

Kenanga Investment Bank Berhad
(Company No. 197301002193 (15678-H))

Unaudited Condensed Interim Financial Statements
30 September 2024

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

<u>Group</u>	Note	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000
ASSETS			
Cash and bank balances	A11	2,050,928	1,482,513
Financial assets at fair value through profit or loss ("FVTPL")	A12	553,353	438,660
Financial investments at fair value through other comprehensive income ("FVOCI")	A13 (i)	867,830	877,282
Financial investments at amortised cost ("AC")	A13 (ii)	510,108	470,796
Derivative financial assets	B11	66,194	75,938
Loans, advances and financing	A14	1,808,740	1,700,962
Balances due from clients and brokers	A15	568,048	570,715
Other assets	A16	295,457	191,381
Statutory deposit with Bank Negara Malaysia	A17	69,605	60,620
Tax recoverable		24,065	24,599
Investments in associates		124,441	121,619
Investments in joint ventures		27,945	31,650
Property, plant and equipment		155,641	152,776
Intangible assets		340,673	333,609
Right-of-use assets		23,859	24,226
Deferred tax assets		24,599	25,500
TOTAL ASSETS		7,511,486	6,582,846
LIABILITIES			
Deposits from customers	A18	3,950,278	3,610,595
Deposits and placements of banks and other financial institutions	A19	507,431	331,803
Balances due to clients and brokers		917,496	775,015
Derivative financial liabilities	B11	78,603	45,097
Other liabilities	A20	471,017	430,465
Obligations on securities sold under repurchase agreements		310,043	97,232
Borrowings	A21	180,500	180,500
Lease liabilities		24,584	24,750
Provision for taxation and zakat		11,260	16,358
Deferred tax liabilities		50	56
TOTAL LIABILITIES		6,451,262	5,511,871

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AS AT 30 SEPTEMBER 2024

<u>Group (cont'd.)</u>	Note	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000
EQUITY			
Share capital		253,834	253,834
Treasury shares		(6,865)	(11,739)
Reserves		813,255	828,880
TOTAL EQUITY		<u>1,060,224</u>	<u>1,070,975</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			
		<u>7,511,486</u>	<u>6,582,846</u>
Commitments and contingencies	A29	<u>7,409,058</u>	<u>4,775,217</u>
Net assets per share attributable to equity holders of the Bank (RM)		<u>1.45</u>	<u>1.48</u>

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

<u>Bank</u>	Note	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000 Restated
ASSETS			
Cash and bank balances	A11	1,551,416	974,727
Financial assets at FVTPL	A12	555,222	438,474
Financial investments at FVOCI	A13 (i)	867,830	877,282
Financial investments at AC	A13 (ii)	510,108	470,796
Derivative financial assets	B11	66,194	75,938
Loans, advances and financing	A14	1,836,157	1,726,728
Balances due from clients and brokers	A15	567,960	570,636
Other assets	A16	173,437	178,662
Statutory deposit with Bank Negara Malaysia	A17	69,605	60,620
Tax recoverable		14,555	13,776
Investments in subsidiaries		60,812	60,812
Investment in an associate		68,435	68,435
Investments in joint ventures		45,706	48,066
Property, plant and equipment		146,463	144,506
Intangible assets		334,368	335,920
Right-of-use assets		18,212	20,247
Deferred tax assets		5,524	6,807
TOTAL ASSETS		6,892,004	6,072,432
LIABILITIES			
Deposits from customers	A18	4,072,302	3,764,714
Deposits and placements of banks and other financial institutions	A19	507,431	331,803
Balances due to clients and brokers		407,561	344,719
Derivative financial liabilities	B11	78,603	45,097
Other liabilities	A20	320,994	262,127
Obligations on securities sold under repurchase agreements		310,043	97,232
Borrowings	A21	180,500	180,500
Lease liabilities		18,731	20,594
Provision for taxation and zakat		3,719	427
TOTAL LIABILITIES		5,899,884	5,047,213

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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

<u>Bank (cont'd.)</u>	Note	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000 Restated
EQUITY			
Share capital		253,834	253,834
Treasury shares		(6,865)	(11,739)
Reserves		745,151	783,124
TOTAL EQUITY		<u>992,120</u>	<u>1,025,219</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			
		<u>6,892,004</u>	<u>6,072,432</u>
Commitments and contingencies	A29	<u>7,427,486</u>	<u>4,906,200</u>
Net assets per share (RM)		<u>1.36</u>	<u>1.42</u>

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Note	Individual Quarter		Cumulative Quarters	
		3 months ended 30 September 2024	3 months ended 30 September 2023	9 months ended 30 September 2024	9 months ended 30 September 2023
		RM'000	RM'000	RM'000	RM'000
Group					
Interest income	A22	69,049	67,332	197,546	194,769
Interest expense	A23	(50,751)	(41,533)	(146,490)	(118,065)
Net interest income		18,298	25,799	51,056	76,704
Net income from Islamic banking business	A33	7,936	5,172	21,137	14,333
Other operating income	A24	150,175	145,065	453,942	381,727
Net income		176,409	176,036	526,135	472,764
Other operating expenses	A25	(155,562)	(146,824)	(468,396)	(420,531)
Operating profit		20,847	29,212	57,739	52,233
Credit loss (expense)/reversal	A26	(7,459)	(4,311)	(19,764)	6,589
Bad debts recovered	A27	661	1,331	2,858	1,930
		14,049	26,232	40,833	60,752
Share of results of associates and joint ventures		74	1,943	13,794	3,194
Profit before taxation and zakat		14,123	28,175	54,627	63,946
Taxation and zakat	B5	485	(4,562)	(7,821)	(13,278)
Profit for the period		14,608	23,613	46,806	50,668
Profit for the period attributable to:					
Equity holders of the Bank		14,608	23,613	46,806	50,558
Non-controlling interests		-	-	-	110
		14,608	23,613	46,806	50,668
Earnings per share:					
Basic (sen)	B8	2.01	3.26	6.45	6.99
Fully diluted (sen)	B8	2.01	3.26	6.45	6.97

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Individual Quarter		Cumulative Quarters	
	3 months ended 30 September 2024	3 months ended 30 September 2023	9 months ended 30 September 2024	9 months ended 30 September 2023
Note	RM'000	RM'000	RM'000	RM'000
Group (cont'd.)				
Other comprehensive (loss)/income				
Items that will not be reclassified subsequently to profit or loss:				
Fair value loss on equity instruments at FVOCI	-	-	(137)	-
Share of other comprehensive (loss)/income of associates	(2,843)	(1,967)	2,826	8,043
Income tax relating to the fair value loss on equity instruments	-	-	33	-
Items that will be reclassified subsequently to profit or loss:				
Foreign exchange differences on consolidation	(17,588)	747	(14,434)	7,390
Fair value gain/(loss) on debt instruments at FVOCI	4,267	(2,862)	2,782	3,212
Income tax relating to fair value gain/(loss) on debt instruments	(1,075)	678	(773)	(811)
Other comprehensive (loss)/income for the period, net of tax	<u>(17,239)</u>	<u>(3,404)</u>	<u>(9,703)</u>	<u>17,834</u>
Total comprehensive (loss)/income for the period, net of tax	<u>(2,631)</u>	<u>20,209</u>	<u>37,103</u>	<u>68,502</u>
Total comprehensive (loss)/income attributable to:				
Equity holders of the Bank	(2,631)	20,209	37,103	68,392
Non-controlling interests	-	-	-	110
	<u>(2,631)</u>	<u>20,209</u>	<u>37,103</u>	<u>68,502</u>

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Note	Individual Quarter		Cumulative Quarters	
		3 months ended 30 September 2024	3 months ended 30 September 2023	9 months ended 30 September 2024	9 months ended 30 September 2023
		RM'000	RM'000	RM'000	RM'000
Bank					
Interest income	A22	66,675	64,365	189,670	186,005
Interest expense	A23	(51,895)	(46,407)	(150,536)	(132,584)
Net interest income		14,780	17,958	39,134	53,421
Net income from Islamic banking business	A33	7,936	5,172	21,137	14,333
Other operating income	A24	83,640	75,790	287,912	203,836
Net income		106,356	98,920	348,183	271,590
Other operating expenses	A25	(98,979)	(93,371)	(314,510)	(271,471)
Operating profit		7,377	5,549	33,673	119
Credit loss (expense)/reversal	A26	(7,779)	506	(19,419)	10,207
Bad debts recovered	A27	661	1,332	2,858	1,921
Profit before taxation and zakat		259	7,387	17,112	12,247
Taxation and zakat		(507)	(2,236)	(4,262)	(4,432)
(Loss)/Profit for the period		(248)	5,151	12,850	7,815
Other comprehensive (loss)/income					
Items that will not be reclassified subsequently to profit or loss:					
Fair value loss on equity instruments at FVOCI		-	-	(137)	-
Income tax relating to the fair value loss on equity instruments		-	-	33	-
Items that will be reclassified subsequently to profit or loss:					
Fair value gain/(loss) on debt instruments at FVOCI		4,267	(2,862)	2,782	3,212
Income tax relating to fair value gain/(loss) on debt instruments		(1,075)	678	(773)	(811)
Other comprehensive income/(loss) for the period, net of tax		3,192	(2,184)	1,905	2,401
Total comprehensive income for the period, net of tax		2,944	2,967	14,755	10,216

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

KENANGA INVESTMENT BANK BERHAD
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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

Group	Non- Distributable					Distributable			Total Equity RM'000
	Ordinary Shares RM'000	ESS Reserve RM'000	Fair Value Reserve RM'000	Regulatory Reserve RM'000	Exchange Reserve RM'000	Capital Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	
At 1 January 2024	253,834	1,317	6,849	16,064	28,836	88,938	(11,739)	686,876	1,070,975
Net profit for the financial period	-	-	-	-	-	-	-	46,806	46,806
Share of other comprehensive income of associates	-	-	1,861	-	-	-	-	965	2,826
Other comprehensive income/(loss)	-	-	1,905	-	(14,434)	-	-	-	(12,529)
Total comprehensive income/(loss)	-	-	3,766	-	(14,434)	-	-	47,771	37,103
Share-based payment under Employees' Share Scheme ("ESS")	-	139	-	-	-	-	-	-	139
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	-	4,874	(2,015)	2,859
Transfer from retained profits	-	-	-	1,257	-	-	-	(1,257)	-
Transfer to retained profits	-	(553)	-	-	-	-	-	553	-
Dividend paid	-	-	-	-	-	-	-	(50,852)	(50,852)
At 30 September 2024	253,834	903	10,615	17,321	14,402	88,938	(6,865)	681,076	1,060,224

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

Group	Non- Distributable						Distributable		Non-Controlling Interest	Total Equity
	Ordinary Shares	ESS Reserve	Fair Value Reserve	Regulatory Reserve	Exchange Reserve	Capital Reserve	Treasury Shares	Retained Profits		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	253,834	1,794	(10,922)	17,192	24,075	88,938	(13,538)	655,907	5,544	1,022,824
Net profit for the financial period	-	-	-	-	-	-	-	50,558	110	50,668
Share of other comprehensive income of associates	-	-	6,654	-	-	-	-	1,389	-	8,043
Other comprehensive income	-	-	2,401	-	7,390	-	-	-	-	9,791
Total comprehensive income	-	-	9,055	-	7,390	-	-	51,947	110	68,502
Share-based payment under ESS	-	68	-	-	-	-	-	-	-	68
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	-	1,673	(648)	-	1,025
Transfer from regulatory reserve	-	-	-	(979)	-	-	-	979	-	-
Transfer to retained profits	-	(201)	-	-	-	-	-	201	-	-
Dividend paid	-	-	-	-	-	-	-	(43,587)	-	(43,587)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(5,654)	(5,654)
At 30 September 2023	253,834	1,661	(1,867)	16,213	31,465	88,938	(11,865)	664,799	-	1,043,178

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

Bank	Ordinary Shares RM'000	Non- Distributable			Distributable		Total Equity RM'000	
		ESS Reserve RM'000	Fair Value Reserve RM'000	Regulatory Reserve RM'000	Capital Reserve RM'000	Treasury Shares RM'000		Retained Profits RM'000
At 1 January 2024	253,834	1,317	2,856	16,064	153,863	(11,739)	609,024	1,025,219
Net profit for the financial period	-	-	-	-	-	-	12,850	12,850
Other comprehensive income	-	-	1,905	-	-	-	-	1,905
Total comprehensive income	-	-	1,905	-	-	-	12,850	14,755
Share-based payment under ESS	-	139	-	-	-	-	-	139
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	4,874	(2,015)	2,859
Transfer from retained profits	-	-	-	1,257	-	-	(1,257)	-
Transfer to retained profits	-	(553)	-	-	-	-	553	-
Dividend paid	-	-	-	-	-	-	(50,852)	(50,852)
At 30 September 2024	253,834	903	4,761	17,321	153,863	(6,865)	568,303	992,120

