

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

Condensed Statement of Financial Position as at 31 March 2020

	Note	Group As at		Company As at	
		31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000
Assets					
Cash and short-term funds	8	1,247,807	3,334,771	62,775	2,105
Deposits and placements with banks and other financial institutions	9	2,487,518	2,581,288	270,132	410,228
Financial assets at fair value through profit or loss (FVTPL)	10	1,704,610	1,494,495	7,088	7,117
Derivative financial assets	11	86,291	33,326	-	-
Financial assets at fair value through other comprehensive income (FVOCI)	12	16,900,067	16,946,884	-	-
Financing, advances and others	13	50,410,303	49,472,522	-	-
Other financial assets at amortised cost	14	556,903	581,203	4,636	103,468
Retakaful assets	15	829,198	755,796	-	-
Statutory deposits with Bank Negara Malaysia		224,156	1,170,136	-	-
Current tax assets		99,713	97,964	85	85
Deferred tax assets		101,271	69,728	10	10
Right-of-use assets	16	244,896	250,443	-	-
Investments in subsidiaries		-	-	5,304,273	5,304,273
Property and equipment		399,776	395,859	383	411
Investment properties		10,496	10,590	-	-
Intangible assets		63,216	68,488	-	-
Total assets		75,366,221	77,263,493	5,649,382	5,827,697

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

Condensed Statement of Financial Position as at 31 March 2020 (continued)

	Note	Group As at		Company As at	
		31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000
Liabilities and equity					
Deposits from customers	17	43,889,382	46,752,714	-	-
Investment accounts of customers	18	10,542,557	9,797,543	-	-
Derivative financial liabilities	11	31,251	36,746	-	-
Bills and acceptances payable		22,319	49,084	-	-
Recourse obligations on financing sold to Cagamas	19	1,501,187	1,501,187	-	-
Other liabilities	20	1,160,435	1,689,741	2,331	284,567
Lease liabilities	16	325,894	328,062	-	-
Takaful contract liabilities	21	8,300,228	8,197,156	-	-
Expense reserves	22	331,111	311,700	-	-
Sukuk liabilities	23	2,570,239	2,139,666	894,667	881,093
Zakat and taxation		30,571	41,751	167	-
Total liabilities		68,705,174	70,845,350	897,165	1,165,660
Equity					
Share capital		4,412,261	4,307,819	4,412,261	4,307,819
Reserves		1,688,031	1,586,613	339,956	354,218
Equity attributable to owners of the Company		6,100,292	5,894,432	4,752,217	4,662,037
Non-controlling interests		560,755	523,711	-	-
Total equity		6,661,047	6,418,143	4,752,217	4,662,037
Total liabilities and equity		75,366,221	77,263,493	5,649,382	5,827,697
Restricted investment accounts ("RIA") managed by Bank Islam					
	18	25,999	35,062	-	-
Total assets including RIA		75,392,220	77,298,555	5,649,382	5,827,697
Commitments and contingencies	42	16,541,589	17,414,181	-	-
Net assets per share attributable to ordinary equity of the Company (RM)		3.40	3.34	2.65	2.64

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2019.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

Condensed Statement of Profit or Loss for the three months ended 31 March 2020

	Note	Group		Company	
		31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Income derived from investment of depositors' funds	25	691,027	707,807	-	-
Income derived from investment account funds	26	133,998	74,834	-	-
Income derived from investment of shareholders' funds	27	93,489	111,629	4,019	1,347
Net earned contributions	28	584,363	599,674	-	-
Other income from takaful business	29	28,716	125,359	-	-
Net benefits, claims and expense reserves	30	(287,639)	(296,023)	-	-
Net allowance for impairment on financing and advances, net of recoveries	31	(30,738)	(23,199)	-	-
Net allowance for impairment on debt instruments		15	(20)	-	-
Net allowance for impairment on other assets		395	853	-	-
Direct expenses		(3,578)	(3,904)	-	-
Total distributable income		1,210,048	1,297,010	4,019	1,347
Wakalah fees from restricted investment accounts		118	226	-	-
Income attributable to depositors	32	(302,298)	(349,784)	-	-
Income attributable to investment account holders	33	(65,815)	(28,437)	-	-
Income attributable to Takaful Operator/participants		(27,429)	(140,294)	-	-
Total net income		814,624	778,721	4,019	1,347
Personnel expenses	34	(206,382)	(197,680)	(1,852)	(2,427)
Other overhead expenses	35	(251,328)	(227,399)	(2,355)	(908)
		356,914	353,642	(188)	(1,988)
Finance cost	36	(35,081)	(34,058)	(13,574)	(12,967)
Profit before zakat and tax		321,833	319,584	(13,762)	(14,955)
Zakat		(3,963)	(4,130)	-	-
Tax expense	B5	(67,635)	(73,865)	(500)	(720)
Profit for the period		250,235	241,589	(14,262)	(15,675)
Attributable to:					
Owners of the Company		209,237	202,516	(14,262)	(15,675)
Non-controlling interests		40,998	39,073	-	-
Profit for the period		250,235	241,589	(14,262)	(15,675)
Earnings per share (sen)	B11	11.71	11.63		

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

Condensed Statement of Other Comprehensive Income for the three months ended 31 March 2020

	Group		Company	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Profit for the period	250,235	241,589	(14,262)	(15,675)
Other comprehensive income/(expense) net of tax:				
Items that are or may be reclassified subsequently to profit or loss				
Currency translation differences in respect of foreign operations	(23,948)	5,483	-	-
Movement in fair value reserve (debt instruments):				
Net change in fair value	(18,196)	128,896	-	-
Changes in expected credit losses	15	(20)	-	-
Net amount transferred to profit or loss	(96,536)	(16,928)	-	-
Income tax effect relating to components of other comprehensive income	25,732	(24,952)	-	-
	(112,933)	92,479	-	-
Items that will not be reclassified subsequently to profit or loss				
Movement in fair value reserve (equity instruments):				
Net change in fair value	(1,156)	(298)	-	-
Other comprehensive income for the period, net of tax	(114,089)	92,181	-	-
Total comprehensive income for the period	136,146	333,770	(14,262)	(15,675)
Total comprehensive income attributable to:				
Owners of the Company	100,041	291,199	(14,262)	(15,675)
Non-controlling interests	36,105	42,571	-	-
Total comprehensive income for the period	136,146	333,770	(14,262)	(15,675)

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2019.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

Condensed Statement of Changes in Equity for the three months ended 31 March 2020

Group	← Attributable to owners of the Company →			Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Non- distributable Other reserves RM'000	Distributable Retained earnings RM'000			
At 1 January 2020	4,307,819	(917,021)	2,503,634	5,894,432	523,711	6,418,143
Profit for the period	-	-	209,237	209,237	40,998	250,235
Other comprehensive income						
Currency translation differences in respect of foreign operations	-	(22,585)	-	(22,585)	(1,363)	(23,948)
Fair value reserve (debt instruments):						
Net change in fair value	-	(14,666)	-	(14,666)	(3,530)	(18,196)
Changes in expected credit losses	-	15	-	15	-	15
Net amount reclassified to profit or loss	-	(96,536)	-	(96,536)	-	(96,536)
Income tax effect relating to components of other comprehensive income	-	25,732	-	25,732	-	25,732
Fair value reserve (equity instruments):						
Net change in fair value	-	(1,156)	-	(1,156)	-	(1,156)
Total comprehensive income for the period	-	(109,196)	209,237	100,041	36,105	136,146
Share-based payment transactions	-	1,377	-	1,377	939	2,316
Issue of shares pursuant to Dividend Reinvestment Plan	104,442	-	-	104,442	-	104,442
At 31 March 2020	4,412,261	(1,024,840)	2,712,871	6,100,292	560,755	6,661,047

Note 24

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

Condensed Statement of Changes in Equity for the three months ended 31 March 2020 (continued)

Group	← Attributable to owners of the Company →			Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Non- distributable Other reserves RM'000	Distributable Retained earnings RM'000			
At 1 January 2019						
- as previously stated	4,082,939	(1,138,762)	2,081,542	5,025,719	469,003	5,494,722
- effect upon adoption of MFRS 16 (net of tax)	-	-	(88,749)	(88,749)	-	(88,749)
At 1 January 2019, restated	4,082,939	(1,138,762)	1,992,793	4,936,970	469,003	5,405,973
Profit for the period	-	-	202,516	202,516	39,073	241,589
Other comprehensive income						
Currency translation differences in respect of foreign operations	-	5,299	-	5,299	184	5,483
Fair value reserve (debt instruments):						
Net change in fair value	-	125,396	-	125,396	3,500	128,896
Changes in expected credit losses	-	(20)	-	(20)	-	(20)
Net amount reclassified to profit or loss	-	(16,742)	-	(16,742)	(186)	(16,928)
Income tax effect relating to components of other comprehensive income	-	(24,952)	-	(24,952)	-	(24,952)
Fair value reserve (equity instruments):						
Net change in fair value	-	(298)	-	(298)	-	(298)
Total comprehensive income for the period	-	88,683	202,516	291,199	42,571	333,770
Non-controlling share of dividend	-	-	-	-	(49,900)	(49,900)
Share-based payment transactions	-	1,317	-	1,317	892	2,209
Issue of shares pursuant to Dividend Reinvestment Plan	224,880	-	-	224,880	-	224,880
At 31 March 2019	4,307,819	(1,048,762)	2,195,309	5,454,366	462,566	5,916,932

Note 24

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

Condensed Statement of Changes in Equity for the three months ended 31 March 2020 (continued)

Company	← Attributable to owners of the Company →			Total Equity RM'000
	Share capital RM'000	Non-distributable Warrant reserve RM'000	Distributable Retained earnings RM'000	
At 1 January 2020	4,307,819	129,300	224,918	4,662,037
Profit for the period	-	-	(14,262)	(14,262)
Issue of shares pursuant to Dividend Reinvestment Plan	104,442	-	-	104,442
At 31 March 2020	4,412,261	129,300	210,656	4,752,217

Company	← Attributable to owners of the Company →			Total Equity RM'000
	Share capital RM'000	Non-distributable Warrant reserve RM'000	Distributable Retained earnings RM'000	
At 1 January 2019				
- as previously stated	4,082,939	129,300	83,873	4,296,112
- prior year adjustments	-	-	73,733	73,733
At 1 January 2019, restated	4,082,939	129,300	157,606	4,369,845
Profit for the period	-	-	(15,675)	(15,675)
Issue of shares pursuant to Dividend Reinvestment Plan	224,880	-	-	224,880
At 31 March 2019	4,307,819	129,300	141,931	4,579,050

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2019.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

Condensed Statement of Cash Flows for the three months ended 31 March 2020

	Group		Company	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before zakat and tax	321,833	319,584	(13,762)	(14,955)
Adjustments for:				
Depreciation of right-of-use assets	5,147	3,534	-	-
Depreciation of property and equipment	16,921	15,909	28	22
Depreciation of investment properties	73	73	-	-
Property and equipment written off	6	45	-	-
Net allowance for impairment on financing, advances and others	58,171	47,307	-	-
Net allowance for impairment on debt instruments	(15)	20	-	-
Net allowance for impairment on other assets	(395)	(853)	-	-
Net loss/(gain) on sale of financial assets at FVTPL	4,288	(5,871)	-	-
Net gain on sale of financial assets at FVOCI	(96,536)	(16,469)	-	-
Fair value loss/(gain) on financial assets at FVTPL	26,940	(27,789)	29	(134)
Unrealised foreign exchange (gain)/loss	(58,113)	1,094	-	-
Net derivative (gain)/loss	(15)	71	-	-
Profit income from investments of securities	(129,620)	(139,916)	(3,048)	(1,213)
Dividends income from debt instruments at FVTPL (unit trust)	(173)	(189)	-	-
Change in actuarial reserves/ unearned contributions reserve	(8,537)	(3,422)	-	-
Equity settled share-based payment	2,316	2,209	-	-
Amortisation of intangible assets	7,506	7,316	-	-
Profit expense on leases	4,508	4,524	-	-
Finance cost	30,573	29,534	13,574	12,967
Operating profit/(loss) before working capital changes	184,878	236,711	(3,179)	(3,313)

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

Condensed Statement of Cash Flows for the three months ended 31 March 2020
(continued)

