

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 30 June 2021

	Note	Group As at		Company As at	
		30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
<u>Assets held for sale</u>					
Cash and short-term funds	8	3,920,247	5,829,503	159,947	317,588
Deposits and placements with banks and other financial institutions	9	1,713,264	2,032,960	2,034	-
Financial assets at fair value through profit or loss (FVTPL)	10	2,438,151	1,993,825	-	7,555
Derivative financial assets	11	45,532	61,665	-	-
Financial assets at fair value through other comprehensive income (FVOCI)	12	18,752,948	18,395,952	-	-
Financing, advances and others	13	55,218,933	54,670,635	-	-
Other financial assets at amortised cost	14	655,373	686,461	8,223	60,369
Retakaful assets	15	1,016,793	978,202	-	-
Statutory deposits with Bank Negara Malaysia		234,954	192,425	-	-
Current tax assets		118,826	177,417	-	92
Deferred tax assets		181,534	32,981	10	10
Right-of-use assets	16	220,037	229,189	-	-
Investments in subsidiaries		-	-	5,711,163	5,571,524
Property and equipment		427,794	427,027	324	381
Investment properties		10,323	10,472	-	-
Intangible assets		173,914	191,187	-	-
Total assets held for sale		<u>85,128,623</u>	<u>85,909,901</u>	<u>5,881,701</u>	<u>5,957,519</u>

As disclosed in Note B6 to the financial statements, BIMB Holdings Berhad (“BHB” or “the Company”) had announced and proposed to undertake various proposals which entails the disposal of its equity interest in BIMB Securities (Holdings) Sdn. Bhd., BIMB Securities Sdn. Bhd. and Syarikat Al Ijarah Sdn. Bhd. to Bank Islam Malaysia Berhad (“Bank Islam”), the distribution of its shareholdings in Bank Islam and Syarikat Takaful Malaysia Keluarga Berhad by way of distribution-in-specie to its shareholders, and subsequently the delisting of the Company and issuance of two (2) new BHB shares to Bank Islam such that the BHB will become a wholly-owned subsidiary of Bank Islam. BHB is currently in the midst of procuring all relevant approvals required for the Proposals from the relevant parties/ regulatory authorities.

Consequently, the results of the Group and the Company have been disclosed as discontinued operations in the financial statements and all assets and liabilities are therefore classified as held for sale as at 31 December 2020 in accordance with the requirements of MFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

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 2020.

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 30 June 2021 (continued)

	Note	Group As at		Company As at	
		30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
<u>Liabilities associated with assets held for sale and equity</u>					
Deposits from customers	17	49,178,494	50,540,345	-	-
Investment accounts of customers	18	12,017,070	12,022,112	-	-
Derivative financial liabilities	11	14,625	105,872	-	-
Bills and acceptances payable		32,755	29,621	-	-
Recourse obligations on financing sold to Cagamas	19	2,001,720	1,501,187	-	-
Other liabilities	20	1,599,415	2,002,120	5,232	228,171
Lease liabilities	16	307,973	314,186	-	-
Takaful contract liabilities	21	9,358,768	9,156,608	-	-
Expense reserves	22	318,232	316,728	-	-
Sukuk liabilities	23	1,713,095	2,633,111	-	919,947
Deferred tax liabilities		-	74,445	-	-
Zakat and taxation		186,846	60,488	221	70
Total liabilities associated with assets held for sale		76,728,993	78,756,823	5,453	1,148,188
<u>Equity</u>					
Share capital		5,413,341	4,412,261	5,413,341	4,412,261
Reserves		2,256,107	2,092,075	462,907	397,070
Equity attributable to owners of the Company		7,669,448	6,504,336	5,876,248	4,809,331
Non-controlling interests		730,182	648,742	-	-
Total equity		8,399,630	7,153,078	5,876,248	4,809,331
Total liabilities associated with assets held for sale and equity		85,128,623	85,909,901	5,881,701	5,957,519
Restricted investment accounts ("RA") managed by Bank Islam					
	18	2,556	11,915	-	-
Total assets held for sale including RA		85,131,179	85,921,816	5,881,701	5,957,519
Commitments and contingencies	42	18,795,029	20,189,496	-	-
Net assets per share attributable to ordinary equity of the Company (RM)		3.69	3.63	2.83	2.68

As disclosed in Note B6 to the financial statements, BIMB Holdings Berhad ("BHB" or "the Company") had announced and proposed to undertake various proposals which entails the disposal of its equity interest in BIMB Securities (Holdings) Sdn. Bhd., BIMB Securities Sdn. Bhd. and Syarikat Al Ijarah Sdn. Bhd. to Bank Islam Malaysia Berhad ("Bank Islam"), the distribution of its shareholdings in Bank Islam and Syarikat Takaful Malaysia Keluarga Berhad by way of distribution-in-specie to its shareholders, and subsequently the delisting of the Company and issuance of two (2) new BHB shares to Bank Islam such that the BHB will become a wholly-owned subsidiary of Bank Islam. BHB is currently in the midst of procuring all relevant approvals required for the Proposals from the relevant parties/ regulatory authorities.

Consequently, the results of the Group and the Company have been disclosed as discontinued operations in the financial statements and all assets and liabilities are therefore classified as held for sale as at 31 December 2020 in accordance with the requirements of MFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

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 2020.

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 six months ended 30 June 2021

Group	Note	3 months ended		6 months ended	
		30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<u>Discontinued operations</u>					
Income derived from investment of depositors' funds	25	583,356	628,379	1,136,112	1,319,406
Income derived from investment account funds	26	119,664	121,685	236,889	255,683
Income derived from investment of shareholders' funds	27	126,623	129,159	221,359	222,648
Loss on modification of financial assets		-	(97,772)	-	(97,772)
Net earned contributions	28	524,920	333,848	1,082,713	918,211
Other income from takaful business	29	110,224	175,053	228,021	203,769
Net benefits, claims and expense reserves	30	(218,160)	(146,022)	(461,626)	(433,661)
Net allowance for impairment on financing and advances, net of recoveries	31	(33,719)	(25,941)	(45,559)	(56,679)
Net allowance for impairment on debt instruments		21	(42)	62	(27)
Net allowance for impairment on other assets		-	2,500	184	2,895
Direct expenses		(2,441)	(2,397)	(6,042)	(5,975)
Total distributable income		1,210,488	1,118,450	2,392,113	2,328,498
Wakalah fees from restricted investment accounts		100	361	107	479
Income attributable to depositors	32	(201,142)	(254,282)	(398,644)	(556,580)
Income attributable to investment account holders	33	(36,621)	(55,471)	(73,112)	(121,286)
Income attributable to Takaful Operator/participants		(163,512)	(148,935)	(295,390)	(176,364)
Total net income		809,313	660,123	1,625,074	1,474,747
Personnel expenses	34	(205,887)	(186,768)	(417,043)	(393,150)
Other overhead expenses	35	(228,194)	(185,937)	(483,406)	(437,265)
		375,232	287,418	724,625	644,332
Finance cost	36	(76,336)	(35,158)	(112,376)	(70,239)
Profit before zakat and tax		298,896	252,260	612,249	574,093
Zakat		(4,091)	(4,106)	(8,141)	(8,069)
Tax expense	B5	(76,440)	(64,222)	(141,940)	(131,857)
Profit for the period		218,365	183,932	462,168	434,167
Attributable to:					
Owners of the Company		184,614	153,026	387,073	362,263
Non-controlling interests		33,751	30,906	75,095	71,904
Profit for the period		218,365	183,932	462,168	434,167
Earnings per share (sen)	B11	9.12	8.54	20.02	20.25

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 2020.

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 six months ended 30 June 2021

Group	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<u>Discontinued operations</u>				
Profit for the period	218,365	183,932	462,168	434,167
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	(430)	6,145	(13,234)	(17,803)
Movement in fair value reserve (debt instruments):				
Net change in fair value	85,827	205,750	(210,368)	187,554
Changes in expected credit losses	21	(42)	62	(27)
Net amount transferred to profit or loss	(30,804)	(66,475)	(59,466)	(163,011)
Income tax effect relating to components of other comprehensive income	(9,993)	(30,104)	60,365	(4,372)
	44,621	115,274	(222,641)	2,341
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liabilities	1	(407)	119	(407)
Movement in fair value reserve (equity instruments):				
Net change in fair value	(740)	1,730	(1,620)	574
Other comprehensive income for the period, net of tax	43,882	116,597	(224,142)	2,508
Total comprehensive income for the period	262,247	300,529	238,026	436,675
Total comprehensive income attributable to:				
Owners of the Company	223,012	262,240	170,624	362,281
Non-controlling interests	39,235	38,289	67,402	74,394
Total comprehensive income for the period	262,247	300,529	238,026	436,675

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 2020.

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

Condensed Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June 2021

Company	Note	3 months ended		6 months ended	
		30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<u>Discontinued operations</u>					
Income derived from investment of shareholders' funds	27	143,020	154,585	144,447	158,604
Total distributable income / Total net income		143,020	154,585	144,447	158,604
Personnel expenses	34	(586)	(714)	(2,199)	(2,566)
Other overhead expenses	35	(6,028)	(619)	(7,030)	(2,974)
		136,406	153,252	135,218	153,064
Finance cost	36	(54,302)	(13,573)	(68,477)	(27,147)
Profit before zakat and tax		82,104	139,679	66,741	125,917
Tax expense	B5	(452)	(501)	(904)	(1,001)
Profit for the period		81,652	139,178	65,837	124,916
Attributable to:					
Owners of the Company		81,652	139,178	65,837	124,916
Profit for the period					
Total comprehensive income for the period attributable to owners of the Company		81,652	139,178	65,837	124,916

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 2020.

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 six months ended 30 June 2021

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			
Discontinued operations						
At 1 January 2021	4,412,261	(930,742)	3,022,817	6,504,336	648,742	7,153,078
Profit for the period	-	-	387,073	387,073	75,095	462,168
Other comprehensive income						
Remeasurement of defined benefit liabilities	-	-	52	52	67	119
Currency translation differences in respect of foreign operations	-	(12,992)	-	(12,992)	(242)	(13,234)
Fair value reserve (debt instruments):						
Net change in fair value	-	(202,850)	-	(202,850)	(7,518)	(210,368)
Changes in expected credit losses	-	62	-	62	-	62
Net amount reclassified to profit or loss	-	(59,466)	-	(59,466)	-	(59,466)
Income tax effect relating to components of other comprehensive income	-	60,365	-	60,365	-	60,365
Fair value reserve (equity instruments):						
Net change in fair value	-	(1,620)	-	(1,620)	-	(1,620)
Total comprehensive income for the period	-	(216,501)	387,125	170,624	67,402	238,026
Share-based payment transactions	-	4,380	-	4,380	3,066	7,446
Long Term Incentive Plan exercised	-	(10,972)	-	(10,972)	10,972	-
Issue of shares pursuant to Dividend Reinvestment Plan	205,525	-	-	205,525	-	205,525
Issue of shares pursuant to private placements	795,555	-	-	795,555	-	795,555
At 30 June 2021	5,413,341	(1,153,835)	3,409,942	7,669,448	730,182	8,399,630

Note 24

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 2020.

