

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

**Statements of Financial Position as at 30 June 2022**

	Note	Group		Bank	
		30.06.2022 RM'000	31.12.2021 RM'000	30.06.2022 RM'000	31.12.2021 RM'000
<b>Assets</b>					
Cash and short-term funds	8	<b>7,185,062</b>	5,222,848	<b>7,168,047</b>	5,204,364
Financial assets at fair value through profit or loss ("FVTPL")	9	<b>1,304,573</b>	1,582,494	<b>1,272,566</b>	1,550,700
Derivative financial assets	10	<b>77,743</b>	26,037	<b>77,743</b>	26,037
Financial assets at fair value through other comprehensive income ("FVOCI")	11	<b>11,144,826</b>	12,604,204	<b>11,145,713</b>	12,605,067
Financial assets at amortised cost ("AC")	12	<b>2,384,007</b>	1,348,844	<b>2,384,007</b>	1,348,844
Financing, advances and others	13	<b>59,678,494</b>	58,153,769	<b>59,678,494</b>	58,153,769
Other assets	14	<b>313,760</b>	312,954	<b>262,481</b>	257,080
Statutory deposits with Bank Negara Malaysia		<b>253,211</b>	264,050	<b>253,211</b>	264,050
Current tax assets		<b>7,107</b>	7,047	<b>6,662</b>	6,662
Deferred tax assets		<b>226,050</b>	193,214	<b>225,078</b>	191,773
Right-of-use assets	15	<b>187,684</b>	196,000	<b>187,529</b>	195,614
Investments in subsidiaries		-	-	<b>100,905</b>	100,905
Property and equipment		<b>267,504</b>	244,753	<b>265,028</b>	241,952
<b>Total assets</b>		<b>83,030,021</b>	80,156,214	<b>83,027,464</b>	80,146,817
<b>Liabilities and equity</b>					
Deposits from customers	16	<b>54,890,738</b>	57,338,834	<b>54,905,269</b>	57,363,926
Investment accounts of customers	17	<b>15,417,522</b>	10,452,902	<b>15,532,102</b>	10,561,601
Deposits and placements of banks and other financial institutions		<b>120,219</b>	-	<b>120,219</b>	-
Derivative financial liabilities	10	<b>65,405</b>	20,421	<b>65,405</b>	20,421
Bills and acceptance payable		<b>23,933</b>	20,112	<b>23,933</b>	20,112
Recourse obligations on financing sold to Cagamas	B8(a)	<b>2,001,721</b>	2,001,720	<b>2,001,721</b>	2,001,720
Subordinated Sukuk Murabahah	B8(b)	<b>2,014,780</b>	2,014,849	<b>2,014,780</b>	2,014,849
Other liabilities	18	<b>1,494,169</b>	1,570,602	<b>1,470,423</b>	1,538,375
Lease liabilities	15	<b>296,808</b>	303,448	<b>296,620</b>	302,984
Zakat and taxation		<b>35,862</b>	33,388	<b>35,800</b>	33,256
<b>Total liabilities</b>		<b>76,361,157</b>	73,756,276	<b>76,466,272</b>	73,857,244

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**Statements of Financial Position as at 30 June 2022 (continued)**

	Note	Group		Bank	
		30.06.2022 RM'000	31.12.2021 RM'000	30.06.2022 RM'000	31.12.2021 RM'000
<b>Equity</b>					
Share capital		3,645,043	3,445,757	3,645,043	3,445,757
Reserves		3,023,821	2,954,181	2,916,149	2,843,816
<b>Total equity</b>		<u>6,668,864</u>	<u>6,399,938</u>	<u>6,561,192</u>	<u>6,289,573</u>
<b>Total liabilities and equity</b>		<u>83,030,021</u>	<u>80,156,214</u>	<u>83,027,464</u>	<u>80,146,817</u>
<b>Restricted investment accounts managed by the Bank</b>	17	523	849	523	849
<b>Total Islamic banking asset owned and managed by the Bank</b>		<u>83,030,544</u>	<u>80,157,063</u>	<u>83,027,987</u>	<u>80,147,666</u>
<b>Commitments and Contingencies</b>	30	<u>19,276,285</u>	<u>18,764,994</u>	<u>19,276,285</u>	<u>18,764,994</u>
<b>Net assets per share attributable to equity holders of the Bank (RM)</b>		<u>3.09</u>	<u>3.08</u>	<u>3.04</u>	<u>3.03</u>

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**Statements of Profit or Loss for the six months ended 30 June 2022**

Group	Note	3 months ended		6 months ended	
		30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Income derived from investment of depositors' funds	19	<b>589,626</b>	583,356	<b>1,177,260</b>	1,136,112
Income derived from investment account funds	20	<b>147,985</b>	122,983	<b>251,036</b>	241,948
Income derived from investment of shareholders' funds	21	<b>85,389</b>	127,901	<b>168,648</b>	227,095
Net allowance for impairment on financing and advances, net of recoveries	22	<b>(33,822)</b>	(33,719)	<b>(77,131)</b>	(45,559)
Net allowance for impairment on other financial assets		<b>4,614</b>	21	<b>2,549</b>	246
Direct expenses		<b>(3,018)</b>	(2,441)	<b>(5,563)</b>	(6,042)
<b>Total distributable income</b>		<b>790,774</b>	798,101	<b>1,516,799</b>	1,553,800
Wakalah fees from restricted investment accounts		<b>21</b>	100	<b>49</b>	107
Income attributable to depositors	23	<b>(226,470)</b>	(203,399)	<b>(450,289)</b>	(403,612)
Income attributable to investment account holders	24	<b>(48,951)</b>	(39,940)	<b>(75,993)</b>	(78,171)
<b>Total net income</b>		<b>515,374</b>	554,862	<b>990,566</b>	1,072,124
Personnel expenses	25	<b>(187,394)</b>	(164,159)	<b>(365,938)</b>	(332,580)
Other overhead expenses	26	<b>(121,843)</b>	(108,195)	<b>(234,410)</b>	(220,721)
		<b>206,137</b>	282,508	<b>390,218</b>	518,823
Finance cost	27	<b>(24,941)</b>	(22,008)	<b>(49,698)</b>	(43,848)
<b>Profit before zakat and tax</b>		<b>181,196</b>	260,500	<b>340,520</b>	474,975
Zakat		<b>(3,732)</b>	(3,756)	<b>(7,481)</b>	(7,507)
Tax expense	B5	<b>(60,307)</b>	(62,418)	<b>(109,965)</b>	(114,431)
<b>Profit for the period</b>		<b>117,157</b>	194,326	<b>223,074</b>	353,037
<b>Earnings per share (sen)</b>	B11			<b>10.39</b>	13.54

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**Statements of Other Comprehensive Income for the six months ended 30 June 2022**

Group	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Profit for the period	<u>117,157</u>	<u>194,326</u>	<u>223,074</u>	<u>353,037</u>
<b>Other comprehensive income, net of tax:</b>				
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
Currency translation differences in respect of Labuan operations	247	(574)	8,693	(12,779)
Movement in fair value reserve (debt instruments):				
Net change in fair value	(149,348)	72,426	(209,161)	(192,112)
Changes in expected credit loss	(675)	21	(2,385)	62
Net amount transferred to profit or loss	-	(30,804)	(634)	(59,466)
Income tax effect relating to components of other comprehensive income	<u>36,731</u>	<u>(9,993)</u>	<u>51,649</u>	<u>60,365</u>
	<u>(113,045)</u>	<u>31,076</u>	<u>(151,838)</u>	<u>(203,930)</u>
<b>Items that will not be reclassified to profit or loss</b>				
Movement in fair value reserve (equity instruments):				
Net change in fair value	<u>8,425</u>	<u>(740)</u>	<u>(1,596)</u>	<u>(1,620)</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>(104,620)</u>	<u>30,336</u>	<u>(153,434)</u>	<u>(205,550)</u>
<b>Total comprehensive income for the period</b>	<u>12,537</u>	<u>224,662</u>	<u>69,640</u>	<u>147,487</u>

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**Statements of Profit or Loss for the six months ended 30 June 2022**

Bank	Note	3 months ended		6 months ended	
		30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Income derived from investment of depositors' funds	19	<b>589,626</b>	583,356	<b>1,177,260</b>	1,136,112
Income derived from investment account funds	20	<b>147,985</b>	122,983	<b>251,036</b>	241,948
Income derived from investment of shareholders' funds	21	<b>79,060</b>	120,736	<b>153,599</b>	214,968
Net allowance for impairment on financing and advances, net of recoveries	22	<b>(33,822)</b>	(33,719)	<b>(77,131)</b>	(45,559)
Net allowance for impairment on other financial assets		<b>4,614</b>	21	<b>2,549</b>	246
Direct expenses		<b>(3,018)</b>	(2,441)	<b>(5,563)</b>	(6,042)
<b>Total distributable income</b>		<b>784,445</b>	790,936	<b>1,501,750</b>	1,541,673
Wakalah fees from restricted investment accounts		<b>21</b>	100	<b>49</b>	107
Income attributable to depositors	23	<b>(226,516)</b>	(203,450)	<b>(450,386)</b>	(403,712)
Income attributable to investment account holders	24	<b>(49,555)</b>	(39,940)	<b>(77,130)</b>	(78,171)
<b>Total net income</b>		<b>508,395</b>	547,646	<b>974,283</b>	1,059,897
Personnel expenses	25	<b>(178,890)</b>	(159,717)	<b>(350,344)</b>	(323,804)
Other overhead expenses	26	<b>(122,333)</b>	(105,963)	<b>(232,013)</b>	(218,148)
		<b>207,172</b>	281,966	<b>391,926</b>	517,945
Finance cost	27	<b>(24,937)</b>	(22,008)	<b>(49,689)</b>	(43,848)
<b>Profit before zakat and tax</b>		<b>182,235</b>	259,958	<b>342,237</b>	474,097
Zakat		<b>(3,750)</b>	(3,750)	<b>(7,500)</b>	(7,500)
Tax expense		<b>(60,058)</b>	(62,380)	<b>(108,923)</b>	(114,262)
<b>Profit for the period</b>		<b>118,427</b>	193,828	<b>225,814</b>	352,335

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**Statements of Other Comprehensive Income for the six months ended 30 June 2022**

