

MAYBANK INVESTMENT BANK BERHAD
(Co. Reg. No.: 197301002412)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

<u>Group</u>	Note	31 March 2024 RM'000	31 December 2023 RM'000
ASSETS			
Cash and short-term funds	14	1,061,172	1,042,175
Deposits and placements with a financial institution	15	632,624	639,711
Financial investments portfolio	16	1,535,455	1,343,454
Loans and advances	17	159,838	205,914
Derivative financial assets	21(i)	143,768	146,430
Amount due from brokers and clients	18(i)	563,117	618,663
Deposits and prepayments	18(ii)	142,593	152,539
Other assets	18(iii)	112,400	40,992
Tax recoverable		21,523	21,518
Property, plant and equipment		5,036	5,306
Right-of-use assets		19,079	7,991
Intangible assets		18,085	18,477
Deferred tax assets		18,894	25,107
TOTAL ASSETS		4,433,584	4,268,277
LIABILITIES			
Deposits and placements from a financial institution	19	1,688,756	1,426,768
Derivative financial liabilities	21(i)	504,927	399,680
Amount due to brokers and clients	20(i)	469,269	549,134
Deposits and other creditors	20(ii)	1,035,114	1,119,312
Other liabilities	20(iii)	86,613	127,335
Provision for zakat		655	347
Subordinated obligation		35,331	35,055
TOTAL LIABILITIES		3,820,665	3,657,631
SHAREHOLDER'S EQUITY			
Share capital		222,785	222,785
Reserves		390,134	387,861
TOTAL EQUITY		612,919	610,646
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,433,584	4,268,277
COMMITMENTS AND CONTINGENCIES	29	2,682,380	2,412,897

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

Bank	Note	31 March 2024 RM'000	31 December 2023 RM'000
ASSETS			
Cash and short-term funds	14	1,027,591	1,008,931
Deposits and placements with a financial institution	15	632,603	639,691
Financial investments portfolio	16	1,535,455	1,343,454
Loans and advances	17	159,838	205,914
Derivative financial assets	21(i)	143,768	146,430
Amount due from brokers and clients	18(i)	563,117	618,663
Deposits and prepayments	18(ii)	142,593	152,539
Other assets	18(iii)	112,403	40,792
Tax recoverable		21,554	21,554
Investment in subsidiaries		197,267	197,267
Property, plant and equipment		5,036	5,306
Right-of-use assets		19,079	7,991
Intangible assets		18,085	18,477
Deferred tax assets		18,894	25,107
TOTAL ASSETS		4,597,283	4,432,116
LIABILITIES			
Deposits and placements from a financial institution	19	1,688,756	1,426,768
Derivative financial liabilities	21(i)	504,927	399,680
Amount due to brokers and clients	20(i)	469,269	549,134
Deposits and other creditors	20(ii)	1,034,241	1,118,395
Other liabilities	20(iii)	258,079	298,801
Provision for zakat		655	347
Subordinated obligation		35,331	35,055
TOTAL LIABILITIES		3,991,258	3,828,180
SHAREHOLDER'S EQUITY			
Share capital		222,785	222,785
Reserves		383,240	381,151
TOTAL EQUITY		606,025	603,936
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,597,283	4,432,116
COMMITMENTS AND CONTINGENCIES	29	2,682,380	2,412,897

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these financial statements)

MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2024

<u>Group</u>	Notes	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
		31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Interest income	22	15,656	9,000	15,656	9,000
Interest expense	23	(19,254)	(14,228)	(19,254)	(14,228)
Net interest expense		(3,598)	(5,228)	(3,598)	(5,228)
Income from Islamic Banking Scheme operations	31	10,557	23,141	10,557	23,141
Non-interest income	24	97,251	99,566	97,251	99,566
Direct costs	25	(9,925)	(8,280)	(9,925)	(8,280)
Net income		94,285	109,199	94,285	109,199
Overhead expenses	26	(67,995)	(76,480)	(67,995)	(76,480)
Operating profit		26,290	32,719	26,290	32,719
Allowance for impairment on loans and advances, other assets and amount due from brokers and clients, net	27	(1,759)	(622)	(1,759)	(622)
Profit before taxation and zakat		24,531	32,097	24,531	32,097
Taxation and zakat		(6,564)	(9,231)	(6,564)	(9,231)
Profit for the period, attributable to equity holder of the Bank		17,967	22,866	17,967	22,866
Basic and diluted earnings per share (sen), attributable to equity holder of the Bank		36	46	36	46
Other comprehensive income:					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Net gain on foreign exchange translation		64	125	64	125
Other comprehensive income for the period, net of tax		64	125	64	125
Total comprehensive income for the period, attributable to equity holder of the Bank		18,031	22,991	18,031	22,991

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2024

Bank	Notes	Unaudited		Unaudited	
		First Quarter Ended		Cumulative 3 Months Ended	
		31 March	31 March	31 March	31 March
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Interest income	22	15,463	8,815	15,463	8,815
Interest expense	23	(19,254)	(14,228)	(19,254)	(14,228)
Net interest expense		(3,791)	(5,413)	(3,791)	(5,413)
Income from Islamic Banking Scheme operations	31	10,557	23,141	10,557	23,141
Non-interest income	24	97,251	99,566	97,251	99,566
Direct costs	25	(9,925)	(8,280)	(9,925)	(8,280)
Net income		94,092	109,014	94,092	109,014
Overhead expenses	26	(67,965)	(76,450)	(67,965)	(76,450)
Operating profit		26,127	32,564	26,127	32,564
Allowance for impairment on loans and advances, other assets and amount due from brokers and clients, net	27	(1,759)	(622)	(1,759)	(622)
Profit before taxation and zakat		24,368	31,942	24,368	31,942
Taxation and zakat		(6,521)	(9,190)	(6,521)	(9,190)
Profit for the period, representing total comprehensive income for the period, attributable to equity holder of the Bank		17,847	22,752	17,847	22,752

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these financial statements)

MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	<-----Non-distributable----->				Distributable	
	Share capital RM'000	Regulatory reserve RM'000	Fair value through other comprehensive income reserve RM'000	Exchange fluctuation reserve RM'000	Retained earnings RM'000	Total RM'000
Group						
At 1 January 2024	222,785	14,057	1,141	(184)	372,847	610,646
Profit for the period	-	-	-	-	17,967	17,967
Other comprehensive income	-	-	-	64	-	64
Total comprehensive income for the period	-	-	-	64	17,967	18,031
Transfer to regulatory reserve	-	2,529	-	-	(2,529)	-
Dividend	-	-	-	-	(15,758)	(15,758)
At 31 March 2024	222,785	16,586	1,141	(120)	372,527	612,919
At 1 January 2023	222,785	11,372	1,053	(407)	376,530	611,333
Profit for the period	-	-	-	-	22,866	22,866
Other comprehensive income	-	-	-	125	-	125
Total comprehensive income for the period	-	-	-	125	22,866	22,991
Transfer to regulatory reserve	-	2,847	-	-	(2,847)	-
Dividend	-	-	-	-	(17,241)	(17,241)
At 31 March 2023	222,785	14,219	1,053	(282)	379,308	617,083

