

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

Unaudited Condensed Interim Financial Statements
30 September 2022

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

<u>Group</u>	Note	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
ASSETS			
Cash and bank balances	A11	2,079,040	1,897,384
Financial assets at fair value through profit or loss ("FVTPL")	A12	304,600	387,322
Financial investments at fair value through other comprehensive income ("FVOCI")	A13 (i)	475,677	737,574
Financial investments at amortised cost ("AC")	A13 (ii)	321,912	213,660
Derivative financial assets	B11	87,042	81,453
Loans, advances and financing	A14	1,688,123	1,775,413
Balances due from clients and brokers	A15	368,084	334,465
Other assets	A16	262,819	238,822
Statutory deposit with Bank Negara Malaysia	A17	48,195	50,868
Tax recoverable		22,162	38,807
Investment in associates		103,568	87,171
Investment in joint ventures		28,900	31,969
Property, plant and equipment		157,202	163,475
Intangible assets		331,640	331,061
Right-of-use assets		20,539	18,473
Deferred tax assets		25,494	30,605
TOTAL ASSETS		6,324,997	6,418,522
LIABILITIES			
Deposits from customers	A18	3,142,760	3,137,278
Deposits and placements of banks and other financial institutions	A19	649,118	652,862
Balances due to clients and brokers		740,050	665,968
Derivative financial liabilities	B11	6,469	28,760
Other liabilities	A20	456,764	573,699
Obligations on securities sold under repurchase agreements		61,417	-
Borrowings	A21	218,300	244,700
Lease liabilities		20,870	18,829
Provision for taxation and zakat		13,649	41,396
TOTAL LIABILITIES		5,309,397	5,363,492

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AS AT 30 SEPTEMBER 2022

<u>Group (cont'd.)</u>	Note	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
EQUITY			
Share capital		253,834	253,834
Treasury shares		(11,422)	(13,064)
Reserves		767,856	809,559
		<u>1,010,268</u>	<u>1,050,329</u>
Non-controlling Interests		5,332	4,701
TOTAL EQUITY		<u>1,015,600</u>	<u>1,055,030</u>
TOTAL LIABILITIES AND SHAREHOLDERS'			
EQUITY			
		<u>6,324,997</u>	<u>6,418,522</u>
Commitments and contingencies	A29	<u>4,827,601</u>	<u>4,685,117</u>
Net assets per share attributable to equity holders of the Bank (RM)		<u>1.39</u>	<u>1.45</u>

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021.

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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

<u>Bank</u>	Note	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
ASSETS			
Cash and bank balances	A11	1,576,600	1,459,156
Financial assets at FVTPL	A12	307,965	386,367
Financial investments at FVOCI	A13 (i)	475,677	737,574
Financial investments at AC	A13 (ii)	321,912	213,660
Derivative financial assets	B11	87,042	81,453
Loans, advances and financing	A14	1,687,535	1,749,615
Balances due from clients and brokers	A15	368,019	334,370
Other assets	A16	183,187	137,929
Statutory deposit with Bank Negara Malaysia	A17	48,195	50,868
Tax recoverable		13,850	27,402
Investment in subsidiaries		60,812	60,812
Investment in an associate		68,435	68,435
Investment in joint ventures		41,550	40,000
Property, plant and equipment		152,322	159,624
Intangible assets		332,474	331,986
Right-of-use assets		15,904	15,204
Deferred tax assets		15,261	15,219
TOTAL ASSETS		5,756,740	5,869,674
LIABILITIES			
Deposits from customers	A18	3,324,348	3,250,600
Deposits and placements of banks and other financial institutions	A19	649,118	652,862
Balances due to clients and brokers		230,522	265,296
Derivative financial liabilities	B11	6,469	28,760
Other liabilities	A20	327,639	384,161
Obligations on securities sold under repurchase agreements		61,417	-
Borrowings	A21	191,300	204,700
Lease liabilities		16,101	15,473
Provision for taxation and zakat		200	26,472
TOTAL LIABILITIES		4,807,114	4,828,324

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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

<u>Bank (cont'd.)</u>	Note	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
EQUITY			
Share capital		253,834	253,834
Treasury shares		(11,422)	(13,064)
Reserves		707,214	800,580
TOTAL EQUITY		<u>949,626</u>	<u>1,041,350</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			
		<u>5,756,740</u>	<u>5,869,674</u>
Commitments and contingencies	A29	<u>4,939,316</u>	<u>4,685,117</u>
Net assets per share (RM)		<u>1.31</u>	<u>1.44</u>

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021.

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Note	Individual Quarter		Cumulative Quarters	
		3 months	3 months	9 months	9 months
		ended	ended	ended	ended
		30 September	30 September	30 September	30 September
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Group					
Interest income	A22	58,554	52,517	162,587	157,270
Interest expense	A23	(29,482)	(24,692)	(77,913)	(74,225)
Net interest income		29,072	27,825	84,674	83,045
Net income from Islamic banking business	A33	3,794	5,001	10,730	11,905
Other operating income	A24	125,488	142,163	371,796	491,351
Net income		158,354	174,989	467,200	586,301
Other operating expenses	A25	(135,810)	(150,255)	(401,934)	(490,736)
Operating profit		22,544	24,734	65,266	95,565
Credit loss (expense)/reversal	A26	(4,448)	213	(5,150)	800
Bad debts recovered	A27	57	128	82	392
		18,153	25,075	60,198	96,757
Share of results of associates and joint ventures		(790)	1,220	(1,050)	9,835
Profit before taxation and zakat		17,363	26,295	59,148	106,592
Taxation and zakat	B5	(11,633)	(4,729)	(17,861)	(20,085)
Profit for the period		5,730	21,566	41,287	86,507

Other comprehensive income/(loss)

Items that will not be reclassified subsequently to profit or loss:

Fair value loss on equity instruments at FVOCI		-	-	(167)	(529)
Share of other comprehensive income in associates		1,000	1,238	3,289	10,894
Income tax related to the above		-	-	40	127
Other comprehensive income carried forward		1,000	1,238	3,162	10,492

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Individual Quarter		Cumulative Quarters	
	3 months ended 30 September 2022	3 months ended 30 September 2021	9 months ended 30 September 2022	9 months ended 30 September 2021
Note	RM'000	RM'000	RM'000	RM'000
Group				
Other comprehensive income brought forward	1,000	1,238	3,162	10,492
Items that will be reclassified subsequently to profit or loss:				
Foreign exchange differences on consolidation	5,136	674	9,756	2,962
Net loss on fair value changes of debt instrument at FVOCI	(432)	(3,776)	(13,652)	(15,870)
Income tax relating to the components of other comprehensive income	104	905	3,277	3,735
Other comprehensive income/(loss) for the period, net of tax	5,808	(959)	2,543	1,319
Total comprehensive income for the period, net of tax	11,538	20,607	43,830	87,826
Profit for the period attributable to:				
Equity holders of the Bank	5,522	21,440	40,656	86,173
Non-controlling interests	208	126	631	334
	5,730	21,566	41,287	86,507
Total comprehensive income attributable to:				
Equity holders of the Bank	11,330	20,480	43,199	87,491
Non-controlling interests	208	127	631	335
	11,538	20,607	43,830	87,826
Earnings per share				
Basic (sen)	B8	0.76	2.92	5.59
Fully diluted (sen)	B8	0.76	2.92	5.55

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Note	Individual Quarter		Cumulative Quarters	
		3 months ended 30 September 2022	3 months ended 30 September 2021	9 months ended 30 September 2022	9 months ended 30 September 2021
		RM'000	RM'000	RM'000	RM'000
Bank					
Interest income	A22	56,161	51,263	156,349	153,082
Interest expense	A23	(34,155)	(27,549)	(87,908)	(82,180)
Net interest income		22,006	23,714	68,441	70,902
Net income from Islamic banking business	A33	3,794	5,001	10,730	11,905
Other operating income	A24	53,825	96,364	183,290	371,439
Net income		79,625	125,079	262,461	454,246
Other operating expenses	A25	(80,382)	(107,370)	(253,238)	(378,950)
Operating (loss)/profit		(757)	17,709	9,223	75,296
Credit loss (expense)/reversal	A26	(4,448)	181	(5,318)	671
Bad debts recovered	A27	57	128	82	422
(Loss)/Profit before taxation and zakat		(5,148)	18,018	3,987	76,389
Taxation and zakat		1,374	(4,689)	(1,949)	(19,441)
(Loss)/Profit for the period		(3,774)	13,329	2,038	56,948
Other comprehensive (loss)/income					
Items that will not be reclassified subsequently to profit or loss:					
Fair value loss on equity instruments at FVOCI		-	-	(167)	(529)
Income tax related to the above		-	-	40	127
Other comprehensive loss		-	-	(127)	(402)
Items that will be reclassified subsequently to profit or loss:					
Net loss on fair value changes of debt instruments at FVOCI		(432)	(3,776)	(13,652)	(15,870)
Income tax relating to the components of other comprehensive income		104	905	3,277	3,735
Other comprehensive loss for the period, net of tax		(328)	(2,871)	(10,502)	(12,537)
Total comprehensive (loss)/income for the period, net of tax		(4,102)	10,458	(8,464)	44,411

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021.

KENANGA INVESTMENT BANK BERHAD
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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

Group	Non-Distributable					Distributable		Non-Controlling Interest	Total Equity	
	Ordinary Shares	ESS Reserve	Fair Value Reserve	Regulatory Reserve	Exchange Reserve	Capital Reserve	Treasury Shares			Retained Profits
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2022	253,834	2,809	6,590	18,921	19,204	88,938	(13,064)	673,097	4,701	1,055,030
Net profit for the financial period	-	-	-	-	-	-	-	40,656	631	41,287
Share of other comprehensive (loss)/income of associates	-	-	(5,872)	-	-	-	-	9,161	-	3,289
Other comprehensive (loss)/income	-	-	(10,502)	-	9,756	-	-	-	-	(746)
Total comprehensive (loss)/income	-	-	(16,374)	-	9,756	-	-	49,817	631	43,830
Share based payment under Employees' Share Scheme ("ESS")	-	390	-	-	-	-	-	-	-	390
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	-	15,412	(8,232)	-	7,180
Buy-back of shares	-	-	-	-	-	-	(13,770)	-	-	(13,770)
Transfer from regulatory reserve	-	-	-	(676)	-	-	-	676	-	-
Transfer to retained profits	-	(1,400)	-	-	-	-	-	1,400	-	-
Dividend paid	-	-	-	-	-	-	-	(77,060)	-	(77,060)
At 30 September 2022	253,834	1,799	(9,784)	18,245	28,960	88,938	(11,422)	639,698	5,332	1,015,600

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

Group	Non-Distributable					Distributable		Non-Controlling Interest	Total Equity	
	Ordinary Shares	ESS Reserve	Fair Value Reserve	Regulatory Reserve	Exchange Reserve	Capital Reserve	Treasury Shares			Retained Profits
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2021	246,249	6,144	15,916	18,661	16,556	88,938	(10,458)	617,832	5,103	1,004,941
Net profit for the financial period	-	-	-	-	-	-	-	86,173	334	86,507
Share of other comprehensive income of associates	-	-	10,109	-	-	-	-	785	-	10,894
Other comprehensive (loss)/income	-	-	(12,537)	-	2,962	-	-	-	-	(9,575)
Total comprehensive (loss)/income	-	-	(2,428)	-	2,962	-	-	86,958	334	87,826
Share based payment under ESS	-	(714)	-	-	-	-	-	-	-	(714)
Issuance of shares pursuant to exercise of ESS	7,585	-	-	-	-	-	-	-	-	7,585
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	-	10,747	(2,085)	-	8,662
Buy-back of shares	-	-	-	-	-	-	(6,143)	-	-	(6,143)
Transfer to regulatory reserve	-	-	-	2,311	-	-	-	(2,311)	-	-
Transfer to retained profits	-	(2,519)	-	-	-	-	-	2,519	-	-
Dividend paid	-	-	-	-	-	-	-	(64,213)	-	(64,213)
Gain on deemed disposal of a subsidiary	-	-	-	-	-	-	-	827	(827)	-
At 30 September 2021	253,834	2,911	13,488	20,972	19,518	88,938	(5,854)	639,527	4,610	1,037,944

