venture (net of tax)	-	-	6,485	-	-	6,485	-	6,485
Share of results of an associate (net of tax)	-	-	17,391	-	-	17,391	-	17,391
Profit before zakat and taxation	159,922	43,871	23,876	951	(42,286)	186,334	97,766	284,100
Zakat	-	(1,491)	-	-	-	(1,491)	(370)	(1,861)
Profit before taxation	159,922	42,380	23,876	951	(42,286)	184,843	97,396	282,239
Taxation	-	-	-	-	-	(48,077)	(19,090)	(67,167)
Net profit for the cumulative quarter						136,766	78,306	215,072

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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, except for Note B 6 (b).

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 :

	The Group Principal Amount		The Bank Principal Amount	
	30/6/2022 RM'000	31/12/2021 RM'000	30/6/2022 RM'000	31/12/2021 RM'000
Direct credit substitutes *	478,976	548,856	383,969	456,935
Transaction-related contingent items	1,307,284	1,477,614	852,960	982,691
Short-term self-liquidating trade-related contingencies	444,350	461,206	167,986	200,556
Obligations under an on-going underwriting agreement	10,170	-	-	-
Irrevocable commitments to extend credit				
- Maturity less than one year	5,129,845	5,069,907	3,510,419	3,541,944
- Maturity more than one year	2,469,872	2,039,539	1,523,219	1,197,170
Foreign exchange related contracts #				
- Less than one year	26,918,430	25,519,945	19,192,189	14,563,705
- One year to less than five years	892,885	897,663	-	83,340
Interest rate related contracts #				
- Less than one year	1,410,000	1,135,000	340,000	355,000
- One year to less than five years	5,117,639	4,813,000	3,307,639	2,663,000
- Five years and above	940,000	955,000	940,000	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	1,160,988	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.	3,435,911	-	3,435,911	-
Unutilised credit card lines	1,338,659	1,163,042	1,106,527	948,592
	51,055,009	45,197,294	34,760,819	25,947,933

* Included in direct credit substitutes are financial guarantee contracts of RM479.0 million and RM384.0 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.

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

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:-

	< ----- Contract/Notional Amount ----- >				< ----- Positive Fair Value ----- >				< ----- Negative Fair Value ----- >			
	Up To 1 Year	> 1 - 3 Years	> 3 Years	Total	Up To 1 Year	> 1 - 3 Years	> 3 Years	Total	Up To 1 Year	> 1 - 3 Years	> 3 Years	Total
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 30 June 2022												
Trading derivatives												
Foreign exchange derivatives :												
- Currency forwards	9,313,347	293,582	8,762	9,615,691	167,426	3,571	1,816	172,813	23,905	3,219	-	27,124
- Currency swaps	17,658,406	472,204	8,770	18,139,380	139,104	6,296	-	145,400	208,352	6,411	1,648	216,411
Interest rate derivatives :												
- Interest rate swaps	1,410,000	2,896,794	3,160,845	7,467,639	6,810	23,406	73,977	104,193	6,525	19,006	58,924	84,455
	28,381,753	3,662,580	3,178,377	35,222,710	313,340	33,273	75,793	422,406	238,782	28,636	60,572	327,990
Non Current Asset Held for Sale	56,244	-	-	56,244	-	-	-	-	-	-	-	-
	28,437,997	3,662,580	3,178,377	35,278,954	313,340	33,273	75,793	422,406	238,782	28,636	60,572	327,990
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	207,100	-	-	207,100	709	-	-	709	49,343	1,231	-	50,574
- Currency swaps	16,519,890	475,809	103,853	17,099,552	76,132	9,781	1,561	87,474	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

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.)

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
The Bank												
As at 30 June 2022												
Trading derivatives												
Foreign exchange derivatives :												
- Currency forwards	4,237,778	-	-	4,237,778	63,313	-	-	63,313	9,431	-	-	9,431
- Currency swaps	14,954,411	-	-	14,954,411	142,277	-	-	142,277	149,482	-	-	149,482
Interest rate derivatives :												
- Interest rate swaps	340,000	1,696,794	2,550,845	4,587,639	1,878	16,119	67,168	85,165	2,719	15,130	53,029	70,878
	19,532,189	1,696,794	2,550,845	23,779,828	207,468	16,119	67,168	290,755	161,632	15,130	53,029	229,791
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	207,100	-	-	207,100	709	-	-	709	61	-	-	61
- Currency swaps	11,625,186	83,340	-	11,708,526	46,795	-	-	46,795	53,702	1,231	-	54,933
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 RM32.9 million (2021 : RM18.2 million), while the notional amount of interest rate contract was RM775.7 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 RM530.4 million (2021 : RM383.6 million) and RM235.4 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.

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

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.