	Group		Company	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Operating profit/(loss) before working capital changes	184,878	236,711	(3,179)	(3,313)
Changes in working capital:				
Financing of customers	(995,952)	(417,484)	-	-
Statutory deposits with Bank				
Negara Malaysia	945,980	83,354	-	-
Other assets	(35,039)	(278,695)	522	(200)
Deposits from customers	(2,863,332)	(2,442,174)	-	-
Investment accounts of customers	745,014	1,151,098	-	-
Recourse obligations on financing sold to Cagamas	-	-	-	-
Other liabilities	(75,643)	659,965	50	150
Bills and acceptances payable	(26,765)	18,043	-	-
Cash used in operations	(2,120,859)	(989,182)	(2,607)	(3,363)
Zakat paid	(5,665)	(8,905)	-	-
Tax paid	(71,979)	(78,521)	(334)	(480)
Tax refund	-	28	-	-
Net used in operating activities	(2,198,503)	(1,076,580)	(2,941)	(3,843)
Cash flows from investing activities				
Net proceeds from purchase of securities	(213,848)	(955,040)	-	-
Purchase of property and equipment	(21,052)	(16,362)	-	(4)
Proceeds from disposal of property and equipment	12	2	-	-
Profit income from investments of securities	129,620	139,916	3,048	1,213
Dividends income from debt instruments at FVTPL (unit trust)	173	189	-	-
Dividends from subsidiaries	-	-	98,310	73,733
Intangible assets	(2,234)	-	-	-
Net cash (used in)/generated from investing activities	(107,329)	(831,295)	101,358	74,942

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

Condensed Statement of Cash Flows for the three months ended 31 March 2020
(continued)

	Group		Company	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Dividends paid	(177,843)	(37,623)	(177,843)	(37,623)
Dividends paid to non-controlling interest	(67,048)	(49,900)	-	-
Payment of lease liabilities	(6,712)	(6,148)	-	-
Subordinated Sukuk Murabahah	400,000	-	-	-
Net cash generated from/(used in) financing activities	148,397	(93,671)	(177,843)	(37,623)
Net (decrease)/increase in cash and cash equivalents	(2,157,435)	(2,001,546)	(79,426)	33,476
Cash and cash equivalents at beginning of the year	5,916,059	6,287,126	412,333	88,473
Foreign exchange differences	(23,299)	5,397	-	-
Cash and cash equivalents at end of the period	3,735,325	4,290,977	332,907	121,949
Cash and cash equivalents comprise:				
Cash and short-term funds	1,247,807	2,598,087	62,775	121,949
Deposits and placements with banks and other financial institutions	2,487,518	1,692,890	270,132	-
	3,735,325	4,290,977	332,907	121,949
Less:				
Cash and short term funds and deposits and placements with banks and other financial institutions with original maturity more than three months	(2,060,489)	(1,234,768)	(270,132)	-
	1,674,836	3,056,209	62,775	121,949

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

Condensed Statement of Cash Flows for the three months ended 31 March 2020
(continued)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows from financing activities.

	At 1.1.2020 RM'000	Additions during the period RM'000	Changes from financing cash flows RM'000	Finance cost for the year RM'000	At 31.03.2020 RM'000	
Group						
Sukuk liabilities	2,139,666	400,000	-	30,573	2,570,239	
Lease liabilities	328,062	36	(6,712)	4,508	325,894	
	<u>2,467,728</u>	<u>400,036</u>	<u>(6,712)</u>	<u>35,081</u>	<u>2,896,133</u>	
Company						
Sukuk liabilities	<u>881,093</u>	-	-	13,574	<u>894,667</u>	
	Effect on adoption of MFRS 16 RM'000	At 1.1.2019 RM'000	Additions during the period RM'000	Changes from financing cash flows RM'000	Finance cost for the year RM'000	At 31.03.2019 RM'000
Group						
Sukuk liabilities	-	2,102,672	-	-	29,534	2,132,206
Lease liabilities	321,832	321,832	-	(6,148)	4,524	320,208
	<u>321,832</u>	<u>2,424,504</u>	<u>-</u>	<u>(6,148)</u>	<u>34,058</u>	<u>2,452,414</u>
Company						
Sukuk liabilities		<u>844,159</u>	-	-	12,967	<u>857,126</u>

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Company for the financial year ended 31 December 2019.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

Explanatory Notes to the Financial Statements for the three months ended 31 March 2020

1. Basis of preparation

BIMB Holdings Berhad ("BHB") is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The condensed financial statements of the Group for the three months ended 31 March 2020 comprise that of the Company and its subsidiaries (together referred to as the Group).

These condensed financial statements were approved for issue by the Board of Directors.

These condensed financial statements have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements, Financial Reporting for Islamic Banking Institution policy issued by Bank Negara Malaysia ("BNM"), the provisions of the Companies Act, 2016 and Shariah requirements.

The condensed 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 for the financial year ended 31 December 2019. 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 Group since the financial year ended 31 December 2019.

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 2019, except for the adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRS"):

- Amendments to MFRS 3, *Business Combinations - Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, 139 & 7 – *Interest Rate Benchmark Reform*

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

2. Auditors' report on preceeding financial statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2019 was not qualified.

3. Seasonal or cyclical factors

The operations of the Group were not materially affected by any seasonal or cyclical factors for the three months ended 31 March 2020 other than as disclosed in Note 7 to the interim financial statements.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

4. Exceptional or unusual items

There were no items of an exceptional or unusual nature that may affect the assets, liabilities, equity, net income or cash flows of the Group for three months ended 31 March 2020.

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 three months ended 31 March 2020.

6. Issuance or repayment of debt and equity securities

On 22 January 2020, the Company increased its issued and paid-up capital from 1,764,282,714 to 1,792,663,814 via the issuance of 28,381,100 new ordinary shares for a consideration of RM3.68 each arising from the Dividend Reinvestment Plan.

The Bank issued RM400,000,000 subordinated Sukuk Murabahah on 26 March 2020 at 3.75% per annum to replace RM300,000,000 subordinated Sukuk Murabahah with first call date on 22 April 2020. There was no share buy-back during the three months ended 31 March 2020.

7. Significant event during the three months ended 31 March 2020

COVID-19 outbreak

Due to the uncertainty of the macroeconomic outlook as a result of the COVID-19 outbreak, both domestically and globally, the Group expects that the current situation to have an impact on the Group's earnings for 2020.

Nevertheless, BNM had on 24 March 2020 announced additional measures to assist financing customers affected by the outbreak through automatic 6 months moratorium on all financing payments excluding credit card for individuals and Small Medium Enterprises ("SME") effective 1 April 2020.

As the current situation is unprecedented, and it is very difficult to predict the economic eventualities with high degree of precision, the Group is monitoring the situation closely and continue to assess the possible ramifications on the earnings as the situation develops.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

8. Cash and short-term funds

	Group		Company	
	31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000
Cash and balances with banks and other financial institutions	862,275	897,248	62,775	2,105
Money at call and interbank placements with remaining maturity not exceeding one month	385,532	2,437,523	-	-
	<u>1,247,807</u>	<u>3,334,771</u>	<u>62,775</u>	<u>2,105</u>

9. Deposits and placements with banks and other financial institutions

	Group		Company	
	31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000
Licensed banks	2,025,180	1,888,196	-	-
Licensed Islamic bank	-	-	270,132	410,228
Bank Negara Malaysia	427,029	658,053	-	-
Other financial institutions	35,309	35,039	-	-
	<u>2,487,518</u>	<u>2,581,288</u>	<u>270,132</u>	<u>410,228</u>

10. Financial assets at fair value through profit or loss (FVTPL)

	Group		Company	
	31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000
At fair value				
Sukuk	505,872	432,940	-	-
Malaysian Government Investment Issues	619,219	274,162	-	-
Shares	220,100	333,844	-	-
Unit trusts	260,430	303,789	7,088	7,117
Malaysian Islamic Treasury Bills	98,989	99,571	-	-
Islamic commercial papers	-	50,189	-	-
	<u>1,704,610</u>	<u>1,494,495</u>	<u>7,088</u>	<u>7,117</u>

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

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 and hedging purposes. The principal or contractual amount 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	Notional	Fair value	
	Amount	Assets	Liabilities
	RM'000	RM'000	RM'000
31.03.2020			
Forward contracts	5,215,456	83,606	(29,357)
Profit rate swaps	139,006	2,685	(1,894)
	5,354,462	86,291	(31,251)

Group	Notional	Fair value	
	Amount	Assets	Liabilities
	RM'000	RM'000	RM'000
31.12.2019			
Forward contracts	6,255,520	31,626	(35,927)
Profit rate swaps	147,098	1,700	(819)
	6,402,618	33,326	(36,746)

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

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Financial assets at fair value through other comprehensive income:		
a) Debt instruments	16,854,264	16,899,925
b) Equity instruments	45,803	46,959
	16,900,067	16,946,884

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

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

a) Debt instruments at fair value through other comprehensive income

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Sukuk	12,897,922	13,385,180
Malaysian Government Investment Issues	2,615,787	2,253,390
Institutional Trust Account	635,843	530,852
Malaysian Government Islamic Papers	524,141	499,632
Islamic Commercial Papers	180,571	230,871
	<u>16,854,264</u>	<u>16,899,925</u>

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

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Stage 1		
At 1 January 2020/2019	265	302
Reversal of impairment during the period/year	(15)	(37)
At 31 March 2020/31 December 2019	<u>250</u>	<u>265</u>

b) Equity instruments at fair value through other comprehensive income

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Quoted shares		
- outside Malaysia	7,822	8,978
	<u>7,822</u>	<u>8,978</u>
Unquoted shares		
- in Malaysia	37,979	37,979
- outside Malaysia	2	2
	<u>37,981</u>	<u>37,981</u>
	<u>45,803</u>	<u>46,959</u>

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

13. Financing, advances and others

(a) By type and Shariah contract

Group	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
31 March 2020									
At amortised cost									
Cash line	-	-	-	1,479	1,377,642	-	-	-	1,379,121
Term financing									
House financing	3,332,960	-	-	-	16,579,959	-	46,154	-	19,959,073
Syndicated financing	-	-	-	-	1,382,493	-	-	-	1,382,493
Leasing financing	-	-	-	-	-	111,348	-	-	111,348
Bridging financing	-	-	-	-	-	-	50,418	-	50,418
Personal financing	-	-	-	6,161	14,833,249	-	-	-	14,839,410
Other term financing	645,276	1,279,973	-	24	9,886,800	-	1,112	-	11,813,185
Staff financing	50,434	10,688	-	-	192,162	-	8,104	-	261,388
Credit cards	-	-	-	-	475,623	-	-	-	475,623
Trade bills discounted	-	737,250	85,650	-	-	-	-	-	822,900
Trust receipts	-	6,790	-	-	-	-	-	-	6,790
Pawn broking	-	-	-	-	-	-	-	72,834	72,834
	4,028,670	2,034,701	85,650	7,664	44,727,928	111,348	105,788	72,834	51,174,583

Allowance for impairment on financing, advances and others :-

- Stage 1	(429,235)
- Stage 2	(174,715)
- Stage 3	(160,330)
Net financing, advances and others	50,410,303

^ Assets funded under *Ijarah* financing are owned by Bank Islam 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.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

13. Financing, advances and others (continued)

(a) By type and Shariah contract (continued)

Group	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
31 December 2019									
At amortised cost									
Cash line	-	-	-	1,497	1,429,391	-	-	-	1,430,888
Term financing									
House financing	3,422,625	-	-	-	16,194,868	-	47,072	-	19,664,565
Syndicated financing	-	-	-	-	1,032,250	-	-	-	1,032,250
Leasing financing	-	-	-	-	-	111,653	-	-	111,653
Bridging financing	-	-	-	-	-	-	52,122	-	52,122
Personal financing	-	-	-	6,680	14,614,052	-	-	-	14,620,732
Other term financing	721,670	1,290,035	-	24	9,591,672	-	1,130	-	11,604,531
Staff financing	52,414	10,872	-	-	179,838	-	8,372	-	251,496
Credit cards	-	-	-	-	492,829	-	-	-	492,829
Trade bills discounted	-	772,494	113,840	-	-	-	-	-	886,334
Trust receipts	-	5,269	-	193	-	-	-	-	5,462
Pawn broking	-	-	-	-	-	-	-	71,107	71,107
	4,196,709	2,078,670	113,840	8,394	43,534,900	111,653	108,696	71,107	50,223,969
Allowance for impairment on financing, advances and others :-									
- Stage 1									(431,135)
- Stage 2									(148,115)
- Stage 3									(172,197)
Net financing, advances and others									49,472,522

^ Assets funded under *Ijarah* financing are owned by Bank Islam 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.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

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 ("UA") and financing sold to Cagamas with recourse to the Group. The details are as follows:

		Group	
	Note	31.03.2020	31.12.2019
		RM'000	RM'000
House financing			
Unrestricted Investment Accounts	18	7,166,681	6,504,728
Sold to Cagamas with recourse	19	1,501,187	1,501,187
		<u>8,667,868</u>	<u>8,005,915</u>
Personal financing			
Unrestricted Investment Accounts	18	3,375,876	3,292,815

(b) By type of customer

		Group	
		31.03.2020	31.12.2019
		RM'000	RM'000
Domestic non-bank financial institutions		1,568,286	1,595,043
Domestic business enterprise		9,151,434	8,384,026
Small & medium enterprises		1,803,430	2,017,946
Government and statutory bodies		715,473	729,905
Individuals		37,647,908	37,227,020
Other domestic entities		77,602	71,582
Foreign entities		210,450	198,447
		<u>51,174,583</u>	<u>50,223,969</u>

(c) By profit rate sensitivity

		Group	
		31.03.2020	31.12.2019
		RM'000	RM'000
Fixed rate			
House financing		761,429	985,880
Others		3,682,985	3,700,354
Floating rate			
House financing		19,814,891	19,299,203
Others		26,915,278	26,238,532
		<u>51,174,583</u>	<u>50,223,969</u>

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

13. Financing, advances and others (continued)

(d) By remaining contractual maturity

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Maturity within one year	4,566,074	4,615,374
More than one year to three years	1,537,625	1,265,070
More than three years to five years	3,227,042	3,230,831
More than five years	41,843,842	41,112,694
	<u>51,174,583</u>	<u>50,223,969</u>

(e) By geographical distribution

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Central Region	24,091,947	23,794,695
Eastern Region	7,947,094	7,861,683
Northern Region	6,754,150	6,673,024
Southern Region	8,702,417	8,278,422
East Malaysia Region	3,678,975	3,616,145
	<u>51,174,583</u>	<u>50,223,969</u>

(f) By sector

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Primary agriculture	1,318,040	1,266,687
Mining and quarrying	39,333	38,712
Manufacturing (including agro-based)	817,767	881,445
Electricity, gas and water	1,966,559	1,863,658
Wholesale & retail trade, and hotels & restaurants	958,741	927,772
Construction	2,690,639	2,238,954
Transport, storage and communications	879,424	918,959
Finance, insurance, real estate and business activities	3,742,690	3,731,211
Education, health and others	1,110,123	1,126,374
Household sectors	37,651,267	37,230,197
	<u>51,174,583</u>	<u>50,223,969</u>

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

13. Financing, advances and others (continued)

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

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
At 1 January 2020/2019	433,001	425,937
Classified as impaired during the period/year	140,219	701,221
Reclassified as not impaired during the period/year	(78,355)	(372,172)
Amount recovered	(22,781)	(97,001)
Amount written off	(44,941)	(224,984)
At 31 March 2020/31 December 2019	<u>427,143</u>	<u>433,001</u>
Gross impaired financing as a percentage of gross financing, advances and others	<u>0.83%</u>	<u>0.86%</u>

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

(h) Impaired financing by geographical distribution

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Central Region	185,826	181,730
Eastern Region	105,731	101,743
Northern Region	80,899	79,976
Southern Region	31,539	47,527
East Malaysia Region	23,148	22,025
	<u>427,143</u>	<u>433,001</u>

(i) Impaired financing by sector

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Manufacturing (including agro-based)	31,432	45,715
Wholesale & retail trade, and hotels & restaurants	96,388	97,043
Construction	33,480	29,361
Transport, storage and communications	17,747	10,217
Finance, insurance, real estate and business activities	6,107	8,125
Education, health and others	8,249	8,179
Household sectors	233,740	234,361
	<u>427,143</u>	<u>433,001</u>

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

13. Financing, advances and others (continued)

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

Group	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	1,233	(1,043)	(190)	-
Transfer to Stage 2	(3,115)	7,101	(3,986)	-
Transfer to Stage 3	(96)	(17,144)	17,240	-
Net allowance made during the period	(22,940)	45,461	20,865	43,386
New financial assets originated or purchased	33,864	306	-	34,170
Financial assets that have been derecognised	(10,449)	(8,081)	(855)	(19,385)
Write-offs	-	-	(44,941)	(44,941)
Exchange differences	(397)	-	-	(397)
At 31 March 2020	<u>429,235</u>	<u>174,715</u>	<u>160,330</u>	<u>764,280</u>

Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2019	416,450	129,402	243,853	789,705
Transfer to Stage 1	1,931	(1,798)	(133)	-
Transfer to Stage 2	(6,868)	9,175	(2,307)	-
Transfer to Stage 3	(461)	(8,696)	9,157	-
Net allowance made during the year	(59,446)	45,272	149,340	135,166
New financial assets originated or purchased	127,923	2,567	2,411	132,901
Financial assets that have been derecognised	(44,291)	(27,807)	(5,140)	(77,238)
Write-offs	-	-	(224,984)	(224,984)
Exchange differences	(4,103)	-	-	(4,103)
At 31 December 2019	<u>431,135</u>	<u>148,115</u>	<u>172,197</u>	<u>751,447</u>

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

14. Other financial assets at amortised cost

	Group		Company	
	31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000
Takaful receivables	269,687	210,270	-	-
- <i>Due contributions</i>	257,938	162,632	-	-
- <i>Due from retakaful/co-takaful</i>	11,749	47,638	-	-
Clients' and dealers' debit balances	30,675	23,147	-	-
Deposits and prepayments	58,583	45,998	433	473
Other financing	78,073	80,925	-	-
Investment profit receivable	106,336	95,591	-	-
Sukuk	5,289	5,684	-	-
Dividend receivable	-	-	-	98,310
Amount due from subsidiaries	-	-	119	396
Other receivables	27,005	137,338	4,084	4,289
	575,648	598,953	4,636	103,468
Less: Accumulated impairment loss:				
Stage 3				
- Takaful receivables	(7,981)	(6,591)	-	-
- Sukuk	(5,289)	(5,684)	-	-
- Other receivables	(5,475)	(5,475)	-	-
	556,903	581,203	4,636	103,468

15. Retakaful assets

	Note	Group	
		31.03.2020 RM'000	31.12.2019 RM'000
Retakaful assets:			
- Claims liabilities	21(i)	406,544	349,548
- Contribution liabilities	21(ii)	99,169	90,634
- Actuarial liabilities	21(iii)	323,485	315,614
		829,198	755,796

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

16. Right-of-use assets and lease liabilities

The statements of financial position shows the following amount relating to leases:

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Right-of-use assets		
Properties	244,097	249,484
Equipment	799	959
	<u>244,896</u>	<u>250,443</u>
Lease liabilities	<u>325,894</u>	<u>328,062</u>

Additions to the right-of-use assets as at 31 March 2020 were RM32,000 (2019: RM10,207,000).

Included in property and equipment, there is RM22,619,000 (2019: RM22,662,000) of right-of-use assets in relation to leasehold land and building.

The statements of profit or loss shows the following amount relating to leases:

	Group	
	31.03.2020	31.03.2019
	RM'000	RM'000
Depreciation charge on right-of-use assets:		
Properties	4,987	3,413
Equipment	160	121
	<u>5,147</u>	<u>3,534</u>
Finance cost	<u>4,508</u>	<u>4,524</u>

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

17. Deposits from customers

(a) By type of deposit

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Savings deposits		
<i>Qard</i>	5,355,062	4,681,710
Demand deposits		
<i>Qard</i>	10,660,465	10,932,557
Term Deposit	27,772,856	31,033,213
Special Investment Deposit		
<i>Mudharabah</i>	3,915	3,915
General Investment Deposit		
<i>Mudharabah</i>	200,125	209,693
Term Deposit-i		
<i>Tawarruq</i>	26,234,017	29,828,055
Negotiable Islamic Debt Certificates ("NIDC")	1,334,799	991,550
Others	100,999	105,234
Total Deposits	43,889,382	46,752,714

(b) Maturity structure of term deposits are as follows:

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Due within six months	11,945,962	12,084,789
More than six months to one year	5,446,694	7,183,724
More than one year to three years	7,627,720	9,056,935
More than three years to five years	2,752,480	2,707,765
	27,772,856	31,033,213

(c) By type of customer

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Domestic non-bank financial institutions	5,623,609	7,167,970
Business enterprises	17,579,692	19,656,635
Government and statutory bodies	10,979,936	11,479,529
Individuals	6,513,476	5,893,922
Domestic banking institutions	759,468	149,839
Others	2,433,201	2,404,819
	43,889,382	46,752,714

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

18. Investment accounts of customers

(a) **By type and Shariah contract**

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Unrestricted investment accounts		
Without maturity		
<i>Mudharabah</i>	3,790,231	3,211,343
With maturity		
<i>Wakalah</i>	6,752,326	6,586,200
	<u>10,542,557</u>	<u>9,797,543</u>
Investment portfolio:		
- <i>House financing</i>	7,166,681	6,504,728
- <i>Personal financing</i>	3,375,876	3,292,815
	<u>10,542,557</u>	<u>9,797,543</u>
Restricted investment accounts ("RIA") managed by Bank Islam[^]		
With maturity		
<i>Wakalah</i>	25,999	35,062
Investment portfolio:		
- <i>Other term financing</i>	25,999	35,062
	<u>25,999</u>	<u>35,062</u>

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

(b) **By type of customers**

	Group	
	31.03.2020	31.12.2019
	RM'000	RM'000
Individuals	3,791,364	3,448,415
Government and statutory bodies	4,531,998	3,747,895
Business enterprises	809,708	769,038
Non-bank financial institutions	1,302,526	1,739,850
International Islamic Bank	-	10,001
Others	106,961	82,344
	<u>10,542,557</u>	<u>9,797,543</u>

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

19. Recourse obligations on financing sold to Cagamas

Recourse obligations on financing sold to Cagamas represents house financing accounts that were sold to Cagamas with recourse. Under the agreement, Bank Islam ("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 Note 13.

20. Other liabilities

	Group		Company	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Takaful payables	184,107	175,352	-	-
- <i>Due to retakaful companies</i>	154,736	141,931	-	-
- <i>Due to Intermediaries/Participants</i>	29,371	33,421	-	-
Accruals and other payables	945,472	1,209,069	2,300	2,271
Clients' and dealers' credit balances	30,856	23,035	-	-
Dividend payable	-	282,285	-	282,285
Amount due to subsidiaries	-	-	31	11
	1,160,435	1,689,741	2,331	284,567

The amount due to subsidiaries is non-trade, unsecured, not subject to financing charge and repayable on demand.

21. Takaful contract liabilities

The takaful contract liabilities comprise the following:

	Note	Group	
		31.03.2020	31.12.2019
		RM'000	RM'000
Provision for outstanding claims	21(i)	774,626	703,598
Provision for unearned contributions	21(ii)	415,619	394,340
Participants' fund	21(iii)	7,109,983	7,099,218
		8,300,228	8,197,156

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

21. Takaful contract liabilities (continued)

(i) **Provision for outstanding claims**

The provision for outstanding claims is further analysed as follows:

Group	31.03.2020		
	Gross RM'000	Retakaful RM'000	Net RM'000
Provision for claims reported by participants	389,190	(245,479)	143,711
Provision for IBNR*	385,436	(161,065)	224,371
Provision for outstanding claims	<u>774,626</u>	<u>(406,544)</u>	<u>368,082</u>
		Note 15	
Group	31.12.2019		
	Gross RM'000	Retakaful RM'000	Net RM'000
Provision for claims reported by participants	341,249	(198,675)	142,574
Provision for IBNR*	362,349	(150,873)	211,476
Provision for outstanding claims	<u>703,598</u>	<u>(349,548)</u>	<u>354,050</u>
		Note 15	

* Incurred-but-not-reported ("IBNR")

Movement of provision for outstanding claims:

	Gross RM'000	Group Retakaful RM'000	Net RM'000
At 1 January 2019	633,725	(296,534)	337,191
Claims incurred during the year	1,270,364	(282,781)	987,583
Adjustment to claims incurred in prior accident years	(25,540)	27,126	1,586
Claims paid during the year	(1,198,289)	226,870	(971,419)
Movement in IBNR	23,219	(24,179)	(960)
Effect of movement in exchange rates	119	(50)	69
At 31 December 2019/ 1 January 2020	703,598	(349,548)	354,050
Claims incurred during the period	326,606	(71,870)	254,736
Claims paid during the period	(301,683)	49,155	(252,528)
Movement in IBNR	46,618	(34,527)	12,091
Effect of movement in exchange rates	(513)	246	(267)
At 31 March 2020	<u>774,626</u>	<u>(406,544)</u>	<u>368,082</u>

