

**AFFIN BANK BERHAD**  
Registration No. 197501003274 (25046-T)  
**Condensed Interim Financial Statements**  
**Unaudited Statements of Financial Position as at 31 March 2023**

	Note	The Group		The Bank	
		31/3/2023 RM'000	31/12/2022 RM'000	31/3/2023 RM'000	31/12/2022 RM'000
<b>ASSETS</b>					
Cash and short-term funds		5,188,817	4,903,601	2,894,142	1,986,132
Deposits and placements with Banks and other financial institutions		200,205	301,438	-	251,389
Investment accounts due from designated financial institutions		-	-	3,114,223	2,719,680
Financial assets at fair value through profit or loss ('FVTPL')	A9	2,007,166	544,503	1,427,230	508,433
Derivative financial assets	A29	304,416	495,389	239,513	407,517
Financial investments at fair value through other comprehensive income ('FVOCI')	A10	4,707,208	3,782,504	656,040	206,993
Financial investments at amortised cost ('AC')	A11	16,422,506	16,853,101	11,847,898	12,229,974
Loans, advances and financing	A12	59,758,217	57,931,856	31,593,927	30,557,921
Trade receivables	A13	388,463	405,401	-	-
Other assets	A14	452,286	460,851	282,261	265,246
Amount due from subsidiaries		-	-	6,761	5,835
Amount due from joint ventures		1,029	455	-	-
Tax recoverable		146,286	168,480	79,331	109,350
Deferred tax assets		229,383	233,973	131,389	125,964
Statutory deposits with Bank Negara Malaysia		1,369,523	1,250,872	798,622	749,272
Investment in subsidiaries		-	-	3,203,899	3,203,899
Investment in associates		842,271	794,779	642,679	642,679
Property and equipment		1,354,105	1,306,725	1,341,016	1,293,824
Right-of-use assets		54,151	57,580	48,187	51,937
Intangible assets		625,918	629,369	179,244	183,219
<b>TOTAL ASSETS</b>		<b>94,051,950</b>	<b>90,120,877</b>	<b>58,486,362</b>	<b>55,499,264</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	B7	65,870,382	64,995,050	37,340,983	36,075,130
Investment accounts of customers		737	859	-	-
Deposits and placements of Banks and other financial institutions	B7	5,909,451	3,364,156	3,460,093	1,185,120
Obligation on securities sold under repurchase agreements		5,163,352	4,813,407	4,594,160	4,813,407
Derivative financial liabilities	A29	244,839	542,254	203,808	436,209
Bills and acceptances payable		25,204	35,471	25,204	35,471
Recourse obligation on loans/financing sold to Cagamas Berhad		1,676,518	1,073,871	1,075,160	1,073,871
Trade payables		257,249	338,867	-	-
Lease liabilities	B7	46,596	49,233	42,368	45,440
Other liabilities	A15	1,500,174	1,748,943	864,059	833,972
Amount due to subsidiaries		-	-	131,686	300,371
Provision for taxation		5	7	-	-
Borrowings and Sukuk	B7	2,536,790	2,529,931	1,006,290	1,019,197
<b>TOTAL LIABILITIES</b>		<b>83,231,297</b>	<b>79,492,049</b>	<b>48,743,811</b>	<b>45,818,188</b>

*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 2022.*

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**Condensed Interim Financial Statements**  
**Unaudited Statements of Financial Position as at 31 March 2023**

	Note	The Group		The Bank	
		31/3/2023 RM'000	31/12/2022 RM'000	31/3/2023 RM'000	31/12/2022 RM'000
<b>EQUITY</b>					
Share capital		5,245,447	5,245,447	5,245,447	5,245,447
Reserves:-					
FVOCI revaluation reserves	A16	87,651	44,806	171,039	166,472
Regulatory reserves	A16	481,103	479,799	416,620	416,620
Retained profits	A16	5,006,452	4,858,776	3,909,445	3,852,537
<b>Equity attributable to equity holders of the Bank</b>		<b>10,820,653</b>	10,628,828	<b>9,742,551</b>	9,681,076
Non-controlling interest		-	-	-	-
<b>TOTAL EQUITY</b>		<b>10,820,653</b>	10,628,828	<b>9,742,551</b>	9,681,076
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>94,051,950</b>	90,120,877	<b>58,486,362</b>	55,499,264
<b>COMMITMENTS AND CONTINGENCIES</b>	A28	<b>64,532,498</b>	56,647,807	<b>46,504,249</b>	42,276,944
<b>CAPITAL ADEQUACY RATIOS</b>	A31				
<u>With transitional arrangements</u>					
CET 1 capital ratio		14.734%	15.700%	13.645%	14.753%
Tier 1 capital ratio		16.071%	17.090%	14.952%	16.133%
Total capital ratio		18.734%	19.539%	16.338%	17.333%
CET 1 capital ratio (net of proposed dividends)		14.635%	15.597%	13.490%	14.588%
Tier 1 capital ratio (net of proposed dividends)		15.971%	16.986%	14.796%	15.968%
Total capital ratio (net of proposed dividends)		18.635%	19.435%	16.182%	17.169%
<b>Net assets per share attributable to equity holders of the Bank (RM)</b>		<b>4.76</b>	4.67	<b>4.28</b>	4.26

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

**Condensed Interim Financial Statements**

**Unaudited Income Statements for the Financial Quarter Ended 31 March 2023**

The Group	Note	Individual Quarter Ended		Cumulative Quarter Ended	
		31/3/2023 RM'000	31/3/2022 RM'000	31/3/2023 RM'000	31/3/2022 RM'000
Interest income	A17	606,115	439,726	606,115	439,726
Interest expense	A18	(372,477)	(210,610)	(372,477)	(210,610)
<b>Net interest income</b>		<b>233,638</b>	229,116	<b>233,638</b>	229,116
Income from Islamic banking business		<b>154,054</b>	148,871	<b>154,054</b>	148,871
		<b>387,692</b>	377,987	<b>387,692</b>	377,987
Fee and commission income	A19	68,860	64,031	68,860	64,031
Fee and commission expense	A19	(2,674)	(1,961)	(2,674)	(1,961)
Net fee and commission income	A19	<b>66,186</b>	62,070	<b>66,186</b>	62,070
Net gains on financial instruments	A20	15,534	11,879	15,534	11,879
Other income	A21	24,879	(2,446)	24,879	(2,446)
<b>Net income</b>		<b>494,291</b>	449,490	<b>494,291</b>	449,490
Other operating expenses	A22	(329,986)	(295,824)	(329,986)	(295,824)
<b>Operating profit before allowances</b>		<b>164,305</b>	153,666	<b>164,305</b>	153,666
Write-back of credit impairment losses	A23	13,336	201	13,336	201
Allowances for impairment losses on other assets	A24	-	(274)	-	(274)
<b>Operating profit</b>		<b>177,641</b>	153,593	<b>177,641</b>	153,593
Share of results of joint venture		-	3,841	-	3,841
Share of results of associates		18,705	8,235	18,705	8,235
<b>Profit before zakat and taxation</b>		<b>196,346</b>	165,669	<b>196,346</b>	165,669
Zakat		-	(150)	-	(150)
<b>Profit before taxation</b>		<b>196,346</b>	165,519	<b>196,346</b>	165,519
Taxation	B5	(47,366)	(39,556)	(47,366)	(39,556)
<b>Profit from continuing operations</b>		<b>148,980</b>	125,963	<b>148,980</b>	125,963
<b>Profit from discontinued operation</b>		-	26,617	-	26,617
<b>Net profit after zakat and taxation</b>		<b>148,980</b>	152,580	<b>148,980</b>	152,580
<b>Attributable to :-</b>					
Equity holders of the Bank		148,980	142,686	148,980	142,686
Non-controlling interest		-	9,894	-	9,894
		<b>111,142</b>	152,580	<b>148,980</b>	152,580
<b>Attributable to equity holders of the Bank :-</b>					
- Continuing operations		148,980	125,593	148,980	125,593
- Discontinued operations		-	17,093	-	17,093
		<b>148,980</b>	142,686	<b>148,980</b>	142,686
Basic earnings per share (sen) attributable to the equity holders of the Bank					
- Continuing operations	B10	6.55	5.92	6.55	5.92
- Discontinued operations	B10	-	0.80	-	0.80

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 2022.

**AFFIN BANK BERHAD**  
Registration No. 197501003274 (25046-T)  
**Condensed Interim Financial Statements**  
**Unaudited Statements of Comprehensive Income**  
**for the Financial Quarter Ended 31 March 2023**

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2023 RM'000	31/3/2022 RM'000	31/3/2023 RM'000	31/3/2022 RM'000
<b>The Group</b>				
<b>Profit after zakat and taxation</b>	<b>148,980</b>	152,580	<b>148,980</b>	152,580
<b>Other comprehensive income:</b>				
<u>Items that may be reclassified subsequently to profit or loss :</u>				
- Net fair value change in financial investments at FVOCI (debt instruments)	<b>45,413</b>	(32,523)	<b>45,413</b>	(32,523)
- Net credit impairment loss change in financial investments at FVOCI (debt instruments)	<b>(10)</b>	171	<b>(10)</b>	171
- Net gains on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)	<b>(379)</b>	(2,380)	<b>(379)</b>	(2,380)
- Deferred tax on financial investments at FVOCI	<b>(8,817)</b>	8,377	<b>(8,817)</b>	8,377
- Share of other comprehensive income of joint venture	-	3,180	-	3,180
- Share of other comprehensive income/(loss) of associates	<b>6,638</b>	(7,731)	<b>6,638</b>	(7,731)
<b>Other comprehensive income/(loss) for the financial period, net of tax</b>	<b>42,845</b>	(30,906)	<b>42,845</b>	(30,906)
<b>Total comprehensive income for the financial period</b>	<b>191,825</b>	121,674	<b>191,825</b>	121,674
<b>Total comprehensive income for the financial period attributable to:</b>				
- Equity holders of the Bank	<b>191,825</b>	111,780	<b>191,825</b>	111,780
- Non-controlling interest	-	9,894	-	9,894
	<b>191,825</b>	121,674	<b>191,825</b>	121,674
<b>Total comprehensive income attributable to the equity holders of the Bank:</b>				
- Continuing operations	<b>191,825</b>	94,687	<b>191,825</b>	94,687
- Discontinued operations	-	17,093	-	17,093
	<b>191,825</b>	111,780	<b>191,825</b>	111,780

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**AFFIN BANK BERHAD**  
Registration No. 197501003274 (25046-T)  
**Condensed Interim Financial Statements**  
**Unaudited Income Statements for the Financial Quarter Ended 31 March 2023**

	Note	Individual Quarter Ended		Cumulative Quarter Ended	
		31/3/2023 RM'000	31/3/2022 RM'000	31/3/2023 RM'000	31/3/2022 RM'000
<b>The Bank</b>					
Interest income	A17	545,683	403,417	545,683	403,417
Interest expense	A18	(330,208)	(191,246)	(330,208)	(191,246)
<b>Net interest income</b>		<b>215,475</b>	212,171	<b>215,475</b>	212,171
Fee and commission income	A19	44,266	35,260	44,266	35,260
Fee and commission expense	A19	(2,674)	(1,961)	(2,674)	(1,961)
Net fee and commission income	A19	41,592	33,299	41,592	33,299
Net gains on financial instruments	A20	6,797	(2,343)	6,797	(2,343)
Other income	A21	26,611	(4,075)	26,611	(4,075)
<b>Net income</b>		<b>290,475</b>	239,052	<b>290,475</b>	239,052
Other operating expenses	A22	(224,910)	(185,518)	(224,910)	(185,518)
<b>Operating profit before allowances</b>		<b>65,565</b>	53,534	<b>65,565</b>	53,534
Write-back of credit impairment losses	A23	13,469	1,123	13,469	1,123
<b>Profit before zakat and taxation</b>		<b>79,034</b>	54,657	<b>79,034</b>	54,657
Zakat		-	-	-	-
<b>Profit before taxation</b>		<b>79,034</b>	54,657	<b>79,034</b>	54,657
Taxation	B5	(22,126)	(13,326)	(22,126)	(13,326)
<b>Net profit after zakat and taxation</b>		<b>56,908</b>	41,331	<b>56,908</b>	41,331
Earnings per share (sen) attributable to the equity holders of the Bank					
- basic	B10	2.50	1.95	2.50	1.95

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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 31 March 2023**

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2023 RM'000	31/3/2022 RM'000	31/3/2023 RM'000	31/3/2022 RM'000
<b>The Bank</b>				
<b>Profit after zakat and taxation</b>	<b>56,908</b>	41,331	<b>56,908</b>	41,331
<b>Other comprehensive income:</b>				
<u>Items that may be reclassified subsequently to profit or loss :</u>				
- Net fair value change in financial investments at FVOCI (debt instruments)	<b>3,604</b>	-	<b>3,604</b>	-
- Net credit impairment loss change in financial investments at FVOCI (debt instruments)	<b>98</b>	-	<b>98</b>	-
- Deferred tax on financial investments at FVOCI	<b>865</b>	-	<b>865</b>	-
<b>Other comprehensive income for the financial period, net of tax</b>	<b>4,567</b>	-	<b>4,567</b>	-
<b>Total comprehensive income for the financial period</b>	<b>61,475</b>	41,331	<b>61,475</b>	41,331

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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 31 March 2023**

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

<b>The Group</b>	<b>Share capital RM'000</b>	<b>FVOCI revaluation reserves RM'000</b>	<b>Regulatory reserves RM'000</b>	<b>Retained profits RM'000</b>	<b>Total shareholders' equity RM'000</b>	<b>Non- controlling interest RM'000</b>	<b>Total equity RM'000</b>
<b>At 1 January 2023</b>	5,245,447	44,806	479,799	4,858,776	10,628,828	-	10,628,828
Net profit for the financial period	-	-	-	148,980	148,980	-	148,980
Other comprehensive income (net of tax) :							
- Financial investments at FVOCI	-	36,207	-	-	36,207	-	36,207
- Share of other comprehensive income of associates	-	6,638	-	-	6,638	-	6,638
Total comprehensive income for the financial period	-	42,845	-	148,980	191,825	-	191,825
Transfer to regulatory reserves	-	-	1,304	(1,304)	-	-	-
<b>At 31 March 2023</b>	<b>5,245,447</b>	<b>87,651</b>	<b>481,103</b>	<b>5,006,452</b>	<b>10,820,653</b>	<b>-</b>	<b>10,820,653</b>