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

Bank	Ordinary Shares RM'000	Non- Distributable			Distributable		Total Equity RM'000	
		ESS Reserve RM'000	Fair Value Reserve RM'000	Regulatory Reserve RM'000	Capital Reserve RM'000	Treasury Shares RM'000		Retained Profits RM'000
At 1 January 2022	253,834	2,809	634	18,921	153,863	(13,064)	624,353	1,041,350
Net profit for the financial period	-	-	-	-	-	-	2,038	2,038
Other comprehensive loss	-	-	(10,502)	-	-	-	-	(10,502)
Total comprehensive (loss)/income	-	-	(10,502)	-	-	-	2,038	(8,464)
Share based payment under ESS	-	390	-	-	-	-	-	390
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	15,412	(8,232)	7,180
Buy-back of shares	-	-	-	-	-	(13,770)	-	(13,770)
Transfer from regulatory reserve	-	-	-	(676)	-	-	676	-
Transfer to retained profits	-	(1,400)	-	-	-	-	1,400	-
Dividend paid	-	-	-	-	-	-	(77,060)	(77,060)
At 30 September 2022	253,834	1,799	(9,868)	18,245	153,863	(11,422)	543,175	949,626

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

Bank	Ordinary Shares RM'000	ESS Reserve RM'000	Non- Distributable			Distributable		Total Equity RM'000
			Fair Value Reserve RM'000	Regulatory Reserve RM'000	Capital Reserve RM'000	Treasury Shares RM'000	Retained Profits RM'000	
At 1 January 2021	246,249	6,144	15,256	18,661	153,863	(10,458)	594,296	1,024,011
Net profit for the financial period	-	-	-	-	-	-	56,948	56,948
Other comprehensive loss	-	-	(12,537)	-	-	-	-	(12,537)
Total comprehensive (loss)/income	-	-	(12,537)	-	-	-	56,948	44,411
Share based payment under ESS	-	(714)	-	-	-	-	-	(714)
Issuance of shares pursuant to exercise of ESS	7,585	-	-	-	-	-	-	7,585
Transfer of shares pursuant to exercise of ESS	-	-	-	-	-	10,747	(2,085)	8,662
Buy-back of shares	-	-	-	-	-	(6,143)	-	(6,143)
Transfer to regulatory reserve	-	-	-	2,311	-	-	(2,311)	-
Transfer to retained profits	-	(2,519)	-	-	-	-	2,519	-
Dividend paid	-	-	-	-	-	-	(64,213)	(64,213)
At 30 September 2021	253,834	2,911	2,719	20,972	153,863	(5,854)	585,154	1,013,599

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KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Group		Bank	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	59,148	106,592	3,987	76,389
Adjustments for:				
Depreciation of property, plant and equipment	8,540	8,791	7,863	8,125
Amortisation of intangible assets	4,671	4,240	4,028	3,482
Amortisation of right-of-use assets	5,985	6,329	5,000	5,575
Lease interest expenses	689	910	539	792
ESS expenses	303	1,014	303	1,014
Credit loss expense/(reversal)	5,150	(800)	5,318	(671)
Property, plant and equipment written off	910	231	901	-
Bad debts recovered	(82)	(392)	(82)	(422)
Gain on disposal of a subsidiary	-	(4,729)	-	-
Gain on disposal of an associate	(9,138)	-	-	-
Non-cash items	17,028	15,594	23,870	17,895
Net (gain)/loss from sale of financial assets at FVTPL and derivatives	(12,710)	45,205	(12,703)	45,215
Net gain from sale of financial investments other than those measured at FVTPL	(20)	(970)	(20)	(970)
Gross dividend income from investments	(1,301)	(3,377)	(10,266)	(3,296)
Loss/(gain) on revaluation of financial assets at FVTPL and derivatives	10,922	(110,348)	11,544	(112,629)
Gain on disposal of property, plant and equipment	(114)	(60)	(93)	(57)
Share of results of associates and joint venture	1,050	(9,835)	-	-
Non-operating items - investing	(2,173)	(79,385)	(11,538)	(71,737)
Adjustments for non-operating and non-cash items	14,855	(63,791)	12,332	(53,842)
Operating profit before working capital changes	74,003	42,801	16,319	22,547
Changes in working capital:				
Net changes in operating assets	(65,173)	(61,149)	13,463	(112,237)
Net changes in operating liabilities	20,579	454,320	40,185	465,110
Cash generated from operations	29,409	435,972	69,967	375,420
Taxation and zakat paid	(20,534)	(34,034)	(11,394)	(28,201)
Rental/lease interest payment	(689)	(910)	(539)	(792)
Net operating cash flow	8,186	401,028	58,034	346,427

KENANGA INVESTMENT BANK BERHAD
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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Group		Bank	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Sale proceeds from disposal of a subsidiary, net of cash	-	5,372	-	-
Sale proceeds from disposal of an associate, net of cash	9,138	-	-	-
Dividend received from subsidiary	-	-	9,000	-
Dividends received from other investments	1,301	3,377	1,266	3,296
Purchase of property, plant and equipment and intangible assets	(8,427)	(19,864)	(5,980)	(17,800)
Acquisition of a subsidiary, net of cash	-	(597)	-	-
Proceeds from disposal of property, plant and equipment	114	60	93	57
Capital injection in a joint venture	(1,550)	-	(1,550)	-
Net sale of securities	196,348	1,553	191,399	3,635
Net investing cash flow	196,924	(10,099)	194,228	(10,812)
Cash flows from financing activities				
Dividend paid	(77,060)	(64,213)	(77,060)	(64,213)
Repayment of lease liabilities	(6,005)	(6,139)	(5,065)	(5,381)
Net (repayment)/drawdown of borrowings	(26,400)	42,600	(13,400)	55,100
Share buy-back	(13,749)	(5,670)	(13,749)	(5,670)
Proceeds from exercise of ESS	7,180	14,204	7,180	14,204
Net financing cash flow	(116,034)	(19,218)	(102,094)	(5,960)
Net change in cash and cash equivalents during the financial period	89,076	371,711	150,168	329,655
Cash and cash equivalents brought forward	1,469,803	1,284,397	1,337,127	1,256,124
Cash and cash equivalents carried forward	1,558,879	1,656,108	1,487,295	1,585,779

KENANGA INVESTMENT BANK BERHAD
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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

Cash and Cash Equivalents

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

	Group		Bank	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	1,988,393	1,818,507	1,526,600	1,534,095
Deposits and placements with banks and other financial institutions	90,647	191,404	50,000	170,935
Less: Segregated funds from customers	(430,856)	(234,552)	-	-
Less: Cash and bank balances and deposits held in trust	(89,305)	(119,251)	(89,305)	(119,251)
	<u>1,558,879</u>	<u>1,656,108</u>	<u>1,487,295</u>	<u>1,585,779</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A1. Basis Of Preparation

The interim financial statements, for the financial period ended 30 September 2022, have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

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

The significant accounting policies adopted in preparing these interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2021. The Group has not adopted any other standard, interpretation or amendment that have been issued but not effective yet.

A2. Condensed financial statements

The interim financial statements have been prepared on a condensed basis and as such should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

A3. Preceding financial year audit report

The preceding financial year audit report in respect of the financial year ended 31 December 2021 was not qualified by the external auditors.

A4. Seasonal or Cyclical Factors

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

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

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

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

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

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the financial period ended 30 September 2022 other than the below:

- a) the transfer of 12,500,000 units of treasury shares to staff pursuant to the exercise of ESS.
- b) the Bank repurchased 12,831,600 ordinary shares of its issued share capital from the open market at an average cost of RM1.0581 per share. The total consideration paid for the share buy-back, including transaction costs was RM13.6 million, and was financed by internally generated fund.

As at 30 September 2022, the number of treasury shares held was 10,807,800 shares.

- c) the Bank has fully redeemed on 20 April 2022 the tranche 1 of its Subordinated Notes of RM5 million in nominal value which were issued on 20 April 2017 under the Tier 2 Subordinated Notes Programme.

A8. Dividends paid per share

An interim dividend of 10.50 sen per share in respect of the financial year ended 31 December 2021, which amounted to RM77,060,192 was paid on 15 April 2022.

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

There was no significant event during and subsequent to the financial interim period.

A10. Changes in composition of the Group

There were no changes in the composition of the Group other than below:

- (i) Kenanga Singapore Pte. Ltd. ("KSPL") has changed its name to Rakuten Trade Singapore Pte. Ltd. ("RTSPL") effective from 26 January 2022 and RTSPL became a joint venture entity arising from the change of the Bank's shareholding in RTSPL from 100% to 50% while Rakuten Securities, Inc.'s shareholding is 50%.
- (ii) On 12 May 2022, K & N Kenanga Holdings Berhad ("KNKH"), a wholly-owned subsidiary of the Bank, entered into a Share Purchase Agreement with Hung An Dien Co. Ltd ("HADCL"), a company organised and existing under the laws of Vietnam, to dispose 6,615,000 shares in Kenanga Vietnam Securities ("KVS"), representing 49% of the entire issued and outstanding capital of KVS to HADCL. Consequential to the disposal, KVS ceased to be an associate company of KNKH.

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000 (Restated)	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000 (Restated)
A11. Cash and bank balances				
Cash and balances with banks and other financial institutions	556,337	526,368	109,429	137,757
Money at call and deposit placements	1,522,703	1,371,016	1,467,171	1,321,399
	2,079,040	1,897,384	1,576,600	1,459,156
Included in cash and bank balances are:				
Cash and cash equivalents	1,558,879	1,469,803	1,487,295	1,337,127
Monies held in trust on behalf of dealer's representatives and segregated funds for customers	520,161	427,581	89,305	122,029
	2,079,040	1,897,384	1,576,600	1,459,156
A12. Financial Assets At FVTPL				
At fair value				
Quoted Securities:				
Shares and funds in Malaysia	124,771	205,052	124,223	204,833
Funds outside Malaysia	3,320	1,889	3,320	1,889
Unquoted Securities:				
Shares and funds in Malaysia	167,699	156,508	171,612	155,772
Unquoted Debt Securities in Malaysia:				
Islamic Corporate Sukuk/Bills	8,810	23,873	8,810	23,873
Total financial assets at FVTPL	304,600	387,322	307,965	386,367

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

Group and Bank	
As at	As at
30 September	31 December
2022	2021
RM'000	RM'000

A13. Financial investments other than those measured at FVTPL

(i) Financial investments at FVOCI

At fair value

Money market instruments:

Malaysian Government Securities	18,404	40,042
Malaysian Government Investment Certificates	67,576	91,934
Islamic Negotiable Instruments of Deposits	109,737	199,724
	<u>195,717</u>	<u>331,700</u>

Equity instruments in Malaysia:

Unquoted Shares	1,294	1,460
	<u>1,294</u>	<u>1,460</u>

Debt instruments in Malaysia:

Islamic Corporate Sukuk	198,195	275,452
Corporate Bonds	80,471	128,962
	<u>278,666</u>	<u>404,414</u>

Total financial investments at FVOCI

<u>475,677</u>	<u>737,574</u>
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Impairment losses on debt instruments measured at FVOCI

Group and Bank

Movements in Expected Credit Loss ("ECL")	2022			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January 2022	390	-	-	390
Impact of net re-measurement of ECL	51	77	-	128
Transfer of stages	(50)	50	-	-
As at 30 September 2022	<u>391</u>	<u>127</u>	<u>-</u>	<u>518</u>
	2021			
Movements in ECL	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January 2021	386	-	-	386
Impact of net re-measurement of ECL	4	-	-	4
As at 31 December 2021	<u>390</u>	<u>-</u>	<u>-</u>	<u>390</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

Group and Bank	
As at	As at
30 September	31 December
2022	2021
RM'000	RM'000

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

(ii) Financial investments at AC

At cost

Money market instruments:

Malaysian Government Securities	19,952	-
Malaysian Government Investment Certificates	87,639	39,912
	<u>107,591</u>	<u>39,912</u>

Debt instruments in Malaysia:

Islamic Corporate Sukuk	194,366	153,785
Corporate Bonds	20,004	20,012
Less: Allowance for ECL	(49)	(49)
	<u>214,321</u>	<u>173,748</u>

Total financial investments at AC

321,912 213,660

Included in financial investments at AC are financial assets sold under repurchase agreements as follows:

Islamic Corporate Sukuk	<u>65,197</u>	<u>-</u>
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Impairment losses on debt instruments measured at Amortised Cost ("AC")

