

BANGKOK BANK BERHAD
199401014060 (299740-W)
(Incorporated in Malaysia)

Unaudited Interim Condensed Financial Statements
30 September 2022

199401014060 (299740-W)

**Bangkok Bank Berhad
(Incorporated in Malaysia)**

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**Bangkok Bank Berhad
(Incorporated in Malaysia)**

Performance review for the nine-month period ended 30 September 2022 and commentary on the prospects

Bangkok Bank Berhad (“BBB”) registered a profit before tax (“PBT”) of RM46.0 million for the nine-month period ended 30 September 2022 as compared to profit before tax of RM28.0 million recorded during the previous corresponding period. PBT increased by RM18.0 million as compared with previous corresponding period was mainly contributed by lower expected credit losses than previous corresponding period by RM12.4 million due to recoveries from impaired loans of RM6.2 million and better macroeconomic factors given the reopening of Malaysia economy and international borders. Higher PBT was further contributed by higher non interest income by RM4.0 million attributed by a gain on redemption of investment securities of RM4.6 million.

Gross loans dropped marginally from RM3.3 billion as at 31 December 2021 to RM2.6 billion as at 30 September 2022 due to competitive market and large loan repayment.

Deposits from customers also reduced from RM2.3 billion as at 31 December 2021 to RM1.8 billion as at 30 September 2022. The Bank has heightened efforts on gathering customer deposits to maintain prudent liquidity position and to pace with loan drawdown. Liquidity coverage ratio and net stable funding ratio are well above regulatory requirements as at 30 September 2022.

Overall, the Bank is expected to remain sound supported by strong capital base. The Bank will continue to focus on strengthening its business resilience and practise vigilance in strategy, cost discipline and prudence in risk management to meet challenges ahead.

Bangkok Bank Berhad
(Incorporated in Malaysia)
Unaudited interim condensed statements of financial position as at 30 September 2022

	Note	Group		Bank	
		30.09.2022 RM'000	31.12.2021 RM'000	30.09.2022 RM'000	31.12.2021 RM'000
Assets					
Cash and short-term funds		181,920	221,477	181,486	220,249
Financial assets at fair value through other comprehensive income ("FVOCI")	12	990,726	899,141	990,726	899,141
Financial assets at amortised costs	13	-	102,195	-	102,195
Loans, advances and financing	14	2,410,097	3,070,088	2,410,097	3,070,088
Derivative assets		2,604	3,548	2,604	3,548
Tax recoverable		21,929	20,389	21,921	20,380
Other assets	15	6,137	4,212	6,137	4,212
Statutory deposit with Bank Negara Malaysia	16	8,994	998	8,994	998
Investment in subsidiary		-	-	10	10
Property and equipment	17	118,617	122,062	118,617	122,062
Intangible assets		215	436	215	436
Right-of-use assets	18	5,460	6,182	5,460	6,182
Deferred tax assets		22,212	18,061	22,212	18,061
Total assets		3,768,911	4,468,789	3,768,479	4,467,562
Liabilities and shareholder's equity					
Deposits from customers	19	1,806,899	2,323,373	1,806,899	2,323,373
Deposits and placements from banks and other financial institutions	20	611,304	817,080	611,304	817,080
Derivative liabilities		2,875	3,113	2,875	3,113
Other liabilities	21	30,347	30,694	30,053	29,588
Total liabilities		2,451,425	3,174,260	2,451,131	3,173,154

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.

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Bangkok Bank Berhad
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Unaudited interim condensed statements of financial position as at 30 September 2022 (cont'd.)

	Note	Group		Bank	
		30.09.2022 RM'000	31.12.2021 RM'000	30.09.2022 RM'000	31.12.2021 RM'000
Liabilities and shareholder's equity (cont'd.)					
Share capital		1,000,000	1,000,000	1,000,000	1,000,000
FVOCI reserve		5,700	17,254	5,700	17,254
Retained profits		311,786	277,275	311,648	277,154
Shareholder's equity		<u>1,317,486</u>	<u>1,294,529</u>	<u>1,317,348</u>	<u>1,294,408</u>
Total liabilities and shareholder's equity		<u>3,768,911</u>	<u>4,468,789</u>	<u>3,768,479</u>	<u>4,467,562</u>
Commitments and contingencies	27	<u>3,022,650</u>	<u>2,789,437</u>	<u>3,022,650</u>	<u>2,789,437</u>

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.

Bangkok Bank Berhad
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Unaudited interim condensed income statements
For the financial period ended 30 September 2022

	Note	Group			
		Third Quarter Ended		Cumulative 9 Months Ended	
		1.7.2022 to 30.09.2022	1.7.2021 to 30.09.2021	1.1.2022 to 30.09.2022	1.1.2021 to 30.09.2021
		RM'000	RM'000	RM'000	RM'000
Interest income	22	39,468	33,524	110,710	101,901
Interest expense	23	(14,369)	(10,762)	(38,278)	(33,602)
Net interest income		25,099	22,762	72,432	68,299
Non-interest income	25	3,753	2,880	14,928	10,904
Net income		28,852	25,642	87,360	79,203
Overhead expenses	26	(15,472)	(14,427)	(44,907)	(42,312)
Operating profit		13,380	11,215	42,453	36,891
Writeback of/(allowance for) expected credit losses, net	24	(238)	(1,700)	3,596	(8,841)
Profit before taxation		13,142	9,515	46,049	28,050
Taxation		(2,228)	(2,237)	(11,538)	(8,269)
Net profit for the financial period		10,914	7,278	34,511	19,781
Earnings per share (sen)					
- basic		1.09	0.73	3.45	1.98
- diluted		1.09	0.73	3.45	1.98

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.

Bangkok Bank Berhad
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Unaudited interim condensed income statements
For the financial period ended 30 September 2022 (cont'd.)

	Note	Bank			
		Third Quarter Ended		Cumulative 9 Months Ended	
		1.7.2022 to 30.09.2022	1.7.2021 to 30.09.2021	1.1.2022 to 30.09.2022	1.1.2021 to 30.09.2021
		RM'000	RM'000	RM'000	RM'000
Interest income	22	39,468	33,524	110,710	101,901
Interest expense	23	(14,369)	(10,762)	(38,278)	(33,602)
Net interest income		25,099	22,762	72,432	68,299
Non-interest income	25	3,751	2,874	14,904	10,898
Net income		28,850	25,636	87,336	79,197
Overhead expenses	26	(15,472)	(14,424)	(44,905)	(42,309)
Operating profit		13,378	11,212	42,431	36,888
Writeback of/(allowance for) expected credit losses, net	24	(238)	(1,700)	3,596	(8,841)
Profit before taxation		13,140	9,512	46,027	28,047
Taxation		(2,228)	(2,238)	(11,533)	(8,270)
Net profit for the financial period		10,912	7,274	34,494	19,777
Earnings per share (sen)					
- basic		1.09	0.73	3.45	1.98
- diluted		1.09	0.73	3.45	1.98

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.