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Ordinary Shares RM'000	Non- Distributable			Distributable		Total Equity RM'000	
		ESS Reserve RM'000	Fair Value Reserve RM'000	Regulatory Reserve RM'000	Capital Reserve RM'000	Treasury Shares RM'000		Retained Profits RM'000
Bank								
At 1 January 2023	253,834	1,794	(6,422)	17,192	153,863	(13,538)	597,058	1,003,781
Net profit for the financial period	-	-	-	-	-	-	7,815	7,815
Other comprehensive income	-	-	2,401	-	-	-	-	2,401
Total comprehensive income	-	-	2,401	-	-	-	7,815	10,216
Share-based payment under ESS	-	68	-	-	-	-	-	68
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	1,673	(648)	1,025
Transfer from regulatory reserve	-	-	-	(979)	-	-	979	-
Transfer to retained profits	-	(201)	-	-	-	-	201	-
Dividend paid	-	-	-	-	-	-	(43,587)	(43,587)
At 30 September 2023	253,834	1,661	(4,021)	16,213	153,863	(11,865)	561,818	971,503

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Group		Bank	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	54,627	63,946	17,112	12,247
Adjustments for:				
Depreciation of property, plant and equipment	8,390	8,355	7,083	7,419
Amortisation of intangible assets	6,681	5,505	5,359	4,471
Amortisation of right-of-use assets	6,123	6,640	4,863	5,016
Lease interest expenses	1,032	202	789	652
ESS expense	100	54	100	54
Credit loss expense/(reversal)	19,764	(6,589)	19,419	(10,207)
Property, plant and equipment written off	48	3	13	3
Computer Software written-off	-	25	-	25
Bad debts recovered	-	(1,930)	-	(1,921)
Gain on disposal of a subsidiary	-	(1,509)	-	-
Gain on disposal of a joint venture	(478)	-	-	-
Non-cash items	41,660	10,756	37,626	5,512
Net gain from sale of financial assets at FVTPL and derivatives	(32,616)	(48,747)	(30,591)	(47,618)
Net gain from sale of financial investments other than those measured at FVTPL	(3,256)	(15)	(3,256)	(15)
Gross dividend income from investments	(2,682)	(556)	(11,729)	(2,637)
(Gain)/Loss on revaluation of financial assets at FVTPL and derivatives	(18,786)	12,203	(20,841)	14,249
Gain on disposal of property, plant and equipment	-	3	-	-
Share of results of associates and joint ventures	(13,794)	(3,914)	-	-
Loss on disposal of joint venture	-	-	2,360	-
Non-operating items - investing	(71,134)	(41,026)	(64,057)	(36,021)
Adjustments for non-operating and non-cash items	(29,474)	(30,270)	(26,431)	(30,509)
Operating profit/(loss) before working capital changes	25,153	33,676	(9,319)	(18,262)

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Group		Bank	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Changes in working capital:				
Net changes in operating assets	(297,122)	(157,364)	(121,471)	(73,019)
Net changes in operating liabilities	860,286	337,752	767,076	294,410
Cash generated from operations	588,317	214,064	636,286	203,129
Taxation and zakat paid	(12,230)	(7,558)	(1,206)	(8)
Rental/lease interest payment	(1,032)	(202)	(789)	(652)
Net operating cash flow	575,055	206,304	634,291	202,469
Cash flows from investing activities				
Sale proceeds from disposal of a subsidiary, net of cash	-	3,649	-	-
Dividends received	2,682	3,357	11,729	2,637
Dividends received from an associate	3,547	-	-	-
Purchase of property, plant equipment and intangible assets	(25,048)	(15,919)	(19,620)	(11,625)
Proceeds from disposal of property, plant and equipment	-	6	-	3
Capital injection in a joint venture	-	(6,516)	-	(6,516)
Net purchase of securities	(43,995)	(357,599)	(46,020)	(358,728)
Net investing cash flow	(62,814)	(373,022)	(53,911)	(374,229)
Cash flows from financing activities				
Repayment of lease liabilities	(5,866)	(6,562)	(4,763)	(4,966)
Net drawdown of borrowings	-	(15,500)	-	(8,000)
Proceeds from exercise of ESS	2,859	1,025	2,859	1,025
Net financing cash flow	(3,007)	(21,037)	(1,904)	(11,941)
Net change in cash and cash equivalents during the financial period	509,234	(187,755)	578,476	(183,701)
Cash and cash equivalents brought forward	949,750	1,230,891	885,705	1,174,810
Cash and cash equivalents carried forward	1,458,984	1,043,136	1,464,181	991,109

KENANGA INVESTMENT BANK BERHAD
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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term funds, excluding segregated funds from customers, deposits and monies held in trust on behalf of dealer's representatives. Cash and cash equivalents included in the statements of cash flows comprise of the following amounts in the statements of financial position:

	Group		Bank	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Cash and short-term funds	1,916,915	1,413,684	1,418,976	951,425
Deposits and placements with banks and other financial institutions	134,013	126,362	132,440	126,268
Less: Segregated funds from customers	(428,382)	(373,263)	-	-
Less: Monies and short-term deposits held in trust on behalf of dealers' representatives	(87,235)	(86,584)	(87,235)	(86,584)
Less: Monies and short-term deposits held in trust on behalf of funds' clients	(76,327)	(37,063)	-	-
	<u>1,458,984</u>	<u>1,043,136</u>	<u>1,464,181</u>	<u>991,109</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A1. Basis Of Preparation

The interim financial statements, for the financial period ended 30 September 2024 have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements have also incorporated those activities relating to the Islamic banking business undertaken by the Group.

The material accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2023. The Group has not adopted any other standard, interpretation or amendment that have been issued but not effective yet.

A2. Condensed financial statements

The interim financial statements have been prepared on a condensed basis and as such should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2023.

A3. Preceding financial year audit report

The preceding financial year audit report in respect of the financial year ended 31 December 2023 was not qualified by the external auditors.

A4. Seasonal or Cyclical Factors

The Group's performance was mainly dependent on Bursa Malaysia trading volume and value which in turn were affected by market sentiment and the country's macro economic conditions.

A5. Nature and amounts in relation to assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence

There were no exceptional items which have affected the assets, liabilities, equity, net income or cash flows.

A6. Changes in the nature and amount of estimated figures reported in prior interim periods and financial years

There were no changes made to the estimated figures reported in prior interim periods and financial years.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A7. Issuance, cancellation, repurchase, resale or repayment of debt and equity securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the financial period ended 30 September 2024 other than transfer of 4,855,000 units of treasury shares to staff pursuant to the exercise of ESS.

A8. Dividends paid per share

An interim dividend of 7.0 sen per share in respect of the financial year ended 31 December 2023, which amounted to RM50,851,801 was paid on 16 April 2024.

A9. Significant event during and subsequent to the interim financial period

There was no significant event during the financial period ended 30 September 2024.

There was no significant event subsequent to the financial period ended 30 September 2024 other than the below:-

Kenanga Private Equity Sdn Bhd (“**KPE**”), wholly-owned subsidiary of KIBB, is a private equity management company. KPE is also managing the private equity fund of KIBB.

On 19 May 2021, KPE had completed its subscription of 1,467,137 ordinary shares, representing approximately 19.0% of the enlarged number of ordinary shares on a fully diluted basis in Tokenize Technology (M) Sdn Bhd (“**Tokenize**”)

Subsequently, on 7 October 2024, KPE had completed the subscription of 3,302,407 Redeemable Convertible Preference Shares (“**RCPS**”), representing 66% of the total issued RCPS of Tokenize. In view of the additional rights granted to KPE arising from the subscription of RCPS, Tokenize is deemed as an associate company of KIBB.

A10. Changes in composition of the Group

There were no changes in the composition of the Group during the interim financial period other than the below:-

On 6 September 2024, the Bank and Rakuten Securities Holdings, Inc. had each disposed 2,500,000 shares in Rakuten Trade Singapore Pte. Ltd. to Rakuten Trade Sdn. Bhd. for a total consideration of RM11,411,970, which was satisfied via the issuance of 20,021,000 new shares of Rakuten Trade Sdn Bhd. Upon completion of the disposal on 6 September 2024, Rakuten Trade Singapore Pte. Ltd. has become a wholly-owned subsidiary of Rakuten Trade Sdn Bhd. Arising therefrom, the issued and paid-up share capital of Rakuten Trade Sdn Bhd had increased from RM80,000,000 divided into 80,000,000 ordinary shares to RM91,411,970 divided into 100,021,000 ordinary shares.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Group		Bank	
	As at	As at	As at	As at
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000

A11. Cash and bank balances

Cash and balances with banks and other financial institutions	709,918	500,062	296,723	116,341
Money at call and deposit placements	1,341,010	982,451	1,254,693	858,386
	2,050,928	1,482,513	1,551,416	974,727
Included in cash and bank balances are:				
Cash and cash equivalents	1,458,884	949,650	1,464,181	885,705
Monies held in trust on behalf of funds' clients, dealers' representatives and segregated funds for customers	591,944	532,763	87,235	89,022
Deposits more than 3 months	100	100	-	-
	2,050,928	1,482,513	1,551,416	974,727

A12. Financial assets at FVTPL

At fair value

Money Market Instruments:

Malaysian Government Securities	18,784	-	18,784	-
Malaysian Government Investment Certificates	30,446	-	30,446	-
	49,230	-	49,230	-

Quoted Securities:

Shares and funds in Malaysia	271,860	248,446	271,373	247,887
Funds outside Malaysia	21,186	19,384	21,186	19,384
	293,046	267,830	292,559	267,271

Unquoted Securities:

Shares and funds in Malaysia	211,077	170,830	213,433	171,203
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Total financial assets at FVTPL	553,353	438,660	555,222	438,474
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NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

Group and Bank	
As at	As at
30 September	31 December
2024	2023
RM'000	RM'000

A13. Financial investments other than those measured at FVTPL

(i) Financial investments at FVOCI

At fair value

Money market instruments:

Malaysian Government Securities	304,151	177,379
Malaysian Government Investment Certificates	383,743	331,282
Islamic Negotiable Instruments of Deposits	-	159,644
	<u>687,894</u>	<u>668,305</u>

Equity instruments in Malaysia:

Unquoted Shares	<u>1,206</u>	<u>1,343</u>
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Debt instruments in Malaysia:

Islamic Corporate Sukuk	143,056	167,187
Corporate Bonds	35,674	40,447
	<u>178,730</u>	<u>207,634</u>

Total financial investments at FVOCI

	<u>867,830</u>	<u>877,282</u>
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Included in financial investments at FVOCI are financial assets sold under repurchase agreements as follows:

Malaysian Government Securities	<u>69,662</u>	<u>-</u>
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Impairment losses on debt instruments measured at FVOCI

Group and Bank

Movements in Expected Credit Loss ("ECL")	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January 2024	1,460	-	-	1,460
Impact of net re-measurement of ECL	(431)	-	-	(431)
As at 30 September 2024	<u>1,029</u>	<u>-</u>	<u>-</u>	<u>1,029</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A13. Financial investments other than those measured at FVTPL (cont'd.)

(i) Financial investments at FVOCI (cont'd.)

Impairment losses on debt instruments measured at FVOCI (cont'd.)

Group and Bank

Movements in ECL	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January 2023	261	128	-	389
Impact of net re-measurement of ECL	(95)	-	-	(95)
Assets derecognised or matured	-	(128)	-	(128)
Changes in model assumption or methodology	1,294	-	-	1,294
As at 31 December 2023	1,460	-	-	1,460

Group and Bank	
As at 30 September 2024 RM'000	As at 31 December 2023 RM'000

(ii) Financial investments at AC

At cost

Money market instruments:

Malaysian Government Securities	125,636	125,853
Malaysian Government Investment Certificates	228,402	228,204
	<u>354,038</u>	<u>354,057</u>

Debt instruments in Malaysia:

Islamic Corporate Sukuk	156,496	116,739
Less: Allowance for ECL	(426)	-
	<u>156,070</u>	<u>116,739</u>

Total financial investments at AC

510,108	470,796
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Included in financial investments at AC are financial assets sold under repurchase agreements as follows:

Malaysian Government Securities	122,330	97,232
Malaysian Government Investment Certificates	118,051	-
	<u>240,381</u>	<u>97,232</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A13. Financial investments other than those measured at FVTPL (cont'd.)

(ii) Financial investments at AC (cont'd.)

Impairment losses on debt instruments measured at Amortised Cost ("AC")

Group and Bank

	2024			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	-	-	-	-
New assets purchased	476	-	-	476
Assets derecognised or matured (excluding write-off)	(50)	-	-	(50)
As at 30 September 2024	426	-	-	426

	2023			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January/ 31 December 2023	-	-	-	-

Group		Bank	
As at	As at	As at	As at
30 September	31 December	30 September	31 December
2024	2023	2024	2023
RM'000	RM'000	RM'000	RM'000

A14. Loans, advances and financing

Restated

At AC

Share margin financing	1,148,692	1,134,235	1,148,692	1,134,235
Term loans/financing	647,044	561,143	660,071	574,172
Subordinated term loan	-	-	35,059	25,038
Other lending and factoring receivables	20,293	12,200	-	-
Gross loans, advances and financing	1,816,029	1,707,578	1,843,822	1,733,445
Less: Allowance for ECL				
- Stage 1- 12-month ECL	(552)	(579)	(928)	(680)
- Stage 2- Lifetime ECL non-credit impaired	(2,741)	(2,741)	(2,741)	(2,741)
- Stage 3- Lifetime ECL credit impaired	(3,996)	(3,296)	(3,996)	(3,296)
Net loans, advances and financing	1,808,740	1,700,962	1,836,157	1,726,728

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Group		Bank	
	As at	As at	As at	As at
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000

A14. Loans, advances and financing (cont'd.)