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 six months ended 30 June 2021 (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 2020	4,307,819	(917,021)	2,503,634	5,894,432	523,711	6,418,143
Profit for the period	-	-	362,263	362,263	71,904	434,167
Other comprehensive income						
Remeasurement of defined benefit liabilities	-	-	(181)	(181)	(226)	(407)
Currency translation differences in respect of foreign operations	-	(17,959)	-	(17,959)	156	(17,803)
Fair value reserve (debt instruments):						
Net change in fair value	-	183,966	-	183,966	3,588	187,554
Changes in expected credit losses	-	(27)	-	(27)	-	(27)
Net amount reclassified to profit or loss	-	(161,983)	-	(161,983)	(1,028)	(163,011)
Income tax effect relating to components of other comprehensive income	-	(4,372)	-	(4,372)	-	(4,372)
Fair value reserve (equity instruments):						
Net change in fair value	-	574	-	574	-	574
Total comprehensive income for the period	-	199	362,082	362,281	74,394	436,675
Transfer of regulatory reserve to retained earnings	-	(25,000)	25,000	-	-	-
Share-based payment transactions	-	3,345	-	3,345	2,281	5,626
Issue of shares pursuant to Dividend Reinvestment Plan	104,442	-	-	104,442	-	104,442
At 30 June 2020	4,412,261	(938,477)	2,890,716	6,364,500	600,386	6,964,886

Note 24

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 2020.

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 six months ended 30 June 2021
(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	
<u>Discontinued operations</u>				
At 1 January 2021	4,412,261	129,300	267,770	4,809,331
Profit for the period	-	-	65,837	65,837
Issue of share pursuant to Dividend Reinvestment Plan	205,525	-	-	205,525
Issue of shares pursuant to private placements	795,555	-	-	795,555
At 30 June 2021	5,413,341	129,300	333,607	5,876,248

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	-	-	124,916	124,916
Issue of shares pursuant to Dividend Reinvestment Plan	104,442	-	-	104,442
At 30 June 2020	4,412,261	129,300	349,834	4,891,395

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 2020.

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 six months ended 30 June 2021

	Group		Company	
	6 months ended		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
<u>Discontinued operations</u>				
Cash flows from operating activities				
Profit before zakat and tax	612,249	574,093	66,741	125,917
Adjustments for:				
Depreciation of right-of-use assets	10,299	10,288	-	-
Depreciation of property and equipment	35,841	33,671	57	57
Depreciation of investment properties	145	145	-	-
Net gain on disposal of property and equipment	(577)	(2)	-	-
Property and equipment written off	12	27	-	-
Loss on modification of financial assets	-	97,772	-	-
Net allowance for impairment on financing, advances and others	82,859	96,151	-	-
Net allowance for impairment on debt instruments	(62)	27	-	-
Net allowance for impairment on other assets	(184)	(2,895)	-	-
Net loss on sale of financial assets at FVTPL	6,863	4,781	-	-
Net gain on sale of financial assets at FVOCI	(59,466)	(160,477)	-	-
Fair value loss on financial assets at FVTPL	528	44,361	171	121
Unrealised foreign exchange gain	(73,197)	(32,942)	-	-
Net derivative gain	(4)	(25)	-	-
Profit income from investments of securities	(232,452)	(257,679)	(4,852)	(5,505)
Dividends income from equity instruments at FVTPL	(12)	-	-	-
Dividends income from debt instruments at FVTPL (unit trust)	(8,732)	(7,940)	(127)	(366)
Rebate on investment in unit trust	(1,000)	-	-	-
Dividend from subsidiary	-	-	(139,639)	(151,854)
Change in actuarial reserves/ unearned contributions reserve	2,826	(180)	-	-
Equity settled share-based payment	7,446	5,626	-	-
Amortisation of intangible assets	19,957	15,011	-	-
Profit expense on leases	8,745	9,005	-	-
Finance cost	103,631	61,234	68,477	27,147
Operating profit/(loss) before working capital changes	515,715	490,052	(9,172)	(4,483)

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 2020.

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 six months ended 30 June 2021
(continued)

	Group 6 months ended		Company 6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<u>Discontinued operations</u>				
Operating profit/(loss) before working capital changes	515,715	490,052	(9,172)	(4,483)
Changes in working capital:				
Financing of customers	(631,157)	(2,735,939)	-	-
Statutory deposits with Bank Negara Malaysia	(42,529)	984,626	-	-
Other assets	78,018	(5,063)	671	4,109
Deposits from customers	(1,361,851)	(266,797)	-	-
Investment accounts of customers	(5,042)	1,143,793	-	-
Recourse obligations on financing to Cagamas	500,533	-	-	-
Other liabilities	(12,300)	461,658	2,938	(1,065)
Bills and acceptances payable	3,134	(23,510)	-	-
Cash (used in)/generated from operations	(955,479)	48,820	(5,563)	(1,439)
Zakat paid	(11,815)	(10,848)	-	-
Tax paid	(126,106)	(115,879)	(662)	(834)
Net used in operating activities	(1,093,400)	(77,907)	(6,225)	(2,273)
Cash flows from investing activities				
Net proceeds from purchase of securities	(1,020,338)	(638,953)	-	-
Purchase of property and equipment	(36,645)	(40,678)	-	-
Proceeds from disposal of property and equipment	583	16	-	-
Profit income from investments of securities	232,452	257,679	4,852	5,505
Dividends income from equity instruments at FVTPL	12	-	-	-
Dividends income from debt instruments at FVTPL (unit trust)	8,493	7,365	-	-
Rebate on investment in unit trust	1,000	-	-	-
Dividends from subsidiaries	-	-	198,625	250,164
Subscription of ordinary shares pursuant to Dividend Reinvestment Plan	-	-	(139,639)	(151,853)
Intangible assets	(2,684)	(2,305)	-	-
Net cash (used in)/generated from investing activities	(817,127)	(416,876)	63,838	103,816

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 2020.

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 six months ended 30 June 2021
(continued)

	Group		Company	
	6 months ended		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
<u>Discontinued operations</u>				
Cash flows from financing activities				
Dividends paid	(20,351)	(177,843)	(20,351)	(177,843)
Dividends paid to non-controlling interest	(40,666)	(67,048)	-	-
Issue of shares pursuant to private placements	795,555	-	795,555	-
Payment of lease liabilities	(16,140)	(15,445)	-	-
Payment of coupon on Sukuk	(35,223)	(33,593)	-	-
Subordinated Sukuk Murabahah	-	400,000	-	-
Redemption of Subordinated Sukuk Murabahah	(988,424)	(300,000)	(988,424)	-
Net cash used in financing activities	(305,249)	(193,929)	(213,220)	(177,843)
Net decrease in cash and cash equivalents	(2,215,776)	(688,712)	(155,607)	(76,300)
Cash and cash equivalents at beginning of the year	7,862,463	5,916,059	317,588	412,333
Foreign exchange differences	(13,176)	(17,885)	-	-
Cash and cash equivalents at end of the period	5,633,511	5,209,462	161,981	336,033
Cash and cash equivalents comprise:				
Cash and short-term funds	3,920,247	3,111,053	159,947	4,685
Deposits and placements with banks and other financial institutions	1,713,264	2,098,409	2,034	331,348
	5,633,511	5,209,462	161,981	336,033
Less:				
Cash and short term funds and deposits and placements with banks and other financial institutions with original maturity more than three months	(1,713,264)	(2,098,409)	(2,034)	(331,348)
	3,920,247	3,111,053	159,947	4,685

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 2020.

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 six months ended 30 June 2021
(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 01.01.2021 RM'000	Addition during the year RM'000	Redemption/ Reversal during the year RM'000	Changes from financing cash flows RM'000	Finance cost for the year RM'000	Foreign exchange difference RM'000	At 30.06.2021 RM'000
Group							
<u>Liabilities associated</u>							
<u>with assets</u>							
<u>held for sale</u>							
Sukuk							
liabilities	2,633,111	-	(988,424)	(35,223)	103,631	-	1,713,095
Lease							
liabilities	314,186	1,171	-	(16,140)	8,745	11	307,973
	2,947,297	1,171	(988,424)	(51,363)	112,376	11	2,021,068

Company
Liabilities associated
with assets
held for sale

Sukuk							
liabilities	919,947	-	(988,424)	-	68,477	-	-

	At 01.01.2020 RM'000	Addition during the year RM'000	Redemption/ Reversal during the year RM'000	Changes from financing cash flows RM'000	Finance cost for the year RM'000	Foreign exchange difference RM'000	At 30.06.2020 RM'000
Group							
Sukuk							
liabilities	2,139,666	400,000	(300,000)	(33,593)	61,234	-	2,267,307
Lease							
liabilities	328,062	-	(1,375)	(15,445)	9,005	-	320,247
	2,467,728	400,000	(301,375)	(49,038)	70,239	-	2,587,554

Company

Sukuk							
liabilities	881,093	-	-	-	27,147	-	908,240

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 2020.

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 six months ended 30 June 2021

1. Basis of preparation

The condensed financial statements of the Group for the six months ended 30 June 2021 comprise that of the Company and its subsidiaries (together referred to as the Group).

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.

As disclosed in Note B6 to the financial statements, BIMB Holdings Berhad ("BHB" or "the Company") had announced and proposed to undertake various proposals which entails the disposal of its equity interest in BIMB Securities (Holdings) Sdn. Bhd., BIMB Securities Sdn. Bhd. and Syarikat Al Ijarah Sdn. Bhd. to Bank Islam Malaysia Berhad ("Bank Islam"), the distribution of its shareholdings in Bank Islam and Syarikat Takaful Malaysia Keluarga Berhad by way of distribution-in-specie to its shareholders, and subsequently the delisting of the Company and issuance of two (2) new BHB shares to Bank Islam such that the BHB will become a wholly-owned subsidiary of Bank Islam. BHB is currently in the midst of procuring all relevant approvals required for the Proposals from the relevant parties/ regulatory authorities.

Consequentially, the results of the Group and the Company have been disclosed as discontinued operations in the financial statements and all assets and liabilities are therefore classified as held for sale as at 31 December 2020 in accordance with the requirements of MFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

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 2020. The explanatory notes attached to the condensed 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 2020.

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

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

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

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

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

2. Auditors' report on preceeding financial statements

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

3. Seasonal or cyclical factors

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

4. Exceptional or unusual items

There were no items of an exceptional or unusual nature in the six months ended 30 June 2021.

5. Changes in accounting estimates

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

6. Issuance or repayment of debt and equity securities

On 19 January 2021, the Company increased its issued and paid-up capital from 1,792,663,814 to 1,853,650,514 via the issuance of 60,986,700 new ordinary shares for a consideration of RM3.37 each arising from the Dividend Reinvestment Plan.

On 13 April 2021, the Company completed a private placement exercise and issued 222,222,000 placement shares at RM3.58 each. The placement shares were subsequently listed and quoted on the Main Market of Bursa Securities on 22 April 2021. Arising from the private placement, the Company increased its issued and paid-up capital from 1,853,650,514 to 2,075,872,514

On 3 June 2021, the Company has made an early full redemption of the Sukuk Murabahah. The full redemption of RM1,050,058,242.12 in nominal value of the Sukuk Murabahah, which is equivalent to a redemption sum of RM988.4 million.