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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 31 March 2023**

<----- 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	-	-	-	-	-	142,686	142,686	9,894	152,580
Other comprehensive income (net of tax) :									
- Financial investments at FVOCI	-	(26,355)	-	-	-	-	(26,355)	-	(26,355)
- Share of other comprehensive income of joint venture	-	3,180	-	-	-	-	3,180	-	3,180
- Share of other comprehensive loss of an associate	-	(7,731)	-	-	-	-	(7,731)	-	(7,731)
Total comprehensive income for the financial period	-	(30,906)	-	-	-	142,686	111,780	9,894	121,674
Obligation to buy subsidiary's shares from non-controlling interest	-	-	-	-	(177)	-	(177)	(105)	(282)
Transfer from regulatory reserves	-	-	(33,179)	-	-	33,179	-	-	-
At 31 March 2022	4,969,150	59,567	721,424	39	(88,914)	4,339,307	10,000,573	54,474	10,055,047

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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 31 March 2023**

	<-----Non-distributable----->		< Distributable >		
<b>The Bank</b>	<b>Share capital</b>	<b>FVOCI revaluation reserves</b>	<b>Regulatory reserves</b>	<b>Retained profits</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2023</b>	<b>5,245,447</b>	<b>166,472</b>	<b>416,620</b>	<b>3,852,537</b>	<b>9,681,076</b>
Net profit for the financial period	-	-	-	<b>56,908</b>	<b>56,908</b>
Other comprehensive income (net of tax) :					
- Financial investments at FVOCI	-	<b>4,567</b>	-	-	<b>4,567</b>
Total comprehensive income for the financial period	-	<b>4,567</b>	-	<b>56,908</b>	<b>61,475</b>
<b>At 31 March 2023</b>	<b>5,245,447</b>	<b>171,039</b>	<b>416,620</b>	<b>3,909,445</b>	<b>9,742,551</b>
At 1 January 2022	4,969,150	157,267	636,095	3,119,461	8,881,973
Net profit for the financial period	-	-	-	41,331	41,331
Total comprehensive income for the financial period	-	-	-	41,331	41,331
Transfer from regulatory reserves	-	-	(9,933)	9,933	-
At 31 March 2022	4,969,150	157,267	626,162	3,170,725	8,923,304

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**AFFIN BANK BERHAD**  
Registration No. 197501003274 (25046-T)  
**Unaudited Condensed Consolidated Statements of Cash Flows**  
**for the Financial Quarter Ended 31 March 2023**

	<b>The Group</b>		<b>The Bank</b>	
	<b>31/3/2023</b>	<b>31/3/2022</b>	<b>31/3/2023</b>	<b>31/3/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation :-				
- Continuing operations	<b>196,346</b>	173,542	<b>79,034</b>	54,657
- Discontinued operations	-	26,617	-	-
	<b>196,346</b>	200,159	<b>79,034</b>	54,657
Adjustments for items not involving the movement of cash and cash equivalents	<b>(171,402)</b>	(47,119)	<b>(139,317)</b>	(37,856)
Operating profit before changes in working capital	<b>24,944</b>	153,040	<b>(60,283)</b>	16,801
Net changes in operating assets	<b>(4,630,130)</b>	(2,351,605)	<b>(2,390,551)</b>	(568,150)
Net changes in operating liabilities	<b>3,379,057</b>	5,322,462	<b>3,440,292</b>	2,460,663
Tax and zakat paid	<b>(60,808)</b>	(66,793)	<b>(54,673)</b>	(23,167)
Net cash (used in)/generated from operating activities	<b>(1,286,937)</b>	3,057,104	<b>934,785</b>	1,886,147
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received :				
- financial investments at FVOCI	<b>31,920</b>	28,715	<b>(2,351)</b>	-
- financial investments at AC	<b>110,215</b>	67,422	<b>103,358</b>	72,428
Dividend income :				
- financial assets at FVTPL	<b>131</b>	684	-	-
- financial investments at FVOCI	<b>570</b>	-	-	-
- subsidiaries	-	-	<b>1,295</b>	-
Net purchase/redemption of :				
- financial investments at FVOCI	<b>(248,681)</b>	(86,304)	<b>(440,332)</b>	-
- financial investments at AC	<b>1,182,249</b>	(3,789,454)	<b>377,792</b>	(2,709,146)
Purchase of :				
- property and equipment	<b>(57,007)</b>	(88,672)	<b>(55,501)</b>	(87,983)
- intangible assets	<b>(2,044)</b>	(1,054)	<b>(1,265)</b>	(265)
Proceeds from disposal of :				
- property and equipment	<b>1</b>	194	-	-
Net cash generated from/(used in) investing activities	<b>1,017,354</b>	(3,868,469)	<b>(17,004)</b>	(2,724,966)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	-	(1,000,000)	-	(1,000,000)
Interest payment on borrowings	<b>(23,764)</b>	(70,235)	<b>(23,372)</b>	(66,955)
Addition to recourse obligation on loans/financing sold to Cagamas Berhad	<b>593,198</b>	450,001	-	450,001
Lease payments	<b>(53,684)</b>	(4,844)	<b>(51,991)</b>	(2,504)
Net cash generated from/(used in) financing activities	<b>515,750</b>	(625,078)	<b>(75,363)</b>	(619,458)
Net increase/(decrease) in cash and cash equivalents	<b>246,167</b>	(1,436,443)	<b>842,418</b>	(1,458,277)
Effects of foreign exchange	<b>73,713</b>	21,755	<b>65,592</b>	17,100
Cash and cash equivalents at beginning of the financial period	<b>5,005,328</b>	7,422,090	<b>1,986,132</b>	3,623,616
Cash and cash equivalents at end of the financial period	<b>5,325,208</b>	6,007,402	<b>2,894,142</b>	2,182,439
<b>Cash and cash equivalents comprise the following :</b>				
Cash and short-term funds	<b>5,188,817</b>	5,625,022	<b>2,894,142</b>	1,730,876
Deposits and placements of banks and other financial institutions	<b>200,205</b>	451,563	-	451,563
	<b>5,389,022</b>	6,076,585	<b>2,894,142</b>	2,182,439
Less : - Amount held on behalf of commissioned dealer's representatives	<b>(63,814)</b>	(69,183)	-	-
	<b>5,325,208</b>	6,007,402	<b>2,894,142</b>	2,182,439

*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 2022.*

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

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**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 2022. 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 2022.

**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 financial year ended 31 December 2022, 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 2023:

- Amendments on disclosure of accounting policies (Amendments to MFRS 101 'Presentation of Financial Statements' and MFRS Practice Statement 2). The amendments to MFRS 101 require companies to disclose material accounting policies rather than significant accounting policies. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosures on MFRS applications. The amendment explains an accounting policy is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Also, accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Accordingly, immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. MFRS Practice Statement 2 was amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.
- Amendments on definition of accounting estimates (Amendments to MFRS 108 'Accounting Policies'). The amendments to MFRS 108, redefined accounting estimates as 'monetary amounts in financial statements that are subject to measurement uncertainty'. To distinguish from changes in accounting policies, the amendments clarify that effects of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate, if they do not arise from prior period errors. Examples of accounting estimates include expected credit losses; net realisable value of inventory; fair value of an asset or liability; depreciation for property, plant and equipment; and provision for warranty obligations.

**A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the audited financial statements for the financial year ended 31 December 2022 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**

Except for item disclosed on Note B6, 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.

**A8. DIVIDENDS PAID AND PROPOSED**

No dividend has been paid and proposed for the quarter under review.

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

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

At fair value	The Group		The Bank	
	31/3/2023 RM'000	31/12/2022 RM'000	31/3/2023 RM'000	31/12/2022 RM'000
<u>Money market instruments</u>				
Malaysian Government Investment Issues	101,408	-	30,426	-
Malaysian Government Treasury Bills	662,318	99,589	288,038	99,589
Cagamas Bonds/Sukuk	100,296	50,293	50,246	50,293
Negotiable Instruments of Deposit	832,542	233,043	832,542	233,043
	<b>1,696,564</b>	<b>382,925</b>	<b>1,201,252</b>	<b>382,925</b>
<u>Quoted securities:</u>				
Shares, warrants and REITs in Malaysia	53,260	34,631	-	-
Shares, warrants and REITs outside Malaysia	174	230	-	-
Unit Trusts in Malaysia	1,221	1,207	-	-
	<b>54,655</b>	<b>36,068</b>	<b>-</b>	<b>-</b>
<u>Unquoted securities:</u>				
Shares in Malaysia	140,364	110,395	110,395	110,395
Corporate Bonds/Sukuk in Malaysia	115,583	15,115	115,583	15,113
	<b>255,947</b>	<b>125,510</b>	<b>225,978</b>	<b>125,508</b>
	<b>2,007,166</b>	<b>544,503</b>	<b>1,427,230</b>	<b>508,433</b>

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

At fair value	The Group		The Bank	
	31/3/2023 RM'000	31/12/2022 RM'000	31/3/2023 RM'000	31/12/2022 RM'000
<u>Money market instruments:</u>				
Malaysian Government Securities	1,090,856	797,643	144,027	-
Malaysian Government Investment Issues	1,325,660	1,090,216	41,582	-
Cagamas Bonds/Sukuk	124,828	124,487	-	-
Khazanah Bonds/Sukuk	9,885	9,797	-	-
	<b>2,551,229</b>	<b>2,022,143</b>	<b>185,609</b>	<b>-</b>
<u>Unquoted securities:</u>				
Shares in Malaysia *	230,916	230,918	206,993	206,993
Corporate bonds/Sukuk in Malaysia #	1,819,459	1,529,443	157,933	-
Corporate Bonds/Sukuk outside Malaysia	105,604	-	105,505	-
	<b>2,155,979</b>	<b>1,760,361</b>	<b>470,431</b>	<b>206,993</b>
	<b>4,707,208</b>	<b>3,782,504</b>	<b>656,040</b>	<b>206,993</b>

\* 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.)**

**Debt instruments at FVOCI**

**Movements in expected credit losses for financial investments at FVOCI are as follows:**

	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
<b>The Group</b>				
<b>31/3/2023</b>				
At beginning of the financial period	817	18,125	-	18,942
Financial assets derecognised (other than write-off)	(21)	-	-	(21)
New financial assets purchased	521	-	-	521
Changes due to change in credit risk	(509)	-	-	(509)
Other adjustments				
- Foreign exchange and other movements	1	-	-	1
<b>At end of the financial period</b>	<b>809</b>	<b>18,125</b>	<b>-</b>	<b>18,934</b>
31/12/2022				
At beginning of the financial year	252	18,856	-	19,108
Financial assets derecognised (other than write-off)	(12)	(731)	-	(743)
New financial assets purchased	204	-	-	204
Changes due to change in credit risk	373	-	-	373
At end of the financial year	817	18,125	-	18,942

	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
<b>The Bank</b>				
<b>31/3/2023</b>				
At beginning of the financial period	-	-	-	-
Financial assets derecognised (other than write-off)	(8)	-	-	(8)
New financial assets purchased	224	-	-	224
Changes due to change in credit risk	(117)	-	-	(117)
Other adjustments				
- Foreign exchange and other movements	(1)	-	-	(1)
<b>At end of the financial period</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>98</b>
31/12/2022				
At beginning/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	
	31/3/2023 RM'000	31/12/2022 RM'000	31/3/2023 RM'000	31/12/2022 RM'000
<u>At amortised cost</u>				
Malaysian Government Treasury Bills	-	49,822	-	-
Malaysian Government Securities	3,648,715	3,635,264	3,581,245	3,568,139
Malaysian Government Investment Issues	5,732,030	5,742,314	3,074,739	3,077,857
Cagamas Bonds/Sukuk	262,186	272,271	181,905	181,624
Bank Negara Malaysia Sukuk	10,325	10,139	-	-
Negotiable Instruments of Deposit and Islamic Debt Certificates	455,087	-	455,087	754,595
	<b>10,108,343</b>	<b>9,709,810</b>	<b>7,292,976</b>	<b>7,582,215</b>
<u>Unquoted securities:</u>				
Shares in Malaysia	14,915	14,915	14,915	14,915
Corporate Bonds/Sukuk in Malaysia	5,841,514	6,715,837	4,089,829	4,227,952
Corporate Bonds/Sukuk outside Malaysia	526,787	481,153	511,968	466,137
Loan stock in Malaysia	8,347	15,560	-	-
	<b>6,391,563</b>	<b>7,227,465</b>	<b>4,616,712</b>	<b>4,709,004</b>
	<b>16,499,906</b>	<b>16,937,275</b>	<b>11,909,688</b>	<b>12,291,219</b>
Fair value changes arising from fair value hedges	(2,159)	(2,893)	(2,159)	(2,893)
	<b>16,497,747</b>	<b>16,934,382</b>	<b>11,907,529</b>	<b>12,288,326</b>
Less: ECL	(75,241)	(81,281)	(59,631)	(58,352)
	<b>16,422,506</b>	<b>16,853,101</b>	<b>11,847,898</b>	<b>12,229,974</b>