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Bangkok Bank Berhad
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Unaudited interim condensed statements of comprehensive income
For the financial period ended 30 September 2022

	Group			
	Third Quarter Ended		Cumulative 9 Months Ended	
	1.7.2022	1.7.2021	1.1.2022	1.1.2021
	to	to	to	to
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000
Net profit for the period	<u>18,030</u>	<u>7,278</u>	<u>34,511</u>	<u>19,781</u>
Other comprehensive income that will be reclassified to the income statement subsequently:				
Net (loss)/gain on financial assets at FVOCI	803	(3,015)	(15,361)	(7,142)
Income tax relating to components of other comprehensive income	<u>(48)</u>	<u>365</u>	<u>3,807</u>	<u>1,820</u>
Other comprehensive (loss)/income for the period, net of tax	<u>755</u>	<u>(2,650)</u>	<u>(11,554)</u>	<u>(5,322)</u>
Total comprehensive income for the period, net of tax	<u>18,785</u>	<u>4,628</u>	<u>22,957</u>	<u>14,459</u>

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.

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Bangkok Bank Berhad
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Unaudited interim condensed statements of comprehensive income
For the financial period ended 30 September 2022 (cont'd.)

	Bank			
	Third Quarter Ended		Cumulative 9 Months Ended	
	1.7.2022 to 30.09.2022 RM'000	1.7.2021 to 30.09.2021 RM'000	1.1.2022 to 30.09.2022 RM'000	1.1.2021 to 30.09.2021 RM'000
Net profit for the period	10,912	7,274	34,494	19,777
Other comprehensive income that will be reclassified to the income statement subsequently:				
Net (loss)/gain on financial assets at FVOCI	803	(3,015)	(15,361)	(7,142)
Income tax relating to components of other comprehensive income	(48)	365	3,807	1,820
Other comprehensive (loss)/income for the period, net of tax	755	(2,650)	(11,554)	(5,322)
Total comprehensive income for the period, net of tax	11,667	4,624	22,940	14,455

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.

Bangkok Bank Berhad
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Unaudited interim condensed statements of changes in equity
For the financial period ended 30 September 2022

Group	<--- Non-distributable--->		Distributable	Total RM'000
	Share capital RM'000	FVOCI reserve RM'000	Retained profits RM'000	
At 1 January 2021	1,000,000	23,750	256,525	1,280,275
Total comprehensive income	-	(5,322)	19,781	14,459
At 30 September 2021	<u>1,000,000</u>	<u>18,428</u>	<u>276,306</u>	<u>1,294,734</u>
At 1 January 2022	1,000,000	17,254	277,275	1,294,529
Total comprehensive income	-	(11,554)	34,511	22,957
At 30 September 2022	<u>1,000,000</u>	<u>5,700</u>	<u>311,786</u>	<u>1,317,486</u>

Bank	<--- Non-distributable--->		Distributable	Total RM'000
	Share capital RM'000	FVOCI reserve RM'000	Retained profits RM'000	
At 1 January 2021	1,000,000	23,750	256,406	1,280,156
Total comprehensive income	-	(5,322)	19,777	14,455
At 30 September 2021	<u>1,000,000</u>	<u>18,428</u>	<u>276,183</u>	<u>1,294,611</u>
At 1 January 2022	1,000,000	17,254	277,154	1,294,408
Total comprehensive income	-	(11,554)	34,494	22,940
At 30 September 2022	<u>1,000,000</u>	<u>5,700</u>	<u>311,648</u>	<u>1,317,348</u>

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.

Bangkok Bank Berhad
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Unaudited interim condensed statements of cash flows
For the financial period ended 30 September 2022

	Note	Group		Bank	
		1.1.2022 to 30.09.2022	1.1.2021 to 30.09.2021	1.1.2022 to 30.09.2022	1.1.2021 to 30.09.2021
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before taxation		46,049	28,050	46,027	28,047
Adjustments for:					
Depreciation	26	3,519	3,593	3,519	3,593
Amortisation of intangible assets	26	221	204	221	204
Depreciation of right-of-use assets	26	947	943	947	943
Interest expense on lease liability	18	141	123	141	123
Interest income from debt instruments at amortised cost	22	(355)	(3,711)	(355)	(3,711)
Interest income from debt instruments at FVOCI	22	(27,258)	(24,215)	(27,258)	(24,215)
Interest income from debt instruments at FVTPL	22	(213)	-	(213)	-
(Writeback)/Allowance of ECL	24	(3,550)	8,178	(3,550)	8,178
Net loss on disposal of					
- Financial assets measured at FVTPL	25	274	-	274	-
Dividend from financial assets at FVOCI	25	(130)	(114)	(130)	(114)
Gain from redemption of financial assets at amortised cost	25	(3,640)	-	(3,640)	-
Gain from redemption of financial assets at FVOCI	25	(972)	(2,340)	(972)	(2,340)
Unrealised loss/(gain) on foreign exchange forward	25	706	(21)	706	(21)
Amortisation of premium, net of (accretion of discount)	22	3,699	3,747	3,699	3,747
Operating profit before working capital changes		19,438	14,437	19,416	14,434

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.

Bangkok Bank Berhad
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Unaudited interim condensed statements of cash flows
For the financial period ended 30 September 2022 (cont'd.)

	Group		Bank	
	1.1.2022 to 30.09.2022 RM'000	1.1.2021 to 30.09.2021 RM'000	1.1.2022 to 30.09.2022 RM'000	1.1.2021 to 30.09.2021 RM'000
Cash flows from operating activities				
(cont'd.)				
Balance carried forward	19,438	14,437	19,416	14,434
Increase/(Decrease) in operating assets:				
Loans, advances and financing	665,678	(77,440)	665,678	(77,440)
Other assets	(1,925)	(1,371)	(1,925)	(1,371)
Statutory deposits with Bank Negara Malaysia	(7,996)	-	(7,996)	-
Increase/(Decrease) in operating liabilities:				
Deposits from customers	(516,474)	18,336	(516,474)	18,336
Deposits and placement from banks and other financial institutions	(205,776)	(417,982)	(205,776)	(417,982)
Other liabilities	(1,962)	(2,267)	(1,149)	(2,267)
Cash generated from operating activities	(49,017)	(466,287)	(48,226)	(466,290)
Taxes paid	(13,421)	(8,230)	(13,418)	(8,226)
Net cash used in operating activities	(62,438)	(474,517)	(61,644)	(474,516)
Cash flows from investing activities				
Purchase of financial assets at FVOCI	(651,209)	(1,052,766)	(651,209)	(1,052,766)
Proceeds from sale of financial assets at FVOCI	541,456	1,303,690	541,456	1,303,690
Interest received from financial asset at FVOCI	27,346	-	27,346	-
Purchase of financial asset at FVTPL	(61,443)	-	(61,443)	-
Proceeds from sale of financial asset at FVTPL	61,375	-	61,375	-
Proceeds from sale of financial assets at amortised costs	106,369	-	106,369	-
Proceeds from partial redemption/ interest of financial assets at amortised costs	-	4,966	-	4,966
Purchase of property and equipment	(113)	(1,353)	(113)	(1,353)
Dividend from financial assets at FVOCI	130	114	130	114
Net cash generated from investing activities	23,911	254,651	23,911	254,651

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.