The Group	Level 1	Level 2	Level 3	Total
30 June 2022	RM'000	RM'000	RM'000	RM'000
Financial Assets				
Financial assets at FVTPL:				
- Money market instruments	-	2,556,159	-	2,556,159
- Corporate bonds/Sukuk	-	7	60,113	60,120
- Shares and unit trusts	95,275	-	104,206	199,481
Derivative financial assets	-	422,406	-	422,406
Financial investments at FVOCI:				
- Money market instruments	-	1,996,305	-	1,996,305
- Shares, unit trusts and REITs	-	-	215,553	215,553
- Corporate bonds/Sukuk	-	1,624,252	-	1,624,252
	95,275	6,599,129	379,872	7,074,276
Financial Liabilities				
Derivative financial liabilities	-	327,990	-	327,990
Other liabilities - equities trading	361	-	-	361
	361	327,990	-	328,351
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

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

A30. FAIR VALUE MEASUREMENTS (Cont.)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
The Bank				
30 June 2022				
Financial Assets				
Financial assets at FVTPL:				
- Money market instruments	-	2,466,459	-	2,466,459
- Corporate bonds/Sukuk	-	-	60,113	60,113
- Unquoted shares	-	-	104,206	104,206
Derivative financial assets	-	290,755	-	290,755
Financial investments at FVOCI:				
- Unquoted shares	-	-	192,168	192,168
	-	2,757,214	356,487	3,113,701
Financial Liabilities				
Derivative financial liabilities	-	229,791	-	229,791
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.

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

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:-

	The Group		The Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period/year	343,949	325,731	317,242	300,401
Sales/Redemption	-	(252)	-	(252)
Total gains recognised in other comprehensive income	35,923	18,470	39,245	17,093
At end of the financial period/year	379,872	343,949	356,487	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.

A31. CREDIT EXPOSURES ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

The following credit exposures are based on BNM's revised Guidelines on Credit Transaction and Exposures with Connected Parties, which are effective 1 January 2008.

	The Group		The Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	6,940,522	6,267,310	4,567,392	4,077,841
(ii) The percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	8%	8%	9%	9%
(iii) The percentage of outstanding credit exposures with connected parties which is impaired or in default	Nil	Nil	Nil	Nil

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

A32. 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.

	The Group		The Bank	
	30/6/2022 RM'000	31/12/2021 RM'000	30/6/2022 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	4,403,710	4,163,442	3,188,771	3,119,461
Unrealised (losses)/gains on FVOCI instruments	(2,433)	90,473	151,647	157,267
Other disclosed reserves	(88,737)	(88,737)	-	-
Foreign exchange reserves	39	39	-	-
	9,281,729	9,134,367	8,309,568	8,245,878
Less: Regulatory adjustments:				
- Goodwill and other intangibles	(887,584)	(895,850)	(189,925)	(198,733)
- Deferred tax assets	(223,495)	(223,344)	(105,867)	(111,900)
- 55% of cumulative unrealised gains on FVOCI instruments	-	(49,760)	(83,406)	(86,497)
- Investment in subsidiaries, joint ventures and associates	(921,849)	(907,293)	(3,796,621)	(3,796,621)
- Other CET1 transitional adjustment	312,897	341,998	216,975	238,228
Total CET 1 Capital	7,561,698	7,400,118	4,350,724	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	27,834	32,933	-	-
	827,834	832,933	500,000	500,000
Total Tier 1 Capital	8,389,532	8,233,051	4,850,724	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 [#]	387,972	277,775	243,141	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	1,812,058	2,701,861	867,227	1,794,902
Total Capital	10,201,590	10,934,912	5,717,951	6,585,257
b) The breakdown of risk-weighted assets:				
Credit risk	51,014,589	46,962,011	31,895,610	29,381,798
Market risk	655,130	781,246	444,405	567,804
Operational risk	3,748,207	3,580,698	1,726,175	1,671,929
Total risk-weighted assets	55,417,926	51,323,955	34,066,190	31,621,531
c) Capital adequacy ratios:				
<u>With transitional arrangements</u>				
CET 1 capital ratio	13.645%	14.418%	12.771%	13.568%
Tier 1 capital ratio	15.139%	16.041%	14.239%	15.149%
Total capital ratio	18.408%	21.306%	16.785%	20.825%
CET 1 capital ratio (net of proposed dividends) ^{Note 1}	13.440%	14.198%	12.439%	13.209%
Tier 1 capital ratio (net of proposed dividends) ^{Note 1}	14.934%	15.820%	13.906%	14.791%
Total capital ratio (net of proposed dividends) ^{Note 1}	18.204%	21.085%	16.452%	20.467%

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

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

A32. CAPITAL ADEQUACY (Cont.)