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

On 4 June 2021, Bank Islam paid a final single tier dividend of 5.37 sen per ordinary share amounting RM139.6 million for the financial year ended 31 December 2020. The final dividend was fully reinvested through the issuance of 42,966,054 new ordinary shares at RM3.25 each via the Dividend Reinvestment Plan.

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	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	809,187	806,629	308	319
Money at call and interbank placements with remaining maturity not exceeding three months	3,111,060	5,022,874	159,639	317,269
	<u>3,920,247</u>	<u>5,829,503</u>	<u>159,947</u>	<u>317,588</u>

9. Deposits and placements with banks and other financial institutions

	Group		Company	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Licensed banks	13,435	1,996,962	-	-
Licensed Islamic bank	756,307	-	2,034	-
Other financial institutions	943,522	35,998	-	-
	<u>1,713,264</u>	<u>2,032,960</u>	<u>2,034</u>	<u>-</u>

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

	Group		Company	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Money market instruments				
Malaysian Islamic Treasury Bills	835,499	243,618	-	-
Corporate Sukuk	387,054	466,769	-	-
Unit trusts	418,419	306,908	-	7,555
Shares	306,313	343,554	-	-
Malaysian Government Investment Issues	490,866	602,925	-	-
Islamic Commercial Papers	-	30,051	-	-
	<u>2,438,151</u>	<u>1,993,825</u>	<u>-</u>	<u>7,555</u>

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.

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

11. Derivative financial assets/(liabilities) (continued)

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

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

	Group	
	30.06.2021 RM'000	31.12.2020 RM'000
Financial assets at fair value through other comprehensive income:		
a) Debt instruments	18,690,617	18,332,001
b) Equity instruments	62,331	63,951
	18,752,948	18,395,952

(a) Debt instruments at fair value through other comprehensive income

	Group	
	30.06.2021 RM'000	31.12.2020 RM'000
Money market instruments		
Corporate Sukuk	13,033,082	13,966,226
Malaysian Government Investment Issues	3,673,271	3,453,928
Malaysian Islamic Treasury Bills	1,052,731	-
Institutional Trust Account	666,377	652,486
Islamic Commercial Papers	265,156	259,361
	18,690,617	18,332,001

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

	Group	
	30.06.2021 RM'000	31.12.2020 RM'000
Stage 1		
At 1 January 2021/2020	403	265
(Reversal)/Addition of impairment during the period/year	(62)	138
At 30 June 2021/31 December 2020	341	403

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)

(b) Equity instruments at fair value through other comprehensive income

	Group	
	30.06.2021	31.12.2020
	RM'000	RM'000
Quoted shares		
- outside Malaysia	12,135	13,755
	12,135	13,755
Unquoted shares		
- in Malaysia	50,194	50,194
- outside Malaysia	2	2
	50,196	50,196
	62,331	63,951

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

Allowance for impairment on financing, advances and others :-

- Stage 1	(665,709)
- Stage 2	(153,531)
- Stage 3	(139,519)
Net financing, advances and others	55,218,933

^ 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 2020									
At amortised cost									
Cash line	-	-	-	1,465	1,287,126	-	-	-	1,288,591
Term financing									
House financing	3,238,398	-	-	-	18,280,073	-	45,780	-	21,564,251
Syndicated financing	-	-	-	-	1,459,016	-	-	-	1,459,016
Leasing financing	-	-	-	-	-	114,300	-	-	114,300
Bridging financing	-	-	-	-	-	-	47,380	-	47,380
Personal financing	-	-	-	5,256	16,816,181	-	-	-	16,821,437
Other term financing	487,567	1,411,820	-	15	10,736,190	-	1,119	-	12,636,711
Staff financing	46,367	15,847	-	-	307,861	-	7,584	-	377,659
Credit cards	-	-	-	-	447,471	-	-	-	447,471
Trade bills discounted	-	631,567	31,221	3,034	164,888	-	-	-	830,710
Trust receipts	-	5,584	5	-	-	-	-	-	5,589
Pawn broking	-	-	-	-	-	-	-	5,481	5,481
	3,772,332	2,064,818	31,226	9,770	49,498,806	114,300	101,863	5,481	55,598,596

Allowance for impairment on financing, advances and others :-

- Stage 1	(653,983)
- Stage 2	(151,446)
- Stage 3	(122,532)
Net financing, advances and others	54,670,635

^ 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)

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

		Group	
	Note	30.06.2021	31.12.2020
		RM'000	RM'000
House financing			
Unrestricted Investment Accounts	18	8,850,816	8,567,694
Sold to Cagamas with recourse	19	2,001,720	1,501,187
		<u>10,852,536</u>	<u>10,068,881</u>
Personal financing			
Unrestricted Investment Accounts	18	<u>3,166,254</u>	<u>3,454,418</u>

(b) By type of customer

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

(c) By profit rate sensitivity

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

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

(e) By geographical distribution

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

(f) By sector

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

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	
	30.06.2021	31.12.2020
	RM'000	RM'000
At 1 January 2021/2020	373,234	433,001
Classified as impaired during the period/year	222,465	311,012
Reclassified as not impaired during the period/year	(101,039)	(190,989)
Amount recovered	(36,928)	(67,114)
Amount written off	(50,556)	(112,676)
At 30 June 2021/31 December 2020	<u>407,176</u>	<u>373,234</u>
Gross impaired financing as a percentage of gross financing, advances and others	<u>0.72%</u>	<u>0.67%</u>

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

(h) Impaired financing by geographical distribution

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

(i) Impaired financing by sector

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

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

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	
	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Takaful receivables	311,489	309,446	-	-
- <i>Due contributions</i>	248,138	260,500	-	-
- <i>Due from retakaful/co-takaful</i>	63,351	48,946	-	-
Clients' and dealers' debit balances	9,128	26,012	-	-
Deposits and prepayments	58,678	57,115	364	497
Other financing	24,687	16,112	-	-
Investment profit receivable	111,630	113,552	-	-
Sukuk	5,289	5,289	-	-
Dividend receivable	-	-	-	58,986
Amount due from subsidiaries	-	-	82	157
Other receivables	151,969	173,674	7,777	729
	672,870	701,200	8,223	60,369
Less: Accumulated impairment loss:				
Stage 3				
- Takaful receivables	(9,233)	(6,475)	-	-
- Sukuk	(5,289)	(5,289)	-	-
- Other receivables	(2,975)	(2,975)	-	-
	655,373	686,461	8,223	60,369

15. Retakaful assets

	Note	Group	
		30.06.2021 RM'000	31.12.2020 RM'000
Retakaful assets:			
- Claims liabilities	21(i)	552,749	518,298
- Contribution liabilities	21(ii)	110,958	113,784
- Actuarial liabilities	21(iii)	353,086	346,120
		1,016,793	978,202

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	
	30.06.2021	31.12.2020
	RM'000	RM'000
Right-of-use assets		
Properties	219,562	228,424
Equipment	475	765
	<u>220,037</u>	<u>229,189</u>
Lease liabilities	<u>307,973</u>	<u>314,186</u>

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

	Group	
	30.06.2021	30.06.2020
	RM'000	RM'000
Depreciation charge on right-of-use assets:		
Properties	9,986	9,969
Equipment	313	319
	<u>10,299</u>	<u>10,288</u>
Finance cost	<u>8,745</u>	<u>9,005</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	
	30.06.2021	31.12.2020
	RM'000	RM'000
Savings deposits		
<i>Qard</i>	7,053,788	6,051,242
Demand deposits		
<i>Qard</i>	11,131,467	11,705,512
Term Deposit	30,895,050	32,663,484
Special Investment Deposit		
<i>Mudharabah</i>	3,662	3,662
General Investment Deposit		
<i>Mudharabah</i>	169,574	176,359
Term Deposit-i		
<i>Tawarruq</i>	29,986,349	30,996,552
Negotiable Islamic Debt Certificates ("NIDC")	735,465	1,486,911
Others	98,189	120,107
Total Deposits	<u>49,178,494</u>	<u>50,540,345</u>

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

	Group	
	30.06.2021	31.12.2020
	RM'000	RM'000
Due within six months	14,461,210	18,012,901
More than six months to one year	12,457,304	9,616,026
More than one year to three years	1,286,715	2,261,549
More than three years to five years	2,689,821	2,773,008
	<u>30,895,050</u>	<u>32,663,484</u>

(c) By type of customer

	Group	
	30.06.2021	31.12.2020
	RM'000	RM'000
Domestic non-bank financial institutions	5,928,428	6,364,914
Business enterprises	20,038,343	20,921,604
Government and statutory bodies	12,192,500	13,033,032
Individuals	7,743,088	7,042,432
Domestic banking institutions	549,986	718,962
Others	2,726,149	2,459,401
	<u>49,178,494</u>	<u>50,540,345</u>

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	
	30.06.2021	31.12.2020
	RM'000	RM'000
Unrestricted investment accounts		
Without maturity		
<i>Mudharabah</i>	5,684,562	5,113,275
- <i>Saving</i>	4,919,623	4,446,643
- <i>Demand</i>	764,939	666,632
With maturity		
<i>Wakalah</i>	6,332,508	6,908,837
	12,017,070	12,022,112
Investment portfolio:		
- <i>House financing</i>	8,850,816	8,567,694
- <i>Personal financing</i>	3,166,254	3,454,418
	12,017,070	12,022,112
Restricted investment accounts ("RA") managed by Bank Islam[^]		
With maturity		
<i>Wakalah</i>	2,556	11,915
Investment portfolio:		
- <i>Other term financing</i>	2,556	11,915

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

(b) **By type of customers**

	Group	
	30.06.2021	31.12.2020
	RM'000	RM'000
Individuals	5,368,781	4,840,308
Government and statutory bodies	4,359,349	4,385,196
Business enterprises	845,420	1,130,539
Non-bank financial institutions	1,296,938	1,514,680
Others	146,582	151,389
	12,017,070	12,022,112

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(a).