Bangkok Bank Berhad
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Unaudited interim condensed statements of cash flows
For the financial period ended 30 September 2022 (cont'd.)

	Note	Group		Bank	
		1.1.2022 to 30.09.2022 RM'000	1.1.2021 to 30.09.2021 RM'000	1.1.2022 to 30.09.2022 RM'000	1.1.2021 to 30.09.2021 RM'000
Cash flows from financing activities					
Payment of lease liabilities	18	(1,030)	(982)	(1,030)	(982)
Net cash used in financing activities		(1,030)	(982)	(1,030)	(982)
Net decrease in cash and cash equivalents		(39,557)	(220,848)	(38,763)	(220,847)
Cash and cash equivalents at beginning of financial period		221,477	496,044	220,249	495,915
Cash and cash equivalents at end of financial period		181,920	275,196	181,486	275,068
Cash and cash equivalents comprise:					
Cash and short-term funds		181,920	215,602	181,486	215,474
Deposits and placements of banks and other financial institutions		-	59,594	-	59,594
		181,920	275,196	181,486	275,068

These unaudited interim condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and accompanying explanatory notes attached to these unaudited interim condensed financial statements.

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**Bangkok Bank Berhad
(Incorporated in Malaysia)**

Notes to the unaudited interim condensed financial statements - 30 September 2022

1. Corporate information

Bangkok Bank Berhad ("the Bank") is a public limited liability licensed bank, incorporated and domiciled in Malaysia. The registered office of the Bank is located at 1-45-01, Menara Bangkok Bank, Laman Sentral Berjaya, 105 Jalan Ampang, 50450 Kuala Lumpur.

The principal activities of the Bank are banking and related financial services.

The Bank also controls a wholly-owned subsidiary named BBL Nominees (Tempatan) Sdn. Bhd. The principal activity of its subsidiary is provision of nominees services to local clients of the Bank.

There have been no significant changes in the nature of the principal activities during the financial period.

The holding company of the Bank is Bangkok Bank Public Company Limited, a bank incorporated in Thailand.

2. Basis of preparation of the financial statements

2.1 Basis of preparation and presentation of the unaudited interim condensed financial statements

The unaudited interim condensed financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board ("IASB").

The unaudited interim condensed financial statements have been prepared under the historical cost convention except for the following assets which are stated at fair value: financial assets at FVTPL, financial assets at FVOCI and derivatives. The unaudited interim condensed financial statements are presented in Ringgit Malaysia ("RM"), which is the Bank's functional currency and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

The unaudited interim condensed financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2021. These explanatory notes attached to the unaudited interim condensed financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the financial year ended 31 December 2021.

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2. Basis of preparation of the financial statements (cont'd.)

2.2 Changes in accounting policies

The accounting policies adopted in the preparation of the unaudited interim condensed financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2021, except for the adoption of new standard, IC Interpretations and amendments to standards effective as of 1 January 2022 as follows:

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 3 <i>Business Combinations: Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts-Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020 Cycle	
(i) Amendments to MFRS 1 <i>First-time adoption of Malaysian Financial Reporting Standards</i>	
(ii) Amendments to MFRS 9 <i>Financial Instruments</i>	
(iii) Amendments to MFRS 16 <i>Leases</i>	
(iv) Amendments to MFRS 141 <i>Agriculture</i>	1 January 2022

The initial application of the accounting standards, annual improvements to standards and IC Interpretations are not expected to have any significant impact to the financial statements of the Group and the Bank.

2.3 Standards, amendments to standards, annual improvements to standards and IC Interpretations issued but not yet effective

As at the reporting date, the following are standards, amendments to standards, annual improvements to standards and IC Interpretations issued by the Malaysian Accounting Standards Board ("MASB") but not yet effective.

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 101 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 12: <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

The Group and the Bank plan to adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are expected to have no significant impact to the financial statements of the Group and the Bank upon their initial application.

2. Basis of preparation of the financial statements (cont'd.)

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Group's and the Bank's financial statements in accordance with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's and the Bank's accounting policies, management has made the following judgements, estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting that, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's and the Bank's control and are reflected in the assumptions if and when they occur.

(a) Impairment losses on financial assets

The measurement of impairment losses under MFRS 9 across all categories of financial assets requires judgement, in particular, estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and assessment of significant increase in credit risk. These estimates are driven by a number of factors, changes which can result in different levels of allowances.

The Group and the Bank's Expected Credit Loss ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's and the Bank's internal credit grading model, which assigns PDs to the individual grades;
- The Group's and the Bank's criteria for assessing if there has been a significant increase in credit risk resulting in impairment losses on financial assets to be measured on a lifetime basis and the qualitative assessment;
- Development of ECL models, including the various formulas and the choice of inputs;
- ECL is adjusted with a management overlay where considered appropriate;
- Determination of associations between macroeconomic factors and the effect on PDs, LGDs and EADs; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings.

**Bangkok Bank Berhad
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2. Basis of preparation of the financial statements (cont'd.)

2.4 Significant accounting judgements, estimates and assumptions (cont'd.)

(b) Deferred tax and current tax

In determining the Group's and the Bank's tax charge for the year involves estimation and judgement, which includes an interpretation of local tax law and an assessment of whether the tax authority will accept the position taken. The Group and the Bank provide for current tax liabilities at the best estimate based on all available evidence and the amount that is expected to be paid to the tax authority where an outflow is probable.

The recoverability of the Group's and the Bank's deferred tax assets is based on management's judgement of the availability of future taxable profits against which the deferred tax assets will be utilised.

3. Auditors' report on preceding annual financial statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2021 was not subject to any qualification.

4. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group and the Bank during the financial period ended 30 September 2022.

5. Comments about seasonal or cyclical factors

The business operations of the Group and the Bank are not materially affected by any seasonal or cyclical factors.