	The Group		The Bank	
	30/6/2022 RM'000	31/12/2021 RM'000	30/6/2022 RM'000	31/12/2021 RM'000
c) Capital adequacy ratios (cont.):				
<u>Without transitional arrangements</u>				
CET 1 capital ratio	13.080%	13.752%	12.134%	12.814%
Tier 1 capital ratio	14.574%	15.375%	13.602%	14.396%
Total capital ratio	18.294%	21.242%	16.605%	20.693%
CET 1 capital ratio (net of proposed dividends) ^{Note 1}	12.876%	13.531%	11.802%	12.456%
Tier 1 capital ratio (net of proposed dividends) ^{Note 1}	14.369%	15.154%	13.269%	14.037%
Total capital ratio (net of proposed dividends) ^{Note 1}	18.090%	21.021%	16.272%	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 30 June 2022, RIA assets included in the Total Capital Ratio calculation amounted to RM1,770.2 million (2021: RM1,834.6 million).

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

	Economic Entity		The Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
<u>With transitional arrangements</u>				
CET 1 capital ratio	11.904%	12.138%	11.904%	12.138%
Tier 1 capital ratio	13.485%	13.873%	13.485%	13.873%
Total capital ratio	18.339%	19.027%	18.339%	19.027%
<u>Without transitional arrangements</u>				
CET 1 capital ratio	11.508%	11.669%	11.508%	11.669%
Tier 1 capital ratio	13.089%	13.404%	13.089%	13.404%
Total capital ratio	18.339%	19.027%	18.339%	19.027%

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

	The Group		The Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
<u>With transitional arrangements</u>				
CET 1 capital ratio	28.881%	31.426%	38.927%	45.802%
Tier 1 capital ratio	29.794%	32.508%	38.927%	45.802%
Total capital ratio	30.469%	33.028%	39.714%	46.578%
CET 1 capital ratio (net of proposed dividends)	28.881%	31.426%	38.927%	45.802%
Tier 1 capital ratio (net of proposed dividends)	29.794%	32.508%	38.927%	45.802%
Total capital ratio (net of proposed dividends)	30.469%	33.028%	39.714%	46.578%
<u>Without transitional arrangements</u>				
CET 1 capital ratio	28.190%	30.665%	37.937%	44.641%
Tier 1 capital ratio	29.104%	31.747%	37.937%	44.641%
Total capital ratio	29.778%	32.437%	38.724%	45.416%
CET 1 capital ratio (net of proposed dividends)	28.190%	30.665%	37.937%	44.641%
Tier 1 capital ratio (net of proposed dividends)	29.104%	31.747%	37.937%	44.641%
Total capital ratio (net of proposed dividends)	29.778%	32.437%	38.724%	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

A33. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD

(i) Unaudited Statements of Financial Position

	Economic Entity	
	30/6/2022	31/12/2021
	RM'000	RM'000
ASSETS		
Cash and short-term funds	1,961,406	2,240,427
Deposits and placements with banks and other financial institutions	-	50,008
Derivative financial assets	51,518	11,436
Financial investments at amortised cost ("AC")	4,813,810	3,464,981
Financing and other financing	24,429,728	22,570,323
Other assets	73,264	77,711
Amount due from joint ventures	15,467	15,737
Taxation recoverable	4,942	-
Deferred tax assets	24,935	22,484
Property and equipment	1,512	1,328
Right-of-use assets	406	632
Intangible assets	239	345
TOTAL ASSETS	31,377,227	28,455,412
LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		
Deposits from customers	23,423,149	21,990,129
Investment accounts of customers	1,096	1,329
Deposits and placements of banks and other financial institutions	1,373,016	358,050
Investment accounts due to designated financial institutions	1,776,192	1,831,585
Derivative financial liabilities	19,521	10,659
Recourse obligation on financing sold to Cagamas Berhad	50,034	50,033
Other liabilities	116,175	188,453
Amount due to holding company	1,255,430	758,812
Provision for taxation	-	8,033
Lease liabilities	436	666
Subordinated term financing and medium term notes	1,111,034	1,111,034
TOTAL LIABILITIES	29,126,083	26,308,783
ISLAMIC BANKING CAPITAL FUNDS		
Share capital	1,060,000	1,060,000
Reserves	1,191,144	1,086,629
Total Islamic Banking Capital Funds	2,251,144	2,146,629
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS	31,377,227	28,455,412
COMMITMENTS AND CONTINGENCIES	5,912,009	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

A33. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)

(ii) Unaudited Income Statements

	Economic Entity			
	Individual Quarter Ended 30/6/2022 RM'000	30/6/2021 RM'000	Cumulative Quarter Ended 30/6/2022 RM'000	30/6/2021 RM'000
Income derived from investment of depositors' funds and others	263,910	216,224	509,143	422,957
Income derived from investment of investment accounts	19,740	17,875	38,694	36,381
Income derived from investment of shareholders' funds	24,408	19,525	46,540	39,725
Allowances for impairment losses on financing and other financing	(33,520)	(15,076)	(27,308)	(40,250)
Allowance for impairment losses on other assets	(1,870)	(1,344)	(1,870)	(1,344)
Total distributable income	272,668	237,204	565,199	457,469
Income attributable to the depositors and others	(129,186)	(108,223)	(251,309)	(216,566)
Income attributable to the investment accounts holders	(18,052)	(16,689)	(35,936)	(33,138)
Total net income	125,430	112,292	277,954	207,765
Other operating expenses	(62,614)	(58,472)	(130,056)	(120,995)
Profit before zakat and taxation	62,816	53,820	147,898	86,770
Zakat	-	-	-	-
Profit before taxation	62,816	53,820	147,898	86,770
Taxation	(21,924)	(13,939)	(43,383)	(22,884)
Net profit for the financial period	40,892	39,881	104,515	63,886

