

Bank Islam Malaysia Berhad [Registration No. 198301002944 (98127-X)]
(Incorporated in Malaysia)
Unaudited Interim Financial Statements

Statements of Financial Position as at 30 June 2021

	Note	Group		Bank	
		30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Assets					
Cash and short-term funds	9	3,453,422	5,216,737	3,451,427	5,216,280
Financial assets at fair value through profit or loss (FVTPL)	10	1,585,197	1,181,200	1,579,363	1,175,440
Derivative financial assets	11	45,532	61,665	45,532	61,665
Financial assets at fair value through other comprehensive income (FVOCI)	12	12,215,615	12,557,991	12,216,353	12,558,729
Financing, advances and others	13	55,218,933	54,670,635	55,218,933	54,670,635
Other financial assets at amortised cost (AC)	14	186,612	207,349	179,113	196,588
Statutory deposits with Bank Negara Malaysia		234,954	192,425	234,954	192,425
Current tax assets		51,312	106,773	51,305	106,773
Deferred tax assets		142,782	1,511	141,351	-
Right-of-use assets	15	201,679	209,736	201,679	209,736
Investments in subsidiaries		-	-	15,525	15,525
Property and equipment		236,014	231,000	235,577	230,516
Total assets		<u>73,572,052</u>	<u>74,637,022</u>	<u>73,571,112</u>	<u>74,634,312</u>
Liabilities and equity					
Deposits from customers	16	49,669,628	51,077,262	49,686,804	51,095,451
Investment accounts of customers	17	12,195,848	12,368,528	12,196,218	12,368,897
Derivative financial liabilities	11	14,625	105,872	14,625	105,872
Bills and acceptance payable		32,755	29,621	32,755	29,621
Recourse obligations on financing sold to Cagamas	18	2,001,720	1,501,187	2,001,720	1,501,187
Subordinated Sukuk Murabahah	19	1,713,095	1,713,164	1,713,095	1,713,164
Other liabilities	20	1,049,195	1,136,863	1,037,749	1,121,885
Lease Liabilities	15	306,786	312,429	306,786	312,429
Zakat and taxation		155,214	31,952	155,020	31,776
Deferred tax liabilities		-	74,445	-	74,445
Total liabilities		<u>67,138,866</u>	<u>68,351,323</u>	<u>67,144,772</u>	<u>68,354,727</u>

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	Note	Group		Bank	
		30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Equity					
Share capital		3,445,757	3,306,118	3,445,757	3,306,118
Reserves		2,987,429	2,979,581	2,980,583	2,973,467
Total equity		<u>6,433,186</u>	<u>6,285,699</u>	<u>6,426,340</u>	<u>6,279,585</u>
Total liabilities and equity		<u>73,572,052</u>	<u>74,637,022</u>	<u>73,571,112</u>	<u>74,634,312</u>
Restricted investment accounts managed by the Bank	17	2,556	11,915	2,556	11,915
Total Islamic banking asset owned and managed by the Bank		<u>73,574,608</u>	<u>74,648,937</u>	<u>73,573,668</u>	<u>74,646,227</u>
Commitments and Contingencies	32	<u>18,795,029</u>	<u>20,189,496</u>	<u>18,795,029</u>	<u>20,189,496</u>

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Bank for the financial year ended 31 December 2020.

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Statements of Profit or Loss for the six months ended 30 June 2021

Group	Note	3 months ended		6 months ended	
		30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Income derived from investment of depositors' funds	21	583,356	628,379	1,136,112	1,319,406
Income derived from investment account funds	22	122,983	124,324	241,948	261,565
Income derived from investment of shareholders' funds	23	127,901	128,433	227,095	223,617
Loss on modification of financial assets		-	(97,772)	-	(97,772)
Net allowance for impairment on financing and advances, net of recoveries	24	(33,719)	(25,941)	(45,559)	(56,679)
Net allowance for impairment on other financial assets		21	2,458	246	2,868
Direct expenses		(2,441)	(2,397)	(6,042)	(5,975)
Total distributable income		798,101	757,484	1,553,800	1,647,030
Wakalah fees from restricted investment accounts		100	361	107	479
Income attributable to depositors	25	(203,399)	(259,898)	(403,612)	(568,046)
Income attributable to investment account holders	26	(39,940)	(58,110)	(78,171)	(127,168)
Total net income		554,862	439,837	1,072,124	952,295
Personnel expenses	27	(164,159)	(154,723)	(332,580)	(317,243)
Other overhead expenses	28	(108,195)	(95,464)	(220,721)	(201,639)
		282,508	189,650	518,823	433,413
Finance cost	29	(22,008)	(22,237)	(43,848)	(44,450)
Profit before zakat and tax		260,500	167,413	474,975	388,963
Zakat		(3,756)	(3,770)	(7,507)	(7,433)
Tax expense		(62,418)	(42,519)	(114,431)	(96,035)
Profit for the period		194,326	121,124	353,037	285,495
Earnings per share (sen)				13.56	11.37

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Statements of Other Comprehensive Income for the six months ended 30 June 2021

Group	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Profit for the period	<u>194,326</u>	<u>121,124</u>	<u>353,037</u>	<u>285,495</u>
Other comprehensive income, net of tax:				
Items that are or may be reclassified subsequently to profit or loss				
Currency translation differences in respect of foreign operations	(574)	2,399	(12,779)	(18,188)
Movement in fair value reserve (debt instruments):				
Net change in fair value	72,426	189,416	(192,112)	178,718
Changes in expected credit losses	21	(42)	62	(27)
Net amount transferred to profit or loss	(30,804)	(63,941)	(59,466)	(160,477)
Income tax effect relating to components of other comprehensive income	(9,993)	(30,104)	60,365	(4,372)
	<u>31,076</u>	<u>97,728</u>	<u>(203,930)</u>	<u>(4,346)</u>
Items that will not be reclassified to profit or loss				
Movement in fair value reserve (equity instrument):				
Net change in fair value	(740)	1,730	(1,620)	574
Other comprehensive income for the period, net of tax	<u>30,336</u>	<u>99,458</u>	<u>(205,550)</u>	<u>(3,772)</u>
Total comprehensive income for the period	<u>224,662</u>	<u>220,582</u>	<u>147,487</u>	<u>281,723</u>

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Statements of Profit or Loss for the six months ended 30 June 2021

Bank	Note	3 months ended		6 months ended	
		30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Income derived from investment of depositors' funds	21	583,356	628,379	1,136,112	1,319,406
Income derived from investment account funds	22	122,983	124,324	241,948	261,565
Income derived from investment of shareholders' funds	23	120,736	123,320	214,968	211,472
Loss on modification of financial assets		-	(97,772)	-	(97,772)
Net allowance for impairment on financing and advances, net of recoveries	24	(33,719)	(25,941)	(45,559)	(56,679)
Net allowance for impairment on other financial assets		21	2,458	246	2,868
Direct expenses		(2,441)	(2,397)	(6,042)	(5,975)
Total distributable income		790,936	752,371	1,541,673	1,634,885
Wakalah fees from restricted investment accounts		100	361	107	479
Income attributable to depositors	25	(203,450)	(259,956)	(403,712)	(568,172)
Income attributable to investment account holders	26	(39,940)	(58,110)	(78,171)	(127,168)
Total net income		547,646	434,666	1,059,897	940,024
Personnel expenses	27	(159,717)	(151,624)	(323,804)	(310,399)
Other overhead expenses	28	(105,963)	(93,781)	(218,148)	(197,479)
		281,966	189,261	517,945	432,146
Finance cost	29	(22,008)	(22,237)	(43,848)	(44,449)
Profit before zakat and tax		259,958	167,024	474,097	387,697
Zakat		(3,750)	(3,750)	(7,500)	(7,500)
Tax expense		(62,380)	(42,487)	(114,262)	(95,943)
Profit for the period		193,828	120,787	352,335	284,254

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Statements of Other Comprehensive Income for the six months ended 30 June 2021

Bank	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Profit for the period	<u>193,828</u>	<u>120,787</u>	<u>352,335</u>	<u>284,254</u>
Other comprehensive income, net of tax:				
Items that are or may be reclassified subsequently to profit or loss				
Currency translation differences in respect of foreign operations	(577)	2,405	(12,809)	(18,228)
Movement in fair value reserve (debt instruments):				
Net change in fair value	72,426	189,416	(192,112)	178,718
Changes in expected credit losses	21	(42)	62	(27)
Net amount transferred to profit or loss	(30,804)	(63,941)	(59,466)	(160,477)
Income tax effect relating to components of other comprehensive income	(9,993)	(30,104)	60,365	(4,372)
	<u>31,073</u>	<u>97,734</u>	<u>(203,960)</u>	<u>(4,386)</u>
Items that will not be reclassified to profit or loss				
Movement in fair value reserve (equity instrument):				
Net change in fair value	(740)	1,730	(1,620)	574
Other comprehensive income for the period, net of tax	<u>30,333</u>	<u>99,464</u>	<u>(205,580)</u>	<u>(3,812)</u>
Total comprehensive income for the period	<u>224,161</u>	<u>220,251</u>	<u>146,755</u>	<u>280,442</u>

