

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

		31 December 2023 RM'000	31 December 2022 RM'000
	Note		
ASSETS			
Cash and balances with banks		247,627	3,065,329
Financial assets at fair value through profit or loss	A8	1,893,292	-
Derivative financial assets		24,596	42,922
Financial investments at fair value through other comprehensive income	A9	12,949,519	12,076,612
Financial investments at amortised cost	A10	5,374,376	5,635,686
Financing and advances	A11	72,760,746	65,637,072
Other assets	A12	231,231	217,946
Statutory deposits with Bank Negara Malaysia		1,710,590	1,746,100
Deferred tax assets		112,223	148,606
Collective investment		609,709	589,838
Investment in an associated company		67,500	67,500
Right-of-use assets		21,708	19,846
Property and equipment		3,186	3,492
TOTAL ASSETS		96,006,303	89,250,949
LIABILITIES			
Deposits from customers	A13	82,325,264	76,088,570
Deposits from banks and other financial institutions	A14	2,287,243	2,715,451
Bills and acceptances payable		2,386	3,100
Recourse obligations on financing sold to Cagamas		1,100,000	1,100,000
Derivative financial liabilities		24,817	23,914
Senior Sukuk Murabahah		1,000,000	1,000,000
Subordinated Sukuk Murabahah		1,000,000	1,000,000
Lease liabilities		22,295	20,101
Other liabilities	A15	831,024	463,445
Provision for zakat and taxation		-	92,947
TOTAL LIABILITIES		88,593,029	82,507,528

The Condensed Interim Financial Statements should be read in conjunction with the annual audited financial statements of the Bank for the year ended 31 December 2022.

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AUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	31 December 2023 RM'000	31 December 2022 RM'000
EQUITY			
Share capital		3,032,717	3,032,717
Other reserves		(59,638)	(163,612)
Retained profits		4,440,195	3,874,316
TOTAL EQUITY		7,413,274	6,743,421
TOTAL LIABILITIES AND EQUITY		96,006,303	89,250,949
COMMITMENTS AND CONTINGENCIES	A29	13,649,791	13,328,439
CAPITAL ADEQUACY	A28		
<u>Before deducting interim dividend *</u>			
Common Equity Tier I Capital Ratio		13.232%	12.863%
Tier I Capital Ratio		13.232%	12.863%
Total Capital Ratio		16.245%	16.025%
<u>After deducting interim dividend *</u>			
Common Equity Tier I Capital Ratio		13.232%	12.863%
Tier I Capital Ratio		13.232%	12.863%
Total Capital Ratio		16.245%	16.025%
Net assets per share attributable to ordinary equity holder of the Bank (RM)		30.48	27.73

* Refer to interim dividend declared subsequent to the financial year end.

The Condensed Interim Financial Statements should be read in conjunction with the annual audited financial statements of the Bank for the year ended 31 December 2022.

PUBLIC ISLAMIC BANK BERHAD
Company Registration No.: 197301001433 (14328-V)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENT OF PROFIT OR LOSS
FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

		4th Quarter Ended		Financial Year Ended	
		31 December	31 December	31 December	31 December
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	A16	913,077	860,114	3,571,303	2,866,162
Income derived from investment of shareholder's funds	A17	79,801	73,303	309,537	241,608
Allowance for impairment on financing and advances	A18	(8,411)	(103,209)	(17,972)	(154,890)
(Allowance) / Writeback of allowance for impairment on other assets	A19	(934)	66	(1,342)	(589)
Total distributable income		983,533	830,274	3,861,526	2,952,291
Income attributable to depositors and others	A20	(665,618)	(445,511)	(2,481,647)	(1,440,396)
Total net income		317,915	384,763	1,379,879	1,511,895
Personnel expenses	A21	(9,601)	(9,550)	(36,012)	(30,144)
Other overheads and expenditures	A22	(153,927)	(139,749)	(592,805)	(553,124)
Profit before zakat and taxation		154,387	235,464	751,062	928,627
Zakat		-	248	(2,359)	(1,867)
Taxation		(42,694)	(83,384)	(182,824)	(309,934)
Profit for the period / year		111,693	152,328	565,879	616,826
Earnings per share					
- basic / diluted (sen)	A23	45.9	62.6	232.7	258.2

The Condensed Interim Financial Statements should be read in conjunction with the annual audited financial statements of the Bank for the year ended 31 December 2022.

PUBLIC ISLAMIC BANK BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

	4th Quarter Ended		Financial Year Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit for the period / year	<u>111,693</u>	<u>152,328</u>	<u>565,879</u>	<u>616,826</u>
Other comprehensive (loss) / income:				
<u>Items that will not be reclassified</u>				
<u>subsequently to profit or loss:</u>				
Defined benefit reserves:				
- (Loss) / Gain on remeasurements of defined benefit plan	(2,644)	1,783	(2,644)	1,783
<u>Items that may be reclassified</u>				
<u>subsequently to profit or loss:</u>				
Revaluation reserves:				
- Net change in revaluation of financial investments at fair value through other comprehensive income	59,838	60,381	158,779	(112,038)
Hedging reserves:				
- Net change in cash flow hedges	(21,518)	(20,828)	(19,326)	108,480
	<u>38,320</u>	<u>39,553</u>	<u>139,453</u>	<u>(3,558)</u>
Income tax relating to components of other comprehensive (loss) / income :				
- Defined benefit reserves	634	(428)	634	(428)
- Revaluation reserves	(14,361)	(14,491)	(38,107)	26,889
- Hedging reserves	5,164	4,999	4,638	(26,035)
	<u>(8,563)</u>	<u>(9,920)</u>	<u>(32,835)</u>	<u>426</u>
Other comprehensive income / (loss) for the period / year, net of tax	<u>27,113</u>	<u>31,416</u>	<u>103,974</u>	<u>(1,349)</u>
Total comprehensive income for the period / year	<u><u>138,806</u></u>	<u><u>183,744</u></u>	<u><u>669,853</u></u>	<u><u>615,477</u></u>

The Condensed Interim Financial Statements should be read in conjunction with the annual audited financial statements of the Bank for the year ended 31 December 2022.

PUBLIC ISLAMIC BANK BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	<----- Non-distributable ----->				Distributable		
	Share Capital RM'000	Revaluation Reserves RM'000	Hedging Reserves RM'000	Defined Benefit Reserves RM'000	Other Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 January 2023	3,032,717	(185,007)	14,567	6,828	-	3,874,316	6,743,421
Profit for the year	-	-	-	-	-	565,879	565,879
Other comprehensive income / (loss) for the year	-	120,672	(14,688)	(2,010)	-	-	103,974
Total comprehensive income / (loss) for the year	-	120,672	(14,688)	(2,010)	-	565,879	669,853
At 31 December 2023	3,032,717	(64,335)	(121)	4,818	-	4,440,195	7,413,274

The Condensed Interim Financial Statements should be read in conjunction with the annual audited financial statements of the Bank for the year ended 31 December 2022.