Group and Bank

	2022			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January and 30 September 2022	49	-	-	49
	<u>49</u>	<u>-</u>	<u>-</u>	<u>49</u>
	2021			
Movements in ECL	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2021	105	-	-	105
Impact of re-measurement of ECL	(52)	-	-	(52)
Assets derecognised or matured (excluding write-off)	(4)	-	-	(4)
As at 31 December 2021	<u>49</u>	<u>-</u>	<u>-</u>	<u>49</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
A14. Loans, Advances and Financing				
At AC				
Share margin financing	1,131,201	1,170,899	1,131,201	1,170,899
Term loans	506,446	539,077	532,985	565,616
Subordinated term loan	-	-	45,057	30,039
Other lending and factoring receivables	72,220	82,742	-	-
Advances to group employees	13	97	13	97
Gross loans, advances and financing	1,709,880	1,792,815	1,709,256	1,766,651
Less: Allowance for ECL				
- Stage 1- 12-month ECL	(2,905)	(2,949)	(3,371)	(3,247)
- Stage 3- Lifetime ECL credit impaired	(18,852)	(14,453)	(18,350)	(13,789)
Net loans, advances and financing	1,688,123	1,775,413	1,687,535	1,749,615
(i) By Type of Customer				
Domestic business enterprise				
- Small medium enterprise	250,612	256,439	199,100	196,055
- Others	499,500	534,052	571,096	590,630
Individuals	958,927	993,814	938,219	971,456
Foreign enterprises	841	8,510	841	8,510
Gross loans, advances and financing	1,709,880	1,792,815	1,709,256	1,766,651
(ii) By Geographical Distribution				
In Malaysia	1,706,450	1,786,437	1,705,826	1,760,273
Outside Malaysia	3,430	6,378	3,430	6,378
Gross loans, advances and financing	1,709,880	1,792,815	1,709,256	1,766,651

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
A14. Loans, Advances and Financing (cont'd.)				
(iii) By Interest Rate/ Profit Rate Sensitivity				
Fixed rate				
- Other fixed rate loans	1,203,421	1,253,641	1,131,201	1,170,899
Variable rate				
- Other variable rates	501,944	529,826	573,540	586,404
- Base lending rate plus	4,502	9,251	4,502	9,251
Interest free	13	97	13	97
Gross loans, advances and financing	1,709,880	1,792,815	1,709,256	1,766,651
(iv) By Purpose				
Purchase of securities	1,382,532	1,427,343	1,382,532	1,427,343
Working capital	153,448	169,221	174,732	169,429
Others	173,900	196,251	151,992	169,879
Gross loans, advances and financing	1,709,880	1,792,815	1,709,256	1,766,651
(v) By Residual Contractual Maturity				
Within one year	1,456,771	1,483,133	1,449,864	1,484,244
More than one year	253,109	309,682	259,392	282,407
Gross loans, advances and financing	1,709,880	1,792,815	1,709,256	1,766,651

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Group		Bank	
	As at	As at	As at	As at
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000

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

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

At beginning of the financial period	73,141	41,294	64,700	40,630
Impaired during the financial period	5,233	39,958	30	31,537
Amount recovered during the financial period	(6,829)	(8,111)	(6,349)	(7,467)
At end of the financial period	71,545	73,141	58,381	64,700
Less: Allowance for ECL	(18,852)	(14,453)	(18,350)	(13,789)
Net impaired LAF	<u>52,693</u>	<u>58,688</u>	<u>40,031</u>	<u>50,911</u>
Net impaired LAF as a % of net loans, advances and financing	<u>3.12%</u>	<u>3.31%</u>	<u>2.37%</u>	<u>2.91%</u>

(vii) Impaired LAF by Geographical Distribution

In Malaysia	70,704	70,585	57,540	62,144
Outside Malaysia	841	2,556	841	2,556
Gross impaired loans	<u>71,545</u>	<u>73,141</u>	<u>58,381</u>	<u>64,700</u>

(viii) Impaired LAF by Purpose

Working capital	5,705	664	-	-
Purchase of securities	58,381	64,700	58,381	64,700
Others	7,459	7,777	-	-
Gross impaired loans	<u>71,545</u>	<u>73,141</u>	<u>58,381</u>	<u>64,700</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

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

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

Share margin financing

Group and Bank

	2022			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022	-	-	13,789	13,789
Assets derecognised or repaid (excluding write-offs)	-	-	(521)	(521)
Net remeasurement of allowance	-	-	5,082	5,082
As at 30 September 2022	-	-	18,350	18,350
	2021			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2021	-	2,356	7,253	9,609
New assets originated or purchased	-	-	(5)	(5)
Assets derecognised or repaid (excluding write-offs)	-	-	(1,801)	(1,801)
Net remeasurement of allowance	-	-	5,986	5,986
Transfer of stages	-	(2,356)	2,356	-
As at 31 December 2021	-	-	13,789	13,789

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

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

An analysis of changes in the ECL allowances in relation to term loan and subordinated term loan is as follows:

Term loan and subordinated term loan

Group

	2022			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022	2,936	-	-	2,936
New assets originated or purchased	92	-	-	92
Assets derecognised or repaid (excluding write-offs)	(111)	-	-	(111)
Net remeasurement of allowance	(12)	-	-	(12)
As at 30 September 2022	<u>2,905</u>	<u>-</u>	<u>-</u>	<u>2,905</u>
	2021			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2021	3,059	-	-	3,059
New assets originated or purchased	46	-	-	46
Assets derecognised or repaid (excluding write-offs)	(184)	-	-	(184)
Net remeasurement of allowance	15	-	-	15
As at 31 December 2021	<u>2,936</u>	<u>-</u>	<u>-</u>	<u>2,936</u>

Bank

	2022			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022	3,203	-	-	3,203
New assets originated or purchased	247	-	-	247
Assets derecognised or repaid (excluding write-offs)	(133)	-	-	(133)
Net remeasurement of allowance	(12)	-	-	(12)
As at 30 September 2022	<u>3,305</u>	<u>-</u>	<u>-</u>	<u>3,305</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

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

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

Bank

Movements in ECL	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January 2021	3,312	-	-	3,312
New assets originated or purchased	155	-	-	155
Assets derecognised or repaid (excluding write-offs)	(474)	-	-	(474)
Net remeasurement of allowance	210	-	-	210
As at 31 December 2021	3,203	-	-	3,203

Other lending and factoring receivables

Group

Movements in ECL	2022			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January 2022	13	-	664	677
Assets derecognised or repaid (excluding write-offs)	(13)	-	(162)	(175)
As at 30 September 2022	-	-	502	502

Movements in ECL	2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January 2021	53	-	664	717
Assets derecognised or repaid (excluding write-offs)	(40)	-	-	(40)
As at 31 December 2021	13	-	664	677

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

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

An analysis of changes in the ECL allowances in relation to undrawn commitment is as follows:

Undrawn commitment

Bank

	2022			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022	44	-	-	44
New assets originated or purchased	89	-	-	89
Exposure derecognised or matured/lapsed (excluding write-offs)	(67)	-	-	(67)
As at 30 September 2022	66	-	-	66
	2021			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2021	75	-	-	75
Exposure derecognised or matured/lapsed (excluding write-offs)	(38)	-	-	(38)
Net remeasurement of allowance	7	-	-	7
As at 31 December 2021	44	-	-	44

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Group		Bank	
	As at	As at	As at	As at
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
A16. Other Assets				
Assets segregated for customers	77,393	93,849	-	-
Interest/income receivable	10,298	9,556	10,187	9,546
Prepayments and deposits	20,913	20,169	18,448	17,809
Other debtors	139,980	58,521	108,894	36,371
Treasury trade receivables	19,952	49,892	19,952	49,892
Amount due from subsidiaries	-	-	31,663	29,716
Amount due from related parties	53	57	53	57
Amount due from trustees	-	12,000	-	-
	268,589	244,044	189,197	143,391
Allowance for ECL				
- Other debtors	(5,770)	(5,222)	(5,770)	(5,222)
- Amount due from subsidiaries	-	-	(240)	(240)
	262,819	238,822	183,187	137,929

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

Group

	2022		
	Non-Credit Impaired	Credit-Impaired	Total
	RM'000	RM'000	RM'000
Movements in ECL			
As at 1 January 2022	223	4,999	5,222
New assets originated or purchased	1,062	12	1,074
Assets derecognised or repaid (excluding write-offs)	-	(1,280)	(1,280)
Transfer of stages	(1,023)	1,023	-
Net remeasurement of allowance	-	754	754
As at 30 September 2022	262	5,508	5,770

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A16. Other Assets (cont'd.)

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

Group

	2021		
	Non-Credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
Movements in ECL			
As at 1 January 2021	145	6,003	6,148
New assets originated or purchased	1,054	251	1,305
Assets derecognised or repaid (excluding write-offs)	-	(3,372)	(3,372)
Transfer of stages	(976)	976	-
Net remeasurement of allowance	-	1,330	1,330
Amounts written off	-	(189)	(189)
As at 31 December 2021	<u>223</u>	<u>4,999</u>	<u>5,222</u>

Bank

	2022		
	Non-Credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
Movements in ECL			
As at 1 January 2022	223	4,999	5,222
New assets originated or purchased	1,062	12	1,074
Assets derecognised or repaid (excluding write-offs)	-	(1,280)	(1,280)
Transfer of stages	(1,023)	1,023	-
Net remeasurement of allowance	-	754	754
As at 30 September 2022	<u>262</u>	<u>5,508</u>	<u>5,770</u>

	2021		
	Non-Credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
Movements in ECL			
As at 1 January 2021	146	6,004	6,150
New assets originated or purchased	1,055	251	1,306
Assets derecognised or repaid (excluding write-offs)	-	(3,375)	(3,375)
Transfer of stages	(978)	978	-
Net remeasurement of allowance	-	1,330	1,330
Amounts written off	-	(189)	(189)
As at 31 December 2021	<u>223</u>	<u>4,999</u>	<u>5,222</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A16. Other Assets (cont'd.)

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

Bank

	2022			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January and 30 September 2022	240	-	-	240

	2021			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2021	226	-	-	226
Net remeasurement of allowance	14	-	-	14
As at 31 December 2021	240	-	-	240

Group and Bank	
As at	As at
30 September	31 December
2022	2021
RM'000	RM'000

A17. Statutory deposit with Bank Negara Malaysia

Statutory Deposit	<u>48,195</u>	<u>50,868</u>
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The non-interest bearing statutory deposit is maintained by the Bank with Bank Negara Malaysia in compliance with Section 26(2) (c) of the Central Bank of Malaysia Act 2009, and is determined as a set percentage of net eligible liabilities.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
A18. Deposits from customers				
(i) By type of deposit				
Fixed term deposits	2,107,554	2,464,706	2,222,268	2,516,015
Short term money deposits	823,737	563,833	890,611	625,846
Call money deposits	79,053	39,848	79,053	39,848
Negotiable instruments of deposits	132,416	68,891	132,416	68,891
	3,142,760	3,137,278	3,324,348	3,250,600
(ii) By type of customer				
Government and other statutory bodies	552,552	671,186	552,552	671,186
Individuals	151,514	98,500	151,513	98,500
Business enterprises	808,756	1,007,435	808,756	1,007,435
Non-bank financial institutions	1,414,191	1,160,157	1,414,191	1,160,157
Subsidiaries and related companies	215,747	200,000	397,336	313,322
	3,142,760	3,137,278	3,324,348	3,250,600
(iii) By maturity structure				
Due within six months	2,543,577	2,268,323	2,723,794	2,381,645
More than six months to one year	422,611	747,040	423,982	747,040
More than one year	176,572	121,915	176,572	121,915
	3,142,760	3,137,278	3,324,348	3,250,600

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A19. Deposits and placements of banks and financial institutions

	Group and Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
Other financial institutions	649,118	593,126
Bank Negara Malaysia ("BNM")	-	59,736
	649,118	652,862

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000

A20. Other liabilities

Interest/Income payable	13,748	13,301	13,684	13,032
Securities borrowing and lending	10,916	28,867	10,916	28,867
Accruals and provision	165,757	246,142	59,234	61,732
Retention for contra losses	17	17	17	17
Structured products	4,575	3,168	4,575	3,168
Treasury trade payables	19,952	49,892	19,952	49,892
Deposits and other creditors	132,805	110,283	129,955	105,423
Amounts held in trust on behalf of				
Dealer's Representatives	89,305	122,029	89,305	122,029
Amount due to trustees	19,689	-	-	-
Amount due to subsidiaries	-	-	1	1
	456,764	573,699	327,639	384,161