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Consolidated Statement of Changes in Equity for the six months ended 30 June 2021

Group	← Attributable to equity holders of the Bank →			Total equity RM'000
	← Non-distributable Share Capital RM'000	→ Other reserves RM'000	Distributable Retained earnings RM'000	
At 1 January 2021	3,306,118	88,558	2,891,023	6,285,699
Profit for the period	-	-	353,037	353,037
Currency translation difference in respect of foreign operations	-	(12,779)	-	(12,779)
Fair value reserve (debt instruments):				
Net change in fair value	-	(192,112)	-	(192,112)
Changes in expected credit losses	-	62	-	62
Net amount transferred to profit or loss	-	(59,466)	-	(59,466)
Income tax effect relating to components of other comprehensive income	-	60,365	-	60,365
Fair value reserve (equity instruments):				
Net change in fair value	-	(1,620)	-	(1,620)
Total comprehensive income for the period	-	(205,550)	353,037	147,487
Dividend paid on ordinary shares	-	-	(139,639)	(139,639)
Issue of shares pursuant to Dividend Reinvestment Plan	139,639	-	-	139,639
At 30 June 2021	3,445,757	(116,992)	3,104,421	6,433,186
At 1 January 2020	3,012,368	107,265	2,594,820	5,714,453
Profit for the period	-	-	285,495	285,495
Currency translation difference in respect of foreign operations	-	(18,188)	-	(18,188)
Fair value reserve (debt instruments):				
Net change in fair value	-	178,718	-	178,718
Changes in expected credit losses	-	(27)	-	(27)
Net amount transferred to profit or loss	-	(160,477)	-	(160,477)
Income tax effect relating to components of other comprehensive income	-	(4,372)	-	(4,372)
Fair value reserve (equity instruments):				
Net change in fair value	-	574	-	574
Total comprehensive income for the period	-	(3,772)	285,495	281,723
Dividend paid on ordinary shares	-	-	(151,854)	(151,854)
Issue of shares pursuant to Dividend Reinvestment Plan	151,853	-	-	151,853
At 30 June 2020	3,164,221	103,493	2,728,461	5,996,175

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Statement of Changes in Equity for the six months ended 30 June 2021

	← Attributable to equity holders of the Bank →		Distributable	Total
	← Non-distributable →			
Bank	Share	Other	Earnings	Total
	capital	reserves	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	3,306,118	88,707	2,884,760	6,279,585
Profit for the period	-	-	352,335	352,335
Currency translation difference in respect of foreign operations	-	(12,809)	-	(12,809)
Fair value reserve (debt instruments):				
Net change in fair value	-	(192,112)	-	(192,112)
Changes in expected credit losses	-	62	-	62
Net amount transferred to profit or loss	-	(59,466)	-	(59,466)
Income tax effect relating to components of other comprehensive income	-	60,365	-	60,365
Fair value reserve (equity instruments):				
Net change in fair value	-	(1,620)	-	(1,620)
Total comprehensive income for the period	-	(205,580)	352,335	146,755
Dividend paid on ordinary shares	-	-	(139,639)	(139,639)
Issue of shares pursuant to Dividend Reinvestment Plan	139,639	-	-	139,639
At 30 June 2021	3,445,757	(116,873)	3,097,456	6,426,340
At 1 January 2020	3,012,368	107,398	2,589,798	5,709,564
Profit for the period	-	-	284,254	284,254
Currency translation difference in respect of foreign operations	-	(18,228)	-	(18,228)
Fair value reserve (debt instruments):				
Net change in fair value	-	178,718	-	178,718
Changes in expected credit losses	-	(27)	-	(27)
Net amount transferred to profit or loss	-	(160,477)	-	(160,477)
Income tax effect relating to components of other comprehensive income	-	(4,372)	-	(4,372)
Fair value reserve (equity instruments):				
Net change in fair value	-	574	-	574
Total comprehensive income for the period	-	(3,812)	284,254	280,442
Dividend paid on ordinary shares	-	-	(151,854)	(151,854)
Issue of shares pursuant to Dividend Reinvestment Plan	151,853	-	-	151,853
At 30 June 2020	3,164,221	103,586	2,722,198	5,990,005

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Condensed Statements of Cash Flow for the six months ended 30 June 2021

	Group		Bank	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Profit before zakat and tax	474,975	388,963	474,097	387,697
Adjustment for non-cash items	98,898	118,380	98,860	118,323
Operating profit before working capital changes	573,873	507,343	572,957	506,020
Changes in working capital:				
Net changes in operating assets	(636,628)	(1,732,828)	(639,890)	(1,733,914)
Net changes in operating liabilities	(1,255,560)	648,717	(1,253,040)	650,122
Net cash used in operations	(1,318,315)	(576,768)	(1,319,973)	(577,772)
Zakat and tax paid	(98,567)	(87,187)	(98,482)	(87,056)
Net cash used in operating activities	(1,416,882)	(663,955)	(1,418,455)	(664,828)
Net cash used in investing activities	(282,934)	(374,452)	(282,870)	(374,351)
Net cash generated from/ (used in) financing activities	(50,719)	50,278	(50,719)	50,306
Net decrease in cash and cash equivalents	(1,750,535)	(988,129)	(1,752,044)	(988,873)
Cash and cash equivalents at beginning of the period	5,216,737	3,472,386	5,216,280	3,471,509
Exchange difference on translation	(12,780)	(18,188)	(12,809)	(18,228)
Cash and cash equivalents at end of the period	3,453,422	2,466,069	3,451,427	2,464,408
Cash and cash equivalents comprise:				
Cash and short-term funds	2,553,071	2,465,708	2,551,076	2,464,408
Deposits and placements with banks and other financial institutions	900,351	361	900,351	-
	3,453,422	2,466,069	3,451,427	2,464,408

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Notes to the unaudited interim financial statements
for the six months ended 30 June 2021

1. Basis of preparation

The unaudited interim financial statements of the Group and of the Bank for the six months ended 30 June 2021 have been prepared in accordance with the applicable requirements of MFRS 134: *Interim Financial Reporting* in Malaysia issued by Malaysian Accounting Standards Board (“MASB”), Financial Reporting for Islamic Banking Institution policy document issued by Bank Negara Malaysia (“BNM”) and the requirements of the Companies Act 2016.

The unaudited interim financial statements have been prepared under the historical cost convention except for derivative financial instruments, financial assets at fair value through profit or loss and financial assets through other comprehensive income, which have been measured at fair value.

The unaudited interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group and of the Bank for the financial year ended 31 December 2020. The explanatory notes attached to the unaudited 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 2020.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the recent audited financial statements for the financial year ended 31 December 2020, except for the adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRS”):

- Amendments to MFRS 7, MFRS 9 and MFRS 16, *Profit Rate Benchmark Reform Phase 2*
- Amendment to MFRS 16 Leases, *Covid-19-Related Rent Concessions beyond 30 June 2021*

The adoption of the amendments to published standards are not expected to have impact on the financial results of the Group and the Bank.

2. Auditors’ report on preceding financial statements

The auditors’ report on the audited financial statements for the financial year ended 31 December 2020 was not qualified.

3. Seasonal or cyclical factors

The operations of the Bank were not materially affected by any seasonal or cyclical factors in the six months ended 30 June 2021.

4. Unusual items

There were no unusual items in the six months ended 30 June 2021.

5. Changes in accounting estimates

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the six months ended 30 June 2021.

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6. Sukuk and equity securities

There was no sukuk issuance or share buy-back during the six months ended 30 June 2021.

7. Significant events during the six months ended 30 June 2021

There was no significant events during the six months ended 30 June 2021 other than as disclosed in Note 36 to the interim financial statements.

8. Dividends

On 4 June 2021, the Bank paid a final dividend of approximately 5.37 sen per ordinary shares totalling RM139,639,000 for the financial year ended 31 December 2020.

100% of the final dividend were reinvested through the reissuance of 42,966,054 new ordinary shares at RM3.25 each via the Dividend Reinvestment Plan.