6. Changes in estimates

There were no significant changes in estimates of amounts reported in prior financial period that have a material effect in the current financial period.

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7. Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the nine months ended 30 September 2022.

8. Subsequent events

There were no material events subsequent to the end of the current period that require disclosure or adjustments to the interim condensed financial statements.

9. Changes in composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 September 2022.

10. Dividends paid

No dividend was declared or paid during the financial period ended 30 September 2022.

11. Segmental information

As the Group does not have foreign operations, the Group is not required to present separate identifiable geographical segments.

12. Financial assets at fair value through other comprehensive income

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Debt instruments		
Malaysian Government Securities	281,186	175,244
Government Investment Issues	304,073	381,223
Negotiable Instruments of Deposit	100,271	80,015
Corporate bonds	291,232	249,199
	<u>976,762</u>	<u>885,681</u>
Equity instruments		
Unquoted shares	13,964	13,460
	<u>990,726</u>	<u>899,141</u>

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12. Financial assets at fair value through other comprehensive income (cont'd.)

The following ECL for debt instruments at FVOCI are not recognised in the statement of financial position as the carrying amount of debt instruments at FVOCI is equivalent to their fair value:

	Stage 1 ECL RM'000	Stage 2 ECL RM'000	Stage 3 ECL RM'000	Total RM'000
Group and Bank				
At 1 January 2022	1,624	-	-	1,624
New debt instruments originated	294	-	-	294
ECL allowance charged	160	-	-	160
Debt instruments derecognised	(454)	-	-	(454)
At 30 September 2022	<u>1,624</u>	<u>-</u>	<u>-</u>	<u>1,624</u>
Group and Bank				
At 1 January 2021	679	-	-	679
New debt instruments originated	716	-	-	716
ECL allowance charged	562	-	-	562
Debt instruments derecognised	(333)	-	-	(333)
At 31 December 2021	<u>1,624</u>	<u>-</u>	<u>-</u>	<u>1,624</u>

13. Financial assets at amortised cost

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Debt instruments		
Corporate bonds	-	102,374
Unquoted securities:		
Corporate bonds	529	529
	<u>529</u>	<u>102,903</u>
Less: allowance for ECL	(529)	(708)
	<u>-</u>	<u>102,195</u>

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13. Financial assets at amortised cost (cont'd.)

Movements in the allowance for ECL on financial assets at amortised cost are as follows:

	Stage 1 ECL RM'000	Stage 2 ECL RM'000	Stage 3 ECL RM'000	Total RM'000
Group and Bank				
At 1 January 2022	179	-	529	708
ECL allowance writeback	(179)	-	-	(179)
At 30 September 2022	-	-	529	529
Group and Bank				
At 1 January 2021	73	-	567	640
ECL allowance charged	106	-	-	106
ECL allowance writeback	-	-	(38)	(38)
At 31 December 2021	179	-	529	708

14. Loans, advances and financing

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
At amortised cost		
Overdrafts	70,278	79,167
Term loans:		
- Housing loans	975	1,295
- Syndicated term loan	58,538	55,616
- Other term loans	693,487	751,556
Revolving credits	897,410	1,476,214
Bills receivables	350,652	358,538
Trust receipts	36,146	74,232
Bankers' acceptances	480,847	456,561
Staff loans	258	288
	<u>2,588,591</u>	<u>3,253,467</u>
Unearned interest	(3,177)	(2,375)
Gross loans, advances and financing	<u>2,585,414</u>	<u>3,251,092</u>
Less: allowance for ECL		
- Stage 1	(24,212)	(15,308)
- Stage 2	(8,814)	(7,049)
- Stage 3	(63,313)	(67,966)
- Management overlay	(78,978)	(90,681)
Net loans, advances and financing	<u>2,410,097</u>	<u>3,070,088</u>

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

(i) The maturity structure of loans, advances and financing are as follows:

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Maturing within one year	1,916,292	2,552,126
One year to three years	152,027	143,950
Three years to five years	146,886	221,167
Over five years	370,209	333,849
	<u>2,585,414</u>	<u>3,251,092</u>

(ii) Loans, advances and financing according to economic sectors are as follows:

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Primary agriculture	219,197	361,620
Mining and quarrying	-	9,431
Manufacturing	785,119	818,144
Electricity, gas and water supply	16,329	11,384
Construction	446,766	448,206
Wholesale and retail trade and restaurants and hotels	341,599	438,308
Transport, storage and communication	80,487	60,477
Finance, insurance, real estate and business activities	679,383	1,069,260
Household	16,534	34,262
	<u>2,585,414</u>	<u>3,251,092</u>

(iii) Loans, advances and financing according to type of customer are as follows:

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Domestic non-bank financial institutions	270,497	579,271
Domestic business enterprises:		
- Small medium enterprises	402,593	444,966
- Others	1,895,790	2,192,593
Individuals	16,534	34,262
	<u>2,585,414</u>	<u>3,251,092</u>

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

(iv) Loans, advances and financing according to interest/profit rate sensitivity are as follows:

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Fixed rate		
- Other fixed rate loan/financing	54,789	54,789
Variable rate		
- Base lending rate plus	165,701	175,160
- Cost-plus	1,776,283	2,097,059
- Other variable rates	588,641	924,084
	<u>2,585,414</u>	<u>3,251,092</u>

(v) All loans, advances and financing of the Group and the Bank are to customers in Malaysia.

(vi) Movements in impaired loans, advances and financing are as follows:

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Balance as at 1 January	87,087	131,197
Classified as impaired during the period/year	778	15,527
Amount recovered during the period/year	(5,646)	(210)
Amount written off during the period/year	-	(59,427)
Balance as at 30 September/31 December	<u>82,219</u>	<u>87,087</u>
Allowance for ECL Stage 3	(63,313)	(67,966)
Net impaired loans, advances and financing	<u>18,906</u>	<u>19,121</u>
Ratio of net impaired loans, advances and financing to gross loans, advances and financing less Stage 3 ECL allowance	<u>0.75%</u>	<u>0.60%</u>

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

(vii) Movements in the allowance for ECL on loans, advances and financing are as follows:

	Stage 1 ECL RM'000	Stage 2 ECL RM'000	Stage 3 ECL RM'000	Total RM'000
Group and Bank				
At 1 January 2022	15,308	7,049	67,966	90,323
- Management overlay	-	-	-	90,681
New loans, advances and financing originated	414	-	-	414
Loans, advances and financing derecognised (other than write-off)	(1,197)	(280)	(5,396)	(6,873)
Transfer to Stage 1	16	(16)	-	-
Transfer to Stage 2	(302)	302	-	-
Transfer to Stage 3	-	-	-	-
Net changes in loan loss allowances	9,973	1,759	743	12,475
Management overlay	-	-	-	(11,703)
At 30 September 2022	<u>24,212</u>	<u>8,814</u>	<u>63,313</u>	<u>175,317</u>
Group and Bank				
At 1 January 2021	6,723	10,509	106,821	124,053
- Management overlay	-	-	-	99,706
New loans, advances and financing originated	1,239	-	-	1,239
Loans, advances and financing derecognised (other than write-off)	(506)	(818)	(913)	(2,237)
Transfer to Stage 1	7,654	(7,501)	(153)	-
Transfer to Stage 2	(104)	104	-	-
Transfer to Stage 3	-	(13,798)	13,798	-
Net changes in loan loss allowances	302	18,553	7,840	26,695
Amount written off	-	-	(59,427)	(59,427)
Management overlay	-	-	-	(9,025)
At 31 December 2021	<u>15,308</u>	<u>7,049</u>	<u>67,966</u>	<u>181,004</u>

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

(viii) Impaired loans, advances and financing according to economic sector are as follows:

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Manufacturing	65,438	64,702
Wholesale and retail trade and restaurants and hotels	16,269	21,623
Household	512	762
	<u>82,219</u>	<u>87,087</u>

15. Other assets

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Deposits and prepayments	2,431	2,328
Other receivables	3,706	1,884
	<u>6,137</u>	<u>4,212</u>

16. Statutory deposit with Bank Negara Malaysia

Effective 16 May 2020, Bank Negara Malaysia issued a guideline, that all banking institutions may recognise Malaysian Government Securities (MGS) and Malaysian Government Investment Issues (GII) as part of the Bank's Statutory Reserve Requirement compliance.

17. Property and equipment

During the nine months period ended 30 September 2022, the Group and the Bank acquired assets with a cost of RM113,000 (31.12.2021: RM2,482,000).

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18. Right-of-use assets and lease liabilities

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Right-of-use assets		
Balance as at 1 January	6,182	7,049
Non-cash addition	225	409
Depreciation of right-of-use assets (Note 26)	(947)	(1,276)
Right-of-use assets	<u>5,460</u>	<u>6,182</u>
Lease liabilities		
Balance as at 1 January	6,581	7,359
Non-cash addition	225	409
Accretion of interest expense (Note 23)	141	148
Lease payment	(1,030)	(1,335)
Lease liabilities (Note 21)	<u>5,917</u>	<u>6,581</u>

19. Deposits from customers

(i) By type of deposit:

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Fixed deposits	1,288,793	1,577,223
Current accounts	155,665	169,784
Savings deposits	9,219	9,405
Short term deposits	353,222	566,961
	<u>1,806,899</u>	<u>2,323,373</u>

(ii) The maturity structure of fixed deposits and short term deposits are as follows:

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Due within six months	1,415,145	1,874,957
Six months to one year	222,681	267,430
One year to three years	3,153	639
Over three years	1,036	1,158
	<u>1,642,015</u>	<u>2,144,184</u>

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19. Deposits from customers (cont'd.)

(iii) The deposits are sourced from the following customers:

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Business enterprises	1,449,102	2,002,620
Individuals	357,797	320,753
	<u>1,806,899</u>	<u>2,323,373</u>

20. Deposits and placements from banks and other financial institutions

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Licensed banks	278,909	464,614
Other financial institutions	332,395	352,466
	<u>611,304</u>	<u>817,080</u>

Included in deposits and placements are deposits and placements from the holding company and its branches amounting to RM255,792,000 (31.12.2021: RM276,958,000) as disclosed in Note 30.

21. Other liabilities

	Group		Bank	
	30.9.2022	31.12.2021	30.9.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Accruals	7,422	10,350	7,128	9,244
Allowance for ECL on commitments and contingencies	10,902	8,586	10,902	8,586
Lease liability (Note 18)	5,917	6,581	5,917	6,581
Other payables	6,106	5,177	6,106	5,177
	<u>30,347</u>	<u>30,694</u>	<u>30,053</u>	<u>29,588</u>

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21. Other liabilities (cont'd.)

Movements in the allowance for impairment on loan/financing commitments and financial guarantees are as follows:

	Stage 1 ECL RM'000	Stage 2 ECL RM'000	Stage 3 ECL RM'000	Total RM'000
Group and Bank				
At 1 January 2022	1,656	563	6,367	8,586
New loan/financing commitments, and financing guarantee originated	257	-	-	257
Loan/financing commitments, and financing guarantee derecognised	(37)	-	-	(37)
Transfer to Stage 1	(2)	2	-	-
Transfer to Stage 2	1	(1)	-	-
Transfer to Stage 3	-	-	-	-
Net changes in loan loss allowances	967	212	917	2,096
At 30 September 2022	<u>2,842</u>	<u>776</u>	<u>7,284</u>	<u>10,902</u>
Group and Bank				
At 1 January 2021	1,031	1,031	6,173	8,235
New loan/financing commitments, and financing guarantee originated	87	-	-	87
Loan/financing commitments, and financing guarantee derecognised	(74)	(104)	-	(178)
Transfer to Stage 1	495	(495)	-	-
Transfer to Stage 2	(13)	13	-	-
Transfer to Stage 3	-	-	-	-
Net changes in loan loss allowances	130	118	194	442
At 31 December 2021	<u>1,656</u>	<u>563</u>	<u>6,367</u>	<u>8,586</u>

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22. Interest income

	Group and Bank			
	Third Quarter Ended		Cumulative 9 Months Ended	
	1.7.2022	1.7.2021	1.1.2022	1.1.2021
	to	to	to	to
30.9.2022	30.9.2021	30.9.2022	30.9.2021	
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries from impaired loans	28,591	23,893	80,479	72,292
- Recoveries from impaired loans	-	-	751	-
- Interest income on impaired loans	283	265	759	749
Deposits and placements with banks and other financial institutions	2,528	1,498	4,594	4,681
Debt instruments at amortised cost	-	1,269	355	3,711
Debt instruments at FVOCI	9,276	7,927	27,258	24,215
Debt instruments at FVTPL	-	-	213	-
	<u>40,678</u>	<u>34,852</u>	<u>114,409</u>	<u>105,648</u>
(Amortisation of premium)/ accretion of discounts, net				
- Financial assets at FVOCI	(1,210)	(1,328)	(3,699)	(3,747)
	<u>39,468</u>	<u>33,524</u>	<u>110,710</u>	<u>101,901</u>

23. Interest expense

	Group and Bank			
	Third Quarter Ended		Cumulative 9 Months Ended	
	1.7.2022	1.7.2021	1.1.2022	1.1.2021
	to	to	to	to
30.9.2022	30.9.2021	30.9.2022	30.9.2021	
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	11,934	10,387	34,071	31,959
Deposits and placements from banks and other financial institutions	2,371	334	4,047	1,520
Accretion of interest expense (Note 18)	53	41	141	123
Other interest expense	11	-	19	-
	<u>14,369</u>	<u>10,762</u>	<u>38,278</u>	<u>33,602</u>

Included in interest expense on deposits and placements from banks and other financial institutions are interest expense on deposits and placements from the holding company and its branches amounting to RM2,741,000 (30.9.2021: RM294,000) as disclosed in Note 30.