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CONDENSED INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	<----- Non-distributable ----->					Distributable	
	Share Capital RM'000	Revaluation Reserves RM'000	Hedging Reserves RM'000	Defined Benefit Reserves RM'000	Other Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 January 2022	2,732,717	(99,858)	(67,878)	5,473	172	3,257,318	5,827,944
Profit for the year	-	-	-	-	-	616,826	616,826
Other comprehensive (loss) / income for the year	-	(85,149)	82,445	1,355	-	-	(1,349)
Total comprehensive (loss) / income for the year	-	(85,149)	82,445	1,355	-	616,826	615,477
Transactions with owner / other equity movements:							
Increase in share capital	300,000	-	-	-	-	-	300,000
Transfer from Profit Equalisation Reserves of the Bank	-	-	-	-	(172)	172	-
	300,000	-	-	-	(172)	172	300,000
At 31 December 2022	3,032,717	(185,007)	14,567	6,828	-	3,874,316	6,743,421

The Condensed Interim Financial Statements should be read in conjunction with the annual audited financial statements of the Bank for the year ended 31 December 2022.

PUBLIC ISLAMIC BANK BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
AUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	31 December 2023 RM'000	31 December 2022 RM'000
Profit before zakat and taxation	751,062	928,627
Adjustments for non-cash items	18,121	173,853
Operating profit before working capital changes	769,183	1,102,480
Changes in working capital:		
Net changes in operating assets	(9,041,066)	(8,087,938)
Net changes in operating liabilities	6,176,624	10,500,420
Cash (used in) / generated from operations	(2,095,259)	3,514,962
Zakat and tax paid	(282,200)	(326,357)
Tax refunded	7,205	4,104
Net cash (used in) / generated from operating activities	(2,370,254)	3,192,709
Net cash used in investing activities	(446,111)	(2,085,788)
Net cash (used in) / generated from financing activities	(1,337)	1,298,802
Net change in cash and cash equivalents	(2,817,702)	2,405,723
Cash and cash equivalents at beginning of the year	3,065,329	659,606
Cash and cash equivalents at end of the year	247,627	3,065,329
Note:		
Cash and balances with banks	247,627	3,065,329
Less: Balances with banks with original maturity more than three months	-	-
Cash and cash equivalents at end of the year	247,627	3,065,329

The Condensed Interim Financial Statements should be read in conjunction with the annual audited financial statements of the Bank for the year ended 31 December 2022.

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Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting for Islamic Banking Institutions Issued by Bank Negara Malaysia

A1. Basis of Preparation

The audited condensed interim financial statements for the 4th quarter and financial year ended 31 December 2023 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets at fair value through profit or loss ("FVTPL"), financial investments at fair value through other comprehensive income ("FVOCI") and derivative financial instruments.

The audited condensed interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"). The audited condensed interim financial statements should be read in conjunction with the annual audited financial statements of the Bank for the financial year ended 31 December 2022. The explanatory notes attached to the audited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 December 2022.

The material accounting policies and methods of computation applied in the audited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2022, except for the adoption or early adoption of the following during the current financial year:

Effective for annual periods commencing on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4 Insurance Contracts)
- Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)
- Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17 Insurance Contracts)
- International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112 Income Taxes)

Effective for annual periods commencing on or after 1 January 2024

- Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)
- Supplier Finance Arrangements (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures)

Other than as disclosed below, the adoption of the MFRS and amendments to MFRSs did not have any impact on the financial statements of the Bank.

Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements) - The amendments require entities to disclose their material accounting policy information rather than significant accounting policies and include examples of what is considered to be material to their financial statements. To support the amendments, MFRS Practice Statement 2 Making Materiality Judgments was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosure. The adoption of these amendments only affected disclosures and did not have any financial impact to the Bank.

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A1. Basis of Preparation (continued)

Other than as disclosed below, the adoption of the MFRS and amendments to MFRSs did not have any impact on the financial statements of the Bank (continued):

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes) - The amendments clarify how companies should account for deferred tax on transactions such as leases and decommissioning obligation. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal and offsetting temporary differences. The adoption of these amendments affected the Bank's classification of deferred tax in relation to right-of-use assets and the corresponding lease liabilities which were previously recognised on a net basis, but did not have any financial impact to the Bank.

The following Amendments to MFRSs have been issued by MASB but are not yet effective to the Bank:

Effective for annual periods commencing on or after 1 January 2025

- Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)

Effective date of these Amendments to Standards has been deferred, pending further announcement

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates) - The amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact of a currency not being exchangeable.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - The amendments clarify that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The adoption of the above amendments to MFRSs is not expected to have any financial impact on the financial statements of the Bank.

A2. Auditors' Report on Preceding Annual Audited Financial Statements

The auditors' report on the annual audited financial statements for the financial year ended 31 December 2022 was not qualified.

A3. Comments about Seasonal or Cyclical Factors

The operations of the Bank were not materially affected by any seasonal or cyclical factors in the current financial year.

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A4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank in the current financial year.

A5. Changes in Estimates

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

A6. Debt and Equity Securities

There were no issuances of shares, share buy-backs and repayment of debt and equity securities by the Bank in the current financial year.

A7. Dividends Paid, Distributed and Declared

No dividend has been paid nor declared during the financial year ended 31 December 2023.

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A8. Financial Assets at Fair Value through Profit or Loss ("FVTPL")

	31 December 2023 RM'000	31 December 2022 RM'000
At fair value		
Money market instruments:		
Negotiable Islamic Debt Certificates	1,893,292	-
Total financial assets at FVTPL	<u>1,893,292</u>	<u>-</u>

A9. Financial Investments at Fair Value through Other Comprehensive Income ("FVOCI")

	31 December 2023 RM'000	31 December 2022 RM'000
At fair value		
Government securities and treasury bills:		
Malaysian Government Investment Issues	12,949,519	11,807,580
Malaysian Government Treasury Bills	-	269,032
Total financial investments at FVOCI	<u>12,949,519</u>	<u>12,076,612</u>

The following expected credit losses ("ECL") for debt instruments are recognised in other comprehensive income. Such ECL do not reduce the carrying amount in the statement of financial position as the carrying amount of debt instruments at FVOCI is equivalent to their fair value:

	12-Month ECL (Stage 1) RM'000	Lifetime ECL Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	2,096	-	-	2,096
New financial investments purchased	689	-	-	689
Net allowance written back	(7)	-	-	(7)
Amount derecognised	(561)	-	-	(561)
At 31 December 2023	<u>2,217</u>	<u>-</u>	<u>-</u>	<u>2,217</u>
At 1 January 2022	1,765	-	-	1,765
New financial investments purchased	406	-	-	406
Net allowance written back	(20)	-	-	(20)
Amount derecognised	(55)	-	-	(55)
At 31 December 2022	<u>2,096</u>	<u>-</u>	<u>-</u>	<u>2,096</u>