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

21. Takaful contract liabilities (liabilities)

(ii) Provision for unearned contributions

The provision for unearned contributions is further analysed as follows:

	Gross RM'000	Group Retakaful RM'000	Net RM'000
31.03.2020	415,619	(99,169)	316,450
		Note 15	
31.12.2019	394,340	(90,634)	303,706
		Note 15	

Movement of provision for unearned contributions:

	Gross RM'000	Group Retakaful RM'000	Net RM'000
At 1 January 2019	376,971	(76,884)	300,087
Contributions written during the year	723,511	(290,365)	433,146
Contributions earned during the year	(706,142)	276,615	(429,527)
At 31 December 2019/ 1 January 2020	394,340	(90,634)	303,706
Contributions written during the period	223,308	(87,356)	135,952
Contributions earned during the period	(202,029)	78,821	(123,208)
At 31 March 2020	415,619	(99,169)	316,450

(iii) Participants' fund

Participants' fund balance at end of the reporting period comprises the following:

	Gross RM'000	Group Retakaful RM'000	Net RM'000
31.03.2020			
Actuarial liabilities	5,631,724	(323,485)	5,308,239
Unallocated surplus/ accumulated surplus	1,117,977	-	1,117,977
Fair value reserve	193,331	-	193,331
Net assets value attributable to unitholders	166,951	-	166,951
	7,109,983	(323,485)	6,786,498
		Note 15	

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

21. Takaful contract liabilities (continued)

(iii) Participants' fund (continued)

Participants' fund balance at end of the reporting period comprises the following: (continued)

	Gross RM'000	Group Retakaful RM'000	Net RM'000
31.12.2019			
Participants' account	3,663,688	-	3,663,688
Actuarial liabilities	1,929,616	(315,614)	1,614,002
Unallocated surplus/ accumulated surplus	1,029,093	-	1,029,093
Fair value reserve	273,331	-	273,331
Net assets value attributable to unitholders	<u>203,490</u>	<u>-</u>	<u>203,490</u>
	<u>7,099,218</u>	<u>(315,614)</u>	<u>6,783,604</u>
		Note 15	

22. Expense reserve

	Group	
	31.03.2020 RM'000	31.12.2019 RM'000
At 1 January 2020/2019	311,700	251,806
Provision for the period/year, net	20,855	59,588
Effect of movement in exchange rates	(1,444)	306
At 31 March 2020/31 December 2019	<u>331,111</u>	<u>311,700</u>

23. Sukuk liabilities

		Group		Company	
	Note	31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000
Sukuk liabilities	(a)	894,667	881,093	894,667	881,093
Subordinated					
Sukuk Murabahah	(b)	<u>1,675,572</u>	<u>1,258,573</u>	<u>-</u>	<u>-</u>
		<u>2,570,239</u>	<u>2,139,666</u>	<u>894,667</u>	<u>881,093</u>

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

23. Sukuk liabilities (continued)

The Sukuk liabilities comprise the following:

- a) A 10-year Islamic securities of RM1.66 billion in nominal value was issued by the Company on 12 December 2013.

On 12 December 2018, the Company has made an early partial redemption of RM609,941,757.88 in nominal value of the Sukuk Murabahah, which is equivalent to a redemption at book value of RM500 million.

The current nominal value of the Sukuk Murabahah is RM1.05 billion (2019: RM1.05 billion).

- b) Subordinated Sukuk Murabahah:

	Nominal value RM'000	Issue date	First call date*	Maturity date	Profit rate (% p.a.)#
(i)	300,000	22 April 2015	22 April 2020	22 April 2025	5.75
(ii)	400,000	15 December 2015	15 December 2020	15 December 2025	5.50
(iii)	300,000	13 November 2017	12 December 2022	12 November 2027	5.08
(iv)	300,000	7 November 2018	7 December 2023	7 November 2028	5.15
(v)	400,000	26 March 2020	26 March 2025	26 March 2030	3.75

* 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.

24. Other reserves

	Group	
	31.03.2020	31.03.2019
	RM'000	RM'000
Capital reserve	6,863	6,863
Warrant reserve	129,300	129,300
FVOCI reserve	122,667	94,230
Translation reserve	(124,139)	(100,674)
Regulatory reserve	25,000	10,000
Long Term Incentive Plan (LTIP) reserve	15,216	11,266
	174,907	150,985
Acquisition reserve	(1,199,747)	(1,199,747)
	(1,024,840)	(1,048,762)

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

24. Other reserves (continued)

Group	Capital reserve RM'000	Warrant reserve RM'000	FVOCI reserve RM'000	Translation reserve RM'000	Regulatory reserve RM'000	LTIP reserve RM'000	Total RM'000
At 1 January 2020	6,863	129,300	209,278	(101,554)	25,000	13,839	282,726
Foreign exchange translation differences	-	-	-	(22,585)	-	-	(22,585)
Fair value reserve (debt instruments):							
Net change in fair value	-	-	(14,666)	-	-	-	(14,666)
Changes in expected credit losses	-	-	15	-	-	-	15
Net amount reclassified to profit or loss	-	-	(96,536)	-	-	-	(96,536)
Income tax effect relating to components of other comprehensive income	-	-	25,732	-	-	-	25,732
Fair value reserve (equity instruments):							
Net change in fair value	-	-	(1,156)	-	-	-	(1,156)
Share-based payment transactions	-	-	-	-	-	1,377	1,377
At 31 March 2020	6,863	129,300	122,667	(124,139)	25,000	15,216	174,907

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

24. Other reserves (continued)

Group	Capital reserve RM'000	Warrant reserve RM'000	FVOCI reserve RM'000	Translation reserve RM'000	Regulatory reserve RM'000	LTIP reserve RM'000	Total RM'000
At 1 January 2019	6,863	129,300	10,846	(105,973)	10,000	9,949	60,985
Foreign exchange translation differences	-	-	-	5,299	-	-	5,299
Fair value reserve (debt instruments):							
Net change in fair value	-	-	125,396	-	-	-	125,396
Changes in expected credit losses	-	-	(20)	-	-	-	(20)
Net amount reclassified to profit or loss	-	-	(16,742)	-	-	-	(16,742)
Income tax effect relating to components of other comprehensive income	-	-	(24,952)	-	-	-	(24,952)
Fair value reserve (equity instruments):							
Net change in fair value	-	-	(298)	-	-	-	(298)
Share-based payment transactions	-	-	-	-	-	1,317	1,317
At 31 March 2019	6,863	129,300	94,230	(100,674)	10,000	11,266	150,985

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

25. Income derived from investment of depositors' funds

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Income derived from investment of:		
(i) General investment deposits	3,621	4,276
(ii) Term deposit-i	444,118	461,779
(iii) Saving and demand deposits	228,136	209,177
(iv) Other deposits	15,152	32,575
	691,027	707,807

(i) Income derived from investment of general investment deposits

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Finance income and hibah		
Financing, advances and others	2,871	3,594
Financial assets:		
- At FVTPL	27	22
- At FVOCI	271	392
Money at call and deposit with financial institutions	55	115
	3,224	4,123
Other dealing income		
Net (loss)/gain from sale of financial assets at FVTPL	(18)	31
Net (loss)/gain on revaluation of financial assets at FVTPL	(7)	33
	(25)	64
Other operating income		
Net gain from sale of financial assets at FVOCI	422	89
	422	89
	3,621	4,276
<i>of which</i>		
<i>Financing income earned on impaired financing</i>	39	47

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

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

(ii) **Income derived from investment of term deposit-i**

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Finance income and hibah		
Financing, advances and others	334,787	380,989
Financial assets:		
- At FVTPL	3,986	2,624
- At FVOCI	39,936	46,865
Money at call and deposit with financial institutions	6,792	12,359
	<u>385,501</u>	<u>442,837</u>
Other dealing income		
Net (loss)/gain from sale of financial assets at FVTPL	(2,616)	3,846
Net (loss)/gain on revaluation of financial assets at FVTPL	(925)	4,323
	<u>(3,541)</u>	<u>8,169</u>
Other operating income		
Net gain from sale of financial assets at FVOCI	62,158	10,773
	<u>62,158</u>	<u>10,773</u>
	<u>444,118</u>	<u>461,779</u>
<i>of which</i>		
<i>Financing income earned on impaired financing</i>	<u>5,774</u>	<u>5,597</u>

(iii) **Income derived from investment of saving and demand deposits**

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Finance income and hibah		
Financing, advances and others	172,123	172,665
Financial assets:		
- At FVTPL	2,065	1,188
- At FVOCI	20,508	21,258
Money at call and deposit with financial institutions	3,490	5,565
	<u>198,186</u>	<u>200,676</u>

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

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

(iii) **Income derived from investment of saving and demand deposits (continued)**

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Other dealing income		
Net (loss)/gain from sale of financial assets at FVTPL	(1,474)	1,734
Net (loss)/gain on revaluation of financial assets at FVTPL	(555)	1,897
	<u>(2,029)</u>	<u>3,631</u>
Other operating income		
Net gain from sale of financial assets at FVOCI	31,979	4,870
	<u>31,979</u>	<u>4,870</u>
	<u>228,136</u>	<u>209,177</u>
<i>of which</i>		
<i>Financing income earned on impaired financing</i>	<u>2,967</u>	<u>2,528</u>

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

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Finance income and hibah		
Financing, advances and others	11,678	26,923
Financial assets:		
- At FVTPL	141	182
- At FVOCI	1,383	3,312
Money at call and deposit with financial institutions	241	879
	<u>13,443</u>	<u>31,296</u>
Other dealing income		
Net (loss)/gain from sale of financial assets at FVTPL	(180)	260
Net (loss)/gain on revaluation of financial assets at FVTPL	(88)	282
	<u>(268)</u>	<u>542</u>
Other operating income		
Net gain from sale of financial assets at FVOCI	1,977	737
	<u>1,977</u>	<u>737</u>
	<u>15,152</u>	<u>32,575</u>
<i>of which</i>		
<i>Financing income earned on impaired financing</i>	<u>197</u>	<u>406</u>

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

26. Income derived from investment account funds

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Finance income		
Unrestricted investment accounts		
- <i>Mudharabah</i>	39,060	34,089
- <i>Wakalah</i>	94,938	40,745
	133,998	74,834

27. Income derived from investment of shareholders' funds

	Group		Company	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financing, advances and others	1,481	1,858	-	-
Financial assets at FVOCI	47,020	43,140	-	-
Money at call and deposit with financial institutions	3,705	2,015	3,042	1,210
	52,206	47,013	3,042	1,210
Other dealing income				
Net gain from foreign exchange transactions	15,751	16,636	-	-
Net (loss)/gain on revaluation of financial assets at FVTPL	(25,365)	132	(29)	134
Net derivatives gain/(loss)	15	(71)	-	-
	(9,599)	16,697	(29)	134
Other operating income				
Dividend income from debt instruments at FVTPL (unit trust)	173	189	-	-
Fees and commission	49,228	47,254	-	-
Rental income	426	444	-	-
Others	1,055	32	1,006	3
	50,882	47,919	1,006	3
	93,489	111,629	4,019	1,347

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

28. Net earned contributions

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Net earned contributions		
Gross earned contributions	697,007	705,650
Contribution ceded to retakaful	(112,644)	(105,976)
	<u>584,363</u>	<u>599,674</u>

29. Other income from takaful business

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Other income		
Administration income	22,801	20,034
Investment income	87,851	80,812
Realised gains and losses	-	2,890
Fair value gains and losses	(82,689)	21,122
Other operating income	753	501
	<u>28,716</u>	<u>125,359</u>

30. Net benefits, claims and expense reserves

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Net benefits and claims		
Gross benefits and claims paid	(301,641)	(288,237)
Claims ceded to retakaful	49,154	47,832
Gross change to contract liabilities	(71,540)	(42,224)
Change to contract liabilities ceded to takaful	57,243	27,149
	<u>(266,784)</u>	<u>(255,480)</u>
Expense reserves	<u>(20,855)</u>	<u>(40,543)</u>
Net benefits, claims and expense reserves	<u>(287,639)</u>	<u>(296,023)</u>

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

31. Net allowance for impairment on financing and advances

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Net allowance for impairment on financing, advances and others		
- Stage 1	475	3,347
- Stage 2	37,686	20,852
- Stage 3	20,010	23,108
Bad debts and financing recovered	(27,433)	(24,108)
	<u>30,738</u>	<u>23,199</u>