A21. Borrowings

Secured:

Revolving bank loan	10,800	19,200	10,800	19,200
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Unsecured:

Revolving bank loans	27,000	40,000	-	-
Subordinated notes	180,500	185,500	180,500	185,500
	218,300	244,700	191,300	204,700

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2022 RM'000	3 months ended 30 September 2021 RM'000	9 months ended 30 September 2022 RM'000	9 months ended 30 September 2021 RM'000
A22. Interest Income				
<u>Group</u>				
Loans, advances and financing	29,160	31,129	85,996	92,302
Money at call and deposit with financial institutions	15,666	10,114	39,704	31,524
Financial investments at FVOCI	3,817	4,759	12,654	14,419
Financial investments at AC	2,020	1,387	5,244	4,002
Others	7,891	5,128	18,989	15,023
	58,554	52,517	162,587	157,270
<u>Bank</u>				
Loans, advances and financing	28,796	30,712	84,502	90,861
Money at call and deposit placements with financial institutions	13,638	9,278	34,961	28,774
Financial investments at FVOCI	3,817	4,759	12,654	14,419
Financial investments at AC	2,020	1,387	5,244	4,002
Others	7,890	5,127	18,988	15,026
	56,161	51,263	156,349	153,082
A23. Interest Expense				
<u>Group</u>				
Deposits from customers	26,130	21,120	67,941	63,951
Deposits and placement from banks and other financial institutions	272	336	412	1,523
Borrowings	2,652	2,610	8,109	6,631
Lease interest expense	251	287	689	910
Others	177	339	762	1,210
	29,482	24,692	77,913	74,225
<u>Bank</u>				
Deposits from customers	27,124	21,732	70,387	65,554
Deposits and placement from banks and other financial institutions	272	336	412	1,523
Borrowings	2,334	2,468	7,045	6,234
Lease interest expense	201	235	539	792
Others	4,224	2,778	9,525	8,077
	34,155	27,549	87,908	82,180

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2022	3 months ended 30 September 2021	9 months ended 30 September 2022	9 months ended 30 September 2021
	RM'000	RM'000	RM'000	RM'000
A24. Other Operating Income				
<u>Group</u>				
(a) Fee income:				
Brokerage fees	37,320	64,943	126,927	258,139
Corporate advisory fees	3,798	2,841	6,583	5,551
Processing fees on loans, advances and financing	1,056	550	1,829	1,222
Commissions	3,387	2,647	9,581	8,670
Management fee income	63,082	40,046	163,416	100,734
Placement fees	5,671	3,194	15,272	12,278
Underwriting commission	133	189	934	336
Other fee income	3,822	3,520	12,902	11,879
Others	293	385	1,225	1,204
	<u>118,562</u>	<u>118,315</u>	<u>338,669</u>	<u>400,013</u>
(b) Net gain/(loss) arising from sale/redemption of:				
Financial assets at FVTPL and derivatives	19,786	43,862	12,710	(44,191)
Financial investments at FVOCI	8	3	20	9
	<u>19,794</u>	<u>43,865</u>	<u>12,730</u>	<u>(44,182)</u>
(c) Gross dividend income from:				
Financial assets at FVTPL	278	685	1,203	3,152
Financial investments at FVOCI	98	196	98	225
	<u>376</u>	<u>881</u>	<u>1,301</u>	<u>3,377</u>
(d) Interest income from financial assets at FVTPL	<u>134</u>	<u>401</u>	<u>475</u>	<u>1,794</u>
(e) Unrealised gain on revaluation of financial assets at FVTPL and derivatives	<u>(27,174)</u>	<u>(26,009)</u>	<u>(10,922)</u>	<u>110,425</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2022	3 months ended 30 September 2021	9 months ended 30 September 2022	9 months ended 30 September 2021
	RM'000	RM'000	RM'000	RM'000
A24. Other Operating Income (cont'd.)				
(f) Other income:				
Net foreign exchange income	2,660	2,596	7,977	8,674
Gain on disposal of property, plant and equipment	58	-	114	60
Other operating income	343	474	6,667	1,862
Other non-operating income				
- Rental income	518	513	1,562	1,116
- Gain on disposal of a subsidiary	-	-	-	4,729
- Gain on disposal of an associate	9,138	-	9,138	-
- Others	1,079	1,127	4,085	3,483
	<u>13,796</u>	<u>4,710</u>	<u>29,543</u>	<u>19,924</u>
Total other operating income	<u>125,488</u>	<u>142,163</u>	<u>371,796</u>	<u>491,351</u>
<u>Bank</u>				
(a) Fee income:				
Brokerage fees	37,320	64,943	126,927	258,139
Corporate advisory fees	3,808	2,852	6,684	5,633
Processing fees on loans, advances and financing	667	291	898	570
Management fee income	72	126	296	666
Placement fees	2,197	2,104	7,202	10,078
Underwriting commission	133	189	934	336
Other fee income	1,633	1,848	5,099	5,376
Others	118	56	311	234
	<u>45,948</u>	<u>72,409</u>	<u>148,351</u>	<u>281,032</u>
(b) Net gain/(loss) arising from sale/redemption of:				
Financial assets at FVTPL and derivatives	19,787	43,852	12,703	(44,201)
Financial investments at FVOCI	8	3	20	9
	<u>19,795</u>	<u>43,855</u>	<u>12,723</u>	<u>(44,192)</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2022	3 months ended 30 September 2021	9 months ended 30 September 2022	9 months ended 30 September 2021
	RM'000	RM'000	RM'000	RM'000
A24. Other Operating Income (cont'd.)				
(c) Gross dividend from:				
Financial assets at FVTPL	278	654	1,168	3,071
Financial investments at FVOCI	98	196	98	225
Subsidiary	9,000	-	9,000	-
	<u>9,376</u>	<u>850</u>	<u>10,266</u>	<u>3,296</u>
(d) Interest income from financial assets at FVTPL	<u>134</u>	<u>401</u>	<u>475</u>	<u>1,794</u>
(e) Unrealised (loss)/gain on revaluation of financial assets at FVTPL and derivatives	<u>(27,536)</u>	<u>(26,406)</u>	<u>(11,544)</u>	<u>112,706</u>
(f) Other income:				
Net foreign exchange income	2,521	2,574	7,731	8,531
Gain on disposal of property, plant and equipment	15	-	93	57
Other operating income	1,655	776	8,329	2,652
Other non-operating income				
- Rental income	978	981	2,927	2,509
- Others	939	924	3,939	3,054
	<u>6,108</u>	<u>5,255</u>	<u>23,019</u>	<u>16,803</u>
Total other operating income	<u>53,825</u>	<u>96,364</u>	<u>183,290</u>	<u>371,439</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2022 RM'000	3 months ended 30 September 2021 RM'000	9 months ended 30 September 2022 RM'000	9 months ended 30 September 2021 RM'000

A25. Other operating expenses

<u>Group</u>				
Personnel costs	57,454	60,017	163,296	178,928
- Salaries, allowances and bonuses	46,494	48,248	128,884	142,232
- EPF	5,251	5,088	15,614	14,999
- ESS	62	348	392	1,266
- Others	5,647	6,333	18,406	20,431
Establishment costs	14,998	14,213	42,022	41,790
- Depreciation of property, plant and equipment	2,875	2,945	8,540	8,791
- Amortisation of intangible assets	1,608	1,347	4,671	4,240
- Amortisation of right-of-use assets	2,009	2,197	5,985	6,329
- Rental of premises	104	91	342	282
- Rental of equipment	188	168	565	488
- Repairs and maintenance	1,461	1,587	4,553	4,425
- Information technology expenses	4,828	4,291	12,056	12,294
- Others	1,925	1,587	5,310	4,941
Marketing expenses	5,543	5,116	14,290	13,078
- Promotion and advertisements	3,309	4,705	10,969	11,284
- Travel and entertainment	1,768	336	2,626	1,573
- Others	466	75	695	221
Administration and general expenses	57,815	70,909	182,326	256,940
- Communication expenses	1,169	1,186	3,522	3,543
- Professional fees and legal fees	1,109	1,093	2,584	3,303
- Regulatory charges	6,871	7,926	20,821	25,901
- Fees and brokerage	44,077	55,767	141,837	209,925
- Administrative expenses	4,340	4,694	12,734	13,359
- Printing and stationery	249	243	828	909
Total other operating expenses	135,810	150,255	401,934	490,736

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2022 RM'000	3 months ended 30 September 2021 RM'000	9 months ended 30 September 2022 RM'000	9 months ended 30 September 2021 RM'000

A25. Other operating expenses (cont'd.)

Bank

Personnel costs	35,252	41,103	108,017	132,077
- Salaries, allowances and bonuses	29,196	33,983	87,909	109,125
- EPF	4,146	4,074	12,358	11,967
- ESS	44	253	303	1,015
- Others	1,866	2,793	7,447	9,970
Establishment costs	12,438	11,817	34,735	35,109
- Depreciation of property, plant and equipment	2,642	2,734	7,863	8,125
- Amortisation of intangible assets	1,393	1,141	4,028	3,482
- Amortisation of right-of-use assets	1,665	1,847	5,000	5,575
- Rental of premises	89	77	260	237
- Rental of equipment	115	98	366	315
- Repair and maintenance	799	920	2,683	2,823
- Information technology expenses	4,816	4,289	12,040	12,283
- Others	919	711	2,495	2,269
Marketing expenses	1,425	1,111	4,704	3,637
- Promotion and advertisement	598	942	3,127	2,980
- Travel and entertainment	396	100	983	459
- Others	431	69	594	198
Administration and general expenses	31,267	53,339	105,782	208,127
- Communication expenses	989	1,036	3,013	3,110
- Professional fees and legal fees	791	1,034	2,102	2,927
- Regulatory charges	6,153	7,369	18,696	24,278
- Fees and brokerages	19,288	39,593	70,201	165,635
- Administrative expenses	3,913	4,166	11,293	11,564
- Printing and stationery	133	141	477	613
Total other operating expenses	80,382	107,370	253,238	378,950

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A26. Credit loss (expense)/reversal

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

Group

Individual Quarter

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

	2022			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Debt instruments at FVOCI	-	(77)	-	(77)
Loans, advances and financing	12	-	(3,919)	(3,907)
Credit loss reversal/(expense)	12	(77)	(3,919)	(3,984)

	2021			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Debt instruments at FVOCI	(1)	-	-	(1)
Loans, advances and financing	31	-	1	32
Credit loss reversal	30	-	1	31

(ii) Movements in ECL on other financial assets

	2022		
	Non-Credit	Credit-	Total
	Impaired	Impaired	RM'000
	RM'000	RM'000	RM'000
Balance due from clients and brokers	(14)	(12)	(26)
Other debtors	(395)	(43)	(438)
Credit loss expense	(409)	(55)	(464)

	2021		
	Non-Credit	Credit-	Total
	Impaired	Impaired	RM'000
	RM'000	RM'000	RM'000
Balance due from clients and brokers	19	(44)	(25)
Other debtors	(357)	564	207
Credit loss (expense)/reversal	(338)	520	182

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

Group

Cumulative Quarters

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

	2022			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Debt instruments at FVOCI	(51)	(77)	-	(128)
Loans, advances and financing	44	-	(4,561)	(4,517)
Credit loss expense	(7)	(77)	(4,561)	(4,645)

	2021			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Debt instruments at FVOCI	(1)	-	-	(1)
Debt instruments at AC	56	-	-	56
Loans, advances and financing	69	-	(121)	(52)
Credit loss reversal/(expense)	124	-	(121)	3

(iv) Movements in ECLs on other financial assets

	2022		
	Non-Credit Impaired	Credit- Impaired	Total
	RM'000	RM'000	RM'000
Balance due from clients and brokers	(7)	50	43
Other debtors	(1,062)	514	(548)
Credit loss (expense)/reversal	(1,069)	564	(505)

	2021		
	Non-Credit Impaired	Credit- Impaired	Total
	RM'000	RM'000	RM'000
Balance due from clients and brokers	9	(39)	(30)
Other debtors	(797)	1,624	827
Credit loss (expense)/reversal	(788)	1,585	797