(i) By Type of Customer

Domestic business enterprise				
- Small and medium enterprises	198,740	195,811	182,726	188,041
- Others	493,756	492,366	541,842	530,434
Individuals	1,123,533	1,019,401	1,119,254	1,014,970
Gross loans, advances and financing	1,816,029	1,707,578	1,843,822	1,733,445

(ii) By Geographical Distribution

In Malaysia	1,812,320	1,704,115	1,840,113	1,729,982
Outside Malaysia	3,709	3,463	3,709	3,463
Gross loans, advances and financing	1,816,029	1,707,578	1,843,822	1,733,445

(iii) By Interest Rate/ Profit Rate Sensitivity

Fixed rate				
- Other fixed rate loans	1,168,985	1,146,435	1,148,692	1,134,235
Variable rate				
- Other variable rates	647,044	561,143	695,130	599,210
Gross loans, advances and financing	1,816,029	1,707,578	1,843,822	1,733,445

(iv) By Purpose

Purchase of securities	1,356,706	1,382,070	1,356,706	1,382,070
Working capital	89,995	108,716	134,666	139,014
Others	369,328	216,792	352,450	212,361
Gross loans, advances and financing	1,816,029	1,707,578	1,843,822	1,733,445

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Group		Bank	
	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000

A14. Loans, advances and financing (cont'd.)

(v) By Residual Contractual
Maturity

Within one year	1,399,324	1,478,996	1,404,656	1,486,858
More than one year	416,705	228,582	439,166	246,587
Gross loans, advances and financing	1,816,029	1,707,578	1,843,822	1,733,445

(vi) Movements in impaired loans,
advances and financing
("Impaired LAF")

At beginning of the financial period	61,471	43,179	57,041	30,346
Impaired during the financial period	52,250	31,663	52,250	31,663
Disposal of a subsidiary	-	(484)	-	-
Amount recovered during the financial period	(11,969)	(12,887)	(11,819)	(4,968)
At end of the financial period	101,752	61,471	97,472	57,041
Less: Allowance for ECL	(3,996)	(3,296)	(3,996)	(3,296)
Net impaired LAF	97,756	58,175	93,476	53,745

Net impaired LAF as a % of net loans, advances and financing	5.40%	3.42%	5.09%	3.11%
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(vii) Impaired LAF by Geographical
Distribution

In Malaysia	101,752	61,471	97,472	57,041
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(viii) Impaired LAF by Purpose

Purchase of securities	97,472	57,041	97,472	57,041
Others	4,280	4,430	-	-
Gross impaired loans	101,752	61,471	97,472	57,041

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A14. Loans, advances and financing (cont'd.)

(ix) Impairment allowance for loans, advances and financing are as follows:

An analysis of changes in the ECL allowances in relation to share margin financing is as follows:

Share margin financing

Group and Bank

	2024			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	-	-	3,296	3,296
New assets originated or purchased	-	-	5,394	5,394
Assets derecognised or repaid (excluding write-offs)	-	-	(2,235)	(2,235)
Net remeasurement of allowance	-	-	(2,459)	(2,459)
As at 30 September 2024	-	-	3,996	3,996

	2023			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2023	-	-	17,033	17,033
Assets derecognised or repaid (excluding write-offs)	-	-	(1,500)	(1,500)
Net remeasurement of allowance	-	-	(12,237)	(12,237)
As at 31 December 2023	-	-	3,296	3,296

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A14. Loans, advances and financing (cont'd.)

(ix) Impairment allowance for loans, advances and financing are as follows (cont'd.):

Term loan/financing and subordinated term loan

Group

	2024			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	537	2,741	-	3,278
New assets originated or purchased	96	-	-	96
Assets derecognised or repaid (excluding write-offs)	(45)	-	-	(45)
Net remeasurement of allowance	3	-	-	3
As at 30 September 2024	591	2,741	-	3,332

	2023			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2023	170	2,900	-	3,070
New assets originated or purchased	531	-	-	531
Assets derecognised or repaid (excluding write-offs)	(226)	-	-	(226)
Net remeasurement of allowance	85	(159)	-	(74)
Changes in model assumption or methodology	(23)	-	-	(23)
As at 31 December 2023	537	2,741	-	3,278

Bank

	2024			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	680	2,741	-	3,421
New assets originated or purchased	122	-	-	122
Assets derecognised or repaid (excluding write-offs)	(49)	-	-	(49)
Net remeasurement of allowance	174	-	-	174
As at 30 September 2024	927	2,741	-	3,668

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A14. Loans, Advances and Financing (cont'd.)

(ix) Impairment allowance for loans, advances and financing are as follows (cont'd.):

An analysis of changes in the ECL allowances in relation to other loans and financing is as follows:

Bank

	2023			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2023	569	2,900	-	3,469
New assets originated or purchased	556	-	-	556
Assets derecognised or repaid (excluding write-offs)	(391)	-	-	(391)
Net remeasurement of allowance	(46)	(159)	-	(205)
Changes in model assumption or methodology	(8)	-	-	(8)
As at 31 December 2023	680	2,741	-	3,421

Other lending and factoring receivables

Group

	2024			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January/ 30 September 2024	-	-	-	-

	2023			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2023	-	-	2,270	2,270
Assets derecognised or repaid (excluding write-offs)	-	-	(1,786)	(1,786)
Disposal of a subsidiary	-	-	(484)	(484)
As at 31 December 2023	-	-	-	-

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A14. Loans, advances and financing (cont'd.)

(ix) Impairment allowance for loans, advances and financing are as follows (cont'd.):

An analysis of changes in the ECL allowances in relation to other lending and factoring receivables is as follows:

Undrawn commitment

Group

	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2024	42	-	-	42
Exposure derecognised or matured/lapsed (excluding write-offs)	(53)	-	-	(53)
As at 30 September 2024	(11)	-	-	(11)

	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2023	-	-	-	-
New assets originated or purchased	160	-	-	160
Net remeasurement of allowance	(67)	-	-	(67)
Changes in model assumption or methodology	(51)	-	-	(51)
As at 31 December 2023	42	-	-	42

Bank

	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2024	81	-	-	81
New assets originated or purchased	8	-	-	8
Exposure derecognised or matured/lapsed (excluding write-offs)	(61)	-	-	(61)
As at 30 September 2024	28	-	-	28

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A14. Loans, advances and financing (cont'd.)

(ix) Impairment allowance for loans, advances and financing are as follows (cont'd.):

An analysis of changes in the ECL allowances in relation to other lending and factoring receivables is as follows (cont'd.):

Bank

Movements in ECL	2023			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2023	66	-	-	66
New assets originated or purchased	230	-	-	230
Net remeasurement of allowance	(113)	-	-	(113)
Changes in model assumption or methodology	(102)	-	-	(102)
As at 31 December 2023	81	-	-	81

Group		Bank	
As at	As at	As at	As at
30 September	31 December	30 September	31 December
2024	2023	2024	2023
RM'000	RM'000	RM'000	RM'000

A15. Balances due from clients and brokers

Balances due from clients and brokers	581,824	573,523	581,736	573,444
Less: Allowance for ECL	(13,776)	(2,808)	(13,776)	(2,808)
	568,048	570,715	567,960	570,636

An analysis of changes in the ECL allowances in relation to balance due from clients and brokers is as follows:

Group and Bank

Movements in ECL	2024		
	Non-Credit Impaired	Credit-Impaired	Total
	RM'000	RM'000	RM'000
As at 1 January 2024	1,553	1,255	2,808
Charged during the financial period	239	11,438	11,677
Written back during the financial period	(268)	(441)	(709)
As at 30 September 2024	1,524	12,252	13,776

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A15. Balances due from clients and brokers (cont'd.)

An analysis of changes in the ECL allowances in relation to balance due from clients and brokers is as follows (cont'd.):

	2023		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
Movements in ECL			
As at 1 January 2023	1,531	1,246	2,777
Charged during the financial period	157	598	755
Written back during the financial period	(135)	(465)	(600)
Written off during the financial period	-	(124)	(124)
As at 31 December 2023	<u>1,553</u>	<u>1,255</u>	<u>2,808</u>

	Group		Bank	
	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000

A16. Other assets

Assets segregated for customers	119,083	54,658	-	-
Interest/income receivable	22,936	12,981	22,693	12,683
Prepayments and deposits	24,442	21,907	21,070	18,950
Other debtors	158,867	137,517	115,659	91,288
Dividend receivable from subsidiaries	-	-	-	52,000
Treasury trade receivables	10,100	-	10,100	-
Amount due from subsidiaries	-	-	37,718	27,784
Amount due from related parties	56	53	56	53
Amount due from trustees	6,006	-	-	-
	<u>341,490</u>	<u>227,116</u>	<u>207,296</u>	<u>202,758</u>
Allowance for ECL				
- Other debtors	(46,033)	(35,735)	(33,801)	(24,002)
- Amount due from subsidiaries	-	-	(58)	(94)
	<u>295,457</u>	<u>191,381</u>	<u>173,437</u>	<u>178,662</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A16. Other assets (cont'd.)

An analysis of changes in the ECL allowances in relation to other debtors is as follows:

Group

Movements in ECL	2024		Total RM'000
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	
As at 1 January 2024	141	35,594	35,735
New assets originated or purchased	357	1,262	1,619
Assets derecognised or repaid (excluding write-offs)	-	(2,308)	(2,308)
Transfer of stages	(381)	381	-
Net remeasurement of allowance	-	13,607	13,607
Amounts written off	-	(2,620)	(2,620)
As at 30 September 2024	117	45,916	46,033

Movements in ECL	2023		Total RM'000
	Non-Credit Impaired RM'000	Credit Impaired RM'000	
As at 1 January 2023	404	11,255	11,659
New assets originated or purchased	1,842	11,814	13,656
Assets derecognised or repaid (excluding write-offs)	-	(2,911)	(2,911)
Transfer of stages	(2,105)	2,105	-
Net remeasurement of allowance	-	9,268	9,268
Changes in model assumption or methodology	-	4,063	4,063
As at 31 December 2023	141	35,594	35,735

Bank

Movements in ECL	2024		Total RM'000
	Non-Credit Impaired RM'000	Credit Impaired RM'000	
As at 1 January 2024	141	23,861	24,002
New assets originated or purchased	357	5,102	5,459
Assets derecognised or repaid (excluding write-offs)	-	(2,308)	(2,308)
Transfer of stages	(381)	381	-
Net remeasurement of allowance	-	9,268	9,268
Amounts written off	-	(2,620)	(2,620)
As at 30 September 2024	117	33,684	33,801

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A16. Other assets (cont'd.)

An analysis of changes in the ECL allowances in relation to other debtors is as follows (cont'd.):

Bank (cont'd.)

	2023		Total RM'000
	Non-Credit Impaired RM'000	Credit Impaired RM'000	
Movements in ECL			
As at 1 January 2023	404	6,400	6,804
New assets originated or purchased	1,842	4,936	6,778
Assets derecognised or repaid (excluding write-offs)	-	(2,911)	(2,911)
Transfer of stages	(2,105)	2,105	-
Net remeasurement of allowance	-	9,268	9,268
Changes in model assumption or methodology	-	4,063	4,063
As at 31 December 2023	141	23,861	24,002

An analysis of changes in the ECL allowances in relation to amount due from subsidiaries is as follows:

Bank

	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2024	94	-	-	94
Net remeasurement of allowance	(36)	-	-	(36)
As at 30 September 2024	58	-	-	58

	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2023	240	-	-	240
Net remeasurement of allowance	(146)	-	-	(146)
As at 31 December 2023	94	-	-	94

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

Group and Bank	
As at	As at
30 September	31 December
2024	2023
RM'000	RM'000

A17. Statutory deposit with Bank Negara Malaysia

Statutory Deposit	69,605	60,620
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The non-interest bearing statutory deposit is maintained by the Bank with Bank Negara Malaysia in compliance with Section 26(2) (c) of the Central Bank of Malaysia Act 2009, and is determined as a set percentage of net eligible liabilities.