Bank	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Profit for the period	<u>118,427</u>	<u>193,828</u>	<u>225,814</u>	<u>352,335</u>
<b>Other comprehensive income, net of tax:</b>				
<b>Items that are or may be reclassified subsequently to profit or loss</b>				
Currency translation differences in respect of Labuan operations	208	(577)	8,646	(12,809)
Movement in fair value reserve (debt instruments):				
Net change in fair value	(149,372)	72,426	(209,185)	(192,112)
Changes in expected credit loss	(675)	21	(2,385)	62
Net amount transferred to profit or loss	-	(30,804)	(634)	(59,466)
Income tax effect relating to components of other comprehensive income	<u>36,731</u>	<u>(9,993)</u>	<u>51,649</u>	<u>60,365</u>
	<u>(113,108)</u>	<u>31,073</u>	<u>(151,909)</u>	<u>(203,960)</u>
<b>Items that will not be reclassified to profit or loss</b>				
Movement in fair value reserve (equity instruments):				
Net change in fair value	<u>8,449</u>	<u>(740)</u>	<u>(1,572)</u>	<u>(1,620)</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>(104,659)</u>	<u>30,333</u>	<u>(153,481)</u>	<u>(205,580)</u>
<b>Total comprehensive income for the period</b>	<u>13,768</u>	<u>224,161</u>	<u>72,333</u>	<u>146,755</u>

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**Consolidated Statement of Changes in Equity for the six months ended 30 June 2022**

Group	<i>← Attributable to equity holders →</i>			Total Equity RM'000
	<i>← Non-distributable →</i>	<i>Distributable</i>		
	Share capital RM'000	Other Reserves RM'000	Retained earnings RM'000	
<b>At 1 January 2022</b>	<b>3,445,757</b>	<b>(10,899)</b>	<b>2,965,080</b>	<b>6,399,938</b>
Profit for the period	-	-	223,074	223,074
Currency translation difference in respect of Labuan operations	-	8,693	-	8,693
Fair value reserve (debt instruments):				
Net change in fair value	-	(209,161)	-	(209,161)
Changes in expected credit loss	-	(2,385)	-	(2,385)
Net amount transferred to profit or loss	-	(634)	-	(634)
Income tax effect relating to components of other comprehensive income	-	51,649	-	51,649
Fair value reserve (equity instruments):				
Net change in fair value	-	(1,596)	-	(1,596)
Total comprehensive income for the period	-	(153,434)	223,074	69,640
Transfer to regulatory reserve	-	40,000	(40,000)	-
Issue of shares pursuant to Dividend Reinvestment Plan	199,286	-	-	199,286
<b>At 30 June 2022</b>	<b>3,645,043</b>	<b>(124,333)</b>	<b>3,148,154</b>	<b>6,668,864</b>
<b>At 1 January 2021</b>	<b>3,306,118</b>	<b>182,274</b>	<b>2,797,307</b>	<b>6,285,699</b>
Profit for the period	-	-	353,037	353,037
Currency translation difference in respect of Labuan operations	-	(12,779)	-	(12,779)
Fair value reserve (debt instruments):				
Net change in fair value	-	(192,112)	-	(192,112)
Changes in expected credit loss	-	62	-	62
Net amount transferred to profit or loss	-	(59,466)	-	(59,466)
Income tax effect relating to components of other comprehensive income	-	60,365	-	60,365
Fair value reserve (equity instruments):				
Net change in fair value	-	(1,620)	-	(1,620)
Total comprehensive income for the period	-	(205,550)	353,037	147,487
Issue of shares pursuant to Dividend Reinvestment Plan	139,639	-	-	139,639
<b>At 30 June 2021</b>	<b>3,445,757</b>	<b>(23,276)</b>	<b>3,150,344</b>	<b>6,572,825</b>

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**Statement of Changes in Equity for the six months ended 30 June 2022**

	← Attributable to equity holders of the Bank →			
	← Non-distributable →	Distributable		Total Equity
Bank	Share Capital RM'000	Other Reserves RM'000	Retained earnings RM'000	
<b>At 1 January 2022</b>	3,445,757	(121,843)	2,965,659	6,289,573
Profit for the period	-	-	225,814	225,814
Currency translation difference in respect of Labuan operations	-	8,646	-	8,646
Fair value reserve (debt instruments):				
Net change in fair value	-	(209,185)	-	(209,185)
Changes in expected credit loss	-	(2,385)	-	(2,385)
Net amount transferred to profit or loss	-	(634)	-	(634)
Income tax effect relating to components of other comprehensive income	-	51,649	-	51,649
Fair value reserve (equity instruments):				
Net change in fair value	-	(1,572)	-	(1,572)
Total comprehensive income for the period	-	(153,481)	225,814	72,333
Transfer to regulatory reserve	-	40,000	(40,000)	-
Issue of shares pursuant to Dividend Reinvestment Plan	199,286	-	-	199,286
<b>At 30 June 2022</b>	<b>3,645,043</b>	<b>(235,324)</b>	<b>3,151,473</b>	<b>6,561,192</b>
<b>At 1 January 2021</b>	3,306,118	182,423	2,791,044	6,279,585
Profit for the period	-	-	352,335	352,335
Currency translation difference in respect of Labuan operations	-	(12,809)	-	(12,809)
Fair value reserve (debt instruments):				
Net change in fair value	-	(192,112)	-	(192,112)
Changes in expected credit loss	-	62	-	62
Net amount transferred to profit or loss	-	(59,466)	-	(59,466)
Income tax effect relating to components of other comprehensive income	-	60,365	-	60,365
Fair value reserve (equity instruments):				
Net change in fair value	-	(1,620)	-	(1,620)
Total comprehensive income for the period	-	(205,580)	352,335	146,755
Issue of shares pursuant to Dividend Reinvestment Plan	139,639	-	-	139,639
<b>At 30 June 2021</b>	<b>3,445,757</b>	<b>(23,157)</b>	<b>3,143,379</b>	<b>6,565,979</b>

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**Condensed Statements of Cash Flow for the financial year ended 30 June 2022**

	Group		Bank	
	30.06.2022 RM'000	30.06.2022 RM'000	30.06.2022 RM'000	30.06.2022 RM'000
Profit before zakat and tax	<b>340,520</b>	474,975	<b>342,237</b>	474,097
Adjustment for non-cash items	<b>223,252</b>	98,898	<b>222,617</b>	98,860
Operating profit before working capital changes	<b>563,772</b>	573,873	<b>564,854</b>	572,957
Changes in working capital:				
Net changes in operating assets	<b>(1,579,872)</b>	(636,628)	<b>(1,584,428)</b>	(639,890)
Net changes in operating liabilities	<b>2,488,898</b>	(1,255,560)	<b>2,492,699</b>	(1,253,040)
Net cash generated from/ (used in) operations	<b>1,472,798</b>	(1,318,315)	<b>1,473,125</b>	(1,319,973)
Zakat and tax paid	<b>(96,196)</b>	(98,567)	<b>(95,551)</b>	(98,482)
Net cash generated from/ (used in) operating activities	<b>1,376,602</b>	(1,416,882)	<b>1,377,574</b>	(1,418,455)
Net cash generated from/ (used in) investing activities	<b>434,053</b>	(282,934)	<b>434,304</b>	(282,870)
Net cash generated from/ (used in) financing activities	<b>142,869</b>	(50,719)	<b>143,154</b>	(50,719)
Net increase/ (decrease) in cash and cash equivalents	<b>1,953,524</b>	(1,750,535)	<b>1,955,032</b>	(1,752,044)
Cash and cash equivalents at beginning of the year	<b>5,222,848</b>	5,216,737	<b>5,204,364</b>	5,216,280
Exchange difference on translation	<b>8,690</b>	(12,780)	<b>8,651</b>	(12,809)
Cash and cash equivalents at end of the period	<b>7,185,062</b>	3,453,422	<b>7,168,047</b>	3,451,427

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**Notes to the unaudited interim financial statements for the six months ended 30 June 2022**

**1. Basis of preparation**

The unaudited interim financial statements of the Group and of the Bank for the six months ended 30 June 2022 have been prepared in accordance with the applicable requirements of MFRS 134: *Interim Financial Reporting* in Malaysia issued by Malaysian Accounting Standards Board (“MASB”), paragraph 9.22 of Bursa Malaysia Securities Berhad’s Listing Requirements, Financial Reporting for Islamic Banking Institution policy document issued by Bank Negara Malaysia (“BNM”), the provisions of the Companies Act 2016 and Shariah requirements.

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

The unaudited interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group and of the Bank for the financial year ended 31 December 2021. The explanatory notes attached to the unaudited interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 December 2021.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the recent audited financial statements for the financial year ended 31 December 2021, except for the adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRS”):

- Annual improvements to MFRS Standards 2018-2020
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets ‘Onerous Contract – Cost of Fulfilling a Contract’*

The adoption of the above amendments to MFRSs do not have any significant impact to the financial results of the Group and the Bank.

**2. Auditors’ report on preceding financial statements**

The auditors’ report on the audited financial statements for the financial year ended 31 December 2021 was not qualified.

**3. Seasonal or cyclical factors**

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors during the six months ended 30 June 2022.

**4. Unusual items**

There were no unusual items in the six months ended 30 June 2022.

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**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 2022.

**6. Sukuk and equity securities**

On 21 January 2022, the Group and the Bank increased its issued and paid-up capital from 2,075,872,514 to 2,155,269,114 via the issuance of 79,396,600 new ordinary shares for a consideration of RM2.51 each arising from Dividend Reinvestment Plan. There was no sukuk or share buy-back during the six months ended 30 June 2022.