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A10. Financial Investments at Amortised Cost

	31 December 2023 RM'000	31 December 2022 RM'000
At amortised cost		
Government securities and treasury bills:		
Malaysian Government Investment Issues	4,271,900	4,321,334
Non-money market instruments:		
Debt securities		
- Cagamas sukuk	1,103,390	1,103,389
- Unquoted corporate sukuk	-	211,921
	<u>1,103,390</u>	<u>1,315,310</u>
Allowance for impairment	(914)	(958)
Total financial investments at amortised cost	<u>5,374,376</u>	<u>5,635,686</u>

Movements in allowances for impairment on debt instruments which reflect the ECL model on impairment are as follows:

	12-Month ECL (Stage 1) RM'000	Lifetime ECL Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	958	-	-	958
New financial investments purchased	230	-	-	230
Net allowance made	2	-	-	2
Amount derecognised	(276)	-	-	(276)
At 31 December 2023	<u>914</u>	<u>-</u>	<u>-</u>	<u>914</u>
At 1 January 2022	934	-	-	934
New financial investments purchased	162	-	-	162
Net allowance written back	(3)	-	-	(3)
Amount derecognised	(135)	-	-	(135)
At 31 December 2022	<u>958</u>	<u>-</u>	<u>-</u>	<u>958</u>

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A11. Financing and Advances

a. By type and contract

31 December 2023	Bai' Bithaman Ajil RM'000	Ijarah ^ Thumma Al-Bai' RM'000	Bai' Inah RM'000	Musharakah Mutanaqisah RM'000	Murabahah RM'000	Others RM'000	Total Financing and Advances RM'000
At amortised cost							
Cash line	1,376,638	-	245,083	-	-	-	1,621,721
Term financing							
- House financing	4,786,610	-	-	30,194,425	-	-	34,981,035
- Syndicated financing	-	-	-	-	1,000,857	359,663	1,360,520
- Hire purchase receivables	-	11,796,649	-	-	-	-	11,796,649
- Other term financing	1,157,910	-	2,937,700	14,840,037	2,869,350	1,025,448	22,830,445
Credit card receivables	-	-	-	-	-	113,250	113,250
Bills receivables	-	-	-	-	826	-	826
Trust receipts	-	-	-	-	902	-	902
Claims on customers under acceptance credits	-	-	-	-	222,629	-	222,629
Revolving credits	-	-	250,735	-	333,659	-	584,394
Staff financing	-	16,735	-	117,832	-	-	134,567
Gross financing and advances	7,321,158	11,813,384	3,433,518	45,152,294	4,428,223	1,498,361	73,646,938
Less : Allowance for impairment on financing and advances							
- Expected credit losses							(886,192)
- Stage 1: 12-Month ECL							(178,079)
- Stage 2: Lifetime ECL not credit-impaired							(635,085)
- Stage 3: Lifetime ECL credit-impaired							(73,028)
Net financing and advances							72,760,746

^ The Bank is the owner of the asset throughout the tenure of the Ijarah financing. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

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A11. Financing and Advances (continued)

a. By type and contract (continued)

31 December 2022	Bai' Bithaman Ajil RM'000	Ijarah ^ Thumma Al-Bai' RM'000	Bai' Inah RM'000	Musharakah Mutanaqisah RM'000	Murabahah RM'000	Others RM'000	Total Financing and Advances RM'000
At amortised cost							
Cash line	1,582,097	-	27,635	-	-	-	1,609,732
Term financing							
- House financing	5,159,217	-	-	26,408,385	-	-	31,567,602
- Syndicated financing	-	-	-	-	1,000,852	359,233	1,360,085
- Hire purchase receivables	-	10,507,358	-	-	-	-	10,507,358
- Other term financing	1,334,524	-	2,115,983	14,410,896	1,798,459	747,520	20,407,382
Credit card receivables	-	-	-	-	-	74,392	74,392
Bills receivables	-	-	-	-	2,636	-	2,636
Trust receipts	-	-	-	-	3,709	-	3,709
Claims on customers under acceptance credits	-	-	-	-	205,354	-	205,354
Revolving credits	-	-	250,475	-	405,771	-	656,246
Staff financing	-	14,154	-	110,870	-	-	125,024
Gross financing and advances	8,075,838	10,521,512	2,394,093	40,930,151	3,416,781	1,181,145	66,519,520
Less : Allowance for impairment on financing and advances							
- Expected credit losses							(882,448)
- Stage 1: 12-Month ECL							(455,527)
- Stage 2: Lifetime ECL not credit-impaired							(376,749)
- Stage 3: Lifetime ECL credit-impaired							(50,172)
Net financing and advances							65,637,072

All the financing and advances are located in Malaysia.

^ The Bank is the owner of the asset throughout the tenure of the Ijarah financing. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

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A11. Financing and Advances (continued)

b. By class

	31 December 2023 RM'000	31 December 2022 RM'000
Retail financing *		
- House financing	34,981,035	31,567,602
- Hire purchase	11,796,649	10,507,358
- Credit cards	113,250	74,392
- Other financing ^	19,145,069	18,935,679
	66,036,003	61,085,031
Corporate financing	7,610,935	5,434,489
Gross financing and advances	73,646,938	66,519,520

* Included in retail financing are financing granted to individual customers and mid-market commercial enterprises.

^ Included in other financing are term financing, trade financing, cash line and revolving credits.

c. By type of customer

	31 December 2023 RM'000	31 December 2022 RM'000
Domestic non-bank financial institutions		
- Others	2,447,251	1,180,545
Domestic business enterprises		
- Small and medium enterprises	10,078,377	10,168,277
- Others	3,915,422	3,885,570
Government and statutory bodies	2,017,833	1,001,616
Individuals	55,035,195	50,119,693
Other domestic entities	3,428	3,932
Foreign entities	149,432	159,887
Gross financing and advances	73,646,938	66,519,520

d. By rate of return sensitivity

	31 December 2023 RM'000	31 December 2022 RM'000
Fixed rate		
- House financing	157,167	191,655
- Hire purchase receivables	11,796,386	10,507,052
- Other fixed rate financing	4,753,742	3,679,634
Variable rate		
- Base rate / base financing rate plus	52,003,599	48,195,971
- Cost plus	4,936,044	3,945,208
Gross financing and advances	73,646,938	66,519,520