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	<-----Non-distributable----->		Distributable		Total RM'000
	Share capital RM'000	Regulatory reserve RM'000	Fair value through other comprehensive income reserve RM'000	Retained earnings RM'000	
Bank					
At 1 January 2024	222,785	14,057	1,141	365,953	603,936
Profit for the period	-	-	-	17,847	17,847
Total comprehensive income for the period	-	-	-	17,847	17,847
Transfer to regulatory reserve	-	2,529	-	(2,529)	-
Dividend	-	-	-	(15,758)	(15,758)
At 31 March 2024	222,785	16,586	1,141	365,513	606,025
At 1 January 2023	222,785	11,372	1,053	370,120	605,330
Profit for the period	-	-	-	22,752	22,752
Total comprehensive income for the period	-	-	-	22,752	22,752
Transfer to regulatory reserve	-	2,847	-	(2,847)	-
Dividend	-	-	-	(17,241)	(17,241)
At 31 March 2023	222,785	14,219	1,053	372,784	610,841

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes to these financial statements)

MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	Note	Group		Bank	
		31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Cash flows from operating activities					
Profit before taxation and zakat		24,531	32,097	24,368	31,942
Adjustments for:					
Depreciation of property, plant and equipment	26	305	342	305	342
Depreciation of right-of-use assets	26	2,220	2,093	2,220	2,093
Amortisation of computer software	26	966	454	966	454
Finance cost on lease liabilities	26	147	68	147	68
Writeback of impairment on loans and advances, net	27	(1)	(1)	(1)	(1)
Allowance for impairment on other assets, net	27	883	588	883	588
Allowance for impairment on amount due from brokers and clients, net	27	904	53	904	53
Gross dividends	24	(5,454)	(3,827)	(5,454)	(3,827)
Realised gain from sale of financial assets at fair value through profit or loss, net	24	(17,873)	(15,970)	(17,873)	(15,970)
Unrealised (gain)/loss on revaluation of financial assets at fair value through profit or loss, net	24	(12,525)	23,867	(12,525)	23,867
Realised loss from sale of derivative financial instruments, net	24	18,332	73,668	18,332	73,668
Unrealised gain on revaluation of derivative financial instruments, net	24	(15,583)	(102,856)	(15,583)	(102,856)
Operating (loss)/profit before working capital changes		(3,148)	10,576	(3,311)	10,421
Change in cash and short-term funds with original maturity more than three months		83,535	(9,923)	83,535	(9,923)
Change in deposits and placements with original maturity more than three months		36,849	(22,902)	36,849	(22,902)
Change in financial investments portfolio and derivative financial instruments		(56,443)	167,666	(56,443)	167,666
Change in loans and advances		46,077	(699)	46,077	(699)
Change in amount due from brokers and clients		55,546	(315,615)	55,546	(315,615)
Change in deposits and prepayments		9,946	(32,744)	9,946	(32,705)
Change in other assets		(86,503)	614	(86,706)	536
Change in deposits and placements from a financial institution		261,988	198,601	261,988	198,601
Change in amount due to brokers and clients		(79,865)	216,891	(79,865)	216,891
Change in deposits and other creditors		(84,198)	83,977	(84,154)	83,947
Change in other liabilities		(38,452)	23,402	(38,452)	23,254
Cash generated from operations		145,332	319,844	145,010	319,472
Taxation and zakat paid, net		(48)	(4,397)	-	(4,370)
Net cash generated from operating activities		145,284	315,447	145,010	315,102
Cash flows from investing activities					
Purchase of property, plant and equipment		(35)	(1,879)	(35)	(1,879)
Purchase of computer software		(574)	(1,744)	(574)	(1,744)
Net dividends received		5,454	3,827	5,454	3,827
Net cash generated from investing activities		4,845	204	4,845	204
Cash flows from financing activities					
Interest payment of subordinated obligation		(277)	(274)	(277)	(274)
Dividend paid		(15,758)	(17,241)	(15,758)	(17,241)
Repayment of lease liabilities		(1,863)	(1,863)	(1,863)	(1,863)
Net cash used in financing activities		(17,898)	(19,378)	(17,898)	(19,378)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2024 (CONT'D.)

	Note	Group		Bank	
		31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Net increase in cash and cash equivalents		132,231	296,273	131,957	295,928
Cash and cash equivalents at the beginning of the period		922,591	1,069,073	889,327	1,036,745
Effects of foreign exchange rate changes		64	125	-	-
Cash and cash equivalents at the end of the period		1,054,886	1,365,471	1,021,284	1,332,673
Cash and cash equivalents comprise:					
Cash and short-term funds	14	1,061,172	1,387,797	1,027,591	1,355,019
Deposits and placements with a financial institution	15	632,624	474,511	632,603	474,491
		1,693,796	1,862,308	1,660,194	1,829,510
Less:					
Cash and short-term funds and deposits and placements with original maturity more than three months		(638,910)	(496,837)	(638,910)	(496,837)
		1,054,886	1,365,471	1,021,284	1,332,673

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to these financial statements)

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Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) Interim Financial Reporting

1. Basis of Preparation

The unaudited condensed interim financial statements of the Group and of the Bank have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: financial assets at fair value through profit or loss, financial investments at fair value through other comprehensive income and derivative financial instruments.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting and IAS 34 Interim Financial Reporting.

The unaudited condensed interim financial statements do not include all the information and disclosure required in the audited financial statements, and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023. These explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the year ended 31 December 2023.

The unaudited condensed interim financial statements include those activities relating to the Islamic banking business which have been undertaken by the Group. Islamic banking business refers generally to capital market and stockbroking activities under the principles of Shariah.

The significant accounting policies and methods of computation applied by the Group and by the Bank are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2023 except for adoption of the following Malaysian Financial Reporting Standards (“MFRSs”) and annual improvements to MFRSs which are effective for annual periods beginning on or after 1 January 2024:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16 <i>Leases - Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 7 <i>Financial Instruments: Disclosures Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of cashflow: Disclosures Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2024

Adoption of the above standards and annual improvements to standards, where applicable do not have any significant financial impact on the financial statements of the Group and of the Bank in the period of initial application.

2. Significant Accounting Policies

The audited financial statements of the Group and of the Bank for the financial year ended 31 December 2023 were prepared in accordance with MFRS, International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act, 2016 in Malaysia. The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2023 except for the adoption of the new MFRS, amendments to MFRS and annual improvements to MFRS which are effective for annual periods beginning on or after 1 January 2024 as disclosed in Note 1.

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Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) Interim Financial Reporting (Cont’d)

3. Significant Accounting Estimates and Judgements

The preparation of unaudited condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgements are based on management’s best knowledge of current events and actions, actual results may differ.

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Group’s and the Bank’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited financial statements for the financial year ended 31 December 2023.

4. Auditors’ Report on Annual Financial Statements

The auditors’ report on the audited financial statements for the financial year ended 31 December 2023 was not qualified.

5. Seasonal or Cyclical Factors

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors during the first quarter ended 31 March 2024.

6. Unusual Items Due to Their Nature, Size or Incidence

During the first quarter ended 31 March 2024, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and of the Bank.

7. Changes in Estimates

There were no material changes in estimates during the first quarter ended 31 March 2024.

8. Changes in Debt and Equity Securities

There were no issuances, cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Group and the Bank during the first quarter ended 31 March 2024.

9. Changes in the Composition of the Group

There were no changes in the composition of the Group during the first quarter ended 31 March 2024.

10. Dividend Paid

On 27 February 2024, the Board of Directors declared a single-tier second interim dividend in respect of the financial year ended 31 December 2023 of approximately RM0.31 on 50,116,000 ordinary shares, amounting to a net dividend of RM15,758,000. The dividend was paid on 25 March 2024.