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24. Writeback of/(allowance for) expected credit losses, net

	Group and Bank			Total
	Cumulative 9 Months Ended			
	1.1.2022 to 30.9.2022			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Allowance for ECL made				
- Loans, advances and financing	9,607	1,776	773	12,156
- Statutory deposit with Bank Negara Malaysia	4	-	-	4
- Commitment and contingencies	1,565	397	917	2,879
	<u>11,176</u>	<u>2,173</u>	<u>1,690</u>	<u>15,039</u>
Allowance for ECL writeback				
- Cash and short term funds	(191)	-	-	(191)
- Financial assets at amortised costs	(179)	-	-	(179)
- Loans, advances and financing	(703)	(11)	(5,426)	(6,140)
- Management overlay	-	-	-	(11,703)
- Commitment and contingencies	(379)	(184)	-	(563)
	<u>(1,452)</u>	<u>(195)</u>	<u>(5,426)</u>	<u>(18,776)</u>
Impaired loans, advances and financing charged	-	-	141	141
Total	<u>9,724</u>	<u>1,978</u>	<u>(3,595)</u>	<u>(3,596)</u>

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24. Writeback of/(allowance for) expected credit losses, net (cont'd.)

	Group and Bank Third Quarter Ended 1.7.2022 to 30.9.2022			Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
Allowance for ECL made				
- Financial assets at FVOCI	604	-	-	604
- Loans, advances and financing	5,731	1,193	298	7,222
- Statutory deposit with Bank Negara Malaysia	1	-	-	1
- Commitment and contingencies	155	19	-	174
	<u>6,491</u>	<u>1,212</u>	<u>298</u>	<u>8,001</u>
Allowance for ECL writeback				
- Cash and short term funds	(388)	-	-	(388)
- Deposits and placements with banks and other financial institutions	(123)	-	-	(123)
- Loans, advances and financing	-	-	(20)	(20)
- Management overlay	-	-	-	(6,940)
- Commitment and contingencies	(227)	(25)	-	(252)
	<u>(738)</u>	<u>(25)</u>	<u>(20)</u>	<u>(7,723)</u>
Impaired loans, advances and financing recovered	-	-	(40)	(40)
Total	<u>5,753</u>	<u>1,187</u>	<u>238</u>	<u>238</u>

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24. Writeback of/(allowance for) expected credit losses, net (cont'd.)

	Group and Bank			
	Cumulative 9 Months Ended			
	1.1.2021 to 30.9.2021			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Allowance for ECL made				
- Cash and short term funds	308	-	-	308
- Deposits and placements with banks and other financial institutions	360	-	-	360
- Financial assets at FVOCI	117	-	-	117
- Loans, advances and financing	27,008	7,320	11,485	45,813
- Commitment and contingencies	1,216	546	-	1,762
	<u>29,009</u>	<u>7,866</u>	<u>11,485</u>	<u>48,360</u>
Allowance for ECL writeback				
- Financial assets at FVOCI	(371)	-	-	(371)
- Financial assets at amortised costs	(12)	-	-	(12)
- Loans, advances and financing	(9,482)	(9,908)	(158)	(19,548)
- Management overlay	-	-	-	(18,540)
- Commitment and contingencies	(383)	(660)	-	(1,043)
	<u>(10,248)</u>	<u>(10,568)</u>	<u>(158)</u>	<u>(39,514)</u>
Impaired loans, advances and financing recovered	-	-	(5)	(5)
Total	<u>18,761</u>	<u>(2,702)</u>	<u>11,322</u>	<u>8,841</u>

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24. Writeback of/(allowance for) expected credit losses, net (cont'd.)

	Group and Bank			Total
	Third Quarter Ended			
	1.7.2021 to 30.9.2021			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Allowance for ECL made				
- Cash and short term funds	420	-	-	420
- Deposits and placements with banks and other financial institutions	412	-	-	412
- Loans, advances and financing	261	5,895	7,506	13,662
	<u>1,093</u>	<u>5,895</u>	<u>7,506</u>	<u>14,494</u>
Allowance for ECL writeback				
- Financial assets at FVOCI	(1,496)	-	-	(1,496)
- Financial assets at amortised costs	(102)	-	-	(102)
- Loans, advances and financing	(583)	(7,141)	(2)	(7,726)
- Management overlay	-	-	-	(2,915)
- Commitment and contingencies	(313)	(240)	-	(553)
	<u>(2,494)</u>	<u>(7,381)</u>	<u>(2)</u>	<u>(12,792)</u>
Impaired loans, advances and financing recovered	-	-	(2)	(2)
Total	<u>(1,401)</u>	<u>(1,486)</u>	<u>7,502</u>	<u>1,700</u>

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25. Non-interest income

	Group			
	Third Quarter Ended		Cumulative 9 Months Ended	
	1.7.2022	1.7.2021	1.1.2022	1.1.2021
	to	to	to	to
30.9.2022	30.9.2021	30.9.2022	30.9.2021	
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commission	1,259	667	2,906	1,902
Service charges and fees	439	343	1,370	1,010
Guarantee fees	480	563	1,472	1,562
	<u>2,178</u>	<u>1,573</u>	<u>5,748</u>	<u>4,474</u>
Investment income:				
Gross dividend from financial assets at FVOCI	19	19	130	114
Gain from redemption of financial assets at amortised cost	-	-	3,640	-
Gain from redemption of financial assets at FVOCI	-	-	972	2,340
Net loss on disposal of - Financial assets measured at FVTPL	-	-	(274)	-
	<u>19</u>	<u>19</u>	<u>4,468</u>	<u>2,454</u>
Other income:				
Foreign exchange gain/(loss)	(422)	(370)	4,803	3,036
Unrealised (loss)/gain on foreign exchange forwards	1,773	1,454	(706)	21
Rental income	202	202	606	910
Others	3	2	9	9
	<u>1,556</u>	<u>1,288</u>	<u>4,712</u>	<u>3,976</u>
Total	<u>3,753</u>	<u>2,880</u>	<u>14,928</u>	<u>10,904</u>

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25. Non-interest income (cont'd.)