32. Income attributable to depositors

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Deposits from customers		
- Mudharabah Fund	1,613	2,034
- Non-Mudharabah Fund	282,901	329,938
Recourse obligations on financing sold to Cagamas	17,784	17,812
	<u>302,298</u>	<u>349,784</u>

33. Income attributable to investment account holders

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Unrestricted investment accounts		
- <i>Mudharabah</i>	2,671	1,917
- <i>Wakalah</i>	63,144	26,520
	<u>65,815</u>	<u>28,437</u>

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

34. Personnel expenses

	Group		Company	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	158,158	158,114	1,148	1,572
Employees' Provident Fund	22,450	20,416	119	144
Directors remuneration	2,618	2,967	480	525
Others	23,156	16,183	105	186
	206,382	197,680	1,852	2,427

35. Other overhead expenses

	Group		Company	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
<i>Promotion</i>				
Advertisement and publicity	50,946	45,184	1,024	(1)
Credit and debit card expenses	10,001	7,357	-	-
Commission	58,406	59,639	-	-
	119,353	112,180	1,024	(1)
<i>Establishment</i>				
Depreciation of right-of-use assets	5,147	3,534	-	-
Depreciation of property and equipment	16,921	15,909	28	22
Depreciation of investment property	73	73	-	-
Amortisation of intangible assets	7,506	7,316	-	-
Information technology expenses	14,749	12,116	7	8
Office rental	8,761	8,741	265	266
Office maintenance	7,617	4,915	3	2
Utilities	4,361	4,463	6	7
Security services	2,877	2,266	-	-
Rental equipment	1,693	2,228	23	25
Takaful and insurance	(475)	796	28	28
Others	495	522	-	-
	69,725	62,879	360	358

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

35. Other overhead expenses (continued)

	Group		Company	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
<i>General expenses</i>				
Professional fees	9,306	10,114	396	35
Outsourcing fees	3,912	4,794	-	-
Travelling & transport	815	2,040	2	3
Office supplies	2,870	2,483	7	10
Subscription fees	1,844	1,217	1	1
Auditors' remuneration	538	528	44	61
Processing charges	244	321	-	-
Others	42,721	30,843	521	441
	62,250	52,340	971	551
	251,328	227,399	2,355	908

36. Finance cost

	Note	Group		Company	
		3 months ended		3 months ended	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
		RM'000	RM'000	RM'000	RM'000
Finance cost:					
- Sukuk liabilities		30,573	29,534	13,574	12,967
- Profit expense on leases	16	4,508	4,524	-	-
		35,081	34,058	13,574	12,967

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

37. Operating segment information

The Group comprises of the following main business segments:

Banking	Islamic banking and provision of related services.
Takaful	Underwriting of family and general Islamic insurance ("Takaful").
Others	Investment holding, ijarah financing, stockbroking and unit trust.

3 months ended 31 March 2020	Banking RM'000	Takaful RM'000	Others RM'000	Eliminated RM'000	Consolidated RM'000
<i>Business segments</i>					
Segment result					
Revenue from external customers	915,351	325,439	3,282	-	1,244,072
Inter-segment revenue	8,219	8,515	3,303	(20,037)	-
Total revenue	923,570	333,954	6,585	(20,037)	1,244,072
Net income from operations (before allowance for impairment on financing and other assets)	546,364	306,525	6,585	(10,944)	848,530
Operating overheads	(272,273)	(192,126)	(7,148)	10,259	(461,288)
Operating results	274,091	114,399	(563)	(685)	387,242
Allowance for impairment	(30,328)	-	-	-	(30,328)
Finance cost	(22,213)	(17)	(13,536)	685	(35,081)
Profit before zakat and taxation	221,550	114,382	(14,099)	-	321,833
Segment assets	65,530,698	10,441,354	5,846,787	(6,452,618)	75,366,221
Segment liabilities	59,755,104	9,117,385	930,030	(1,097,345)	68,705,174

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

37. Operating segment information (continued)

3 months ended 31 March 2019	Banking RM'000	Takaful RM'000	Others RM'000	Eliminated RM'000	Consolidated RM'000
<i>Business segments</i>					
Segment result					
Revenue from external customers	891,971	429,010	2,525	-	1,323,506
Inter-segment revenue	8,017	5,944	1,649	(15,610)	-
Total revenue	899,988	434,954	4,174	(15,610)	1,323,506
Net income from operations (before allowance for impairment on financing and other assets)	516,950	294,660	4,174	(10,793)	804,991
Operating overheads	(252,957)	(180,176)	(5,965)	10,115	(428,983)
Operating results	263,993	114,484	(1,791)	(678)	376,008
Allowance for impairment	(22,366)	-	-	-	(22,366)
Finance cost	(21,739)	-	(12,997)	678	(34,058)
Profit before zakat and taxation	219,888	114,484	(14,788)	-	319,584
Segment assets	63,325,226	9,377,189	5,666,824	(6,056,289)	72,312,950
Segment liabilities	57,892,993	8,279,009	920,210	(696,194)	66,396,018

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

38. Valuation of property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses.

39. Changes in composition of the Group

There is no change in the composition of the Group for the financial period under review.

40. Fair value of financial instruments

Fair value hierarchy

MFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques adopted 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 listed equity securities and debt instruments.
- 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 profit rates swap and structured debt. The sources of input parameters include Bank Negara Malaysia ("BNM") indicative yields.
- 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.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

40. Fair value of financial instruments (continued)

Fair value information

31.03.2020

Group
RM'000

Financial assets

Financial assets at FVTPL

Derivative financial assets

Financial assets at FVOCI

Financing, advances and others

Total assets

Financial liabilities

Derivative financial liabilities

Recourse obligations on financing

 sold to Cagamas

Sukuk liabilities

Total liabilities

31.03.2020

Company

Financial assets

Financial assets at FVTPL

Total assets

Financial liabilities

Sukuk liabilities

Total liabilities

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying Amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial assets at FVTPL	484,308	1,220,302	-	1,704,610	-	-	-	-	1,704,610	1,704,610
Derivative financial assets	-	86,291	-	86,291	-	-	-	-	86,291	86,291
Financial assets at FVOCI	7,822	16,218,421	673,824	16,900,067	-	-	-	-	16,900,067	16,900,067
Financing, advances and others	-	-	-	-	-	-	53,399,709	53,399,709	53,399,709	50,410,303
Total assets	492,130	17,525,014	673,824	18,690,968	-	-	53,399,709	53,399,709	72,090,677	69,101,271
Financial liabilities										
Derivative financial liabilities	-	31,251	-	31,251	-	-	-	-	31,251	31,251
Recourse obligations on financing sold to Cagamas	-	-	-	-	-	-	1,556,775	1,556,775	1,556,775	1,501,187
Sukuk liabilities	-	-	-	-	-	-	2,617,266	2,617,266	2,617,266	2,570,239
Total liabilities	-	31,251	-	31,251	-	-	4,174,041	4,174,041	4,205,292	4,102,677
31.03.2020										
Company										
Financial assets										
Financial assets at FVTPL	7,088	-	-	7,088	-	-	-	-	7,088	7,088
Total assets	7,088	-	-	7,088	-	-	-	-	7,088	7,088
Financial liabilities										
Sukuk liabilities	-	-	-	-	-	-	950,072	950,072	950,072	894,667
Total liabilities	-	-	-	-	-	-	950,072	950,072	950,072	894,667

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

40. Fair value of financial instruments (continued)

Fair value information (continued)

31.12.2019 Group RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying Amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Financial assets										
Financial assets at FVTPL	540,943	953,172	380	1,494,495	-	-	-	-	1,494,495	1,494,495
Derivative financial assets	-	33,326	-	33,326	-	-	-	-	33,326	33,326
Financial assets at FVOCI	8,978	16,369,073	568,833	16,946,884	-	-	-	-	16,946,884	16,946,884
Financing, advances and others	-	-	-	-	-	-	52,407,186	52,407,186	52,407,186	49,472,522
Total assets	549,921	17,355,571	569,213	18,474,705	-	-	52,407,186	52,407,186	70,881,891	67,947,227
Financial liabilities										
Derivative financial liabilities	-	36,746	-	36,746	-	-	-	-	36,746	36,746
Recourse obligations on financing sold to Cagamas	-	-	-	-	-	-	1,553,085	1,553,085	1,553,085	1,501,187
Sukuk liabilities	-	-	-	-	-	-	2,217,066	2,217,066	2,217,066	2,139,666
Total liabilities	-	36,746	-	36,746	-	-	3,770,151	3,770,151	3,806,897	3,677,599
31.12.2019 Company										
Financial assets										
Financial assets at FVTPL	7,117	-	-	7,117	-	-	-	-	7,117	7,117
Total assets	7,117	-	-	7,117	-	-	-	-	7,117	7,117
Financial liabilities										
Sukuk liabilities	-	-	-	-	-	-	932,998	932,998	932,998	881,093
Total liabilities	-	-	-	-	-	-	932,998	932,998	932,998	881,093

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

40. Fair value of financial instruments (continued)

The following table presents the changes in Level 3 instruments for the three months ended 31 March 2020 for the Group:

<i>Financial assets at FVOCI</i>	Group	
	RM'000 31.03.2020	RM'000 31.12.2019
At 1 January 2020/2019	568,833	341,697
Purchases	100,000	205,844
Disposal	-	(15,842)
Gains recognised in profit or loss		
- Investment income - realised	6,319	20,020
Gains recognised in other comprehensive income		
- Net change in fair value (unrealised)	(1,328)	17,114
At 31 March 2020/31 December 2019	673,824	568,833

The following table shows 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

Financial assets measured at FVOCI

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted shares	Net tangible assets	Net tangible assets	Higher net tangible assets results in higher fair value
Institutional trust account	Discounted cash flows using market profit rate for a similar instrument at the measurement date	4.58% (2019: 4.58%)	The estimated fair value would increase (decrease) if the discount rate were (lower) higher.

(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) Other financial assets at amortised cost

The fair values of securities that are actively traded is determined by quoted bid prices. For non-actively traded securities that are classified as other financial assets at amortised cost, the fair values are valued at cost less impairment or estimated using discounted cash flows analysis. Where discounted cash flows technique is used, the estimated future cash flows are discounted using applicable prevailing market or indicative rates of similar instruments at the reporting date.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

40. Fair value of financial instruments (continued)

(b) Financial instruments not carried at fair value (continued)

(ii) 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.

(iii) Subordinated Sukuk Murabahah and Recourse obligations on financing sold to Cagamas

The fair values of subordinated obligations are estimated by discounting the expected future cash flows using the applicable prevailing profit rates of borrowings with similar risk profiles.

41. Off balance sheet financial instruments by value of contracts classified by remaining period to maturity/net re-pricing date (whichever earlier)

Group	31.03.2020				
	Principal Amount RM'000	up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000
Items					
Foreign exchange related contracts					
- forwards	2,253,718	280,420	693,099	1,240,655	39,544
- swaps	2,676,052	1,882,841	496,110	297,101	-
- spot	285,686	285,686	-	-	-
Total	5,215,456	2,448,947	1,189,209	1,537,756	39,544

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk transactions may be reduced through offsetting on and off-balance sheet positions. As at 31 March 2020, the amount of contracts which were not hedged and, hence, exposed to market risk was RM601.92 million (31 December 2019: RM580.44 million).

Credit risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Bank has a gain position. This amount will increase or decrease over the life of the contracts, maturity dates and rates or prices. As at 31 March 2020, the credit risk measured in terms of the cost to replace the profitable contracts, was RM135.30 million (31 December 2019: RM79.77 million).

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

42. Commitments and contingencies

In the normal course of business, the Group makes various commitments and incurs certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions. These exclude all contracts cleared in the normal course of the takaful business.