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Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) Interim Financial Reporting (Cont’d)

11. Significant and Subsequent Event

There were no significant and subsequent events after the first quarter ended 31 March 2024.

12. Performance Review

For the financial period ended 31 March 2024, the Group's operating profit decreased by 19.6% or RM6.4 million to RM26.3 million from RM32.7 million last period due to lower income.

Net income decreased by 13.7% from RM109.2 million to RM94.3 million during the period. Non-interest income decreased by RM2.3 million to RM97.3 million, while income from Islamic Banking Scheme operations decreased by RM12.6 million to RM10.6 million due to lower Islamic fee income during the period.

Overhead expenses decreased by 11.1% or RM8.5 million from RM76.5 million to RM68.0 million. This was mainly contributed by the lower personnel costs compared to the previous period.

The Group profit before taxation and zakat decreased by 23.6% or RM7.6 million from RM32.1 million to RM24.5 million. Profit for the period decreased by 21.4% or RM4.9 million to RM18.0 million.

13. Business Outlook

Global Gross Domestic Product (GDP) growth is expected to improve in 2024 following an upward revision in this year's GDP growth forecasts for US and China. However, global GDP growth is expected to be lower than last year's growth due to the overall slower year-on-year growth anticipated by both major economies. ASEAN growth is set to be firmer in 2024 supported by resilient domestic demand and sustained tourism, as well as the recovery in electronics manufacturing products and exports.

Malaysia's economic growth projection has also been revised upwards in 2024 following the recent strong 1Q 2024 growth coupled with an expected rebound in export of goods and services amid sustained consumer spending and investment growth. Bank Negara Malaysia is anticipated to maintain the Overnight Policy Rate at 3.00% in 2024 given the upside risk to inflation from the hike in sales and services tax and expected fuel subsidy rationalisation.

Malaysian equities outlook is cautiously optimistic for 2024, amid stable political outlook and delivery of macro blueprints cum targets that were announced. For equities, the tail-end of global monetary policy tightening is a tailwind, while stable domestic interest rate policy outlook, economic transformation, and rising FDI momentum are the key catalysts. Better corporate earnings growth is expected in 2024 with improved earnings in most sectors.

Investment banking and advisory deal activity is seen as optimistic with the recently announced New Industrial Master Plan 2030 and the National Energy Transition Roadmap, which is expected to spur growth and catalyse more opportunities. Liquidity in the debt capital market space remains constructive, supported by favourable demand and supply dynamics, and a more stable interest rate outlook on the back of inflation being more contained and optimism around the global interest rate environment. On the merger & acquisition side, the improved clarity around political stability and government policy with the conclusion of the state elections and announcement on subsidy rationalisation is expected to provide a conducive environment for investment decisions in Malaysia.

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(Incorporated in Malaysia)

14. Cash and short-term funds

	Group		Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances with financial institutions	309,741	301,148	303,194	294,939
Deposit and placements maturing within one month	751,431	741,027	724,397	713,992
Total cash and short-term funds	1,061,172	1,042,175	1,027,591	1,008,931

The monies held-in-trust for clients by the Group and by the Bank as at the reporting date are approximately RM548,395,000 (2023: RM529,344,000). These amounts are excluded from the cash and short-term funds of the Group and of the Bank in accordance with FRSIC Consensus 18 Monies Held-in-Trust by Participating Organisation at Bursa Malaysia Securities Berhad.

15. Deposits and placements with a financial institution

	Group		Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Licensed bank	632,624	639,711	632,603	639,691

16. Financial investments portfolio

		Group and Bank	
		31 March 2024	31 December 2023
		RM'000	RM'000
Financial assets at fair value through profit or loss	(i)	1,534,114	1,342,113
Financial assets at fair value through other comprehensive income	(ii)	1,341	1,341
Total financial investments portfolio		1,535,455	1,343,454

(i) Financial assets at fair value through profit or loss

	Group and Bank	
	31 March 2024	31 December 2023
	RM'000	RM'000
At fair value		
Quoted financial assets:		
Shares in Malaysia	949,887	625,946
Shares outside Malaysia	584,227	716,167
	1,534,114	1,342,113

(ii) Financial assets at fair value through other comprehensive income

	Group and Bank	
	31 March 2024	31 December 2023
	RM'000	RM'000
At fair value, or at cost for certain unquoted equity instruments, less accumulated impairment loss		
Unquoted financial assets:		
Shares in Malaysia	1,341	1,341

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17. Loans and advances

	Group and Bank	
	31 March 2024	31 December 2023
	RM'000	RM'000
Term loans		
- Other term loan	103,459	144,529
Amount due from brokers and clients		
- Margin accounts	9,675	14,483
Staff loans	46,712	46,911
Gross loans and advances at amortised cost	<u>159,846</u>	<u>205,923</u>
Less: Allowances for impaired loans and advances:		
- Stage 1 - 12 Months ECL	(8)	(9)
Net loans and advances	<u>159,838</u>	<u>205,914</u>

(i) **Loans and advances analysed by type of customer are as follows:**

	Group and Bank	
	31 March 2024	31 December 2023
	RM'000	RM'000
Domestic business enterprises		
- Small and medium enterprises	65	-
- Others	103,394	144,529
Individuals	56,387	61,394
Gross loans and advances	<u>159,846</u>	<u>205,923</u>

(ii) **Loans and advances analysed by interest rate sensitivity are as follows:**

	Group and Bank	
	31 March 2024	31 December 2023
	RM'000	RM'000
Fixed rate		
- Housing loans	36,221	35,945
- Hire purchase receivables	10,474	10,948
- Other fixed rate loans	17	18
Variable rate		
- Base lending rate (BLR) plus	9,675	14,483
- Cost plus	103,459	144,529
Gross loans and advances	<u>159,846</u>	<u>205,923</u>

(iii) **Loans and advances analysed by economic purpose are as follows:**

	Group and Bank	
	31 March 2024	31 December 2023
	RM'000	RM'000
Purchase of securities	9,675	14,483
Purchase of transport vehicles	10,474	10,948
Purchase of residential landed property	36,221	35,945
Personal use	17	18
Others	103,459	144,529
Gross loans and advances	<u>159,846</u>	<u>205,923</u>

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17. **Loans and advances (Cont'd)**

(iv) **The maturity structure of loans and advances are as follows:**

	Group and Bank	
	31 March 2024	31 December 2023
	RM'000	RM'000
Within one year	114,290	160,334
More than one year to three years	4,302	4,122
More than three years to five years	7,145	7,671
More than five years	34,109	33,796
Gross loans and advances	159,846	205,923

(v) **Movements in impaired loans and advances are as follows:**

	Group and Bank	
	31 March 2024	31 December 2023
	RM'000	RM'000
At 1 January	947	955
Impaired during the period	93	499
Reclassified as non-impaired	-	(296)
Amount recovered	(6)	(39)
Amount written-off	-	(172)
Gross impaired loans and advances	1,034	947
Less: - Stage 3 - Lifetime ECL credit impaired	-	-
Net impaired loans and advances	1,034	947
Net impaired loans and advances as a percentage of gross loans and advances less Stage 3 - Lifetime ECL credit impaired	0.65%	0.46%

(vi) **Impaired loans and advances analysed by economic purpose are as follows:**

	Group and Bank	
	31 March 2024	31 December 2023
	RM'000	RM'000
Purchase of residential landed property	1,034	947
Gross impaired loans and advances	1,034	947

(vii) **Movements in the allowance for impairment losses are as follows:**

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group and Bank				
At 1 January 2024	9	-	-	9
Amount written-back, net (Note 27)	(1)	-	-	(1)
At 31 March 2024	8	-	-	8
At 1 January 2023	11	-	172	183
Amount written-back, net	(2)	-	-	(2)
Amount written-off	-	-	(172)	(172)
At 31 December 2023	9	-	-	9

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18. (i) Amount due from brokers and clients

	Group and Bank	
	31 March 2024	31 December 2023
	RM'000	RM'000
Amount due from brokers and clients		
- Non-margin accounts (a)	564,717	619,338
Less: Allowance for impairment losses	<u>(1,600)</u>	<u>(675)</u>
	563,117	618,663

(a) Amount due from brokers and clients relates to outstanding purchase contracts entered into on behalf of clients, contra gains and losses, other fees and charges.