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

Bank

Individual Quarter

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

	2022			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Debt instruments at FVOCI	-	(77)	-	(77)
Loans, advances and financing	12	-	(3,919)	(3,907)
Credit loss reversal/(expense)	12	(77)	(3,919)	(3,984)

	2021			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Debt instruments at FVOCI	(1)	-	-	(1)
Loans, advances and financing	(2)	-	1	(1)
Credit loss (expense)/reversal	(3)	-	1	(2)

(vi) Movements in ECL on other financial assets

	2022		
	Non-Credit Impaired	Credit- Impaired	Total
	RM'000	RM'000	RM'000
Balance due from clients and brokers	(14)	(12)	(26)
Other debtors	(395)	(43)	(438)
Credit loss expense	(409)	(55)	(464)

	2021		
	Non-Credit Impaired	Credit- Impaired	Total
	RM'000	RM'000	RM'000
Balance due from clients and brokers	19	(44)	(25)
Other debtors	(358)	566	208
Credit loss (expense)/reversal	(339)	522	183

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

Bank

Cumulative Quarters

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

	2022			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Debt instruments at FVOCI	(51)	(77)	-	(128)
Loans, advances and financing	(102)	-	(4,561)	(4,663)
Loan commitments	(22)	-	-	(22)
Credit loss expense	(175)	(77)	(4,561)	(4,813)

	2021			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Debt instruments at FVOCI	(1)	-	-	(1)
Debt instruments at AC	56	-	-	56
Loans, advances and financing	(94)	-	(121)	(215)
Loan commitments	33	-	-	33
Credit loss expense	(6)	-	(121)	(127)

(viii) Movements in ECLs on other financial assets

	2022		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
Balance due from clients and brokers	(7)	50	43
Other debtors	(1,062)	514	(548)
Credit loss (expense)/reversal	(1,069)	564	(505)

	2021		
	Non-Credit Impaired RM'000	Credit- Impaired RM'000	Total RM'000
Balance due from clients and brokers	9	(39)	(30)
Other debtors	(798)	1,626	828
Credit loss (expense)/reversal	(789)	1,587	798

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A27. Bad debts recovered

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Loans, advances and financing	16	108	18	421
Balance due from clients and brokers	41	20	64	1
Other receivables	-	-	-	(30)
	57	128	82	392
<u>Bank</u>				
Loans, advances and financing	16	108	18	421
Balance due from clients and brokers	41	20	64	1
	57	128	82	422

A28. Fair value of financial instruments

Fair value measurements

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

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

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

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

Valuation techniques and sensitivity analysis

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. This would include quoted securities.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

Valuation techniques and sensitivity analysis (cont'd.)

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determine fair value based upon valuation techniques that use inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data. These would include certain bonds, government bonds, corporate debt securities and derivatives.

Group

30 September 2022

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Debt securities	-	104,897	-	104,897
- Equity securities	128,091	-	71,612	199,703
Financial investments at FVOCI				
- Debt securities	-	474,383	-	474,383
- Equity securities	-	-	1,294	1,294
Derivative financial assets	-	87,042	-	87,042
Financial assets at amortised cost for which fair values are disclosed				
Financial investments at AC	-	327,636	-	327,636
Loans, advances and financing	-	-	1,697,390	1,697,390
	128,091	993,958	1,770,296	2,892,345
Financial liabilities measured at fair value				
Derivative financial liabilities	6,441	28	-	6,469
Obligations on securities sold under repurchase agreements	-	61,417	-	61,417
Borrowings	-	181,231	-	181,231
	6,441	242,676	-	249,117

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

31 December 2021

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Debt securities	-	119,318	-	119,318
- Equity securities	206,941	5,291	55,772	268,004
Financial investments at FVOCI				
- Debt securities	-	736,114	-	736,114
- Equity securities	-	-	1,460	1,460
Derivative financial assets	-	81,453	-	81,453
Financial assets at amortised cost for which fair values are disclosed				
Financial investments at AC	-	219,155	-	219,155
Loans, advances and financing	-	-	1,782,095	1,782,095
	206,941	1,161,331	1,839,327	3,207,599
Financial liabilities measured at fair value				
Derivative financial liabilities	23,499	5,261	-	28,760
Borrowings	-	204,020	-	204,020
	23,499	209,281	-	232,780

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

Bank

30 September 2022

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Debt securities	-	108,810	-	108,810
- Equity securities	127,543	-	71,612	199,155
Financial investments at FVOCI				
- Debt securities	-	474,383	-	474,383
- Equity securities	-	-	1,294	1,294
Derivative financial assets	-	87,042	-	87,042
Financial assets at amortised cost for which fair values are disclosed				
Financial investments at AC	-	327,636	-	327,636
Loans, advances and financing	-	-	1,698,172	1,698,172
	127,543	997,871	1,771,078	2,896,492
Financial liabilities measured at fair value				
Derivative financial liabilities	6,441	28	-	6,469
Obligations on securities sold under repurchase agreements	-	61,417	-	61,417
Borrowings	-	154,224	-	154,224
	6,441	215,669	-	222,110

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

31 December 2021

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at fair value				
Financial assets at FVTPL				
- Debt securities	-	123,873	-	123,873
- Equity securities	206,722	-	55,772	262,494
Financial investments at FVOCI				
- Debt securities	-	736,114	-	736,114
- Equity securities	-	-	1,460	1,460
Derivative financial assets	-	81,453	-	81,453
Financial assets at amortised cost for which fair values are disclosed				
Financial investments at AC	-	219,155	-	219,155
Loans, advances and financing	-	-	1,757,618	1,757,618
	206,722	1,160,595	1,814,850	3,182,167
Financial liabilities measured at fair value				
Derivative financial liabilities	23,499	5,261	-	28,760
Borrowings	-	164,018	-	164,018
	23,499	169,279	-	192,778

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A29. Commitments and Contingencies

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

	Group		Bank	
	As at 30 September 2022	As at 31 December 2021	As at 30 September 2022	As at 31 December 2021
	Principal Amount RM'000	Principal Amount RM'000	Principal Amount RM'000	Principal Amount RM'000
Commitments to extend credit with maturity of less than 1 year :-				
- share margin financing	2,844,424	2,774,310	2,844,424	2,774,310
- foreign exchange related contract	75,177	10,222	75,177	10,222
- equity exchange related contract	146,310	148,840	146,310	148,840
Other commitments with an original maturity of less than 1 year :-				
- corporate loans	57,636	50,742	131,136	124,242
Commitments to extend credit with maturity of more than 1 year :-				
- equity related contract	248	247	248	247
Other commitments with an original maturity of more than 1 year :-				
- corporate loans	64,400	55,275	79,400	61,275
Stockbroking clients' trust	1,106,981	1,249,679	1,106,981	1,249,679
Securities borrowing and lending	10,395	27,637	10,395	27,637
Derivative financial assets				
- dual currency investment - options	3,822	1,361	3,822	1,361
- equity related contracts - options	28,437	29,492	28,437	29,492
- equity related contracts - swaps	76,891	24,123	76,891	24,123
- equity related contract - forwards	57,354	57,354	57,354	57,354
Derivative financial liabilities				
- dual currency investment - options	3,822	1,361	3,822	1,361
- equity related contracts - options	334,088	180,364	334,088	180,364
- equity related contracts - swaps	-	55,251	-	55,251
Capital commitment:				
- Authorised and contracted for	17,616	18,859	15,840	17,399
Investment in equity fund	-	-	24,991	24,991
	4,827,601	4,685,117	4,939,316	4,788,148

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Group		Bank	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000

A30. Operating lease arrangements

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

Future minimum sub-lease receipts:

Subsidiaries	-	-	381	1,484
External parties	112	508	112	508
	<u>112</u>	<u>508</u>	<u>493</u>	<u>1,992</u>

A31. Capital Adequacy

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

	Group		Bank	
	30 September	31 December	30 September	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<u>CET 1 / Tier 1 capital</u>				
Paid-up share capital	253,834	253,834	253,834	253,834
Retained profits	599,042	673,097	541,137	624,353
Other reserves	128,158	136,462	164,039	176,227
Less: Regulatory adjustments:				
Deferred tax assets	(25,494)	(30,605)	(15,261)	(15,219)
55% of cumulative gains of financial investments at FVOCI	-	(3,625)	-	(349)
Goodwill	(241,277)	(241,277)	(252,909)	(252,909)
Other intangibles	(90,363)	(89,784)	(79,565)	(79,077)
Regulatory reserve	(18,245)	(18,921)	(18,245)	(18,921)
Treasury shares	(11,422)	(13,064)	(11,422)	(13,064)
Other CET 1 regulatory adjustments specified by BNM	1,422	1,765	932	944
Regulatory adjustments applied to CET 1 Capital due to insufficient Tier 2 Capital *	(132,468)	(119,140)	(170,597)	(169,047)
Total CET 1/Tier 1 capital	<u>463,187</u>	<u>548,742</u>	<u>411,943</u>	<u>506,772</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A31. Capital Adequacy

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

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
<u>Tier 2 capital</u>				
Subordinated obligations capital	180,500	185,500	180,500	185,500
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves	19,165	16,986	18,501	16,321
Total Tier 2 capital	<u>199,665</u>	<u>202,486</u>	<u>199,001</u>	<u>201,821</u>
Total capital	<u>662,852</u>	<u>751,228</u>	<u>610,944</u>	<u>708,593</u>
CET 1 capital ratio	18.049%	20.665%	18.261%	21.332%
Tier 1 capital ratio	18.049%	20.665%	18.261%	21.332%
Total capital ratio	25.829%	28.291%	27.082%	29.827%

* The portion of regulatory adjustments not deducted from Tier 2 (as the Bank does not have enough Tier 2 to satisfy the deduction) is deducted from the next higher level of capital; as per paragraph 31.1 of the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components).

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A31. Capital Adequacy

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

	Group		Group	
	30 September 2022		31 December 2021	
	Notional amount RM'000	Risk- weighted amount RM'000	Notional amount RM'000	Risk- weighted amount RM'000
Credit Risk	5,473,781	1,533,238	5,567,911	1,358,911
Market Risk	-	138,537	-	456,072
Operational Risk	-	881,406	-	828,589
Large exposure risk	-	13,108	-	11,794
Total Risk Weighted Assets	5,473,781	2,566,289	5,567,911	2,655,366

	Bank		Bank	
	30 September 2022		31 December 2021	
	Notional amount RM'000	Risk- weighted amount RM'000	Notional amount RM'000	Risk- weighted amount RM'000
Credit Risk	4,941,412	1,480,101	5,061,023	1,305,693
Market Risk	-	137,030	-	440,663
Operational Risk	-	625,673	-	617,538
Large exposure risk	-	13,108	-	11,794
Total Risk Weighted Assets	4,941,412	2,255,912	5,061,023	2,375,688

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

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A32. Segmental reporting

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

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

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A32. Segmental reporting (cont'd.)

	Investment banking RM'000	Stock broking RM'000	Futures broking RM'000	Money lending and financing RM'000	Investment and wealth management RM'000	Corporate and Others RM'000	Elimination/ and consolidation adjustments RM'000	Total RM'000
2022								
Revenue								
External sales	114,805	239,368	14,451	6,526	174,614	(6,133)	-	543,631
- Interest income	84,444	84,974	4,632	4,867	2,502	43	-	181,462
- Fee income	23,830	134,748	9,426	1,659	172,127	(8)	-	341,782
- Trading and investment income/(loss)	2,650	9,286	-	-	(78)	(6,043)	-	5,815
- Other operating income/(loss)	3,881	10,360	393	-	63	(125)	-	14,572
Inter-segment sales	18,694	(29,562)	829	-	17,133	7,743	(14,837)	-
Total revenue	133,499	209,806	15,280	6,526	191,747	1,610	(14,837)	543,631
Result								
Net interest income/(expenses)	28,238	40,345	4,037	2,807	(56)	497	8,806	84,674
Net income from Islamic banking business	7,185	3,545	-	-	-	-	-	10,730
Other operating income/(loss)	19,951	156,428	9,854	1,797	188,553	15,630	(20,417)	371,796
Net income	55,374	200,318	13,891	4,604	188,497	16,127	(11,611)	467,200
Other operating expenses	(44,315)	(203,396)	(12,702)	(3,702)	(140,194)	(615)	2,990	(401,934)
Credit loss (expense)/reversal	(872)	(4,569)	-	13	-	123	155	(5,150)
Bad debt recovered	-	82	-	-	-	-	-	82
Share of results of associates and joint venture companies	-	-	-	-	-	(1,050)	-	(1,050)
Profit/(loss) before taxation and zakat	10,187	(7,565)	1,189	915	48,303	14,585	(8,466)	59,148
Taxation and zakat								(17,861)
Net profit for the financial period								41,287

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A32. Segmental reporting (cont'd.)