Group		Bank	
As at	As at	As at	As at
30 September	31 December	30 September	31 December
2024	2023	2024	2023
RM'000	RM'000	RM'000	RM'000

A18. Deposits from customers

(i) By type of deposit

Fixed term deposits	3,041,838	2,717,804	3,091,419	2,757,670
Short term money deposits	690,805	657,594	763,056	771,847
Call money deposits	68,584	90,070	68,584	90,070
Negotiable instruments of deposits	149,051	145,127	149,243	145,127
	3,950,278	3,610,595	4,072,302	3,764,714

(ii) By type of customer

Government and other statutory bodies	630,537	611,206	630,537	611,206
Individuals	195,300	182,798	195,300	182,798
Business enterprises	728,291	886,486	728,291	886,486
Non-bank financial institutions	2,120,356	1,606,945	2,120,356	1,606,945
Subsidiaries and related companies	275,794	323,160	397,818	477,279
	3,950,278	3,610,595	4,072,302	3,764,714

(iii) By maturity structure

On demand	68,584	90,070	68,584	90,070
Due within six months	2,856,307	2,559,141	2,976,905	2,713,260
More than six months to one year	772,528	692,818	773,954	692,818
More than one year	252,859	268,566	252,859	268,566
	3,950,278	3,610,595	4,072,302	3,764,714

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

Group and Bank	
As at	As at
30 September	31 December
2024	2023
RM'000	RM'000

A19. Deposits and placements of banks and financial institutions

Licenced banks	130,000	14,579
Licenced investment banks	100,000	100,000
Other financial institutions	277,431	217,224
	507,431	331,803

Group		Bank	
As at	As at	As at	As at
30 September	31 December	30 September	31 December
2024	2023	2024	2023
RM'000	RM'000	RM'000	RM'000

A20. Other liabilities

Interest/Income payable	30,181	28,775	30,738	29,226
Securities borrowing and lending	23,612	8,722	23,612	8,722
Accruals and provisions	192,301	190,739	54,446	65,028
Retention for contra losses	17	17	17	17
Structured products	18,829	3,474	18,829	3,474
Treasury trade payables	10,100	-	10,100	-
Deposits and other creditors	108,742	72,387	95,865	66,548
Amounts held in trust on behalf of				
Dealer's Representatives	87,235	89,022	87,235	89,022
Amount due to trustees	-	37,329	-	-
Amount due to subsidiaries	-	-	152	9
	471,017	430,465	320,994	262,046

A21. Borrowings

Unsecured:

Subordinated notes	180,500	180,500	180,500	180,500
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NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2024 RM'000	3 months ended 30 September 2023 RM'000	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000
A22. Interest income				
<u>Group</u>				
Loans, advances and financing	31,217	30,352	91,690	90,047
Money at call and deposit placements with financial institutions	23,505	20,512	64,652	58,669
Financial investments at FVOCI	6,529	3,953	18,976	9,146
Financial investments at AC	4,673	3,464	12,638	10,182
Others	3,125	9,051	9,590	26,725
	69,049	67,332	197,546	194,769
<u>Bank</u>				
Loans, advances and financing	31,969	30,967	93,801	91,139
Money at call and deposit placements with financial institutions	20,391	16,943	54,702	48,856
Financial investments at FVOCI	6,529	3,953	18,976	9,146
Financial investments at AC	4,673	3,464	12,638	10,182
Others	3,113	9,038	9,553	26,682
	66,675	64,365	189,670	186,005
A23. Interest expense				
<u>Group</u>				
Deposits from customers	33,163	31,261	105,863	89,077
Deposits and placement from banks and other financial institutions	5,738	1,037	10,140	2,376
Borrowings	2,177	2,413	6,482	7,725
Lease interest expenses	343	252	1,032	202
Others	9,330	6,570	22,973	18,685
	50,751	41,533	146,490	118,065
<u>Bank</u>				
Deposits from customers	34,181	32,418	109,194	92,101
Deposits and placement from banks and other financial institutions	5,738	1,037	10,140	2,376
Borrowings	2,177	2,399	6,482	7,338
Lease interest expenses	236	203	789	652
Others	9,563	10,350	23,931	30,117
	51,895	46,407	150,536	132,584

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2024 RM'000	3 months ended 30 September 2023 RM'000	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000

A24. Other operating income

Group

(a) Fee income:				
Brokerage fees	55,927	44,425	166,364	125,235
Corporate advisory fees	3,797	1,447	8,698	6,243
Processing fees on loans, advances and financing	217	55	299	381
Commissions	3,182	2,374	9,078	7,357
Management fee income	58,199	60,024	156,218	156,959
Placement fees	5,179	5,670	11,224	13,032
Underwriting commissions	1,007	900	1,157	1,303
Other fee income	7,378	5,918	22,003	13,716
Others	1,533	1,067	3,041	2,047
	<u>136,419</u>	<u>121,880</u>	<u>378,082</u>	<u>326,273</u>
(b) Net (loss)/gain arising from sale/ redemption of:				
Financial assets at FVTPL and derivatives	(24,461)	30,378	32,562	48,803
Financial investments at FVOCI	1,109	7	2,316	16
	<u>(23,352)</u>	<u>30,385</u>	<u>34,878</u>	<u>48,819</u>
(c) Gross dividend income from				
financial assets at FVTPL	1,191	252	2,633	458
Financial investments at FVOCI	49	98	49	98
	<u>1,240</u>	<u>350</u>	<u>2,682</u>	<u>556</u>
(d) Interest income from financial assets at FVTPL	<u>348</u>	<u>593</u>	<u>1,157</u>	<u>1,358</u>
(e) Unrealised gain/(loss) on revaluation of financial assets at FVTPL and derivatives	<u>31,194</u>	<u>(12,996)</u>	<u>18,786</u>	<u>(12,031)</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2024 RM'000	3 months ended 30 September 2023 RM'000	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000

A24. Other operating income (cont'd.)

Group

(f) Other income:				
Net foreign exchange income	850	1,903	6,232	7,849
Loss on disposal of property, plant and equipment	-	(3)	-	(3)
Other operating income	1,322	264	2,594	1,025
Other non-operating income				
- Rental income	601	596	1,749	1,659
- Gain on disposal of a subsidiary	-	32	-	1,509
- Gain on disposal of a joint venture	478	-	478	-
- Others	1,075	2,061	7,304	4,713
	<u>4,326</u>	<u>4,853</u>	<u>18,357</u>	<u>16,752</u>
Total other operating income	<u>150,175</u>	<u>145,065</u>	<u>453,942</u>	<u>381,727</u>

Bank

(a) Fee income:				
Brokerage fees	55,927	44,425	166,364	125,235
Corporate advisory fees	3,797	1,467	8,748	6,320
Processing fees on loans, advances and financing	274	109	476	300
Management fee income	55	81	212	251
Placement fees	5,178	5,670	10,970	11,220
Underwriting commissions	1,007	900	1,157	1,303
Other fee income	1,439	1,620	4,746	4,429
Others	1,402	1,028	2,768	1,777
	<u>69,079</u>	<u>55,300</u>	<u>195,441</u>	<u>150,835</u>
(b) Net (loss)/gain arising from sale/ redemption of:				
Financial assets at FVTPL and derivatives	(25,210)	29,249	30,537	47,674
Financial investments at FVOCI	1,109	7	2,316	16
	<u>(24,101)</u>	<u>29,256</u>	<u>32,853</u>	<u>47,690</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2024 RM'000	3 months ended 30 September 2023 RM'000	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000

A24. Other operating income (cont'd.)

Bank (cont'd.)

(c) Gross dividend from:				
Financial assets at FVTPL	1,192	252	2,634	458
Financial investments at FVOCI	49	98	49	98
Subsidiary	-	-	5,500	-
Associate	-	-	3,546	2,081
	<u>1,241</u>	<u>350</u>	<u>11,729</u>	<u>2,637</u>
(d) Interest income from financial assets at FVTPL	<u>348</u>	<u>593</u>	<u>1,157</u>	<u>1,358</u>
(e) Unrealised gain/(loss) on revaluation of financial assets at FVTPL and derivatives	<u>31,684</u>	<u>(13,823)</u>	<u>20,841</u>	<u>(14,076)</u>
(f) Other income:				
Net foreign exchange income	1,495	1,754	6,734	7,439
Other operating income	4,243	333	11,019	1,288
Loss on disposal of a joint venture	(2,360)	-	(2,360)	-
Other non-operating income				
- Rental income	1,182	1,046	3,490	3,015
- Others	829	981	7,008	3,650
	<u>5,389</u>	<u>4,114</u>	<u>25,891</u>	<u>15,392</u>
Total other operating income	<u>83,640</u>	<u>75,790</u>	<u>287,912</u>	<u>203,836</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2024 RM'000	3 months ended 30 September 2023 RM'000	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000

A25. Other operating expenses

Group

Personnel costs	61,138	59,129	176,703	168,369
- Salaries, allowances and bonuses	46,707	46,305	135,862	131,351
- EPF	5,492	5,383	16,485	16,022
- ESS expense	72	22	143	71
- Others	8,867	7,419	24,213	20,925
Establishment costs	18,292	16,956	57,353	53,235
- Depreciation of property, plant and equipment	2,741	2,774	8,390	8,355
- Amortisation of intangible assets	2,346	2,044	6,681	5,505
- Amortisation of right-of-use assets	2,174	2,012	6,123	6,640
- Rental of premises	187	113	476	363
- Rental of equipment	205	208	651	615
- Repairs and maintenance	1,049	1,072	3,084	3,136
- Information technology expenses	8,528	7,667	28,759	25,669
- Others	1,062	1,066	3,189	2,952
Marketing expenses	5,699	4,939	18,120	15,471
- Promotion and advertisements	4,289	3,299	13,990	10,472
- Travel and entertainment	1,079	1,374	3,303	3,674
- Others	331	266	827	1,325
Administration and general expenses	70,433	65,800	216,220	183,456
- Communication expenses	1,215	1,228	3,878	3,612
- Professional and legal fees	545	1,410	3,078	3,721
- Regulatory charges	5,929	4,703	16,178	12,062
- Publication and research material	2,967	3,256	9,531	8,865
- Fees and brokerage	55,087	50,728	168,297	141,167
- Administrative expenses	4,690	4,475	15,258	14,029
Total other operating expenses	155,562	146,824	468,396	420,531

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2024 RM'000	3 months ended 30 September 2023 RM'000	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000

A25. Other operating expenses (cont'd.)

Bank

Personnel costs	39,883	37,257	122,452	110,878
- Salaries, allowances and bonuses	31,303	29,808	98,459	89,048
- EPF	4,191	4,206	12,695	12,604
- ESS expense	46	16	100	54
- Others	4,343	3,227	11,198	9,172
Establishment costs	14,182	13,384	44,891	41,854
- Depreciation of property, plant and equipment	2,254	2,462	7,083	7,419
- Amortisation of intangible assets	1,872	1,589	5,359	4,471
- Amortisation of right-of-use assets	1,603	1,668	4,863	5,016
- Rental of premises	172	98	436	302
- Rental of equipment	132	135	424	401
- Repairs and maintenance	984	1,030	2,948	3,022
- Information technology expenses	6,238	5,496	21,134	18,653
- Others	927	906	2,644	2,570
Marketing expenses	1,394	1,696	5,981	5,842
- Promotion and advertisement	433	678	3,365	2,451
- Travel and entertainment	639	769	1,828	2,102
- Others	322	249	788	1,289
Administration and general expenses	43,520	41,034	141,186	112,897
- Communication expenses	956	1,000	3,193	2,919
- Professional and legal fees	435	1,349	2,387	3,370
- Regulatory charges	5,636	4,345	15,293	11,133
- Publication and research material	2,358	2,756	7,744	7,680
- Fees and brokerages	29,990	27,696	99,499	75,553
- Administrative expenses	4,145	3,888	13,070	12,242
Total other operating expenses	98,979	93,371	314,510	271,471

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A26. Credit loss reversal/(expense)

The tables below show the ECL charges on financial instruments for the period recorded in the income statement:

Group

Individual Quarter

(i) Movements in ECL on debt instruments, loan commitments, loans, advances and financing:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Debt instruments at FVOCI	202	-	-	202
Debt instruments at AC	27	-	-	27
Loans, advances and financing	137	-	(3,868)	(3,731)
Recoveries from share margin financing	-	-	320	320
Loan commitments	-	-	-	-
Credit loss reversal/(expense)	366	-	(3,548)	(3,182)

	2023			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Debt instruments at FVOCI	31	1	-	32
Loans, advances and financing	44	-	801	845
Recoveries from share margin financing	-	-	972	972
Loan commitments	(93)	-	-	(93)
Credit loss (expense)/reversal	(18)	1	1,773	1,756

(ii) Movements in ECL on other financial assets:

	2024		
	Non-Credit Impaired	Credit-Impaired	Total
	RM'000	RM'000	RM'000
Balance due from clients and brokers	7	(382)	(375)
Other debtors	(122)	(3,780)	(3,902)
Credit loss expense	(115)	(4,162)	(4,277)

	2023		
	Non-Credit Impaired	Credit-Impaired	Total
	RM'000	RM'000	RM'000
Balance due from clients and brokers	9	(179)	(170)
Other debtors	(455)	(5,442)	(5,897)
Credit loss expense	(446)	(5,621)	(6,067)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A26. Credit loss reversal/(expense) (cont'd.)

Group

Cumulative Quarters

(iii) Movements in ECLs on debt instruments, loan commitments, loans, advances and financing

	2024			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Debt instruments at FVOCI	431	-	-	431
Debt instruments at AC	(426)	-	-	(426)
Loans, advances and financing	(54)	-	(699)	(753)
Recoveries from share margin financing	-	-	4,827	4,827
Loan commitments	42	-	-	42
Credit loss (expense)/reversal	(7)	-	4,128	4,121

	2023			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Debt instruments at FVOCI	31	129	-	160
Loans, advances and financing	(155)	-	9,290	9,135
Recoveries from share margin financing	-	-	4,002	4,002
Loan commitments	(93)	-	-	(93)
Credit loss (expense)/reversal	(217)	129	13,292	13,204

(iv) Movements in ECLs on other financial assets

	2024		
	Non-Credit Impaired	Credit-Impaired	Total
	RM'000	RM'000	RM'000
Balance due from clients and brokers	29	(10,996)	(10,967)
Other debtors	(357)	(12,561)	(12,918)
Credit loss expense	(328)	(23,557)	(23,885)

	2023		
	Non-Credit Impaired	Credit-Impaired	Total
	RM'000	RM'000	RM'000
Balance due from clients and brokers	8	(131)	(123)
Other debtors	(1,554)	(4,938)	(6,492)
Credit loss expense	(1,546)	(5,069)	(6,615)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A26. Credit loss reversal/(expense) (cont'd.)