(ii) Deposits and prepayments

	Group and Bank	
	31 March 2024	31 December 2023
	RM'000	RM'000
Deposits with Maybank Securities Singapore	75,454	90,805
Deposits with Bursa Malaysia Derivative Berhad	41,246	40,703
Other deposits and prepayments	<u>25,893</u>	<u>21,031</u>
	142,593	152,539

(iii) Other assets

	Group		Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Fee income receivables	29,902	17,098	29,902	17,098
Amount due from holding company	50,447	9,381	50,447	9,381
Other debtors, deposits and prepayments	<u>40,989</u>	<u>23,534</u>	<u>40,992</u>	<u>23,334</u>
	121,338	50,013	121,341	49,813
Less: Allowance for impairment losses	<u>(8,938)</u>	<u>(9,021)</u>	<u>(8,938)</u>	<u>(9,021)</u>
	112,400	40,992	112,403	40,792

19. Deposits and placements from a financial institution

	Group and Bank	
	31 March 2024	31 December 2023
	RM'000	RM'000
Licensed bank	<u>1,688,756</u>	<u>1,426,768</u>

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20. (i) Amount due to brokers and clients

	Group and Bank	
	31 March 2024	31 December 2023
	RM'000	RM'000
Amount due to brokers and clients (a)	469,269	549,134

(a) Amount due to brokers and clients represents net amount payable to margin and non-margin clients, which include outstanding sales contracts entered into on behalf of clients, contra gains, other fees and charges.

(ii) Deposits and other creditors

	Group		Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Deposits and collaterals pledged for derivative and securities borrowing and lending transactions	601,126	806,272	601,126	806,272
Payables on client trading accounts	229,641	133,128	229,641	133,128
Other deposits and creditors	204,347	179,912	203,474	178,995
	1,035,114	1,119,312	1,034,241	1,118,395

(iii) Other liabilities

	Group		Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Provisions and accruals	44,047	88,595	44,039	88,587
Lease liabilities	19,238	8,075	19,238	8,075
Amount due to:				
- Holding company	18,181	22,157	18,181	22,157
- Related companies	5,147	8,508	5,147	8,508
- Subsidiaries	-	-	171,474	171,474
	86,613	127,335	258,079	298,801

21. Derivative financial instruments

(i) Derivative financial assets/liabilities

	Contract/ Notional amount RM'000	Group and Bank 31 March 2024	
		Fair Value	
		Assets RM'000	Liabilities RM'000
Hedging derivatives			
Equity-related derivatives:			
Equity options			
- Less than one year	1,958,179	110,947	387,275
- One to three years	83,932	2,094	72,228
Equity swaps			
- Less than one year	422,484	30,616	43,589
- One to three years	14,846	111	621
	2,479,441	143,768	503,713
Commodity-related derivatives:			
Commodity swaps:			
- Less than one year	14,020	-	1,214
	2,493,461	143,768	504,927

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(i) Derivative financial instruments (cont'd.)

	Group and Bank 31 December 2023		
	Contract/ Notional amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000
Hedging derivatives			
Equity-related derivatives:			
Equity options			
- Less than one year	1,397,956	126,708	276,410
- One to three years	373,691	2,058	84,910
Equity swaps			
- Less than one year	417,429	17,123	37,406
- One to three years	15,071	-	954
	<u>2,204,147</u>	<u>145,889</u>	<u>399,680</u>
Commodity-related derivatives:			
Commodity swaps:			
- Less than one year	14,020	541	-
	<u>2,218,167</u>	<u>146,430</u>	<u>399,680</u>

(ii) The Group and the Bank have recognised the fair value changes on the derivative financial instruments as follows (Note 24):

	Group and Bank			
	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Equity-related derivatives:				
Index futures	(3)	(16)	(3)	(16)
Equity options	7,958	85,727	7,958	85,727
Equity swaps	7,670	17,145	7,670	17,145
Commodity-related derivatives:				
Commodity futures	1,172	-	1,172	-
Commodity swaps	(1,214)	-	(1,214)	-
	<u>15,583</u>	<u>102,856</u>	<u>15,583</u>	<u>102,856</u>

22. Interest income

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
	Group			
Loans and advances	3,140	1,502	3,140	1,502
Money at call and deposits and placements with financial institutions	11,444	6,220	11,444	6,220
Others	1,072	1,278	1,072	1,278
Total interest income	<u>15,656</u>	<u>9,000</u>	<u>15,656</u>	<u>9,000</u>

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22. Interest income

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<u>Bank</u>	RM'000	RM'000	RM'000	RM'000
Loans and advances	3,140	1,502	3,140	1,502
Money at call and deposits and placements with financial institutions	11,251	6,035	11,251	6,035
Others	1,072	1,278	1,072	1,278
Total interest income	15,463	8,815	15,463	8,815

Included in interest income was interest on impaired assets amounting to approximately RM143,000 (2023: RM45,000) for the Group and the Bank.

23. Interest expense

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<u>Group and Bank</u>	RM'000	RM'000	RM'000	RM'000
Deposits and placements from a financial institution	16,960	9,869	16,960	9,869
Derivative financial instruments	2,017	4,085	2,017	4,085
Subordinated obligation	277	274	277	274
Total interest expense	19,254	14,228	19,254	14,228

24. Non-interest income

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<u>Group and Bank</u>	RM'000	RM'000	RM'000	RM'000
Fee and commission income that are provided over time:				
Agency fees	1,423	86	1,423	86
Corporate advisory fees	2,819	2,875	2,819	2,875
	4,242	2,961	4,242	2,961
Fee and commission income at a point in time:				
Arranger and upfront fees	15,396	1,726	15,396	1,726
Brokerage income	41,758	35,853	41,758	35,853
Placement and related fees	1,242	4,717	1,242	4,717
Underwriting commission	98	13,656	98	13,656
Others	2,295	2,051	2,295	2,051
	60,789	58,003	60,789	58,003

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24. **Non-interest income (cont'd.)**

	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Investment income:				
Realised gain from sale of financial assets at fair value through profit or loss, net	17,873	15,970	17,873	15,970
Unrealised gain/(loss) on revaluation of financial assets at fair value through profit or loss, net	12,525	(23,867)	12,525	(23,867)
Realised loss from sale of derivative financial instruments, net	(18,332)	(73,668)	(18,332)	(73,668)
Unrealised gain on revaluation of derivative financial instruments, net (Note 21 (ii))	15,583	102,856	15,583	102,856
Gross dividends from financial assets at fair value through profit or loss				
- Quoted in Malaysia	2,681	3,721	2,681	3,721
- Quoted outside Malaysia	2,773	106	2,773	106
	33,103	25,118	33,103	25,118
Other income:				
Foreign exchange loss, net	(13,855)	(642)	(13,855)	(642)
Other operating income	10,888	11,791	10,888	11,791
Others	2,084	2,335	2,084	2,335
	(883)	13,484	(883)	13,484
Total non-interest income	97,251	99,566	97,251	99,566