9. Cash and short-term funds

	Group		Bank	
	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Cash and balances with banks and other financial institutions	746,498	726,005	744,503	725,548
Money at call and interbank placements with remaining maturity not exceeding three months	<u>2,706,924</u>	<u>4,490,732</u>	<u>2,706,924</u>	<u>4,490,732</u>
	<u>3,453,422</u>	<u>5,216,737</u>	<u>3,451,427</u>	<u>5,216,280</u>

10. Financial assets at fair value through profit and loss (“FVTPL”)

	Group		Bank	
	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
At fair value				
Malaysian Government Investment				
Issues	490,866	602,925	490,866	602,925
Unit trust	258,832	238,490	252,998	232,730
Malaysian Islamic Treasury Bills	835,499	243,618	835,499	243,618
Islamic Commercial Paper	-	30,051	-	30,051
Corporate Sukuk	-	66,116	-	66,116
	<u>1,585,197</u>	<u>1,181,200</u>	<u>1,579,363</u>	<u>1,175,440</u>

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11. Derivative financial assets/ liabilities

The following tables summarise the contractual or underlying principal amounts of derivative financial instruments held at fair value through profit or loss. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at financial position date, and do not represent amounts at risk.

Trading derivative financial instruments are revalued on a gross position and the unrealised gains or losses are reflected as derivative financial assets and liabilities respectively.

Group and Bank	30.06.2021			31.12.2020		
	Notional amount RM'000	Fair value		Notional amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Forward contracts	7,291,073	43,942	(13,412)	8,518,422	59,494	(104,228)
Profit rate swaps	96,844	1,590	(1,213)	114,056	2,171	(1,644)
	7,387,917	45,532	(14,625)	8,632,478	61,665	(105,872)

12. Financial assets at fair value through other comprehensive income (“FVOCI”)

	Group		Bank	
	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Financial assets at FVOCI:				
(a) Debt instruments	12,153,284	12,494,040	12,153,284	12,494,040
(b) Equity instruments	62,331	63,951	63,069	64,689
	12,215,615	12,557,991	12,216,353	12,558,729

(a) Debt instrument at FVOCI

	Group and Bank	
	30.06.2021 RM'000	31.12.2020 RM'000
Unquoted		
Corporate Sukuk	7,782,214	9,314,815
Malaysian Government Investment Issues	3,053,183	2,919,864
Malaysian Islamic Treasury Bills	1,052,731	-
Islamic Commercial Papers	265,156	259,361
	12,153,284	12,494,040

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12. Financial assets at fair value through other comprehensive income (“FVOCI”) (continued)

(a) Debt instrument at FVOCI (continued)

Movement of allowance for impairment on financial assets at fair value through other comprehensive income:

	Group and Bank	
	30.06.2021	31.12.2020
	RM'000	RM'000
Stage 1		
At 1 January	403	265
(Reversal)/ Addition of impairment during the period/ year	<u>(62)</u>	<u>138</u>
At 30 June/ 31 December	<u>341</u>	<u>403</u>

(b) Equity instrument at FVOCI

	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Quoted Shares				
- outside Malaysia	<u>12,135</u>	<u>13,755</u>	<u>12,135</u>	<u>13,755</u>
Unquoted Shares				
- in Malaysia	50,194	50,194	50,932	50,932
- outside Malaysia	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
	<u>50,196</u>	<u>50,196</u>	<u>50,934</u>	<u>50,934</u>
	<u>62,331</u>	<u>63,951</u>	<u>63,069</u>	<u>64,689</u>

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13. Financing, advances and others

(a) By type and Shariah contract

Group and Bank 30 June 2021	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Bai' Al-Dayn RM'000	Bai' Al-Inah RM'000	At- Tawarruq RM'000	^Ijarah Muntahiah Bit-Tamleek RM'000	Istisna' RM'000	Ar- Rahnu RM'000	Total RM'000
At amortised cost									
Cash line	-	-	-	495	1,149,663	-	-	-	1,150,158
Term financing									
House financing	3,085,356	-	-	-	19,173,922	-	44,377	-	22,303,655
Syndicated financing	-	-	-	-	1,477,488	-	-	-	1,477,488
Leasing financing	-	-	-	-	-	98,753	-	-	98,753
Bridging financing	-	-	-	-	-	-	43,885	-	43,885
Personal financing	-	-	-	7,350	16,959,574	-	-	-	16,966,924
Other term financing	377,766	1,394,456	-	-	10,663,117	-	995	-	12,436,334
Staff financing	43,477	17,592	-	-	359,523	-	7,033	-	427,625
Credit cards	-	-	-	-	421,719	-	-	-	421,719
Trade bills discounted	-	667,703	85,484	-	93,876	-	-	-	847,063
Trust receipts	-	3,964	-	-	-	-	-	-	3,964
Pawn broking	-	-	-	-	-	-	-	124	124
	3,506,599	2,083,715	85,484	7,845	50,298,882	98,753	96,290	124	56,177,692
Allowance for impairment on financing, advances and others									
- Stage 1									(665,709)
- Stage 2									(153,531)
- Stage 3									(139,519)
Net financing, advances and others									55,218,933

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13. Financing, advances and others (continued)

(a) By type and Shariah contract (continued)

Group and Bank	Bai' Bithaman Ajil	Murabahah	Bai' Al-Dayn	Bai' Al-Inah	At-Tawarruq	^Ijarah Muntahiah Bit-Tamleek	Istisna'	Ar-Rahnu	Total
31 December 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost									
Cash line	-	-	-	1,465	1,287,126	-	-	-	1,288,591
Term financing									
House financing	3,238,398	-	-	-	18,280,073	-	45,780	-	21,564,251
Syndicated financing	-	-	-	-	1,459,016	-	-	-	1,459,016
Leasing financing	-	-	-	-	-	114,300	-	-	114,300
Bridging financing	-	-	-	-	-	-	47,380	-	47,380
Personal financing	-	-	-	5,256	16,816,181	-	-	-	16,821,437
Other term financing	487,567	1,411,820	-	15	10,736,190	-	1,119	-	12,636,711
Staff financing	46,367	15,847	-	-	307,861	-	7,584	-	377,659
Credit cards	-	-	-	-	447,471	-	-	-	447,471
Trade bills discounted	-	631,567	31,221	3,034	164,888	-	-	-	830,710
Trust receipts	-	5,584	5	-	-	-	-	-	5,589
Pawn broking	-	-	-	-	-	-	-	5,481	5,481
	<u>3,772,332</u>	<u>2,064,818</u>	<u>31,226</u>	<u>9,770</u>	<u>49,498,806</u>	<u>114,300</u>	<u>101,863</u>	<u>5,481</u>	<u>55,598,596</u>
Allowance for impairment on financing, advances and others									
- Stage 1									(653,983)
- Stage 2									(151,446)
- Stage 3									(122,532)
Net financing, advances and others									<u><u>54,670,635</u></u>

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13. Financing, advances and others (continued)

(a) By type of and Shariah contract (continued)

Included in financing, advances and others are house financing and personal financing that are used for the underlying assets of Unrestricted Investment Accounts (“URIA”) and financing sold to Cagamas with recourse to the Group and the Bank. The details are as follows:

	Note	Group		Bank	
		30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
House financing					
Unrestricted Investment Accounts	17	8,940,205	8,740,902	8,940,390	8,741,086
Sold to Cagamas with recourse	18	2,001,720	1,501,187	2,001,720	1,501,187
		<u>10,941,925</u>	<u>10,242,089</u>	<u>10,942,110</u>	<u>10,242,273</u>
Personal financing					
Unrestricted Investment Accounts	17	3,255,643	3,627,626	3,255,828	3,627,811

[^] Assets funded under *Ijarah* financing are owned by the Bank throughout the tenure of the *Ijarah* financing and ownership of the assets will be transferred to customer at the end of financing tenure for a token consideration or other amount as specified in the *Ijarah* financing contract.