**7. Subsequent events during the six months ended 30 June 2022**

There was no subsequent event during the six months ended 30 June 2022

**8. Cash and short-term funds**

	Group		Bank	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	712,949	754,313	711,513	751,187
Money at call and interbank placements with remaining maturity not exceeding three months	6,472,113	4,468,535	6,456,534	4,453,177
	<u>7,185,062</u>	<u>5,222,848</u>	<u>7,168,047</u>	<u>5,204,364</u>

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

	Group		Bank	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Malaysian Government Investment Issue	60,756	-	60,756	-
Unit trust	259,567	295,395	227,569	263,611
Malaysian Islamic Treasury Bills	948,992	1,131,574	948,992	1,131,574
Islamic Commercial Paper	-	145,300	-	145,300
Corporate Sukuk	35,258	10,225	35,249	10,215
	<u>1,304,573</u>	<u>1,582,494</u>	<u>1,272,566</u>	<u>1,550,700</u>

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**10. Derivative financial assets/ liabilities**

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

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

Group and Bank	30.06.2022			31.12.2021		
	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	8,021,176	77,349	(65,158)	7,505,850	25,120	(19,753)
Profit rate swaps	60,972	394	(247)	79,153	917	(668)
	<b>8,082,148</b>	<b>77,743</b>	<b>(65,405)</b>	<b>7,585,003</b>	<b>26,037</b>	<b>(20,421)</b>

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

	Group		Bank	
	30.06.2022 RM'000	31.12.2021 RM'000	30.06.2022 RM'000	31.12.2021 RM'000
Financial assets at FVOCI:				
(a) Debt instruments	11,068,888	12,526,670	11,068,888	12,526,670
(b) Equity instruments	75,938	77,534	76,825	78,397
	<b>11,144,826</b>	<b>12,604,204</b>	<b>11,145,713</b>	<b>12,605,067</b>

**(a) Debt instrument at FVOCI**

	Group and Bank	
	30.06.2022 RM'000	31.12.2021 RM'000
Corporate Sukuk	6,783,846	7,143,163
Malaysian Government Investment Issues	3,571,394	3,497,806
Malaysian Islamic Treasury Bills	217,733	962,313
Islamic Commercial Papers	495,915	923,388
	<b>11,068,888</b>	<b>12,526,670</b>

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

*(a) Debt instrument at FVOCI (continued)*

Movement of allowance for impairment on financial assets at FVOCI:

	<b>Group and Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022/ 2021	7,237	403
Net allowance for impairment made during the period/ year	<u>2,385</u>	<u>6,834</u>
At 30 June 2022/ 31 December 2021	<u><b>9,622</b></u>	<u><b>7,237</b></u>

*(b) Equity instrument at FVOCI*

	<b>Group</b>		<b>Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Quoted Shares				
- outside Malaysia	<u>6,900</u>	<u>17,004</u>	<u>6,900</u>	<u>17,004</u>
Unquoted Shares				
- in Malaysia	69,023	60,515	69,910	61,378
- outside Malaysia	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>
	<u><b>69,038</b></u>	<u><b>60,530</b></u>	<u><b>69,925</b></u>	<u><b>61,393</b></u>
	<u><b>75,938</b></u>	<u><b>77,534</b></u>	<u><b>76,825</b></u>	<u><b>78,397</b></u>

**12. Financial assets at amortised cost (“AC”)**

	<b>Group and Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Debt instrument at amortised cost:</i>		
Malaysian Government Investment Issues	1,531,765	802,446
Corporate sukuk	562,291	551,687
Malaysian Islamic Treasury Bills	<u>289,951</u>	<u>-</u>
	<u><b>2,384,007</b></u>	<u><b>1,354,133</b></u>
Less: Allowance for impairment		
<b>Stage 3</b>		
- Corporate sukuk	-	(5,289)
	<u><b>2,384,007</b></u>	<u><b>1,348,844</b></u>

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**13. Financing, advances and others**

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

<b>Group and Bank 30.06.2022</b>	<b>Bai' Bithaman Ajil RM'000</b>	<b>Murabahah RM'000</b>	<b>Bai' Al-Dayn RM'000</b>	<b>Bai' Al-Inah RM'000</b>	<b>At- Tawarruq RM'000</b>	<b>^Ijarah Muntahiah Bit-Tamleek RM'000</b>	<b>Istisna' RM'000</b>	<b>Total RM'000</b>
<b>At amortised cost</b>								
Cash line	-	-	-	329	1,094,959	-	-	1,095,288
Term financing								
House financing	2,834,155	-	-	-	21,800,744	-	40,597	24,675,496
Syndicated financing	-	-	-	-	1,404,885	-	-	1,404,885
Leasing financing	-	-	-	-	-	93,377	-	93,377
Bridging financing	-	-	-	-	-	-	36,704	36,704
Personal financing	-	-	-	3,055	19,032,363	-	-	19,035,418
Other term financing	228,042	1,342,918	-	-	10,977,011	-	920	12,548,891
Staff financing	37,306	18,763	-	-	437,902	-	6,141	500,112
Credit cards	-	-	-	-	460,282	-	-	460,282
Trade bills discounted	-	587,786	131,412	-	20,473	-	-	739,671
Trust receipts	-	4,300	-	-	-	-	-	4,300
Pawn broking	-	105,427	-	-	-	-	-	105,427
	<b>3,099,503</b>	<b>2,059,194</b>	<b>131,412</b>	<b>3,384</b>	<b>55,228,619</b>	<b>93,377</b>	<b>84,362</b>	<b>60,699,851</b>
Allowance for impairment on financing, advances and others								
- Stage 1								(420,315)
- Stage 2								(240,851)
- Stage 3								(360,191)
<b>Net financing, advances and others</b>								<b>59,678,494</b>

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**13. Financing, advances and others (continued)**

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

<b>Group and Bank 31.12.2021</b>	<b>Bai' Bithaman Ajil RM'000</b>	<b>Murabahah RM'000</b>	<b>Bai' Al-Dayn RM'000</b>	<b>Bai' Al-Inah RM'000</b>	<b>At- Tawarruq RM'000</b>	<b>^Ijarah Muntahiah Bit-Tamleek RM'000</b>	<b>Istisna' RM'000</b>	<b>Total RM'000</b>
<b>At amortised cost</b>								
Cash line	-	-	-	484	1,429,002	-	-	1,429,486
Term financing								
House financing	2,977,908	-	-	-	20,513,876	-	42,469	23,534,253
Syndicated financing	-	-	-	-	1,454,811	-	-	1,454,811
Leasing financing	-	-	-	-	-	96,020	-	96,020
Bridging financing	-	-	-	-	-	-	40,328	40,328
Personal financing	-	-	-	3,734	18,071,544	-	-	18,075,278
Other term financing	295,209	1,383,579	-	-	11,080,781	-	961	12,760,530
Staff financing	40,459	18,789	-	-	398,071	-	6,553	463,872
Credit cards	-	-	-	-	445,839	-	-	445,839
Trade bills discounted	-	622,908	107,820	-	87,051	-	-	817,779
Trust receipts	-	4,415	-	-	-	-	-	4,415
Pawn broking	-	95,124	-	-	-	-	-	95,124
	<b>3,313,576</b>	<b>2,124,815</b>	<b>107,820</b>	<b>4,218</b>	<b>53,480,975</b>	<b>96,020</b>	<b>90,311</b>	<b>59,217,735</b>
Allowance for impairment on financing, advances and others								
- Stage 1								(487,308)
- Stage 2								(303,998)
- Stage 3								(272,660)
<b>Net financing, advances and others</b>								<b>58,153,769</b>

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**13. Financing, advances and others (continued)**

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

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

	Note	Group		Bank	
		30.06.2022 RM'000	31.12.2021 RM'000	30.06.2022 RM'000	31.12.2021 RM'000
House financing					
Unrestricted					
Investment Accounts	17	11,207,263	8,554,270	11,264,553	8,608,619
Sold to Cagamas with recourse	B8(a)	2,001,721	2,001,720	2,001,721	2,001,720
		<u>13,208,984</u>	<u>10,555,990</u>	<u>13,266,274</u>	<u>10,610,339</u>
Personal financing					
Unrestricted					
Investment Accounts	17	4,210,259	1,898,632	4,267,549	1,952,982

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

**(b) By type of customer**

	Group and Bank	
	30.06.2022 RM'000	31.12.2021 RM'000
Domestic banking institutions	40	200,018
Domestic non-bank financial institutions	1,031,045	1,089,617
Domestic business enterprise	9,904,252	10,137,127
Small and medium industries	2,193,311	2,169,436
Government and statutory bodies	854,768	919,583
Individuals	46,508,156	44,451,160
Other domestic entities	12,391	21,676
Foreign entities	195,888	229,118
	<u>60,699,851</u>	<u>59,217,735</u>



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**13. Financing, advances and others (continued)**

**(c) By profit rate sensitivity**

	<b>Group and Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
House financing	972,061	983,468
Others	4,109,200	4,645,157
Floating rate		
House financing	24,405,107	23,238,913
Others	<u>31,213,483</u>	<u>30,350,197</u>
	<u><b>60,699,851</b></u>	<u><b>59,217,735</b></u>

**(d) By remaining contractual maturity**

	<b>Group and Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturity within one year	3,980,844	4,117,569
More than one year to three years	2,091,864	1,731,612
More than three years to five years	3,341,042	3,136,006
More than five years	<u>51,286,101</u>	<u>50,232,548</u>
	<u><b>60,699,851</b></u>	<u><b>59,217,735</b></u>

**(e) By geographical distribution**

	<b>Group and Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Central Region	27,067,346	26,946,146
Eastern Region	9,619,418	9,368,591
Northern Region	8,411,386	8,066,342
Southern Region	10,873,613	10,247,330
East Malaysia Region	<u>4,728,088</u>	<u>4,589,326</u>
	<u><b>60,699,851</b></u>	<u><b>59,217,735</b></u>

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**13. Financing, advances and others (continued)**

**(f) By sector**

	<b>Group and Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Primary agriculture	944,088	960,757
Mining and quarrying	63,926	67,474
Manufacturing (including agro-based)	769,989	1,008,846
Electricity, gas and water	2,072,780	2,054,242
Wholesale & retail trade, and hotels & restaurants	1,124,062	956,449
Construction	2,879,469	2,864,869
Transport, storage and communications	747,204	726,341
Finance, insurance, real estate and business activities	4,258,537	4,735,590
Education, health and others	1,327,126	1,387,814
Household sectors	46,512,670	44,455,353
	<u>60,699,851</u>	<u>59,217,735</u>

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

	<b>Group and Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022/ 2021	568,383	373,234
Classified as impaired during the period/ year	443,585	597,779
Reclassified as not impaired during the period/ year	(115,002)	(212,296)
Amount recovered	(43,988)	(62,386)
Amount written-off	(160,767)	(127,948)
At 30 June 2022/ 31 December 2021	<u>692,211</u>	<u>568,383</u>
Gross impaired financing as a percentage of gross financing, advances and others	<u>1.14%</u>	<u>0.96%</u>