25. **Direct costs**

	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Group and Bank				
Dealers' incentive	4,181	4,350	4,181	4,350
Trade-related charges	5,744	3,930	5,744	3,930
	9,925	8,280	9,925	8,280

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26. **Overhead expenses**

Group	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
- Salaries, allowances and bonuses	39,781	47,567	39,781	47,567
- Pension costs - defined contribution plan	5,683	5,541	5,683	5,541
- Employees' Share Scheme expenses	1,605	3,665	1,605	3,665
- Other staff-related expenses	3,160	3,200	3,160	3,200
	50,229	59,973	50,229	59,973
Establishment costs				
- Depreciation of property, plant and equipment	305	342	305	342
- Amortisation of computer software	966	454	966	454
- Rental	267	377	267	377
- Finance cost on lease liabilities	147	68	147	68
- Depreciation of right-of-use assets	2,220	2,093	2,220	2,093
- Repairs and maintenance of property, plant and equipment	4,473	2,734	4,473	2,734
- Information technology expenses	8,513	9,096	8,513	9,096
- Others (Note (i))	(3,896)	(4,269)	(3,896)	(4,269)
	12,995	10,895	12,995	10,895
Marketing costs				
- Advertisement and publicity	398	629	398	629
- Others	1,627	1,234	1,627	1,234
	2,025	1,863	2,025	1,863
Administration and general expenses				
- Fee and brokerage	1,040	1,485	1,040	1,485
- Administrative expenses	641	1,255	641	1,255
- General expenses	1,065	1,009	1,065	1,009
	2,746	3,749	2,746	3,749
Total overhead expenses	67,995	76,480	67,995	76,480

Note (i): Included in other establishment costs are service chargebacks amounting to approximately RM4,051,000 (2023: RM4,464,000).

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26. **Overhead expenses (Cont'd)**

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
<u>Bank</u>	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
- Salaries, allowances and bonuses	39,781	47,567	39,781	47,567
- Pension costs - defined contribution plan	5,683	5,541	5,683	5,541
- Employees' Share Scheme expenses	1,605	3,665	1,605	3,665
- Other staff related expenses	3,160	3,200	3,160	3,200
	<u>50,229</u>	<u>59,973</u>	<u>50,229</u>	<u>59,973</u>
Establishment costs				
- Depreciation of property, plant and equipment	305	342	305	342
- Amortisation of computer software	966	454	966	454
- Rental	267	377	267	377
- Finance cost on lease liabilities	147	68	147	68
- Depreciation of right-of-use assets	2,220	2,093	2,220	2,093
- Repairs and maintenance of property, plant and equipment	4,473	2,734	4,473	2,734
- Information technology expenses	8,513	9,096	8,513	9,096
- Others (Note (i))	(3,896)	(4,269)	(3,896)	(4,269)
	<u>12,995</u>	<u>10,895</u>	<u>12,995</u>	<u>10,895</u>
Marketing costs				
- Advertisement and publicity	398	629	398	629
- Others	1,627	1,234	1,627	1,234
	<u>2,025</u>	<u>1,863</u>	<u>2,025</u>	<u>1,863</u>
Administration and general expenses				
- Fee and brokerage	1,024	1,468	1,024	1,468
- Administrative expenses	627	1,242	627	1,242
- General expenses	1,065	1,009	1,065	1,009
	<u>2,716</u>	<u>3,719</u>	<u>2,716</u>	<u>3,719</u>
Total overhead expenses	<u>67,965</u>	<u>76,450</u>	<u>67,965</u>	<u>76,450</u>

Note (i): Included in other establishment costs are service chargebacks amounting to approximately RM4,051,000 (2023: RM4,464,000).

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27. Allowance for impairment on loans and advances, other assets and amount due from brokers and clients, net

<u>Group and Bank</u>	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	RM'000	RM'000	RM'000	RM'000
Writeback of impairment on loans and advances:				
loans and advances:				
- Stage 1 - 12 months ECL (Note 17 (vii))	1	1	1	1
Bad debts recovered	27	18	27	18
Allowance for impairment on other assets, net	(883)	(588)	(883)	(588)
Allowance for impairment on amount due from brokers and clients, net	(904)	(53)	(904)	(53)
Total	(1,759)	(622)	(1,759)	(622)

28. Capital adequacy

(l) Capital Adequacy Framework

The capital adequacy ratios of the Group consist of capital base and risk-weighted assets derived from consolidated balances of the Bank and its subsidiary companies. The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank.

The computation of capital adequacy ratios are based on Bank Negara Malaysia ("BNM") Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk Weighted Assets) issued on 2 February 2020 and 3 May 2019 respectively.

The Group and the Bank adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

The minimum regulatory capital adequacy requirements for Common Equity Tier 1 ("CET1"), Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total risk-weighted assets respectively.

The capital adequacy ratios of the Group and of the Bank are as follows:

	Group		Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	%	%	%	%
<u>Before deducting proposed dividend</u>				
CET1 capital ratio	24.970	24.024	23.606	22.753
Tier 1 capital ratio	24.970	24.024	23.606	22.753
Total capital ratio	27.352	26.158	26.003	24.901
<u>After deducting proposed dividend</u>				
CET1 capital ratio	24.970	23.338	23.606	22.064
Tier 1 capital ratio	24.970	23.338	23.606	22.064
Total capital ratio	27.352	25.472	26.003	24.211

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28. Capital adequacy (Cont'd)

(l) Capital Adequacy Framework (Cont'd)

The components of capital of the Group and of the Bank are as follows (Cont'd):

	Group RM'000	Bank RM'000
Paid-up share capital	222,785	222,785
Other reserves	372,167	365,393
CET1 capital before regulatory adjustments	594,952	588,178
Less: Deferred tax assets	(18,894)	(18,894)
Intangible assets	(18,085)	(18,085)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(628)	(628)
Regulatory reserve	(16,586)	(16,586)
Investment in subsidiaries and a joint venture ¹	-	(25,793)
CET1 capital/Tier 1 capital	540,759	508,192
Tier 2 capital		
Subordinated obligation	35,000	35,000
General provisions	16,594	16,594
Tier 2 capital	51,594	51,594
Total capital	592,353	559,786
	Group	Bank
<u>At 31 December 2023</u>	RM'000	RM'000
Paid-up share capital	222,785	222,785
Other reserves	387,861	381,151
CET1 capital before regulatory adjustments	610,646	603,936
Less: Deferred tax assets	(25,107)	(25,107)
Intangible assets	(18,477)	(18,477)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(628)	(628)
Regulatory reserve	(14,057)	(14,057)
Investment in subsidiaries and a joint venture ¹	-	(25,793)
CET1 capital/Tier 1 capital	552,377	519,874
Tier 2 capital		
Subordinated obligation	35,000	35,000
General provisions	14,066	14,066
Tier 2 capital	49,066	49,066
Total capital	601,443	568,940

¹ Excludes the cost of investment in a subsidiary, Maysec Sdn. Bhd. of RM171,474,000 as its business, assets and liabilities had been transferred to the Bank on 30 December 2006.