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		
<b>31/3/2023</b>					
<b>The Group</b>					
At beginning of the financial period	9,985	55,736	15,560		81,281
Financial assets derecognised (other than write-off)	(913)	-	(5,692)		(6,605)
New financial assets purchased	169	-	-		169
Changes due to change in credit risk	1,916	-	(1,521)		395
Other adjustments :					
- Foreign exchange and other movements	1	-	-		1
At end of the financial period	<b>11,158</b>	<b>55,736</b>	<b>8,347</b>		<b>75,241</b>
<b>The Bank</b>					
At beginning of the financial period	2,616	55,736	-		58,352
Net remeasurement of loss allowance	1,673	-	-		1,673
Financial assets derecognised (other than write-off)	(468)	-	-		(468)
New financial assets purchased	73	-	-		73
Other adjustments :					
- Foreign exchange and other movements	1	-	-		1
At end of the financial period	<b>3,895</b>	<b>55,736</b>	<b>-</b>		<b>59,631</b>
<b>31/12/2022</b>					
<b>The Group</b>					
At beginning of the financial year	5,099	83,426	15,000		103,525
Financial assets derecognised (other than write-off)	(607)	-	-		(607)
New financial assets purchased	2,725	-	-		2,725
Changes due to change in credit risk	2,748	(27,690)	-		(24,942)
Other adjustments :					
- Foreign exchange and other movements	20	-	560		580
At end of the financial year	<b>9,985</b>	<b>55,736</b>	<b>15,560</b>		<b>81,281</b>
<b>The Bank</b>					
At beginning of the financial year	1,426	83,426	-		84,852
Financial assets derecognised (other than write-off)	(402)	-	-		(402)
New financial assets purchased	1,707	-	-		1,707
Changes due to change in credit risk	(134)	(27,690)	-		(27,824)
Other adjustments :					
- Foreign exchange and other movements	19	-	-		19
At end of the financial year	<b>2,616</b>	<b>55,736</b>	<b>-</b>		<b>58,352</b>

**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) <b>BY TYPE</b>	<b>The Group</b>		<b>The Bank</b>	
	<b>31/3/2023</b>	<b>31/12/2022</b>	<b>31/3/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Overdrafts	<b>2,178,509</b>	2,101,930	<b>1,504,921</b>	1,401,411
Term loans/financing:				
- Housing loans/financing	<b>17,930,914</b>	17,070,281	<b>8,317,188</b>	7,741,034
- Hire purchase receivables	<b>13,675,520</b>	13,142,578	<b>8,322,396</b>	7,952,640
- Syndicated financing	<b>2,083,047</b>	1,806,320	<b>548,365</b>	539,422
- Other term loans/financing	<b>16,412,848</b>	16,242,173	<b>8,430,705</b>	8,436,896
Bills receivables	<b>564,538</b>	524,475	<b>449,623</b>	373,227
Trust receipts	<b>243,646</b>	118,989	<b>230,136</b>	105,019
Claims on customers under acceptances credits	<b>2,800,391</b>	2,674,388	<b>1,867,550</b>	1,887,330
Staff loans/financing (of which RM Nil to Directors)	<b>214,852</b>	215,411	<b>92,071</b>	92,774
Credit cards	<b>373,544</b>	366,556	<b>309,817</b>	305,699
Revolving credits	<b>3,355,057</b>	3,883,788	<b>2,398,900</b>	2,613,435
Margin financing	<b>1,331,167</b>	1,195,788	-	-
<b>Gross loans, advances and financing</b>	<b>61,164,033</b>	59,342,677	<b>32,471,672</b>	31,448,887
Less: ECL	<b>(1,405,816)</b>	(1,410,821)	<b>(877,745)</b>	(890,966)
<b>Total net loans, advances and financing</b>	<b>59,758,217</b>	57,931,856	<b>31,593,927</b>	30,557,921

Included in the Group's other term loans/financing before expected credit losses as at reporting date is RM57.4 million (2022: RM57.4 million) of term financing disbursed by AFFIN Islamic to joint venture AFFIN-i Nadayu Sdn Bhd.

(b) <b>BY MATURITY STRUCTURE</b>	<b>The Group</b>		<b>The Bank</b>	
	<b>31/3/2023</b>	<b>31/12/2022</b>	<b>31/3/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Maturing within one year	<b>7,695,642</b>	11,388,930	<b>4,580,009</b>	6,885,471
One year to three years	<b>5,334,901</b>	3,910,370	<b>3,225,785</b>	2,378,538
Three years to five years	<b>6,353,824</b>	5,750,025	<b>4,297,133</b>	3,915,002
Over five years	<b>41,779,666</b>	38,293,352	<b>20,368,745</b>	18,269,876
	<b>61,164,033</b>	59,342,677	<b>32,471,672</b>	31,448,887

(c) **BY TYPE OF CUSTOMER**

	<b>The Group</b>		<b>The Bank</b>	
	<b>31/3/2023</b>	<b>31/12/2022</b>	<b>31/3/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Domestic banking institutions	<b>18,022</b>	10,452	<b>18,022</b>	10,452
Domestic non-banking institutions:				
- Others	<b>544,802</b>	534,770	<b>168,151</b>	165,925
Domestic business enterprises:				
- Small medium enterprises	<b>10,554,030</b>	10,288,102	<b>7,702,649</b>	7,466,478
- Others	<b>13,176,736</b>	13,339,035	<b>7,980,838</b>	8,121,386
Government and statutory bodies	<b>763,129</b>	795,660	<b>1,594</b>	6,444
Individuals	<b>35,472,398</b>	33,848,784	<b>16,127,847</b>	15,303,577
Other domestic entities	<b>822</b>	862	<b>686</b>	707
Foreign entities	<b>634,094</b>	525,012	<b>471,885</b>	373,918
	<b>61,164,033</b>	59,342,677	<b>32,471,672</b>	31,448,887

**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.)**

	<b>The Group</b>		<b>The Bank</b>	
	<b>31/3/2023</b>	<b>31/12/2022</b>	<b>31/3/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(d) <u>BY INTEREST / PROFIT RATE SENSITIVITY</u></b>				
Fixed rate:				
- Housing loans/financing	203,201	204,381	155,402	157,077
- Hire purchase receivables	13,673,213	13,143,921	8,320,293	7,952,640
- Other fixed rate loans/financing	1,455,562	1,472,212	477,528	474,818
Variable rate:				
- Base lending rate and base rate plus	35,767,794	29,245,941	18,249,223	14,404,061
- Cost plus	10,034,677	10,257,940	5,269,226	5,484,204
- Other variable rates	29,586	5,018,282	-	2,976,087
	<b>61,164,033</b>	<b>59,342,677</b>	<b>32,471,672</b>	<b>31,448,887</b>
<b>(e) <u>BY ECONOMIC SECTOR</u></b>				
Primary agriculture	1,493,697	1,365,361	684,361	658,238
Mining and quarrying	220,082	226,642	85,931	78,390
Manufacturing	4,023,657	3,986,495	2,733,294	2,721,219
Electricity, gas and water supply	541,394	524,815	89,813	75,821
Construction	1,924,051	1,886,093	950,496	904,683
Real estate	5,132,824	5,319,183	3,693,746	3,832,281
Wholesale, retail trade, hotels and restaurants	5,729,936	5,514,688	4,388,797	4,208,002
Transport, storage and communication	2,329,492	2,049,447	1,474,548	1,450,534
Finance, insurance and business services	2,135,406	2,304,699	1,436,065	1,384,783
Education, health and others	2,014,669	2,180,709	713,563	747,224
Household	35,618,718	33,984,433	16,220,951	15,387,600
Others	107	112	107	112
	<b>61,164,033</b>	<b>59,342,677</b>	<b>32,471,672</b>	<b>31,448,887</b>
<b>(f) <u>BY ECONOMIC PURPOSE</u></b>				
Purchase of securities	2,659,996	2,617,025	317,707	365,490
Purchase of transport vehicles	14,288,454	13,711,407	8,634,026	8,275,966
Purchase of landed properties of which:				
- Residential	18,260,539	17,403,630	8,466,354	7,891,028
- Non-residential	6,668,461	6,617,393	4,289,573	4,244,458
Fixed assets other than land and building	525,621	546,492	232,508	250,740
Personal use	3,002,976	2,743,248	636,228	625,008
Credit card	373,544	366,556	309,817	305,699
Consumer durable	306	334	3	4
Construction	2,266,625	2,261,816	1,309,829	1,321,128
Merger and acquisition	76,221	77,588	54,688	56,052
Working capital	11,401,622	11,320,779	7,332,419	7,273,936
Others	1,639,668	1,676,409	888,520	839,378
	<b>61,164,033</b>	<b>59,342,677</b>	<b>32,471,672</b>	<b>31,448,887</b>

**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.)**

	<b>The Group</b>		<b>The Bank</b>	
	<b>31/3/2023</b>	<b>31/12/2022</b>	<b>31/3/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(g) <u>BY GEOGRAPHICAL DISTRIBUTION</u></b>				
Perlis	127,150	127,996	21,981	22,862
Kedah	1,846,969	1,770,004	630,193	589,872
Pulau Pinang	3,781,653	3,597,189	2,215,775	2,159,262
Perak	1,698,453	1,674,743	838,953	848,537
Selangor	19,338,760	19,085,253	10,210,602	10,043,686
Wilayah Persekutuan	13,776,282	13,296,991	7,253,881	6,971,473
Negeri Sembilan	2,038,960	1,973,865	691,029	664,273
Melaka	1,160,743	1,121,516	682,554	664,916
Johor	8,334,994	7,985,757	5,048,961	4,786,541
Pahang	1,909,096	1,858,859	898,195	871,519
Terengganu	1,125,100	1,098,455	194,807	196,242
Kelantan	670,399	627,189	44,543	43,859
Sarawak	2,610,987	2,518,818	1,829,784	1,818,402
Sabah	2,389,162	2,340,854	1,570,304	1,520,315
Labuan	58,471	47,548	43,342	29,497
Outside Malaysia	296,854	217,640	296,768	217,631
	<b>61,164,033</b>	<b>59,342,677</b>	<b>32,471,672</b>	<b>31,448,887</b>
<b>(h) <u>IMPAIRED LOANS, ADVANCES AND FINANCING</u></b>				
<b>(i) <u>Movements of impaired loans, advances and financing</u></b>				
At beginning of the financial period/year	1,171,181	1,305,953	735,434	841,839
Classified as impaired	349,683	511,707	278,913	273,510
Reclassified as non-impaired	(272,327)	(293,450)	(217,392)	(150,186)
Amount recovered	(35,708)	(314,298)	(26,826)	(206,984)
Amount written-off	(13,001)	(122,762)	(8,375)	(84,431)
Other movements	818	84,031	-	61,686
At end of the financial period/year	<b>1,200,646</b>	<b>1,171,181</b>	<b>761,754</b>	<b>735,434</b>
Ratio of gross impaired loans, advances and financing to gross loans, advances and financing (*)	<b>1.96%</b>	1.97%	<b>2.54%</b>	2.58%

(\*) For the Bank, RIA included in the ratio calculation amounting to RM3,139.0 million (2022: RM2,723.1 million) with impaired financing amounting to RM142.5 million (2022: RM145.6 million).

The outstanding contractual amounts of such assets written-off during the financial quarter amounting to RM13.0 million (2022: RM122.8 million) for the Group and RM8.4 million (2022: RM84.4 million) for the Bank respectively.

**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.)**

	<b>The Group</b>		<b>The Bank</b>	
	<b>31/3/2023</b>	<b>31/12/2022</b>	<b>31/3/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(ii) <u>Impaired loans by economic sector</u></b>				
Primary agriculture	19,674	18,955	19,211	18,657
Mining and quarrying	30,586	27,531	9,658	6,907
Manufacturing	48,535	49,997	40,632	41,763
Construction	157,230	99,804	102,971	46,338
Real estate	268,002	133,373	193,358	58,692
Wholesale, retail trade, hotels and restaurants	77,481	74,697	70,183	68,622
Transport, storage and communication	298,859	316,154	153,635	157,203
Finance, insurance and business services	24,654	24,251	20,666	20,731
Education, health and others	13,083	195,051	12,219	194,224
Household	262,542	231,368	139,221	122,297
	<b>1,200,646</b>	<b>1,171,181</b>	<b>761,754</b>	<b>735,434</b>
<b>(iii) <u>Impaired loans by economic purpose</u></b>				
Purchase of securities	21,859	22,443	33	35
Purchase of transport vehicles	344,074	356,931	174,798	177,182
Purchase of landed properties of which:				
- Residential	212,248	157,364	119,116	79,071
- Non-residential	213,435	258,512	143,903	186,299
Fixed assets other than land and building	31	1,956	31	1,956
Personal use	16,952	16,360	8,272	7,390
Credit card	3,519	2,104	3,011	1,909
Consumer durable	3	3	3	3
Construction	129,811	160,153	129,811	160,153
Working capital	248,035	185,038	178,252	117,270
Others	10,679	10,317	4,524	4,166
	<b>1,200,646</b>	<b>1,171,181</b>	<b>761,754</b>	<b>735,434</b>
<b>(iv) <u>Impaired loans by geographical distribution</u></b>				
Perlis	3,588	3,572	70	81
Kedah	54,002	52,952	41,694	41,498
Pulau Pinang	55,874	56,812	48,875	47,091
Perak	11,559	10,651	6,745	5,569
Selangor	260,513	243,513	155,209	147,135
Wilayah Persekutuan	276,381	82,190	242,919	51,821
Negeri Sembilan	25,615	23,389	13,756	15,096
Melaka	31,019	38,930	22,974	20,520
Johor	83,303	258,135	27,040	203,596
Pahang	27,323	25,127	24,710	23,096
Terengganu	286,751	292,567	141,587	144,800
Kelantan	2,591	2,969	694	591
Sarawak	68,600	68,205	23,199	23,674
Sabah	13,518	12,135	12,273	10,832
Outside Malaysia	9	34	9	34
	<b>1,200,646</b>	<b>1,171,181</b>	<b>761,754</b>	<b>735,434</b>

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**A12. LOANS, ADVANCES AND FINANCING (Cont.)**

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

The Group 31/3/2023	12-Month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
At beginning of the financial period	211,373	778,214	421,234	1,410,821
Total transfer between stages due to change in credit risk:	(168,954)	187,352	(18,398)	-
- Transfer to 12-month ECL (Stage 1)	13,048	(10,742)	(2,306)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(181,886)	215,214	(33,328)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(116)	(17,120)	17,236	-
Loans/financing derecognised (other than write-off)	(19,359)	(6,238)	(7,788)	(33,385)
New loans/financing originated or purchased	200,887	-	-	200,887
Changes due to change in credit risk	(43,837)	(162,549)	44,856	(161,530)
Write-off	-	-	(11,840)	(11,840)
Other adjustments	-	45	818	863
<b>At end of the financial period</b>	<b>180,110</b>	<b>796,824</b>	<b>428,882</b>	<b>1,405,816</b>