(iii) Unaudited Statements of Comprehensive Income

	Economic Entity			
	Individual Quarter Ended 30/6/2022 RM'000	30/6/2021 RM'000	Cumulative Quarter Ended 30/6/2022 RM'000	30/6/2021 RM'000
Net profit for the financial period	40,892	39,881	104,515	63,886
Other comprehensive income :				
<u>Items that may be reclassified subsequently to profit or loss :</u>				
- Net fair value change in financial investments at FVOCI	-	35,279	-	(107,000)
- Net credit impairment loss change in financial investments at FVOCI	-	(401)	-	(1,249)
- Net gain on financial investments measured at FVOCI reclassified to profit or loss on disposal	-	(252)	-	(1,924)
- Deferred tax on financial investments at FVOCI	-	(8,406)	-	26,142
Other comprehensive loss for the financial period, net of tax	-	26,220	-	(84,031)
Total comprehensive income/(loss) for the financial period	40,892	66,101	104,515	(20,145)

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

A33. 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	-	-	-	104,515	104,515
Total comprehensive income	-	-	-	104,515	104,515
Transfer from regulatory reserves	-	-	(64,110)	64,110	-
At 30 June 2022	1,060,000	-	41,503	1,149,641	2,251,144

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	-	-	-	63,886	63,886
Other comprehensive income (net of tax) :					
- Financial investments at FVOCI	-	(84,031)	-	-	(84,031)
Total comprehensive income	-	(84,031)	-	63,886	(20,145)
Transfer from regulatory reserves	-	-	(33,092)	33,092	-
At 30 June 2021	1,060,000	(88,950)	94,001	865,919	1,930,970

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

A33. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)

	Economic Entity	
	30/6/2022 RM'000	31/12/2021 RM'000
(v) Financing and other financing		
By type		
Cashline	712,378	651,183
Term financing		
- Housing financing	8,793,503	8,443,386
- Hire purchase receivables	4,923,447	4,561,420
- Syndicated financing	810,300	869,857
- Others term loan/financing	7,040,560	6,221,332
Bills receivables	116,045	92,878
Trust receipts	18,802	13,142
Claims on customers under acceptance credits	887,623	701,318
Staff financing (of which RM Nil to Directors)	112,368	104,165
Credit/charge cards receivables	51,081	44,830
Revolving financing	1,189,028	1,070,514
Gross financing and other financing	24,655,135	22,774,025
Less : ECL	(225,407)	(203,702)
Total net financing and other financing	24,429,728	22,570,323
(vi) Movements of impaired financing		
At beginning of the financial period/year	381,586	315,471
Classified as impaired	94,916	314,867
Reclassified as non-impaired	(58,120)	(113,207)
Amount recovered	(37,897)	(115,731)
Amount written-off	(9,155)	(19,814)
At end of the financial period/year	371,330	381,586
Ratio of gross impaired financing and other financing to gross financing and other financing (exclude restricted investment accounts)*	0.98%	1.11%

(*) For AFFIN Islamic Bank, RIA excluded in the ratio calculation amounting to RM1,770.2 million (2021: RM1,834.6 million) with impaired financing amounting to RM148.1 million (2021: RM149.9 million).

The Group and AFFIN Islamic 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 30 June 2022 for AFFIN Islamic Bank is RM9,155,000 (2021: RM19,814,000). AFFIN Islamic 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

A33. 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 30/6/2022				
At beginning of the financial period	72,928	76,859	53,915	203,702
Total transfer between stages due to change in credit risk :	6,321	9,871	(16,192)	-
- Transfer to 12-month ECL (Stage 1)	9,792	(7,407)	(2,385)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(3,455)	19,014	(15,559)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(16)	(1,736)	1,752	-
Financing derecognised (other than write-off)	(16,658)	(6,093)	(1,623)	(24,374)
New financing and other financing originated or purchased	20,248	7,008	-	27,256
Changes due to change in credit risk	(17,766)	15,455	30,114	27,803
Write-off	-	-	(8,986)	(8,986)
Other adjustments	6	-	-	6
At end of the financial period	65,079	103,100	57,228	225,407
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	
	30/6/2022	31/12/2021
	RM'000	RM'000
<u>Qard</u>		
Demand deposits	4,662,437	4,476,588
Savings deposits	980,726	952,617
	5,643,163	5,429,205
<u>Mudarabah</u>		
General investment deposits	39,950	41,235
<u>Tawarruq</u>		
Murabahah term deposits	16,043,879	14,669,830
Commodity Murabahah Deposit	966,958	1,122,215
Savings deposits	165,402	159,324
Demand deposit	563,797	568,320
	17,740,036	16,519,689
Total deposits from customers	23,423,149	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