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

**(h) Impaired financing by geographical distribution**

	<b>Group and Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Central Region	466,023	395,781
Eastern Region	82,557	68,146
Northern Region	83,679	74,751
Southern Region	39,705	17,458
East Malaysia Region	20,247	12,247
	<u>692,211</u>	<u>568,383</u>

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**13. Financing, advances and others (continued)**

**(i) Impaired financing by sector**

	<b>Group and Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Manufacturing (including agro-based)	<b>23,750</b>	10,307
Wholesale & retail trade, and hotels & restaurants	<b>78,230</b>	76,992
Construction	<b>282,813</b>	285,246
Transport, storage and communications	<b>21,431</b>	15,311
Finance, insurance, real estate and business activities	<b>5,892</b>	5,932
Education, health and others	<b>621</b>	1,391
Household sectors	<b>279,474</b>	173,204
	<b><u>692,211</u></b>	<b><u>568,383</u></b>

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

<b>Group and Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2021	653,983	151,446	122,532	927,961
Transfer to Stage 1	2,461	(2,416)	(45)	-
Transfer to Stage 2	(7,311)	8,826	(1,515)	-
Transfer to Stage 3	(167)	(5,036)	5,203	-
Net allowance made during the year	(189,876)	164,283	277,396	251,803
New financial assets originated or purchased	98,862	8,326	2,029	109,217
Financial assets that have been derecognised	(68,660)	(21,431)	(4,992)	(95,083)
Write-offs	-	-	(127,948)	(127,948)
Exchange differences	(1,984)	-	-	(1,984)
	<b><u>487,308</u></b>	<b><u>303,998</u></b>	<b><u>272,660</u></b>	<b><u>1,063,966</u></b>
At 31 December 2021/1 January 2022				
Transfer to Stage 1	1,135	(1,069)	(66)	-
Transfer to Stage 2	(5,816)	6,674	(858)	-
Transfer to Stage 3	(302)	(10,327)	10,629	-
Net allowance made during the period	(81,146)	(46,571)	240,833	113,116
New financial assets originated or purchased	35,933	3,080	1,171	40,184
Financial assets that have been derecognised	(16,010)	(14,934)	(3,411)	(34,355)
Write-offs	-	-	(160,767)	(160,767)
Exchange differences	(787)	-	-	(787)
At 30 June 2022	<b><u>420,315</u></b>	<b><u>240,851</u></b>	<b><u>360,191</u></b>	<b><u>1,021,357</u></b>

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**14. Other assets**

	Group		Bank	
	30.06.2022 RM'000	31.12.2021 RM'000	30.06.2022 RM'000	31.12.2021 RM'000
Other receivables	255,273	265,271	210,957	214,908
Deposit and prepayments	60,843	50,343	53,781	43,730
Related companies*	1,375	1,071	1,474	2,173
	<u>317,491</u>	<u>316,685</u>	<u>266,212</u>	<u>260,811</u>
Less: Allowance for impairment <b>Stage 3</b>				
- Other receivables	(3,731)	(3,731)	(3,731)	(3,731)
	<u>313,760</u>	<u>312,954</u>	<u>262,481</u>	<u>257,080</u>

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

**15. Right-of-use assets and lease liabilities**

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

	Group		Bank	
	30.06.2022 RM'000	31.12.2021 RM'000	30.06.2022 RM'000	31.12.2021 RM'000
Right-of-use assets (Buildings)				
As at 1 January 2022/ 2021	196,000	209,736	195,614	209,736
Addition	-	4,461	-	3,920
Depreciation	(8,328)	(18,197)	(8,096)	(18,042)
Effects of movement in exchange rates	12	-	11	-
As at 30 June 2022/ 31 December 2021	<u>187,684</u>	<u>196,000</u>	<u>187,529</u>	<u>195,614</u>
Lease liabilities				
As at 1 January 2022/ 2021	303,448	312,429	302,984	312,429
Addition	-	4,512	-	3,915
Payment of lease liabilities	(15,095)	(30,818)	(14,810)	(30,676)
Finance cost	8,445	17,312	8,436	17,303
Effects of movement in exchange rates	10	13	10	13
As at 30 June 2022/ 31 December 2021	<u>296,808</u>	<u>303,448</u>	<u>296,620</u>	<u>302,984</u>

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**16. Deposits from customers**

**a) By type and Shariah contract**

	Group		Bank	
	30.06.2022 RM'000	31.12.2021 RM'000	30.06.2022 RM'000	31.12.2021 RM'000
<b>Saving Deposit</b>				
<i>Qard</i>	7,460,174	7,221,380	7,460,174	7,221,380
<b>Demand Deposit</b>				
<i>Qard</i>	12,135,009	12,954,014	12,141,804	12,968,663
<b>Term Deposit</b>	35,173,888	37,044,548	35,181,624	37,054,991
General Investment Deposit <i>Mudharabah</i>	134,437	149,833	134,437	149,833
Term Deposit – i <i>Tawarruq</i>	34,566,008	35,721,908	34,573,744	35,732,351
Negotiable Islamic Debt Certificates (NIDC)	473,443	1,172,807	473,443	1,172,807
<b>Others</b>	121,667	118,892	121,667	118,892
<b>Total Deposits</b>	<u>54,890,738</u>	<u>57,338,834</u>	<u>54,905,269</u>	<u>57,363,926</u>

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

	Group		Bank	
	30.06.2022 RM'000	31.12.2021 RM'000	30.06.2022 RM'000	31.12.2021 RM'000
Due within six months	20,323,878	22,267,682	20,325,289	22,268,464
More than six months to one year	11,486,884	11,193,457	11,487,635	11,196,267
More than one year to three years	1,291,152	1,252,439	1,296,726	1,259,290
More than three years to five years	2,071,974	2,330,970	2,071,974	2,330,970
	<u>35,173,888</u>	<u>37,044,548</u>	<u>35,181,624</u>	<u>37,054,991</u>

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**16. Deposits from customers (continued)**

**c) By type of customers**

	<b>Group</b>		<b>Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Domestic non-bank financial institutions	<b>7,609,621</b>	6,059,847	<b>7,624,152</b>	6,084,939
Business enterprises	<b>20,784,737</b>	22,935,511	<b>20,784,737</b>	22,935,511
Government and statutory bodies	<b>14,764,939</b>	16,414,063	<b>14,764,939</b>	16,414,063
Individuals	<b>8,056,250</b>	7,864,062	<b>8,056,250</b>	7,864,062
Domestic banking institutions	<b>503,596</b>	976,873	<b>503,596</b>	976,873
Others	<b>3,171,595</b>	3,088,478	<b>3,171,595</b>	3,088,478
	<b><u>54,890,738</u></b>	<u>57,338,834</u>	<b><u>54,905,269</u></b>	<u>57,363,926</u>

**17. Investment accounts of customers**

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

	<b>Group</b>		<b>Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Unrestricted investment accounts</b>				
Without maturity				
<i>Mudharabah</i>	<b>6,997,003</b>	6,655,637	<b>6,997,003</b>	6,655,637
- <i>Saving</i>	<b>5,533,942</b>	5,343,189	<b>5,533,942</b>	5,343,189
- <i>Demand</i>	<b>1,463,061</b>	1,312,448	<b>1,463,061</b>	1,312,448
With maturity				
<i>Wakalah</i>	<b>8,420,519</b>	3,797,265	<b>8,535,099</b>	3,905,964
	<b><u>15,417,522</u></b>	<u>10,452,902</u>	<b><u>15,532,102</u></b>	<u>10,561,601</u>
Investment portfolio:				
- <i>House financing</i>	<b>11,207,263</b>	8,554,270	<b>11,264,553</b>	8,608,619
- <i>Personal financing</i>	<b>4,210,259</b>	1,898,632	<b>4,267,549</b>	1,952,982
	<b><u>15,417,522</u></b>	<u>10,452,902</u>	<b><u>15,532,102</u></b>	<u>10,561,601</u>
<b>Restricted investment accounts ("RIA") managed by the Bank<sup>^</sup></b>				
With maturity				
<i>Wakalah</i>	<b><u>523</u></b>	<b><u>849</u></b>	<b><u>523</u></b>	<b><u>849</u></b>
Investment portfolio:				
- <i>Other term financing</i>	<b><u>523</u></b>	<b><u>849</u></b>	<b><u>523</u></b>	<b><u>849</u></b>

<sup>^</sup> The Bank has an arrangement with Lembaga Tabung Haji where the Bank acts as an investment agent to manage and administer the RIA.

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**17. Investment accounts of customers (continued)**

**(b) By type of customers**

	<b>Group</b>		<b>Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Individuals	<b>5,921,780</b>	5,745,138	<b>5,921,780</b>	5,745,138
Government and statutory bodies	<b>5,439,110</b>	2,437,046	<b>5,439,110</b>	2,437,046
Business enterprises	<b>2,971,862</b>	1,267,853	<b>2,971,862</b>	1,267,853
Non-bank financial institutions	<b>916,233</b>	835,758	<b>1,030,813</b>	944,457
International Islamic Bank	<b>1,800</b>	-	<b>1,800</b>	-
Others	<b>166,737</b>	167,107	<b>166,737</b>	167,107
	<b><u>15,417,522</u></b>	<u>10,452,902</u>	<b><u>15,532,102</u></b>	<u>10,561,601</u>

**18. Other liabilities**

	<b>Group</b>		<b>Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other payables	<b>852,825</b>	877,901	<b>831,079</b>	848,589
Advance payment	<b>578,260</b>	575,288	<b>578,103</b>	575,288
Accruals	<b>63,084</b>	117,413	<b>61,241</b>	114,498
	<b><u>1,494,169</u></b>	<u>1,570,602</u>	<b><u>1,470,423</u></b>	<u>1,538,375</u>

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**19. Income derived from investment of depositors' funds**

Group and Bank	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Income derived from investment of:				
(i) Saving and demand deposits	213,498	209,330	418,979	407,101
(ii) General investment deposits	1,880	2,374	3,642	4,737
(iii) Term deposit-i	364,608	360,155	734,307	697,663
(iv) Other deposits	9,640	11,497	20,332	26,611
	<u>589,626</u>	<u>583,356</u>	<u>1,177,260</u>	<u>1,136,112</u>