The Group 31/12/2022	12-Month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
At beginning of the financial year	237,148	314,020	338,104	889,272
Total transfer between stages due to change in credit risk:	38,317	29,274	(67,591)	-
- Transfer to 12-month ECL (Stage 1)	89,510	(80,338)	(9,172)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(51,146)	127,435	(76,289)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(47)	(17,823)	17,870	-
Loans/financing derecognised (other than write-off)	(64,117)	(31,143)	(21,636)	(116,896)
New loans/financing originated or purchased	112,914	-	-	112,914
Changes due to change in credit risk	(112,981)	465,820	172,723	525,562
Write-off	-	-	(84,397)	(84,397)
Other adjustments	92	243	84,031	84,366
<b>At end of the financial year</b>	<b>211,373</b>	<b>778,214</b>	<b>421,234</b>	<b>1,410,821</b>

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**A12. LOANS, ADVANCES AND FINANCING (Cont.)**

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

<b>The Bank</b>	<b>12-Month ECL</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
		<b>not credit impaired</b>	<b>credit impaired</b>	
<b>31/3/2023</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At beginning of the financial period	144,574	448,993	297,399	890,966
Total transfer between stages due to change in credit risk:	2,031	900	(2,931)	-
- Transfer to 12-month ECL (Stage 1)	8,859	(7,447)	(1,412)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(6,812)	24,226	(17,414)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(16)	(15,879)	15,895	-
Loans/financing derecognised (other than write-off)	(10,896)	(4,733)	(6,976)	(22,605)
New loans/financing originated or purchased	16,579	-	-	16,579
Changes due to change in credit risk	(27,774)	(1,606)	30,030	650
Write-off	-	-	(7,890)	(7,890)
Other adjustments	-	45	-	45
<b>At end of the financial period</b>	<b>124,514</b>	<b>443,599</b>	<b>309,632</b>	<b>877,745</b>

<b>The Bank</b>	<b>12-Month ECL</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
		<b>not credit impaired</b>	<b>credit impaired</b>	
<b>31/12/2022</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At beginning of the financial year	163,175	214,857	251,437	629,469
Total transfer between stages due to change in credit risk:	19,470	11,686	(31,156)	-
- Transfer to 12-month ECL (Stage 1)	50,931	(47,132)	(3,799)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(31,456)	72,179	(40,723)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(5)	(13,361)	13,366	-
Loans/financing derecognised (other than write-off)	(29,825)	(18,162)	(13,586)	(61,573)
New loans/financing originated or purchased	57,436	-	-	57,436
Changes due to change in credit risk	(65,768)	240,369	81,725	256,326
Write-off	-	-	(52,707)	(52,707)
Other adjustments	86	243	61,686	62,015
<b>At end of the financial year</b>	<b>144,574</b>	<b>448,993</b>	<b>297,399</b>	<b>890,966</b>

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**A13. TRADE RECEIVABLES**

	<b>The Group</b>	
	<b>31/3/2023</b>	31/12/2022
	<b>RM'000</b>	RM'000
Amount due from stock-broking clients:		
- performing accounts	<b>263,900</b>	376,714
- impaired accounts (i)	<b>450</b>	941
Amount due from brokers	<b>64,351</b>	28,502
Management fees receivable on fund management	<b>60,177</b>	-
	<b>388,878</b>	406,157
Less: ECL (ii)	<b>(415)</b>	(756)
	<b>388,463</b>	405,401
<b>(i) Movements of impaired trade receivables</b>		
At beginning of the financial period/year	<b>941</b>	942
Classified as impaired	<b>365</b>	1,504
Amount written-back	<b>(856)</b>	(1,505)
At end of the financial period/year	<b>450</b>	941
<b>(ii) Movements in ECL in trade receivables</b>		
At beginning of the financial period/year	<b>756</b>	1,533
Allowance made	<b>274</b>	3,094
Amount written-back	<b>(615)</b>	(3,601)
Disposal of a subsidiary	<b>-</b>	(270)
At end of the financial period/year	<b>415</b>	756

**A14. OTHER ASSETS**

	<b>The Group</b>		<b>The Bank</b>	
	<b>31/3/2023</b>	31/12/2022	<b>31/3/2023</b>	31/12/2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Other debtors	<b>290,215</b>	274,519	<b>171,299</b>	175,261
Prepayments and deposits	<b>111,957</b>	99,453	<b>81,851</b>	75,275
Cheque clearing accounts	<b>31,213</b>	67,678	<b>20,626</b>	6,225
Foreclosed properties (i)	<b>23,950</b>	23,950	<b>8,485</b>	8,485
	<b>457,335</b>	465,600	<b>282,261</b>	265,246
Less: ECL (ii)	<b>(5,049)</b>	(4,749)	<b>-</b>	-
	<b>452,286</b>	460,851	<b>282,261</b>	265,246
<b>(i) Foreclosed properties</b>				
At beginning of the financial period/year	<b>23,950</b>	13,358	<b>8,485</b>	8,485
Purchased	<b>-</b>	13,240	<b>-</b>	-
Diminution in value	<b>-</b>	(2,648)	<b>-</b>	-
At end of the financial period/year	<b>23,950</b>	23,950	<b>8,485</b>	8,485
<b>(ii) Movements in ECL</b>				
At beginning of the financial period/year			<b>4,749</b>	4,039
Allowance made			<b>1,148</b>	2,417
Amount written-back			<b>(848)</b>	(1,707)
At end of the financial period/year			<b>5,049</b>	4,749

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**A15. OTHER LIABILITIES**

	The Group		The Bank	
	31/3/2023 RM'000	31/12/2022 RM'000	31/3/2023 RM'000	31/12/2022 RM'000
BNM and CGC Funding programmes (a)	246,974	245,602	229,035	227,297
Margin and collateral deposits	123,724	122,545	103,219	102,946
Other creditors and accruals	176,346	164,622	98,141	84,038
Sundry creditors	459,201	308,594	247,593	233,550
Clearing accounts	-	451,311	-	-
Treasury and cheque clearing accounts	-	22,525	-	22,525
Provision for zakat	3,697	3,474	434	190
Defined contribution plan (b)	45,493	31,552	43,724	30,210
Accrued employee benefits	148,267	139,849	114,612	103,084
Unearned income	19,558	20,716	14,643	15,584
Commissioned dealer's representatives trust balances	63,814	64,495	-	-
Securities borrowings and lending - borrow	102,950	71,962	-	-
Amounts payable to commissioned and salaried dealer's representatives	59,528	62,788	-	-
Structured Warrants	13,468	-	-	-
Add : ECL (c)				
- loan/financing commitments and financial guarantees	37,154	38,908	12,658	14,548
	<b>1,500,174</b>	<b>1,748,943</b>	<b>864,059</b>	<b>833,972</b>

(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 RM196.7 million (2022: 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) Movement in ECL	Group		Bank	
	31/3/2023 RM'000	31/12/2022 RM'000	31/3/2023 RM'000	31/12/2022 RM'000
At beginning of financial period/year	38,908	56,914	14,548	31,322
Net remeasurement of loss allowance	(12,128)	(875)	(9,243)	1,548
New loan commitments and financial guarantees issued	10,417	10,244	7,353	7,354
Loan commitment and financial guarantees derecognised	(43)	(27,375)	-	(25,676)
At end of the financial period/year	<b>37,154</b>	<b>38,908</b>	<b>12,658</b>	<b>14,548</b>

**A16. RESERVES**

	Group		Bank	
	31/3/2023 RM'000	31/12/2022 RM'000	31/3/2023 RM'000	31/12/2022 RM'000
FVOCI revaluation reserves (a)	87,651	44,806	171,039	166,472
Regulatory reserves (b)	481,103	479,799	416,620	416,620
Retained profits	5,006,452	4,858,776	3,909,445	3,852,537
	<b>5,575,206</b>	<b>5,383,381</b>	<b>4,497,104</b>	<b>4,435,629</b>

(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.

**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	
	31/3/2023	31/3/2022	31/3/2023	31/3/2022
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Loan, advances and financing	455,122	326,556	455,122	326,556
Money at call and deposits placements with financial institutions	16,320	14,101	16,320	14,101
Financial investments at FVOCI	30,514	19,040	30,514	19,040
Financial investments at AC	102,460	77,785	102,460	77,785
Others	1,699	2,244	1,699	2,244
	<b>606,115</b>	<b>439,726</b>	<b>606,115</b>	<b>439,726</b>
<b>The Bank</b>				
Loan, advances and financing	392,861	293,175	392,861	293,175
Money at call and deposits placements with financial institutions	46,378	28,103	46,378	28,103
Financial investments at FVOCI	2,564	-	2,564	-
Financial investments at AC	103,378	81,119	103,378	81,119
Others	502	1,020	502	1,020
	<b>545,683</b>	<b>403,417</b>	<b>545,683</b>	<b>403,417</b>

**A18. INTEREST EXPENSE**

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2023	31/3/2022	31/3/2023	31/3/2022
	RM'000	RM'000	RM'000	RM'000
<b>The Group</b>				
Deposits from customers	292,031	165,357	292,031	165,357
Deposits and placements of banks and other financial institutions	19,556	6,935	19,556	6,935
Obligation on securities sold under repurchase agreements	36,314	5,422	36,314	5,422
Loans sold to Cagamas Berhad	8,092	5,973	8,092	5,973
Subordinated medium term notes	13,315	25,078	13,315	25,078
Others	3,169	1,845	3,169	1,845
	<b>372,477</b>	<b>210,610</b>	<b>372,477</b>	<b>210,610</b>
<b>The Bank</b>				
Deposits from customers	253,352	144,418	253,352	144,418
Deposits and placements of banks and other financial institutions	19,016	9,343	19,016	9,343
Obligation on securities sold under repurchase agreements	35,344	5,422	35,344	5,422
Loans sold to Cagamas Berhad	8,092	5,973	8,092	5,973
Subordinated medium term notes	13,315	25,078	13,315	25,078
Others	1,089	1,012	1,089	1,012
	<b>330,208</b>	<b>191,246</b>	<b>330,208</b>	<b>191,246</b>

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

**A19. NET FEE AND COMMISSION INCOME**

<b>The Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31/3/2023</b>	<b>31/3/2022</b>	<b>31/3/2023</b>	<b>31/3/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Fee and commission income:</b>				
Net brokerage	15,168	22,257	15,168	22,257
Corporate advisory fees	1,037	883	1,037	883
Commission	11,903	11,904	11,903	11,904
Service charges and fees	28,883	18,666	28,883	18,666
Guarantee fees	3,656	4,605	3,656	4,605
Arrangement fees	427	1,471	427	1,471
Other fee income	7,786	4,244	7,786	4,244
	<b>68,860</b>	<b>64,030</b>	<b>68,860</b>	<b>64,030</b>
<b>Fee and commission expenses:</b>				
Commission and referral expense	(2,674)	(1,960)	(2,674)	(1,960)
<b>Net fee and commission income</b>	<b>66,186</b>	<b>62,070</b>	<b>66,186</b>	<b>62,070</b>
<b>The Bank</b>				
<b>Fee and commission income:</b>				
Commission	11,903	12,249	11,903	12,249
Service charges and fees	28,883	18,632	28,883	18,632
Guarantee fees	3,480	4,378	3,480	4,378
	<b>44,266</b>	<b>35,259</b>	<b>44,266</b>	<b>35,259</b>
<b>Fee and commission expense:</b>				
Commission and referral expense	(2,674)	(1,960)	(2,674)	(1,960)
<b>Net fee and commission income</b>	<b>41,592</b>	<b>33,299</b>	<b>41,592</b>	<b>33,299</b>

**A20. NET GAINS ON FINANCIAL INSTRUMENTS**

<b>The Group</b>				
Income from financial instruments:				
Gains/(Losses) arising on financial assets at FVTPL:				
- net gain on disposal	6,582	7,044	6,582	7,044
- unrealised gain/(loss)	418	(10,844)	418	(10,844)
- interest income	5,357	8,108	5,357	8,108
- gross dividend income	131	684	131	684
Gains/(Losses) on derivatives instruments:				
- realised	1,593	487	1,593	487
- unrealised	244	5,062	244	5,062
- interest income/(expense)	1,002	(1,079)	1,002	(1,079)
(Losses)/Gains arising on financial investments at FVOCI:				
- net (loss)/gain on disposal	570	2,417	570	2,417
Gains arising on financial investments at AC				
- net gain on redemption	62	-	62	-
Unrealised loss on fair value changes arising from fair value hedges	(425)	-	(425)	-
<b>Net gains on financial instruments</b>	<b>15,534</b>	<b>11,879</b>	<b>15,534</b>	<b>11,879</b>

**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 (Cont.)**

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2023 RM'000	31/3/2022 RM'000	31/3/2023 RM'000	31/3/2022 RM'000
<b>The Bank</b>				
Income from financial instruments:				
Gains/(Losses) arising on financial assets at FVTPL:				
- net gain/(loss) on disposal	769	(138)	769	(138)
- unrealised (loss)/gain	3,282	(9,646)	3,282	(9,646)
- interest income	758	3,436	758	3,436
Gains/(Losses) on derivatives instruments:				
- net gain/(loss) on disposal	1,502	-	1,502	-
- realised	397	453	397	453
- unrealised	298	5,800	298	5,800
- interest income/(expense)	-	(2,248)	-	(2,248)
Gains arising on financial investments at FVOCI:				
- net gain on disposal	154	-	154	-
Gains arising on financial investments at AC				
- net gain on redemption	62	-	62	-
Unrealised loss on fair value changes arising from fair value hedges	(425)	-	(425)	-
Net gains on financial instruments	<b>6,797</b>	<b>(2,343)</b>	<b>6,797</b>	<b>(2,343)</b>