The off-balance sheet and counterparties credit risk for Bank Islam is as follows:

	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000
As at 31.03.2020				
<i>Credit-related Exposures</i>				
Direct credit substitutes	435,310		435,310	432,978
Transaction related contingent items	901,233		450,617	431,793
Short term self-liquidating trade related contingencies	534,951		106,990	106,940
Other commitments, such as formal standby facilities and credit lines with an original maturity of:				
- not exceeding one year	50,000		10,000	10,000
- exceeding one year	1,100,452		550,226	405,440
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	8,165,181		-	-
	11,187,127		1,553,143	1,387,151
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- Less than one year	5,215,456	83,606	128,734	112,141
Profit rate related contracts				
- One year to less than five years	139,006	2,685	6,563	4,895
	5,354,462	86,291	135,297	117,036
	16,541,589	86,291	1,688,440	1,504,187

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

42. Commitments and contingencies (continued)

The off-balance sheet and counterparties credit risk for Bank Islam is as follows: (continued)

	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000
As at 31.12.2019				
<i>Credit-related Exposures</i>				
Direct credit substitutes	416,059		416,059	413,653
Transaction related contingent items	930,689		465,344	442,978
Short term self-liquidating trade related contingencies	603,739		120,748	120,588
Other commitments, such as formal standby facilities and credit lines with original maturity of exceeding one year	1,168,133		584,067	433,070
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	7,892,943		-	-
	11,011,563		1,586,218	1,410,289
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- Less than one year	6,255,520	31,626	72,532	38,011
Profit rate related contracts				
- One year to less than five years	147,098	1,700	7,240	4,886
	6,402,618	33,326	79,772	42,897
	17,414,181	33,326	1,665,990	1,453,186

43. Capital adequacy

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

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

43. Capital adequacy (continued)

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

	31.03.2020	31.12.2019
	%	%
Common Equity Tier I ("CET I") Capital Ratio	12.641	12.656
Total Tier I Capital Ratio	12.641	12.656
Total Capital Ratio	18.019	17.052

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

	31.03.2020	31.12.2019
	RM'000	RM'000
Paid-up share capital	4,412,261	4,307,819
Retained earnings	1,924,475	1,924,475
Other reserves	(1,049,735)	(946,505)
<u>Less:</u>		
Investment in subsidiary	(99,053)	(99,053)
Deferred tax assets	(59,711)	(34,431)
Gain on financial instruments classified as fair value through other comprehensive income	(62,090)	(107,543)
Regulatory reserve	(25,000)	(25,000)
Total CET I and Tier I Capital	5,041,147	5,019,762
Sukuk Murabahah	1,700,000	1,300,000
Collective assessment allowance and regulatory reserve [^]	445,071	443,476
Total Tier II Capital	2,145,071	1,743,476
Total Capital	7,186,218	6,763,238

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

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

	31.03.2020	31.12.2019
	RM'000	RM'000
Credit risk	43,305,247	42,746,503
Less: Credit risk absorbed by unrestricted investment accounts	(7,699,579)	(7,268,408)
	35,605,668	35,478,095
Market risk	601,921	580,444
Operational risk	3,673,280	3,603,044
	39,880,869	39,661,583

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

Explanatory notes pursuant to Appendix 9B of the listing requirements of Bursa Malaysia Securities Berhad

B1. Performance review for the three months ended 31 March 2020

RM'000	Cumulative Period		Variance	
	Current Year To-date	Preceding Year Corresponding Period		
	31.03.2020	31.03.2019	Amount	%
Revenue	1,244,072	1,323,506	(79,434)	-6.00
Operating Profit	387,242	376,008	11,234	2.99
Profit Before Zakat and Taxation	321,833	319,584	2,249	0.70
Profit After Zakat and Taxation	250,235	241,589	8,646	3.58
Profit Attributable to Equity Holders of the Parent	209,237	202,516	6,721	3.32

Table 1: Financial review for financial year to date

Current Year-to date vs. Previous Year-to-date

BIMB Holdings Berhad ("BHB") Group reported Profit Before Zakat and Taxation ("PBZT") for the three months ended 31 March 2020 of RM321.8 million, representing an increase of 0.7% or RM2.2 million as compared to the corresponding period in 2019 of RM319.6 million.

At the operating profit level, the Group's operating profit of RM387.2 million was higher by RM11.2 million or 3.0% compared to the corresponding period in 2019 of RM376.0 million.

The net profit attributable to shareholders increased by 3.3% or RM6.7 million to RM209.2 million as compared to the corresponding period in 2019 of RM202.5 million.

BHB Group registered a Return on Equity ("ROE") of 14.6% (after tax and zakat). Consequently, net assets per share has also improved to RM3.40 as at 31 March 2020 compared to RM3.34 as at 31 December 2019.

The Group's performance is mainly dependent on its two main operating subsidiaries, namely, Bank Islam Malaysia Berhad Group ("Bank Islam" or "the Bank") and Syarikat Takaful Malaysia Keluarga Berhad Group ("Takaful Malaysia").

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B1. Performance review for the three months ended 31 March 2020 (continued)

Current Year-to date vs. Previous Year-to-date (continued)

Bank Islam Malaysia Berhad

For the three months ended 31 March 2020, Bank Islam achieved a PBZT RM221.5 million, an increase of RM1.7 million or 0.8% over the PBZT of the corresponding period last year of RM219.9 million. The increase in PBZT was mainly due to higher total net income.

Gross fund based income decreased by RM14.3 million or 1.8% mainly due to overnight policy rate cut of 25 bps respectively in May 2019, January 2020 and March 2020 on the back of a 9.5% year-on-year ("Y-o-Y") increase in net financing.

The non-fund based income also increased by RM37.8 million for the three months ended 31 March 2020 compared to the corresponding period last year, which was mainly due to higher investment income.

Total overheads were higher by RM19.3 million or 7.6% over the corresponding period last year mainly due to higher staff costs driven by annual salary increment.

For the three months ended 31 March 2020, the Bank recorded net allowance charged for impairment on financing and advances of RM30.7 million compared to RM23.2 million in the corresponding period last year. The increase in net allowance charged was mainly contributed by higher impairment of on financing, advances and others by RM10.9 million.

The Bank's total assets stood at RM65.5 billion as at 31 March 2020, a Y-o-Y increase by RM2.2 billion from RM63.3 billion reported as at 31 March 2019 which was mainly contributed by the increase in net financing by RM4.4 billion and investment in securities by RM0.5 billion. The overall increase however was partly offset with lower cash and short term funds of RM1.4 billion.

As at end of March 2020, customer deposits and investment accounts stood at RM55.5 billion with a Y-o-Y increase by RM1.7 billion or 3.1%. Total current and saving accounts and transactional investment accounts ("CASATIA") composition is at healthy level of 35.9% of total customer deposits and investment accounts.

Total gross impaired financing as at 31 March 2020 was RM427.1 million compared to RM443.4 million as at 31 March 2019.

Syarikat Takaful Malaysia Keluarga Berhad

For the three months ended 31 March 2020, Takaful Malaysia recorded PBZT of RM114.2 million, higher as compared to RM113.3 million in the same period last year. The increase in profit was mainly attributable to lower expense reserves which in line with the lower productions from group medical products.

Takaful Malaysia recorded operating revenue of RM913.0 million for the three months ended 31 March 2020, lower as compared to RM918.2 million in the corresponding quarter of the preceding year. The decrease was mainly attributable to lower sales generated from Family Takaful business.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B1. Performance review for the three months ended 31 March 2020 (continued)

Current Year-to date vs. Previous Year-to-date (continued)

Syarikat Takaful Malaysia Keluarga Berhad (continued)

Family Takaful business generated gross earned contributions of RM496.3 million for the three months ended 31 March 2020, lower as compared to RM502.9 million in the corresponding period last year. This was due to lower sales from employee benefits products.

The net benefits and claims for Family Takaful business increased to RM214.6 million in the three months ended 31 March 2020 from RM205.1 million in the same period of the preceding year. This was mainly due higher surrender claims from credit-related certificates.

Investment income for the Family Takaful business increased by 9.2% to RM72.3 million as compared to RM66.2 million in the same period of the preceding year, mainly due to higher profit from Islamic debt securities.

For the three months ended 31 March 2020, Family Takaful recorded fair value losses of RM79.6 million, decreased by RM100.0 million as compared to the same period of the preceding year. The losses were mainly due to equity market performance.

General Takaful business generated gross earned contributions of RM202.0 million for the three months ended 31 March 2020, lower as compared to RM204.2 million in the corresponding period last year. The decrease was mainly attributable to fire and motor classes.

The net benefits and claims for General Takaful business increased to RM57.7 million in the three months ended 31 March 2020 from RM53.3 million in the same period of the preceding year, mainly due to increase in claims relating to fire and commercial classes.

The investment income for the three months ended 31 March 2020 was RM8.1 million, increased by 3.8%, as compared to the same period of the preceding year of RM7.8 million, mainly to higher profit from Islamic debts securities.

B2. Comparison with the preceding quarter's results for the three months performance (First Quarter 2020 vs. Fourth Quarter 2019)

	Current Quarter	Immediate Preceding Quarter	Variance	
	31.03.2020	31.12.2019	Amount	%
RM'000				
Revenue	1,244,072	1,352,457	(108,385)	-8.01
Operating Profit	387,242	298,150	89,092	29.88
Profit Before Zakat and Taxation	321,833	266,607	55,226	20.71
Profit After Zakat and Taxation	250,235	211,004	39,231	18.59
Profit Attributable to Equity Holders of the Parent	209,237	180,858	28,379	15.69

Table 2: Financial review for current quarter compared with immediate preceding quarter

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B2. Comparison with the preceding quarter's results for the three months performance (First Quarter 2020 vs. Fourth Quarter 2019) (continued)

For the first quarter ended 31 March 2020 ("Q1 2020"), the BHB Group reported PBZT of RM321.8 million against a PBZT of RM266.6 million achieved for the immediate preceding quarter ended 31 December 2019 ("Q4 2019"), an increase of RM55.2 million or 20.7%.

At the operating profit level, the Group's operating profit for Q1 2020 of RM387.2 million was higher by RM89.1 million or 29.9% as compared to Q4 2019 of RM298.1 million.

Bank Islam Malaysia Berhad

For the Q1 2020, the Bank achieved a PBZT of RM221.5 million, an increase of RM24.3 million or 12.3% over the PBZT of the immediate preceding quarter ("Q4 2019") of RM197.3 million. The increase in PBZT was mainly due to higher non-fund based income.

The non-fund based income increased by RM38.2 million for the Q1 2020 compared to Q4 2019, which was mainly due to higher investment income.

The lower overheads by RM40.3 million was mainly due to lower staff costs and general expenses by RM39.7 million and RM2.2 million respectively.

The above positive variance was partly offset by an increase in net allowance for impairment on financing and advances of RM33.9 million. For Q1 2020, net allowance charged for impairment on financing was RM30.7 million compared to a write back of RM3.2 million for Q4 2019.

Syarikat Takaful Malaysia Keluarga Berhad.

For Q1 2020, Takaful Malaysia registered PBZT of RM114.2 million, increased by 33.4% as compared to Q4 2019 of RM85.6 million. The increase in profit was mainly attributable to higher net wakalah fee income arising from business growth in the Family and General Takaful.

For Q1 2020, Takaful Malaysia generated Operating Revenue of RM913.0 million, increased by 17.1% as compared to RM779.9 million in Q4 2019. The increase is mainly attributable to higher sales generated from both Family and General Takaful business.

Family Takaful business recorded gross earned contributions RM496.3 million as compared to RM531.2 million in Q4 2019. The decrease was mainly attributable to higher reserving of unearned contribution.

For Q1 2020, Family Takaful business recorded net benefits and claims of RM214.6 million, higher as compared to Q4 2019 of RM210.3 million. The increase was mainly due to higher death and disability claims.

Family Takaful business recorded investment income of RM72.2 million, increased by 2.0% as compared to Q4 2019. This is mainly contributed from higher profit from Islamic debt securities.

For Q1 2020, Family Takaful recorded fair value loss of RM79.6 million as compared to fair value gain of RM3.8 million in Q4 2019. The decrease was mainly due to the equity market performance.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B2. Comparison with the preceding quarter's results for the three months performance (First Quarter 2020 vs. Fourth Quarter 2019) (continued)

Syarikat Takaful Malaysia Keluarga Berhad (continued)

For Q1 2020, General Takaful business generated gross earned contributions of RM202.0 million, increased by 23.3% as compared to RM163.8 million in Q4 2019. The increase was mainly contributed from fire, motor and commercial classes.

For Q1 2020, General Takaful business recorded net benefits and claims of RM57.7 million, higher as compared to Q4 2019. The increase was mainly due to higher claims relating to motor and commercial classes.

General Takaful business recorded investment income of RM8.1 million for Q1 2020, 5.2% higher as compared to Q4 2019, mainly attributable to higher profit from Islamic debt securities.