20. Other liabilities

	Group		Company	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Takaful payables	240,034	232,529	-	-
- <i>Due to retakaful companies</i>	211,063	197,729	-	-
- <i>Due to Intermediaries/Participants</i>	28,971	34,800	-	-
Accruals and other payables	1,351,200	1,518,339	4,635	2,295
Clients' and dealers' credit balances	8,181	25,376	-	-
Dividend payable	-	225,876	-	225,876
Amount due to subsidiaries	-	-	597	-
	<u>1,599,415</u>	<u>2,002,120</u>	<u>5,232</u>	<u>228,171</u>

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	
		30.06.2021	31.12.2020
		RM'000	RM'000
Provision for outstanding claims	21(i)	961,492	919,091
Provision for unearned contributions	21(ii)	481,784	465,734
Participants' fund	21(iii)	7,915,492	7,771,783
		<u>9,358,768</u>	<u>9,156,608</u>

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	30.06.2021		
	Gross RM'000	Retakaful RM'000	Net RM'000
Provision for claims reported by participants	482,427	(324,112)	158,315
Provision for IBNR*	479,065	(228,637)	250,428
Provision for outstanding claims	<u>961,492</u>	<u>(552,749)</u>	<u>408,743</u>
		Note 15	
Group	31.12.2020		
	Gross RM'000	Retakaful RM'000	Net RM'000
Provision for claims reported by participants	480,871	(323,150)	157,721
Provision for IBNR*	438,220	(195,148)	243,072
Provision for outstanding claims	<u>919,091</u>	<u>(518,298)</u>	<u>400,793</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 2020	703,598	(349,548)	354,050
Claims incurred during the year	1,194,668	(335,530)	859,138
Adjustment to claims incurred in prior accident years	(11,733)	9,941	(1,792)
Claims paid during the year	(1,043,282)	201,100	(842,182)
Movement in IBNR	75,918	(44,299)	31,619
Effect of movement in exchange rates	(78)	38	(40)
At 31 December 2020/			
1 January 2021	919,091	(518,298)	400,793
Claims incurred during the period	589,993	(137,368)	452,625
Claims paid during the period	(588,416)	136,399	(452,017)
Movement in IBNR	40,886	(33,510)	7,376
Effect of movement in exchange rates	(62)	28	(34)
At 30 June 2021	<u>961,492</u>	<u>(552,749)</u>	<u>408,743</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
30.06.2021	481,784	(110,958)	370,826
		Note 15	
31.12.2020	465,734	(113,784)	351,950
		Note 15	

Movement of provision for unearned contributions:

	Gross RM'000	Group Retakaful RM'000	Net RM'000
At 1 January 2020	394,340	(90,634)	303,706
Contributions written during the year	827,892	(342,463)	485,429
Contributions earned during the year	(756,498)	319,313	(437,185)
At 31 December 2020/ 1 January 2021	465,734	(113,784)	351,950
Contributions written during the period	431,437	(185,605)	245,832
Contributions earned during the period	(415,387)	188,431	(226,956)
At 30 June 2021	481,784	(110,958)	370,826

(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
30.06.2021			
Actuarial liabilities	6,219,403	(353,086)	5,866,317
Unallocated surplus/ accumulated surplus	1,354,830	-	1,354,830
Fair value reserve	134,786	-	134,786
Translation reserve	1	-	1
Net assets value attributable to unitholders	206,472	-	206,472
	7,915,492	(353,086)	7,562,406
		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
31.12.2020			
Participants' account	4,090,835	-	4,090,835
Actuarial liabilities	1,880,726	(346,120)	1,534,606
Unallocated surplus/ accumulated surplus	1,241,851	-	1,241,851
Fair value reserve	346,328	-	346,328
Net assets value attributable to unitholders	<u>212,043</u>	<u>-</u>	<u>212,043</u>
	<u>7,771,783</u>	<u>(346,120)</u>	<u>7,425,663</u>
		Note 15	

22. Expense reserve

	Group	
	30.06.2021 RM'000	31.12.2020 RM'000
At 1 January 2021/2020	316,728	311,700
Provision for the period/year, net	1,629	5,275
Effect of movement in exchange rates	(125)	(247)
At 30 June 2021/31 December 2020	<u>318,232</u>	<u>316,728</u>

23. Sukuk liabilities

		Group		Company	
	Note	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Sukuk liabilities	(a)	-	919,947	-	919,947
Subordinated					
Sukuk Murabahah	(b)	<u>1,713,095</u>	<u>1,713,164</u>	<u>-</u>	<u>-</u>
		<u>1,713,095</u>	<u>2,633,111</u>	<u>-</u>	<u>919,947</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) The 10-year Islamic securities of RM1.05 billion (2020: RM1.05 billion) in nominal value issued by the Company on 12 December 2013. The effective rate of the Islamic securities is 6.25% p.a.

On 12 December 2018, the Company has made an early partial redemption of RM609,941,757 in nominal value of the Sukuk Murabahah at a cash consideration of RM500 million.

On 3 June 2021, the Company has made an early full redemption of the Sukuk Murabahah. The full redemption of RM1,050,058,242.12 in nominal value of the Sukuk Murabahah, which is equivalent to a redemption sum of RM988.4 million.

- b) Subordinated Sukuk Murabahah:

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

* Optional redemption date or any periodic payment date thereafter.

Accrued and payable semi-annually in arrears.

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

24. Other reserves

	Group	
	30.06.2021	30.06.2020
	RM'000	RM'000
Capital reserve	6,863	6,863
Warrant reserve	129,300	129,300
FVOCI reserve	9,490	227,436
Translation reserve	(107,836)	(119,513)
Regulatory reserve	-	-
Long Term Incentive Plan (LTIP) reserve	8,095	17,184
	45,912	261,270
Acquisition reserve	(1,199,747)	(1,199,747)
	(1,153,835)	(938,477)

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 2021	6,863	129,300	212,999	(94,844)	-	14,687	269,005
Foreign exchange translation differences	-	-	-	(12,992)	-	-	(12,992)
Fair value reserve (debt instruments):							
Net change in fair value	-	-	(202,850)	-	-	-	(202,850)
Changes in expected credit losses	-	-	62	-	-	-	62
Net amount reclassified to profit or loss	-	-	(59,466)	-	-	-	(59,466)
Income tax effect relating to components of other comprehensive income	-	-	60,365	-	-	-	60,365
Fair value reserve (equity instruments):							
Net change in fair value	-	-	(1,620)	-	-	-	(1,620)
Share-based payment transactions	-	-	-	-	-	4,380	4,380
LTIP exercised	-	-	-	-	-	(10,972)	(10,972)
At 30 June 2021	6,863	129,300	9,490	(107,836)	-	8,095	45,912

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	-	-	-	(17,959)	-	-	(17,959)
Fair value reserve (debt instruments):							
Net change in fair value	-	-	183,966	-	-	-	183,966
Changes in expected credit losses	-	-	(27)	-	-	-	(27)
Net amount reclassified to profit or loss	-	-	(161,983)	-	-	-	(161,983)
Income tax effect relating to components of other comprehensive income	-	-	(4,372)	-	-	-	(4,372)
Fair value reserve (equity instruments):							
Net change in fair value	-	-	574	-	-	-	574
Transfer of regulatory reserve to retained earnings	-	-	-	-	(25,000)	-	(25,000)
Share-based payment transactions	-	-	-	-	-	3,345	3,345
At 30 June 2020	6,863	129,300	227,436	(119,513)	-	17,184	261,270

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

(i) Income derived from investment of general investment deposits

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

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		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Finance income and hibah				
Financing, advances and others	295,387	298,012	578,985	632,799
Financial assets:				
- At FVTPL	2,186	3,296	5,175	7,282
- At FVOCI	29,508	38,514	61,244	78,450
- Other financial assets at amortised cost	150	147	150	147
Money at call and deposit with financial institutions	10,382	4,427	17,311	11,219
	<u>337,613</u>	<u>344,396</u>	<u>662,865</u>	<u>729,897</u>
Other dealing income				
Net gain/(loss) from sale of financial assets at FVTPL	39	(305)	(4,197)	(2,921)
Net gain on revaluation of financial assets at FVTPL	3,272	948	2,131	23
	<u>3,311</u>	<u>643</u>	<u>(2,066)</u>	<u>(2,898)</u>
Other operating income				
Net gain from sale of financial assets at FVOCI	19,230	39,162	36,863	101,320
	<u>19,230</u>	<u>39,162</u>	<u>36,863</u>	<u>101,320</u>
Other income				
Gain on disposal of assets	1	-	1	-
	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>360,155</u>	<u>384,201</u>	<u>697,663</u>	<u>828,319</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	<i>5,960</i>	<i>1,847</i>	<i>11,728</i>	<i>7,621</i>
<i>Unwinding of modification loss</i>	<i>4,263</i>	<i>1,330</i>	<i>4,637</i>	<i>1,330</i>

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**

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

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)

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

Group	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Finance income and hibah				
Financing, advances and others	9,502	13,724	22,204	25,402
Financial assets:				
- At FVTPL	69	152	204	293
- At FVOCI	948	1,774	2,371	3,157
- Other financial assets at amortised cost	3	7	3	7
Money at call and deposit with financial institutions	326	205	635	446
	<u>10,848</u>	<u>15,862</u>	<u>25,417</u>	<u>29,305</u>
Other dealing income				
Net gain/(loss) from sale of financial assets at FVTPL	11	(14)	(175)	(194)
Net gain/(loss) on revaluation of financial assets at FVTPL	93	46	29	(42)
	<u>104</u>	<u>32</u>	<u>(146)</u>	<u>(236)</u>
Other operating income				
Net gain from sale of financial assets at FVOCI	545	1,791	1,340	3,768
	<u>545</u>	<u>1,791</u>	<u>1,340</u>	<u>3,768</u>
	<u>11,497</u>	<u>17,685</u>	<u>26,611</u>	<u>32,837</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	196	95	450	292
<i>Unwinding of modification loss</i>	144	61	157	61

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		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Finance income				
Unrestricted investment accounts				
- <i>Mudharabah</i>	49,337	41,359	97,636	80,419
- <i>Wakalah</i>	68,486	79,784	136,289	174,722
Unwinding of modification loss	1,841	542	2,964	542
	<u>119,664</u>	<u>121,685</u>	<u>236,889</u>	<u>255,683</u>

27. Income derived from investment of shareholders' funds

Group	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Finance income and hibah				
Financing, advances and others	2,414	1,247	4,589	2,728
Financial assets at FVOCI	45,687	49,177	90,400	96,197
Money at call and deposit with financial institutions	3,558	3,084	5,535	6,789
	<u>51,659</u>	<u>53,508</u>	<u>100,524</u>	<u>105,714</u>
Other dealing income				
Net gain from foreign exchange transactions	10,775	9,822	21,733	25,573
Net gain/(loss) on revaluation of financial assets at FVTPL	7,443	16,263	(145)	(9,102)
Net derivatives gain	3	10	4	25
	<u>18,221</u>	<u>26,095</u>	<u>21,592</u>	<u>16,496</u>
Other operating income				
Impairment for doubtful debts	-	1	2	1
Dividend income from debt instruments at FVTPL (unit trust)	8,600	7,767	8,732	7,940
Dividend income from equity instruments at FVOCI	12	-	12	-
Rebate on investment in unit trust	506	-	1,000	-
Fees and commission	47,389	41,508	88,151	90,736
Net gain on disposal of property and equipment	2	2	577	2
Rental income	198	246	648	672
Others	36	32	121	1,087
	<u>56,743</u>	<u>49,556</u>	<u>99,243</u>	<u>100,438</u>
	<u>126,623</u>	<u>129,159</u>	<u>221,359</u>	<u>222,648</u>