	Investment banking and stockbroking RM'000	Futures broking RM'000	Money lending and financing RM'000	Investment and wealth management RM'000	Corporate and Others RM'000	Elimination/ and consolidation adjustments RM'000	Notes	Total RM'000
2022 (cont'd.)								
Other information								
Net interest and finance income	74,028	4,037	2,807	(56)	497	8,806		90,119
Depreciation and amortisation	(9,546)	(351)	(118)	(3,236)	(7,003)	1,058		(19,196)
Non cash expenses								
- Unrealised gain/(loss) on revaluation of financial assets at FVTPL and derivatives	(5,336)	-	-	(119)	(6,109)	642		(10,922)
Assets								
Investments in associate companies	-	-	-	-	103,568	-		103,568
Investment in joint venture companies	-	-	-	-	28,900	-		28,900
Addition to non-current assets	5,980	18	7	2,422	-	-	A	8,427
Segment assets	5,756,740	575,276	81,363	290,606	22,192	(401,180)	B	6,324,997
Liabilities								
Segment liabilities	4,807,114	557,944	60,427	174,014	8,063	(298,165)	C	5,309,397

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A32. Segmental reporting (cont'd.)

	Investment banking RM'000	Stock broking RM'000	Futures broking RM'000	Money lending and financing RM'000	Investment and wealth management RM'000	Corporate and Others RM'000	Elimination/ and consolidation adjustments RM'000	Total RM'000
2021								
Revenue								
External sales	102,076	436,624	11,390	6,433	108,447	438	-	665,408
- Interest income	80,374	87,150	2,723	5,127	158	336	-	175,868
- Fee income	18,058	268,142	8,667	1,306	108,066	17	-	404,256
- Trading and investment (loss)/income	(585)	75,283	-	-	103	196	-	74,997
- Other operating income/(loss)	4,229	6,049	-	-	120	(111)	-	10,287
Inter-segment sales	31,769	(34,236)	556	-	8,715	7,218	(14,022)	-
Total revenue	133,845	402,388	11,946	6,433	117,162	7,656	(14,022)	665,408
Result								
Net interest income	30,072	39,481	2,340	2,844	29	1,315	6,964	83,045
Net income from Islamic banking business	7,150	4,755	-	-	-	-	-	11,905
Other operating income/(loss)	18,614	348,603	8,760	1,803	127,407	3,024	(16,860)	491,351
Net income	55,836	392,839	11,100	4,647	127,436	4,339	(9,896)	586,301
Other operating expenses	(42,594)	(323,963)	(12,838)	(3,762)	(106,788)	(10,283)	9,492	(490,736)
Credit loss (expense)/reversal	(76)	(151)	-	29	-	898	100	800
Bad debt recovered	-	111	-	-	-	281	-	392
Share of results of associates and joint venture companies	-	-	-	-	-	9,835	-	9,835
Profit/(loss) before taxation and zakat	13,166	68,836	(1,738)	914	20,648	5,070	(304)	106,592
Taxation and zakat								(20,085)
Net profit for the financial period								<u>86,507</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A32. Segmental reporting (cont'd.)

	Investment banking and stockbroking RM'000	Futures broking RM'000	Money lending and financing RM'000	Investment and wealth management RM'000	Corporate and Others RM'000	Elimination/ and consolidation adjustments RM'000	Notes	Total RM'000
2021 (cont'd.)								
Other information								
Net interest and finance income	73,726	2,340	2,844	187	1,157	6,964		87,218
Depreciation and amortisation	(9,781)	(355)	(116)	(2,820)	(7,386)	1,098		(19,360)
Non cash expenses								
- Unrealised gain/(loss) on revaluation of financial assets at FVTPL and derivatives	112,628	-	-	12	-	(2,292)		110,348
Assets								
Investments in associate companies	-	-	-	-	89,046	-		89,046
Investment in joint venture companies	-	-	-	-	31,441	-		31,441
Addition to non-current assets	17,800	45	55	1,964	-	-	A	19,864
Segment assets	6,629,965	355,904	91,066	228,310	21,695	(356,466)	B	6,970,474
Liabilities								
Segment liabilities	5,616,366	339,428	71,359	143,419	7,695	(245,737)	C	5,932,530

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A32. Segmental reporting (cont'd.)

Notes

A Additions to non-current assets consist of:

	2022	2021
	RM'000	RM'000
Property, plant and equipment		
- Additions during the financial period	3,220	17,031
Intangible assets		
- Additions during the financial period	5,207	2,833
	<u>8,427</u>	<u>19,864</u>

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

	2022	2021
	RM'000	RM'000
Investment in subsidiaries	(81,600)	(90,433)
Investment in associates and joint venture companies	21,739	23,509
Intangible assets	(39,600)	(40,090)
Inter-segment assets	(301,719)	(249,452)
	<u>(401,180)</u>	<u>(356,466)</u>

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

	2022	2021
	RM'000	RM'000
Deposits accepted from subsidiaries	(181,589)	(124,019)
Inter-segment liabilities	(116,576)	(121,718)
	<u>(298,165)</u>	<u>(245,737)</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A33. Operations of Islamic Banking

(a) Unaudited Statement of Financial Position
As at 30 September 2022

	Note	Group and Bank	
		As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
ASSETS			
Cash and bank balances	(e)	471,873	424,712
Financial assets at FVTPL	(f)	100,000	100,000
Financial investments at FVOCI	(g)(i)	114,784	242,521
Financial investments at AC	(g)(ii)	118,903	68,044
Financing and advances	(h)	105,361	103,491
Balances due from clients and brokers		653	2,124
Other assets	(i)	3,128	3,246
Property, plant and equipment		15	18
Intangible assets		2	3
Deferred tax assets		305	-
TOTAL ASSETS		915,024	944,159
LIABILITIES			
Deposits from customers	(j)	573,855	555,137
Balances due to clients and brokers		3,718	7,493
Other liabilities	(k)	147,568	193,784
Deferred tax liabilities		-	308
Provision for taxation and zakat		2,075	3,472
TOTAL LIABILITIES		727,216	760,194
ISLAMIC BANKING CAPITAL FUNDS			
Islamic banking funds		120,000	120,000
Reserves		67,808	63,965
TOTAL ISLAMIC BANKING CAPITAL FUNDS		187,808	183,965
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		915,024	944,159
Commitments and contingencies	(r)	77,693	72,544

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A33. Operations of Islamic Banking

(b) Unaudited Statement Of Profit Or Loss And Other Comprehensive Income
For the financial period ended 30 September 2022

	Group and Bank			
	Individual Quarter		Cumulative Quarters	
	3 months	3 months	9 months	9 months
	ended	ended	ended	ended
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	(i) 6,597	7,986	19,465	21,700
Income derived from investment of shareholders' funds	(m) 1,954	1,657	4,694	4,653
Credit loss (expense)/reversal	(71)	37	(102)	98
Total attributable income	8,480	9,680	24,057	26,451
Profit distributed to depositors	(n) (4,565)	(4,417)	(13,133)	(13,722)
Net income	3,915	5,263	10,924	12,729
Finance cost	(192)	(225)	(296)	(726)
Personnel costs	(o) (199)	(191)	(597)	(576)
Other overhead expenses	(p) (748)	(794)	(2,267)	(2,463)
Profit before taxation and zakat	2,776	4,053	7,764	8,964
Taxation and zakat	(735)	(1,074)	(2,075)	(2,364)
Profit for the financial period	2,041	2,979	5,689	6,600
Other comprehensive (loss)/income				
Items that will be reclassified subsequently to profit or loss:				
Fair value loss on debt instruments at FVOCI	(307)	(1,924)	(2,425)	(4,072)
Income tax related to the above items	92	462	613	978
Total other comprehensive loss for the financial period, net of tax	(215)	(1,462)	(1,812)	(3,094)
Total comprehensive income for the financial period, net of tax	1,826	1,517	3,877	3,506

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

A33. Operations of Islamic Banking

(b) Unaudited Statement Of Profit Or Loss And Other Comprehensive Income
For the financial period ended 30 September 2022

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

	Group and Bank			
	Individual Quarter		Cumulative Quarters	
	3 months	3 months	9 months	9 months
	ended	ended	ended	ended
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	6,597	7,986	19,465	21,700
Income derived from investment of shareholders' funds	1,954	1,657	4,694	4,653
Total income before impairment allowances and overhead expenses	8,551	9,643	24,159	26,353
Profit distributed to depositors	(4,565)	(4,417)	(13,133)	(13,722)
Finance cost	(192)	(225)	(296)	(726)
Income from Islamic Banking Window operations reported in the statement of profit or loss of the Group and the Bank	3,794	5,001	10,730	11,905

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

(c) Statement Of Changes In Islamic Banking Funds
For the financial period ended 30 September 2022

Group and Bank	Non- Distributable					Distributable	Total Equity RM'000
	Islamic Banking Fund RM'000	Fair Value Reserve RM'000	Regulatory Reserve RM'000	ESS Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	
At 1 January 2022	120,000	906	2,314	13	5,248	55,484	183,965
Net profit for the financial period	-	-	-	-	-	5,689	5,689
Other comprehensive loss for the financial period	-	(1,812)	-	-	-	-	(1,812)
Share based payment under ESS	-	-	-	1	-	(35)	(34)
Transfer to regulatory reserve	-	-	37	-	-	(37)	-
Transfer to retained profits	-	-	-	(6)	-	6	-
At 30 September 2022	120,000	(906)	2,351	8	5,248	61,107	187,808
At 1 January 2021	120,000	5,036	2,442	19	5,248	45,649	178,394
Net profit for the financial period	-	-	-	-	-	3,621	3,621
Other comprehensive loss for the financial period	-	(1,632)	-	-	-	-	(1,632)
Share based payment under ESS	-	-	-	3	-	(6)	(3)
Transfer to regulatory reserve	-	-	30	-	-	(30)	-
Transfer to retained profits	-	-	-	(9)	-	9	-
At 30 September 2021	120,000	3,404	2,472	13	5,248	49,243	180,380

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

(d) Unaudited Condensed Statements Of Cash Flows
For the financial period ended 30 September 2022

	Group and Bank	
	30 September	30 September
	2022	2021
	RM '000	RM '000
Cash flows from operating activities		
Profit before tax expense and zakat	7,764	4,911
Adjustments for:		
Depreciation of plant and equipment	4	4
Amortisation of intangible assets	1	-
Credit loss expense/(reversal)	102	(61)
Net loss from sale of financial assets at FVTPL	-	742
Unrealised loss on revaluation of financial assets at FVTPL	-	339
Operating profit before working capital changes	<u>7,871</u>	<u>5,935</u>
Changes in operating assets:		
Financing and advances	(1,839)	5,775
Balances due from clients and brokers	1,472	215
Other assets	110	(25)
Changes in operating liabilities:		
Deposits from customers	18,718	(55,389)
Balances due to clients and brokers	(3,775)	361
Other liabilities	<u>(49,382)</u>	<u>78,050</u>
Cash (used in)/generated from operating activities	<u>(26,825)</u>	<u>34,922</u>
Taxation and zakat paid	(340)	-
Net cash (used in)/generated from operating activities	<u>(27,165)</u>	<u>34,922</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(1)
Net sale/(purchase) of securities	<u>74,326</u>	<u>(73,761)</u>
Net investing cash flow	<u>74,326</u>	<u>(73,762)</u>
Net change in cash and cash equivalents	47,161	(38,840)
Cash and cash equivalents at beginning of the financial period	<u>424,712</u>	<u>452,323</u>
Cash and cash equivalents at end of the financial period	<u>471,873</u>	<u>413,483</u>

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NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

	Group and Bank	
	As at	As at
	30 September	31 December
	2022	2021
	RM'000	RM'000
(e) Cash and bank balances		
Current account with Bank Negara Malaysia and banks	7,373	35,712
Money at call and deposit placements with:		
Licensed banks	364,500	30,000
Bank Negara Malaysia	-	359,000
Domestic non-bank financial institutions	100,000	-
	<u>471,873</u>	<u>424,712</u>
(f) Financial assets at FVTPL		
Unquoted Securities in Malaysia:		
Funds	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
(g) Financial investments other than those measured at FVTPL		
(i) Financial investments at FVOCI		
At fair value		
(a) Money market instruments:		
Malaysian Government Investment Certificates	-	20,116
Negotiable Instruments of Deposits	49,886	149,844
(b) Debt instruments:		
Corporate Sukuk	64,898	72,561
Total financial investments at FVOCI	<u>114,784</u>	<u>242,521</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