The profit after tax disclosed in Table 1 represents the profit from the Group's continuing operations as the post-tax profit contribution from Group's asset management business of RM55.6 million for the 6 months period ended 30 June 2022 ("1H2022") and its post-tax profit contribution in the previous corresponding period ("1H2021") of RM78.3 million were disclosed as "profit from discontinuing operations" in the Income Statements. The Group had accounted for the Proposed Divestment as a discontinuing operation in accordance with MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Refer to Note B6 (b) for the details of the Proposed Divestment.

Table 1 : Financial review for individual and cumulative quarter ended 30 June 2022 against preceding year's corresponding quarter

	Individual Quarter Ended		Changes		Cumulative Quarter Ended		Changes	
	30/6/2022 RM'000	30/6/2021 RM'000	RM'000	%	30/6/2022 RM'000	30/6/2021 RM'000	RM'000	%
Net Income	503,615	464,136	39,479	8.5	953,105	911,611	41,494	4.6
Operating Profit	156,457	101,005	55,452	54.9	309,681	162,458	147,223	90.6
Profit Before Zakat and Tax	174,194	118,930	55,264	46.5	339,494	186,334	153,160	82.2
Profit Before Tax	174,177	118,378	55,799	47.1	339,327	184,843	154,484	83.6
Profit After Tax	129,046	90,266	38,780	43.0	254,639	136,766	117,873	86.2
Profit attributable to equity holders of the Bank	146,908	117,948	28,960	24.6	289,594	186,885	102,709	55.0

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

The Group registered a profit before tax of RM339.3 million for the 6 months ended 30 June 2022, higher by RM154.5 million or 83.6% compared to RM184.8 million recorded in the previous corresponding period.

The improvement in profits was attributed to higher net interest income and Islamic Banking income due to stronger loans and financing growth and lower allowance for impairment losses. These were offset by lower gain on sales from financial instruments and share of profits from joint venture.

Net interest income increased by RM68.2 million or 16.2% to RM488.7 million compared to the previous corresponding period of RM420.5 million, due to loan and financial investment growth in 2022. Income from Islamic Banking operations recorded an increase of RM57.7 million or 22.6% to RM313.3 million year-on-year due to strong growth in financing.

Non-interest income for the period under review was RM151.1 million, a decrease of RM84.4 million or 35.9% from the RM235.5 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.

There was a lower allowance for impairment losses of RM38.0 million for the current period as compared to RM175.3 million in the previous corresponding period.

Gross loans and financing grew by 7.8% for the 6 months ended 30 June 2022 to RM55.4 billion despite the challenging environment. Customer deposits also increased by 9.6% to RM64.5 billion, whilst the CASA ratio was lower by 1.53% as at 30 June 2022.

Common Equity Tier 1 Capital Ratio as at 30 June 2022 was 13.64%.

Profit before tax for the financial quarter ended 30 June 2022 compared to the previous corresponding financial quarter ended 30 June 2021 is further segmented as follows:

Commercial Banking

AFFIN Bank Berhad registered a profit before tax of RM131.0 million for the period ended 30 June 2022, an increase of RM57.1 million or 77.3%. The improved performance was largely due to higher net interest income and lower allowance for impairment losses.

AFFIN Islamic Bank Berhad recorded a profit before tax of RM147.9 million, an increase of RM61.1 million or 70.4%. This was due to higher net income and lower allowance for impairment losses.

Investment Banking

AFFIN Hwang Investment Bank ("AHIB") Group showed a decrease in profit before tax of 44.7% to RM30.6 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 RM22.1 million or 28.6% 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 30 June 2022 compared to the previous corresponding financial quarter ended 30 June 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 RM9.9 million, a decrease of RM9.5 million as compared to RM19.4 million in the previous corresponding period. The lower profit was mainly contributed by higher expenses of RM12.4m arising from higher claims. These were offset by lower policyholder liability reserves of RM2.4 million and higher investment income of RM0.5 million.

AAGI registered a profit before tax of RM73.8 million, an increase of RM36.2 million as compared to RM37.6 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 RM25.8 million was RM17.4 million higher against the previous corresponding period.

(ii) Current Quarter vs Previous Corresponding Quarter

The Group reported a profit before tax of RM174.2 million for the quarter ended 30 June 2022, higher by RM55.8 million or 47.0% as compared to the previous corresponding quarter ended 30 June 2021 of RM118.4 million.

This was due to higher net financing income from Islamic Banking and net interest income from the Bank coupled with lower allowance for impairment losses, offset by lower non-interest income and higher operating expenses.

Net interest income for the quarter under review increased by RM31.9 million or 14.0% to RM259.6 million.