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28. **Capital adequacy (Cont'd)**

(II) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows:

<u>Group</u>	Gross credit exposures RM'000	Net credit exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
31 March 2024				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	572,698	572,698	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,644,966	1,644,966	354,618	28,369
Corporates	148,064	58,181	58,181	4,654
Regulatory retail	75,426	74,306	73,851	5,908
Higher risk assets	1,341	1,341	2,012	161
Other assets	346,058	346,058	290,990	23,279
Total on-balance sheet exposures	2,788,553	2,697,550	779,652	62,371
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	188,919	188,919	815	65
Total off-balance sheet exposures	188,919	188,919	815	65
Total on and off-balance sheet exposures	2,977,472	2,886,469	780,467	62,436
(ii) <u>Market Risk</u>				
Interest rate risk	-	-	7,517	601
Equity position risk	-	-	193,721	15,498
Foreign currency risk	-	-	217,924	17,434
Commodity risk	-	-	5,890	471
Options risk	-	-	175,315	14,025
Total	-	-	600,367	48,029
(iii) <u>Operational Risk</u>				
	-	-	784,816	62,785
Total RWA and capital requirements	2,977,472	2,886,469	2,165,650	173,250

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28. Capital adequacy (Cont'd)

(II) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows: (Cont'd)

<u>Group</u>	Gross credit exposures	Net credit exposures	Risk-weighted assets	Capital requirements
31 December 2023	RM'000	RM'000	RM'000	RM'000
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	402,502	402,502	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,742,252	1,742,252	378,865	30,309
Corporates	184,128	69,451	69,451	5,556
Regulatory retail	71,217	69,326	68,793	5,503
Higher risk assets	1,341	1,341	2,012	161
Other assets	437,880	437,880	361,835	28,947
Total on-balance sheet exposures	2,839,320	2,722,752	880,956	70,476
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	194,730	194,730	639	51
Total off-balance sheet exposures	194,730	194,730	639	51
Total on and off-balance sheet exposures	3,034,050	2,917,482	881,595	70,527
(ii) <u>Market Risk</u>				
Interest rate risk	-	-	6,976	558
Equity position risk	-	-	107,514	8,601
Foreign currency risk	-	-	169,201	13,536
Commodity risk	-	-	5,564	445
Options risk	-	-	174,000	13,920
Total	-	-	463,255	37,060
(iii) <u>Operational Risk</u>				
	-	-	842,333	67,387
(iv) <u>Large exposure risk RWA for equity holdings</u>				
	-	-	112,114	8,969
Total RWA and capital requirements	3,034,050	2,917,482	2,299,297	183,943

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28. **Capital adequacy (Cont'd)**

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows: (Cont'd)

(II)

<u>Bank</u>	Gross credit exposures	Net credit exposures	Risk-weighted assets	Capital requirements
31 March 2024 Exposure Class	RM'000	RM'000	RM'000	RM'000

(i) **Credit Risk**

On-balance sheet exposures:

Sovereigns/Central banks	572,698	572,698	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,611,401	1,611,401	347,905	27,832
Corporates	148,064	58,181	58,181	4,654
Regulatory retail	75,426	74,306	73,851	5,908
Higher risk assets	1,341	1,341	2,012	161
Other assets	346,025	346,025	290,959	23,278
Total on-balance sheet exposures	2,754,955	2,663,952	772,908	61,833

Off-balance sheet exposures:

Credit-related off-balance sheet exposures	188,919	188,919	815	65
Total off-balance sheet exposures	188,919	188,919	815	65

Total on and off-balance sheet exposures	2,943,874	2,852,871	773,723	61,898
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(ii) **Market Risk**

Interest rate risk	-	-	7,517	601
Equity position risk	-	-	193,721	15,498
Foreign currency risk	-	-	213,096	17,048
Commodity risk	-	-	5,890	471
Options risk	-	-	175,315	14,025
Total	-	-	595,539	47,643

(iii) **Operational Risk**

	-	-	783,520	62,682
Total RWA and capital requirements	2,943,874	2,852,871	2,152,782	172,223

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28. **Capital adequacy (Cont'd)**

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows: (Cont'd)

(II)

<u>Bank</u>	Gross credit exposures	Net credit exposures	Risk-weighted assets	Capital requirements
31 December 2023	RM'000	RM'000	RM'000	RM'000
Exposure Class				

(i) **Credit Risk**

On-balance sheet exposures:

Sovereigns/Central banks	402,502	402,502	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,709,024	1,709,024	372,220	29,778
Corporates	184,128	69,451	69,451	5,556
Regulatory retail	71,217	69,326	68,793	5,503
Higher risk assets	1,341	1,341	2,012	161
Other assets	437,643	437,643	361,599	28,928
Total on-balance sheet exposures	2,805,855	2,689,287	874,075	69,926

Off-balance sheet exposures:

Credit-related off-balance sheet exposures	194,730	194,730	639	51
Total off-balance sheet exposures	194,730	194,730	639	51

Total on and off-balance sheet exposures	3,000,585	2,884,017	874,714	69,977
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(ii) **Market Risk**

Interest rate risk	-	-	6,976	558
Equity position risk	-	-	107,514	8,601
Foreign currency risk	-	-	164,414	13,153
Commodity risk	-	-	5,563	445
Options risk	-	-	174,000	13,920
Total	-	-	458,467	36,677

(iii) **Operational Risk**

	-	-	839,536	67,163
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(iv) **Large exposure risk RWA for equity holdings**

	-	-	112,114	8,969
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Total RWA and capital requirements	3,000,585	2,884,017	2,284,831	182,786
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29. Commitments and contingencies

Group and Bank	31 March 2024			31 December 2023		
	Notional amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount* RM'000	Notional amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount* RM'000
<u>Credit-related</u>						
Revocable commitments to extend credit:						
- Maturity not exceeding one year	187,290	-	-	193,452	-	-
- Maturity exceeding one year	1,629	815	815	1,278	639	639
	188,919	815	815	194,730	639	639
<u>Derivative financial instruments</u>						
Equity-related contracts						
- Less than one year	2,380,663	-	-	1,815,385	-	-
- One year to less than five years	98,778	-	-	388,762	-	-
Commodity-related contracts:						
- Less than one year	14,020	-	-	14,020	-	-
	2,493,461	-	-	2,218,167	-	-
Total commitments and contingencies	2,682,380	815	815	2,412,897	639	639

* The credit equivalent amount and the risk-weighted amount are derived at using the credit evaluation conversion factors and risk weights respectively as specified by BNM for regulatory capital adequacy purposes.

30. Segment information

Segment information is presented in respect of the Group's business segments.

The business segments are prepared based on internal management reports, which are used by senior management for decision-making and performance management. The amounts for each business segment are shown after the allocation of certain centralised cost, funding income and the applicable transfer pricing where appropriate. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation. All inter-segment transactions are conducted at arm's length basis on normal commercial terms that are not more favourable than those generally available to the public.

Financial results and other information by business segments include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

The Group's business segments are defined and categorised as follows:

- (i) Pillar 1 - Investment banking and advisory
Investment banking and advisory focus on business needs of mainly large corporate customers and financial institutions. The products and services offered to customers include corporate advisory services, bond issuance, equity issuance, syndicated acquisition advisory services and debt restructuring advisory services.
- (ii) Pillar 2 - Investment management
Investment management primarily engage in the shares and futures broking services, derivative financial instruments, custodian and nominees services.