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

Group and Bank	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
<b><i>Finance income and hibah</i></b>				
Financing, advances and others	183,237	171,922	363,853	338,387
Financial assets:				
- at FVTPL	174	1,268	369	3,020
- at FVOCI	15,449	17,176	30,765	35,765
- at AC	3,833	84	6,469	84
Money at call and deposit with financial institutions	10,055	6,030	14,841	10,081
	<u>212,748</u>	<u>196,480</u>	<u>416,297</u>	<u>387,337</u>
<b><i>Other dealing income</i></b>				
Net (loss)/ gain from sale of financial assets at FVTPL	(488)	72	239	(2,467)
Net gain on revaluation of financial assets at FVTPL	1,238	1,851	2,222	1,172
	<u>750</u>	<u>1,923</u>	<u>2,461</u>	<u>(1,295)</u>
<b><i>Other operating income</i></b>				
Net gain from sale of financial assets at FVOCI	-	10,926	221	21,058
<b><i>Other operating income</i></b>				
Net gain from sale of financial assets at FVOCI	-	1	-	1
	<u>213,498</u>	<u>209,330</u>	<u>418,979</u>	<u>407,101</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	5,040	3,480	7,899	6,820
<i>Unwinding of modification loss</i>	2,031	2,497	5,466	2,724



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

*(ii) Income derived from investment of general investment deposits*

Group and Bank	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
<b><i>Finance income and hibah</i></b>				
Financing, advances and others	1,666	2,021	3,245	4,071
Financial assets:				
- at FVTPL	2	12	3	29
- at FVOCI	108	161	220	344
- at AC	27	1	46	1
Money at call and deposits with financial institutions	73	58	109	100
	<u>1,876</u>	<u>2,253</u>	<u>3,623</u>	<u>4,545</u>
<b><i>Other dealing income</i></b>				
Net (loss)/ gain from sale of financial assets at FVTPL	(4)	-	1	(24)
Net gain on revaluation of financial assets at FVTPL	8	18	16	11
	<u>4</u>	<u>18</u>	<u>17</u>	<u>(13)</u>
<b><i>Other operating income</i></b>				
Net gain from sale of financial assets at FVOCI	-	103	2	205
	<u>1,880</u>	<u>2,374</u>	<u>3,642</u>	<u>4,737</u>
<i>of which</i>				
Financing income earned on impaired financing	35	33	56	66
Unwinding of modification loss	14	24	39	26

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

Group and Bank	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
<b><i>Finance income and hibah</i></b>				
Financing, advances and others	312,824	295,387	637,791	578,985
Financial assets:				
- at FVTPL	308	2,186	658	5,175
- at FVOCI	26,338	29,508	53,895	61,244
- at AC	6,592	150	11,334	150
Money at call and deposits with financial institutions	17,256	10,382	25,863	17,311
	<u>363,318</u>	<u>337,613</u>	<u>729,541</u>	<u>662,865</u>

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

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

Group and Bank	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
<b><i>Other dealing income</i></b>				
Net (loss)/ gain from sale of financial assets at FVTPL	(846)	39	474	(4,197)
Net gain on revaluation of financial assets at FVTPL	2,136	3,272	3,894	2,131
	<u>1,290</u>	<u>3,311</u>	<u>4,368</u>	<u>(2,066)</u>
<b><i>Other operating income</i></b>				
Net gain from sale of financial assets at FVOCI	-	19,230	398	36,863
<b><i>Other income</i></b>				
Gain on disposal assets	-	1	-	1
	<u>364,608</u>	<u>360,155</u>	<u>734,307</u>	<u>697,663</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	8,729	5,960	13,883	11,728
<i>Unwinding of modification loss</i>	<u>3,544</u>	<u>4,263</u>	<u>9,721</u>	<u>4,637</u>

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

Group and Bank	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
<b><i>Finance income and hibah</i></b>				
Financing, advances and others	8,283	9,502	17,686	22,204
Financial assets:				
- at FVTPL	7	69	17	204
- at FVOCI	700	948	1,498	2,371
- at AC	169	3	305	3
Money at call and deposits with financial institutions	444	326	688	635
	<u>9,603</u>	<u>10,848</u>	<u>20,194</u>	<u>25,417</u>

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

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

Group and Bank	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
<b><i>Other dealing income</i></b>				
Net (loss)/ gain from sale of financial assets at FVTPL	(20)	11	22	(175)
Net gain on revaluation of financial assets at FVTPL	57	93	103	29
	<u>37</u>	<u>104</u>	<u>125</u>	<u>(146)</u>
<b><i>Other operating income</i></b>				
Net gain from sale of financial assets at FVOCI	-	545	13	1,340
	<u>9,640</u>	<u>11,497</u>	<u>20,332</u>	<u>26,611</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	219	196	362	450
<i>Unwinding of modification loss</i>	88	144	254	157

**20. Income derived from investment account funds**

Group and Bank	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
<b>Finance income</b>				
Unrestricted investment accounts				
- <i>Mudharabah</i>	63,265	49,337	121,267	97,636
- <i>Wakalah</i>	82,884	71,805	126,067	141,348
Unwinding of modification loss	1,836	1,841	3,702	2,964
	<u>147,985</u>	<u>122,983</u>	<u>251,036</u>	<u>241,948</u>

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**21. Income derived from investment of shareholders' funds**

Group	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
<b><i>Finance income and hibah</i></b>				
Financing, advances and others	3,425	2,414	6,417	4,589
Financial assets at FVOCI	41,304	45,687	81,720	90,400
Money at call and deposits with financial institutions	71	(4)	140	(1)
	<u>44,800</u>	<u>48,097</u>	<u>88,277</u>	<u>94,988</u>
<b><i>Other dealing income</i></b>				
Net (loss)/ gain from foreign exchange transactions	(8,602)	10,775	(12,227)	21,733
Net (loss)/ gain on revaluation of financial assets at FVTPL	(12,438)	7,605	(36,013)	268
Net derivatives gain	1	3	2	4
	<u>(21,039)</u>	<u>18,383</u>	<u>(48,238)</u>	<u>22,005</u>
<b><i>Other operating income</i></b>				
Gross dividend income from:				
- Quoted in Malaysia	-	-	6	-
- Unit trust in Malaysia	146	8,467	7,939	8,493
- Income from rebate on investment in unit trust	519	506	1,080	1,000
	<u>665</u>	<u>8,973</u>	<u>9,025</u>	<u>9,493</u>
<b><i>Fees and commission</i></b>				
Fees	43,289	43,070	88,986	83,319
Commission	9,859	3,273	15,745	5,814
Others	7,381	5,615	14,154	9,624
	<u>60,529</u>	<u>51,958</u>	<u>118,885</u>	<u>98,757</u>
<b><i>Other income</i></b>				
Net gain on disposal of property and equipment	-	2	-	577
Rental income	187	451	387	1,154
Other income	247	37	312	121
	<u>434</u>	<u>490</u>	<u>699</u>	<u>1,852</u>
	<u><u>85,389</u></u>	<u><u>127,901</u></u>	<u><u>168,648</u></u>	<u><u>227,095</u></u>

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

Bank	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	3,425	2,414	6,417	4,589
Financial assets at FVOCI	41,304	45,687	81,720	90,400
Money at call and deposits with financial institutions	-	(2)	1	(1)
	<u>44,729</u>	<u>48,099</u>	<u>88,138</u>	<u>94,988</u>
<i>Other dealing income</i>				
Net (loss)/ gain from foreign exchange transactions	(8,596)	10,779	(12,221)	21,755
Net (loss)/ gain on revaluation of financial assets at FVTPL	(12,400)	7,605	(36,042)	268
Net derivatives gain	1	3	2	4
	<u>(20,995)</u>	<u>18,387</u>	<u>(48,261)</u>	<u>22,027</u>
<i>Other operating income</i>				
Gross dividend income from:				
- Unit trust in Malaysia	27	8,440	7,759	8,440
- Income from rebate on investment in unit trust	519	506	1,080	1,000
	<u>546</u>	<u>8,946</u>	<u>8,839</u>	<u>9,440</u>
<i>Fees and commission</i>				
Fees	38,448	35,014	76,312	68,812
Commission	11,198	5,038	18,770	8,844
Others	4,364	4,694	8,459	8,909
	<u>54,010</u>	<u>44,746</u>	<u>103,541</u>	<u>86,565</u>
<i>Other income</i>				
Net gain on disposal of property and equipment	-	1	-	576
Rental income	538	549	1,091	1,351
Other income	232	8	251	21
	<u>770</u>	<u>558</u>	<u>1,342</u>	<u>1,948</u>
	<u>79,060</u>	<u>120,736</u>	<u>153,599</u>	<u>214,968</u>

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**22. Net allowance for impairment on financing and advances**

Group and Bank	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Net allowance for impairment on financing, advances and others				
- Stage 1	(32,772)	20,279	(61,223)	17,959
- Stage 2	(116,662)	(5,929)	(58,425)	7,084
- Stage 3	205,706	35,920	238,593	57,816
	<u>56,272</u>	<u>50,270</u>	<u>118,945</u>	<u>82,859</u>
Bad debts and financing recovered	(22,450)	(16,551)	(41,814)	(37,300)
	<u>33,822</u>	<u>33,719</u>	<u>77,131</u>	<u>45,559</u>

**23. Income attributable to depositors**

Group	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Deposits from customers				
- Mudharabah fund	319	718	674	1,510
- Non-Mudharabah fund	204,599	183,172	406,689	364,849
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah fund	219	26	240	36
Recourse obligation on financing sold to Cagamas	21,333	19,483	42,686	37,217
	<u>226,470</u>	<u>203,399</u>	<u>450,289</u>	<u>403,612</u>
<b>Bank</b>				
Deposits from customers				
- Mudharabah fund	319	718	674	1,510
- Non-Mudharabah fund	204,645	183,223	406,786	364,949
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah fund	219	26	240	36
Recourse obligation on financing sold to Cagamas	21,333	19,483	42,686	37,217
	<u>226,516</u>	<u>203,450</u>	<u>450,386</u>	<u>403,712</u>

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**24. Income attributable to investment account holders**

Group	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Unrestricted investment accounts				
- <i>Mudharabah</i>	5,306	2,841	10,338	5,980
- <i>Wakalah</i>	43,645	37,099	65,655	72,191
	<u>48,951</u>	<u>39,940</u>	<u>75,993</u>	<u>78,171</u>