B3. Prospects for 2020

Bank Islam Malaysia Berhad

The Malaysian economy is expected to experience a very challenging prospect following the COVID-19 pandemic, and the ongoing Movement Control Order, amidst volatile crude oil prices. The International Monetary Fund ("IMF") has projected the global Gross Domestic Product ("GDP") to decline by 3% this year, signaling that world economic recession is inevitable this year. Being an open economy, Malaysia would not be spared with the latest forecast by the Bank Negara Malaysia ("BNM") showing the country's GDP to range between -2.0% and 0.5% in 2020. As such, expansionary fiscal and monetary policies have been adopted by the authorities in order to mitigate the negative shocks to the economy.

Nevertheless, BNM relief plan of six (6) month moratorium on financing repayment will soften the near-term credit negative impact on asset quality. Banks' capitalisation will be stable as weaker financing growth will limit expansion of risk-weighted assets. Banks will continue to hold sufficient liquidity to withstand liquidity shock while higher credit costs and narrower margins will pressure Banks' profitability. At the same time, continued investment in digital transformation will drive up operating costs.

Moreover, BNM had already cut the Overnight Policy Rate ("OPR") three times this year by 25 basis points ("bps") in January, another 25 bps in March, and further cut by 50 bps in May, reducing the OPR to 2.00%. These rate cuts totaling 100 bps in the first half of 2020 will put a squeeze in banks' net income margin and overall profitability. In addition, the six (6) months moratorium on financing repayment will result in a one-off provision in line with MFRS 9 to be absorbed by banks. Nonetheless, the rate cuts and moratorium on financing repayment are aimed to cushion the adverse effects of Covid-19 to the economy. Sturdy capital buffers held by Banks together with sound capital adequacy, liquidity and risk management standards for financial institutions, will strengthen the overall resilience of the financial system. The overall risk governance approach adopted by the Bank is guided by BNM's Risk Governance Policy, Corporate Governance Policy and Shariah Governance Framework for Islamic Financial Institutions. The Bank's risk governance structure is the key component of the Risk Management Framework as it provides a formalised and transparent structure in supporting the implementation of the Framework.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B3. Prospects for 2020 (continued)

Bank Islam Malaysia Berhad (continued)

In this time of need, Bank Islam is cognisant of the multi-faceted challenges to our valued customers. With Customer Centricity in mind, our Rescheduling & Restructuring ("R&R") facility is one of the bank's initiatives to provide financial assistance to our customers, encompassing all individuals and businesses. The programme is targeted to assist our unfortunate customers who are in need of financial relief. Under this initiative, customers are allowed to pay lower monthly repayment hence allowing customers to better manage their cash flow. The Bank is also implementing SME Special Relief Facility ("SSRF") to help alleviate the short-term cash flow predicament faced by SMEs. This initiative is to help bridge the sustenance of Real Economy, by preserving jobs and ensuring continued economic activity during this period of volatility. Additionally, in our efforts to help preserve and sustain economic empowerment and wealth of our valued customers, Bank Islam is offering "SME-iGain", a transactional current investment account ("TCIA") which gives up to 2.0% return to SME customers, made available until June 2020. As the number of new cases for Covid-19 has been levelling off, there is hope that the reopening of the economy could happen, leading to a possible turnaround in the economic activities.

With Sustainable Prosperity not just for the Bank but for all our communities as the overarching theme in the Bank's strategic direction, the Bank has adopted Value-based Intermediation ("VBI") at the heart of its business model. Bank Islam is aligning its measures in accordance with BNM's guidelines, which place emphasis on protecting consumers' financial viability, sustaining real economy, focusing on affordable investing and continue to support the frontline workers and underprivileged communities. The Bank's initiatives further reflect our commitment towards financial inclusivity, which ensures development for all and that no one is left behind as we seek to build towards a peaceful and dignified nation.

Syarikat Takaful Malaysia Keluarga Berhad

Despite business sentiments remaining cautious in 2020, the Takaful industry is expected to outperform the conventional insurers in view of the stronger demand for Takaful products. To sustain its market leading position, the company will continue with its innovative strategies via the implementation of its digital strategy, introduction of online solutions, expansion of its distribution capabilities, strategic partnerships with leading Islamic banks and Brand awareness initiatives.

To support business growth and customer centricity, the company will continue its digital strategy to build the full digital ecosystem. As a pioneer to transform the insurance/takaful business in Malaysia, we will advance to the next level of digital strategy by adopting Artificial Intelligence ("AI") with big data analytics and machine learning algorithms to manage the risks and opportunities in the areas of marketing, underwriting, and customer service, and claims processing. Especially, AI will be used for marketing optimization to achieve better brand awareness and marketing objectives; smart underwriting for fast risk assessment and accurate pricing decision, personalization of customer engagement for great customer experience; and motor and medical claims review process for faster and accurate claim settlement and fraud detection.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B3. Prospects for 2020 (continued)

Syarikat Takaful Malaysia Keluarga Berhad (continued)

However, the Covid-19 pandemic and associated economic impact are posing huge challenges and raising many uncertainties. Takaful Malaysia is prepared for a very different market and operating landscape post MCO period as concerns on job security remain heightened and consumers will be more cautious on their spending. It is expected that economic activities will take some time to recover.

B4. Variance from profit forecast and profit guarantee

The Group neither made any profit forecast nor issued any profit guarantee.

B5. Tax expense

Major components of tax expense

	Group		Company	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
Malaysia				
Current year	71,587	86,281	500	720
Under provision in prior years	-	9	-	-
Deferred tax expense:				
Origination and reversal of temporary differences	(4,604)	(12,437)	-	-
Under provision in prior years	652	12	-	-
	67,635	73,865	500	720

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B5. Tax expense (continued)

A reconciliation of effective tax expense for the Group and Company are as follows:

	Group		Company	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Profit before tax	321,833	319,584	(13,762)	(14,955)
Income tax calculated using				
Malaysian tax rate of 24%	77,240	76,700	(3,303)	(3,589)
Non-deductible expenses	22,206	24,702	538	1,229
Non-deductible Sukuk's finance cost	3,258	3,112	3,258	3,112
Non-taxable income	(35,721)	(30,670)	7	(32)
	66,983	73,844	500	720
Under provision in prior years	-	9	-	-
Under provision of deferred tax	652	12	-	-
Tax expense	67,635	73,865	500	720

The Inland Revenue Board ("IRB") had, on 8 September 2017, issued to Takaful Malaysia notices of additional assessment (i.e. Form JA) for the years of assessment ("YA") 2012, 2013, and 2014. The additional tax payable by Takaful Malaysia under the above-mentioned notices is RM12,561,630.50. As a result of the above, IRB had also treated the tax returns made by Takaful Malaysia for the above years of assessment as incorrect, and imposed a penalty of RM6,200,802.97 to Takaful Malaysia.

Takaful Malaysia has paid the additional tax on 4 October 2017 and submitted an appeal (Form Q) to Special Commissioner of Income Tax against the notice of assessment on 5 October 2017.

Takaful Malaysia is of the view that there are strong justifications for its appeal against certain matters raised by IRB and have treated the related tax payment of RM16,741,000 as tax recoverable.

The case has fixed for hearing on 1st and 2nd September 2021.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B6. Corporate proposals

BIMB Holdings Berhad ("BHB") has on 11 December 2019 announced that it proposes to undertake the following proposals:

(i) Proposed placement

Proposed placement of new ordinary shares in BHB to raise gross proceeds of up to RM800 million. The proceeds together with internal cash will be used to fully settle BHB's outstanding sukuk.

(ii) Proposed scheme of arrangement

Proposed payment to the warrant holder of the outstanding warrants 2013/2023 of BHB by way of a scheme of arrangement under section 366 of the Companies Act 2016 ("the Act"). The total warrants consideration to be paid by BHB will be funded using internally generated funds of BHB.

(iii) Proposed Internal Reorganisation

BHB proposes to undertake the proposed internal reorganisation which will entail the disposal by BHB of its entire shareholdings in the identified subsidiaries namely BIMB Securities (Holdings) Sdn. Bhd., BIMB Securities Sdn. Bhd. and Syarikat Al Ijarah Sdn. Bhd. to its wholly owned subsidiary, Bank Islam Malaysia Berhad ("Bank Islam" or "the Bank") to be fully settled in cash. The consideration for these disposals will be based on the latest audited net asset value of these subsidiaries at the time of the signing of the share sale agreement with the Bank and will be funded using internally generated funds of the Bank.

(iv) Proposed distribution and capital repayment

Proposed distribution of the entire shareholdings of BHB in the Bank and Syarikat Takaful Malaysia Keluarga Berhad ("STMKB") by way of distribution-in-specie via a reduction and repayment of the entire share capital of BHB in accordance with Section 115 and Section 116 of the Act as well as using the retained earnings of BHB.

Prior to the proposed distribution and capital repayment, BHB will undergo a capital reduction and the Bank will undertake a share consolidation. This is to match BHB's outstanding shares so that the distribution of the Bank shares will be on a one-for-one basis.

Upon completion of the proposed distribution and capital repayment, BHB's shareholders will hold direct equity interest in the Bank and STMKB shares in proportion to their shareholding in BHB and BHB will cease to be a shareholder of the Bank and STMKB. The shareholders through their direct exposure in Bank Islam and STMKB can manage their investment exposure or rebalance their portfolios in banking and takaful industries according to their own investment objectives.

Concurrently with the completion of the proposed distribution and capital repayment, BHB will issue two (2) new BHB shares to the Bank such that BHB will become a wholly-owned subsidiary of Bank Islam.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B6. Corporate proposals (continued)

(v) Proposed transfer of listing

After the completion of the proposed distribution and capital repayment, the Bank will assume the listing status of BHB. Accordingly, BHB proposed that the Bank be admitted to the official list of Bursa Securities in place of BHB, with the listing and quotation of the entire consolidated the Bank shares on the main market of Bursa Securities.

The proposed placement, proposed SOA, proposed internal reorganisation, proposed distribution and capital repayment and proposed transfer of listing are not conditional upon each other, save for the following:

- (i) The proposed distribution and capital repayment is conditional upon the proposed internal reorganisation and proposed transfer of listing; and
- (ii) The proposed transfer of listing is conditional upon the proposed internal reorganisation and proposed distribution and capital repayment.

The Proposals are subject to the approvals and/or consent being obtained from Bank Negara Malaysia ("BNM"), Ministry of Finance ("MoF") (via BNM), Securities Commission Malaysia ("SC"), Bursa Malaysia Securities Berhad ("Bursa Securities"), shareholders of BHB at an extraordinary general meeting to be convened, shareholder of the Bank, warrant holders at the court-convened meeting, sanction of the High Court of Malaya, the creditors and/or financiers of the BHB Group, the Bank and Identified Subsidiaries, if required and any other relevant regulatory authorities and/or parties, if required.

BHB had on 13 December 2019 submitted an application to BNM to seek the approval of BNM and/or its recommendations to MoF for approval for the Proposals.

B7. Status of utilisation of proceeds raised from corporate proposals

The proceeds raised from the issuances of all debt securities in prior years have been used for working capital, general banking and other corporate purposes, as intended.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B8. Deposits and placements of financial institutions and debt securities and borrowings

	Group	
	31.03.2020	31.03.2019
	RM'000	RM'000
Deposits from customers		
Mudharabah and Tawarruq term deposits and Negotiable Islamic Debt Certificates		
- One year or less (short-term)	25,794,797	27,420,544
- More than one year (medium/long-term)	1,978,059	4,760,084
	27,772,856	32,180,628
Current accounts	10,660,465	10,039,659
Savings accounts	5,355,062	4,677,327
Others	100,999	93,758
Total deposits	43,889,382	46,991,372
Investment accounts of customers		
- One year or less (short-term)	10,542,557	6,188,751
	10,542,557	6,188,751

RM'000	As at 31.03.2020		
	Long term	Short term	Total borrowings
Secured	1,500,000	1,187	1,501,187
- Recourse obligations on financing sold to Cagamas	1,500,000	1,187	1,501,187
Unsecured	2,539,920	30,319	2,570,239
- Sukuk liabilities	889,920	4,747	894,667
- Subordinated Sukuk Murabahah	1,650,000	25,572	1,675,572

RM'000	As at 31.03.2019		
	Long term	Short term	Total borrowings
Secured	1,500,000	1,187	1,501,187
- Recourse obligations on financing sold to Cagamas	1,500,000	1,187	1,501,187
Unsecured	2,102,422	29,784	2,132,206
- Sukuk liabilities	852,422	4,704	857,126
- Subordinated Sukuk Murabahah	1,250,000	25,080	1,275,080

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B8. Deposits and placements of financial institutions and debt securities and borrowings (continued)

The borrowings comprise the following:

- a) On 25 May 2018, the Bank has entered into recourse obligations on financing sold to Cagamas amounting to RM1.5 billion. Under the agreement, the Bank undertakes to administer the identified house financing on behalf of Cagamas and to buy back any house 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 sold with recourse to the Bank are not de-recognised until recourse period has expired and the risks and rewards of the financing have been fully transferred.
- b) A 10-year Islamic securities of RM1.66 billion in nominal value was issued by the Company on 12 December 2013.