(b) By type of customer

	Group and Bank	
	30.06.2021 RM'000	31.12.2020 RM'000
Domestic non-bank financial institutions	1,182,939	1,473,316
Domestic business enterprise	9,694,160	9,859,263
Small and medium industries	2,080,529	1,799,003
Government and statutory bodies	788,414	743,051
Individuals	42,132,858	41,353,603
Other domestic entities	18,425	102,008
Foreign entities	280,367	268,352
	<u>56,177,692</u>	<u>55,598,596</u>

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13. Financing, advances and others (continued)

(c) By profit rate sensitivity

	Group and Bank	
	30.06.2021	31.12.2020
	RM'000	RM'000
Fixed rate		
House financing	696,926	732,437
Others	3,731,127	3,859,673
Floating rate		
House financing	22,272,606	21,485,764
Others	29,477,033	29,520,722
	<u>56,177,692</u>	<u>55,598,596</u>

(d) By remaining contractual maturity

	Group and Bank	
	30.06.2021	31.12.2020
	RM'000	RM'000
Maturity within one year	3,658,146	3,660,883
More than one year to three years	1,323,153	1,516,856
More than three years to five years	3,381,651	3,272,167
More than five years	47,814,742	47,148,690
	<u>56,177,692</u>	<u>55,598,596</u>

(e) By geographical distribution

	Group and Bank	
	30.06.2021	31.12.2020
	RM'000	RM'000
Central Region	25,682,999	25,745,132
Eastern Region	8,848,380	8,757,468
Northern Region	7,559,989	7,431,066
Southern Region	9,688,452	9,416,361
East Malaysia Region	4,397,872	4,248,569
	<u>56,177,692</u>	<u>55,598,596</u>

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13. Financing, advances and others (continued)

(f) By sector

	Group and Bank	
	30.06.2021	31.12.2020
	RM'000	RM'000
Primary agriculture	986,132	1,044,451
Mining and quarrying	76,670	67,305
Manufacturing (including agro-based)	983,087	1,001,272
Electricity, gas and water	2,061,193	2,032,684
Wholesale & retail trade, and hotels & restaurants	1,001,464	951,149
Construction	2,787,734	2,736,468
Transport, storage and communications	663,980	681,659
Finance, insurance, real estate and business activities	4,357,486	4,557,954
Education, health and others	1,123,866	1,168,902
Household sectors	42,136,080	41,356,752
	<u>56,177,692</u>	<u>55,598,596</u>

(g) Movement in impaired financing and advances (“impaired financing”) are as follows:

	Group and Bank	
	30.06.2021	31.12.2020
	RM'000	RM'000
At 1 January	373,234	433,001
Classified as impaired during the period/ year	222,465	311,012
Reclassified as not impaired during the period/ year	(101,039)	(190,989)
Amount recovered	(36,928)	(67,114)
Amount written-off	(50,556)	(112,676)
At 30 June/ 31 December	<u>407,176</u>	<u>373,234</u>
Gross impaired financing as a percentage of gross financing, advances and others	<u>0.72%</u>	<u>0.67%</u>

The contractual amount outstanding on financing and advances that were written-off during the period/ year are still subject to enforcement activity.

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13. Financing, advances and others (continued)

(h) Impaired financing by geographical distribution

	Group and Bank	
	30.06.2021	31.12.2020
	RM'000	RM'000
Central Region	188,334	174,617
Eastern Region	92,219	86,291
Northern Region	81,219	78,220
Southern Region	28,633	19,167
East Malaysia Region	16,771	14,939
	<u>407,176</u>	<u>373,234</u>

(i) Impaired financing by sector

	Group and Bank	
	30.06.2021	31.12.2020
	RM'000	RM'000
Manufacturing (including agro-based)	22,254	28,328
Wholesale & retail trade, and hotels & restaurants	94,477	89,812
Construction	34,362	36,220
Transport, storage and communications	16,174	17,801
Finance, insurance, real estate and business activities	7,253	6,141
Education, health and others	3,203	3,969
Household sectors	229,453	190,963
	<u>407,176</u>	<u>373,234</u>

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13. Financing, advances and others (continued)

(j) Movement of allowance for impairment on financing, advances and others

Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2020	431,135	148,115	172,197	751,447
Transfer to Stage 1	1,245	(1,179)	(66)	-
Transfer to Stage 2	(7,782)	10,508	(2,726)	-
Transfer to Stage 3	(264)	(7,659)	7,923	-
Net allowance made during the year	134,059	13,592	60,558	208,209
New financial assets originated or purchased	139,295	6,403	686	146,384
Financial assets that have been derecognised	(44,708)	(18,334)	(3,364)	(66,406)
Write-offs	-	-	(112,676)	(112,676)
Exchange differences	1,003	-	-	1,003
At 31 December 2020/ 1 January 2021	653,983	151,446	122,532	927,961
Transfer to Stage 1	2,153	(2,134)	(19)	-
Transfer to Stage 2	(6,705)	8,800	(2,095)	-
Transfer to Stage 3	(176)	(11,665)	11,841	-
Net allowance made during the period	7,272	11,084	59,458	77,814
New financial assets originated or purchased	31,014	5,823	180	37,017
Financial assets that have been derecognised	(20,327)	(9,823)	(1,822)	(31,972)
Write-offs	-	-	(50,556)	(50,556)
Exchange differences	(1,505)	-	-	(1,505)
At 30 June 2021	665,709	153,531	139,519	958,759

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14. Other financial assets at amortised cost

	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Corporate sukuk	5,289	5,289	5,289	5,289
Other receivables	141,830	168,256	135,291	157,952
Deposit and prepayments	46,332	41,012	45,206	40,457
Related companies*	1,425	1,056	1,591	1,154
	<u>194,876</u>	<u>215,613</u>	<u>187,377</u>	<u>204,852</u>
Less: Allowance for impairment				
Stage 3				
-Corporate sukuk	(5,289)	(5,289)	(5,289)	(5,289)
-Other receivables	(2,975)	(2,975)	(2,975)	(2,975)
	<u>186,612</u>	<u>207,349</u>	<u>179,113</u>	<u>196,588</u>

* This relates to amounts due from holding and related companies that are unsecured, not subject to compensation charges for late payment and repayment is neither fixed nor expected.

15. Right-of-use assets and lease liabilities

The statement of financial position shows the following amounts relating to leases:

	Group and Bank	
	30.06.2021	31.12.2020
	RM'000	RM'000
Right-of-use assets:		
Buildings	<u>201,679</u>	<u>209,736</u>
Lease liabilities	<u>306,786</u>	<u>312,429</u>

The statement of profit or loss shows the following amounts relating to leases:

	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Depreciation charge on right-of-use assets	9,215	18,348	9,215	18,317
Finance cost	8,694	17,836	8,694	17,835
Expenses relating to short-term leases	<u>17,576</u>	<u>35,192</u>	<u>17,721</u>	<u>35,477</u>

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16. Deposits from customers

a) By type and Shariah contract

	Group		Bank	
	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Saving Deposit				
<i>Qard</i>	7,053,788	6,051,242	7,053,788	6,051,242
Demand Deposit				
<i>Qard</i>	11,153,606	11,742,875	11,161,956	11,752,697
Term Deposit	31,364,045	33,163,038	31,372,871	33,171,405
Special Investment Deposit <i>Mudharabah</i>	3,662	3,662	3,662	3,662
General Investment Deposit <i>Mudharabah</i>	169,574	176,359	169,574	176,359
Term Deposit <i>Tawarruq</i>	30,455,344	31,496,106	30,464,170	31,504,473
Negotiable Islamic Debt Certificates (NIDC)	735,465	1,486,911	735,465	1,486,911
Others	<u>98,189</u>	<u>120,107</u>	<u>98,189</u>	<u>120,107</u>
Total Deposits	<u>49,669,628</u>	<u>51,077,262</u>	<u>49,686,804</u>	<u>51,095,451</u>

b) Maturity structure of term deposits are as follows:

	Group		Bank	
	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Due within six months	14,551,131	18,093,028	14,551,131	18,093,941
More than six months to one year	12,586,121	9,960,654	12,588,166	9,962,675
More than one year to three years	1,536,972	2,336,348	1,543,753	2,341,781
More than three years to five years	2,689,821	2,773,008	2,689,821	2,773,008
	<u>31,364,045</u>	<u>33,163,038</u>	<u>31,372,871</u>	<u>33,171,405</u>

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16. Deposits from customers (continued)

c) By type of customers

	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions	6,419,562	6,901,831	6,436,738	6,920,020
Business enterprises	20,038,343	20,921,604	20,038,343	20,921,604
Government and statutory bodies	12,192,500	13,033,032	12,192,500	13,033,032
Individuals	7,743,088	7,042,432	7,743,088	7,042,431
Domestic banking institutions	549,986	718,962	549,986	718,962
Others	2,726,149	2,459,401	2,726,149	2,459,402
	<u>49,669,628</u>	<u>51,077,262</u>	<u>49,686,804</u>	<u>51,095,451</u>

17. Investment accounts of customers

(a) By type and Shariah contract

	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Unrestricted investment accounts				
Without maturity				
<i>Mudharabah</i>	5,684,562	5,113,275	5,684,562	5,113,275
- <i>Saving</i>	4,919,623	4,446,643	4,919,623	4,446,643
- <i>Demand</i>	764,939	666,632	764,939	666,632
With maturity				
<i>Wakalah</i>	6,511,286	7,255,253	6,511,656	7,255,622
	<u>12,195,848</u>	<u>12,368,528</u>	<u>12,196,218</u>	<u>12,368,897</u>
Restricted investment accounts (“RIA”) managed by the Bank[^]				
With maturity				
<i>Wakalah</i>	2,556	11,915	2,556	11,915

[^] The Bank has an arrangement with its ultimate holding entity where the Bank acts as an investment agent to manage and administer the RIA.