Non-interest income of the Group was RM79.58 million, a decrease of RM30.1 million or 27.5% from RM109.7 million in the previous corresponding quarter. This was due to lower net gain on sales of financial instruments of RM19.5 million and other income of RM8.8 million.

Other operating expenses was 9.8% higher due to higher establishment expenses, general and administrative expenses and promotion and marketing expenses of RM16.6 million, RM6.9 million and RM4.3 million respectively.

Allowance for impairment losses decreased by RM43.6 million to RM38.0 million as compared to the same quarter last year of RM81.6 million.

Commercial Banking

AFFIN Bank Berhad registered an improvement in profit before tax of RM41.0 million to RM76.3 million for the current quarter ended 30 June 2022. The increase was contributed by higher net interest income of RM30.9 million, lower allowance for impairment losses of RM45.6 million and higher net fee and commission income of RM6.7 million, offset by lower other income of RM14.2 million and higher operating expenses of RM30.4 million.

AFFIN Islamic Bank Berhad showed a profit before tax of RM62.8 million for the current quarter ended 30 June 2022, higher by RM9.0 million or 16.7% against the quarter ended 30 June 2021 of RM53.8 million. This was due to higher net financing income, offset by higher allowance for impairment losses and operating expenses.

Investment Banking

AHIB Group recorded a lower profit before tax by RM13.2 million or 42.8% to RM17.7 million. The decrease was attributed to the lower non-interest income of RM33.4 million and higher operating expenses of RM4.5 million offset by a write back of impairment losses of RM5.4 million as compared to a charge of RM12.1 million for the corresponding quarter ended 30 June 2021 and higher net interest income of RM6.6 million.

The 63%-owned subsidiary namely AFFIN Hwang Asset Management Berhad posted a profit before tax of RM28.4 million as compared to the corresponding quarter ended 30 June 2021 of RM42.8 million.

Insurance

The Group's share of profit after tax in AALI of RM4.1 million for the current quarter ended 30 June 2022 was lower by RM2.4 million as compared to RM6.5 million in the same period last year.

The Group's share of profit after tax in AAGI of RM25.8 million for the current quarter under review was higher by RM8.4 million of 48.1% against RM17.4 million in the previous corresponding quarter.

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

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

	Current Financial Quarter	Preceding Financial Quarter	Changes	
	30/6/2022 RM'000	31/3/2022 RM'000	RM'000	%
Net income	503,615	449,490	54,125	12.0
Operating Profit	156,457	153,225	3,232	2.1
Profit Before Zakat and Tax	174,194	165,301	8,893	5.4
Profit Before Tax	174,177	165,151	9,026	5.5
Profit After Tax	129,046	125,594	3,452	2.7
Profit attributable to equity holders of the Bank	146,908	142,686	4,222	3.0

Profit before tax for the Group for the quarter under review increased by RM8.9 million or 5.4% to RM174.2 million against the preceding quarter ended 31 March 2022 of RM165.3 million. This was due to higher net income of RM54.1 million offset by higher allowances for impairment losses, higher operating expenses and lower share of profits from joint venture of RM37.9 million, RM13.0 million and RM3.6 million respectively. The share of profits from associate however increased by RM9.3 million to RM17.6 million for the quarter under review.

Net interest income was higher by RM30.5 million or 13.3% to RM259.6 million against the previous quarter of RM229.1 million. The Islamic Banking income was also higher by RM15.6 million or 10.5% to RM164.5 million as compared to RM148.9 million recorded in the preceding quarter ended 31 March 2022.

Allowance for impairment losses was higher by RM37.9 million as compared to RM0.1 million in the preceding quarter.

B3. ECONOMIC AND BUSINESS OUTLOOK FOR 2022

The global economic landscape faced many geopolitical challenges in the first half of 2022 with the military conflict in Ukraine, rising commodity prices, the on-going supply chain disruptions and rising inflation. The US Fed decision to hike interest rates have had significant impact to the local bond market as yields continued to climb in 2022 and correspondingly the Malaysian Ringgit weakened.

In response to the US rate hikes, weakening Ringgit as well as the rising inflation in Malaysia, Bank Negara Malaysia (BNM) increased the Overnight Policy Rate (OPR) by 25 basis points on 13 May 2022 and again on 8 July 2022. BNM has indicated that any further adjustments to the monetary policy settings going forward would be done in a measured and gradual manner. The increase in OPR will improve banks income in the short term as floating rate loans will be priced higher. At the same time banks will need to remain vigilant over its asset portfolios as customers' instalments increase with the increasing OPR.

Going forward into 2nd half of 2022, the strategic focus remains on sustaining stable profitability through strong asset growth, preservation of asset quality and maintaining effective cost structures. The Group will continue to emphasise on improving overall productivity and building its core earnings through the various initiatives implemented as part of the overall AIM22 strategic plan.