**Bank**

Unrestricted investment accounts				
- <i>Mudharabah</i>	5,306	2,841	10,338	5,980
- <i>Wakalah</i>	44,249	37,099	66,792	72,191
	<u>49,555</u>	<u>39,940</u>	<u>77,130</u>	<u>78,171</u>

**25. Personnel expenses**

Group	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
Salaries, allowances and bonuses	141,966	127,302	276,204	257,351
Employees' Provident Fund	21,923	19,936	44,020	40,278
Other staff related costs	23,505	16,921	45,714	34,951
	<u>187,394</u>	<u>164,159</u>	<u>365,938</u>	<u>332,580</u>

**Bank**

Salaries, allowances and bonuses	135,058	123,747	263,622	250,234
Employees' Provident Fund	20,958	19,449	42,214	39,308
Other staff related costs	22,874	16,521	44,508	34,262
	<u>178,890</u>	<u>159,717</u>	<u>350,344</u>	<u>323,804</u>

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**26. Other overhead expenses**

Group	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
<i>Promotion</i>				
Credit and debit card expenses	13,054	11,097	25,840	21,882
Advertisement and publicity	3,109	2,629	4,945	6,535
Others	2,968	5,345	7,460	8,681
	<u>19,131</u>	<u>19,071</u>	<u>38,245</u>	<u>37,098</u>
<i>Establishment</i>				
Office rental	6,430	7,436	14,167	14,557
Depreciation of property and equipment	14,683	14,663	29,266	29,498
Depreciation right-of-use assets	4,164	4,614	8,328	9,215
Information technology expenses	19,625	17,571	40,377	36,201
Security services	2,206	2,155	4,603	4,484
Utilities	2,574	2,827	5,702	6,088
Office maintenance	2,699	2,312	4,897	4,965
Rental of equipment	1,383	1,742	2,984	3,019
Takaful	3,870	981	5,866	1,910
Others	-	-	281	281
	<u>57,634</u>	<u>54,301</u>	<u>116,471</u>	<u>110,218</u>
<i>General expenses</i>				
Outsourcing fees and management fees	4,542	3,652	8,157	7,011
Office supplies	2,184	1,484	3,892	3,885
Subscription fees	3,445	3,381	6,960	6,656
SMS service charges	6,663	4,347	11,155	8,596
Security services – cash in transit	1,456	1,753	2,026	2,828
Professional fees	3,348	317	5,282	3,864
Others	23,440	19,889	42,222	40,565
	<u>45,078</u>	<u>34,823</u>	<u>79,694</u>	<u>73,405</u>
	<u>121,843</u>	<u>108,195</u>	<u>234,410</u>	<u>220,721</u>



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**26. Other overhead expenses (continued)**

Bank	3 months ended		6 months ended	
	30.06.2022 RM'000	30.06.2021 RM'000	30.06.2022 RM'000	30.06.2021 RM'000
<i>Promotion</i>				
Credit and debit card expenses	13,054	11,097	25,840	21,882
Advertisement and publicity	3,074	2,585	4,867	6,474
Others	2,027	2,125	3,742	4,082
	<u>18,155</u>	<u>15,807</u>	<u>34,449</u>	<u>32,438</u>
<i>Establishment</i>				
Office rental	6,393	7,527	14,092	14,733
Depreciation of property and equipment	14,470	14,619	28,838	29,407
Depreciation right-of-use assets	4,048	4,614	8,096	9,215
Information technology expenses	19,625	17,571	40,377	36,201
Security services	2,206	2,155	4,603	4,484
Utilities	2,507	2,810	5,567	6,050
Office maintenance	2,624	2,261	4,746	4,866
Rental of equipment	1,312	1,726	2,837	2,988
Takaful	3,856	979	5,837	1,907
Others	-	-	281	281
	<u>57,041</u>	<u>54,262</u>	<u>115,274</u>	<u>110,132</u>
<i>General expenses</i>				
Outsourcing fees and management fees	9,339	7,499	17,216	13,900
Office supplies	2,163	1,454	3,845	3,839
Subscription fees	3,445	3,382	6,960	6,656
SMS service charges	6,663	4,347	11,155	8,596
Security services – cash in transit	1,456	1,753	2,026	2,828
Professional fees	3,198	166	4,968	3,658
Others	20,873	17,293	36,120	36,101
	<u>47,137</u>	<u>35,894</u>	<u>82,290</u>	<u>75,578</u>
	<u>122,333</u>	<u>105,963</u>	<u>232,013</u>	<u>218,148</u>

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**27. Finance cost**

<b>Group</b>	<b>Note</b>	<b>3 months ended</b>		<b>6 months ended</b>	
		<b>30.06.2022</b>	<b>30.06.2021</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Finance cost:					
- Subordinated Sukuk Murabahah		<b>20,740</b>	17,674	<b>41,253</b>	35,154
- Profit expense on leases	15	<b>4,201</b>	4,334	<b>8,445</b>	8,694
		<b>24,941</b>	22,008	<b>49,698</b>	43,848

**Bank**

Finance cost:					
- Subordinated Sukuk Murabahah		<b>20,740</b>	17,674	<b>41,253</b>	35,154
- Profit expense on leases	15	<b>4,197</b>	4,334	<b>8,436</b>	8,694
		<b>24,937</b>	22,008	<b>49,689</b>	43,848

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**28. Segmental Reporting on Revenue, Profit and Assets**

<b>Group</b>	<b>Consumer Banking RM'000</b>	<b>Corporate and Commercial Banking RM'000</b>	<b>Treasury RM'000</b>	<b>Shareholders unit RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>3 months ended 30 June 2022</u></b>						
<b>Total Revenue</b>	<b>554,547</b>	<b>156,760</b>	<b>104,001</b>	<b>14,407</b>	<b>(6,694)</b>	<b>823,021</b>
Net fund based income	308,906	124,442	15,630	55,932	-	504,910
Non-fund based income	46,568	7,320	(18,840)	13,686	(6,044)	42,690
<b>Net income</b>	<b>355,474</b>	<b>131,762</b>	<b>(3,210)</b>	<b>69,618</b>	<b>(6,044)</b>	<b>547,600</b>
Net allowance for impairment	(10,745)	(23,095)	4,615	17	-	(29,208)
<b>Profit before overheads, zakat &amp; tax</b>	<b>344,729</b>	<b>108,667</b>	<b>1,405</b>	<b>69,635</b>	<b>(6,044)</b>	<b>518,392</b>
Operating expenses						(337,196)
<b>Profit before zakat &amp; tax</b>						<b>181,196</b>
<b><u>3 months ended 30 June 2021</u></b>						
<b>Total Revenue</b>	<b>496,721</b>	<b>149,176</b>	<b>169,159</b>	<b>23,953</b>	<b>(4,669)</b>	<b>834,340</b>
Net fund based income	292,554	89,546	28,841	63,996	-	474,937
Non-fund based income	37,845	6,409	55,109	21,319	(4,618)	116,064
<b>Net income</b>	<b>330,399</b>	<b>95,955</b>	<b>83,950</b>	<b>85,315</b>	<b>(4,618)</b>	<b>591,001</b>
Net allowance for impairment	(13,727)	(19,992)	21	-	-	(33,698)
<b>Profit before overheads, zakat &amp; tax</b>	<b>316,672</b>	<b>75,963</b>	<b>83,971</b>	<b>85,315</b>	<b>(4,618)</b>	<b>557,303</b>
Operating expenses						(296,803)
<b>Profit before zakat &amp; tax</b>						<b>260,500</b>

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

Group	Consumer Banking RM'000	Corporate and Commercial Banking RM'000	Treasury RM'000	Shareholders unit RM'000	Elimination RM'000	Total RM'000
<b><u>6 months ended 30 June 2022</u></b>						
<b>Total Revenue</b>	<b>1,074,961</b>	<b>308,347</b>	<b>188,262</b>	<b>38,412</b>	<b>(12,989)</b>	<b>1,596,993</b>
Net fund based income	605,744	237,796	34,118	105,028	-	982,686
Non-fund based income	88,015	15,266	(40,540)	37,039	(11,755)	88,025
<b>Net income</b>	<b>693,759</b>	<b>253,062</b>	<b>(6,422)</b>	<b>142,067</b>	<b>(11,755)</b>	<b>1,070,711</b>
Net allowance for impairment	(32,150)	(45,000)	2,904	(336)	-	(74,582)
<b>Profit before overheads, zakat &amp; tax</b>	<b>661,609</b>	<b>208,062</b>	<b>(3,518)</b>	<b>141,731</b>	<b>(11,755)</b>	<b>996,129</b>
Operating expenses						(655,609)
<b>Profit before zakat &amp; tax</b>						<b>340,520</b>
<b><u>6 months ended 30 June 2021</u></b>						
<b>Total Revenue</b>	<b>970,436</b>	<b>300,956</b>	<b>305,413</b>	<b>38,122</b>	<b>(9,665)</b>	<b>1,605,262</b>
Net fund based income	562,947	184,051	62,630	125,690	-	935,318
Non-fund based income	73,611	12,487	78,496	33,132	(9,565)	188,161
<b>Net income</b>	<b>636,558</b>	<b>196,538</b>	<b>141,126</b>	<b>158,822</b>	<b>(9,565)</b>	<b>1,123,479</b>
Net allowance for impairment	(30,832)	(14,543)	62	-	-	(45,313)
<b>Profit before overheads, zakat &amp; tax</b>	<b>605,726</b>	<b>181,995</b>	<b>141,188</b>	<b>158,822</b>	<b>(9,565)</b>	<b>1,078,166</b>
Operating expenses						(603,191)
<b>Profit before zakat &amp; tax</b>						<b>474,975</b>

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

	<b>Consumer Banking RM'000</b>	<b>Corporate and Commercial Banking RM'000</b>	<b>Treasury RM'000</b>	<b>Shareholders unit RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b><u>At 30 June 2022</u></b>						
Segment assets	46,052,901	13,625,592	20,385,679	372,502	(269,040)	80,167,634
Unallocated assets						<u>2,862,387</u>
Total assets						<u><u>83,030,021</u></u>
<b><u>At 30 June 2021</u></b>						
Segment assets	41,630,712	13,588,221	16,548,173	51,613	(34,529)	71,784,190
Unallocated assets						<u>1,787,862</u>
Total assets						<u><u>73,572,052</u></u>

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**29. Fair value of Financial Instruments**