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17. Investment accounts of customers (continued)

(b) By type of customers

	Group		Bank	
	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Individuals	5,368,781	4,840,308	5,368,781	4,840,308
Government and statutory bodies	4,359,349	4,385,196	4,359,349	4,385,196
Business enterprises	845,420	1,130,539	845,420	1,130,539
Non-bank financial institutions	1,475,716	1,861,096	1,476,086	1,861,465
Others	146,582	151,389	146,582	151,389
	<u>12,195,848</u>	<u>12,368,528</u>	<u>12,196,218</u>	<u>12,368,897</u>

18. Recourse obligations on financing sold to Cagamas

Recourse obligations on financing sold to Cagamas represents house financing accounts that are sold to Cagamas with recourse. Under the agreement, the Bank undertakes to administer the financing on behalf of Cagamas and to buy back any financing which are regarded as defective based on pre-determined and agreed-upon prudential criteria with recourse against the Bank. Such financing transactions and the obligation to buy back the financing are reflected as a liability on the statements of financial position. The financing are not de-recognised and are analysed in Note 13 (a). The details are as follows:

Note	Nominal value RM'000	Issue date	Maturity Date	Profit rate (% p.a.)
(a)	1,500,000	25 May 2018	25 May 2023	4.75
(b)	500,000	15 May 2021	15 May 2024	2.95

19. Subordinated Sukuk Murabahah

	Note	Group and Bank	
		30.06.2021 RM'000	31.12.2020 RM'000
<i>Issued under the RM1.0 billion Subordinated Sukuk Murabahah Programme</i>			
Third tranche	(a)	<u>301,879</u>	<u>302,046</u>
<i>Issued under the RM10.0 billion Sukuk Murabahah Programme</i>			
First tranche	(b)	302,328	302,243
Second tranche	(c)	403,986	403,904
Third tranche	(d)	704,902	704,971
		<u>1,411,216</u>	<u>1,411,118</u>
		<u>1,713,095</u>	<u>1,713,164</u>
Finance cost on Subordinated Sukuk Murabahah		<u>35,154</u>	<u>73,622</u>

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19. Subordinated Sukuk Murabahah (continued)

The details of the issued subordinated Sukuk are as follows:

Note	Nominal value RM'000	Issue date	First call date*	Maturity Date	Profit rate (% p.a.)#
(a)	300,000	13 November 2017	12 December 2022	12 November 2027	5.08
(b)	300,000	7 November 2018	7 December 2023	7 November 2028	5.15
(c)	400,000	26 March 2020	26 March 2025	26 March 2030	3.75
(d)	700,000	21 October 2020	21 October 2025	21 October 2030	3.60

* Optional redemption date or any periodic payment date thereafter.

Accrued and payable semi-annually in arrears.

The Subordinated Sukuk Murabahah qualifies as Tier II capital for the computation of the regulatory capital of the Bank in accordance with the Capital Adequacy Framework (Capital Components) for Islamic Banks issued by BNM.

20. Other liabilities

	Group		Bank	
	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Other payables	445,788	357,571	435,851	344,347
Advance payment	554,602	680,508	554,602	680,508
Accruals	48,805	98,784	47,296	97,030
	1,049,195	1,136,863	1,037,749	1,121,885

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21. Income derived from investment of depositors' funds

Group and Bank	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Income derived from investment of:				
(i) Saving and demand deposits	209,330	223,235	407,101	451,371
(ii) General investment deposits	2,374	3,258	4,737	6,879
(iii) Term deposits	360,155	384,201	697,663	828,319
(iv) Other deposits	11,497	17,685	26,611	32,837
	<u>583,356</u>	<u>628,379</u>	<u>1,136,112</u>	<u>1,319,406</u>

(i) Income derived from investment of saving and demand deposits

Group and Bank	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	171,922	173,201	338,387	345,324
Financial assets:				
- at FVTPL	1,268	1,918	3,020	3,983
- at FVOCI	17,176	22,367	35,765	42,875
- at AC	84	85	84	85
Money at call and deposits with financial institutions	6,030	2,573	10,081	6,063
	<u>196,480</u>	<u>200,144</u>	<u>387,337</u>	<u>398,330</u>
<i>Other dealing income</i>				
Net (gain)/ loss from sale of financial assets at FVTPL	72	(172)	(2,467)	(1,646)
Net gain/ (loss) on revaluation of financial assets at FVTPL	1,851	550	1,172	(5)
	<u>1,923</u>	<u>378</u>	<u>(1,295)</u>	<u>(1,651)</u>
<i>Other operating income</i>				
Net gain from sale of financial assets at FVOCI	10,926	22,713	21,058	54,692
<i>Other income</i>				
Gain on disposal of assets	1	-	1	-
	<u>209,330</u>	<u>223,235</u>	<u>407,101</u>	<u>451,371</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	3,480	1,078	6,820	4,045
<i>Unwinding of modification loss</i>	2,497	767	2,724	767

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21. Income derived from investment of depositors' funds (continued)

(ii) Income derived from investment of general investment deposits

Group and Bank	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	2,021	2,644	4,071	5,515
Financial assets:				
- at FVTPL	12	23	29	50
- at FVOCI	161	271	344	542
- at AC	1	1	1	1
Money at call and deposits with financial institutions	58	38	100	93
	<u>2,253</u>	<u>2,977</u>	<u>4,545</u>	<u>6,201</u>
<i>Other dealing income</i>				
Net loss from sale of financial assets at FVTPL	-	(2)	(24)	(20)
Net gain on revaluation of financial assets at FVTPL	18	8	11	1
	<u>18</u>	<u>6</u>	<u>(13)</u>	<u>(19)</u>
<i>Other operating income</i>				
Net gain from sale of financial assets at FVOCI	103	275	205	697
	<u>2,374</u>	<u>3,258</u>	<u>4,737</u>	<u>6,879</u>
<i>of which</i>				
Financing income earned on impaired financing	33	13	66	52
Unwinding of modification loss	24	9	26	9

(iii) Income derived from investment of term deposits

Group and Bank	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	295,387	298,012	578,985	632,799
Financial assets:				
- at FVTPL	2,186	3,296	5,175	7,282
- at FVOCI	29,508	38,514	61,244	78,450
- at AC	150	147	150	147
Money at call and deposits with financial institutions	10,382	4,427	17,311	11,219
	<u>337,613</u>	<u>344,396</u>	<u>662,865</u>	<u>729,897</u>

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21. Income derived from investment of depositors' funds (continued)

(iii) Income derived from investment of term deposits (continued)

Group and Bank	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<i>Other dealing income</i>				
Net gain/ (loss) from sale of financial assets at FVTPL	39	(305)	(4,197)	(2,921)
Net gain on revaluation of financial assets at FVTPL	3,272	948	2,131	23
	<u>3,311</u>	<u>643</u>	<u>(2,066)</u>	<u>(2,898)</u>
<i>Other operating income</i>				
Net gain from sale of financial assets at FVOCI	<u>19,230</u>	<u>39,162</u>	<u>36,863</u>	<u>101,320</u>
<i>Other income</i>				
Gain on disposal of assets	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>360,155</u>	<u>384,201</u>	<u>697,663</u>	<u>828,319</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	5,960	1,847	11,728	7,621
<i>Unwinding of modification loss</i>	<u>4,263</u>	<u>1,330</u>	<u>4,637</u>	<u>1,330</u>

(iv) Income derived from investment of other deposits

Group and Bank	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	9,502	13,724	22,204	25,402
Financial assets:				
- at FVTPL	69	152	204	293
- at FVOCI	948	1,774	2,371	3,157
- at AC	3	7	3	7
Money at call and deposits with financial institutions	<u>326</u>	<u>205</u>	<u>635</u>	<u>446</u>
	<u>10,848</u>	<u>15,862</u>	<u>25,417</u>	<u>29,305</u>

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21. Income derived from investment of depositors' funds (continued)

(iv) Income derived from investment of other deposits (continued)

Group and Bank	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
<i>Other dealing income</i>				
Net gain/ (loss) from sale of financial assets at FVTPL	11	(14)	(175)	(194)
Net gain/ (loss) on revaluation of financial assets at FVTPL	93	46	29	(42)
	<u>104</u>	<u>32</u>	<u>(146)</u>	<u>(236)</u>
<i>Other operating income</i>				
Net gain from sale of financial assets at FVOCI	545	1,791	1,340	3,768
	<u>11,497</u>	<u>17,685</u>	<u>26,611</u>	<u>32,837</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	196	95	450	292
<i>Financing income earned on impaired financing</i>	<u>144</u>	<u>61</u>	<u>157</u>	<u>61</u>