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

The Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30/6/2022	30/6/2021	30/6/2022	30/6/2021
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
Current tax	36,264	27,175	71,215	55,883
(Over)/Under provision in prior financial year	(1)	6	32	(284)
Deferred tax income :				
- Relating to originating temporary differences	8,868	931	13,441	(7,522)
	45,131	28,112	84,688	48,077

For the current period, the Group's effective tax rates 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 Group's effective tax rates were 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.

The Bank	Individual Quarter Ended		Cumulative Quarter Ended	
	30/6/2022	30/6/2021	30/6/2022	30/6/2021
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
Current tax	11,698	17,920	25,024	19,315
Deferred tax income :				
- Relating to originating temporary differences	6,033	(8,402)	6,033	(5,577)
	17,731	9,518	31,057	13,738

For the current 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.

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 Minister of Finance had on 28 April 2022, approved the Proposed AALI Disposal and Proposed AAGI Disposal pursuant to Sections 89 and 90(6) of the Financial Services Act 2013 to Generali and the share sale agreement was entered into on 18 May 2022. The completion of the Proposed AALI Disposal and Proposed AAGI Disposal is expected to take place within the 3rd quarter of 2022.

The financial impact arising from the Proposals is not expected to be significant for the financial quarter ended 30 June 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 ("AHIB"), 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⁾	Sale shares	Provisional cash consideration
		%	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 Divestment. 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.

The shareholders of the Bank had at an Extraordinary General Meeting held on 25 May 2022 resolved to approve the Proposed Divestment and the Securities Commission Malaysia had on 1 July 2022 approved the application for the proposed change in the controller of AHAM and AIIMAN pursuant to the Proposed Divestment, subject to the following conditions:

- (a) no adverse findings against the proposed direct and indirect controllers; and
- (b) the Proposed Divestment shall not adversely affect the soundness of both AHAM and AIIMAN or the interests of the existing clients of AHAM Group.

The Proposed Divestment is expected to be completed by the 3rd quarter of 2022.

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

As at 30 June 2022, AHAM is part of the Investment Banking segment of the Group.

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

B6. STATUS OF CORPORATE PROPOSALS (Cont.)

- 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 ("AHIB"), a wholly-owned subsidiary of ABB ("Proposed Divestment") (Cont.)

The actual consideration to be received from the Proposed Disposal are subject to adjustments in accordance with the terms of the SPA at the closing of the Proposed Disposal. Based on the SPA, the adjustments are derived from movement in net asset value of AHAM based on an agreed reference date. The Group had accounted for the Proposed Divestment as a discontinuing operation in accordance with MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Financial information relating to the discontinuing operation is as follows:-

The Group	30/6/2022
Unaudited Statements of Financial Position	RM'000
Cash and short-term funds	350,829
Financial assets at fair value through profit or loss ("FVTPL")	104,612
Trade receivables	111,746
Derivative financial assets	253
Other assets	9,337
Amount due from related companies	2,208
Amount due from ultimate holding company	148
Tax recoverable	11,114
Deferred tax assets	14,387
Property and equipment	7,466
Intangible assets	12,705
Right-of-use ("ROU") assets	2,145
Goodwill	173,869
Non Current Asset Held for Sale	800,819
Trade payables	223,589
Lease liabilities	2,275
Amount due to related companies	27
Amount due to holding company	79
Other liabilities	271,964
Non Current Liabilities Held for Sale	497,934

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/6/2022	30/6/2021	30/6/2022	30/6/2021
Unaudited Income Statements	RM'000	RM'000	RM'000	RM'000
Interest income	723	585	1,371	1,156
Interest expense	(1,284)	(2,783)	(2,016)	(3,493)
Net interest income	(561)	(2,198)	(645)	(2,337)
Fee and commission income	112,565	178,673	234,099	420,830
Fee and commission expense	(32,886)	(65,219)	(70,799)	(218,437)
Net fee and commission income	79,679	113,454	163,300	202,393
Net gains and losses on financial instruments	(5,647)	2,985	(10,373)	2,772
Other operating income	2,106	525	2,622	2,092
Net income	75,577	114,766	154,904	204,920
Other operating expenses	(41,232)	(58,923)	(85,393)	(107,019)
Operating profit before allowances	34,345	55,843	69,511	97,901
Allowances for credit impairment losses	(40)	2	(37)	(134)
Profit before zakat and taxation	34,305	55,845	69,474	97,767
Zakat	(133)	(145)	(292)	(371)
Profit before taxation	34,172	55,700	69,182	97,396
Taxation	(5,513)	(12,502)	(13,536)	(19,090)
Net profit after zakat and taxation/ Profit from discontinuing operations	28,659	43,198	55,646	78,306

	30/6/2022	30/6/2021
	RM'000	RM'000
Net cash (used in)/generated from operating activities	(345,252)	127,023
Net cash generated from investing activities	17,196	7,670
Net cash used in financing activities	(52,411)	(102,235)
Net (decrease)/increase in cash generated by the business operation	(380,467)	32,458

The Proposed Divestment is not expected to have any effect on the earnings and earnings per share ("EPS") of the Group for the financial period ended 30 June 2022 as the Proposed Divestment is expected to be completed by the 3rd quarter of 2022.