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A11. Financing and Advances (continued)

e. By residual contractual maturity

	31 December 2023 RM'000	31 December 2022 RM'000
Maturity within one year	2,877,371	2,805,056
More than one year to three years	4,517,826	4,876,974
More than three years to five years	3,022,237	3,333,226
More than five years	63,229,504	55,504,264
Gross financing and advances	<u>73,646,938</u>	<u>66,519,520</u>

f. By economic purpose

	31 December 2023 RM'000	31 December 2022 RM'000
Purchase of transport vehicles	11,813,386	10,521,513
Purchase of properties	49,307,334	45,171,068
(of which: - residential	35,742,147	32,320,362
- non-residential)	13,565,187	12,850,706
Purchase of fixed assets (excluding properties)	4,056	294
Personal use	2,852,338	3,051,575
Credit card	113,250	74,392
Purchase of consumer durables	472	477
Construction	1,120,168	996,641
Working capital	7,821,885	5,880,292
Other purpose	614,049	823,268
Gross financing and advances	<u>73,646,938</u>	<u>66,519,520</u>

g. By sector

	31 December 2023 RM'000	31 December 2022 RM'000
Agriculture, hunting, forestry and fishing	451,805	446,671
Mining and quarrying	41,218	106,478
Manufacturing	1,789,668	1,774,574
Electricity, gas and water	3,026	22,957
Construction	2,779,735	2,822,927
Wholesale & retail trade and restaurants & hotels	3,558,179	3,510,445
Transport, storage and communication	1,393,965	1,202,869
Finance, insurance and business services	2,858,265	1,602,030
Real estate	3,276,295	3,415,684
Community, social and personal services	2,323,209	1,382,598
Households	55,171,573	50,232,287
Gross financing and advances	<u>73,646,938</u>	<u>66,519,520</u>

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A11. Financing and Advances (continued)

h. Movements in credit-impaired financing and advances ("impaired financing") are as follows:

	31 December 2023 RM'000	31 December 2022 RM'000
At 1 January	154,367	132,260
Impaired during the year	607,682	183,719
Reclassified as non-credit impaired	(319,597)	(89,625)
Recoveries	(146,513)	(35,025)
Amount written off	(35,851)	(29,561)
Financing converted to foreclosed properties	(8,686)	(7,401)
Closing balance	<u>251,402</u>	<u>154,367</u>
Gross impaired financing as a percentage of gross financing and advances	<u>0.34%</u>	<u>0.23%</u>

i. Impaired financing and advances by economic purpose

	31 December 2023 RM'000	31 December 2022 RM'000
Purchase of transport vehicles	41,027	32,574
Purchase of properties	179,178	94,017
(of which: - residential	<u>144,148</u>	<u>63,370</u>
- non-residential)	<u>35,030</u>	<u>30,647</u>
Personal use	24,249	24,310
Credit card	1,034	580
Working capital	5,892	2,871
Other purpose	22	15
	<u>251,402</u>	<u>154,367</u>

j. Impaired financing and advances by sector

	31 December 2023 RM'000	31 December 2022 RM'000
Agriculture, hunting, forestry and fishing	25	58
Mining and quarrying	176	-
Manufacturing	231	307
Construction	3,802	3,121
Wholesale & retail trade and restaurants & hotels	7,361	1,852
Transport, storage and communication	487	263
Finance, insurance and business services	14,430	19,484
Real estate	4,755	1,087
Community, social and personal services	197	78
Households	219,938	128,117
	<u>251,402</u>	<u>154,367</u>

All the impaired financing and advances are located in Malaysia.

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A11. Financing and Advances (continued)

k. Movements in loss allowance for financing which reflect the ECL model on impairment are as follows:

	12-Month ECL (Stage 1) RM'000	Lifetime ECL Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	455,527	376,749	50,172	882,448
Changes due to financing and advances recognised as at 1 January 2023:	70,857	(71,712)	855	-
- Transfer to Stage 1: 12-Month ECL	77,971	(74,724)	(3,247)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(6,964)	11,533	(4,569)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(150)	(8,521)	8,671	-
New financing and advances originated	14,509	11,741	1,533	27,783
Net remeasurement due to changes in credit risk	(352,688)	345,718	51,139	44,169
Financing and advances derecognised (other than write-off)	(5,686)	(8,536)	(4,397)	(18,619)
Modifications to contractual cash flows of financing and advances	(605)	(8,669)	9,997	723
Changes in models / risk parameters	(3,711)	(10,206)	(420)	(14,337)
Amount written off	(124)	-	(35,851)	(35,975)
At 31 December 2023	178,079	635,085	73,028	886,192
At 1 January 2022	401,495	283,903	41,963	727,361
Changes due to financing and advances recognised as at 1 January 2022:	53,581	(52,862)	(719)	-
- Transfer to Stage 1: 12-Month ECL	63,042	(60,579)	(2,463)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(9,306)	12,561	(3,255)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(155)	(4,844)	4,999	-
New financing and advances originated	14,087	9,296	708	24,091
Net remeasurement due to changes in credit risk	(3,281)	73,861	37,736	108,316
Financing and advances derecognised (other than write-off)	(5,536)	(6,131)	(5,224)	(16,891)
Modifications to contractual cash flows of financing and advances	(73)	91,418	5,269	96,614
Changes in models / risk parameters	(4,694)	(22,736)	-	(27,430)
Amount written off	(52)	-	(29,561)	(29,613)
At 31 December 2022	455,527	376,749	50,172	882,448

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A12. Other Assets

	31 December 2023 RM'000	31 December 2022 RM'000
Deferred handling fees	65,524	54,962
Income receivable	-	422
Other receivables, deposits and prepayments	132,857	132,237
Tax recoverable	413	-
Employee benefits	203	2,056
Foreclosed properties	32,234	28,269
	<u>231,231</u>	<u>217,946</u>

A13. Deposits from Customers

a. By type of deposit and contract

	31 December 2023 RM'000	31 December 2022 RM'000
<u>At amortised cost</u>		
Savings deposit		
- Qard	9,556,033	9,797,611
Demand deposit		
- Qard	8,538,785	7,653,155
Term deposit		
- Term deposit		
- Commodity Murabahah	50,412,429	42,025,215
- Special term deposit account		
- Commodity Murabahah	13,818,017	16,612,589
	<u>82,325,264</u>	<u>76,088,570</u>

b. By type of customer

	31 December 2023 RM'000	31 December 2022 RM'000
Federal and state governments	6,993,662	7,027,155
Local government and statutory authorities	1,866,677	969,567
Business enterprises	15,042,626	14,956,487
Individuals	36,719,481	32,020,178
Foreign customers	870,362	713,180
Others	20,832,456	20,402,003
	<u>82,325,264</u>	<u>76,088,570</u>

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A13. Deposits from Customers (continued)

c. The maturity structure of term deposits are as follows:

	31 December 2023 RM'000	31 December 2022 RM'000
Due within six months	49,418,551	47,739,245
More than six months to one year	13,575,070	6,785,332
More than one year to three years	1,236,312	4,112,882
More than three years to five years	513	345
	<u>64,230,446</u>	<u>58,637,804</u>

A14. Deposits from Banks and Other Financial Institutions

	31 December 2023 RM'000	31 December 2022 RM'000
At amortised cost		
<u>Non-Mudharabah Fund</u>		
Licensed banks	1,986,969	2,136,785
Licensed Islamic banks	83,900	400,000
Licensed investment banks	86,409	109,257
Bank Negara Malaysia	64,016	64,686
Other financial institutions	65,949	4,723
	<u>2,287,243</u>	<u>2,715,451</u>