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

Impairment losses on debt instruments measured at FVOCI

An analysis of changes in the ECLs is as follows:

Group and Bank

	2022			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022	-	-	-	-
Impact of net re-measurement of ECL	50	77	-	127
Transfer of stages	(50)	50	-	-
As at 30 September 2022	-	127	-	127

	2021			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January and 30 September 2021	-	-	-	-

(ii) **Financial investments at AC**

At cost

(a) Money market instruments:

Malaysian Government Investment Certificates 39,218 9,995

(b) Debt instruments:

Corporate Sukuk 79,685 58,049

Total financial investment at AC

118,903 68,044

Total financial investments other than those measured at FVTPL

233,687 310,565

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

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

Debt instruments measured at AC:

An analysis of changes in the ECLs is as follows:

Group and Bank

	2022			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January and 30 September 2022	-	-	-	-
	2021			
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2021	56	-	-	56
Assets derecognised or repaid (excluding write-offs)	(4)	-	-	(4)
Impact of net re-measurement of ECL	(52)	-	-	(52)
As at 31 December 2021	-	-	-	-

Group and Bank	
As at 30 September 2022	As at 31 December 2021
RM'000	RM'000

(h) **Financing and advances**

At AC

Commodity Murabahah share margin financing		
- Shariah contract - others	12,597	13,471
Commodity Murabahah revolving credit		
- Shariah contract - others	43,665	70,105
Commodity Murabahah term financing		
- Shariah contract - others	49,164	20,011
Gross financing and advances	105,426	103,587
Less: Allowance for ECL	(65)	(96)
Net financing and advances	105,361	103,491

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

	Group and Bank	
	As at	As at
	30 September	31 December
	2022	2021
	RM'000	RM'000
(h) Financing and advances (cont'd.)		
(i) Gross financing and advances analysed by type of customer are as follows:		
Domestic business enterprise - others	49,140	54,058
Individuals	56,286	49,529
	<u>105,426</u>	<u>103,587</u>
(ii) Gross financing and advances analysed by geographical distribution are as follows:		
In Malaysia	<u>105,426</u>	<u>103,587</u>
(iii) Gross financing and advances analysed by profit rate sensitivity are as follows:		
Fixed rate	12,597	13,471
Variable rate - Cost plus	92,829	90,116
	<u>105,426</u>	<u>103,587</u>
(iv) Gross financing and advances analysed by economic purpose are as follows:		
Working capital	61,028	48,905
Purchase of securities	37,001	38,278
Others	7,397	16,404
	<u>105,426</u>	<u>103,587</u>
(v) Gross financing and advances analysed by residual contractual maturity are as follows:		
Within one year	73,615	65,236
More than one year	31,811	38,351
	<u>105,426</u>	<u>103,587</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

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

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

Group and Bank

	2022			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2022	96	-	-	96
New assets originated or purchased	92	-	-	92
Assets derecognised or repaid (excluding write-offs)	(111)	-	-	(111)
Net remeasurement of allowance	(12)	-	-	(12)
As at 30 September 2022	<u>65</u>	<u>-</u>	<u>-</u>	<u>65</u>

Group and Bank

	2021			
	Stage 1	Stage 2	Stage 3	Total
Movements in ECL	RM'000	RM'000	RM'000	RM'000
As at 1 January 2021	219	-	-	219
New assets originated or purchased	47	-	-	47
Assets derecognised or repaid (excluding write-offs)	(185)	-	-	(185)
Net remeasurement of allowance	15	-	-	15
As at 31 December 2021	<u>96</u>	<u>-</u>	<u>-</u>	<u>96</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

Group and Bank	
As at	As at
30 September	31 December
2022	2021
RM'000	RM'000

(i) Other Assets

Income receivables	3,023	3,238
Prepayment	13	6
Other receivables	152	55
Less: Allowance for ECL	(60)	(53)
	<u>3,128</u>	<u>3,246</u>

Group and Bank

	2022		
	Non-Credit Impaired	Credit- Impaired	Total
Movements in ECL	RM'000	RM'000	RM'000
As at 1 January 2022	15	38	53
New assets originated or purchased	6	-	6
Transfer of stages	(19)	19	-
Net remeasurement of allowance	-	1	1
As at 30 September 2022	<u>2</u>	<u>58</u>	<u>60</u>

	2021		
	Non-Credit Impaired	Credit- Impaired	Total
Movements in ECL	RM'000	RM'000	RM'000
As at 1 January 2021	17	38	55
New assets originated or purchased	9	-	9
Transfer of stages	(11)	11	-
Assets derecognised or repaid (excluding write-offs)	-	(11)	(11)
As at 31 December 2021	<u>15</u>	<u>38</u>	<u>53</u>

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NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

	Group and Bank	
	As at	As at
	30 September	31 December
	2022	2021
	RM'000	RM'000
(j) Deposits from customers		
(i) By type of deposit		
Term deposits		
- Tawarruq (Commodity Murabahah deposits)	573,855	555,137
	<u>573,855</u>	<u>555,137</u>
(ii) By type of customers		
Domestic non-bank institutions	367,537	236,317
Government and other statutory bodies	100,000	141,918
Business enterprises	105,773	176,319
Individuals	545	583
	<u>573,855</u>	<u>555,137</u>
(iii) By maturity		
Due within six months	473,855	450,137
Due more than six months	100,000	105,000
	<u>573,855</u>	<u>555,137</u>
(k) Other liabilities		
Mudarabah Specific Investment Account	16,851	12,630
Profit payable	1,012	2,277
Other payable	129,705	178,877
	<u>147,568</u>	<u>193,784</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

	Group and Bank Individual Quarter		Group and Bank Cumulative Quarters	
	3 months ended 30 September 2022 RM'000	3 months ended 30 September 2021 RM'000	9 months ended 30 September 2022 RM'000	9 months ended 30 September 2021 RM'000
(l) Income derived from investment of depositors' funds				
Finance income and hibah				
Financing and advances	507	529	1,558	1,921
Deposits placements with financial institutions	2,297	2,077	6,092	5,137
Financial investment other than those measured at FVTPL	2,162	2,386	6,795	7,298
Accretion of discount	(93)	(111)	(267)	(390)
Others	-	1	2	2
	4,873	4,882	14,180	13,968
Other operating income/(loss)				
Net loss on sale of financial assets at FVTPL	-	(10)	-	(1,091)
Fees on financing and advances	32	175	301	225
Brokerage fee	698	929	2,594	3,846
Profit income from financial assets at FVTPL	895	1,032	2,231	3,713
Advisory fee	121	31	218	172
Direct trading fees expense	(27)	(19)	(72)	(107)
Other non-operating income	5	5	13	13
	1,724	3,104	5,285	7,732
Total income derived from investment of depositors' funds	6,597	7,986	19,465	21,700
(m) Income derived from investment of shareholders' funds				
Finance income and hibah				
Financing and advances	1,334	1,048	3,253	2,907
Financial investments other than those measured at FVTPL	683	678	1,585	1,941
Accretion of discounts	(63)	(69)	(144)	(195)
	1,954	1,657	4,694	4,653

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

	Group and Bank Individual Quarter		Group and Bank Cumulative Quarters	
	3 months ended 30 September 2022 RM'000	3 months ended 30 September 2021 RM'000	9 months ended 30 September 2022 RM'000	9 months ended 30 September 2021 RM'000
(n) Profit distributed to depositors				
Deposits from customers and financial institutions				
- Murabahah Fund	3,820	3,837	11,190	12,020
Others	745	580	1,943	1,702
	4,565	4,417	13,133	13,722
(o) Personnel costs				
Salaries, wages, allowances and bonus	160	155	478	464
EPF	25	24	75	72
Other staff related expenses	14	12	44	40
	199	191	597	576
(p) Other overhead expenses:				
Establishment costs				
- Depreciation	2	2	4	6
- Amortisation	-	-	1	-
- Office rental	14	15	43	44
- Others	3	3	12	10
	19	20	60	60
Marketing and travelling expenses				
- Advertisement and promotions	-	8	-	8
	-	8	-	8
Administration and general expenses				
- Fees and brokerage	134	174	426	694
- Support service charges	484	464	1,452	1,393
- Shariah committee expenses	45	41	136	110
- Others	66	87	193	198
	729	766	2,207	2,395
Total other overhead expenses	748	794	2,267	2,463

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

	Group and Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
(q) Capital adequacy		
CET 1 / Tier 1 Capital		
Islamic Banking funds	120,000	120,000
Retained profits	55,418	55,484
Other intangibles		
Other reserves	6,701	8,481
Less:		
Intangible assets	(2)	(3)
55% of cumulative gains on financial investments at FVOCI	(305)	(499)
Regulatory reserves	(2,351)	(2,314)
Total CET 1 / Tier 1 capital	<u>179,461</u>	<u>181,149</u>
Tier 2 Capital		
Impairment provision	<u>2,419</u>	<u>2,411</u>
Total Tier 2 capital	<u>2,419</u>	<u>2,411</u>
Total capital	<u>181,880</u>	<u>183,560</u>
CET 1 capital ratio	62.673%	77.917%
Tier 1 capital ratio	62.673%	77.917%
Total capital ratio	<u>63.518%</u>	<u>78.954%</u>

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

	Group and Bank			
	As at 30 September 2022		As at 31 December 2021	
	Notional amount RM'000	Risk- weighted amount RM'000	Notional amount RM'000	Risk- weighted amount RM'000
Credit risk	845,914	257,987	883,247	202,433
Operational risk	-	28,356	-	30,058
Total Risk Weighted Assets	<u>845,914</u>	<u>286,343</u>	<u>883,247</u>	<u>232,491</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

(r) Commitments and contingencies

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

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

	Group and Bank	
	As at	As at
	30 September	31 December
	2022	2021
	RM'000	RM'000
Commitments to extend credit with maturity of less than 1 year:		
- share margin financing	11,343	9,269
Other commitments with an original maturity of less than 1 year:		
- corporate financing	66,350	52,000
Other commitments with an original maturity of more than 1 year:		
- corporate financing	-	11,275
	<u>77,693</u>	<u>72,544</u>

NOTES TO INTERIM FINANCIAL STATEMENTS
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REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance Review

Group:

	Individual period		Cumulative period	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 September 2022 (3Q22)	30 September 2021 (3Q21)	30 September 2022 (9M22)	30 September 2021 (9M21)
(RM'000)				
Revenue	181,796	202,649	543,631	665,408
Net income	158,354	174,989	467,200	586,301
Profit before tax	17,363	26,295	59,148	106,592
Profit after tax	5,730	21,566	41,287	86,507

The Group reported revenue and profit before tax ('PBT') of RM543.6 mil and RM59.1 mil respectively for 9M2022. Lower revenue and PBT were recorded for 9M22 as compared to previous year mainly due to lower brokerage fee income and trading and investment income with partial mitigation from higher management fee income.

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

Stockbroking:

	Individual period		Cumulative period	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 September 2022 (3Q22)	30 September 2021 (3Q21)	30 September 2022 (9M22)	30 September 2021 (9M21)
(RM'000)				
Revenue	52,456	106,003	209,806	402,388
Net income	48,337	103,030	200,318	392,839
(Loss)/Profit before tax	(18,471)	14,573	(7,565)	68,836

Lower revenue and LBT were recorded by stockbroking segment for both 3Q22 and 9M22 mainly due to lower net brokerage generated as a consequence of the lower trading volume and lower trading income.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

B1. Performance Review (cont'd.)

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

Investment Banking:

	Individual period		Cumulative period	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	(3Q22)	(3Q21)	(9M22)	(9M21)
(RM'000)				
Revenue	50,436	46,287	133,499	133,845
Net income	20,668	20,414	55,374	55,836
Profit before tax	4,726	5,720	10,187	13,166

Investment Banking ("IB") registered higher revenue for 3Q22 compared to 3Q21 mainly due to higher interest income.