**A21. OTHER INCOME**

**The Group**

Foreign exchange gains/(losses):				
- realised	(53,756)	(24,565)	(53,756)	(24,565)
- unrealised	73,713	21,306	73,713	21,306
Rental income	6	5	6	5
Gain on sale of property and equipment	1	186	1	186
Other non-operating income	4,915	622	4,915	622
<b>Total other income</b>	<b>24,879</b>	<b>(2,446)</b>	<b>24,879</b>	<b>(2,446)</b>

**The Bank**

Foreign exchange gains/(losses):				
- realised	(47,199)	(22,046)	(47,199)	(22,046)
- unrealised	65,632	17,100	65,632	17,100
Rental income	29	28	29	28
Gross dividend received from subsidiaries	1,295	843	1,295	843
Other non-operating income	6,854	-	6,854	-
<b>Total other income</b>	<b>26,611</b>	<b>(4,075)</b>	<b>26,611</b>	<b>(4,075)</b>

**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**

<b>The Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31/3/2023</b>	<b>31/3/2022</b>	<b>31/3/2023</b>	<b>31/3/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Personnel costs</u>				
Wages, salaries and bonus	<b>153,560</b>	145,165	<b>153,560</b>	145,165
Defined contribution plan	<b>26,866</b>	25,002	<b>26,866</b>	25,002
Voluntary separation scheme	<b>60</b>	-	<b>60</b>	-
Other personnel costs	<b>21,614</b>	18,049	<b>21,614</b>	18,049
	<b>202,100</b>	188,216	<b>202,100</b>	188,216
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	<b>5,148</b>	3,966	<b>5,148</b>	3,966
Entertainment	<b>1,025</b>	872	<b>1,025</b>	872
Traveling and accommodation	<b>978</b>	599	<b>978</b>	599
Commission and brokerage expenses	<b>2,179</b>	1,332	<b>2,179</b>	1,332
Other marketing expenses	<b>2,100</b>	4,616	<b>2,100</b>	4,616
	<b>11,430</b>	11,385	<b>11,430</b>	11,385
<u>Establishment expenses</u>				
Equipment rental	<b>441</b>	785	<b>441</b>	785
Repair and maintenance	<b>23,891</b>	17,886	<b>23,891</b>	17,886
Depreciation of property and equipment	<b>9,147</b>	5,832	<b>9,147</b>	5,832
Depreciation of right-of-use assets	<b>6,296</b>	8,566	<b>6,296</b>	8,566
Amortisation of intangible assets	<b>5,496</b>	6,047	<b>5,496</b>	6,047
IT consultancy fee	<b>764</b>	14,297	<b>764</b>	14,297
Dataline rental	<b>6,549</b>	7,496	<b>6,549</b>	7,496
Security services	<b>4,138</b>	3,308	<b>4,138</b>	3,308
Electricity, water and sewerage	<b>3,402</b>	2,665	<b>3,402</b>	2,665
Insurance/Takaful and indemnities	<b>6,393</b>	5,230	<b>6,393</b>	5,230
Other establishment costs	<b>9,247</b>	2,425	<b>9,247</b>	2,425
	<b>75,764</b>	74,537	<b>75,764</b>	74,537
<u>General and administrative expenses</u>				
Telecommunication expenses	<b>2,886</b>	2,651	<b>2,886</b>	2,651
Auditors' remuneration:				
(i) Statutory audit fees	<b>516</b>	559	<b>516</b>	559
(ii) Regulatory related fees	-	10	-	10
(iii) Non-audit fees	<b>330</b>	170	<b>330</b>	170
Professional fees	<b>3,402</b>	1,658	<b>3,402</b>	1,658
Property and equipment written-off	<b>1</b>	48	<b>1</b>	48
Mail and courier charges	<b>1,295</b>	614	<b>1,295</b>	614
Stationery and consumables	<b>2,881</b>	1,580	<b>2,881</b>	1,580
Directors' fees and allowances	<b>1,747</b>	566	<b>1,747</b>	566
Donations	<b>1,062</b>	763	<b>1,062</b>	763
Settlement, clearing and bank charges	<b>15,581</b>	6,600	<b>15,581</b>	6,600
Stamp duties	<b>92</b>	61	<b>92</b>	61
Operational and litigation write-off expenses	<b>40</b>	2	<b>40</b>	2
Subscription fees	<b>2,536</b>	2,231	<b>2,536</b>	2,231
Other administration and general expenses	<b>8,323</b>	4,173	<b>8,323</b>	4,173
	<b>40,692</b>	21,686	<b>40,692</b>	21,686
<b>Total other operating expenses</b>	<b>329,986</b>	295,824	<b>329,986</b>	295,824

**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.)**

<b>The Bank</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31/3/2023</b>	<b>31/3/2022</b>	<b>31/3/2023</b>	<b>31/3/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Personnel costs</u>				
Wages, salaries and bonus	102,354	87,729	102,354	87,729
Defined contribution plan	18,530	15,551	18,530	15,551
Voluntary separation scheme	30	-	30	-
Other personnel costs	15,081	11,491	15,081	11,491
	<b>135,995</b>	<b>114,771</b>	<b>135,995</b>	<b>114,771</b>
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	4,834	3,456	4,834	3,456
Entertainment	637	752	637	752
Travelling and accommodation	664	358	664	358
Commission and brokerage expenses	2,075	595	2,075	595
Others marketing expenses	1,390	3,629	1,390	3,629
	<b>9,600</b>	<b>8,790</b>	<b>9,600</b>	<b>8,790</b>
<u>Establishment expenses</u>				
Equipment rental	202	580	202	580
Repair and maintenance	13,696	9,839	13,696	9,839
Depreciation of property and equipment	8,309	4,857	8,309	4,857
Depreciation of right-of-use assets	5,574	7,359	5,574	7,359
Amortisation of intangible assets	5,237	5,744	5,237	5,744
IT consultancy fee	674	8,216	674	8,216
Dataline rental	4,314	5,543	4,314	5,543
Security services	3,068	1,885	3,068	1,885
Electricity, water and sewerage	2,304	857	2,304	857
Insurance/Takaful and indemnities	4,521	3,355	4,521	3,355
Other establishment costs	6,003	830	6,003	830
	<b>53,902</b>	<b>49,065</b>	<b>53,902</b>	<b>49,065</b>
<u>General and administrative expenses</u>				
Telecommunication expenses	554	537	554	537
Auditors' remuneration :				
(i) Statutory audit fees	271	374	271	374
(ii) Non-audit fees	330	150	330	150
Professional fees	572	293	572	293
Property and equipment written-off	(7)	48	(7)	48
Mail and courier charges	1,028	344	1,028	344
Stationery and consumables	1,954	782	1,954	782
Directors' fees and allowances	785	635	785	635
Donations	1,035	716	1,035	716
Settlement, clearing and bank charges	14,544	5,796	14,544	5,796
Stamp duties	39	44	39	44
Operational and litigation write-off expenses	40	2	40	2
Other administration and general expenses	4,268	3,171	4,268	3,171
	<b>25,413</b>	<b>12,892</b>	<b>25,413</b>	<b>12,892</b>
<b>Total other operating expenses</b>	<b>224,910</b>	<b>185,518</b>	<b>224,910</b>	<b>185,518</b>

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

**A23. WRITE-BACK OF CREDIT IMPAIRMENT LOSSES**

<b>The Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31/3/2023</b>	<b>31/3/2022</b>	<b>31/3/2023</b>	<b>31/3/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
ECL made on/(written-back) :				
- loans, advances and financing	<b>2,864</b>	33,048	<b>2,864</b>	33,048
- trace receivables	<b>(342)</b>	83	<b>(342)</b>	83
- securities and placements	<b>(5,619)</b>	(19,760)	<b>(5,619)</b>	(19,760)
- loan/financing commitments and financial guarantee	<b>(1,753)</b>	(57)	<b>(1,753)</b>	(57)
Bad debts and financing :				
- recovered	<b>(11,510)</b>	(13,909)	<b>(11,510)</b>	(13,909)
- written-off	<b>3,024</b>	394	<b>3,024</b>	394
	<b>(13,336)</b>	(201)	<b>(13,336)</b>	(201)
<b>The Bank</b>				
ECL made on/(written-back) :				
- loans, advances and financing	<b>(6,670)</b>	30,216	<b>(6,670)</b>	30,216
- securities and placements	<b>1,295</b>	(19,647)	<b>1,295</b>	(19,647)
- loan/financing commitments and financial guarantee	<b>(1,889)</b>	(4)	<b>(1,889)</b>	(4)
Bad debts and financing :				
- recovered	<b>(9,251)</b>	(12,004)	<b>(9,251)</b>	(12,004)
- written-off	<b>3,046</b>	316	<b>3,046</b>	316
	<b>(13,469)</b>	(1,123)	<b>(13,469)</b>	(1,123)

**A24. ALLOWANCE FOR IMPAIRMENT LOSSES ON OTHER ASSETS**

<b>The Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31/3/2023</b>	<b>31/3/2022</b>	<b>31/3/2023</b>	<b>31/3/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance for impairment made on:				
- other debtors	-	274	-	274
	-	274	-	274

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

**A25. SEGMENTAL INFORMATION ON REVENUE AND PROFIT**

The segment analysis by activity for the individual and cumulative quarters ended 31 March 2023 and 31 March 2022 are as follows:

**Current year's individual and cumulative quarter ended 31 March 2023 :**

	Continuing Operations					Total RM'000	Discontinued Operations RM'000	Total RM'000
	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000			
<b>Revenue</b>								
External revenue	441,553	49,314	-	3,424	-	494,291	-	494,291
Intersegment revenue	2,773	1,322	-	196	(4,291)	-	-	-
Segment revenue	<b>444,326</b>	<b>50,636</b>	-	<b>3,620</b>	<b>(4,291)</b>	<b>494,291</b>	-	<b>494,291</b>
Operating expenses	(290,764)	(39,292)	-	(2,972)	3,042	(329,986)	-	(329,986)
of which :-								
Depreciation of property and equipment	(8,390)	(664)	-	(93)	-	(9,147)	-	(9,147)
Depreciation of right-of-use assets	(5,653)	(1,405)	-	(88)	850	(6,296)	-	(6,296)
Amortisation of intangible assets	(5,279)	(206)	-	(11)	-	(5,496)	-	(5,496)
(Allowances for)/write-back of impairment losses on loans, advances, financing and trade receivables/securities/other assets	5,560	7,938	-	-	(162)	13,336	-	13,336
Segment results	<b>159,122</b>	<b>19,282</b>	-	<b>648</b>	<b>(1,411)</b>	<b>177,641</b>	-	<b>177,641</b>
Share of results of associates (net of tax)	-	-	18,705	-	-	18,705	-	18,705
Profit before zakat and taxation	<b>159,122</b>	<b>19,282</b>	<b>18,705</b>	<b>648</b>	<b>(1,411)</b>	<b>196,346</b>	-	<b>196,346</b>
Zakat	-	-	-	-	-	-	-	-
Profit before taxation	<b>159,122</b>	<b>19,282</b>	<b>18,705</b>	<b>648</b>	<b>(1,411)</b>	<b>196,346</b>	-	<b>196,346</b>
Taxation						(47,366)	-	(47,366)
Net profit for the individual and cumulative quarter						<b>148,980</b>	-	<b>148,980</b>

**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 31 March 2023 and 31 March 2022 are as follows (Cont.):

Preceding year's individual and cumulative quarter ended 31 March 2022 :

	Continuing Operations					Total RM'000	Discontinued 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	385,287	61,288	-	2,915	-	449,490	79,326	528,816
Intersegment revenue	100	726	-	183	(1,009)	-	-	-
Segment revenue	<u>385,387</u>	<u>62,014</u>	<u>-</u>	<u>3,098</u>	<u>(1,009)</u>	<u>449,490</u>	<u>79,326</u>	<u>528,816</u>
Operating expenses	(252,903)	(41,303)	-	(2,627)	1,009	(295,824)	(44,530)	(340,354)
of which :-								
Depreciation of property and equipment	(4,971)	(784)	-	(77)	-	(5,832)	(903)	(6,735)
Depreciation of right-of-use assets	(7,474)	(1,005)	-	(87)	-	(8,566)	(985)	(9,551)
Amortisation of intangible assets	(5,797)	(247)	-	(3)	-	(6,047)	(404)	(6,451)
Write-back of/(allowances for) impairment losses on loans, advances, financing and trade receivables/securities/other assets	7,308	(7,308)	-	-	(73)	(73)	3	(70)
Segment results	<u>139,792</u>	<u>13,403</u>	<u>-</u>	<u>471</u>	<u>(73)</u>	<u>153,593</u>	<u>34,799</u>	<u>188,392</u>
Share of results of joint venture (net of tax)	-	-	3,841	-	-	3,841	-	3,841
Share of results of associate (net of tax)	-	-	8,235	-	-	8,235	-	8,235
Profit before zakat and taxation	<u>139,792</u>	<u>13,403</u>	<u>12,076</u>	<u>471</u>	<u>(73)</u>	<u>165,669</u>	<u>34,799</u>	<u>200,468</u>
Zakat	-	(150)	-	-	-	(150)	(159)	(309)
Profit before taxation	<u>139,792</u>	<u>13,253</u>	<u>12,076</u>	<u>471</u>	<u>(73)</u>	<u>165,519</u>	<u>34,640</u>	<u>200,159</u>
Taxation						(39,556)	(8,023)	(47,579)
Net profit for the individual and cumulative quarter						<u>125,963</u>	<u>26,617</u>	<u>152,580</u>

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

**A26. SUBSEQUENT MATERIAL EVENT**

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

**A27. CHANGES IN THE COMPOSITION OF THE GROUP**

Except for item disclosed on Note B6, 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	
	31/3/2023 RM'000	31/12/2022 RM'000	31/3/2023 RM'000	31/12/2022 RM'000
Direct credit substitutes *	477,329	500,774	359,617	381,708
Transaction-related contingent items	1,336,241	1,331,367	848,626	854,221
Short-term self-liquidating trade-related contingencies	687,801	413,248	137,168	112,285
Irrevocable commitments to extend credit				
- Maturity less than one year	5,662,684	5,557,413	3,721,448	3,831,479
- Maturity more than one year	3,105,390	2,869,597	2,088,525	1,869,128
Foreign exchange related contracts #				
- Less than one year	33,586,509	26,850,314	25,289,304	21,557,832
- One year to less than five years	777,038	842,979	-	-
Interest rate related contracts #				
- Less than one year	2,738,000	2,535,790	1,888,000	1,595,790
- One year to less than five years	7,649,741	7,155,483	5,252,741	4,995,483
- Five years and above	632,096	670,000	632,096	670,000
Other/Miscellaneous Commitments and Contingencies	-	7,421	-	-
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.	1,357,050	1,279,899	-	-
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.	4,985,916	5,175,091	4,985,916	5,175,091
Unutilised credit card lines	1,536,703	1,458,431	1,300,808	1,233,927
	<b>64,532,498</b>	<b>56,647,807</b>	<b>46,504,249</b>	<b>42,276,944</b>

\* Included in direct credit substitutes above are financial guarantee contracts of RM477.3 million and RM359.6 million at the Group and the Bank respectively (2022: RM500.8 million and RM381.7 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**

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**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 RM18.3 million (2022 : RM19.0 million), while the notional amount of interest rate contract was RM568.2 million (2022 : RM854.3 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 RM90.1 million (2022 : RM680.7 million) and RM21.8 million (2022 : RM262.6 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 2022.