	Bank			
	Third Quarter Ended		Cumulative 9 Months Ended	
	1.7.2022	1.7.2021	1.1.2022	1.1.2021
	to	to	to	to
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commission	1,257	661	2,882	1,896
Service charges and fees	439	343	1,370	1,010
Guarantee fees	480	563	1,472	1,562
	<u>2,176</u>	<u>1,567</u>	<u>5,724</u>	<u>4,468</u>
Investment income:				
Gross dividend from financial assets at FVOCI	19	19	130	114
Gain from redemption of financial assets at amortised cost	-	-	3,640	-
Gain from redemption of financial assets at FVOCI	-	-	972	2,340
Net loss on disposal of - Financial assets measured at FVTPL	-	-	(274)	-
	<u>19</u>	<u>19</u>	<u>4,468</u>	<u>2,454</u>
Other income:				
Foreign exchange gain/(loss)	(422)	(370)	4,803	3,036
Unrealised (loss)/gain on foreign exchange forwards	1,773	1,454	(706)	21
Rental income	202	202	606	910
Others	3	2	9	9
	<u>1,556</u>	<u>1,288</u>	<u>4,712</u>	<u>3,976</u>
Total	<u>3,751</u>	<u>2,874</u>	<u>14,904</u>	<u>10,898</u>

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26. Overhead expenses

	Group			
	Third Quarter Ended		Cumulative 9 Months Ended	
	1.7.2022	1.7.2021	1.1.2022	1.1.2021
	to	to	to	to
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	8,542	7,920	25,060	23,285
Defined Contribution Plan				
- Employees Provident Fund	1,266	1,212	3,593	3,422
Others	673	524	1,563	1,229
	<u>10,481</u>	<u>9,656</u>	<u>30,216</u>	<u>27,936</u>
Establishment costs				
Depreciation	1,118	1,200	3,519	3,593
Amortisation of intangible assets	56	80	221	204
Depreciation of right-of-use assets (Note 18)	313	314	947	943
Repair and maintenance	671	651	1,812	2,014
Information technology	315	289	1,255	935
Others	586	530	1,650	1,593
	<u>3,059</u>	<u>3,064</u>	<u>9,404</u>	<u>9,282</u>
Marketing costs				
Advertising and publicity	3	21	125	100
Others	21	5	41	13
	<u>24</u>	<u>26</u>	<u>166</u>	<u>113</u>
Administration and general costs				
Communication expenses	314	268	805	838
Subscriptions	575	656	1,696	1,735
Professional fees	193	133	299	308
Auditors remunerations	76	79	254	262
Non-executive directors' remuneration	398	298	996	878
Insurance	37	28	295	327
Travelling	57	12	123	44
Others	258	207	653	589
	<u>1,908</u>	<u>1,681</u>	<u>5,121</u>	<u>4,981</u>
Total	<u>15,472</u>	<u>14,427</u>	<u>44,907</u>	<u>42,312</u>

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26. Overhead expenses (cont'd.)

	Bank			
	Third Quarter Ended		Cumulative 9 Months Ended	
	1.7.2022	1.7.2021	1.1.2022	1.1.2021
	to	to	to	to
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	8,542	7,920	25,060	23,285
Defined Contribution Plan				
- Employees Provident Fund	1,266	1,212	3,593	3,422
Others	673	524	1,563	1,229
	<u>10,481</u>	<u>9,656</u>	<u>30,216</u>	<u>27,936</u>
Establishment costs				
Depreciation	1,118	1,200	3,519	3,593
Amortisation of intangible assets	56	80	221	204
Depreciation of right-of-use assets (Note 18)	313	314	947	943
Repair and maintenance	671	651	1,812	2,014
Information technology	315	289	1,255	935
Others	586	530	1,650	1,593
	<u>3,059</u>	<u>3,064</u>	<u>9,404</u>	<u>9,282</u>
Marketing costs				
Advertising and publicity	3	21	125	100
Others	21	5	41	13
	<u>24</u>	<u>26</u>	<u>166</u>	<u>113</u>
Administration and general costs				
Communication expenses	314	268	805	838
Subscriptions	575	656	1,696	1,735
Professional fees	193	133	299	308
Auditors remunerations	76	76	252	259
Non-executive directors' remuneration	398	298	996	878
Insurance	37	28	295	327
Travelling	57	12	123	44
Others	258	207	653	589
	<u>1,908</u>	<u>1,678</u>	<u>5,119</u>	<u>4,978</u>
Total	<u>15,472</u>	<u>14,424</u>	<u>44,905</u>	<u>42,309</u>

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27. Commitments and contingencies

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

The Group and the Bank do not enter into over-the-counter ("OTC") derivative transactions, repo-style transactions and credit derivative contracts booked in its trading and banking books other than the involvement in derivatives restricted to foreign forward exchange contracts.

Risk weighted exposures of the Group and the Bank as at the reporting date are as below:

Group and Bank	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
30 September 2022				
Direct credit substitutes	29,786	-	29,786	27,521
Transaction-related contingent items	232,228	-	109,645	107,657
Short-term self-liquidating trade-related contingencies	25,235	-	5,047	5,047
Forward foreign exchange contracts				
- less than one year	332,102	2,604	4,642	2,967
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	3,305	-	1,652	1,600
- maturity less than one year	2,398,373	-	479,675	475,635
Any commitment that are unconditionally cancelled at any time without prior notice	1,621	-	-	-
Total	3,022,650	2,604	630,447	620,427

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27. Commitments and contingencies (cont'd.)

Risk weighted exposures of the Group and the Bank as at the reporting date are as below:

Group and Bank	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
31 December 2021				
Direct credit substitutes	29,756	-	29,756	27,491
Transaction-related contingent items	242,188	-	114,727	112,150
Short-term self-liquidating trade-related contingencies	39,528	-	7,906	7,596
Forward foreign exchange contracts				
- less than one year	913,470	3,548	11,596	5,371
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	61,579	-	30,790	30,790
- maturity less than one year	1,457,198	-	291,439	290,204
Any commitment that are unconditionally cancelled at any time without prior notice	45,718	-	-	-
Total	2,789,437	3,548	486,214	473,602

The credit equivalent amount and risk-weighted amount are arrived at using the credit conversion factors as defined in Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework: Standardised Approach (Basel II).