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

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

Company	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Finance income and hibah				
Money at call and deposit with financial institutions	3,227	2,457	4,851	5,499
	<u>3,227</u>	<u>2,457</u>	<u>4,851</u>	<u>5,499</u>
Other dealing income				
Net gain/(loss) on revaluation of financial assets at FVTPL	80	(92)	(171)	(121)
	<u>80</u>	<u>(92)</u>	<u>(171)</u>	<u>(121)</u>
Other operating income				
Dividend income from debt instruments at FVTPL (unit trust)	74	366	127	366
Dividend income from subsidiary companies	139,639	151,854	139,639	151,854
Others	-	-	1	1,006
	<u>139,713</u>	<u>152,220</u>	<u>139,767</u>	<u>153,226</u>
	<u>143,020</u>	<u>154,585</u>	<u>144,447</u>	<u>158,604</u>

28. Net earned contributions

Group	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Net earned contributions				
Gross earned contributions	640,278	436,095	1,338,175	1,133,102
Contribution ceded to retakaful	(115,358)	(102,247)	(255,462)	(214,891)
	<u>524,920</u>	<u>333,848</u>	<u>1,082,713</u>	<u>918,211</u>

29. Other income from takaful business

Group	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Other income				
Administration income	17,455	17,763	43,444	40,564
Investment income	90,474	88,113	177,282	175,964
Realised gains and losses	8,025	20,734	8,055	20,734
Fair value gains and losses	(4,580)	47,453	(3,726)	(35,236)
Other operating income	(1,150)	990	2,966	1,743
	<u>110,224</u>	<u>175,053</u>	<u>228,021</u>	<u>203,769</u>

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

30. Net benefits, claims and expense reserves

Group	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Net benefits and claims				
Gross benefits and claims paid	(280,818)	(192,818)	(588,411)	(494,459)
Claims ceded to retakaful	67,242	35,558	136,398	84,712
Gross change to contract liabilities	(23,397)	(14,253)	(42,463)	(85,793)
Change to contract liabilities ceded to takaful	12,169	15,958	34,479	73,201
	<u>(224,804)</u>	<u>(155,555)</u>	<u>(459,997)</u>	<u>(422,339)</u>
Expense reserves	6,644	9,533	(1,629)	(11,322)
Net benefits, claims and expense reserves	<u>(218,160)</u>	<u>(146,022)</u>	<u>(461,626)</u>	<u>(433,661)</u>

31. Net allowance for impairment on financing and advances

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

32. Income attributable to depositors

Group	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Deposits from customers				
- Mudharabah Fund	718	1,052	1,510	2,665
- Non-Mudharabah Fund	180,915	235,113	359,881	518,014
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah Fund	26	340	36	340
Recourse obligations on financing sold to Cagamas				
	<u>19,483</u>	<u>17,777</u>	<u>37,217</u>	<u>35,561</u>
	<u>201,142</u>	<u>254,282</u>	<u>398,644</u>	<u>556,580</u>

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

33. Income attributable to investment account holders

Group	3 months ended		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Unrestricted investment accounts				
- <i>Mudharabah</i>	2,841	2,794	5,980	5,465
- <i>Wakalah</i>	33,780	52,677	67,132	115,821
	<u>36,621</u>	<u>55,471</u>	<u>73,112</u>	<u>121,286</u>

34. Personnel expenses

Group	3 months ended		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	162,165	152,506	327,818	310,664
Employees' Provident Fund	24,717	22,052	49,429	44,502
Directors' remuneration	2,542	1,812	5,240	4,430
Others	16,463	10,398	34,556	33,554
	<u>205,887</u>	<u>186,768</u>	<u>417,043</u>	<u>393,150</u>

Company	3 months ended		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	107	218	1,123	1,366
Employees' Provident Fund	98	123	194	242
Directors' remuneration	347	284	764	764
Others	34	89	118	194
	<u>586</u>	<u>714</u>	<u>2,199</u>	<u>2,566</u>

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

35. Other overhead expenses

Group	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<i>Promotion</i>				
Advertisement and publicity	3,219	2,494	7,514	7,503
Credit and debit card expenses	10,963	7,952	21,614	17,434
Commission	47,377	29,654	101,947	88,060
	<u>61,559</u>	<u>40,100</u>	<u>131,075</u>	<u>112,997</u>
<i>Establishment</i>				
Depreciation of right-of-use assets	5,157	5,141	10,299	10,288
Depreciation of property and equipment	17,859	16,750	35,841	33,671
Depreciation of investment property	72	72	145	145
Amortisation of intangible assets	10,023	7,505	19,957	15,011
Information technology expenses	17,606	11,683	36,259	28,241
Office rental	7,529	6,425	14,738	15,186
Office maintenance	6,653	6,316	13,296	13,933
Utilities	3,638	4,280	7,485	8,641
Security services	2,155	1,882	4,484	4,759
Rental equipment	1,855	1,312	3,250	3,005
Takaful and insurance	92	807	200	851
Others	247	218	774	713
	<u>72,886</u>	<u>62,391</u>	<u>146,728</u>	<u>134,444</u>
<i>General expenses</i>				
Professional fees	10,449	9,947	19,003	19,253
Outsourcing fees	5,385	3,956	10,857	7,868
Office supplies	1,505	2,210	3,929	5,080
Subscription fees	3,407	1,556	6,705	3,400
Auditors' remuneration	763	687	1,477	1,225
Others	72,240	65,090	163,632	152,998
	<u>93,749</u>	<u>83,446</u>	<u>205,603</u>	<u>189,824</u>
	<u>228,194</u>	<u>185,937</u>	<u>483,406</u>	<u>437,265</u>
Company	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<i>Promotion</i>				
Advertisement and publicity	134	45	123	1,069
	<u>134</u>	<u>45</u>	<u>123</u>	<u>1,069</u>

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

35. Other overhead expenses (continued)

Company	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
<i>Establishment</i>				
Depreciation of property and equipment	27	29	57	57
Information technology expenses	35	24	58	31
Office rental	259	264	517	529
Office maintenance	11	3	13	6
Utilities	6	3	12	9
Rental equipment	24	24	44	47
Takaful and insurance	32	28	63	56
	<u>394</u>	<u>375</u>	<u>764</u>	<u>735</u>
<i>General expenses</i>				
Professional fees	5,419	120	5,717	516
Office supplies	5	4	17	11
Subscription fees	3	-	4	1
Auditors' remuneration	48	44	97	88
Others	25	31	308	554
	<u>5,500</u>	<u>199</u>	<u>6,143</u>	<u>1,170</u>
	<u>6,028</u>	<u>619</u>	<u>7,030</u>	<u>2,974</u>

36. Finance cost

Group	Note	3 months ended		6 months ended	
		30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Finance cost:					
- Sukuk liabilities		71,976	30,661	103,631	61,234
- Profit expense on leases	16	4,360	4,497	8,745	9,005
		<u>76,336</u>	<u>35,158</u>	<u>112,376</u>	<u>70,239</u>
Company		3 months ended		6 months ended	
		30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Finance cost:					
- Sukuk liabilities		54,302	13,573	68,477	27,147
		<u>54,302</u>	<u>13,573</u>	<u>68,477</u>	<u>27,147</u>

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 30 June 2021	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	827,143	416,985	2,599	-	1,246,727
Inter-segment revenue	7,197	4,084	143,573	(154,854)	-
Total revenue	834,340	421,069	146,172	(154,854)	1,246,727
<hr/>					
Net income from operations (before allowance for impairment on financing and other assets)	591,001	257,557	146,172	(149,278)	845,452
Operating overheads	(274,795)	(161,653)	(9,713)	9,639	(436,522)
<hr/>					
Operating results	316,206	95,904	136,459	(139,639)	408,930
Allowance for impairment	(33,698)	-	-	-	(33,698)
Finance cost	(22,008)	(16)	(54,312)	-	(76,336)
Profit before zakat and taxation	260,500	95,888	82,147	(139,639)	298,896

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 30 June 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	779,455	362,880	2,356	-	1,144,691
Inter-segment revenue	4,270	9,552	154,546	(168,368)	-
Total revenue	783,725	372,432	156,902	(168,368)	1,144,691
Net income from operations (before allowance for impairment on financing and other assets)	465,717	223,497	156,902	(160,113)	686,003
Operating overheads	(252,584)	(125,739)	(4,352)	7,573	(375,102)
Operating results	213,133	97,758	152,550	(152,540)	310,901
Allowance for impairment	(23,483)	-	-	-	(23,483)
Finance cost	(22,237)	(18)	(13,589)	686	(35,158)
Profit before zakat and taxation	167,413	97,740	138,961	(151,854)	252,260

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

37. Operating segment information (continued)

6 months ended 30 June 2021	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	1,589,603	849,108	4,864	-	2,443,575
Inter-segment revenue	15,659	8,529	145,365	(169,553)	-
Total revenue	1,605,262	857,637	150,229	(169,553)	2,443,575
Net income from operations (before allowance for impairment on financing and other assets)	1,123,479	562,247	150,229	(159,526)	1,676,429
Operating overheads	(559,343)	(351,731)	(15,304)	19,887	(906,491)
Operating results	564,136	210,516	134,925	(139,639)	769,938
Allowance for impairment	(45,313)	-	-	-	(45,313)
Finance cost	(43,848)	(30)	(68,498)	-	(112,376)
Profit before zakat and taxation	474,975	210,486	66,427	(139,639)	612,249
Segment assets	73,572,052	11,935,509	6,039,300	(6,418,238)	85,128,623
Segment liabilities	67,138,866	10,245,622	15,246	(670,741)	76,728,993

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

37. Operating segment information (continued)

6 months ended 30 June 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	1,694,806	688,319	5,638	-	2,388,763
Inter-segment revenue	12,489	18,067	157,849	(188,405)	-
Total revenue	1,707,295	706,386	163,487	(188,405)	2,388,763
Net income from operations (before allowance for impairment on financing and other assets)	1,012,081	530,022	163,487	(171,057)	1,534,533
Operating overheads	(524,857)	(317,865)	(11,500)	17,832	(836,390)
Operating results	487,224	212,157	151,987	(153,225)	698,143
Allowance for impairment	(53,811)	-	-	-	(53,811)
Finance cost	(44,450)	(35)	(27,125)	1,371	(70,239)
Profit before zakat and taxation	388,963	212,122	124,862	(151,854)	574,093
Segment assets	68,645,444	10,910,597	5,979,971	(6,611,497)	78,924,515
Segment liabilities	62,649,269	9,489,963	924,768	(1,104,371)	71,959,629

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

30.06.2021

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

30.06.2021

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	589,866	1,847,905	380	2,438,151	-	-	-	-	2,438,151	2,438,151
Derivative financial assets	-	45,532	-	45,532	-	-	-	-	45,532	45,532
Financial assets at FVOCI	12,135	18,024,240	716,573	18,752,948	-	-	-	-	18,752,948	18,752,948
Financing, advances and others	-	-	-	-	-	-	58,403,106	58,403,106	58,403,106	55,218,933
Total assets	602,001	19,917,677	716,953	21,236,631	-	-	58,403,106	58,403,106	79,639,737	76,455,564
Financial liabilities										
Derivative financial liabilities	-	14,625	-	14,625	-	-	-	-	14,625	14,625
Recourse obligations on financing sold to Cagamas	-	-	-	-	-	-	2,061,545	2,061,545	2,061,545	2,001,720
Sukuk liabilities	-	-	-	-	-	-	1,724,058	1,724,058	1,724,058	1,713,095
Total liabilities	-	14,625	-	14,625	-	-	3,785,603	3,785,603	3,800,228	3,729,440
30.06.2021										
Company										
Financial assets										
Financial assets at FVTPL	-	-	-	-	-	-	-	-	-	-
Total assets	-	-	-	-	-	-	-	-	-	-
Financial liabilities										
Sukuk liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-	-