22. Income derived from investment account funds

Group and Bank	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Finance income				
Unrestricted investment accounts				
- <i>Mudharabah</i>	49,337	41,359	97,636	80,419
- <i>Wakalah</i>	71,805	82,423	141,348	180,604
Unwinding of modification loss	1,841	542	2,964	542
	<u>122,983</u>	<u>124,324</u>	<u>241,948</u>	<u>261,565</u>

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23. Income derived from investment of shareholders' funds

Group	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	2,414	1,247	4,589	2,728
Financial assets at FVOCI	45,687	49,177	90,400	96,197
Money at call and deposits with financial institutions	(4)	1	(1)	3
	<u>48,097</u>	<u>50,425</u>	<u>94,988</u>	<u>98,928</u>
<i>Other dealing income</i>				
Net gain from foreign exchange transactions	10,775	9,822	21,733	25,573
Net gain/ (loss) on revaluation of financial assets at FVTPL	7,605	16,357	268	(8,968)
Net derivatives gain	3	10	4	25
	<u>18,383</u>	<u>26,189</u>	<u>22,005</u>	<u>16,630</u>
<i>Other operating income</i>				
Gross dividend income from:				
- unit trust in Malaysia	8,467	7,311	8,493	7,365
- income from rebate on investment in unit trust	506	-	1,000	-
	<u>8,973</u>	<u>7,311</u>	<u>9,493</u>	<u>7,365</u>
<i>Fees and commission</i>				
Fees	39,250	42,677	83,319	87,466
Commission	3,273	1,662	5,814	5,351
Others	9,435	(368)	9,624	6,601
	<u>51,958</u>	<u>43,971</u>	<u>98,757</u>	<u>99,418</u>
<i>Other income</i>				
Net gain on disposal of property and equipment	2	2	577	2
Rental income	451	503	1,154	1,187
Other income	37	32	121	87
	<u>490</u>	<u>537</u>	<u>1,852</u>	<u>1,276</u>
	<u><u>127,901</u></u>	<u><u>128,433</u></u>	<u><u>227,095</u></u>	<u><u>223,617</u></u>

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23. Income derived from investment of shareholders' funds (continued)

Bank	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	2,414	1,247	4,589	2,728
Financial assets at FVOCI	45,687	49,177	90,400	96,197
Money at call and deposits with financial institutions	(2)	1	(1)	2
	<u>48,099</u>	<u>50,425</u>	<u>94,988</u>	<u>98,927</u>
<i>Other dealing income</i>				
Net gain from foreign exchange transactions	10,779	9,832	21,755	25,587
Net gain/ (loss) on revaluation of financial assets at FVTPL	7,605	16,359	268	(8,964)
Net derivatives gain	3	10	4	25
	<u>18,387</u>	<u>26,201</u>	<u>22,027</u>	<u>16,648</u>
<i>Other operating income</i>				
Gross dividend income from:				
- unit trust in Malaysia	8,440	7,273	8,440	7,283
- income from rebate on investment in unit trust	506	-	1,000	-
	<u>8,946</u>	<u>7,273</u>	<u>9,440</u>	<u>7,283</u>
<i>Fees and commission</i>				
Fees	35,014	32,627	68,812	73,008
Commission	5,038	3,097	8,844	7,920
Others	4,694	3,092	8,909	6,274
	<u>44,746</u>	<u>38,816</u>	<u>86,565</u>	<u>87,202</u>
<i>Other income</i>				
Net gain on disposal of property and equipment	1	2	576	2
Rental income	549	597	1,351	1,372
Other income	8	6	21	38
	<u>558</u>	<u>605</u>	<u>1,948</u>	<u>1,412</u>
	<u>120,736</u>	<u>123,320</u>	<u>214,968</u>	<u>211,472</u>

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24. Net allowance for impairment on financing and advances

Group and Bank	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Net allowance for impairment on financing, advances and others				
- Stage 1	20,279	58,566	17,959	59,041
- Stage 2	(5,929)	(33,556)	7,084	4,130
- Stage 3	35,920	12,970	57,816	32,980
	<u>50,270</u>	<u>37,980</u>	<u>82,859</u>	<u>96,151</u>
Bad debts and financing recovered	(16,551)	(12,039)	(37,300)	(39,472)
	<u>33,719</u>	<u>25,941</u>	<u>45,559</u>	<u>56,679</u>

25. Income attributable to depositors

Group	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Deposits from customers				
- Mudharabah fund	718	1,052	1,510	2,665
- Non-Mudharabah fund	183,172	240,729	364,849	529,480
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah fund	26	340	36	340
Recourse obligation on financing sold to Cagamas	19,483	17,777	37,217	35,561
	<u>203,399</u>	<u>259,898</u>	<u>403,612</u>	<u>568,046</u>

Bank

Deposits from customers				
- Mudharabah fund	718	1,052	1,510	2,665
- Non-Mudharabah fund	183,223	240,787	364,949	529,606
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah fund	26	340	36	340
Recourse obligation on financing sold to Cagamas	19,483	17,777	37,217	35,561
	<u>203,450</u>	<u>259,956</u>	<u>403,712</u>	<u>568,172</u>

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26. Income attributable to investment account holders

Group and Bank	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Unrestricted investment accounts				
- <i>Mudharabah</i>	2,841	2,794	5,980	5,465
- <i>Wakalah</i>	37,099	55,316	72,191	121,703
	<u>39,940</u>	<u>58,110</u>	<u>78,171</u>	<u>127,168</u>

27. Personnel expenses

Group	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Salaries, allowances and bonuses	127,302	125,532	257,351	248,163
Employees' Provident Fund	19,936	18,680	40,278	36,437
Other staff related costs	16,921	10,511	34,951	32,643
	<u>164,159</u>	<u>154,723</u>	<u>332,580</u>	<u>317,243</u>
Bank				
Salaries, allowances and bonuses	123,747	123,047	250,234	242,796
Employees' Provident Fund	19,449	18,329	39,308	35,667
Other staff related costs	16,521	10,248	34,262	31,936
	<u>159,717</u>	<u>151,624</u>	<u>323,804</u>	<u>310,399</u>

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28. Other overhead expenses

Group	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<i>Promotion</i>				
Credit and debit card expenses	11,097	9,446	21,882	19,447
Advertisement and publicity	2,629	1,934	6,535	5,509
Others	5,345	2,051	8,681	7,347
	<u>19,071</u>	<u>13,431</u>	<u>37,098</u>	<u>32,303</u>
<i>Establishment</i>				
Office rental	7,436	5,830	14,557	13,992
Depreciation of property and equipment	14,663	13,779	29,498	27,781
Depreciation right-of-use assets	4,614	4,589	9,215	9,164
Information technology related expenses	17,571	15,632	36,201	32,183
Security services	2,155	1,882	4,484	4,759
Utilities	2,827	3,031	6,088	6,199
Office maintenance	2,312	2,683	4,965	5,876
Rental of equipment	1,742	1,149	3,019	2,678
Takaful	981	1,760	1,910	2,498
Others	-	-	281	281
	<u>54,301</u>	<u>50,335</u>	<u>110,218</u>	<u>105,411</u>
<i>General expenses</i>				
Outsourcing fees	5,385	3,956	10,857	7,868
Office supplies	1,484	2,012	3,885	4,617
Subscription fees	3,381	1,416	6,656	3,175
SMS service charges	4,347	3,430	8,596	5,885
Security services – cash in transit	1,753	1,425	2,828	3,040
Professional fees	317	2,558	3,864	5,136
Others	18,156	16,901	36,719	34,204
	<u>34,823</u>	<u>31,698</u>	<u>73,405</u>	<u>63,925</u>
	<u>108,195</u>	<u>95,464</u>	<u>220,721</u>	<u>201,639</u>

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28. Other overhead expenses (continued)