A15. Other Liabilities

	31 December 2023 RM'000	31 December 2022 RM'000
Income payable	725,566	393,574
Other payables and accruals	93,059	56,199
Accrued restoration costs	1,094	1,094
Allowance for impairment on financing commitments and financial guarantees	11,305	12,578
	<u>831,024</u>	<u>463,445</u>

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A15. Other Liabilities (continued)

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

	12-Month ECL (Stage 1) RM'000	Lifetime ECL Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	7,152	5,254	172	12,578
Changes due to financing commitments and financial guarantees recognised as at 1 January 2023:	1,701	(1,748)	47	-
- Transfer to Stage 1: 12-Month ECL	2,023	(2,006)	(17)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(321)	369	(48)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(1)	(111)	112	-
New financing commitments and financial guarantees originated	803	992	10	1,805
Net remeasurement due to changes in credit risk	(2,608)	73	92	(2,443)
Financing commitments and financial guarantees derecognised	(273)	(133)	(3)	(409)
Modifications to contractual cash flows of financing commitments and financial guarantees	(30)	125	85	180
Changes in models / risk parameters	(234)	(173)	1	(406)
At 31 December 2023	<u>6,511</u>	<u>4,390</u>	<u>404</u>	<u>11,305</u>
At 1 January 2022	7,188	4,910	18	12,116
Changes due to financing commitments and financial guarantees recognised as at 1 January 2022:	888	(913)	25	-
- Transfer to Stage 1: 12-Month ECL	1,088	(1,088)	-	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(198)	208	(10)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(2)	(33)	35	-
New financing commitments and financial guarantees originated	703	1,461	39	2,203
Net remeasurement due to changes in credit risk	(1,014)	128	57	(829)
Financing commitments and financial guarantees derecognised	(311)	(369)	(2)	(682)
Modifications to contractual cash flows of financing commitments and financial guarantees	(2)	595	35	628
Changes in models / risk parameters	(300)	(558)	-	(858)
At 31 December 2022	<u>7,152</u>	<u>5,254</u>	<u>172</u>	<u>12,578</u>

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A16. Income Derived from Investment of Depositors' Funds and Others

	4th Quarter Ended		Financial Year Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(a) Term deposits	707,239	647,672	2,708,119	2,073,700
(b) Other deposits	205,838	212,442	863,184	792,462
	913,077	860,114	3,571,303	2,866,162

a. Income derived from investment of term deposits:

Finance income and Hibah

Financing and advances	572,151	535,240	2,190,966	1,681,997
Financial investments at fair value through other comprehensive income	71,763	58,063	272,960	204,738
Financial investments at amortised cost	37,441	33,512	141,077	121,178
Balances with banks	554	3,069	3,693	4,572
	681,909	629,884	2,608,696	2,012,485
Financial assets at fair value through profit or loss	6,750	-	22,795	-
Total finance income and Hibah	688,659	629,884	2,631,491	2,012,485

Other operating income

Fee and commission income:

- Commissions	7,945	9,054	33,454	31,402
- Service charges and fees	3,221	2,815	12,978	11,549
- Other fee income	1,284	1,595	5,681	5,237

Net gains and losses on financial instruments:

- Net gain arising from sale of financial investments at fair value through other comprehensive income	108	69	2,552	695
- Net gain / (loss) representing ineffective portions of hedging derivatives	135	95	68	(322)
- Others	(5)	-	341	3

Gross distribution income from collective investment

	3,679	2,735	14,070	8,725
Other income	2,213	1,425	7,484	3,926
Total other operating income	18,580	17,788	76,628	61,215
	707,239	647,672	2,708,119	2,073,700

Of which:

Financing income earned on impaired financing

	1,585	1,334	5,988	3,380
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A16. Income Derived from Investment of Depositors' Funds and Others (continued)

	4th Quarter Ended		Financial Year Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
b. Income derived from investment of other deposits:				
<u>Finance income and Hibah</u>				
Financing and advances	166,520	176,344	698,347	642,774
Financial investments at fair value through other comprehensive income	20,904	18,582	87,003	78,240
Financial investments at amortised cost	10,920	10,651	44,967	46,308
Balances with banks	146	1,136	1,177	1,747
	198,490	206,713	831,494	769,069
Financial assets at fair value through profit or loss	1,995	-	7,266	-
Total finance income and Hibah	200,485	206,713	838,760	769,069
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	2,283	2,910	10,663	12,000
- Service charges and fees	931	860	4,137	4,413
- Other fee income	367	520	1,811	2,002
Net gains and losses on financial instruments:				
- Net gain arising from sale of financial investments at fair value through other comprehensive income	10	12	813	266
- Net gain / (loss) representing ineffective portions of hedging derivatives	42	47	21	(123)
- Others	(4)	-	109	1
Gross distribution income from collective investment	1,071	897	4,485	3,334
Other income	653	483	2,385	1,500
Total other operating income	5,353	5,729	24,424	23,393
	205,838	212,442	863,184	792,462
Of which:				
Financing income earned on impaired financing	462	459	1,909	1,291

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A17. Income Derived from Investment of Shareholder's Funds

	4th Quarter Ended		Financial Year Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and Hibah</u>				
Financing and advances	64,559	60,627	250,427	195,971
Financial investments at fair value through other comprehensive income	8,098	6,543	31,199	23,854
Financial investments at amortised cost	4,226	3,772	16,125	14,119
Balances with banks	61	356	422	533
	76,944	71,298	298,173	234,477
Financial assets at fair value through profit or loss	763	-	2,605	-
Total finance income and Hibah	77,707	71,298	300,778	234,477
<u>Other operating income</u>				
Fee and commission income:				
- Commissions	895	1,021	3,824	3,659
- Service charges and fees	363	315	1,483	1,346
- Other fee income	144	179	649	609
Net gains and losses on financial instruments:				
- Net gain arising from sale of financial investments at fair value through other comprehensive income	11	7	292	81
- Net gain / (loss) representing ineffective portions of hedging derivatives	16	12	8	(38)
- Others	(1)	(1)	39	-
Gross distribution income from collective investment	415	310	1,608	1,017
Other income	251	162	856	457
Total other operating income	2,094	2,005	8,759	7,131
	79,801	73,303	309,537	241,608
Of which:				
Financing income earned on impaired financing	178	152	684	394

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A18. Allowance for Impairment on Financing and Advances

	4th Quarter Ended		Financial Year Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Expected credit losses made	12,570	110,261	38,446	185,162
Impaired financing written off	-	1	2	1
Impaired financing recovered	(4,159)	(7,053)	(20,476)	(30,273)
	<u>8,411</u>	<u>103,209</u>	<u>17,972</u>	<u>154,890</u>