**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 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
<b>The Group</b>												
<b>As at 31 March 2023</b>												
<b>Trading derivatives</b>												
Foreign exchange derivatives :												
- Currency forwards	6,896,351	265,350	8,762	7,170,463	42,872	1,181	-	44,053	21,318	5,402	99	26,819
- Cross currency interest rate swaps	-	8,932	106,476	115,408	-	144	1,934	2,078	-	139	1,792	1,931
- Currency swaps	26,690,158	378,749	8,770	27,077,677	142,991	7,897	105	150,993	122,920	3,431	-	126,351
Interest rate derivatives :												
- Interest rate swaps	2,738,000	2,353,031	5,228,806	10,319,837	10,766	17,353	78,574	106,693	78,513	4,183	5,431	88,127
	<b>36,324,509</b>	<b>3,006,062</b>	<b>5,352,814</b>	<b>44,683,384</b>	<b>196,629</b>	<b>26,575</b>	<b>80,613</b>	<b>303,817</b>	<b>222,751</b>	<b>13,155</b>	<b>7,322</b>	<b>243,228</b>
<b>Hedging Derivatives</b>												
- Interest rate swaps	-	-	700,000	700,000	-	-	599	599	-	-	1,611	1,611
	<b>36,324,509</b>	<b>3,006,062</b>	<b>6,052,814</b>	<b>45,383,384</b>	<b>196,629</b>	<b>26,575</b>	<b>81,212</b>	<b>304,416</b>	<b>222,751</b>	<b>13,155</b>	<b>8,933</b>	<b>244,839</b>
<b>As at 31 December 2022</b>												
<b>Trading derivatives</b>												
Foreign exchange derivatives :												
- Currency forwards	6,999,196	265,350	8,762	7,273,308	29,196	1,139	7	30,342	192,323	5,306	41	197,670
- Cross currency interest rate swaps	-	8,932	136,915	145,847	2,337	-	-	2,337	-	140	2,014	2,154
- Currency swaps	19,851,118	414,250	8,770	20,274,138	336,106	8,175	47	344,328	238,200	3,809	5	242,014
Interest rate derivatives :												
- Interest rate swaps	2,535,790	3,127,988	3,997,495	9,661,273	9,886	22,813	85,638	118,337	11,183	19,063	67,815	98,061
	<b>29,386,104</b>	<b>3,816,520</b>	<b>4,151,942</b>	<b>37,354,566</b>	<b>377,525</b>	<b>32,127</b>	<b>85,692</b>	<b>495,344</b>	<b>441,706</b>	<b>28,318</b>	<b>69,875</b>	<b>539,899</b>
<b>Hedging Derivatives</b>												
- Interest rate swaps	-	-	700,000	700,000	-	-	45	45	-	-	2,355	2,355
	<b>29,386,104</b>	<b>3,816,520</b>	<b>4,851,942</b>	<b>38,054,566</b>	<b>377,525</b>	<b>32,127</b>	<b>85,737</b>	<b>495,389</b>	<b>441,706</b>	<b>28,318</b>	<b>72,230</b>	<b>542,254</b>

**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
<b>The Bank</b>												
<b>As at 31 March 2023</b>												
<b>Trading derivatives</b>												
Foreign exchange derivatives :												
- Currency forwards	3,831,636	-	-	3,831,636	29,544	-	-	29,544	21,292	-	-	21,292
- Currency swaps	21,457,668	-	-	21,457,668	117,194	-	-	117,194	102,839	-	-	102,839
Interest rate derivatives :												
- Interest rate swaps	1,888,000	1,493,031	3,691,806	7,072,837	8,585	13,374	70,217	92,176	10,023	10,894	57,149	78,066
	27,177,304	1,493,031	3,691,806	32,362,141	155,323	13,374	70,217	238,914	134,154	10,894	57,149	202,197
Hedging Derivatives												
- Interest rate swaps	-	-	700,000	700,000	-	-	599	599	-	-	1,611	1,611
	27,177,304	1,493,031	4,391,806	33,062,141	155,323	13,374	70,816	239,513	134,154	10,894	58,760	203,808
<b>As at 31 December 2022</b>												
<b>Trading derivatives</b>												
Foreign exchange derivatives :												
- Currency forwards	3,816,746	-	-	3,816,746	10,612	-	-	10,612	115,692	-	-	115,692
- Currency swaps	17,741,086	-	-	17,741,086	293,397	-	-	293,397	231,343	-	-	231,343
Interest rate derivatives :												
- Interest rate swaps	1,595,790	2,017,988	2,947,495	6,561,273	8,221	17,337	77,905	103,463	10,551	15,735	60,533	86,819
	23,153,622	2,017,988	2,947,495	28,119,105	312,230	17,337	77,905	407,472	357,586	15,735	60,533	433,854
Hedging Derivatives												
- Interest rate swaps	-	-	700,000	700,000	-	-	45	45	-	-	2,355	2,355
	23,153,622	2,017,988	3,647,495	28,819,105	312,230	17,337	77,950	407,517	357,586	15,735	62,888	436,209

**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.

<b>The Group</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>31 March 2023</b>				
<b>Financial Assets</b>				
Financial assets at FVTPL:				
- Money market instruments	-	1,696,564	-	1,696,564
- Corporate bonds/Sukuk	-	1,395	115,583	116,978
- Shares and unit trusts	-	53,260	140,364	193,624
Derivative financial assets	-	304,416	-	304,416
Financial investments at FVOCI:				
- Money market instruments	-	2,551,229	-	2,551,229
- Shares, unit trusts and REITs	-	8	230,908	230,916
- Corporate bonds/Sukuk	-	1,925,063	-	1,925,063
	-	6,531,935	486,855	7,018,790
<b>Financial Liabilities</b>				
Derivative financial liabilities	-	244,839	-	244,839
Other liabilities - structured warrants	13,468	-	-	13,468
Other liabilities - equities trading	44	-	-	44
	13,512	244,839	-	258,351
<b>31 December 2022</b>				
<b>Financial Assets</b>				
Financial assets at FVTPL :				
- Money market instruments	-	382,925	-	382,925
- Corporate bonds/Sukuk	-	15,115	-	15,115
- Shares and unit trusts	36,068	-	110,395	146,463
Derivative financial assets	-	495,389	-	495,389
Financial investments at FVOCI:				
- Money market instruments	-	2,022,143	-	2,022,143
- Shares, unit trusts and REITs	-	-	230,918	230,918
- Corporate bonds/Sukuk	-	1,529,443	-	1,529,443
	36,068	4,445,015	341,313	4,822,396
<b>Financial Liabilities</b>				
Derivative financial liabilities	-	542,254	-	542,254
Other liabilities - equities trading	149	-	-	149
	149	542,254	-	542,403

**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.)**

	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<b>The Bank</b>				
<b>31 March 2023</b>				
<b>Financial Assets</b>				
Financial assets at FVTPL:				
- Money market instruments	-	1,201,252	-	1,201,252
- Corporate bonds/Sukuk	-	115,583	-	115,583
- Unquoted shares	-	-	110,395	110,395
Derivative financial assets	-	239,513	-	239,513
Financial investments at FVOCI:				
- Money market instruments	-	185,609	-	185,609
- Unquoted shares	-	-	206,993	206,993
- Corporate bonds/Sukuk	-	-	263,438	263,438
	<b>-</b>	<b>1,741,957</b>	<b>580,826</b>	<b>2,322,783</b>
<b>Financial Liabilities</b>				
Derivative financial liabilities	-	203,808	-	203,808
<b>31 December 2022</b>				
<b>Financial Assets</b>				
Financial assets at FVTPL:				
- Money market instruments	-	382,925	-	382,925
- Unquoted shares	-	15,113	-	15,113
- Corporate bonds/Sukuk	-	-	110,395	110,395
Derivative financial assets	-	407,517	-	407,517
Financial investments at FVOCI:				
- Unquoted shares	-	-	206,993	206,993
	<b>-</b>	<b>805,555</b>	<b>317,388</b>	<b>1,122,943</b>
<b>Financial Liabilities</b>				
Derivative financial liabilities	-	436,209	-	436,209

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 (2022: Nil).

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

	<b>The Group</b>		<b>The Bank</b>	
	<b>31/3/2023</b>	31/12/2022	<b>31/3/2023</b>	31/12/2022
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
At beginning of the financial period/year	<b>341,313</b>	329,026	<b>317,388</b>	302,319
Sales/Redemption	<b>(360)</b>	(360)	<b>(360)</b>	(360)
Total gains recognised in other comprehensive income	<b>145,902</b>	12,647	<b>263,798</b>	15,429
At end of the financial period/year	<b>486,855</b>	341,313	<b>580,826</b>	317,388

**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.

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

**A31. CAPITAL ADEQUACY**

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

The Group and the Bank are currently adopting the Standardised Approach for Credit Risk and Market Risk, the Basic Indicator Approach for Operational Risk. In line with the transitional arrangements under the Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (Capital Components), the minimum capital adequacy requirement 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 the financial quarter ended 31 March 2023.

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	
	31/3/2023 RM'000	31/12/2022 RM'000	31/3/2023 RM'000	31/12/2022 RM'000
<b>a) The components of CET 1, Tier 1 and Tier 2 capital :</b>				
<u>CET 1</u>				
Paid-up share capital	5,245,447	5,245,447	5,245,447	5,245,447
Retained profits	4,857,472	4,858,776	3,852,537	3,852,537
Unrealised gains on FVOCI instruments	87,651	44,806	171,039	166,472
	<b>10,190,570</b>	10,149,029	<b>9,269,023</b>	9,264,456
Less: Regulatory adjustments:				
- Goodwill and other intangibles	(625,918)	(629,369)	(179,245)	(183,216)
- Deferred tax assets	(229,383)	(233,973)	(131,389)	(125,964)
- 55% of cumulative unrealised gains on FVOCI instruments	(48,208)	(24,644)	(94,071)	(91,560)
- Investment in subsidiaries, joint ventures and associates	(842,271)	(794,779)	(3,846,579)	(3,846,578)
- Other CET1 transitional adjustment	373,869	571,609	204,652	327,591
Total CET 1 Capital	<b>8,818,659</b>	9,037,873	<b>5,222,391</b>	5,344,729
<u>Additional Tier 1 Capital</u>				
Additional Tier 1 Capital	800,000	800,000	500,000	500,000
	<b>800,000</b>	800,000	<b>500,000</b>	500,000
Total Tier 1 Capital	<b>9,618,659</b>	9,837,873	<b>5,722,391</b>	5,844,729
<u>Tier 2 Capital</u>				
Subordinated MTNs	955,000	955,000	500,000	500,000
Expected loss provisions <sup>#</sup>	639,066	454,429	375,467	280,013
Less: Regulatory adjustments:				
- Investment in capital instruments of unconsolidated financial and insurance entities	-	-	(345,000)	(345,000)
Total Tier 2 Capital	<b>1,594,066</b>	1,409,429	<b>530,467</b>	435,013
<b>Total Capital</b>	<b>11,212,725</b>	11,247,302	<b>6,252,858</b>	6,279,742
<b>b) The breakdown of risk-weighted assets:</b>				
Credit risk	54,806,447	52,982,623	35,682,267	33,967,295
Market risk	1,038,958	631,065	664,488	403,534
Operational risk	4,006,095	3,951,028	1,925,334	1,858,354
<b>Total risk-weighted assets</b>	<b>59,851,500</b>	57,564,716	<b>38,272,089</b>	36,229,183
<b>c) Capital adequacy ratios:</b>				
<u>With transitional arrangements</u>				
CET 1 capital ratio	14.734%	15.700%	13.645%	14.753%
Tier 1 capital ratio	16.071%	17.090%	14.952%	16.133%
Total capital ratio	<b>18.734%</b>	19.539%	<b>16.338%</b>	17.333%
CET 1 capital ratio (net of proposed dividends) <sup>Note 1</sup>	14.635%	15.597%	13.490%	14.588%
Tier 1 capital ratio (net of proposed dividends) <sup>Note 1</sup>	15.971%	16.986%	14.796%	15.968%
Total capital ratio (net of proposed dividends) <sup>Note 1</sup>	<b>18.635%</b>	19.435%	<b>16.182%</b>	17.169%

<sup>#</sup> 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**

**A31. CAPITAL ADEQUACY (Cont.)**

	The Group		The Bank	
	31/3/2023	31/12/2022	31/3/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
<b>c) Capital adequacy ratios (cont.):</b>				
<u>Without transitional arrangements</u>				
CET 1 capital ratio	<b>14.110%</b>	14.707%	<b>13.111%</b>	13.848%
Tier 1 capital ratio	<b>15.446%</b>	16.097%	<b>14.417%</b>	15.228%
Total capital ratio	<b>18.186%</b>	18.907%	<b>15.988%</b>	16.828%
CET 1 capital ratio (net of proposed dividends) <sup>Note 1</sup>	<b>14.010%</b>	14.604%	<b>12.955%</b>	13.684%
Tier 1 capital ratio (net of proposed dividends) <sup>Note 1</sup>	<b>15.347%</b>	15.993%	<b>14.261%</b>	15.064%
Total capital ratio (net of proposed dividends) <sup>Note 1</sup>	<b>18.087%</b>	18.803%	<b>15.832%</b>	16.664%

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:-

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

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

In accordance with BNM's Guidelines on Investment Account, the credit and market risk weighted on the assets funded by the RIA are included in calculation of capital adequacy for the Bank. As at 31 March 2023, RIA assets included in the Total Capital Ratio calculation amounted to RM3,139.0 million (2022: RM2,723.1 million).