Bank	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<i>Promotion</i>				
Credit and debit card expenses	11,097	9,446	21,882	19,447
Advertisement and publicity	2,585	1,917	6,474	5,413
Others	2,125	275	4,082	2,654
	<u>15,807</u>	<u>11,638</u>	<u>32,438</u>	<u>27,514</u>
<i>Establishment</i>				
Office rental	7,527	5,924	14,733	14,177
Depreciation of property and equipment	14,619	13,724	29,407	27,674
Depreciation right-of-use assets	4,614	4,575	9,215	9,137
Information technology related expenses	17,571	15,632	36,201	32,183
Security services	2,155	1,882	4,484	4,759
Utilities	2,810	3,007	6,050	6,158
Office maintenance	2,261	2,633	4,866	5,770
Rental of equipment	1,726	1,131	2,988	2,640
Takaful	979	1,760	1,907	2,497
Others	-	-	281	281
	<u>54,262</u>	<u>50,268</u>	<u>110,132</u>	<u>105,276</u>
<i>General expenses</i>				
Outsourcing fees	8,428	7,503	13,900	13,236
Office supplies	1,454	1,997	3,839	4,572
Subscription fees	3,382	1,416	6,656	3,175
SMS service charges	4,347	3,430	8,596	5,885
Security services – cash in transit	1,753	1,425	2,828	3,040
Professional fees	166	2,505	3,658	5,024
Others	16,364	13,599	36,101	29,757
	<u>35,894</u>	<u>31,875</u>	<u>75,578</u>	<u>64,689</u>
	<u>105,963</u>	<u>93,781</u>	<u>218,148</u>	<u>197,479</u>

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Group	Note	3 months ended		6 months ended	
		30.06.2021	30.06.2020	30.06.2021	30.06.2020
		RM'000	RM'000	RM'000	RM'000
Finance cost:					
- Subordinated Sukuk					
Murabahah	19	17,674	17,774	35,154	35,458
- Profit expense on leases	15	4,334	4,463	8,694	8,992
		22,008	22,237	43,848	44,450

Bank

Finance cost:					
- Subordinated Sukuk					
Murabahah	19	17,674	17,774	35,154	35,458
- Profit expense on leases	15	4,334	4,463	8,694	8,991
		22,008	22,237	43,848	44,449

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30. Segmental Reporting on Revenue, Profit and Assets

Group	Consumer Banking RM'000	Corporate and Commercial Banking RM'000	Treasury RM'000	Shareholders unit RM'000	Elimination RM'000	Total RM'000
<u>6 months ended 30 June 2021</u>						
Total Revenue	970,436	300,956	305,413	38,122	(9,665)	1,605,262
Net fund based income	562,947	184,051	62,630	125,690	-	935,318
Non-fund based income	73,611	12,487	78,496	33,132	(9,565)	188,161
Net income	636,558	196,538	141,126	158,822	(9,565)	1,123,479
Net allowance for impairment	(30,832)	(14,543)	62	-	-	(45,313)
Profit before overheads, zakat & tax	605,726	181,995	141,188	158,822	(9,565)	1,078,166
Operating expenses						(603,191)
Profit before zakat & tax						474,975
<u>6 months ended 30 June 2020</u>						
Total Revenue	924,430	335,456	423,091	32,093	(7,775)	1,707,295
Net fund based income	410,668	187,870	63,239	69,463	-	731,240
Non-fund based income	68,715	18,499	172,199	29,077	(7,649)	280,841
Net income	479,383	206,369	235,438	98,540	(7,649)	1,012,081
Net allowance for impairment	8,393	(62,572)	368	-	-	(53,811)
Profit before overheads, zakat & tax	487,776	143,797	235,806	98,540	(7,649)	958,270
Operating expenses						(569,307)
Profit before zakat & tax						388,963

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30. Segmental Reporting on Revenue, Profit and Assets (continued)

	Consumer Banking RM'000	Corporate and Commercial Banking RM'000	Treasury RM'000	Shareholders unit RM'000	Elimination RM'000	Total RM'000
<u>At 30 June 2021</u>						
Segment assets	41,630,712	13,588,221	16,548,173	51,613	(34,529)	71,784,190
Unallocated assets						<u>1,739,998</u>
Total assets						<u><u>73,524,188</u></u>
<u>At 31 December 2020</u>						
Segment assets	40,874,237	13,796,398	18,286,566	54,179	(35,164)	72,976,216
Unallocated assets						<u>1,660,806</u>
Total assets						<u><u>74,637,022</u></u>

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31. Fair value of Financial Instruments

Fair value hierarchy

MFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Group's market assumptions. The fair value hierarchy is as follows:

- Level 1 – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes quoted equity securities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level includes debt instruments, profit rates swap and structured debt. The sources of input parameters include Bank Negara Malaysia (BNM) indicative yields or counterparty credit risk.
- Level 3 – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. The table does not include those short-term/on demand financial assets and financial liabilities where the carrying amounts are reasonable approximation of their fair values.

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31. Fair value of Financial Instruments (continued)

Fair value hierarchy (continued)

Group 30 June 2021 RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total			
<i>Financial assets</i>							
Financial assets at FVTPL	-	1,585,197	-	1,585,197	-	1,585,197	1,585,197
Derivative financial assets	-	45,532	-	45,532	-	45,532	45,532
Financial assets at FVOCI	12,135	12,153,284	50,196	12,215,615	-	12,215,615	12,215,615
Financing, advances and others	-	-	-	-	58,403,106	58,403,106	55,218,933
<i>Financial liabilities</i>							
Derivative financial liabilities	-	14,625	-	14,625	-	14,625	14,625
Recourse obligations on financing sold to Cagamas	-	-	-	-	2,061,545	2,061,545	2,001,720
Subordinated Sukuk Murabahah	-	-	-	-	1,724,058	1,724,058	1,713,095
31 December 2020							
RM'000							
<i>Financial assets</i>							
Financial assets at FVTPL	-	1,181,200	-	1,181,200	-	1,181,200	1,181,200
Derivative financial assets	-	61,665	-	61,665	-	61,665	61,665
Financial assets at FVOCI	13,755	12,494,040	50,196	12,557,991	-	12,557,991	12,557,991
Financing, advances and others	-	-	-	-	58,065,344	58,065,344	54,670,635
<i>Financial liabilities</i>							
Derivative financial liabilities	-	105,872	-	105,872	-	105,872	105,872
Recourse obligations on financing sold to Cagamas	-	-	-	-	1,577,805	1,577,805	1,501,187
Subordinated Sukuk Murabahah	-	-	-	-	1,730,236	1,730,236	1,713,164

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31. Fair value of Financial Instruments (continued)

Fair value hierarchy (continued)

Bank 30 June 2021 RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total			
<i>Financial assets</i>							
Financial assets at FVTPL	-	1,579,363	-	1,579,363	-	1,579,363	1,579,363
Derivative financial assets	-	45,532	-	45,532	-	45,532	45,532
Financial assets at FVOCI	12,135	12,153,284	50,934	12,216,353	-	12,216,353	12,216,353
Financing, advances and others	-	-	-	-	58,403,106	58,403,106	55,218,933
<i>Financial liabilities</i>							
Derivative financial liabilities	-	14,625	-	14,625	-	14,625	14,625
Recourse obligations on financing sold to Cagamas	-	-	-	-	2,061,545	2,061,545	2,001,720
Subordinated Sukuk Murabahah	-	-	-	-	1,724,058	1,724,058	1,713,095
31 December 2020							
RM'000							
<i>Financial assets</i>							
Financial assets at FVTPL	-	1,175,440	-	1,175,440	-	1,175,440	1,175,440
Derivative financial assets	-	61,665	-	61,665	-	61,665	61,665
Financial assets at FVOCI	13,755	12,494,040	50,934	12,558,729	-	12,558,729	12,558,729
Financing, advances and others	-	-	-	-	58,065,344	58,065,344	54,670,635
<i>Financial liabilities</i>							
Derivative financial liabilities	-	105,872	-	105,872	-	105,872	105,872
Recourse obligations on financing sold to Cagamas	-	-	-	-	1,577,805	1,577,805	1,501,187
Subordinated Sukuk Murabahah	-	-	-	-	1,730,236	1,730,236	1,713,164

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31. Fair value of Financial Instruments (continued)

Fair value hierarchy (continued)

Unobservable inputs used in measuring fair value

The following tables show the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

(a) Financial instruments carried at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at FVOCI	Net tangible assets	Net tangible assets	Higher net tangible assets results in higher fair value

(b) Financial instruments not carried at fair value

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Financing, advances and others

The fair values of variable rate financing are estimated to approximate their carrying values. For fixed rate financing, the fair values are estimated based on expected future cash flows of contractual instalment payments, discounted at applicable and prevailing rates at reporting date offered for similar facilities to new borrowers with similar credit profiles. In respect of impaired financing, the fair values are deemed to approximate the carrying values which are net of impairment allowances.

(ii) Subordinated Sukuk Murabahah and recourse obligations on financing sold to Cagamas

The fair values of Subordinated Sukuk Murabahah obligations and recourse obligations on financing sold to Cagamas are estimated by discounting the expected future cash flows using the applicable prevailing profit rates for borrowings with similar risks profiles.