**Fair value hierarchy**

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

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

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

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**29. Fair value of Financial Instruments (continued)**

**Fair value hierarchy (continued)**

Group 30 June 2022 RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total			
<i>Financial assets</i>							
Financial assets at FVTPL	-	1,304,573	-	-	-	1,304,573	1,304,573
Derivative financial assets	-	77,743	-	77,743	-	77,743	77,743
Financial assets at FVOCI	6,900	11,068,888	69,038	11,144,826	-	11,144,826	11,144,826
Financial assets at AC	-	-	-	-	2,343,121	2,343,121	2,384,007
Financing, advances and others	-	-	-	-	62,800,637	62,800,637	59,678,494
<i>Financial liabilities</i>							
Derivative financial liabilities	-	65,405	-	65,405	-	65,405	65,405
Recourse obligations on financing sold to Cagamas	-	-	-	-	2,009,835	2,009,835	2,001,721
Subordinated Sukuk Murabahah	-	-	-	-	1,978,552	1,978,552	2,014,780
<b>31 December 2021</b>							
RM'000							
<i>Financial assets</i>							
Financial assets at FVTPL	-	1,582,494	-	1,582,494	-	1,582,494	1,582,494
Derivative financial assets	-	26,037	-	26,037	-	26,037	26,037
Financial assets at FVOCI	17,004	12,526,670	60,530	12,604,204	-	12,604,204	12,604,204
Financial assets at AC	-	-	-	-	1,330,502	1,330,502	1,348,844
Financing, advances and others	-	-	-	-	61,303,303	61,303,303	58,153,769
<i>Financial liabilities</i>							
Derivative financial liabilities	-	20,421	-	20,421	-	20,421	20,421
Recourse obligations on financing sold to Cagamas	-	-	-	-	2,044,330	2,044,330	2,001,720
Subordinated Sukuk Murabahah	-	-	-	-	2,009,745	2,009,745	2,014,849

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**29. Fair value of Financial Instruments (continued)**

**Fair value hierarchy (continued)**

Bank 30 June 2022 RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value Level 3	Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total			
<i>Financial assets</i>							
Financial assets at FVTPL	-	1,272,566	-	1,272,566	-	1,272,566	1,272,566
Derivative financial assets	-	77,743	-	77,743	-	77,743	77,743
Financial assets at FVOCI	6,900	11,068,888	69,925	11,145,713	-	11,145,713	11,145,713
Financial assets at AC	-	-	-	-	2,343,121	2,343,121	2,384,007
Financing, advances and others	-	-	-	-	62,800,637	62,800,637	59,678,494
<i>Financial liabilities</i>							
Derivative financial liabilities	-	65,405	-	65,405	-	65,405	65,405
Recourse obligations on financing sold to Cagamas	-	-	-	-	2,009,835	2,009,835	2,001,721
Subordinated Sukuk Murabahah	-	-	-	-	1,978,552	1,978,552	2,014,780
<b>31 December 2021</b>							
RM'000							
<i>Financial assets</i>							
Financial assets at FVTPL	-	1,550,700	-	1,550,700	-	1,550,700	1,550,700
Derivative financial assets	-	26,037	-	26,037	-	26,037	26,037
Financial assets at FVOCI	17,004	12,526,670	61,393	12,605,067	-	12,605,067	12,605,067
Financial assets at AC	-	-	-	-	1,330,502	1,330,502	1,348,844
Financing, advances and others	-	-	-	-	61,303,303	61,303,303	58,153,769
<i>Financial liabilities</i>							
Derivative financial liabilities	-	20,421	-	20,421	-	20,421	20,421
Recourse obligations on financing sold to Cagamas	-	-	-	-	2,044,330	2,044,330	2,001,720
Subordinated Sukuk Murabahah	-	-	-	-	2,009,745	2,009,745	2,014,849



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**29. Fair value of Financial Instruments (continued)**

**Unobservable inputs used in measuring fair value**

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

(a) Financial instruments carried at fair value

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

(b) Financial instruments not carried at fair value

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

(i) Other financial assets at amortised cost

The fair values of securities that are actively traded is determined by quoted mid prices. For non-actively traded securities, the fair values are estimated using valuation techniques such as 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.

(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 for borrowings with similar risk profiles.



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**30. Commitment and Contingencies (continued)**

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

<b>As at 31 December 2021</b>	<b>Principal Amount RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Asset RM'000</b>
<i>Credit related exposures</i>			
Direct credit substitutes	501,511	501,511	503,088
Transaction related contingent items	903,458	451,729	438,976
Short-term self-liquidating trade related contingencies	417,940	83,588	83,012
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:			
- exceeding one year	1,246,592	623,295	503,494
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	8,110,490	-	-
	11,179,991	1,660,123	1,528,570
	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>
			<b>Risk Weighted Asset RM'000</b>
<i>Derivative Financial Instruments</i>			
Foreign exchange related contracts			
- less than one year	7,505,850	25,120	114,431
Profit rate related contracts			
- one year to less than five years	79,153	917	2,368
	7,585,003	26,037	116,799
			68,012
<b>Total</b>	<b>18,764,994</b>	<b>26,037</b>	<b>1,776,922</b>
			<b>1,596,582</b>

- b) Contingent liabilities

The Group and the Bank has no disclosure on contingent liabilities other than as disclosed in Note B9(c). The possible obligation to settle the litigation claim are subject to decision by the court and as the case are still preliminary, the settlement to the litigation claim may not be probable at this juncture and therefore no provision is recognised in the interim financial statements.

**Bank Islam Malaysia Berhad [Registration No. 198301002944 (98127-X)]****(Incorporated in Malaysia)****Unaudited Interim Financial Statements****31. Capital adequacy**

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

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

	Group		Bank	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
CET I & Tier I capital ratio	<b>13.788%</b>	13.179%	<b>13.391%</b>	12.799%
Total capital ratio	<b>19.377%</b>	18.561%	<b>19.006%</b>	18.203%

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

	Group		Bank	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Paid-up share capital	<b>3,645,043</b>	3,445,757	<b>3,645,043</b>	3,445,757
Retained earnings	<b>2,925,080</b>	2,965,080	<b>2,925,659</b>	2,965,659
Other reserves	<b>(124,333)</b>	(10,899)	<b>(235,324)</b>	(121,843)
<u>Less:</u>				
Deferred tax assets	<b>(226,050)</b>	(193,214)	<b>(225,078)</b>	(191,773)
Investment in subsidiaries	-	-	<b>(100,905)</b>	(100,905)
Regulatory reserves	<b>(40,000)</b>	-	<b>(40,000)</b>	-
<b>Total CET I and Tier I Capital</b>	<b>6,179,740</b>	6,206,724	<b>5,969,395</b>	5,996,895
Sukuk Murabahah	<b>2,000,000</b>	2,000,000	<b>2,000,000</b>	2,000,000
Loss provision <sup>^</sup>	<b>505,016</b>	534,465	<b>502,668</b>	532,094
<b>Total Tier II Capital</b>	<b>2,505,016</b>	2,534,465	<b>2,502,668</b>	2,532,094
<b>Total Capital</b>	<b>8,684,756</b>	8,741,189	<b>8,472,063</b>	8,528,989

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

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

	Group		Bank	
	30.06.2022	31.12.2021	30.06.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Credit risk	<b>51,876,836</b>	50,180,739	<b>51,783,724</b>	50,080,971
Less : Credit risk absorbed by unrestricted investment accounts	<b>(11,475,594)</b>	(7,423,579)	<b>(11,570,315)</b>	(7,513,437)
	<b>40,401,242</b>	42,757,160	<b>40,213,409</b>	42,567,534
Market risk	<b>556,650</b>	489,559	<b>556,650</b>	489,559
Operational risk	<b>3,862,640</b>	3,847,886	<b>3,806,378</b>	3,797,811
	<b>44,820,532</b>	47,094,605	<b>44,576,437</b>	46,854,904

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**32. Credit Transactions and Exposures with Connected Parties**

	<b>Group and Bank</b>	
	<b>30.06.2022</b>	<b>31.12.2021</b>
Outstanding credit exposures with connected parties	<b>2,392,949</b>	2,132,777
% of outstanding credit exposures to connected parties as a proportion of total credit exposures	<b>3.56%</b>	3.24%
% of outstanding credit exposures to connected parties which is non-performing or in default	<b>0.00%</b>	0.00%

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**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 2022**

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

<b>Key Profit or Loss Items:</b>	<b>Group</b>		<b>Variance</b>	
	<b>6 months ended</b>			
	<b>30.06.2022</b>	<b>30.06.2021</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	<b>1,596,993</b>	1,605,262	(8,269)	-0.5
Net Income	<b>1,070,711</b>	1,123,479	(52,768)	-4.7
Profit Before Zakat and Taxation	<b>340,520</b>	474,975	(134,455)	-28.3
Profit After Zakat and Taxation	<b>223,074</b>	353,037	(129,963)	-36.8

Bank Islam Group (“Bank Islam” or “the Group”) recorded a Profit Before Zakat and Taxation (“PBZT”) of RM340.5 million for the six-month ended 30 June 2022, lower by 28.3% over the corresponding period in 2021. The decrease in PBZT was mainly due to lower net income compounded by higher total overheads and net allowance for impairment on financing and advances.

The performance translates to Group’s earnings per share of 10.39 sen and annualised Return on Equity (“ROE”) of 7.2% (after tax and zakat).

The Group’s net income decreased by RM52.8 million or 4.7% mainly due to lower non-fund based income. The non-fund based income decreased by RM100.1 million for the six-month ended 30 June 2022 as compared to corresponding period, which was due to lower net gain from sale of financial assets at FVOCI and higher net loss on revaluation of financial assets at FVTPL. The decrease was, however, mitigated by higher net fund based income which increased by RM41.5 million or 4.7% mainly driven by year-on-year financing growth and lower funding costs.

The Group's overhead expenses for the six-month financial period ended 30 June 2022 recorded an increase of RM46.6 million or 8.3% to RM605.9 million as compared to the previous corresponding six-month financial period ended 30 June 2021. The increase in overhead expenses was mainly due to higher staff costs and general expenses by RM33.4 million and RM6.3 million respectively.

The Group's net allowance for impairment on financing and advances increased by RM31.6 million or 69.3% to RM77.1 million as compared to the previous corresponding six-month financial period ended 30 June 2021.