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

	Economic Entity		The Bank	
	31/3/2023	31/12/2022	31/3/2023	31/12/2022
<u>With transitional arrangements</u>				
CET 1 capital ratio	<b>12.563%</b>	12.965%	<b>12.563%</b>	12.965%
Tier 1 capital ratio	<b>14.096%</b>	14.502%	<b>14.096%</b>	14.502%
Total capital ratio	<b>19.359%</b>	19.363%	<b>19.359%</b>	19.363%
<u>Without transitional arrangements</u>				
CET 1 capital ratio	<b>11.764%</b>	11.813%	<b>11.764%</b>	11.813%
Tier 1 capital ratio	<b>13.297%</b>	13.351%	<b>13.297%</b>	13.351%
Total capital ratio	<b>18.565%</b>	18.635%	<b>18.565%</b>	18.635%

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

	The Group		The Bank	
	31/3/2023	31/12/2022	31/3/2023	31/12/2022
<u>With transitional arrangements</u>				
CET 1 capital ratio	<b>42.592%</b>	42.923%	<b>53.348%</b>	55.446%
Tier 1 capital ratio	<b>42.592%</b>	42.923%	<b>53.348%</b>	55.446%
Total capital ratio	<b>43.170%</b>	43.516%	<b>54.072%</b>	56.214%
CET 1 capital ratio (net of proposed dividends)	<b>42.592%</b>	42.923%	<b>53.348%</b>	55.446%
Tier 1 capital ratio (net of proposed dividends)	<b>42.592%</b>	42.923%	<b>53.348%</b>	55.446%
Total capital ratio (net of proposed dividends)	<b>43.170%</b>	43.516%	<b>54.072%</b>	56.214%
<u>Without transitional arrangements</u>				
CET 1 capital ratio	<b>42.083%</b>	42.127%	<b>52.708%</b>	54.413%
Tier 1 capital ratio	<b>42.083%</b>	42.127%	<b>52.708%</b>	54.413%
Total capital ratio	<b>42.661%</b>	42.720%	<b>53.432%</b>	55.181%
CET 1 capital ratio (net of proposed dividends)	<b>42.083%</b>	30.665%	<b>52.708%</b>	44.641%
Tier 1 capital ratio (net of proposed dividends)	<b>42.083%</b>	31.747%	<b>52.708%</b>	44.641%
Total capital ratio (net of proposed dividends)	<b>42.661%</b>	32.437%	<b>53.432%</b>	45.416%

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

**A32. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD**

**(i) Unaudited Statements of Financial Position**

	<b>Economic Entity</b>	
	<b>31/3/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Cash and short-term funds	2,116,247	3,227,179
Deposits and placements with Banks and other financial institutions	200,205	50,049
Financial assets at fair value through profit or loss ('FVPTL')	464,550	-
Derivative financial assets	20,313	14,985
Financial investments at fair value through other comprehensive income ('FVOCI')	170,519	-
Financial investments at amortised cost ('AC')	4,747,186	4,849,793
Financing and other financing	26,467,879	25,803,930
Other assets	114,653	159,967
Amount due from holding company	128,854	297,504
Amount due from joint ventures	1,029	455
Taxation recoverable	28,367	21,603
Deferred tax assets	48,982	45,332
Statutory deposits with Bank Negara Malaysia	460,000	400,000
Property and equipment	1,643	1,570
Right-of-use assets	447	133
Intangible assets	91	524
<b>TOTAL ASSETS</b>	<b>34,970,965</b>	<b>34,873,024</b>
<b>LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		
Deposits from customers	24,635,279	25,175,621
Investment accounts of customers	737	859
Deposits and placements of banks and other financial institutions	1,976,602	2,098,939
Investment accounts due to designated financial institutions	3,145,386	2,720,263
Derivative financial liabilities	12,514	37,736
Recourse obligation on financing sold to Cagamas Berhad	601,358	-
Other liabilities	255,136	579,144
Lease liabilities	506	573
Subordinated term financing and medium term notes	1,885,584	1,862,576
<b>TOTAL LIABILITIES</b>	<b>32,513,102</b>	<b>32,475,711</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>		
Share capital	1,210,000	1,210,000
Reserves	1,247,863	1,187,313
<b>Total Islamic Banking Capital Funds</b>	<b>2,457,863</b>	<b>2,397,313</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>	<b>34,970,965</b>	<b>34,873,024</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>5,775,486</b>	<b>5,069,740</b>

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

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

**(ii) Unaudited Income Statements**

	Economic Entity			
	Individual Quarter Ended 31/3/2023	31/3/2022	Cumulative Quarter Ended 31/3/2023	31/3/2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	332,069	245,233	332,069	245,233
Income derived from investment of investment accounts	38,698	18,954	38,698	18,954
Income derived from investment of shareholders' funds	31,497	22,132	31,497	22,132
Modification loss	-	(14)	-	(14)
Allowances for impairment losses on financing and other financing	(7,852)	6,212	(7,852)	6,212
Total distributable income	394,412	292,517	394,412	292,517
Income attributable to the depositors and others	(214,714)	(122,123)	(214,714)	(122,123)
Income attributable to the investment accounts holders	(33,754)	(17,884)	(33,754)	(17,884)
Total net income	145,944	152,510	145,944	152,510
Other operating expenses	(65,905)	(67,442)	(65,905)	(67,442)
Profit before zakat and taxation	80,039	85,068	80,039	85,068
Zakat	-	-	-	-
Profit before taxation	80,039	85,068	80,039	85,068
Taxation	(20,217)	(21,459)	(20,217)	(21,459)
Net profit for the financial period	59,822	63,609	59,822	63,609

**(iii) Unaudited Statements of Comprehensive Income**

	Economic Entity			
	Individual Quarter Ended 31/3/2023	31/3/2022	Cumulative Quarter Ended 31/3/2023	31/3/2022
	RM'000	RM'000	RM'000	RM'000
<b>Net profit for the financial period</b>	<b>59,822</b>	<b>63,609</b>	<b>59,822</b>	<b>63,609</b>
Other comprehensive income :				
<u>Items that may be reclassified subsequently to profit or loss :</u>				
- Net fair value change in financial investments at FVOCI	545	-	545	-
- Net credit impairment loss change in financial investments at FVOCI	52	-	52	-
- Deferred tax on financial investments at FVOCI	131	-	131	-
Other comprehensive income for the financial period, net of tax	728	-	728	-
<b>Total comprehensive income for the financial period</b>	<b>60,550</b>	<b>63,609</b>	<b>60,550</b>	<b>63,609</b>

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

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

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

Economic Entity	<---Attributable to Equity Holder of the Bank--->				Total equity RM'000
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	
<b>At 1 January 2023</b>	<b>1,210,000</b>	-	<b>46,469</b>	<b>1,140,844</b>	<b>2,397,313</b>
Comprehensive income :					
- Net profit for the financial period	-	-	-	<b>59,822</b>	<b>59,822</b>
Other comprehensive income (net of tax) :					
- Financial investments at FVOCI	-	<b>728</b>	-	-	<b>728</b>
Total comprehensive income for the financial period	-	<b>728</b>	-	<b>59,822</b>	<b>60,550</b>
<b>At 31 March 2023</b>	<b>1,210,000</b>	<b>728</b>	<b>46,469</b>	<b>1,200,666</b>	<b>2,457,863</b>

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

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

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

	Economic Entity	
	31/3/2023	31/12/2022
	RM'000	RM'000
<b>(v) Financing and other financing</b>		
By type		
Cash Line-i	673,588	700,519
Term financing		
- Housing financing	9,613,726	9,329,247
- Hire purchase receivables	5,353,124	5,189,938
- Syndicated financing	1,437,784	1,167,643
- Others term loan/financing	7,877,688	7,692,656
Bills receivables	114,915	151,248
Trust receipts	13,510	13,969
Claims on customers under acceptance credits	932,841	787,059
Staff financing (of which RM Nil to Directors)	119,950	119,698
Credit/charge cards receivables	63,727	60,857
Revolving financing	730,142	1,046,211
<b>Gross financing and other financing</b>	<b>26,930,995</b>	<b>26,259,045</b>
Less : ECL	(463,116)	(455,115)
<b>Total net financing and other financing</b>	<b>26,467,879</b>	<b>25,803,930</b>
<b>(vi) Movements of impaired financing</b>		
At beginning of the financial period/year	357,422	381,586
Classified as impaired	70,771	238,197
Reclassified as non-impaired	(54,935)	(143,264)
Amount recovered	(7,646)	(95,333)
Amount written-off	(4,626)	(38,331)
Other movements	-	14,567
At end of the financial period/year	<b>360,986</b>	<b>357,422</b>
Ratio of gross impaired financing and other financing to gross financing and other financing (exclude restricted investment accounts)*	<b>0.92%</b>	<b>0.90%</b>

(\* ) For the Bank, RIA excluded in the ratio calculation amounting to RM3,139.0 million (2022: RM2,723.1 million) with impaired financing amounting to RM142.5 million (2022: RM145.6 million).

The outstanding contractual amounts of such assets written-off during the quarter ended 31 March 2023 for the Bank is RM4.6 million (2022: RM38.3 million).

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

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

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

Economic Entity 31/3/2023	12-Month	Lifetime ECL	Lifetime ECL	Total RM'000
	ECL (Stage 1) RM'000	not credit impaired (Stage 2) RM'000	credit impaired (Stage 3) RM'000	
At beginning of the financial period	65,218	302,452	87,445	455,115
Total transfer between stages due to change in credit risk :	(170,985)	186,452	(15,467)	-
- Transfer to 12-month ECL (Stage 1)	4,189	(3,295)	(894)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(175,074)	190,988	(15,914)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(100)	(1,241)	1,341	-
Financing derecognised (other than write-off)	(8,448)	(1,505)	(812)	(10,765)
New financing originated or purchased	184,291	-	-	184,291
Changes due to change in credit risk	(15,963)	(160,953)	15,341	(161,575)
Write-off	-	-	(3,950)	(3,950)
At end of the financial period	<b>54,113</b>	<b>326,446</b>	<b>82,557</b>	<b>463,116</b>
Economic Entity 31/12/2022				
At beginning of the financial year	72,928	76,859	53,915	203,702
Total transfer between stages due to change in credit risk :	18,847	17,588	(36,435)	-
- Transfer to 12-month ECL (Stage 1)	38,579	(33,206)	(5,373)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(19,690)	55,256	(35,566)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(42)	(4,462)	4,504	-
Financing derecognised (other than write-off)	(34,265)	(12,981)	(3,580)	(50,826)
New financing originated or purchased	54,564	-	-	54,564
Changes due to change in credit risk	(46,861)	220,986	90,668	264,793
Write-off	-	-	(31,690)	(31,690)
Other adjustments	5	-	14,567	14,572
At end of the financial year	<b>65,218</b>	<b>302,452</b>	<b>87,445</b>	<b>455,115</b>

**(viii) Deposits from customers**

	Economic Entity	
	31/3/2023 RM'000	31/12/2022 RM'000
<u>Qard</u>		
Demand deposits	4,455,884	4,209,633
Savings deposits	850,004	850,109
	<b>5,305,888</b>	<b>5,059,742</b>
<u>Mudarabah</u>		
General investment deposits	32,545	32,895
<u>Tawarruq</u>		
Murabahah term deposits	16,756,461	17,512,129
Commodity Murabahah	1,427,122	1,238,215
Savings deposits	337,769	625,502
Demand deposit	775,494	707,138
	<b>19,296,846</b>	<b>20,082,984</b>
<b>Total deposits from customers</b>	<b>24,635,279</b>	<b>25,175,621</b>

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

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

Table 1 : Financial review for individual and cumulative quarter ended 31 March 2023 against preceding year's corresponding quarter (continuing operations)

	Individual Quarter Ended		Changes		Cumulative Quarter Ended		Changes	
	31/3/2023 RM'000	31/3/2022 RM'000	RM'000	%	31/3/2023 RM'000	31/3/2022 RM'000	RM'000	%
Net Income	<b>494,291</b>	449,490	44,801	10.0	<b>494,291</b>	449,490	44,801	10.0
Operating Profit	<b>164,305</b>	153,666	10,639	6.9	<b>177,641</b>	153,593	24,048	15.7
Profit Before Zakat and Tax	<b>196,346</b>	165,669	30,677	18.5	<b>196,346</b>	165,669	30,677	18.5
Profit Before Tax	<b>196,346</b>	165,519	30,827	18.6	<b>196,346</b>	165,519	30,827	18.6
Profit After Tax	<b>148,980</b>	125,963	23,017	18.3	<b>148,980</b>	125,963	23,017	18.3
Profit attributable to equity	<b>148,980</b>	125,593	23,387	18.6	<b>148,980</b>	125,593	23,387	18.6

#### Analysis of financial performance of current quarter vs. previous year's corresponding quarter

The Group registered a profit before tax ('PBT') of RM196.3 million for the 3 months ended 31 March 2023, an increase of RM31.1 million or 18.9% as compared to the previous year corresponding quarter ended 31 March 2022 of RM165.2 million. The increase in PBT was mainly due to higher write-back of impairment losses of RM13.4 million and higher net income of RM44.8 million.

ABB reported a PBT of RM79.0 million for the 3 months ended 31 March 2023, an increase of RM24.4 million or 44.6% as compared to RM54.6 million for the previous year corresponding quarter. The improved performance was mainly due to higher write-back of impairment losses of RM12.3 million and higher net income of RM51.4 million, offset by higher overhead expenses of RM39.4 million.