The breakdown of expected credit losses ("ECL") made / (written back) are as follows:

	Forward Looking ECL due to Emerging Risks / COVID-19 Pandemic			
	Base ECL RM'000	Macro- economic Variables RM'000	Management Overlay RM'000	Total ECL Charged RM'000
Financial Year Ended 31 December 2023				
ECL made / (written back)	<u>24,123</u>	<u>(16,142)</u>	<u>30,465</u>	<u>38,446</u>
Financial Year Ended 31 December 2022				
ECL made / (written back)	<u>87,941</u>	<u>(56,104)</u>	<u>153,325</u>	<u>185,162</u>

A19. Allowance / (Writeback of allowance) for Impairment on Other Assets

	4th Quarter Ended		Financial Year Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Expected credit losses (written back) / made on:				
- Financial investments at fair value through other comprehensive income	(219)	(21)	121	331
- Financial investments at amortised cost	(186)	(8)	(44)	24
Allowance / (Writeback of allowance) for impairment on foreclosed properties	1,339	(37)	1,265	234
	<u>934</u>	<u>(66)</u>	<u>1,342</u>	<u>589</u>

A20. Income Attributable to Depositors and Others

	4th Quarter Ended		Financial Year Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Non-Mudharabah fund	598,603	406,963	2,184,997	1,292,682
Deposits from banks and other financial institutions				
- Non-Mudharabah fund	36,744	17,825	175,439	68,678
Financing sold to Cagamas	8,426	8,646	34,638	34,870
Sukuk Murabahah	21,614	11,874	85,750	43,447
Lease liabilities	231	203	823	719
	<u>665,618</u>	<u>445,511</u>	<u>2,481,647</u>	<u>1,440,396</u>

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A21. Personnel expenses

	4th Quarter Ended		Financial Year Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	8,312	7,042	29,362	23,241
Pension costs	629	1,740	3,671	4,215
Others	660	768	2,979	2,688
	9,601	9,550	36,012	30,144

A22. Other Overheads and Expenditures

	4th Quarter Ended		Financial Year Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Establishment costs				
- Depreciation	627	635	2,564	2,223
- Insurance	278	208	1,302	1,072
- Water and electricity	90	85	365	236
- General repairs and maintenance	124	152	883	602
- Information technology expenses	340	1,197	3,668	3,185
- Others	742	524	2,800	2,053
	2,201	2,801	11,582	9,371
Marketing expenses				
- Advertisement and publicity	248	8	1,109	1,111
- Others	640	841	3,249	2,021
	888	849	4,358	3,132
Administration and general expenses				
- Communication expenses	4,552	3,837	16,426	39,468
- Legal and professional fees	1,741	3,397	8,999	10,128
- Others	8,833	8,041	34,386	31,571
	15,126	15,275	59,811	81,167
Cost of resource sharing charged by Public Bank Berhad *	140,706	125,187	536,096	477,639
Recovery of expenses	(4,994)	(4,363)	(19,042)	(18,185)
	153,927	139,749	592,805	553,124

* The type of resource sharing rendered by Public Bank Berhad to the Bank in Malaysia are as follows:

	4th Quarter Ended		Financial Year Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Credit related	58,123	53,322	230,652	204,874
Non-credit branch support	51,250	46,631	200,878	177,537
Other administration function	31,333	25,234	104,566	95,228
	140,706	125,187	536,096	477,639

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A23. Earnings Per Share ("EPS")

a) Basic EPS

The calculation of the basic EPS is based on the net profit attributable to the equity holder of the Bank divided by the weighted average number of ordinary shares in issue during the 4th quarter and financial year ended 31 December 2023.

	4th Quarter Ended		Financial Year Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to equity holder of the Bank (RM'000)	111,693	152,328	565,879	616,826
Number of ordinary shares at beginning of the period ('000)	243,217	243,217	243,217	231,217
Effect of the issuance of shares ('000)	-	-	-	7,660
Weighted average number of shares in issue ('000)	243,217	243,217	243,217	238,877
Basic EPS (sen)	45.9	62.6	232.7	258.2

b) Diluted EPS

The Bank has no dilution in its EPS in the current and the preceding financial year as there are no dilutive potential ordinary shares.

A24. Performance Review

The Bank reported a lower pre-tax profit of RM751.1 million for the financial year ended 31 December 2023, which was -19.1% or RM177.5 million lower as compared to pre-tax profit of RM928.6 million for the financial year ended 31 December 2022. The lower profit was due to lower net finance income of RM286.2 million, higher other operating expenses of RM45.5 million and higher allowance for impairment on other assets of RM0.7 million offset by the lower allowance for impairment on financing and advances of RM136.9 million and higher other operating income of RM18.0 million.

A25. Prospects for 2024

The global economy is expected to grow in 2024, with downside risks weighed by the anticipated downtrend in external trades, slower momentum in major economies, protracted geopolitical tension(s) and tight financial market conditions. China's economic activities are expected to grow albeit at a slower than expected pace, supported by both domestic and global demand. In the United States of America ("US"), consumer demand is expected to be adversely impacted as consumers have largely depleted excess savings accumulated during the pandemic. The euro area economy is also expected to face challenges amid global uncertainties.

The Malaysian economic growth is expected to be backed by firm fundamentals, stable labour market conditions and its diversified economic structure. Steady domestic demand, services sector growth including tourism activities as well as further progress of investment and infrastructure projects will remain supportive of growth. Meanwhile, downside risks mainly stem from weaker-than-expected global growth and more volatile global financial market conditions. Domestic financial conditions also remain conducive to financial intermediation with the resilience in Malaysian banking system underpinned by ample liquidity and healthy capital buffers.

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A25. Prospects for 2024 (continued)

The Bank is fully committed on its role as a financial intermediary as well as contributing towards national development and economic growth. The Bank continues to maintain prudence in its management of credit risk as well as preserve its sound corporate governance and risk management practices.

The Bank is committed in embracing sustainability in its business strategy and operations. The Bank's efforts encompass a wide array of initiatives in the areas of environmental, social and governance. In addressing climate change risk, the Bank continues to promote the national transition to a low carbon economy by supporting green financing and embedding environmental considerations into its business strategies. The Bank and several property developers are collaborating on property financing of green and sustainable development projects in Malaysia. The Bank's offerings of attractive financing packages for the purchase of energy efficient vehicles and solar panel, among others, continue to support a green and lower carbon emission environment.

On digitalisation and technological innovation, the Bank continues to apply relevant roadmap and strategies for the development of digital initiatives. This includes ongoing upgrades and enhancement of information and communication technology infrastructure as well as exploration and adoption of new technologies to cater to the evolving customers' needs. The Bank continues to enhance features of its digital channels, such as a revamped version of its online banking website and introduction of the MyPB app, with easy navigation and faster response for retail customers.