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)

31.12.2020 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	550,457	1,442,988	380	1,993,825	-	-	-	-	1,993,825	1,993,825
Derivative financial assets	-	61,665	-	61,665	-	-	-	-	61,665	61,665
Financial assets at FVOCI	13,755	17,679,515	702,682	18,395,952	-	-	-	-	18,395,952	18,395,952
Financing, advances and others	-	-	-	-	-	-	58,065,344	58,065,344	58,065,344	54,670,635
Total assets	564,212	19,184,168	703,062	20,451,442	-	-	58,065,344	58,065,344	78,516,786	75,122,077
Financial liabilities										
Derivative financial liabilities	-	105,872	-	105,872	-	-	-	-	105,872	105,872
Recourse obligations on financing sold to Cagamas	-	-	-	-	-	-	1,577,805	1,577,805	1,577,805	1,501,187
Sukuk liabilities	-	-	-	-	-	-	2,724,169	2,724,169	2,724,169	2,633,111
Total liabilities	-	105,872	-	105,872	-	-	4,301,974	4,301,974	4,407,846	4,240,170
31.12.2020 Company										
Financial assets										
Financial assets at FVTPL	7,555	-	-	7,555	-	-	-	-	7,555	7,555
Total assets	7,555	-	-	7,555	-	-	-	-	7,555	7,555
Financial liabilities										
Sukuk liabilities	-	-	-	-	-	-	993,933	993,933	993,933	919,947
Total liabilities	-	-	-	-	-	-	993,933	993,933	993,933	919,947

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 2021 for the Group:

	Group	
	30.06.2021	31.12.2020
	RM'000	RM'000
<i>Financial assets at FVOCI</i>		
At 1 January 2021/2020	702,682	568,833
Purchases	-	100,000
Disposal	-	(4,111)
Gains recognised in profit or loss		
- Investment income - realised	14,792	28,309
Gains recognised in other comprehensive income		
- Net change in fair value (unrealised)	(901)	9,651
At 30 June 2021/31 December 2020	716,573	702,682

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% (2020: 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	30.06.2021				
	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
Foreign exchange related contracts					
- forwards	3,098,483	371,722	935,840	823,768	967,153
- swaps	3,847,715	1,787,660	688,623	808,423	563,009
- spot	344,875	344,875	-	-	-
Total	7,291,073	2,504,257	1,624,463	1,632,191	1,530,162

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 30 June 2021, the amount of contracts which were not hedged and, hence, exposed to market risk was RM562.92 million (31 December 2020: RM638.93 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 30 June 2021, the credit risk measured in terms of the cost to replace the profitable contracts, was RM152.43 million (31 December 2020: RM148.63 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 Company announced that it proposed to undertake various proposal as disclosed in Note B6. The assets and liabilities, including the commitments and contingencies below are classified as held for sale because they are held for distribution to owners of the Group.

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 30.06.2021				
<i>Credit-related Exposures</i>				
Direct credit substitutes	467,693		467,693	466,197
Transaction related contingent items	884,263		442,131	427,214
Short term self-liquidating trade related contingencies	485,853		97,171	95,871
Other commitments, such as formal standby facilities and credit lines with an original maturity of exceeding one year	906,949		453,475	348,902
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	8,662,354		-	-
	11,407,112		1,460,470	1,338,184
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- Less than one year	7,291,073	43,942	149,050	107,217
Profit rate related contracts				
- One year to less than five years	96,844	1,590	3,382	2,608
	7,387,917	45,532	152,432	109,825
	18,795,029	45,532	1,612,902	1,448,009

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 31.12.2020				
<i>Credit-related Exposures</i>				
Direct credit substitutes	449,506		449,506	442,426
Transaction related contingent items	899,541		449,770	436,481
Short term self-liquidating trade related contingencies	592,744		118,549	117,165
Other commitments, such as formal standby facilities and credit lines with an original maturity of exceeding one year	938,247		469,124	362,317
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	8,676,980		-	-
	<u>11,557,018</u>		<u>1,486,949</u>	<u>1,358,389</u>
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- Less than one year	8,518,422	59,494	143,217	60,587
Profit rate related contracts				
- One year to less than five years	114,056	2,171	5,414	4,045
	<u>8,632,478</u>	<u>61,665</u>	<u>148,631</u>	<u>64,632</u>
	<u>20,189,496</u>	<u>61,665</u>	<u>1,635,580</u>	<u>1,423,021</u>

43. Capital adequacy

Total capital and capital adequacy ratios of the Group have been computed based on 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:

Group	30.06.2021	31.12.2020
	%	%
Common Equity Tier I ("CET I") Capital Ratio	14.513	12.963
Total Tier I Capital Ratio	14.513	12.963
Total Capital Ratio	19.561	18.071

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

Group	30.06.2021	31.12.2020
	RM'000	RM'000
Paid-up share capital	5,413,341	4,412,261
Retained earnings	2,287,326	2,287,326
Other reserves	(1,170,762)	(965,212)
<u>Less:</u>		
Investment in subsidiary	(99,053)	(99,053)
Deferred tax assets	(142,792)	(1,531)
Gain on financial instruments classified as fair value through other comprehensive income	(1,021)	(107,045)
Total CET I and Tier I Capital	6,287,039	5,526,746
Sukuk Murabahah	1,700,000	1,700,000
Loss provision [^]	486,400	477,886
Total Tier II Capital	2,186,400	2,177,886
Total Capital	8,473,439	7,704,632

[^] Impairment 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:

Group	30.06.2021	31.12.2020
	RM'000	RM'000
Credit risk	47,668,387	47,030,111
Less: Credit risk absorbed by unrestricted investment accounts	(8,756,401)	(8,799,247)
	38,911,986	38,230,864
Market risk	562,920	638,925
Operational risk	3,844,223	3,766,197
	43,319,129	42,635,986

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

44. Credit Transactions and Exposures with Connected Parties

Group	30.06.2021	31.12.2020
	RM'000	RM'000
Outstanding credit exposures with connected parties	2,409,766	2,411,078
% of outstanding credit exposures to connected parties as a proportion of total credit exposures	3.79%	3.73%
% of outstanding credit exposures to connected parties which is non-performing or in default	0.00%	0.00%

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 six months ended 30 June 2021

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

	Cumulative Period		Variance	
	Current Year To-date	Preceding Year Corresponding Period		
	RM'000	30.06.2021	30.06.2020	Amount
Revenue	2,443,575	2,388,763	54,812	2.3
Operating Profit	769,938	698,143	71,795	10.3
Profit Before Zakat and Taxation	612,249	574,093	38,156	6.6
Profit After Zakat and Taxation	462,168	434,167	28,001	6.4
Profit Attributable to Equity Holders of the Parent	387,073	362,263	24,810	6.8

Table 1: Financial review for financial year to date

BIMB Holdings Berhad ("BHB") Group reported Profit Before Zakat and Taxation ("PBZT") for the six months ended 30 June 2021 of RM612.2 million, representing an increase of 6.6% or RM38.1 million as compared to the corresponding period in 2020 of RM574.1 million.

At the operating profit level, the Group's operating profit of RM769.9 million was higher by RM71.8 million or 10.3% compared to the corresponding period in 2020 of RM698.1 million.

The net profit attributable to shareholders increased by 6.8% or RM24.8 million to RM387.1 million as compared to the corresponding period in 2020 of RM362.3 million.

BHB Group registered an annualised Return on Equity ("ROE") of 11.6% (after tax and zakat). Net assets per share increased to RM3.69 as at 30 June 2021 as compared to RM3.63 as at 31 December 2020.

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 six months ended 30 June 2021 (continued)

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

Bank Islam Malaysia Berhad

For the six months ended 30 June 2021, Bank Islam reported a PBZT of RM475.0 million or an increase of 22.1% as compared to the corresponding period last year of RM389.0 million. The increase mainly due to no modification loss in relation to auto moratorium granted to customers charged during the period.

The non-fund based income decreased by RM92.6 million for the year ended 30 June 2021 compared to the year ended 30 June 2020, which was mainly due to lower investment income.

The higher overheads by RM34.5 million was mainly due to higher staff costs and general expenses by RM15.3 million and RM9.5 million respectively.

The Bank recorded net allowance charged for impairment on financing and advances of RM45.6 million for the year ended 30 June 2021 compared to RM56.7 million in the year ended 30 June 2020, lower by RM11.1 million. Lower financing growth were recorded during the six months ended 30 June 2021 as compared against corresponding period ended 30 June 2020 (RM0.7 billion vs RM2.5 billion). This was translated to lower allowance for impairment despite a marginal increase in Gross Impaired Financing (“GIF”) ratio from 0.70% to 0.72%.

The Bank’s total assets stood at RM73.6 billion as at 30 June 2021, a year-on-year increase by RM5.0 billion from RM68.6 billion reported as at 30 June 2020 which was mainly contributed by the increase in financing, advances and others by RM3.2 billion and increase in cash and short-term funds by RM1.0 billion.

As at end of June 2021, customer deposits and investment accounts stood at RM61.9 billion with a year-on-year increase by RM3.3 billion or 5.8%. Total current and saving accounts and transactional investment accounts (“CASATIA”) composition is at healthy level of 38.6% of total customer deposits and investment accounts.

Total gross impaired financing as at 30 June 2021 was RM407.2 million compared to RM371.5 million as at 30 June 2020.

Syarikat Takaful Malaysia Keluarga Berhad

For the six months ended 30 June 2021, Takaful Malaysia recorded PBZT of RM210.2 million, lower as compared to RM211.8 million in the same period of the preceding year. This was mainly attributable to lower surplus transfer from Takaful fund.

Takaful Malaysia recorded operating revenue of RM1,616.7 million for the six months ended 30 June 2021, higher by 13.2% as compared to RM1,428.8 million in the same period of the preceding year. The increase was mainly attributable to higher sales from both Family and General Takaful business.

Family Takaful business generated gross earned contributions of RM924.9 million for the six months ended 30 June 2021, higher by 19.8% as compared to RM772.1 million in the corresponding period last year. This was mainly due to higher sales from credit-related products.

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

B1. Performance review for the six months ended 30 June 2021 (continued)

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

Syarikat Takaful Malaysia Keluarga Berhad (continued)

The net benefits and claims for Family Takaful business increased to RM360.2 million for the six months ended 30 June 2021 from RM350.1 million in the same period of the preceding year. The increase was mainly attributable to higher death and surrender claims.

Investment income for the Family Takaful business decreased to RM140.3 million as compared to RM144.5 million in the same period of the preceding year, mainly due to lower profit income from fixed income investment.