AiBB recorded a lower PBT of RM80.0 million for the 1st quarter ended 31 March 2023 as compared to RM85.0 million for the preceding year's corresponding quarter. The decline in PBT was mainly due to allowances for impairment losses of RM7.9 million as compared to a write-back of RM6.2 million for the quarter ended 31 March 2022. This however was offset by higher net financing and other income of RM7.5 million and lower overhead expenses of RM1.5 million.

AHIB Group recorded a PBT of RM19.3 million for the 3 months ended 31 March 2023, which was 49.7% or RM6.4 million higher as compared to the previous corresponding financial period of RM12.9 million. The increase was attributed by a write-back of impairment losses of RM7.9 million as compared to a charge of RM7.3 million for the quarter ended 31 March 2022, offset by lower net fee and commission income and net gains on financial instruments of RM5.2 million and RM5.5 million respectively.

The Group's share of loss after tax in Generali Life Insurance Malaysia Berhad ('GLIMB') (formerly known as AXA Affin Life Insurance Berhad) of RM1.1 million for the 3 months ended 31 March 2023, saw a decrease of RM4.9 million as compared to share of profit of RM3.8 million in the same period last year mainly due to higher policyholder liability reserves and higher overhead expenses.

The Group's share of profit after tax in Generali Insurance Malaysia Berhad ('GIMB') (formerly known as AXA Affin General Insurance Berhad) of RM19.8 million for the current quarter under review increased by RM11.6 million as compared to RM8.2 million in the previous corresponding quarter mainly contributed by higher earned premium and lower overhead expenses, offset by higher net claims and net commission.

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

	Current Financial Quarter	Preceding Financial Quarter	Changes	
	31/3/2023 RM'000	31/12/2022 RM'000	RM'000	%
Net income	<b>494,291</b>	567,041	(72,750)	(12.8)
Operating Profit	<b>164,305</b>	223,963	(59,658)	(26.6)
Profit/(Loss) Before Tax	<b>196,346</b>	52,295	144,051	275.5
Profit/(Loss) After Tax	<b>148,980</b>	16,898	132,082	781.6
Profit/(Loss) attributable to equity holders of the Bank	<b>148,980</b>	16,898	132,082	781.6

For the current financial quarter, the Group reported higher PBT of RM196.3 million as compared to RM52.3 million achieved in preceding quarter ended 31 December 2022, higher by RM144.1 million or 275.5%. The increase in PBT was mainly due to write-back of impairment losses of RM13.3 million as compared to a charge of RM153.3 million in 31 December 2022, lower overhead expenses of RM13.1 million and higher share of results in GIMB and GLIMB totaling RM35.2 million, offset by lower net income RM72.8 million.

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

### B3. ECONOMIC AND BUSINESS OUTLOOK FOR 2023

The Bank is confident that the Malaysian economy will remain resilient in the face of external and domestic challenges. Economic growth is projected to expand moderately at around 4.5% in 2023, supported by ongoing multi-year investment projects, improving labor market conditions, and a recovery in tourism activity.

Monetary policy will continue to be aimed at ensuring price stability and supporting sustainable domestic economic growth, while taking into consideration evolving conditions and their impact on inflation and growth outlook.

The local banking system is expected to remain resilient, supported by strong governance and prudent risk management practices, despite recent banking stress in some advanced economies. The Bank will focus on building on the success of the AIM22 Transformation plan and transition to the A25 plan as it continues to pursue its strategic vision of enhancing customer journey, promoting digital adoption, and advancing responsible banking practices in 2023. In view of potential economic downside risks, the Bank will further strengthen its liquidity management through diversification of funding portfolios. The strategic focus will remain on achieving sustainable profitability, improving asset quality, and maintaining cost efficiency.

### B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

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

### B5. TAXATION

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2023	31/3/2022	31/3/2023	31/3/2022
<b>The Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax				
Current tax	<b>51,593</b>	34,951	<b>51,593</b>	34,951
Over provision in prior financial period	-	33	-	33
Deferred tax income :				
- Relating to originating temporary differences	<b>(4,227)</b>	4,572	<b>(4,227)</b>	4,572
	<b>47,366</b>	39,556	<b>47,366</b>	39,556

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

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/3/2023	31/3/2022	31/3/2023	31/3/2022
<b>The Bank</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax				
Current tax	<b>26,686</b>	13,326	<b>26,686</b>	13,326
Deferred tax income :				
- Relating to originating temporary differences	<b>(4,560)</b>	-	<b>(4,560)</b>	-
	<b>22,126</b>	13,326	<b>22,126</b>	13,326

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

For the preceding year's corresponding period, the Bank's effective tax rates was 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.

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

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**B6. STATUS OF CORPORATE PROPOSALS**

**Disposals of 21% equity interest in Generali Life Insurance Malaysia Berhad ('GLIMB') (formerly known as AXA Affin Life Insurance Berhad) and 2.95% equity interest in Generali Insurance Malaysia Berhad ('GIMB') (formerly known as AXA Affin General Insurance Berhad) and proposed merger of the businesses of MPI Generali Insurans Berhad and GIMB.**

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% equity interest in AXA Affin Life Insurance Berhad ('AALI') ('AALI Disposal'); and
- (ii) Disposal of 2.95% equity interest in AXA Affin General Insurance Berhad ('AAGI') ('AAGI Disposal').

Simultaneously with the GLIMB Disposal and GIMB Disposal, AXA Asia is also selling its entire 49% shareholding in GLIMB and 49.99% shareholding in GIMB.

The Minister of Finance had on 28 April 2022, approved the GLIMB Disposal and GIMB Disposal pursuant to Sections 89 and 90(6) of the Financial Services Act 2013 to Generali and the share sale agreement ('SSA') was entered into on 18 May 2022.

The SSA became unconditional on 19 August 2022 and was completed on 30 August 2022. Following the completion of the SSA, the Bank holds 30% equity interest in GLIMB and 47% equity interest in GIMB.

With the completion of the GLIMB Disposal and GIMB Disposal, the Bank had also on 30 August 2022 entered into the following agreements:

- (i) a shareholders' agreement with Generali and GIMB for the purpose of regulating the affairs of GIMB and the respective rights and obligations of the Bank and Generali, between themselves, as shareholders of GIMB;
- (ii) a shareholders' agreement with Generali and GLIMB for the purpose of regulating the affairs of GLIMB and the respective rights and obligations of the Bank and Generali, between themselves, as shareholders of GLIMB;
- (iii) a 15-year bancassurance distribution agreement with GIMB for the distribution of the general insurance products through the Bank's channels in Malaysia; and
- (iv) a 15-year bancassurance distribution agreement with GLIMB for the distribution of the life insurance products through the Bank's channels in Malaysia.

Following the completion of the GLIMB Disposal and GIMB Disposal, the Bank had on 9 December 2022 entered into a business transfer agreement with Generali, MPI Generali Insurans Berhad ('MPIG') and GIMB where GIMB will acquire certain assets and liabilities of MPIG via a business transfer to AAGI ('Merger'). The Merger was completed on 1 April 2023 and subsequent to completion of the Merger, the Bank holds 30% equity interest in GIMB.

**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	
	31/3/2023 RM'000	31/12/2022 RM'000	31/3/2023 RM'000	31/12/2022 RM'000
<b>(i) <u>Deposits from Customers</u></b>				
<u>By Type of Deposit:</u>				
Demand Deposits	<b>10,703,650</b>	11,073,400	<b>5,472,650</b>	6,182,379
Savings Deposits	<b>3,994,555</b>	4,176,804	<b>2,806,782</b>	2,701,194
Fixed Deposits	<b>48,997,283</b>	47,730,252	<b>28,408,713</b>	26,513,154
Commodity Murabahah Deposits	<b>1,427,122</b>	1,238,215	-	-
Money Market Deposits	<b>280,120</b>	415,034	<b>280,120</b>	415,034
Negotiable Instruments of Deposits ('NID')	<b>370,718</b>	263,369	<b>372,718</b>	263,369
Others	<b>96,934</b>	97,976	-	-
	<b>65,870,382</b>	64,995,050	<b>37,340,983</b>	36,075,130
<u>By Maturity structure of fixed deposits, NID and others:</u>				
Due within six months	<b>34,473,154</b>	34,347,860	<b>18,818,306</b>	17,977,704
Six months to one year	<b>14,690,338</b>	13,438,321	<b>9,411,693</b>	8,083,231
One year to three years	<b>298,965</b>	223,683	<b>549,414</b>	713,795
Three years to five years	<b>2,211</b>	1,940	<b>2,018</b>	1,793
Five years and above	<b>267</b>	79,793	-	-
	<b>49,464,935</b>	48,091,597	<b>28,781,431</b>	26,776,523
<u>By Type of Customer:</u>				
Government and statutory bodies	<b>9,946,568</b>	11,150,332	<b>871,248</b>	1,313,722
Business enterprises	<b>17,879,985</b>	18,036,571	<b>9,420,058</b>	10,202,954
Individuals	<b>31,705,246</b>	31,054,474	<b>23,455,461</b>	22,407,042
Domestic Banking institutions	<b>485,522</b>	371,612	<b>487,326</b>	371,362
Domestic non-Banking financial institutions	<b>4,272,469</b>	2,833,080	<b>1,934,167</b>	602,036
Foreign entities	<b>562,030</b>	552,973	<b>439,802</b>	429,923
Others	<b>1,018,562</b>	996,008	<b>732,921</b>	748,091
	<b>65,870,382</b>	64,995,050	<b>37,340,983</b>	36,075,130
<b>(ii) <u>Deposits and placement of Banks and other financial institutions</u></b>				
<u>By Type of Institution:</u>				
Licensed Banks	<b>3,060,309</b>	866,809	<b>2,305,116</b>	474,046
Licensed investment Banks	<b>750,061</b>	657,559	<b>494,095</b>	448,948
Bank Negara Malaysia	<b>470,033</b>	-	<b>470,033</b>	-
Other financial institutions	<b>1,629,048</b>	1,839,788	<b>190,849</b>	262,126
	<b>5,909,451</b>	3,364,156	<b>3,460,093</b>	1,185,120
<u>By Maturity structure of deposits:</u>				
Due within six months	<b>5,909,451</b>	3,142,856	<b>3,460,093</b>	1,185,120
Six months to one year	-	221,300	-	-
	<b>5,909,451</b>	3,364,156	<b>3,460,093</b>	1,185,120
<b>(iii) <u>Lease Liabilities</u></b>				
At beginning of financial period/year	<b>49,233</b>	36,872	<b>45,440</b>	29,232
Additions	<b>49,794</b>	52,909	<b>48,268</b>	48,268
Interest/Profit expense	<b>1,253</b>	2,674	<b>325</b>	1,589
Lease payments	<b>(53,684)</b>	(41,064)	<b>(51,665)</b>	(33,649)
Disposal of subsidiary	-	(2,158)	-	-
At end of the financial period/year	<b>46,596</b>	49,233	<b>42,368</b>	45,440

**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	
	31/3/2023 RM'000	31/12/2022 RM'000	31/3/2023 RM'000	31/12/2022 RM'000
<b>(iv) Borrowings and Sukuk</b>				
(a) Tier-2 Subordinated Medium Term Notes ('MTN')	504,452	510,890	504,452	510,890
(b) Additional Tier-1 Capital Securities ('AT1CS')	504,688	512,315	504,688	512,315
(c) Additional Tier-1 Sukuk Wakalah ('AT1S')	307,662	303,425	-	-
(d) MTN Tier-2 Sukuk Murabahah	462,626	455,768	-	-
(e) Senior Sukuk	760,212	751,541	-	-
	<b>2,539,640</b>	2,533,939	<b>1,009,140</b>	1,023,205
Fair value changes arising from fair value hedges	(2,850)	(4,008)	(2,850)	(4,008)
	<b>2,536,790</b>	2,529,931	<b>1,006,290</b>	1,019,197

(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 Bank. On 7 February 2022 and 20 September 2022, the first series and second series of the Tier-2 Subordinated MTN of RM2.0 billion were redeemed. On 26 July 2022, the 3rd tranches of the Tier-2 Subordinated MTNs of RM500.0 million was issued.

(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 Bank.

(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.

(e) Senior Sukuk

AiBB had, on 16 December 2022, issued two Senior Sukuk of RM230.0 million for a tenure of 3 years from the issue date, at a coupon rate of 4.55% and RM520.0 million for a tenure of 5 years from the issue date, at a coupon rate of 4.75%. The Senior Sukuk was issued for the purpose of general banking business and working capital requirements of AiBB.

**B8. MATERIAL LITIGATION**

There is no material litigation during the financial period ended 31 March 2023.

**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.

<b>The Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>31/3/2023</b>	<b>31/3/2022</b>	<b>31/3/2023</b>	<b>31/3/2022</b>
<b><u>Continuing operations</u></b>				
Net profit attributable to the equity holders of the Bank (RM'000)	<b>148,980</b>	125,963	<b>148,980</b>	125,963
Weighted average number of ordinary shares in issue ('000)	<b>2,273,889</b>	2,124,062	<b>2,273,889</b>	2,124,062
Basic earnings per share (sen)	<b>6.55</b>	5.92	<b>6.55</b>	5.92
<b><u>Discontinued operations</u></b>				
Profit attributable to the equity holders of the Bank (RM'000)	-	17,093	-	17,093
Weighted average number of ordinary shares in issue ('000)	<b>2,273,889</b>	2,124,062	<b>2,273,889</b>	2,124,062
Basic earnings per share (sen)	-	0.80	-	0.80
<b><u>The Bank</u></b>				
Net profit attributable to the equity holders of the Bank (RM'000)	<b>56,908</b>	41,331	<b>56,908</b>	41,331
Weighted average number of ordinary shares in issue ('000)	<b>2,273,889</b>	2,124,062	<b>2,273,889</b>	2,124,062
Basic earnings per share (sen)	<b>2.50</b>	1.95	<b>2.50</b>	1.95

There were no dilutive potential ordinary shares outstanding as at 31 March 2023.