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32. Commitment and Contingencies (continued)

The commitment and contingencies and their related counterparty credit risk for the Group and Bank are as follows (continued):

As at 31 December 2020	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000
<i>Credit related exposures</i>			
Direct credit substitutes	449,506	449,506	442,426
Transaction related contingent items	899,541	449,770	436,481
Short-term self-liquidating trade related contingencies	592,744	118,549	117,165
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:			
- exceeding one year	938,247	469,124	362,317
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	8,676,980	-	-
	<u>11,557,018</u>	<u>1,486,949</u>	<u>1,358,389</u>
	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000
			Risk Weighted Asset RM'000
<i>Derivative Financial Instruments</i>			
Foreign exchange related contracts			
- less than one year	8,518,422	59,494	143,217
Profit rate related contracts			
- one year to less than five years	114,056	2,171	5,414
	<u>8,632,478</u>	<u>61,665</u>	<u>148,631</u>
Total	<u>20,189,496</u>	<u>61,665</u>	<u>1,635,580</u>
			<u>1,423,021</u>

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33. Capital adequacy

Total capital and capital adequacy ratios of the Bank have been computed based on BNM's Capital Adequacy Framework for Islamic Banks (Capital Components and Risk-Weighted Assets). The Bank has adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk.

The capital adequacy ratios of the Group and the Bank are set out below:

	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
CET I & Tier I capital ratio	13.796%	14.667%	13.769%	14.642%
Total capital ratio	18.869%	19.822%	18.850%	19.804%

The components of CET I, Tier I and Tier II capital:

	Group		Bank	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Paid-up share capital	3,445,757	3,306,118	3,445,757	3,306,118
Retained earnings	2,751,384	2,891,023	2,745,121	2,884,760
Other reserves	(116,992)	88,558	(116,873)	88,707
<u>Less:</u>				
Deferred tax assets	(142,782)	(1,511)	(141,351)	-
Gain on financial instruments classified as FVOCI	-	(103,564)	-	(103,564)
Investment in subsidiaries	-	-	(15,525)	(15,525)
Total CET I and Tier I Capital	<u>5,937,367</u>	<u>6,180,624</u>	<u>5,917,129</u>	<u>6,160,496</u>
Sukuk Murabahah	1,700,000	1,700,000	1,700,000	1,700,000
Loss provision ^	483,414	472,256	483,198	472,005
Total Tier II Capital	<u>2,183,414</u>	<u>2,172,256</u>	<u>2,183,198</u>	<u>2,172,005</u>
Total Capital	<u>8,120,781</u>	<u>8,352,880</u>	<u>8,100,327</u>	<u>8,332,501</u>

^ Impairment allowances on non-impaired financing and regulatory reserve, subject to maximum of 1.25% of total credit risk-weighted assets less credit absorbed by unrestricted investment accounts.

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33. Capital adequacy (continued)

The breakdown of risk-weighted assets by each major risk category is as follows:

	Group		Bank	
	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Credit risk	47,575,926	46,862,577	47,558,886	46,842,825
Less : Credit risk absorbed by unrestricted investment accounts	(8,902,735)	(9,082,114)	(8,903,038)	(9,082,416)
	38,673,191	37,780,463	38,655,848	37,760,409
Market risk	562,920	638,925	562,920	638,925
Operational risk	3,801,255	3,719,636	3,754,625	3,675,867
	43,037,366	42,139,024	42,973,393	42,075,201

34. Performance review for the six months ended 30 June 2021

The Group reported profit before zakat and tax of RM475.0 million or an increase of 22.1% for the six months ended 30 June 2021 as compared to RM389.0 million for the corresponding period ended 30 June 2020. The increase mainly due to no modification loss charged during the period in relation to auto moratorium granted.

Year-on-year net financing assets grew by RM3.2 billion or 6.2% to reach RM55.2 billion as at end of June 2021. Comparatively, customer deposits and investment accounts stood at RM61.9 billion with a year-on-year increased by RM3.4 billion or 5.8%. CASATIA ratio as at end of June 2021 was 38.6%.

The Group's gross impaired financing ratio was 0.72% while the net impaired financing ratio was a negative 1.00% as at end of June 2021 compared to 0.67% and a negative 1.01% respectively as at 31 December 2020. The Banking System gross impaired ratio was 1.59% and the net impaired ratio was negative 0.2% as at end of May 2021.

The key performance ratios as at end June 2021 also compared favourably against most of the Banking System ratios as at end of May 2021. The Bank's return on equity and return on assets based on profit before zakat and tax ("PBZT") were 13.0% and 1.1% respectively against the Banking Systems' 9.2% and 1.1% respectively.

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35. Prospect for 2021

The government is optimistic in a meaningful recovery at the end of 2021 although remains cautious in view of potential economic disruptions from resurgence of the Covid-19 cases. The government announced an additional stimulus called PEMERKASA Plus and PEMULIH worth RM40 billion and RM150 billion respectively, which encompasses a 6-month moratorium, cash assistance, food aid, Employee Provident Fund (EPF) withdrawal scheme (i-Citra), electricity discounts, amongst many other initiatives. Additionally, the National Recovery Plan (NRP) consisting of 4 phases with conditions being laid out for every recovery phase is also seen as timely to lead Malaysia towards normalcy.

Based on the recently announced moratorium, minimal modification losses is expected as it is being offered on an opt-in basis with the customers having to sign revised terms on their new financing agreements. Analyst view the impact of modification loss to banks could range from 0%-6%. Despite series of MCOs, asset quality remained unchanged, projected financing growth hovers around 3%-4% driven by household sector whilst the banking system remain well-capitalised.

As the world is combatting the Covid-19 pandemic, the Bank continues its focus on integrating the principles of Shariah, Value-Based Intermediation (VBI) and ESG considerations to remain resilient and promote financial inclusion for all whilst assisting the community to make positive impact to people's livelihood and meeting their development needs and guided by the six strategic objectives. They are namely Sustainable Prosperity, Value-based Culture, Community Empowerment, Customer Centricity, Real Economy and Digitalisation. The Bank is not only taking part in the automatic moratorium for its customers who need it, but through its social finance arm, Sadaqa House, the Bank hopes to uplift social finance nurturing by growing subscriptions of iTEKAD, Sadaqa Microfinance and other innovative solutions to generate greater impact on the unbankable target group. In line with its vision to become the Bank that advances prosperity for all, Bank Islam also intensified its support of SMEs through collaborations with Government-Linked Companies (GLCs) and other large corporations via vendor development and financing programmes.

Recently in June'21, the Bank has partnered with Halal Development Corp Bhd (HDC) to provide a new GO Halal Fund with an initial allocation of RM100 million. In paving the way for affordable investing for retail customers, the world's first Shariah Sustainability Robo Intelligence Investing app called the "BEST Invest" has been launched by BIMB Investment Berhad, the Bank's subsidiary. With a minimum initial investment of RM10, the app aims to maximise returns and manage investment risks over time. Nearing towards the group restructuring exercise, the Bank aspires unlock value for all, paving the way for the only listed pure-play full-fledged Islamic financial institution in the country.

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36. Significant events

On 11 December 2019, the immediate holding company, BIMB Holdings Berhad (“BHB”) had announced and proposed to undertake several corporate exercises (“the Proposals”). Subsequently, BHB has obtained approvals from Minister of Finance (on the recommendation of BNM), BNM, shareholders and warrant holders of BHB and now the Group is in the process of executing the Proposals.

On 23 February 2021, BHB has announced that it has received approval from Bursa Securities for the listing and quotation of BHB shares to be issued pursuant to the proposed placements and admission of the Bank to the official list of Bursa Securities and the listing of and quotation for the entire issued share capital of the Bank on the Main Market of Bursa Securities pursuant to the proposed transfer of listing.

BHB on 13 April 2021 has announced that it has completed the book building exercise pursuant to the proposed placement and has raised gross proceeds of RM795.6 million. The proceeds raised together with internal cash of BHB has been used to fully redeem outstanding sukuk by BHB on 3 June 2021 with total redemption amount of RM988.4 million.

BHB has obtained sanction of the High Court of Malaya on 16 June 2021 for the payment to warrant holders by way of scheme of arrangement. The Proposal is now pending payment to warrant holders and subsequently the execution of the remaining corporate exercise under the Proposals.

37. Credit Transactions and Exposures with Connected Parties

	Group and Bank	
	30.06.2021	31.12.2020
Outstanding credit exposures with connected parties	2,409,766	2,411,078
% of outstanding credit exposures to connected parties as a proportion of total credit exposures	3.79%	3.73%
% of outstanding credit exposures to connected parties which is non-performing or in default	0.00%	0.00%