For the six months ended 30 June 2021, Family Takaful recorded fair value losses of RM3.8 million, improved as compared to fair value losses of RM34.3 million in the same period of the preceding year. The improvement in the fair value losses were mainly due to equity market performance.

General Takaful business generated gross earned contributions of RM415.2 million for the six months ended 30 June 2021, higher by 13.8% as compared to RM364.8 million in the same period of the preceding year. The growth was mainly attributable to motor, fire and engineering class.

The net benefits and claims for General Takaful business increased to RM109.3 million for the six months ended 30 June 2021 from RM80.4 million in the same period of the preceding year, mainly due to higher claims relating to motor class.

The investment income for the six months ended 30 June 2021 was RM14.3 million as compared to the same period of the preceding year of RM15.9 million, mainly due to lower profit income from fixed income investment.

Current Quarter vs. Previous Year Corresponding Quarter

RM'000	Individual Period		Variance	
	Current Year Quarter	Preceding Year Corresponding Quarter		
	30.06.2021	30.06.2020	Amount	%
Revenue	1,246,727	1,144,691	102,036	8.9
Operating Profit	408,930	310,901	98,029	31.5
Profit Before Zakat and Taxation	298,896	252,260	46,636	18.5
Profit After Zakat and Taxation	218,365	183,932	34,433	18.7
Profit Attributable to Equity Holders of the Parent	184,614	153,026	31,588	20.6

Table 2: Financial review for current quarter

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

B1. Performance review for the six months ended 30 June 2021 (continued)

For the second quarter ended 30 June 2021 ("Q2 2021"), the Group registered PBZT of RM298.9 million, an increase of 18.5% or RM46.6 million as compared to the previous year corresponding quarter ("Q2 2020") of RM252.3 million.

Net profit attributable to shareholders also increased by 20.6% or RM31.6 million over the same period to RM184.6 million.

Bank Islam Malaysia Berhad

For Q2 2021, Bank Islam reported PBZT of RM260.5 million, an increase of RM93.1 million or 55.6% over the PBZT of Q2 2020 of RM167.4 million. The increase in PBZT was mainly due to no loss on modification of financial assets charged in the current quarter.

Gross fund based income decreased by RM19.8 million or 2.7% as a result of the downward revision of Overnight Policy Rate ("OPR") in 2020. The non-fund based income also decreased by RM27.3 million for the Q2 2021 compared to Q2 2020, which was mainly due to lower investment income, particularly lower net gain from sale of financial assets at FVOCI.

For Q2 2021, the Bank recorded net allowance charged for impairment on financing and advances of RM33.7 million compared to RM25.9 million in Q2 2020. The higher allowance for impairment on financing and advances was in line with the marginal increase in Gross Impaired Financing ("GIF") ratio from 0.70% to 0.72%, in addition to the reasonable amount of management overlay provided to continuously support the Targeted Repayment Assistance ("TRA") program.

Syarikat Takaful Malaysia Keluarga Berhad

For Q2 2021, Takaful Malaysia recorded PBZT of RM95.7 million, lower as compared to RM97.6 million in Q2 2020. This was mainly attributable to lower surplus transfer from Takaful fund.

For Q2 2021 under review, Takaful Malaysia generated Operating Revenue of RM701.2 million, increased by 36.0% as compared to RM515.7 million in Q2 2020. The increase was mainly attributable to higher sales generated from Family Takaful and General Takaful businesses.

For Q2 2021 under review, Family Takaful business recorded gross earned contributions of RM444.1 million, higher by 61.0% as compared to RM275.8 million in Q2 2020. The increase is mainly attributable to higher sales from credit-related products.

Family Takaful business recorded net benefits and claims of RM175.9 million, higher as compared to Q2 2020. The increase was mainly due to higher death and surrender claims.

For Q2 2021 under review, General Takaful business generated gross earned contributions of RM197.2 million, increased by 21.1% as compared to RM162.8 million in Q2 2020. The growth was mainly attributable to fire and motor classes.

General Takaful business recorded net benefits and claims of RM53.3 million for Q2 2021 under review, increased as compared to RM22.8 million in Q2 2020. The increase was mainly due to higher claims relating to motor class.

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 (Second Quarter 2021 vs. First Quarter 2021)

RM'000	Current Quarter	Immediate Preceding Quarter	Variance	
	30.06.2021	31.03.2021	Amount	%
Revenue	1,246,727	1,196,848	49,879	4.2
Operating Profit	408,930	361,008	47,922	13.3
Profit Before Zakat and Taxation	298,896	313,353	(14,457)	-4.6
Profit After Zakat and Taxation	218,365	243,803	(25,438)	-10.4
Profit Attributable to Equity Holders of the Parent	184,614	202,459	(17,845)	-8.8

Table 3: Financial review for current quarter compared with immediate preceding quarter

For the second quarter ended 30 June 2021 ("Q2 2021"), the BHB Group reported PBZT of RM298.9 million against a PBZT of RM313.4 million achieved in the immediate preceding quarter ended 31 March 2021 ("Q1 2021"), a decrease of RM14.5 million or 4.6%.

At the operating profit level, the Group's operating profit for Q2 2021 of RM408.9 million was higher by RM47.9 million or 13.3% as compared to Q1 2021 of RM361.0 million.

Bank Islam Malaysia Berhad

For the Q2 2021, the Bank achieved a PBZT of RM260.5 million, an increase of RM46.0 million or 21.5% over the PBZT of Q1 2021 of RM214.5 million. The increase in PBZT was mainly due to increase in total income by RM63.4 million offset by higher net allowance for impairment on financing and advances by RM21.9 million.

Syarikat Takaful Malaysia Keluarga Berhad.

For Q2 2021, Takaful Malaysia registered PBZT of RM95.7 million, lower as compared to Q1 2021 of RM114.4 million. The decrease profit was mainly attributable to lower net wakalah fee income.

For Q2 2021, Takaful Malaysia generated Operating Revenue of RM701.2 million, lower as compared to RM915.5 million in Q1 2021. The decrease is mainly attributable to lower sales generated from both Family and General Takaful businesses.

Family Takaful business recorded gross earned contributions of RM444.1 million, lower as compared to RM480.8 million in Q1 2021. The decrease was mainly attributable to lower sales from credit-related and group medical products.

For Q2 2021, Family Takaful business recorded net benefits and claims of RM175.9 million, decreased by 4.6% as compared to Q1 2021 of RM184.3 million. The decrease was mainly attributable to lower death and surrender claims during the period.

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 (Second Quarter 2021 vs. First Quarter 2021) (continued)

For Q2 2021, General Takaful business generated gross earned contributions of RM197.2 million, lower as compared to RM218.0 million in Q1 2021. The decrease was mainly contributed to lower sales from fire, engineering and commercial class.

For Q2 2021, General Takaful business recorded net benefits and claims of RM53.3 million, 4.8% lower as compared to RM56.0 million in Q1 2021. The decrease was mainly due to lower claims relating to personal accident and engineering classes.

B3. Prospects for 2021

COVID-19 continued to impact the economy during the first half of 2021 adversely. With the acceleration of the vaccination programme and the various stimulus packages announced, the government is cautiously optimistic for an economic recovery towards the end of 2021.

To provide temporary cash flow relief to borrowers, the government has also announced several repayment assistance programmes (that involve deferment and reduction of instalments) offered on an "opt-in" basis. Most analysts view the impact of modification loss on banks this year as lower than what was experienced in the previous year. Despite a series of MCOs, asset quality remained strong, projected financing growth hovers around 3% to 4%, driven by the household sector whilst the banking system remained well-capitalised.

As the world is combatting the COVID-19 pandemic, the Bank continues to focus on integrating the principles of Shariah, Value-Based Intermediation ("VBI") and ESG considerations to remain resilient and promote financial inclusion for all whilst assisting the community in making a positive impact to people's lives and livelihood and meeting their needs. The Bank has not only providing the Repayment Assistance programme to its customers to manage their cash flow better during this challenging time, but through its social finance arm, Sadaqa House, the Bank hopes to uplift social finance nurturing by growing affordable micro-finance iTEKAD and BangKIT programmes, as well offered other innovative solutions to generate a more significant impact on the underserved and unbankable target group. Bank Islam also intensified its support of SMEs through collaborations with Government-Linked Companies ("GLCs") and other large corporations via vendor development and financing programmes.

In June'21, the Bank has partnered with Halal Development Corp Bhd ("HDC") to provide a new GO Halal Fund with an initial allocation of RM100 million. In paving the way for affordable investing for retail customers, Bank Islam's wholly-owned subsidiary, BIMB Investment Management Berhad ("BIMB Investment"), launched the world's first Shariah Sustainability Robo-Intelligence Investing app called the "BEST Invest". Nearing the end of the group restructuring exercise, the Bank aspires to unlock value for all, paving the way for the country's only listed pure-play full-fledged Islamic financial institution.

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

B3. Prospects for 2021 (continued)

Takaful Malaysia will continue with its strategic initiatives to strengthen its business resilience and adjust its operating models in managing the business in a very different market and dynamic operating landscape. Takaful Malaysia remains vigilant and cautious in managing operating costs, business growth and portfolio risk.

As a forerunner and early embracer of online distribution and new digital technologies in supporting its distribution channels, Takaful Malaysia can minimise some sales and operational challenges faced during the COVID-19 pandemic. Its digital and technology capabilities have enabled the company to maintain uninterrupted business services to sales intermediaries, bank partners, and customers. Notably, they have a wide range of online takaful products that customers can easily access its affordable online takaful solutions at their fingertips especially during the COVID-19 outbreak. Takaful Malaysia has increased its social media presence to cross-sell its online products, targeting customers who may not have access to intermediaries for face-to-face selling.

Takaful Malaysia will strive to roll out more innovative strategies via implementing its digital and online solutions, digital ecosystem expansion of its distribution capabilities, strategic partnerships with leading Islamic banks and brand awareness initiatives. It would enable Takaful Malaysia to sustain its market-leading position while supporting business growth and customer-centricity.

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	3 months ended		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
Malaysia				
Current year	29,619	72,342	135,112	143,929
Under/(Over) provision in prior years	163,330	(7)	163,756	(7)
Deferred tax expense:				
Origination and reversal of temporary differences	46,821	(8,113)	6,312	(12,717)
(Over)/Under provision in prior years	(163,330)	-	(163,240)	652
	76,440	64,222	141,940	131,857

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 is as follows:

Group	3 months ended		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Profit before tax	298,896	252,260	612,249	574,093
Income tax calculated using				
Malaysian tax rate of 24%	71,735	60,542	146,940	137,782
Non-deductible expenses	18,902	17,534	39,667	39,740
Non-deductible Sukuk's finance cost	13,032	3,257	16,434	6,515
Non-taxable income	(27,229)	(17,104)	(61,617)	(52,825)
	76,440	64,229	141,424	131,212
Under/(Over) provision in prior years	163,330	(7)	163,756	(7)
(Over)/Under provision of deferred tax	(163,330)	-	(163,240)	652
Tax expense	76,440	64,222	141,940	131,857

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.