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30. Segment information (Cont'd)

The following table provides analysis of the Group's financial results and other information by business segments:

<u>Group</u>	Pillar 1	Pillar 2	Total
31 March 2024	RM'000	RM'000	RM'000
Net interest income/(expense)	12	(3,610)	(3,598)
Income from Islamic Banking Scheme operations	7,203	3,354	10,557
Non-interest income	22,694	74,557	97,251
Direct costs	-	(9,925)	(9,925)
Net income	<u>29,909</u>	<u>64,376</u>	<u>94,285</u>
Results			
Segment results	29,909	64,376	94,285
Overhead expenses	(18,642)	(49,353)	(67,995)
Allowance for impairment on loans and advances, other assets and amount due from brokers and clients, net	(926)	(833)	(1,759)
Profit before taxation	<u>10,341</u>	<u>14,190</u>	<u>24,531</u>
Taxation and zakat			(6,564)
Profit for the period			<u>17,967</u>
Other segment information			
Depreciation of property, plant and equipment	63	242	305
Depreciation of right-of-use assets	794	1,426	2,220
Amortisation of computer software	13	953	966
Group			
31 March 2023	RM'000	RM'000	RM'000
Net interest income/(expense)	83	(5,311)	(5,228)
Income from Islamic Banking Scheme operations	20,413	2,728	23,141
Non-interest income	27,067	72,499	99,566
Direct costs	-	(8,280)	(8,280)
Net income	<u>47,563</u>	<u>61,636</u>	<u>109,199</u>
Results			
Segment results	47,563	61,636	109,199
Overhead expenses	(22,655)	(53,825)	(76,480)
Allowance for impairment on loans and advances, other assets and amount due from brokers and clients, net	(587)	(35)	(622)
Profit before taxation	<u>24,321</u>	<u>7,776</u>	<u>32,097</u>
Taxation and zakat			(9,231)
Profit for the period			<u>22,866</u>
Other segment information			
Depreciation of property, plant and equipment	70	272	342
Depreciation of right-of-use assets	767	1,326	2,093
Amortisation of computer software	2	452	454

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31. The operations of Islamic Banking Scheme ("IBS")

Unaudited Statements of Financial Position as at 31 March 2024

	Notes	Group and Bank	
		31 March 2024 RM'000	31 December 2023 RM'000
ASSETS			
Cash and short-term funds	(a)	19,590	24,633
Other assets	(b)	110,307	87,709
Total assets		129,897	112,342
LIABILITIES			
Other liabilities	(c)	60,823	44,256
Provision for taxation and zakat	(d)	15,287	14,218
Total liabilities		76,110	58,474
ISLAMIC BANKING CAPITAL FUND			
Islamic banking fund		5,000	5,000
Retained earnings		48,787	48,868
		53,787	53,868
Total liabilities and Islamic banking capital fund		129,897	112,342

Unaudited Statements of Comprehensive Income

For the First Quarter and Financial Period Ended 31 March 2024

Group and Bank	Notes	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
		31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Income derived from investment of Islamic banking fund	(e)	10,557	23,141	10,557	23,141
Direct costs		(810)	(1,500)	(810)	(1,500)
Net income attributable to the Group and to the Bank		9,747	21,641	9,747	21,641
Overhead expenses	(f)	(6,574)	(16,252)	(6,574)	(16,252)
Operating profit		3,173	5,389	3,173	5,389
(Allowance for)/writeback of impairment on other assets, net		(4)	13	(4)	13
Profit before taxation and zakat		3,169	5,402	3,169	5,402
Taxation		(761)	(1,296)	(761)	(1,296)
Zakat		(308)	(793)	(308)	(793)
Profit for the period, representing total comprehensive income for the period, attributable to equity holder of the Bank		2,100	3,313	2,100	3,313

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31. The operations of Islamic Banking Scheme ("IBS") (Cont'd)

Unaudited Statements of Changes in Equity
For the Financial Quarter Ended 31 March 2024

Group and Bank	Note	Islamic banking capital fund RM'000	Distributable retained earnings RM'000	Total RM'000
At 1 January 2024		5,000	48,868	53,868
Profit for the period		-	2,100	2,100
Total comprehensive income for the period		-	2,100	2,100
Transfer to conventional reserve	(g)	-	(2,181)	(2,181)
At 31 March 2024		5,000	48,787	53,787
At 1 January 2023		5,000	245,829	250,829
Profit for the period		-	3,313	3,313
Total comprehensive income for the period		-	3,313	3,313
Transfer to conventional reserve	(g)	-	(199,142)	(199,142)
At 31 March 2023		5,000	50,000	55,000

Unaudited Statements of Cash Flows
For the Financial Quarter Ended 31 March 2024

	Group and Bank	
	31 March 2024 RM'000	31 March 2023 RM'000
Cash flows from operating activities		
Profit before taxation and zakat, representing operating profit before working capital changes	3,169	5,402
(Increase)/decrease in receivables	(22,598)	531,322
Increase/(decrease) in payables	16,567	(228,772)
Net cash (used in)/generated from operating activities	(2,862)	307,952
Cash flow from financing activities		
Transfer to conventional reserve	(2,181)	(199,142)
Net cash used in financing activities	(2,181)	(199,142)
Net (decrease)/increase in cash and cash equivalents	(5,043)	108,810
Cash and cash equivalents at beginning of the period	24,633	6,304
Cash and cash equivalents at end of the period	19,590	115,114

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31. The operations of Islamic Banking Scheme ("IBS") (Cont'd)

(a) Cash and short-term funds

	Group and Bank	
	31 March	31 December
	2024	2023
	RM'000	RM'000
Cash and bank balances with financial institutions	<u>19,590</u>	<u>24,633</u>

(b) Other assets

	Group and Bank	
	31 March	31 December
	2024	2023
	RM'000	RM'000
Debtors	<u>110,307</u>	<u>87,709</u>

(c) Other liabilities

	Group and Bank	
	31 March	31 December
	2024	2023
	RM'000	RM'000
Provisions and accruals*	<u>60,823</u>	<u>44,256</u>

* Include prohibited sources/means to charitable causes amounting to RM6,518 (2023: RM6,517).

(d) Provision for taxation and zakat

	Group and Bank	
	31 March	31 December
	2024	2023
	RM'000	RM'000
Taxation	14,630	13,869
Zakat	657	349
	<u>15,287</u>	<u>14,218</u>

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31. The operations of Islamic Banking Scheme ("IBS") (Cont'd)

(e) Income derived from investment of Islamic banking fund

<u>Group and Bank</u>	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	RM'000	RM'000	RM'000	RM'000
Profit income from money at call and deposits and placements with financial institutions	367	150	367	150
Realised gain from sale of financial assets at fair value through profit or loss, net	766	2,321	766	2,321
Fee and commission income from:				
- Arranger and upfront fees	200	17,026	200	17,026
- Brokerage income	3,354	2,728	3,354	2,728
- Corporate advisory fees	40	50	40	50
- Placement fees	1,250	900	1,250	900
- Others	4,508	(40)	4,508	(40)
Foreign exchange gain, net	72	6	72	6
Total	10,557	23,141	10,557	23,141

(f) Overhead expenses

<u>Group and Bank</u>	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	4,485	11,393	4,485	11,393
Establishment costs	1,151	1,962	1,151	1,962
Marketing costs	181	338	181	338
Administration and general expenses	757	2,559	757	2,559
Total	6,574	16,252	6,574	16,252

Note (i): Included in establishment costs are service chargeback amounting to approximately RM362,000 (2023: RM809,000).