The division registered a lower revenue and PBT of RM133.5 million and RM10.2 million respectively for 9M22 compared to RM133.8 million and RM13.2 million respectively in the corresponding period last year. This was due to higher operating expenses and credit loss

Investment and Wealth Management:

	Individual period		Cumulative period	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	(3Q22)	(3Q21)	(9M22)	(9M21)
(RM'000)				
Revenue	74,043	47,350	191,747	117,162
Net income	72,217	47,462	188,497	127,436
Profit before tax	19,786	6,851	48,303	20,648

Investment and Wealth Management registered marked improvement both in PBT and revenue for 3Q22 and 9M22 as compared to the respective corresponding period in 2021, achieved on the back of higher management and performance fee contribution from alternative products.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

B1. Performance Review (cont'd.)

Futures Broking:

	Individual period		Cumulative period	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 September 2022 (3Q22)	30 September 2021 (3Q21)	30 September 2022 (9M22)	30 September 2021 (9M21)
(RM'000)				
Revenue	5,764	3,669	15,280	11,946
Net income	5,224	3,353	13,891	11,100
Profit/(Loss) before tax ("LBT")	879	(742)	1,189	(1,738)

Futures business has recorded higher revenue and income for 3Q22 and 9M22 compared to respective corresponding period last year as a result of higher trading activities and higher interest income generated. With the improved performance in 3Q22, this segment has turnaround and recorded a PBT of RM1.2 million for period to date as compared to a loss of RM1.7mil last year.

Money Lending and Financing:

	Individual period		Cumulative period	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 September 2022 (3Q22)	30 September 2021 (3Q21)	30 September 2022 (9M22)	30 September 2021 (9M21)
(RM'000)				
Revenue	2,165	2,191	6,526	6,433
Net income	1,552	1,596	4,604	4,647
Profit before tax	347	268	915	914

Higher PBT was recorded for 3Q22 compared to 3Q21 mainly due to higher financing and processing fee income coupled with lower overheads.

This segment recorded slightly higher revenue and PBT for 9M22 as compared to 9M21 mainly due to higher processing fee income.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

B1. Performance Review (cont'd.)

Corporate and others:

	Individual period		Cumulative period	
	3 months ended	3 months ended	9 months ended	9 months ended
	30 September 2022 (3Q22)	30 September 2021 (3Q21)	30 September 2022 (9M22)	30 September 2021 (9M21)
(RM'000)				
Revenue	3,211	2,734	1,610	7,656
Net income	20,213	1,338	16,127	4,339
Profit/(Loss) before tax	18,971	(750)	14,585	5,070

PBT of RM19.0 million was recorded for the current quarter for this segment mainly due to gain on disposal of an associate of RM9.1million and dividend income of RM9 million received from a subsidiary.

However the higher net income recorded was partially negated by unrealised loss from investment in management fund as well as share of loss from the joint venture companies for 9M22 as compared to 9M21.

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

Group:

	Current quarter	Previous quarter
	3 months ended 30 September 2022 (3Q22)	3 months ended 30 June 2022 (2Q22)
(RM'000)		
Revenue	181,796	176,931
Net income	158,354	149,637
Profit before tax	17,363	20,301
Profit after tax	5,730	18,634

For 3Q22, the Group has recorded higher revenue from management fee income but lower PBT compared to previous quarter ended 30 June 2022 mainly due to higher operating and credit loss expenses.

NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

B3. Prospects for 2022

The economy expanded for the fourth consecutive quarter in 3Q22 by 14.2% Year-over-Year ("YoY") (2Q22: 8.9%), mainly driven by robust demand for exports amid a weak ringgit, improvement in gross fixed capital formation due to higher capital spending in both private and public sectors, as well as a further expansion in the services sector bolstered by a sustained recovery in the tourism industry.

2022 GDP growth is projected to register at 8.6% YoY (2021: 3.1%), with 4Q22 growth expected to settle at 6.6%. Overall, 2022 growth will likely register better-than-expected on a substantially stronger improvement in both services and manufacturing sectors. However, 4Q22 growth is still expected to moderate due to diminishing base effects but should remain supported by strong demand conditions.

For 2023, our GDP forecast remains at 4.3% (range: 4.0% - 4.5%), with growth expected to moderate due to tighter financial conditions, volatile commodity prices, and amid elevated geopolitical risks. Downside risks remain, from China's lukewarm economic outlook amid its zero-COVID policy, the prolonged Russia-Ukraine war, and tense Sino-American relations. With that said, growth should remain supported by a stronger labour market, potentially higher wage growth, and an expected increase in tourist arrivals.

As for Malaysia's monetary policy, BNM may start to dial back on tightening the overnight policy rate ("OPR") and pause rate hikes at its next monetary policy meeting on January 18-19. This comes amid a bleak global economic outlook, due to China's erratic policy shifts and the rising likelihood of recession in the UK, Europe, and the US. However, if domestic core inflation continues to hover above the 4.0% level in the coming months, then BNM may extend its tightening cycle and continue to hike for the fifth consecutive time in January in order to further curb demand-pull inflation, raising the OPR to 3.00%.

The Group is of the view that the current financial year will be challenging. The Group will continue focusing on powering its transformation journey with digitalisation and to position itself with agility in respond to the growing changing conditions of the industry.

NOTES TO INTERIM FINANCIAL STATEMENTS
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SELECTED EXPLANATORY NOTES
REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD

B4. Variance From Profit Forecast And Profit Guarantee

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

B5. Taxation and zakat

<u>Group</u>	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2022	3 months ended 30 September 2021	9 months ended 30 September 2022	9 months ended 30 September 2021
	RM'000	RM'000	RM'000	RM'000
Income tax and zakat	(11,583)	(8,306)	(9,433)	(18,690)
Deferred taxation	(50)	3,577	(8,428)	(1,395)
Total	(11,633)	(4,729)	(17,861)	(20,085)

The effective tax rate of the Group was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purpose.

<u>Bank</u>	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	3 months ended 30 September 2022	3 months ended 30 September 2021	9 months ended 30 September 2022	9 months ended 30 September 2021
	RM'000	RM'000	RM'000	RM'000
Income tax and zakat	1,454	(8,235)	1,326	(19,282)
Deferred taxation	(80)	3,546	(3,275)	(159)
Total	1,374	(4,689)	(1,949)	(19,441)

The effective tax rate of the bank was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purpose.

NOTES TO INTERIM FINANCIAL STATEMENTS
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SELECTED EXPLANATORY NOTES
REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD

B6. Borrowings

	Group		Bank	
	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000	As at 30 September 2022 RM'000	As at 31 December 2021 RM'000
Secured				
Revolving bank loan denominated in RM				
- Within one year	10,800	-	10,800	-
- More than one year	-	19,200	-	19,200
	<u>10,800</u>	<u>19,200</u>	<u>10,800</u>	<u>19,200</u>
Unsecured				
Revolving bank loans denominated in RM				
- Within one year	27,000	40,000	-	-
Subordinated notes denominated in RM				
- More than one year	180,500	185,500	180,500	185,500
	<u>207,500</u>	<u>225,500</u>	<u>180,500</u>	<u>185,500</u>
	<u>218,300</u>	<u>244,700</u>	<u>191,300</u>	<u>204,700</u>

B7. Dividend

The Company had, after obtaining Bank Negara Malaysia's approval, made an announcement to Bursa Malaysia Securities Berhad on 25 February 2022 in respect of the declaration of a total Single Tier Interim Dividend of 10.50 sen per share in respect of the financial year ended 31 December 2021 comprising Ordinary Interim Dividend of 4.00 sen per share and Special Interim Dividend of 6.50 sen per share. This Single Tier Interim Dividend which amounted to RM77,060,192 based on the issued and paid-up capital of 733,906,299 ordinary shares was paid on 15 April 2022.

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

B8. Earnings per share

	<u>Individual Quarter</u>		<u>Cumulative Quarters</u>	
	<u>30 September</u> <u>ended</u> <u>2022</u> <u>RM'000</u>	<u>3 months</u> <u>ended</u> <u>2021</u> <u>RM'000</u>	<u>9 months</u> <u>ended</u> <u>2022</u> <u>RM'000</u>	<u>9 months</u> <u>ended</u> <u>2021</u> <u>RM'000</u>
Profit for the period attributable to equity holders of the Bank	<u>5,522</u>	<u>21,440</u>	<u>40,656</u>	<u>86,173</u>
Weighted average number of ordinary shares in issue ('000)	<u>726,522</u>	<u>733,601</u>	<u>727,832</u>	<u>726,368</u>
Effects of dilution	-	-	4,908	17,349
Adjusted weighted average number of ordinary shares in issue ('000)	<u>726,522</u>	<u>733,601</u>	<u>732,740</u>	<u>743,717</u>
Earnings per share (sen)				
- basic	<u>0.76</u>	<u>2.92</u>	<u>5.59</u>	<u>11.86</u>
- fully diluted	<u>0.76</u>	<u>2.92</u>	<u>5.55</u>	<u>11.59</u>

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

B9. Changes in Material Litigation

The status of material litigations is disclosed in note B12.

B10. Status of corporate proposal

There were no corporate proposals announced but not completed as at 30 September 2022.

NOTES TO INTERIM FINANCIAL STATEMENTS
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REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B11. Derivative financial instruments

Derivative financial instruments are as follows:

Group and Bank

Items	As at 30 September 2022		As at 31 December 2021	
	Contract/ Notional Value RM'000	Fair Value RM'000	Contract/ Notional Value RM'000	Fair Value RM'000
<u>Derivative financial assets</u>				
Equity related contract- options	28,437	29,449	29,492	29,515
Equity related contract- swaps	76,891	2,861	24,123	408
Equity related contract- forwards	57,354	54,732	57,354	51,527
Dual currency investment- options	3,822	-	1,361	3
	166,504	87,042	112,330	81,453
<u>Derivative financial liabilities</u>				
Equity related contract- options	334,088	6,462	180,364	23,534
Equity related contract- swaps	-	-	55,251	5,223
Dual currency investment- options	3,822	7	1,361	3
	337,910	6,469	236,976	28,760

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

There have been no changes since the end of the previous financial year ended 31 December 2021 in respect of the following:

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

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

B11. Derivative financial instruments (Cont'd.)

Types of derivative financial instruments

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

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

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

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

Purposes of engaging in derivative financial instruments

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

Loss arising from fair value changes of derivative financial instruments

The unrealised loss arising from fair value changes of derivative financial instruments for the current quarter amounted to RM10,784,895 (2Q22 gain: RM21,831,200). This was arrived at based on the fluctuations in the market prices of the derivative financial instruments or underlying assets which are listed on Bursa Malaysia.

KENANGA INVESTMENT BANK BERHAD
197301002193 (15678-H)

NOTES TO INTERIM FINANCIAL STATEMENTS
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REQUIREMENTS OF PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD

B12. Contingent liabilities

Group and Bank	
30 September	31 December
2022	2021
RM'000	RM'000

On 27 November 2019, the Bank was served with a sealed Writ of Summons and Statement of Claim filed by Lai Sing Foo ("the Plaintiff"). The Plaintiff is alleging that, inter alia, the second (2nd) Defendant (who is a Dealer's Representative ("DR") of KIBB has arranged for the Plaintiff to purchase shares of a public listed company with a promise to buy back at a higher price from the third (3rd) Defendant (a third party). The Plaintiff alleges that the 3rd Defendant has failed to buy back the said shares which caused the Plaintiff to suffer losses and claims, inter alia, the difference between the sale proceeds of the said shares and RM3.6 million. The Plaintiff's claims against KIBB are on the basis that, inter alia, the 2nd Defendant is a DR with KIBB. In this regard, KIBB will contest the Plaintiff's claim in the Court. The Plaintiff, KIBB and the 3rd Defendant presented their evidence during the trial from 11 to 13 August 2021. On 3 November 2021, the High Court dismissed the Plaintiff's claim against KIBB and the 3rd Defendant with costs of RM25,000.00 to be paid to each. The Plaintiff's claim against the 2nd Defendant was allowed with costs of RM25,000.00 to be paid to the Plaintiff. On 25 November 2021, the Plaintiff filed a Notice of Appeal in the Court of Appeal against the High Court's decision. The matter is fixed for case management in the Court of Appeal on 27 March 2023.

<u>3,600</u>	<u>3,600</u>
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Based on legal advices obtained, the Board of Directors is of the opinion that the Bank has good grounds to defend these claims and that no provisions are necessary as at reporting date.