For long term sustainability, the Bank continues to enhance its service delivery standards and infrastructure by leveraging on the advancement of technology. The Bank will continue to provide seamless banking services across its multi-delivery channels. The Bank will also strive to deliver efficient customer service through its extensive network of physical and digital channels, while sustaining its market position in both the domestic retail and consumer segments.

The Bank will continue to support financing of residential properties, in tandem with the Government's initiatives to promote home ownership, especially for first time home buyers. The Bank will also continue to support financing for purchase of passenger vehicles. Similarly, the Bank will remain supportive of its corporate and small and medium enterprises ("SME") financing businesses by leveraging on its strong franchise and relationship with customers.

Amid financial market volatility, the Bank's treasury operations will remain vigilant in its business approach and will maintain a prudent risk profile, while further strengthening its risk management capabilities to weather ongoing market risks.

The Bank continues to ensure that it remains well-capitalised and well-funded at all times to support its business growth, while safeguarding the interests of its stakeholders. The Bank's healthy capital and liquidity position coupled with its resilient asset quality and prudent financing loss reserves will enable the Bank to generate sustainable profit through challenging times and business cycles.

A26. Subsequent Events

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

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A27. Segment Information

	<----- Operating Segments ----->						Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Banking RM'000	Treasury and Capital Market Operations RM'000	Head Office and Funding Center RM'000	Inter- segment Elimination RM'000	
4th Quarter Ended 31 December 2023							
External revenue	144,796	585,267	83,384	67,592	111,821	-	992,860
Revenue from other segments	1,011	109,070	362	109,114	72,142	(291,699)	-
	145,807	694,337	83,746	176,706	183,963	(291,699)	992,860
Net finance income / (expense)	45,429	182,017	14,008	(17,128)	76,907	-	301,233
Other operating income	311	18,856	853	628	5,379	-	26,027
Net income / (loss)	45,740	200,873	14,861	(16,500)	82,286	-	327,260
Other operating expenses	(13,607)	(114,182)	(621)	(2,006)	(33,112)	-	(163,528)
(Allowance) / Writeback of allowance for impairment on financing and advances	(4,089)	1,216	(5,538)	-	-	-	(8,411)
(Allowance) / Writeback of allowance for impairment on other assets	-	(1,339)	-	178	227	-	(934)
Profit / (Loss) by segments	28,044	86,568	8,702	(18,328)	49,401	-	154,387

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A27. Segment Information (continued)

	<----- Operating Segments ----->						Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Banking RM'000	Treasury and Capital Market Operations RM'000	Head Office and Funding Center RM'000	Inter- segment Elimination RM'000	
4th Quarter Ended 31 December 2022							
External revenue	124,187	596,388	56,168	54,738	101,923	-	933,404
Revenue from other segments	916	47,867	1	82,047	54,337	(185,168)	-
	125,103	644,255	56,169	136,785	156,260	(185,168)	933,404
Net finance income / (expense)	38,869	309,609	12,449	(15,606)	117,063	-	462,384
Other operating income	283	20,116	530	484	4,109	-	25,522
Net income / (loss)	39,152	329,725	12,979	(15,122)	121,172	-	487,906
Other operating expenses	(13,837)	(103,340)	(847)	(1,701)	(29,574)	-	(149,299)
Writeback of allowance / (Allowance) for impairment on financing and advances	56,280	(163,778)	4,289	-	-	-	(103,209)
Writeback of allowance for impairment on other assets	-	37	-	23	6	-	66
Profit / (Loss) by segments	81,595	62,644	16,421	(16,800)	91,604	-	235,464

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A27. Segment Information (continued)

Financial Year Ended 31 December 2023	<----- Operating Segments ----->						Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Banking RM'000	Treasury and Capital Market Operations RM'000	Head Office and Funding Center RM'000	Inter- segment Elimination RM'000	
External revenue	547,764	2,337,186	279,983	270,297	445,546	-	3,880,776
Revenue from other segments	2,145	382,265	833	370,123	252,238	(1,007,604)	-
	549,909	2,719,451	280,816	640,420	697,784	(1,007,604)	3,880,776
Net finance income / (expense)	173,497	829,092	52,354	(68,953)	303,392	-	1,289,382
Other operating income	1,321	79,452	2,597	5,068	21,373	-	109,811
Net income / (loss)	174,818	908,544	54,951	(63,885)	324,765	-	1,399,193
Other operating expenses	(55,778)	(444,613)	(3,712)	(7,780)	(116,934)	-	(628,817)
Writeback of allowance / (Allowance) for impairment on financing and advances	5,849	(18,835)	(4,986)	-	-	-	(17,972)
(Allowance) / Writeback of allowance for impairment on other assets	-	(1,265)	-	4	(81)	-	(1,342)
Profit / (Loss) by segments	124,889	443,831	46,253	(71,661)	207,750	-	751,062
Cost income ratio	31.9%	48.9%	6.8%	-12.2%	36.0%	-	44.9%
Gross financing and advances	11,798,104	54,237,899	7,610,935	-	-	-	73,646,938
Financing growth	12.3%	7.2%	40.0%	-	-	-	10.7%
Impaired financing and advances	41,027	210,242	133	-	-	-	251,402
Impaired financing ratio	0.35%	0.39%	-	-	-	-	0.34%
Deposits from customers	-	68,497,930	6,304	13,821,030	-	-	82,325,264
Deposit growth	-	15.2%	-45.1%	-16.9%	-	-	8.2%
Segment assets	11,641,900	69,659,424	7,505,877	16,003,443	11,943,334	(21,054,344)	95,699,634
Reconciliation of segment assets to total assets:							
Investment in an associated company							67,500
Unallocated assets							239,169
Total assets							96,006,303

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A27. Segment Information (continued)

Financial Year Ended 31 December 2022	Operating Segments						Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Banking RM'000	Treasury and Capital Market Operations RM'000	Head Office and Funding Center RM'000	Inter- segment Elimination RM'000	
External revenue	480,168	1,855,320	197,165	183,377	391,684	-	3,107,714
Revenue from other segments	1,538	269,763	290	206,918	124,073	(602,582)	-
	481,706	2,125,083	197,455	390,295	515,757	(602,582)	3,107,714
Net finance income	154,987	1,005,900	49,825	51	364,872	-	1,575,635
Other operating income	1,073	76,356	735	769	12,806	-	91,739
Net income	156,060	1,082,256	50,560	820	377,678	-	1,667,374
Other operating expenses	(53,884)	(411,611)	(2,589)	(6,369)	(108,815)	-	(583,268)
Writeback of allowance / (Allowance) for impairment on financing and advances	79,212	(195,254)	(38,848)	-	-	-	(154,890)
Allowance for impairment on other assets	-	(234)	-	(291)	(64)	-	(589)
Profit / (Loss) by segments	181,388	475,157	9,123	(5,840)	268,799	-	928,627
Cost income ratio	34.5%	38.0%	5.1%	776.7%	28.8%	-	35.0%
Gross financing and advances	10,508,214	50,576,817	5,434,489	-	-	-	66,519,520
Financing growth	9.8%	11.0%	10.7%	-	-	-	10.8%
Impaired financing and advances	32,574	120,725	1,068	-	-	-	154,367
Impaired financing ratio	0.31%	0.24%	0.02%	-	-	-	0.23%
Deposits from customers	-	59,446,330	11,490	16,630,750	-	-	76,088,570
Deposit growth	-	4.0%	24.0%	81.6%	-	-	14.8%
Segment assets	10,336,316	60,306,376	5,334,185	19,310,695	11,369,268	(17,769,299)	88,887,541
Reconciliation of segment assets to total assets:							
Investment in an associated company							67,500
Unallocated assets							295,908
Total assets							89,250,949