Major components of tax expense

Company	3 months ended		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense	452	501	904	1,001
	452	501	904	1,001

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 Company is as follows:

Company	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Profit before tax	<u>82,104</u>	<u>139,679</u>	<u>66,741</u>	<u>125,917</u>
Income tax calculated using				
Malaysian tax rate of 24%	19,705	33,523	16,018	30,220
Non-deductible expenses	(1,207)	232	2,195	770
Non-deductible Sukuk's finance cost	15,505	3,257	16,434	6,515
Non-taxable income	<u>(33,551)</u>	<u>(36,511)</u>	<u>(33,743)</u>	<u>(36,504)</u>
Tax expense	<u>452</u>	<u>501</u>	<u>904</u>	<u>1,001</u>

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.

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

B6. Corporate proposals (continued)

(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.

(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 Bank will emerge as the first pure-play full-fledged Islamic financial institution to be listed in the region and enhance its corporate stature. The listing will allow Bank Islam to better position itself in the Islamic finance and Islamic capital market and capitalise on the growth of both markets in its efforts to expand its customer base.

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.

BHB has on 10 December 2020 announced that it has received the approval from the Minister of Finance (on the recommendation of BNM), and BNM in relation to the Proposals. On 23 February 2021, BHB has announced that it has received approval from Bursa Securities for the listing and quotation of BHB shares to be issued pursuant to the Proposed Placements and admission of the Bank to the official list of Bursa Securities and the listing of and quotation for the entire issued share capital of the Bank on the Main Market of Bursa Securities pursuant to the Proposed Transfer of Listing.

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

B6. Corporate proposals (continued)

On 29 March 2021, BHB has announced that it has received approval from Securities Commission Malaysia for the change in controller for BIMB Securities Sdn. Bhd. pursuant to the proposed internal reorganisation.

Subsequently, at the BHB's Extraordinary General Meeting held on 31 March 2021, all resolutions pertaining to the corporate exercise were duly passed by the shareholders. At a court convened meeting also held on the same date, the warrant holders has passed the resolution on the proposed scheme of arrangement.

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

On 16 July 2021, BHB has filed an application to the High Court of Malaya for the Proposed Distribution and Capital Repayment.

BHB on 27 August 2021 has announced the completion of SOA.

The Proposal is now pending the execution of the remaining corporate exercise under 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	
	30.06.2021 RM'000	30.06.2020 RM'000
Deposits from customers		
Mudharabah and Tawarruq term deposits and Negotiable Islamic Debt Certificates		
- One year or less (short-term)	29,555,287	27,773,466
- More than one year (medium/long-term)	1,339,763	1,975,176
	30,895,050	29,748,642
Current accounts	11,131,467	10,617,125
Savings accounts	7,053,788	6,021,314
Others	98,189	98,836
Total deposits	49,178,494	46,485,917
Investment accounts of customers		
- One year or less (short-term)	12,012,532	10,941,336
- More than one year (medium/long-term)	4,538	-
	12,017,070	10,941,336

RM'000	As at 30.06.2021		
	Long term	Short term	Total borrowings
Secured	2,000,000	1,720	2,001,720
- Recourse obligations on financing sold to Cagamas	2,000,000	1,720	2,001,720
Unsecured	1,700,000	13,095	1,713,095
- Sukuk liabilities	-	-	-
- Subordinated Sukuk Murabahah	1,700,000	13,095	1,713,095

RM'000	As at 30.06.2020		
	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	1,899,566	367,741	2,267,307
- Sukuk liabilities	899,566	8,674	908,240
- Subordinated Sukuk Murabahah	1,000,000	359,067	1,359,067

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. Subsequently on 15 May 2021, the Bank added another RM500 million on the recourse obligations sold to Cagamas. 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) The 10-year Islamic securities of RM1.05 billion (2020: RM1.05 billion) in nominal value issued by the Company on 12 December 2013. The effective rate of the Islamic securities is 6.25% p.a.

On 12 December 2018, the Company has made an early partial redemption of RM609,941,757 in nominal value of the Sukuk Murabahah at a cash consideration of RM500 million.

On 3 June 2021, the Company has made an early full redemption of the Sukuk Murabahah. The full redemption of RM1,050,058,242.12 in nominal value of the Sukuk Murabahah, which is equivalent to a redemption sum of RM988.4 million.

- c) Subordinated Sukuk Murabahah:

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

* Optional redemption date or any periodic payment date thereafter.

Accrued and payable semi-annually in arrears.

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 claimed damages for a breach of promise to grant a financing facility to Pan Asian Resorts Sdn Bhd (Plaintiff's parent company). The Plaintiff claimed for an amount of RM400,000,000.00.

Bank Islam had filed the Defence on 21 May 2019.

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

On 7 August 2019, the High Court ("HC") had 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 had filed an application for striking out Order 18 ("O.18").

On 6 July 2020, the HC had fixed the hearing for Bank Islam's preliminary objection ("PO") against the Plaintiff's Further Affidavit in Reply due to the said affidavit was filed beyond 14 days and in contrary with service of affidavit (Order 32 ("O.32")) and Application FS.

The HC had fixed 13 July 2020 for decision on the PO and O.18.

On 13 July 2020, the HC had allowed O.18 with cost of RM7,500.00 and Bank Islam's PO was dismissed.

On 29 July 2020, the Plaintiff had filed an appeal to the Court of Appeal ("COA") against the HC's decision.

On 15 December 2020, the COA had fixed for case management on 22 February 2021 for Plaintiff/Appellant to update the Court on the status of the Written Grounds of Judgment from Alor Setar, High Court.

On 22 February 2021, the COA had fixed the next case management date on 14 April 2021 pending Written Grounds of Judgment from Alor Setar, High Court. The hearing date will only be fixed once the Written Grounds of Judgment is ready from Alor Setar, High Court.

On 14 April 2021, COA was informed that the Plaintiff/Appellant had received Written Grounds of Judgment from Alor Setar, High Court. Hence, the COA had fixed the Hearing of the Appeal on 30 August 2021.

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

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

B9. Material litigation (continued)

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

The High Court had fixed 1 July 2020 for decision on O.14, O.18 and the Application.

The Court had allowed Bank Islam's application on O.14, O.18 and the Defendants' application to transfer this case to Alor Setar High Court was dismissed.

The Court also ordered the Defendants to pay costs of RM8,000.00 to Bank Islam.

Hence, the Summary Judgment was recorded against the Defendants and the Defendants' Counter Claim was struck out.

On 9 July 2020, the Defendants had filed an appeal to Court of Appeal ("COA") against the HC's decision.

On 19 August 2020, the Defendants had filed the application for stay of execution against the HC's decision.

On 1 October 2020, the HC had allowed the application with costs to be borne by Defendants.

On 27 October 2020, the COA had fixed for hearing (on the appeal) on 7 July 2021 and instructed the parties to file common bundle, written submissions and bundle of authorities by 16 June 2021.

On 7 July 2021, the COA had allowed Bank Islam's application to record summary judgment against the Appellants. Further the COA had allowed the Bank's application to strike out the Appellants' counterclaim and dismissed the Appellants' application to transfer and consolidate this case with the Alor Setar Suit. The also COA had unanimously dismissed the appeal with costs of RM10,000.00, subject to allocator.

There was no further appeal filed by the Defendants.

B10. Dividend

On 18 January 2021, the Company had paid a dividend of 12.60 sen per ordinary share totalling RM225.9 million in respect of the financial year ended 31 December 2020. From the total dividend amount, approximately 9% or RM20.4 million was distributed as cash dividend whilst the remaining 91% amounting to RM205.5 million was reinvested to subscribe for 60,986,700 new ordinary shares at RM3.37 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		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Net profit for the period under review attributable to equity holders of the parent	184,614	153,026	387,073	362,263
Number of ordinary shares	2,075,873	1,792,664	2,075,873	1,792,664
Number of average ordinary shares	2,024,591	1,792,664	1,933,528	1,789,389
Earnings per share (sen)	9.12	8.54	20.02	20.25

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 30 June 2021.

B12. Economic profit statement

Group	3 months ended		6 months ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Net operating profit after zakat & tax (NOPAT)				
Profit before zakat and taxation (PBZT)	298,896	252,260	612,249	574,093
Zakat & Taxation	(80,531)	(68,328)	(150,081)	(139,926)
NOPAT	218,365	183,932	462,168	434,167
Economic charge computation				
Average invested capital (excludes the debit balance of the acquisition reserve arising from the acquisition of shares from non-controlling interests)	9,068,918	8,012,714	8,976,101	7,891,262
Weighted Average Cost of Capital (WACC) (%)	9.25	9.17	9.25	9.17
Economic charge	209,144	182,688	411,733	359,837
Economic profit	9,221	1,244	50,435	74,330

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	
	30.06.2021	31.12.2020
	RM'000	RM'000
USD	100,584	165,180
EURO	(34,158)	(101,164)
Others	24,000	21,747

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	
	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Non-related parties	240,066	177,643	62,157	125,323	302,223	302,966
Related parties	33	5	-	-	33	5
	240,099	177,648	62,157	125,323	302,256	302,971

- 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	
	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Current (not past due)	242,595	173,476	60,453	126,125	303,048	299,601
1-30 days	-	335	488	188	488	523
31-60 days	31	74	285	126	316	200
61-90 days	224	198	45	155	269	353
91-180 days	105	5,409	588	86	693	5,495
> 180 days	3,027	2,306	3,648	968	6,675	3,274
	245,982	181,798	65,507	127,648	311,489	309,446

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	
	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000	30.06.2021 RM'000	31.12.2020 RM'000
Bank Islam Malaysia Berhad	33	5	-	-	33	5

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:

Group	As at 30 June 2021				As at 31 December 2020			
	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
Financing, advances and others	56,177,692	(958,759)	55,218,933	58,403,106	55,598,596	(927,961)	54,670,635	58,065,344

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 assesses individually whether there is a significant increase in credit risk or objective evidence of impairment exists for significant financial assets and collectively for financial assets that are not individually significant. If it is determined that there is significant increase in credit risk or 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.

The Group has considered the impact of the pandemic and has taken into account the economic and financial measures announced by the Government in estimating the ECL on the financial assets.

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.

The Group considers the economic and financial measures announced by the Government, i.e. automatic moratorium as well as rescheduling and restructuring for eligible customers are granted as part of an unprecedented government effort to support the economy amid the pandemic, rather than in response to the financial circumstances of individual customers. Judgement is exercised in determining the significant increase in credit risk for customers receiving relief assistance and do not automatically result in a stage transfer.

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 uses its internal credit risk grading system and external risk rating to assess deterioration in credit quality of a financial asset.

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

B15. Material impairment of assets (continued)

The Group assesses 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.

B16. Derivatives

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

As at 30 June 2021

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	7,291,073	30,530
- One year to 3 years		
Profit rate related contracts		
- More than 3 years	96,844	377
	7,387,917	30,907

As at 31 December 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	8,518,422	(44,734)
Profit rate related contracts		
- More than 3 years	114,056	527
	8,632,478	(44,207)

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 30.06.2021 RM'000	6 months ended 30.06.2021 RM'000
<i>Derivative Financial Instruments</i>		
Gain arising from fair value changes from derivatives assets and liabilities	3	4

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.