Bank

Individual Quarter

(v) Movements in ECL on debt instruments, loan commitments, loans, advances and financing:

	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debt instruments at FVOCI	202	-	-	202
Debt instruments at AC	27	-	-	27
Loans, advances and financing	100	-	(3,868)	(3,768)
Recoveries from share margin financing	-	-	320	320
Loan commitments/ bank guarantee	(8)	-	-	(8)
Amount due from subsidiaries	43	-	-	43
Credit loss reversal/(expense)	364	-	(3,548)	(3,184)

	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Debt instruments at FVOCI	31	1	-	32
Loans, advances and financing	174	-	807	981
Recoveries from share margin financing	-	-	972	972
Loan commitments	(47)	-	-	(47)
Amount due from subsidiaries	100	-	-	100
Credit loss reversal	258	1	1,779	2,038

(vi) Movements in ECL on other financial assets:

	2024		
	Non-Credit Impaired RM'000	Credit-Impaired RM'000	Total RM'000
Balance due from clients and brokers	7	(382)	(375)
Other debtors	(122)	(4,098)	(4,220)
Credit loss expense	(115)	(4,480)	(4,595)

	2023		
	Non-Credit Impaired RM'000	Credit-Impaired RM'000	Total RM'000
Balance due from clients and brokers	9	(179)	(170)
Other debtors	(455)	(907)	(1,362)
Credit loss expense	(446)	(1,086)	(1,532)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A26. Credit loss (expense)/reversal (cont'd.)

Bank

Cumulative Quarters

(vii) Movements in ECLs on debt instruments, loan commitments, loans, advances, and financing

	2024			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Debt instruments at FVOCI	431	-	-	431
Debt instruments at AC	(426)	-	-	(426)
Loans, advances and financing	(247)	-	(699)	(946)
Recoveries from share margin financing	-	-	4,827	4,827
Loan commitments/ bank guarantee	45	-	-	45
Amount due from subsidiaries	36	-	-	36
Credit loss (expense)/reversal	(161)	-	4,128	3,967

	2023			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Debt instruments at FVOCI	31	129	-	160
Loans, advances and financing	64	-	7,652	7,716
Recoveries from share margin financing	-	-	4,002	4,002
Loan commitments	(91)	-	-	(91)
Amount due from subsidiaries	100	-	-	100
Credit loss reversal	104	129	11,654	11,887

(viii) Movements in ECLs on other financial assets

	2024		
	Non-Credit Impaired	Credit-Impaired	Total
	RM'000	RM'000	RM'000
Balance due from clients and brokers	29	(10,996)	(10,967)
Other debtors	(357)	(12,062)	(12,419)
Credit loss expense	(328)	(23,058)	(23,386)

	2023		
	Non-Credit Impaired	Credit-Impaired	Total
	RM'000	RM'000	RM'000
Balance due from clients and brokers	8	(131)	(123)
Other debtors	(1,554)	(3)	(1,557)
Credit loss expense	(1,546)	(134)	(1,680)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A27. Bad debts recovered/(written off)

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2024	3 months ended 30 September 2023	9 months ended 30 September 2024	9 months ended 30 September 2023
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Loans, advances and financing	661	1,301	2,813	1,896
Balance due from clients and brokers	-	31	45	41
Other debtors	-	(1)	-	(7)
	661	1,331	2,858	1,930
<u>Bank</u>				
Loans, advances and financing	661	1,301	2,813	1,880
Balance due from clients and brokers	-	31	45	41
	661	1,332	2,858	1,921

A28. Fair value of financial instruments

Fair value measurements

The Group and the Bank use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3 - techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Valuation techniques and sensitivity analysis

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. This would include quoted securities.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A28. Fair value of financial instruments (cont'd.)

Valuation techniques and sensitivity analysis (cont'd.)

Where fair value is determined using unquoted 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 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. These would include certain bonds, government bonds, corporate debt securities and derivatives.

Group

30 September 2024

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Debt securities	-	146,874	-	146,874
- Equity securities	293,046	-	113,433	406,479
Financial investments at FVOCI				
- Debt securities	-	866,624	-	866,624
- Equity securities	-	-	1,206	1,206
Derivative financial assets	586	65,608	-	66,194
Financial assets at amortised cost for which fair values are disclosed				
Financial investments at AC	-	525,370	-	525,370
Loans, advances and financing	-	-	1,817,620	1,817,620
	293,632	1,604,476	1,932,259	3,830,367
Financial liabilities measured at fair value				
Derivative financial liabilities	60,360	18,243	-	78,603
Obligations on securities sold under repurchase agreements	-	310,043	-	310,043
Borrowings	-	173,517	-	173,517
	60,360	501,803	-	562,163

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A28. Fair value of financial instruments (cont'd.)

Group

31 December 2023

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Debt securities	-	99,627	-	99,627
- Equity securities	267,830	-	71,203	339,033
Financial investments at FVOCI				
- Debt securities	-	875,939	-	875,939
- Equity securities	-	-	1,343	1,343
Derivative financial assets	-	75,938	-	75,938
Financial assets at amortised cost for which fair values are disclosed				
Financial investments at AC	-	484,183	-	484,183
Loans, advances and financing	-	-	1,707,116	1,707,116
	267,830	1,535,687	1,779,662	3,583,179
Financial liabilities measured at fair value				
Derivative financial liabilities	23,014	22,083	-	45,097
Obligations on securities sold under repurchase agreements	-	97,232	-	97,232
Borrowings	-	172,003	-	172,003
	23,014	291,318	-	314,332

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A28. Fair value of financial instruments (cont'd.)

Bank

30 September 2024

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Debt securities	-	149,230	-	149,230
- Equity securities	292,559	-	113,433	405,992
Financial investments at FVOCI				
- Debt securities	-	866,624	-	866,624
- Equity securities	-	-	1,206	1,206
Derivative financial assets	586	65,608	-	66,194
Financial assets at amortised cost for which fair values are disclosed				
Financial investments at AC	-	525,370	-	525,370
Loans, advances and financing	-	-	1,845,354	1,845,354
	293,145	1,606,832	1,959,993	3,859,970
Financial liabilities measured at fair value				
Derivative financial liabilities	60,360	18,243	-	78,603
Obligations on securities sold under repurchase agreements	-	310,043	-	310,043
Borrowings	-	173,517	-	173,517
	60,360	501,803	-	562,163

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A28. Fair value of financial instruments (cont'd.)

Bank

31 December 2023

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Debt securities	-	100,000	-	100,000
- Equity securities	267,271	-	71,203	338,474
Financial investments at FVOCI				
- Debt securities	-	875,939	-	875,939
- Equity securities	-	-	1,343	1,343
Derivative financial assets	-	75,938	-	75,938
Financial assets at amortised cost for which fair values are disclosed				
Financial investments at AC	-	484,183	-	484,183
Loans, advances and financing	-	-	1,733,014	1,733,014
	267,271	1,536,060	1,805,560	3,608,891
Financial liabilities measured at fair value				
Derivative financial liabilities	23,014	22,083	-	45,097
Obligations on securities sold under repurchase agreements	-	97,232	-	97,232
Borrowings	-	172,003	-	172,003
	23,014	291,318	-	314,332

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A29. Commitments and Contingencies

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

	Group		Bank	
	As at 30 September 2024 Principal Amount RM'000	As at 31 December 2023 Principal Amount RM'000	As at 30 September 2024 Principal Amount RM'000	As at 31 December 2023 Principal Amount RM'000
Commitments to extend credit with maturity of less than 1 year :-				
- share margin financing	3,045,273	2,882,629	3,045,273	2,882,629
- foreign exchange related contracts	45,417	55,232	45,417	55,232
Other commitments with an original maturity of less than 1 year :-				
- corporate loans	96,167	65,392	147,167	116,392
Other commitments with an original maturity of more than 1 year :-				
- corporate loans	40,291	54,541	65,291	89,541
- others	6,000	6,000	6,000	6,000
Stockbroking clients' trust	1,413,319	980,227	1,413,319	980,227
Securities borrowing and lending	22,492	8,367	22,492	8,367
Derivative financial assets				
- dual currency investment - options	16,527	3,074	16,527	3,074
- equity related contracts - options	3,202	25,985	3,202	25,985
- equity related contracts - swaps	-	19,439	-	19,439
- equity related contract - forwards	119,945	51,342	119,945	51,342
- foreign exchange related contracts	22,704	-	22,704	-
Derivative financial liabilities				
- dual currency investment - options	16,527	3,074	16,527	3,074
- equity related contracts - options	2,362,233	498,986	2,362,233	498,986
- equity related contracts - swaps	29,058	33,374	29,058	33,374
- equity related contract - forwards	50,007	80,738	50,007	80,738
- foreign exchange related contracts	22,712	-	22,712	-
Capital commitment:				
- Authorised and contracted for Investment in equity fund	97,184	6,817	8,832	6,809
	-	-	30,780	44,991
	7,409,058	4,775,217	7,427,486	4,906,200

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Group		Bank	
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000

A30. Operating lease arrangements

A summary of the sub-lease receipts expected to be received under non-cancellable sublease are as follows:

Future minimum sub-lease receipts:

Subsidiaries	-	-	2,860	2,886
External parties	503	765	503	765
	<u>503</u>	<u>765</u>	<u>3,363</u>	<u>3,651</u>

A31. Capital Adequacy

(i) Components of Common Equity Tier 1 ("CET 1") capital ratio, Tier 1 and Tier 2 capital:

	Group		Bank	
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>CET 1 / Tier 1 capital</u>				
Paid-up share capital	253,834	253,834	253,834	253,834
Retained profits	634,270	686,876	555,453	609,024
Other reserves	132,179	142,004	176,848	174,100
Less: Regulatory adjustments:				
Deferred tax assets	(24,599)	(25,500)	(5,524)	(6,807)
55% of cumulative gains on financial investments at FVOCI	(5,838)	(3,767)	(2,618)	(1,571)
Goodwill	(241,027)	(241,027)	(252,909)	(252,909)
Other intangibles	(99,646)	(92,582)	(81,459)	(83,011)
Regulatory reserve	(17,321)	(16,064)	(17,321)	(16,064)
Treasury shares	(6,865)	(11,739)	(6,865)	(11,739)
Other CET 1 regulatory adjustments specified by BNM	-	1,547	-	1,006
Investment in ordinary shares of unconsolidated financial entities	(152,386)	(153,268)	(174,753)	(177,112)
Total CET 1/Tier 1 capital	<u>472,601</u>	<u>540,314</u>	<u>444,686</u>	<u>488,751</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A31. Capital Adequacy (cont'd.)

(i) Components of Common Equity Tier 1 ("CET 1") capital ratio, Tier 1 and Tier 2 capital (cont'd.):

	Group		Bank	
	30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
<u>Tier 2 capital</u>				
Subordinated obligations capital	180,500	180,500	180,500	180,500
General provisions [^]	23,424	17,380	21,494	17,212
Total Tier 2 capital	<u>203,924</u>	<u>197,880</u>	<u>201,994</u>	<u>197,712</u>
Total capital	<u>676,525</u>	<u>738,194</u>	<u>646,680</u>	<u>686,463</u>
CET 1 capital ratio	14.400%	21.543%	15.933%	22.474%
Tier 1 capital ratio	14.400%	21.543%	15.933%	22.474%
Total capital ratio	20.614%	29.433%	23.170%	31.565%

[^] Refers to loss allowances measured at an amount equal to 12-month and lifetime expected credit losses and regulatory reserve, to the extent they are ascribed to non-credit impaired exposures, determined under Standardised Approach for credit risk.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A31. Capital Adequacy (cont'd.)

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

	Group		Group	
	30 September 2024		31 December 2023	
	Notional amount	Risk-weighted amount	Notional amount	Risk-weighted amount
	RM'000	RM'000	RM'000	RM'000
Credit Risk	6,748,784	1,873,930	5,444,902	1,390,445
Market Risk	-	476,349	-	216,865
Operational Risk	-	877,089	-	887,613
Large exposure risk	-	54,504	-	13,108
Total Risk Weighted Assets	6,748,784	3,281,872	5,444,902	2,508,031

	Bank		Bank	
	30 September 2024		31 December 2023	
	Notional amount	Risk-weighted amount	Notional amount	Risk-weighted amount
	RM'000	RM'000	RM'000	RM'000
Credit Risk	6,083,996	1,719,557	4,962,905	1,376,948
Market Risk	-	475,008	-	215,327
Operational Risk	-	541,957	-	569,376
Large exposure risk	-	54,504	-	13,108
Total Risk Weighted Assets	6,083,996	2,791,026	4,962,905	2,174,759

The capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's Revised Risk-weighted Capital Adequacy Framework: Standardised Approach for Credit Risk and Market Risk, and Basic Indicator Approach for Operational Risk ("RWCAF Basel II").

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A32. Segmental reporting

The Group has five major operating divisions as described below. The divisions form the basis of which the Group reports its segment information.

- (i) Investment bank - Investment banking business, treasury and related financial services;
- (ii) Stockbroking - Dealings in equity securities and investment related services;
- (iii) Listed derivatives - Futures broking;
- (iv) Asset and Wealth Management - Management of funds, unit trusts and robo-advisory; and
- (v) Corporate and others - Money lending and financing, e-Services management platform, support services comprise all middle and back office functions, and, includes business operations conducted by the Group's associates in the Kingdom of Saudi Arabia and Sri Lanka and joint venture companies.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A32. Segmental reporting (cont'd.)