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28. Fair value hierarchy

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) 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 values are observable, either directly or indirectly; and

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

The following table shows the analysis of financial instruments recorded and disclosed at their fair values by level of hierarchy:

Group and Bank 30 September 2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Financial assets at FVOCI (Note 12)</u>				
Debt instruments				
Malaysian Government Securities	-	281,186	-	281,186
Government Investment Issue	-	304,073	-	304,073
Negotiable Instruments of Deposit	-	100,271	-	100,271
Corporate bonds	-	291,232	-	291,232
Equity instruments				
Unquoted shares	-	-	13,964	13,964
	-	976,762	13,964	990,726
<u>Derivatives financial instruments</u>				
Derivative financial assets				
Unrealised gain on derivatives	-	2,604	-	2,604
Derivative financial liabilities				
Unrealised loss on derivatives	-	(2,875)	-	(2,875)

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28. Fair value hierarchy (cont'd.)

Group and Bank 31 December 2021	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Financial assets at FVOCI (Note 12)</u>				
Debt instruments				
Malaysian Government				
Securities	-	175,244	-	175,244
Government Investment Issue	-	381,223	-	381,223
Negotiable Instruments of				
Deposit	-	80,015	-	80,015
Corporate bonds	-	249,199	-	249,199
Equity instruments:				
Unquoted shares	-	-	13,460	13,460
	-	885,681	13,460	899,141
<u>Derivatives financial instruments</u>				
Derivative financial assets				
Unrealised gain on derivatives	-	3,548	-	3,548
Derivative financial liabilities				
Unrealised loss on derivatives	-	(3,113)	-	(3,113)

There have been no transfers between Level 1 and Level 2 during the current period and previous financial year.

Valuation methods and assumptions

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

The fair value of quoted securities held for trading, available-for-sale and held-to-maturity are estimated based on broker/dealer price quotations. Unquoted securities were revalued using Cost/Asset Based Approach, specifically the Adjusted Net Assets Method.

Derivative products valued using valuation technique with significant market observable inputs are mainly interest rate swaps, currency swaps and forward exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange and forward rates and interest rate curves.

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29. Capital adequacy

- (a) The capital adequacy ratios of the Bank are computed in accordance with BNM's revised Capital Adequacy Frameworks on Capital Components and Basel II - Risk-weighted Assets issued on 2 February 2018. The minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer ("CCyB") for Common Equity Tier 1 ("CET 1") Capital Ratio, Tier 1 Capital Ratio and Total Capital Ratio are 4.5%, 6.0% and 8.0% respectively.

The total risk-weighted assets of the Bank are computed based on the following approaches:

- (i) Standardised Approach for Credit Risk;
- (ii) Standardised Approach for Market Risk;
- (iii) Basic Indicator Approach for Operational Risk.

For the purpose of consolidation for financial reporting, the Group comprised the consolidated results of Bank and its wholly-owned subsidiary, BBL Nominees (Tempatan) Sdn. Bhd. , which is not involved in banking operations. The subsidiary is fully consolidated in the Group's financial statements.

As the Bank's subsidiary is not involved in banking operations and is of an immaterial size relative to the Bank, the Group does not prepare and submit separate Group's capital adequacy ratios for the purpose of consolidation for regulatory reporting.

- (b) Banking institutions are also required to maintain a capital conservation buffer of up to 2.5% and a CCyB above the minimum regulatory capital adequacy ratios above. Under the transition arrangements, capital conservation buffer will be phased-in as follows:

Calendar Year	Capital Conservation Buffer
2018	1.875%
2019 onwards	2.500%

A CCyB is required to be maintained if this buffer is applied by regulators in countries which the Bank have exposures to, determined based on the weighted average of prevailing CCyB rates applied in those jurisdictions.

- (c) The capital adequacy ratios of the Bank as at the reporting date, are as follows:

	Bank	
	30.9.2022	31.12.2021
CET 1 Capital Ratio	35.40%	30.58%
Tier 1 Capital Ratio	35.40%	30.58%
Total Capital Ratio	<u>36.58%</u>	<u>31.77%</u>

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29. Capital adequacy (cont'd.)

(d) The components of common equity Tier 1 and Tier 2 capital of the Bank are as follows:

	Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
CET 1 Capital		
Paid-up share capital	1,000,000	1,000,000
Unrealised gain on financial assets at FVOCI	5,700	17,254
Retained profits	311,648	277,154
Less: Regulatory adjustments, applied on CET1 Capital:		
Other intangibles	(215)	(436)
Deferred tax assets	(22,212)	(18,061)
55% of unrealised gain on financial assets at at FVOCI	(3,136)	(9,490)
Total CET 1 Capital	<u>1,291,785</u>	<u>1,266,421</u>
Tier 2 Capital		
Stage 1 and 2 ECL *	43,076	49,069
Less: Investment in subsidiary	(10)	(10)
Total Tier 2 Capital	<u>43,066</u>	<u>49,059</u>
Total capital		
CET 1 Capital	1,291,785	1,266,421
Tier 2 Capital	43,066	49,059
Total Capital	<u>1,334,851</u>	<u>1,315,480</u>

* Subject to a maximum of 1.25% of the total credit RWA determined under the Standardised Approach for credit risk.

Terms and conditions of the main features of all capital instruments are disclosed in the respective notes. The Bank does not have any innovative, non-innovative, complex or hybrid capital instruments.

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29. Capital adequacy (cont'd.)

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

	Principal 30.9.2022 RM'000	Risk- weighted assets 30.9.2022 RM'000	Principal 31.12.2021 RM'000	Risk- weighted assets 31.12.2021 RM'000
0%	602,881	-	674,101	-
20%	374,993	74,999	392,431	78,486
35%	638	223	773	271
50%	208,210	104,105	168,574	84,287
75%	2,336	1,752	1,614	1,211
100%	3,265,036	<u>3,265,036</u>	3,761,287	<u>3,761,287</u>
Total risk-weighted assets for credit risk		3,446,115		3,925,542
Total risk-weighted assets for market risk		10,598		23,615
Total risk-weighted assets for operational risk		<u>192,300</u>		<u>191,836</u>
Total risk-weighted assets		<u><u>3,649,013</u></u>		<u><u>4,140,993</u></u>

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30. Significant related party transactions and balances

Significant transactions between the Group and the Bank and their related parties are as follows:

(i) Related party transactions

	Group and Bank			
	Third Quarter Ended		Cumulative 9 Months Ended	
	1.7.2022	1.7.2021	1.1.2022	1.1.2021
	to	to	to	to
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Income				
Interest on advances to the holding company and its branches	89	-	148	-
Expenditure				
Interest on advances from the holding company and its branches	1,805	135	2,741	294
Administrative expenses to holding company	209	144	594	359

Significant transactions between the Group and the Bank and their related parties are as follows:

(ii) Related party balances

	Group and Bank	
	30.9.2022	31.12.2021
	RM'000	RM'000
Amount due to		
Deposits and placements from the holding company and its branches	255,792	276,958
Amount due from		
Cash and short-term funds placed with the holding company and its branches	16,621	16,639