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A28. Capital Adequacy

- (a) The capital adequacy ratios of the Bank below are disclosed pursuant to the requirements of BNM's Capital Adequacy Framework for Islamic Banks (CAFIB) - Disclosure Requirements (Pillar 3):

	31 December 2023	31 December 2022
<u>Before deducting interim dividend *</u>		
Common Equity Tier I ("CET I") capital ratio	13.232%	12.863%
Tier I capital ratio	13.232%	12.863%
Total capital ratio	16.245%	16.025%
<u>After deducting interim dividend *</u>		
CET I capital ratio	13.232%	12.863%
Tier I capital ratio	13.232%	12.863%
Total capital ratio	16.245%	16.025%

* Refer to interim dividend declared subsequent to the financial year end.

	31 December 2023 RM'000	31 December 2022 RM'000
Components of CET I, Tier I and Tier II capital:		
<u>CET I capital / Tier I capital</u>		
Share capital	3,032,717	3,032,717
Other reserves	(59,517)	(178,179)
Retained profits	4,440,195	3,874,316
Less: Deferred tax assets, net	(112,223)	(148,606)
Less: Defined benefit pension fund assets	(203)	(2,056)
Less: Investment in an associated company deducted from CET I capital	(67,500)	(67,500)
Total CET I capital / Tier I capital	7,233,469	6,510,692
<u>Tier II capital</u>		
Stage 1 and Stage 2 expected credit loss allowances [#]	647,294	600,429
Subordinated Sukuk Murabahah	1,000,000	1,000,000
Total Tier II capital	1,647,294	1,600,429
Total capital	8,880,763	8,111,121

[#] Excludes expected credit loss allowances restricted from Tier II capital of the Bank of RM179,902,000 (31 December 2022 : RM247,307,000).

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A28. Capital Adequacy (continued)

(a) The capital adequacy ratios of the Bank (continued):

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

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

Regulatory capital requirements

The capital adequacy ratios of the Bank are computed in accordance with BNM's Capital Adequacy Frameworks for Islamic Banks on Capital Components and Risk-Weighted Assets. The minimum regulatory capital adequacy ratios before including capital conservation buffer ("CCB") and countercyclical capital buffer ("CCyB") for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively.

Banking institutions are also required to maintain a CCB of 2.5% and a CCyB above the minimum regulatory capital adequacy ratios. A CCyB is required to be maintained if this buffer is applied by regulators in countries which the Bank has exposures to, determined based on the weighted average of prevailing CCyB rates applied in those jurisdictions. The Bank has applied CCyB on its private sector credit exposures outside Malaysia in line with the respective jurisdictions' requirement to maintain their CCyB. The CCyB is not a requirement for exposures in Malaysia yet but may be applied by regulators in the future.

(b) The breakdown of risk-weighted assets by each major risk category of the Bank is as follows:

	31 December 2023 RM'000	31 December 2022 RM'000
Credit risk	51,783,538	48,034,340
Market risk	79,037	45
Operational risk	2,803,809	2,582,339
	<u>54,666,384</u>	<u>50,616,724</u>

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A29. Commitments and Contingencies

The notional amount of the commitments and contingencies of the Bank are as follows:

	31 December 2023 RM'000	31 December 2022 RM'000
<u>Contingent Liabilities</u>		
Direct credit substitutes	34,065	34,960
Transaction-related contingent items	82,663	79,733
Short term self-liquidating trade-related contingencies	2,939	3,859
	119,667	118,552
<u>Commitments</u>		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
- exceeding one year	7,018,268	7,087,112
- not exceeding one year	2,702,746	2,659,890
Unutilised credit card lines	409,078	262,822
	10,130,092	10,009,824
<u>Derivative Financial Instruments</u>		
Foreign exchange related contracts:		
- up to one year	32	63
Profit rate related contracts:		
- more than one year to five years	3,200,000	3,100,000
- more than five years	200,000	100,000
	3,400,032	3,200,063
	13,649,791	13,328,439

A30. Credit Exposures Arising From Credit Transactions With Connected Parties

	31 December 2023	31 December 2022
Outstanding credit exposures with connected parties (RM'000)	1,101,687	461,739
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures	1.41%	0.65%
Percentage of outstanding credit exposures with connected parties which is impaired or in default	0.00%	0.00%

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A31. Fair Value Measurements

Determination of Fair Value and Fair Value Hierarchy

For financial instruments measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities, price quotations from Bond Pricing Agency Malaysia and broker quotes on Bloomberg/Reuters.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques. The valuation techniques used incorporate assumptions regarding discount rates, profit rate yield curves, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair values derived. The Bank generally uses widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgment and estimation, due to the low complexity of the financial instruments held.

The Bank classifies its financial instruments which are measured at fair value according to the following hierarchy, reflecting the significance of inputs used in making the fair value measurements:

- Level 1 - Quoted market prices: quoted prices (unadjusted) in active markets for identical instruments;
- Level 2 - Fair values based on observable inputs: inputs other than quoted prices included within Level 1 that are observable for the instrument, whether directly (i.e. prices) or indirectly (i.e. derived from prices), are used; and
- Level 3 - Fair values derived using unobservable inputs: inputs used are not based on observable market data and the unobservable inputs may have a significant impact on the valuation of the financial instruments.

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A31. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Bank's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

31 December 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Financial assets at fair value through profit or loss				
- Money market instruments	-	1,893,292	-	1,893,292
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	12,949,519	-	12,949,519
Derivative financial assets	-	24,596	-	24,596
Total financial assets measured at fair value	-	14,867,407	-	14,867,407
Financial liabilities				
Derivative financial liabilities	-	24,817	-	24,817
Total financial liabilities measured at fair value	-	24,817	-	24,817

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A31. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Bank's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (continued):

31 December 2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Financial assets at fair value through profit or loss				
- Money market instruments	-	-	-	-
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	12,076,612	-	12,076,612
Derivative financial assets	-	42,922	-	42,922
Total financial assets measured at fair value	-	12,119,534	-	12,119,534
Financial liabilities				
Derivative financial liabilities	-	23,914	-	23,914
Total financial liabilities measured at fair value	-	23,914	-	23,914

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial year (2022 : None).