	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate and Others RM'000	Elimination/ consolidation adjustments RM'000	Total RM'000
2024							
Revenue							
External sales	140,462	334,935	18,521	181,103	2,277	-	677,298
- Interest income	104,660	101,180	9,815	7,138	1,442	-	224,235
- Fee income	24,298	174,957	8,911	174,298	(1)	-	382,463
- Trading and investment income/(loss)	6,400	53,966	-	(36)	1,534	-	61,864
- Other operating income/(loss)	5,104	4,832	(205)	(297)	(698)	-	8,736
Inter-segment sales	44,291	(50,741)	1,134	6,252	11,560	(12,496)	-
Total revenue	184,753	284,194	19,655	187,355	13,837	(12,496)	677,298
Result							
Net interest income	7,751	27,378	9,397	(343)	5,762	1,111	51,056
Net income from Islamic banking business	17,407	3,730	-	-	-	-	21,137
Other operating income	39,764	235,456	8,714	178,457	13,537	(21,986)	453,942
Net income	64,922	266,564	18,111	178,114	19,299	(20,875)	526,135
Other operating expenses	(47,192)	(251,609)	(12,819)	(149,940)	(11,721)	4,885	(468,396)
Credit loss (expense)/reversal	(12,546)	(6,838)	-	(8,517)	(35)	8,172	(19,764)
Bad debt recovered	-	2,858	-	-	-	-	2,858
Share of results in associates and joint ventures	-	-	-	-	13,794	-	13,794
Profit before taxation and zakat	5,184	10,975	5,292	19,657	21,337	(7,818)	54,627
Taxation and zakat							(7,821)
Net profit for the financial period							46,806

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A32. Segmental reporting (cont'd.)

	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate and Others RM'000	Elimination/ consolidation adjustments RM'000	Notes	Total RM'000
2024 (cont'd.)								
Other information								
Net interest and finance income	20,137	27,471	9,397	(343)	5,762	1,111		63,535
Depreciation and amortisation	(695)	(8,610)	(323)	(5,400)	(7,513)	1,347		(21,194)
Disposal of a joint venture	-	-	-	-	(2,360)	2,838		478
Non cash items								
- Unrealised (loss)/gain on revaluation of financial assets at FVTPL and derivatives	(93)	20,139	-	(36)	759	(1,983)		18,786
Assets								
Investments in associates	-	-	-	-	124,441	-		124,441
Investment in a joint venture	-	-	-	-	27,945	-		27,945
Additions to property, plant and equipment and intangible assets	473	4,651	37	7,305	17,660	-	A	30,126
Segment assets	3,934,860	2,427,305	574,384	296,373	582,982	(304,418)	B	7,511,486
Liabilities								
Segment liabilities	5,013,009	663,606	549,763	190,550	253,930	(219,596)	C	6,451,262

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A32. Segmental reporting (cont'd.)

	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate and Others RM'000 Restated	Elimination/ consolidation adjustments RM'000	Total RM'000
2023							
Revenue							
External sales	138,619	266,004	17,139	171,274	4,725	-	597,761
- Interest income	104,140	95,075	9,767	4,854	2,707	-	216,543
- Fee income	23,567	133,034	7,244	166,054	307	-	330,206
- Trading and investment income	7,508	32,768	-	88	1,862	-	42,226
- Other operating income	3,404	5,127	128	278	(151)	-	8,786
Inter-segment sales	31,957	(44,336)	1,139	17,285	11,714	(17,759)	-
Total revenue	170,576	221,668	18,278	188,559	16,439	(17,759)	597,761
Result							
Net interest income	18,970	30,466	9,157	682	5,855	11,573	76,703
Net income from Islamic banking business	11,169	3,166	-	-	-	-	14,335
Other operating income	25,152	171,299	7,385	183,914	13,006	(19,030)	381,726
Net income	55,291	204,931	16,542	184,596	18,861	(7,457)	472,764
Other operating expenses	(45,325)	(212,639)	(11,408)	(145,122)	(10,082)	4,045	(420,531)
Credit loss (expense)/reversal	(1,398)	11,579	-	(4,935)	1,664	(321)	6,589
Bad debt recovered	-	1,875	-	-	55	-	1,930
Share of results of associates and joint ventures	-	-	-	-	3,194	-	3,194
Profit before taxation and zakat	8,568	5,746	5,134	34,539	13,692	(3,733)	63,946
Taxation and zakat							(13,278)
Net profit for the financial period							50,668

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A32. Segmental reporting (cont'd.)

	Investment banking RM'000	Stock broking RM'000	Listed derivatives RM'000	Asset and wealth management RM'000	Corporate and Others RM'000	Elimination/ consolidation adjustments RM'000	Notes	Total RM'000
2023 (cont'd.)								
Other information								
Net interest and finance income	25,429	30,968	9,157	682	5,855	11,573		83,664
Depreciation and amortisation Non cash items	(646)	(8,890)	(346)	(4,613)	(7,014)	1,009		(20,500)
- Unrealised (loss)/gain on revaluation of financial assets at FVTPL and derivatives	(591)	(15,485)	-	88	1,764	2,020		(12,204)
Assets								
Investments in associates		-	-	-	121,619	-		121,619
Investment in joint ventures		-	-	-	31,650	-		31,650
Additions to property, plant and equipment and intangible assets	1,850	1,771	69	6,055	10,366	-	A	20,111
Segment assets	3,160,763	2,390,883	484,167	349,604	574,338	(376,909)	B	6,582,846
Liabilities								
Segment liabilities	4,265,993	557,274	463,477	263,078	254,111	(292,062)	C	5,511,871

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A32. Segmental reporting (cont'd.)

Notes

A The details for the additions to property, plant equipment and intangible assets are as follows:-

	2024	2023
	RM'000	RM'000
Property, plant and equipment		
- Additions during the financial period	16,427	7,786
Intangible assets		
- Additions during the financial period	13,699	12,325
	<u>30,126</u>	<u>20,111</u>

B The following items are deducted (from)/added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2024	2023
	RM'000	RM'000
Investment in subsidiaries	(79,100)	(79,250)
Investment in associates and joint ventures	35,995	34,517
Intangible assets	(39,642)	(39,617)
Inter-segment assets	<u>(221,671)</u>	<u>(292,559)</u>
	<u>(304,418)</u>	<u>(376,909)</u>

C The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

	2024	2023
	RM'000	RM'000
Deposits accepted from subsidiaries	(122,025)	(154,119)
Inter-segment liabilities	<u>(97,571)</u>	<u>(137,943)</u>
	<u>(219,596)</u>	<u>(292,062)</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations of Islamic Banking

(a) Unaudited Statement of Financial Position
As at 30 September 2024

	Note	Group and Bank	
		As at 30 September 2024 RM'000	As at 31 December 2023 RM'000 Restated
ASSETS			
Cash and bank balances	(e)	495,692	342,387
Financial assets at FVTPL	(f)	100,000	100,000
Financial investments at FVOCI	(g)(i)	175,180	264,847
Financial investments at AC	(g)(ii)	106,394	106,595
Financing and advances	(h)	143,029	139,464
Balances due from clients and brokers		577	2,009
Other assets	(i)	8,217	6,479
Property, plant and equipment		15	11
Intangible assets		1	1
TOTAL ASSETS		1,029,105	961,793
LIABILITIES			
Deposits from customers	(j)	423,650	341,577
Deposits and placements of banks and other financial institutions	(k)	-	10,000
Balances due to clients and brokers		4,387	5,489
Other liabilities	(l)	378,442	392,554
Deferred tax liabilities		401	395
Provision for taxation and zakat		4,686	7,172
TOTAL LIABILITIES		811,566	757,187
ISLAMIC BANKING CAPITAL FUNDS			
Islamic banking funds		120,000	120,000
Reserves		97,539	84,606
TOTAL ISLAMIC BANKING CAPITAL FUNDS		217,539	204,606
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		1,029,105	961,793
Commitments and contingencies	(s)	110,415	110,797

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations of Islamic Banking (cont'd.)

(b) Unaudited Statement Of Profit Or Loss And Other Comprehensive Income
For the financial period ended 30 September 2024

	Group and Bank			
	Individual Quarter		Cumulative Quarters	
	3 months	3 months	9 months	9 months
	ended	ended	ended	ended
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	(m) 10,069	9,443	28,830	24,820
Income derived from investment of shareholders' funds	(n) 2,828	1,247	6,518	4,328
Credit loss reversal/(expense)	131	(48)	(13)	(91)
Total attributable income	13,028	10,642	35,335	29,057
Profit distributed to depositors	(o) (4,498)	(5,315)	(13,105)	(14,402)
Net income	8,530	5,327	22,230	14,655
Finance cost	(463)	(203)	(1,106)	(413)
Personnel costs	(p) (168)	(207)	(568)	(632)
Other overhead expenses	(q) (983)	(837)	(2,946)	(2,326)
Profit before taxation and zakat	6,916	4,080	17,610	11,284
Taxation and zakat	(1,807)	(1,097)	(4,686)	(3,031)
Profit for the financial period	5,109	2,983	12,924	8,253
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss:				
Fair value gain/(loss) on debt instruments at FVOCI	657	(590)	19	339
Income tax related to fair value (loss)/gain on debt instruments at FVOCI	(158)	141	(6)	(113)
Total other comprehensive income for the financial period, net of tax	5,608	2,534	12,937	8,479

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations of Islamic Banking (cont'd.)

(b) Unaudited Statement Of Profit Or Loss And Other Comprehensive Income
For the financial period ended 30 September 2024 (cont'd.)

For consolidation with the conventional banking operations, income from Islamic Banking Window operations as shown on the face of the consolidated statements of profit or loss and statements of profit or loss, comprised of the following items:

	Group and Bank			
	Individual Quarter		Cumulative Quarters	
	3 months	3 months	9 months	9 months
	ended	ended	ended	ended
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	10,069	9,443	28,830	24,820
Income derived from investment of shareholders' funds	2,828	1,247	6,518	4,328
Total income before impairment allowances and overhead expenses	12,897	10,690	35,348	29,148
Profit distributed to depositors	(4,498)	(5,315)	(13,105)	(14,402)
Finance cost	(463)	(203)	(1,106)	(413)
Income from Islamic Banking Window operations reported in the statement of profit or loss of the Group and of the Bank	7,936	5,172	21,137	14,333

KENANGA INVESTMENT BANK BERHAD
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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations Of Islamic Banking (cont'd.)

(c) Statement Of Changes In Islamic Banking Funds
For the financial period ended 30 September 2024

Group and Bank	Non- Distributable					Distributable	Total Equity RM'000
	Islamic Banking Fund RM'000	Fair Value Reserve RM'000	Regulatory Reserve RM'000	ESS Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	
At 1 January 2024	120,000	1,183	2,654	6	5,248	75,515	204,606
Net profit for the financial period	-	-	-	-	-	12,924	12,924
Other comprehensive income for the financial period	-	13	-	-	-	-	13
Share based payment under ESS	-	-	-	-	-	(3)	(3)
Transfer to retained profits	-	-	(255)	(1)	-	255	(1)
At 30 September 2024	120,000	1,196	2,399	5	5,248	88,691	217,539
At 1 January 2023	120,000	(301)	2,261	8	5,248	63,780	190,996
Net profit for the financial period	-	-	-	-	-	8,253	8,253
Other comprehensive income for the financial period	-	226	-	-	-	-	226
Share based payment under ESS	-	-	-	(1)	-	(3)	(4)
Transfer to retained profits	-	-	443	-	-	(443)	-
At 30 September 2023	120,000	(75)	2,704	7	5,248	71,587	199,471

KENANGA INVESTMENT BANK BERHAD
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NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations Of Islamic Banking (cont'd.)

(d) Unaudited Condensed Statements Of Cash Flows
For the financial period ended 30 September 2024

	Group and Bank	
	30 September 2024	30 September 2023
	RM '000	RM '000
Cash flows from operating activities		
Profit before taxation and zakat	17,610	11,284
Adjustments for:		
Depreciation of plant and equipment	4	3
Credit loss expense	13	91
Net (gain)/loss from sale of financial assets at FVTPL	(54)	56
Net (gain)/loss from sale of financial investments other than those measured at FVTPL	(940)	1
Unrealised loss on revaluation of financial assets at FVTPL	-	173
Operating profit before working capital changes	<u>16,633</u>	<u>11,608</u>
Changes in operating assets:		
Financing and advances	(3,578)	(49,671)
Balances due from clients and brokers	1,845	(5,405)
Other assets	(1,739)	(3,003)
Changes in operating liabilities:		
Deposits from customers	82,073	(96,856)
Deposits and placements of banks and other financial institutions	(10,000)	-
Balances due to clients and brokers	(1,516)	631
Other liabilities	(20,861)	44,450
Cash generated/(used in) from operating activities	<u>62,857</u>	<u>(98,246)</u>
Taxation and zakat paid	(427)	(291)
Net cash generated/(used in) from operating activities	<u>62,430</u>	<u>(98,537)</u>
Cash flows from investing activity		
Purchase of property, plant and equipment	(9)	-
Loss from disposal of property, plant and equipment	-	(1)
Net sales/(purchase) of securities, representing net investing cash flow	90,884	(54,523)
Net investing cash flow	<u>90,875</u>	<u>(54,524)</u>
Net change in cash and cash equivalents	153,305	(153,061)
Cash and cash equivalents at beginning of the financial period	<u>342,387</u>	<u>438,476</u>
Cash and cash equivalents at end of the financial period	<u>495,692</u>	<u>285,415</u>

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations Of Islamic Banking (cont'd.)