On 12 December 2018, the Company has made an early partial redemption of RM609,941,757.88 in nominal value of the Sukuk Murabahah, which is equivalent to a redemption at book value of RM500 million.

The current nominal value of the Sukuk Murabahah is RM1.05 billion (2019: RM1.05 billion).

- c) Subordinated Sukuk Murabahah:

	Nominal value RM'000	Issue date	First call date*	Maturity date	Profit rate (% p.a.)#
(i)	300,000	22 April 2015	22 April 2020	22 April 2025	5.75
(ii)	400,000	15 December 2015	15 December 2020	15 December 2025	5.50
(iii)	300,000	13 November 2017	12 December 2022	12 November 2027	5.08
(iv)	300,000	7 November 2018	7 December 2023	7 November 2028	5.15
(v)	400,000	26 March 2020	26 March 2025	26 March 2030	3.75

* Optional redemption date or any periodic payment date thereafter.

Accrued and payable semi-annually in arrears.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B9. Material litigation

- (a) On 16 April 2019, 5 Star Room Hotel Sdn Bhd ("Plaintiff") filed a civil suit against Bank Islam and claiming damages for breach of promise to grant financing facility to Pan Asian Resorts Sdn Bhd (Plaintiff's parent company). The Plaintiff claims for an amount of RM400,000,000.00.

On 4 June 2019, the Plaintiff has filed the application to amend Writ of Summons and Statement of Claim ("the Application").

On 7 August 2019, the High Court ("HC") has directed parties to file respective submissions in regards to the Application by 28 August 2019.

On 1 October 2019, the HC allowed the Application with no order as to cost.

On 20 December 2019, Bank Islam has filed an application for striking out Order 18 ("O.18").

Due to the Movement Control Order, the hearing on O.18 has been postponed to 17 June 2020.

- (b) On 20 August 2019, Bank Islam filed a civil suit against 5 Star Room Hotel Sdn Bhd ("Customer") and the guarantors, namely Tang Wooi Chon, Chunsi Kudkumkong, Tang Woan Rou and Tang Woanren (collectively be referred to as "the Defendants") claiming for an amount of RM120,738,812,69 being the outstanding financing facilities granted by Bank Islam to the Customer whose accounts had been defaulted.

On 8 November 2019, Bank Islam has filed an application for summary judgment (Order 14 ("O.14")). On 18 November 2019, Bank Islam has filed an application for striking out against the Defendants' Counter Claim (Order 18 ("O.18")).

On 4 December 2019, the Defendants have filed an application to transfer and consolidate the Kuala Lumpur case with the Alor Setar case ("the Application").

Due to the Movement Control Order, the hearing on O.14, O.18 and the Application has been postponed to 22 May 2020.

- (c) In 2016, Bank Islam has granted the financing facilities to PFC Engineering Sdn Bhd ("Customer"). The Customer's financing account was defaulted and Bank Islam has filed a civil suit against the Customer.

In addition to the suit against the Customer, Bank Islam has also filed a civil suit against the guarantors, namely Dato' Abu Talib bin Mohamed, Azman bin Mohd and Muammar Gadaffi bin Abu Talib (collectively be referred to as "the Defendants") claiming for an amount of RM129,945,764.12 being the outstanding financing amount by the Customer whose accounts had been defaulted.

On 27 February 2018, Judgment in Default ("JID") was recorded against the Defendants.

On 5 October 2018, the Defendants filed an application to set aside the JID.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B9. Material litigation (continued)

- c) On 11 December 2018, the Senior Assistant Registrar ("SAR") had dismissed the Defendants' application to set aside the JID with costs of RM1,000.00.

On 17 December 2018, the Defendants filed an appeal against the decision of the SAR.

On 26 March 2019, the Court dismissed the Defendants appeal.

On 13 November 2018 the Defendants filed an application to stay the JID but the SAR dismissed the Defendants' stay application with costs of RM1,000.00.

Bank Islam has obtained the Prohibitory Order ("PO") against First Defendant's property in Dungun. The PO would be valid until 26 October 2019. The first auction was held on 16 May 2019 but the auction was unsuccessful due to no bidder. The second auction was held on 12 September 2019 but the auction was unsuccessful due to no bidder. The extension for the validity of the PO has been obtained and is valid until 28 October 2020. Due to the Movement Control Order, the third auction has been postponed to 6 July 2020.

- (d) On 24 October 2019, Bank Islam filed a civil suit against Prolink Marketing Sdn Bhd ("Customer") and the guarantors, namely Puvendran A/L Chandran and Kuganeswaran A/L Chandran (collectively be referred to as "the Defendants") claiming for an amount of RM20,164,128.31 being the outstanding financing facilities granted by Bank Islam to the Customer whose accounts had been defaulted.

On 18 December 2019, Bank Islam has filed an application for summary judgment (Order 14 ("O.14")).

Due to the Movement Control Order, the decision on O.14 has been postponed to 21 May 2020.

B10. Dividend

On 21 January 2020, the Company had paid a dividend of 16.00 sen per ordinary share totalling RM282.3 million in respect of the financial year ended 31 December 2019. From the total dividend amount, approximately 63% or RM177.84 million was distributed as cash dividend whilst the remaining 37% amounting to RM104.44 million was reinvested to subscribe for 28,381,100 new ordinary shares at RM3.68 each via the Dividend Reinvestment Plan.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B11. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the number of average ordinary shares in issue during the period.

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Net profit for the period under review attributable to equity holders of the parent	209,237	202,516
Number of ordinary shares	1,792,664	1,764,283
Number of average ordinary shares	1,786,115	1,741,496
Earnings per share (sen)	11.71	11.63

Diluted earnings per share

There is no dilution due to the Company's warrants, as the warrants are currently out-of-money in view that the exercise price for each warrant is higher than the closing market price of the Company's shares as at 31 March 2020.

B12. Economic profit statement

Group	3 months ended	
	31.03.2020	31.03.2019
	RM'000	RM'000
Net operating profit after zakat & tax (NOPAT)		
Profit before zakat and taxation (PBZT)	321,833	319,584
Zakat & Taxation	(71,598)	(77,995)
NOPAT	250,235	241,589
Economic charge computation		
Average invested capital (excludes the debit balance of the acquisition reserve arising from the acquisition of shares from non-controlling interests)	7,739,342	6,905,574
Weighted Average Cost of Capital (WACC) (%)	8.08	7.68
Economic charge	155,480	130,771
Economic profit	94,755	110,818

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B13. Foreign exchange exposure/hedging policy

The breakdown of Bank Islam's net foreign exchange exposure in RM equivalent is as follows:

RM equivalent	As at	
	31.03.2020	31.12.2019
	RM'000	RM'000
USD	(407,398)	(255,546)
EURO	(98,501)	(98,909)
Others	17,907	19,839

The Bank's exposure on USD and other currencies are mainly related to its Labuan branch operations and maintenance of foreign current accounts ("FCA").

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B14. Takaful receivables

- a) The average credit terms of takaful receivables granted to related parties and non-related parties are 6 months from the contractual due date. The recoverability of takaful receivables which exceeds the average credit term is high especially after Letter of Demand is imposed on the debtors.

	Family Takaful		General Takaful		Group	
	31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000
Non-related parties	180,050	89,682	81,318	113,651	261,368	203,333
Related parties	15	280	323	66	338	346
	180,065	89,962	81,641	113,717	261,706	203,679

- b) The age analysis of takaful receivables as at the end of the reporting period based on days past-due was as follows:

<u>Days past due</u>	Family Takaful		General Takaful		Group	
	31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000
Current (not past due)	181,118	84,800	81,872	114,150	262,990	198,950
1-30 days	45	921	504	151	549	1,072
31-60 days	170	1,095	324	192	494	1,287
61-90 days	134	90	113	190	247	280
91-180 days	1,219	132	329	527	1,548	659
> 180 days	2,266	6,766	1,593	1,256	3,859	8,022
	184,952	93,804	84,735	116,466	269,687	210,270

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B14. Takaful receivables (continued)

- c) Takaful receivables due from related parties are trade related and have been entered into for the purpose of takaful coverage and under normal trade terms. The following are takaful receivables of Takaful Malaysia with its related parties as at the end of the reporting period:

	Family Takaful		General Takaful		Group	
	31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000	31.03.2020 RM'000	31.12.2019 RM'000
Bank Islam Malaysia Berhad	-	3	135	5	135	8

The Group has elected to measure the impairment losses for takaful receivables at an amount equal to lifetime ECL. The Group use an allowance matrix to measure ECLs of takaful receivables. Loss rates are calculated using a "roll rate" method based on the probability of receivable. The loss rates are based on actual credit loss experience over the past three years.

The impairment losses recognised in profit or loss is not significant to the Group.

B15. Material impairment of assets

The breakdown of the assets' carrying value in the book before impairment, impairment losses and carrying value in the book after impairment against its market value are as follows:

	As at 31 March 2020				As at 31 December 2019			
	Carrying value before impairment	Impairment losses	Carrying value after impairment	Market value	Carrying value before impairment	Impairment losses	Carrying value after impairment	Market value
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
Financing, advances and others	51,174,583	(764,280)	50,410,303	53,399,709	50,223,969	(751,447)	49,472,522	52,407,186

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B15. Material impairment of assets (continued)

At each reporting date, the Group first assess individually whether objective evidence of impairment exists for significant financial assets and collectively for financial assets that are not individually significant. If it is determined that objective evidence of impairment exists, i.e. credit impaired, for an individually assessed financial assets measured at amortised cost and FVOCI, a lifetime ECL will be recognised for impairment loss which has been incurred.

Under collective assessment, the Group applies a three-stage approach to measuring ECL on financial assets measured at amortised cost and FVOCI. Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

- i) Stage 1: 12-months ECL
For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon recognition, the portion of lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.
- ii) Stage 2: Lifetime ECL - not credit impaired
For exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.
- iii) Stage 3: Lifetime ECL - credit impaired
Financial assets are assessed as credit impaired when one or more events that have a negative impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience, informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly when it is more than 30 days past due. The Group also use its internal credit risk grading system and external risk rating to assess deterioration in credit quality of a financial asset.

The Group assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar risk characteristics, taking into account the asset type, industry, geographical location, collateral type, past-due status and other relevant factors. These characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the counterparty's ability to pay all amounts due according to the contractual terms of the assets being evaluated.

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B16. Derivatives

Bank Islam holds derivative financial instruments to hedge its foreign currency and profit rate exposures.

As at 31 March 2020

Type of derivatives	Contract/notional Value as at the date Of the statement of Financial position RM'000	Fair value as at the date of statement of financial position RM'000
<i>Derivative Financial Instruments</i>		
Foreign exchange related contracts		
- Less than one year	5,215,456	54,249
Profit rate related contracts		
- More than 3 years	139,006	791
	5,354,462	55,040

As at 31 December 2019

Type of derivatives	Contract/notional Value as at the date Of the statement of Financial position RM'000	Fair value as at the date of statement of financial position RM'000
<i>Derivative Financial Instruments</i>		
Foreign exchange related contracts		
- Less than one year	6,255,520	(4,301)
Profit rate related contracts		
- More than 3 years	147,098	881
	6,402,618	(3,420)

BIMB Holdings Berhad [Registration No. 199701008362 (423858-X)]
(Incorporated in Malaysia)
and its subsidiaries
Unaudited Interim Financial Statements

B17. The amount of gains/losses arising from fair value changes of its financial liabilities for the current quarter and financial year to date

Derivative financial assets and liabilities are measured at fair value. Gain and loss arising from fair value changes of these instruments are as follows:

Type of derivatives	3 months ended 31.03.2020 RM'000
<i>Derivative Financial Instruments</i>	
Loss arising from fair value changes from derivatives assets and liabilities	(88)

Bank Islam holds derivative financial instruments to hedge its foreign currency and profit rate exposures. However, Bank Islam elects not to apply hedge accounting. Hence, foreign exchange trading positions, including spot and forward contracts, are revalued at prevailing market rates at statement of financial position date and the resultant gains and losses for the financial year are recognised in the profit or loss.

By order of the Board

MARIA MAT SAID (LS 0009400)
Company Secretary
April 30, 2020