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

B7. DEPOSITS, LEASE LIABILITIES AND BORROWINGS

	The Group		The Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
(i) <u>Deposits from Customers</u>				
<u>By Type of Deposit:</u>				
Demand Deposits	10,616,362	10,330,348	5,390,512	5,293,917
Savings Deposits	3,238,915	3,209,798	2,092,786	2,097,858
Fixed Deposits	48,021,757	42,389,800	28,209,761	24,202,589
Commodity Murabahah Deposits	966,958	1,122,215	-	-
Money Market Deposits	1,033,319	890,076	1,033,319	890,076
Negotiable Instruments of Deposits ("NID")	476,960	757,323	476,960	757,323
Others	97,285	94,844	-	-
	64,451,556	58,794,404	37,203,338	33,241,763
<u>By Maturity structure of fixed deposits, NID and others:</u>				
Due within six months	35,399,255	27,663,419	19,575,467	15,138,077
Six months to one year	11,970,649	13,890,498	7,834,094	8,703,922
One year to three years	1,224,085	1,665,795	1,275,601	1,098,211
Three years to five years	1,690	21,760	1,559	19,302
Five years and above	323	495	-	400
	48,596,002	43,241,967	28,686,721	24,959,912
<u>By Type of Customer:</u>				
Government and statutory bodies	12,019,316	11,452,139	2,544,220	2,548,186
Business enterprises	16,190,720	13,076,924	9,180,551	7,312,456
Individuals	29,599,716	27,927,505	21,732,602	20,441,760
Domestic banking institutions	591,129	766,407	590,711	766,180
Domestic non-banking financial institutions	4,556,287	4,117,877	2,043,604	1,092,798
Foreign entities	533,329	572,870	412,425	445,170
Others	961,059	880,682	699,225	635,213
	64,451,556	58,794,404	37,203,338	33,241,763
(ii) <u>Deposits and placement of banks and other financial institutions</u>				
<u>By Type of Institution:</u>				
Licensed banks	1,425,751	340,197	941,287	210,249
Licensed investment banks	495,924	521,830	407,579	407,405
Bank Negara Malaysia	9	-	9	-
Other financial institutions	1,360,080	2,004,013	485,742	1,660,069
	3,281,764	2,866,040	1,834,617	2,277,723
<u>By Maturity structure of deposits:</u>				
Due within six months	3,281,764	2,866,040	1,834,617	2,277,723
(iii) <u>Lease Liabilities</u>				
At beginning of financial period/year	36,872	50,528	29,232	31,842
Additions	4,965	21,573	3,520	20,907
Interest/Profit expense	682	1,837	518	1,210
Lease payments	(9,545)	(37,066)	(5,027)	(24,727)
Transfer to Non Current Liabilities Held for Sale	(2,275)	-	-	-
At end of the financial period/year	30,699	36,872	28,243	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.)

	The Group		The Bank	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
(iv) Borrowings				
(a) Tier-2 Subordinated Medium Term Notes ("MTN")	1,014,056	2,035,845	1,014,056	2,035,845
(b) Additional Tier-1 Capital Securities ("AT1CS")	511,918	512,236	511,918	512,236
(c) Additional Tier-1 Sukuk Wakalah ("AT1S")	303,425	303,425	-	-
(d) MTN Tier-2 Sukuk Murabahah	453,702	451,569	-	-
	2,283,101	3,303,075	1,525,974	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 2018, 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 2018, 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.

On 29 April 2022, the Plaintiff's claim was dismissed with costs. No appeal has been filed. The case is now concluded.

- 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 the equity holders of the Group and the Bank by the weighted average number of ordinary shares in issue during the financial period.

The Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30/6/2022	30/6/2021	30/6/2022	30/6/2021
<u>Continuing operations</u>				
Net profit attributable to the equity holders of the Bank (RM'000)	129,046	90,266	254,639	136,766
Weighted average number of ordinary shares in issue	2,124,062,412	2,097,646,379	2,124,062,412	2,097,646,379
Basic earnings per share (sen)	6.08	4.30	11.99	6.52
The Group				
<u>Discontinuing operations</u>				
Profit attributable to the equity holders of the Bank (RM'000)	17,862	27,682	34,955	50,119
Weighted average number of ordinary shares in issue	2,124,062,412	2,097,646,379	2,124,062,412	2,097,646,379
Basic earnings per share (sen)	0.84	1.32	1.65	2.39
The Bank				
Net profit attributable to the equity holders of the Bank (RM'000)	58,605	25,861	99,936	60,160
Weighted average number of ordinary shares in issue	2,124,062,412	2,097,646,379	2,124,062,412	2,097,646,379
Basic earnings per share (sen)	2.76	1.23	4.70	2.87

There were no dilutive potential ordinary shares outstanding as at 30 June 2022.