	Group and Bank	
	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000
(e) Cash and bank balances		
Current accounts with Bank Negara Malaysia and banks	18,762	16,287
Money at call and deposit placements with:		
Licensed Islamic banks	6,930	126,100
Bank Negara Malaysia	120,000	-
Domestic non-bank financial institutions	350,000	200,000
	<u>495,692</u>	<u>342,387</u>
(f) Financial assets at FVTPL		
Unquoted Securities in Malaysia:		
Funds	<u>100,000</u>	<u>100,000</u>
(g) Financial investments other than those measured at FVTPL		
(i) Financial investments at FVOCI		
At fair value		
(a) Money market instruments:		
Malaysian Government Investment Certificates	133,617	103,462
Negotiable Instruments of Deposits	-	99,770
	<u>133,617</u>	<u>203,232</u>
(b) Debt instruments:		
Corporate Sukuk	41,563	61,615
Total financial investments at FVOCI	<u>175,180</u>	<u>264,847</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations Of Islamic Banking (cont'd.)

(g) Financial investment other than those measured at FVTPL (cont'd.)

Impairment losses on debt instruments measured at FVOCI

An analysis of changes in the ECLs is as follows:

Group and Bank

	2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2024	-	-	-	-
Impact of net re-measurement of ECL	(2)	-	-	(2)
As at 30 September 2024	(2)	-	-	(2)

Group and Bank

	2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Movements in ECL				
As at 1 January 2023	-	128	-	128
Assets derecognised or repaid (excluding write-offs)	-	(128)	-	(128)
As at 31 December 2023	-	-	-	-

	Group and Bank	
	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000
(ii) Financial investments at AC		
At cost		
(a) Money market instruments:		
Malaysian Government Investment Certificates	39,369	39,310
(b) Debt instruments:		
Corporate Sukuk	67,025	67,285
Total financial investment at AC	106,394	106,595
Total financial investments other than those measured at FVTPL	281,574	371,442

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations Of Islamic Banking (cont'd.)

	Group and Bank	
	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000 Restated
(h) Financing and advances		
At AC		
Commodity Murabahah share margin financing		
- Shariah contract - others	316	834
Commodity Murabahah revolving credit		
- Shariah contract - others	79,561	81,186
Commodity Murabahah term financing		
- Shariah contract - others	63,415	57,652
Gross financing and advances	<u>143,292</u>	<u>139,672</u>
Less: Allowance for ECL	(263)	(208)
Net financing and advances	<u>143,029</u>	<u>139,464</u>
(i) Gross financing and advances analysed by type of customer are as follows:		
Domestic business enterprises	102,351	84,544
Individuals	40,941	55,128
	<u>143,292</u>	<u>139,672</u>
(ii) Gross financing and advances analysed by geographical distribution:		
In Malaysia	<u>143,292</u>	<u>139,672</u>
(iii) Gross financing and advances analysed by profit rate sensitivity are as follows:		
Fixed rate	316	834
Variable rate - Cost plus	142,976	138,838
	<u>143,292</u>	<u>139,672</u>
(iv) Gross financing and advances analysed by economic purpose are as follows:		
Working capital	50,443	61,800
Purchase of securities	14,320	15,843
Others	78,529	62,029
	<u>143,292</u>	<u>139,672</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations Of Islamic Banking (cont'd.)

Group and Bank	
As at	As at
30 September	31 December
2024	2023
RM'000	RM'000

(h) Financing and advances (cont'd.)

(v) Gross financing and advances analysed by residual contractual maturity are as follows:

Within one year	63,734	82,020
More than one year	79,558	57,652
	143,292	139,672

(vi) Impairment allowance for financing and advances are as follows:

Group and Bank

Term Financing :

Movements in ECL

As at 1 January 2024
New assets originated or purchased
Assets derecognised or repaid (excluding write-offs)
Net remeasurement of allowance
As at 30 September 2024

2024	
Stage 1	Total
RM'000	RM'000
208	208
96	96
(45)	(45)
4	4
263	263

Movements in ECL

As at 1 January 2023
New assets originated or purchased
Assets derecognised or repaid (excluding write-offs)
Net remeasurement of allowance
As at 31 December 2023

2023	
Stage 1	Total
RM'000	RM'000
55	55
375	375
(70)	(70)
(152)	(152)
208	208

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations Of Islamic Banking (cont'd.)

(h) Financing and advances (cont'd.)

(vi) Impairment allowance for financing and advances are as follows (cont'd.):

Undrawn Commitment:

	2024	
	Stage 1	Total
<u>Movements in ECL</u>	RM'000	RM'000
As at 1 January/30 September 2024	93	93
	2023	
	Stage 1	Total
<u>Movements in ECL</u>	RM'000	RM'000
As at 1 January 2023	-	-
New assets originated or purchased	159	159
Assets derecognised or repaid (excluding write-offs)	(66)	(66)
As at 31 December 2023	93	93
	Group and Bank	
	As at	As at
	30 September	31 December
	2024	2023
	RM'000	RM'000
(i) Other Assets		
Income receivables	5,142	3,426
Prepayment	3	8
Other receivables	3,100	3,072
Less: Allowance for ECL	(28)	(27)
	8,217	6,479

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations Of Islamic Banking (cont'd.)

(i) Other Assets (cont'd.)

Group and Bank

	2024		
	Non-Credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
Movements in ECL			
As at 1 January 2024	1	26	27
New assets originated or purchased	3	27	30
Assets derecognised or repaid (excluding write-offs)	-	(30)	(30)
Transfer of stages	(3)	3	-
As at 30 September 2024	1	26	27

	2023		
	Non-Credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
Movements in ECL			
As at 1 January 2023	1	53	54
New assets originated or purchased	6	3	9
Assets derecognised or repaid (excluding write-offs)	-	(36)	(36)
Transfer of stages	(6)	6	-
As at 31 December 2023	1	26	27

Group and Bank

	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000
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(j) Deposits from customers

(i) By type of deposit

Term deposits		
- Tawarruq (Commodity Murabahah deposits)	423,650	341,577

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations Of Islamic Banking (cont'd.)

	Group and Bank	
	As at	As at
	30 September	31 December
	2024	2023
	RM'000	RM'000
(j) Deposits from customers (cont'd.)		
(ii) By type of customers		
Domestic non-bank institutions	239,386	216,028
Government and other statutory bodies	85,023	67,540
Business enterprises	85,320	43,761
Individuals	765	785
Subsidiary companies	13,156	13,463
	<u>423,650</u>	<u>341,577</u>
(iii) By maturity		
Due within six months	373,650	299,349
Due more than six months	50,000	42,228
	<u>423,650</u>	<u>341,577</u>
(k) Deposits and placements of banks and other financial institutions		
(i) By type of deposit		
Term deposits		
- Tawarruq (Commodity Murabahah deposits)	-	10,000
	<u>-</u>	<u>10,000</u>
(ii) By type of customers		
Other financial institution	-	10,000
	<u>-</u>	<u>10,000</u>
(iii) By maturity		
Due within six months	-	10,000
	<u>-</u>	<u>10,000</u>
(l) Other liabilities		
Mudarabah Specific Investment Account	26,537	11,989
Profit payables	746	1,160
Other payables	351,159	379,405
	<u>378,442</u>	<u>392,554</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations Of Islamic Banking (cont'd.)

	Group and Bank Individual Quarter		Group and Bank Cumulative Quarters	
	3 months ended 30 September 2024 RM'000	3 months ended 30 September 2023 RM'000	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000
(m) Income derived from investment of depositors' funds				
Finance income and hibah				
Financing and advances	121	396	1,480	1,438
Deposits and placements with financial institutions	3,616	3,013	9,686	9,242
Financial investment other than those measured at FVTPL	2,973	3,345	9,515	7,182
Accretion of discount	(162)	(247)	(512)	(420)
Others	1	1	2	4
	6,549	6,508	20,171	17,446
Other operating (loss)/income				
Net gain/(loss) on sale of financing assets at FVTPL	45	(173)	54	(228)
Unrealised gain on revaluation of financial assets at FVTPL	-	85	-	-
Net gain/(loss) on sale of financial investments other than those measured at FVTPL	643	-	940	(1)
Fees on financing and advances	4	36	12	107
Brokerage fee	1,725	954	3,633	2,561
Profit income from financial assets at FVTPL	1,077	1,154	3,367	3,754
Advisory fee	63	110	191	214
Placement fee	-	-	1	-
Direct trading fees expense	(39)	(10)	(89)	(88)
Other operating income	2	779	545	1,051
Other non-operating income	-	-	5	4
	3,520	2,935	8,659	7,374
Total income derived from investment of depositors' funds	10,069	9,443	28,830	24,820

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations Of Islamic Banking (cont'd.)

	Group and Bank Individual Quarter		Group and Bank Cumulative Quarters	
	3 months ended 30 September 2024 RM'000	3 months ended 30 September 2023 RM'000	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000
(n) Income derived from investment of shareholders' funds				
Finance income and hibah				
Financing and advances	2,669	1,986	6,359	4,293
Financial investments other than those measured at FVTPL	175	(817)	175	39
Accretion of premium	(16)	78	(16)	(4)
	2,828	1,247	6,518	4,328
(o) Profit distributed to depositors				
Deposits from customers and financial institutions				
- Murabahah Fund	3,480	4,260	10,064	11,322
Others	1,018	1,055	3,041	3,080
	4,498	5,315	13,105	14,402
(p) Personnel costs				
- Salaries, wages, allowances and bonus	125	164	438	490
- EPF	23	25	72	76
- Other staff related expenses	20	18	58	66
	168	207	568	632
(q) Other overhead expenses:				
Establishment costs				
- Depreciation	2	1	4	3
- Office rental	15	14	44	43
- Others	7	9	24	20
	24	24	72	66
Marketing and travelling expenses				
- Advertisement and promotions	5	-	5	1
- Travelling and entertainment expenses	-	-	2	-
	5	-	7	1

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations Of Islamic Banking (cont'd.)

	Group and Bank Individual Quarter		Group and Bank Cumulative Quarters	
	3 months ended	3 months ended	9 months ended	9 months ended
	RM'000	RM'000	RM'000	RM'000
(q) Other overhead expenses (cont'd.):				
Administration and general expenses				
- Fees and brokerage	135	183	567	482
- Support service charges	619	994	1,856	1,523
- Shariah committee expenses	52	105	152	160
- Others	148	(469)	292	94
	<u>954</u>	<u>813</u>	<u>2,867</u>	<u>2,259</u>
Total other overhead expenses	983	837	2,946	2,326

	Group and Bank	
	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000
(r) Capital adequacy		
CET 1 / Tier 1 Capital		
Islamic Banking funds	120,000	120,000
Retained profits	75,767	75,515
Other reserves	8,848	9,091
Less:		
Intangible assets	(1)	(1)
55% of cumulative gains on financial investments at FVOCI	(658)	(652)
Regulatory reserves	(2,399)	(2,654)
Total CET 1 / Tier 1 capital	<u>201,557</u>	<u>201,299</u>
Tier 2 Capital		
General provisions	<u>2,716</u>	<u>2,956</u>
Total Tier 2 capital	<u>2,716</u>	<u>2,956</u>
Total capital	<u>204,273</u>	<u>204,255</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

A33. Operations Of Islamic Banking (cont'd.)

	Group and Bank	
	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000
(r) Capital adequacy (cont'd.)		
CET 1 capital ratio	64.814%	66.552%
Tier 1 capital ratio	64.814%	66.552%
Total capital ratio	<u>65.687%</u>	<u>67.529%</u>

The breakdown of risk-weighted assets (excluding any deferred tax assets) in the various categories of risk-weights are as follows:

	Group and Bank			
	As at 30 September 2024		As at 31 December 2023	
	Notional amount RM'000	Risk- weighted amount RM'000	Notional amount RM'000	Risk- weighted amount RM'000
Credit risk	975,527	274,616	894,264	271,905
Operational risk	-	36,363	-	30,564
Total Risk Weighted Assets	<u>975,527</u>	<u>310,979</u>	<u>894,264</u>	<u>302,469</u>

(s) Commitments and contingencies

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

As at reporting date, the commitment and contingencies are as follows:

	Group and Bank	
	As at 30 September 2024 RM'000	As at 31 December 2023 RM'000
Commitments to extend credit with maturity of less than 1 year:		
- share margin financing	16,284	19,766
Other commitments with an original maturity of less than 1 year:		
- corporate financing	59,881	48,531
Other commitments with an original maturity of more than 1 year:		
- corporate financing	34,250	42,500
	<u>110,415</u>	<u>110,797</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance Review

Group:

	Individual period		Cumulative period	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 September 2024 (3Q24)	30 September 2023 (3Q23)	30 September 2024 (9M24)	30 September 2023 (9M23)
(RM'000)				
Revenue	229,966	219,708	677,298	597,761
Net income	176,409	176,036	526,135	472,764
Profit before tax	14,123	28,175	54,627	63,946
Profit after tax	14,608	23,613	46,806	50,668

The Group reported higher revenue for 3Q24 as compared to 3Q23 mainly due to higher brokerage fee income. However, this was partially offset by higher overheads and credit loss expense provided in 3Q24 and the Group recorded a profit before tax of RM14.6mil for the current quarter.

For the nine months period ended 30 September 2024 (9M24), the Group has performed better in terms of operating profit at RM57.7mil, higher by 10.5% as compared to RM52.2mil last year 9M23. This is from higher brokerage and higher trading income on the back of increased Bursa trading volume. However, the Group has also made impairment provisions of RM19.8mil in accordance with Group policies during the period compared to a reversal last year.