(g) Transfer to conventional reserve

The transfer is a reallocation of reserves from IBS to Conventional that includes current and previous financial periods' retained earnings.

(h) Capital adequacy

(i) The capital adequacy ratios of the Group and of the Bank are as follows:

	31 March 2024	31 December 2023
	%	%
<u>Before deducting proposed dividend:</u>		
CET1 capital ratio	33.060	35.596
Tier 1 capital ratio	33.060	35.596
Total capital ratio	33.060	35.596
<u>After deducting proposed dividend:</u>		
CET1 capital ratio	33.060	34.155
Tier 1 capital ratio	33.060	34.155
Total capital ratio	33.060	34.155

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31. The operations of Islamic Banking Scheme ("IBS") (Cont'd)

(h) Capital adequacy (Cont'd)

(II) The components of capital of the Group and of the Bank are as follows:

	31 March 2024 RM'000	31 December 2023 RM'000
Tier 1 capital		
Islamic banking fund	5,000	5,000
Retained earnings	46,688	48,868
CET1 capital/Tier 1 capital/Total capital	51,688	53,868

(III) The breakdown of RWA by exposures in each major risk category are as follows:

<u>Group and Bank</u>	Gross credit exposures RM'000	Net credit exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
31 March 2024				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	1,143	1,143	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	18,447	18,447	3,689	295
Other assets	110,312	110,312	56,823	4,546
Total on-balance sheet exposures	129,902	129,902	60,512	4,841
Total on and off-balance sheet exposures *	129,902	129,902	60,512	4,841
(ii) <u>Operational Risk</u>	-	-	95,836	7,667
Total RWA and capital requirements	129,902	129,902	156,348	12,508

<u>Group and Bank</u>	Gross credit exposures RM'000	Net credit exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
31 December 2023				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	1,181	1,181	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	23,450	23,450	4,690	375
Other assets	87,711	87,711	49,761	3,981
Total on-balance sheet exposures	112,342	112,342	54,451	4,356
Total on and off-balance sheet exposures *	112,342	112,342	54,451	4,356
(ii) <u>Operational Risk</u>	-	-	96,879	7,750
Total RWA and capital requirements	112,342	112,342	151,330	12,106

* There are no off-balance sheet exposures in the current and previous financial periods.

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31. The operations of Islamic Banking Scheme ("IBS") (Cont'd)

(i) Fair values of financial assets and liabilities

The estimated fair values of those on-balance sheet financial assets and financial liabilities as at the reporting date, which are considered short-term in maturity, approximate their carrying amounts as shown in the statements of financial position.

(j) Allocation of income

The policy of allocation of income to the various types of deposits and investments is subject to "The Framework of Rate of Return" issued by Bank Negara Malaysia in October 2001. The objective is to set the minimum standard and terms of reference for the Islamic banking institution in calculating and deriving the rate of return for the depositors.

(k) Shariah committee

The operation of IBS is governed by Section 28 and 29 of Islamic Financial Services Act, 2013 ("IFSA"), which stipulates that "a licensed institution shall at all times ensure that its aims and operations, business, affairs and activities are in compliance with Shariah and in accordance with the advice or ruling of the Shariah Advisory Council ("SAC"), specify standards on Shariah matters in respect of the carrying on of its business, affair or activity" and Section IV of BNM's "Guidelines on the Governance of Shariah Committee for The Islamic Financial Institutions" known as the Shariah Governance Framework ("SGF") (which supersedes the BNM/GPS 1), which stipulates that "every Islamic institution is required to establish a Shariah Committee".

Based on the above, the duties and responsibilities of the Group's and the Bank's Shariah Committee are to advise on the overall Islamic Banking Scheme operations of the Group's and the Bank's business in order to ensure compliance with the Shariah requirements.

The roles of the Shariah Committee in monitoring the Group's and the Bank's activities include:

- (i) To advise the Board on Shariah matters in its business operations;
- (ii) To endorse Shariah Compliance Manual;
- (iii) To endorse and validate relevant documentations;
- (iv) To assist related parties on Shariah matters for advice upon request;
- (v) To advise on matters to be referred to the SAC;
- (vi) To provide written Shariah opinion; and
- (vii) To assist the SAC on reference for advice.

The Group and the Bank presently have six Shariah members.

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32. Fair value of financial instruments

Fair value hierarchy

The Group and the Bank classify its financial instruments measured at fair value according to the following hierarchy, reflecting the significance of the inputs in making the fair value measurements:

(a) Level 1: Quoted prices

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, and those prices which represent actual and regularly occurring market transactions in an arm's length basis. Such financial instruments include actively traded government securities, listed derivatives and cash products traded on exchange.

(b) Level 2: Valuation techniques for which all significant inputs are, or are based on, observable market data

Refers to inputs other than quoted prices included those within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices). Examples of Level 2 financial instruments include over-the-counter ("OTC") derivatives, corporate and other government bonds and illiquid equities.

(c) Level 3: Valuation techniques for which significant inputs are not based on observable market data

Refers to financial instruments where fair value is measured using significant unobservable market inputs. The valuation technique is consistent with the Level 2. The chosen valuation technique incorporates the Group's and the Bank's own assumptions and data. Examples of Level 3 instruments include corporate bonds in illiquid markets, private equity investments and loans and advances priced primarily based on internal credit assessment.

The following table shows the Group's and the Bank's financial assets and liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 31 March 2024 and 31 December 2023.

<u>Group and Bank</u>	<u>Valuation techniques using</u>			Total
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
As at 31 March 2024				
Financial assets measured at fair values:				
Financial assets at fair value through profit or loss	1,534,114	-	-	1,534,114
Financial assets at fair value through other comprehensive income	-	-	1,341	1,341
Derivative financial assets	-	143,768	-	143,768
	<u>1,534,114</u>	<u>143,768</u>	<u>1,341</u>	<u>1,679,223</u>
Financial liabilities measured at fair values:				
Derivative financial liabilities	<u>56,801</u>	<u>446,912</u>	-	<u>503,713</u>
As at 31 December 2023				
Financial assets measured at fair values:				
Financial assets at fair value through profit or loss	1,342,113	-	-	1,342,113
Financial assets at fair value through other comprehensive income	-	-	1,341	1,341
Derivative financial assets	-	146,430	-	146,430
	<u>1,342,113</u>	<u>146,430</u>	<u>1,341</u>	<u>1,489,884</u>
Financial liabilities measured at fair values:				
Derivative financial liabilities	<u>16,736</u>	<u>382,944</u>	-	<u>399,680</u>

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32. Fair value of financial instruments (Cont'd)

Valuation techniques

The valuation techniques used for the financial and non-financial instruments that are not determined by reference to quoted prices (Level 1), are described below:

- (a) Financial investments at fair value through profit or loss and, financial investments at fair value through other comprehensive income.

The fair values of financial assets and financial investments are determined by reference to prices quoted by independent data providers and independent broker quotations. Fair value for unquoted equity securities held for socio economic reasons (classified as Level 3) are determined based on the net tangible assets of the companies.

- (b) Derivative financial instruments

The fair values of the Group's and of the Bank's derivative financial instruments are derived using discounted cash flows analysis, option pricing and benchmarking models.