The Group achieved higher revenue and lower PBT for 9M24 as compared to 9M23 mainly due to higher operating income and share of profit from associates but partially offset by higher total overheads and credit loss expense.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance Review (cont'd.)

Current quarter and financial period-to-date

Performance analysis of the Group's major operating segments are as follows:

Investment Banking:

	Individual period		Cumulative period	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 September 2024 (3Q24)	30 September 2023 (3Q23)	30 September 2024 (9M24)	30 September 2023 (9M23)
(RM'000)				
Revenue	63,565	62,141	184,753	170,576
Net income	27,674	21,379	64,922	55,291
Profit before tax	8,182	5,183	5,184	8,568

Investment Banking ("IB") registered higher revenue for both periods 3Q24 and 9M24 as compared to the corresponding periods last year mainly attributed to higher investment banking fee income and trading and investment income. However, the segment recorded lower PBT for 9M24 as compared to the corresponding period last year due to higher interest expense and credit loss expense.

Stockbroking:

	Individual period		Cumulative period	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 September 2024 (3Q24)	30 September 2023 (3Q23)	30 September 2024 (9M24)	30 September 2023 (9M23)
(RM'000)				
Revenue	87,118	79,245	284,194	221,668
Net income	79,735	73,322	266,564	204,931
(Loss)/Profit before tax	(2,594)	1,025	10,975	5,746

Higher revenue was recorded by the stockbroking segment for 3Q24 as compared to the corresponding quarter last year as higher brokerage fee income increased by 27.0% from RM18.9mil in 3Q23 to RM24.0mil in 3Q24 on the back of improved Bursa trading volume. However, credit loss expense in 3Q24 compared to credit loss reversal in the 3Q23 resulted in the current quarter's LBT of RM2.6mil.

Higher revenue was recorded by the stockbroking segment for 9M24 as compared to the corresponding periods last year mainly due to the higher brokerage fee income as well as trading and investment income. Consequently, higher PBT of RM11.0mil was recorded for 9M24 as compared to RM5.7mil last year.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD

B1. Performance Review (cont'd.)

Current quarter and financial period-to-date (cont'd.)

Performance analysis of the Group's major operating segments are as follows (cont'd.):

Asset and Wealth Management:

	Individual period		Cumulative period	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 September 2024 (3Q24)	30 September 2023 (3Q23)	30 September 2024 (9M24)	30 September 2023 (9M23)
(RM'000)				
Revenue	68,817	71,383	187,355	188,559
Net income	65,548	70,253	178,114	184,596
Profit before tax	8,102	13,417	19,657	34,539

Asset and Wealth Management has recorded lower profit before tax for both periods 3Q24 and 9M24 as compared to the corresponding periods last year mainly driven by lower one-off income from alternatives investments and higher cost due to expansion for wider business reach despite higher retail and institutional management fee contribution. Nonetheless, Asset Under Administration registered a growth of RM2.3 billion year-over-year basis with 3Q24 closing at RM23.8 billion.

Listed derivatives:

	Individual period		Cumulative period	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 September 2024 (3Q24)	30 September 2023 (3Q23)	30 September 2024 (9M24)	30 September 2023 (9M23)
(RM'000)				
Revenue	6,394	6,288	19,655	18,278
Net income	5,838	5,728	18,111	16,542
Profit before tax	1,522	1,945	5,292	5,134

Listed derivatives business has reported higher revenue for both periods 3Q24 and 9M24 as compared to the corresponding periods last year largely due to the higher commission income generated as a result of higher trading activities during the current year.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance Review (cont'd.)

Current quarter and financial period-to-date (cont'd.)

Performance analysis of the Group's major operating segments are as follows (cont'd.):

Corporate and others:

	Individual period		Cumulative period	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 September 2024 (3Q24)	30 September 2023 (3Q23)	30 September 2024 (9M24)	30 September 2023 (9M23)
(RM'000)				
Revenue	2,842	7,252	13,837	16,439
Net (loss)/income	(130)	5,830	19,299	18,861
(Loss)/Profit before tax	(3,509)	6,089	21,337	13,692

The lower revenue and LBT recorded for 3Q24 as compared to the corresponding period last year largely due to valuation loss on investment and disposal of a joint venture.

Higher PBT was registered for 9M24 as compared to 9M23 mainly due to the increase in share of profit from an associate.

B2. Explanatory comments on any material change in profit before taxation for current quarter as compared with the immediate preceding quarter

Current quarter versus previous quarter

Group:

	Current quarter	Previous quarter
	3 months ended 30 September 2024 (3Q24)	3 months ended 30 June 2024 (2Q24)
(RM'000)		
Revenue	229,966	243,126
Net income	176,409	186,806
Profit before tax	14,123	13,797
Profit after tax	14,608	9,370

For 3Q24, the Group has recorded slightly lower revenue mainly due to lower trading and investment income quarter-on-quarter. However, PBT for 3Q24 is higher than 2Q24 on the back of lower overheads.

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B3. Prospects

We forecast gross domestic product growth for 2024 at 5.0% (2023: 3.6%), following stronger-than-expected performance in first half year of 2024 (5.1%). Recent high-frequency macro indicators continue to reflect steady economic expansion, driven by robust domestic demand, a stable unemployment rate, and increased tourist arrivals. This positive outlook is further bolstered by the realisation of previously approved investments, ongoing multi-year government infrastructure projects, and a gradual recovery in manufacturing and export-oriented sectors.

However, downside risks remain, particularly from the external sector which could disrupt supply chains and weaken sentiment. These risks include potential global economic slowdowns in advanced economies due to the lag effects of high interest rates, escalating geopolitical tensions, notably in the Middle East and the ongoing Ukraine-Russia conflict, and renewed US-China tensions following the outcome of the US Presidential Election.

On the monetary policy front, we expect BNM to keep the overnight policy rate at 3.00% throughout 2024, likely extending into 2025. Despite upside risks to inflation, particularly from uncertainties surrounding subsidy rationalisation, we anticipate that inflation to remain contained, supported by potential increases in government cash transfers and productivity improvements.

Barring any unforeseen circumstances, Kenanga is on track to close the year with higher operating profit as compared to the previous year despite the mixed market sentiments.

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B4. Variance From Profit Forecast And Profit Guarantee

This is not applicable as the Company did not issue any profit forecast or profit guarantee during the financial period.

B5. Taxation and zakat

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<u>3 months ended 30 September 2024</u>	<u>3 months ended 30 September 2023</u>	<u>9 months ended 30 September 2024</u>	<u>9 months ended 30 September 2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Income tax and zakat	(4,837)	(3,834)	(7,666)	(11,850)
Deferred taxation	5,322	(728)	(155)	(1,428)
Total	485	(4,562)	(7,821)	(13,278)

The effective tax rate of the Group for the current financial period ended 30 September 2024 was lower than the statutory tax rate mainly due to certain income not subject to tax.

<u>Bank</u>	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<u>3 months ended 30 September 2024</u>	<u>3 months ended 30 September 2023</u>	<u>9 months ended 30 September 2024</u>	<u>9 months ended 30 September 2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Income tax and zakat	(3,579)	104	(3,719)	(82)
Deferred taxation	88	(2,340)	(543)	(4,350)
Total	(3,491)	(2,236)	(4,262)	(4,432)

The effective tax rate of the Bank for the current financial period ended 30 September 2024 was lower than the statutory tax rate mainly due to certain income not subject to tax.

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B6. Borrowings

	Group		Bank	
	As at	As at	As at	As at
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Unsecured				
Subordinated notes*				
- More than one year	180,500	180,500	180,500	180,500

* All borrowings are denominated in RM

B7. Dividend

The Company had, on 29 February 2024 declared an interim single tier dividend of 7.00 sen per share in respect of the financial year ended 31 December 2023. This interim single tier dividend which amounted to RM50,851,801 based on the entitled share capital of 726,454,299 ordinary shares was paid on 16 April 2024.

No dividend has been proposed for the current financial quarter.

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B8. Earnings per share

	Individual Quarter		Cumulative Quarters	
	3 months ended 30 September 2024 RM'000	3 months ended 30 September 2023 RM'000	9 months ended 30 September 2024 RM'000	9 months ended 30 September 2023 RM'000
Profit for the period attributable to equity holders of the Bank	14,608	23,613	46,806	50,558
Weighted average number of ordinary shares in issue ('000)	728,138	723,902	725,853	723,061
Effects of dilution	-	-	204	1,994
Adjusted weighted average number of ordinary shares in issue ('000)	728,138	723,902	726,057	725,055
Earnings per share (sen)				
- basic	2.01	3.26	6.45	6.99
- fully diluted	2.01	3.26	6.45	6.97

There were no potential dilutive ordinary shares outstanding as at 30 September 2024.

B9. Changes in Material Litigation

The status of material litigations is disclosed in note B12.

B10. Status of corporate proposal

There were no corporate proposals announced but not completed as at 30 September 2024.

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B11. Derivative financial instruments

Derivative financial instruments are as follows:

Group and Bank

Items	As at 30 September 2024		As at 31 December 2023	
	Contract/ Notional Value RM'000	Fair Value RM'000	Contract/ Notional Value RM'000	Fair Value RM'000
<u>Derivative financial assets</u>				
Equity related contract- options	3,202	2,831	25,985	26,415
Equity related contract- swaps	-	-	19,439	209
Equity related contract- forwards	119,945	62,763	51,342	49,309
Foreign exchange related contracts	22,704	586	-	-
Dual currency investment- options	16,527	14	3,074	5
	162,378	66,194	99,840	75,938
<u>Derivative financial liabilities</u>				
Equity related contract- options	2,362,233	75,561	498,986	40,124
Equity related contract- swaps	29,058	843	33,374	1,012
Equity related contract- forwards	50,007	2,068	80,738	3,956
Foreign exchange related contracts	22,712	117	-	-
Dual currency investment- options	16,527	14	3,074	5
	2,480,537	78,603	616,172	45,097

Changes in the risk, cash requirement, policies in place and accounting policies reported in prior financial years

There have been no changes since the end of the previous financial year ended 31 December 2023 in respect of the following:

- (i) the market risk and credit risk associated with the derivatives;
- (ii) the cash requirements of the derivatives;
- (iii) the policies in place for mitigating or controlling the risks associated with the derivatives; and
- (iv) the related accounting policies

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B11. Derivative financial instruments (cont'd.)

Types of derivative financial instruments

Options are contractual agreements or embedded in other financial instruments under which seller/issuer grants the purchaser the right, but not the obligation, either to buy a call option or sell a put option at or by a pre-defined date during a pre-defined period, a specific amount of an underlying assets at a pre-determined price.

The Seller may receive a premium from the purchaser in consideration of risk. Options may be either exchange-traded, negotiated between the purchaser and the seller at the over-the-counter market or embedded components in other financial instruments.

A swap is an agreement between two parties to exchange a series of future cash flows. Each cash flow comprises one leg of the swap. One cash flow is generally fixed, while the other is variable and based on a benchmark interest rate, floating currency exchange rate or index price.

A swap contract is essentially a derivative contract in which the value of the contract derived from the assets it represents. These assets are called the underlying assets and their value typically changes, resulting in a change of the value of the derivative itself. Most swaps contracts are traded over-the-counter that are customized to the needs of both parties.

Purposes of engaging in derivative financial instruments

There have been no changes since the end of the previous financial year in respect of the type of derivative financial instruments, the rationale and expected benefits accruing to the Group from these derivative financial instruments.

Fair value changes of derivative financial instruments

The unrealised gain arising from fair value changes of derivative financial instruments for the current quarter amounted to RM32,089,816 (2Q24 loss: RM5,301,298). This was arrived at based on the fluctuations in the market prices of the derivative financial instruments or underlying assets which are listed on Bursa Malaysia.

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B12. Contingent liabilities

Group and Bank	
30 September	31 December
2024	2023
RM'000	RM'000

On 27 November 2019, the Bank was served with a sealed Writ of Summons and Statement of Claim filed by Lai Sing Foo ("the Plaintiff"). The Plaintiff is alleging that, inter alia, the second (2nd) Defendant (who is a Dealer's Representative ("DR") of KIBB has arranged for the Plaintiff to purchase shares of a public listed company with a promise to buy back at a higher price from the third (3rd) Defendant (a third party). The Plaintiff alleges that the 3rd Defendant has failed to buy back the said shares which caused the Plaintiff to suffer losses and claims, inter alia, the difference between the sale proceeds of the said shares and RM3.6 million. The Plaintiff's claims against KIBB are on the basis that, inter alia, the 2nd Defendant is a DR with KIBB. In this regard, KIBB will contest the Plaintiff's claim in the Court. The Plaintiff, KIBB and the 3rd Defendant presented their evidence during the trial from 11 to 13 August 2021. On 3 November 2021, the High Court dismissed the Plaintiff's claim against KIBB and the 3rd Defendant with costs of RM25,000 to be paid to each. The Plaintiff's claim against the 2nd Defendant was allowed with costs of RM25,000 to be paid to the Plaintiff. On 25 November 2021, the Plaintiff filed a Notice of Appeal in the Court of Appeal against the High Court's decision. On 21 August 2024, the Court of Appeal dismissed the Plaintiff's appeal against KIBB and awarded costs of RM15,000 to KIBB.

-	3,600
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There were no other contingent liability other than disclosed above.