Overall, the Group’s total assets grew year-on-year by 12.9% to RM83.0 billion as of 30 June 2022. Net assets per share was at RM3.09.

Gross financing (excluding modification loss) grew by 8.0% year-on-year to RM60.7 billion, while customer deposits and investment accounts stood at RM70.3 billion with a year-on-year increase by RM8.4 billion or 13.6%. Total current and saving accounts and transactional investment accounts (“CASATIA”) composition is at healthy level of 37.8% of total customer deposits and investment accounts.

As at 30 June 2022, the gross impaired financing ratio was 1.14% compared to 0.96% at end December 2021.

The Group’s Total Capital Ratio remained strong at 19.4% as at 30 June 2022.

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**B1. Performance review for the six-month ended 30 June 2022 (continued)**

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

**Operating Segment**

Consumer Banking's reported net income of RM693.8 million for the financial period ended 30 June 2022, 9.0% higher than the corresponding period, attributed mainly from higher net fund-based income. Segment assets for Consumer Banking as at end June 2022 stood at RM46.1 billion, a year-on-year growth of 10.6%, mainly driven by growth in house financing and personal financing.

Corporate and Commercial Banking recorded net income of RM253.1 million, higher by 28.8% from the corresponding period mainly due to higher net fund-based income. Total segment assets stood at RM13.6 billion.

Treasury registered a net loss of RM6.4 million for the period, lower by 104.6% compared to the corresponding period due to lower net gain from sale of financial assets at FVOCI and higher net loss on revaluation of financial assets at FVTPL. Treasury assets stood at RM20.4 billion.

**Current Quarter vs. Previous Year Corresponding Quarter**

	Group		Variance	
	3 months ended			
	30.06.2022	30.06.2021	RM'000	%
<b>Key Profit or Loss Items:</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	<b>823,021</b>	834,340	(11,319)	-1.4
Net Income	<b>547,600</b>	591,001	(43,401)	-7.3
Profit Before Zakat and Taxation	<b>181,196</b>	260,500	(79,304)	-30.4
Profit After Zakat and Taxation	<b>117,157</b>	194,326	(77,169)	-39.7

For the second quarter ended 30 June 2022 ("2Q2022"), Bank Islam Group achieved a profit before zakat and tax ("PBZT") of RM181.2 million, a decrease of RM79.3 million or 30.4% over the PBZT of the corresponding quarter last year ("2Q2021") of RM260.5 million. The decrease in PBZT was mainly due to lower net income and higher total overheads.

The decrease in the Group's net income by RM43.4 million or 7.3%, was due to lower non fund based income, however mitigated by higher net fund based income during the quarter. The net fund based income increased by RM27.0 million or 6.0% mainly driven by financing growth. The decrease in non-fund based income by RM73.4 million or 63.2% was mainly due to lower investment income, particularly lower net gain from sale of financial assets at FVOCI and revaluation of financial assets at FVTPL

Total overheads were higher by RM37.5 million or 13.6% over 2Q2021 overheads mainly due to higher staff costs and general expenses by RM23.2 million and RM10.3 million respectively.

The Group's net allowance for impairment on financing and advances, financing increased by RM0.1 million or 0.3% to RM33.8 million as compared to the previous period corresponding quarter ended 30 June 2020.

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**B2. Comparison with the preceding quarter's results for the three months performance (Second Quarter 2022 vs. First Quarter 2022)**

	Group		Variance	
	3 months ended			
	30.06.2022	31.03.2022	RM'000	%
	RM'000	RM'000		
<b>Key Profit or Loss Items:</b>				
Revenue	<b>823,021</b>	773,972	49,049	6.3
Net Income	<b>547,600</b>	523,111	24,489	4.7
Profit Before Zakat and Taxation	<b>181,196</b>	159,324	21,872	13.7
Profit After Zakat and Taxation	<b>117,157</b>	105,917	11,240	10.6

Bank Islam Group's PBZT for the second quarter ended 30 June 2022 ("2Q2022") improved by RM21.9 million (13.7%) to RM181.2 million against the preceding quarter ended 31 March 2022 ("1Q2022"). The increase was due to higher net fund based income and lower net allowance for financing and advances. The increase was however offset by higher overheads and lower non fund based income.

Net fund based income increased by RM26.9 million or 5.9% mainly driven by higher financing income during the quarter. Non-fund based income fell 5.8% to RM42.7 million from RM45.3 million, amid net loss on revaluation of financial assets at FVTPL due to unfavourable market condition.

Net allowance for impairment on financing and other financial assets was lower by RM16.2 million to RM29.2 million for 2Q2022 while total overheads for 2Q2022 increased by RM18.6 million or 6.3% to RM312.3 million over 1Q2022 mainly due to higher personnel and other overhead expenses.

**B3. Prospects for 2022**

Bank Negara Malaysia in its Economic and Monetary Review Report 2021 issued on 30 March 2022 projected a GDP growth of 5.3% - 6.3% for 2022. Despite hampered growth from supply chain disruptions, rising prices of commodities and domestic inflation, GDP is expected to remain in positive territory. The Group foresees the Overnight Policy Rate to reach 2.75% at the end of 2022 in view of positive growth prospect.

The industry's financing rose by 5.6% y-o-y as at June 2022. The Group anticipates slower household financing numbers but expect total industry growth to be lifted by higher business activities following border reopening and positive economic environment. However, the rising inflationary pressure can potentially threaten the Group's provision on financing as it affects the debt servicing capability of consumers and businesses.

The Group remains committed in pursuing its business drivers under the 5-year aspiration LEAP25 while ensuring cost management and optimisation, continuous Group's synergy strategy implementation, and advancing digitalisation. On that front, the Group has launched its digital banking proposition, "Be U" in mid-July 2022. This is aimed at the younger population, hoping to attract between 350,000 and 400,000 downloads and users within the first 12 months. Be U is the country's first digital bank that is built natively on cloud.

**B4. Variance from profit forecast and profit guarantee**

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



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**B5. Tax expense**

**Major components of tax expense**

<b>Group</b>	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia income tax:				
Current year	<b>54,314</b>	16,558	<b>91,162</b>	106,446
Under/ (Over) provision in prior years	-	163,330	<b>(10)</b>	163,336
Deferred tax expense relating to origination and reversal of temporary differences arising from:				
Current year	<b>5,983</b>	45,860	<b>18,344</b>	7,899
Under/ (Over) provision in prior years	<b>10</b>	(163,330)	<b>469</b>	(163,250)
	<b>60,307</b>	<b>62,418</b>	<b>109,965</b>	<b>114,431</b>

A reconciliation of effective tax expense for the Group is as follows:

<b>Group</b>	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before tax	<b>181,196</b>	260,500	<b>340,520</b>	474,975
Income tax calculated using				
Malaysian tax rate of 24%	<b>43,487</b>	62,520	<b>81,725</b>	113,994
Effect of changes in tax rate	<b>15,897</b>	-	<b>26,414</b>	-
Income not subject to tax	<b>(207)</b>	(93)	<b>(233)</b>	(132)
Non-deductible expenses	<b>2,171</b>	892	<b>3,372</b>	2,285
Zakat	<b>(1,051)</b>	(901)	<b>(1,772)</b>	(1,802)
Under provision in prior years	<b>10</b>	-	<b>459</b>	86
Tax expense	<b>60,307</b>	<b>62,418</b>	<b>109,965</b>	<b>114,431</b>

As per Finance Act 2021 gazetted on 31 December 2021, effective for Year of Assessment (“YA”) 2022, a special one-off tax (“Cukai Makmur”) will be introduced on companies with chargeable income in excess of RM100.0 million. The excess will be taxed at a rate of 33% (first RM100.0 million of chargeable income will be taxed at 24%). Tax expenses for YA 2022 above have been computed based on tax rates as described accordingly.

**B6. Status of corporate proposals**

There has been no new corporate proposal since the date of last quarterly report.

**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.

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**B8. Debt securities and borrowings**

RM'000	As at 30.06.2022		
	Long term	Short term	Total borrowings
<b>Secured</b>			
- Recourse obligations on financing sold to Cagamas	2,000,000	1,720	2,001,720
<b>Unsecured</b>			
- Subordinated Sukuk Murabahah	2,000,000	14,780	2,014,780

RM'000	As at 31.12.2021		
	Long term	Short term	Total borrowings
<b>Secured</b>			
- Recourse obligations on financing sold to Cagamas	2,000,000	1,720	2,001,720
<b>Unsecured</b>			
- Subordinated Sukuk Murabahah	2,000,000	14,849	2,014,849

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

The borrowings comprise the following:

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

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

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**B8. Debt securities and borrowings (continued)**

The borrowings comprise the following: (continued)

b) Subordinated Sukuk Murabahah

	<b>Nominal value RM'000</b>	<b>Issue date</b>	<b>First call date*</b>	<b>Maturity Date</b>	<b>Profit rate (% p.a.)#</b>
(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
(v)	300,000	12 November 2021	12 November 2026	12 November 2031	4.10

\* Optional redemption date or any periodic payment date thereafter.

# Accrued and payable semi-annually in arrears.

**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.

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**B9. Material litigation (continued)**

- (a) 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.

On 17 August 2021, the Plaintiff/Appellant's Solicitor had filed the Motion to withdraw from representing the Appellants in the Appeal.

The Court had fixed the Motion for hearing on 30 August 2021 and the Hearing of the Appeal would be adjourned pending the disposal of the said Motion.

On 30 August 2021, the COA had allowed the Plaintiff/Appellant's Solicitor Motion to withdraw themselves from representing Plaintiff/Appellant in this Appeal.

The COA had fixed the next case management date on 30 September 2021 for the Plaintiff/Appellant to appoint a new Solicitor.

On 30 September 2021, the COA had fixed the Hearing of the Plaintiff/Appellant's Appeal on 15 February 2022.

On 15 February 2022, COA unanimously dismissed the Plaintiff/Appellant's Appeal with costs of RM10,000.00 to be paid by the Plaintiff/Appellants to Bank Islam.

The Plaintiff/Appellant filed Motion for Leave to appeal to the Federal Court ("FC") on 14 March 2022 and the FC fixed for hearing of the Motion on 27 May 2022.

On 27 May 2022, the FC decided that there is no merit in the Motion for leave and there is no novel issue for leave to be granted. The Motion was dismissed with costs of RM30,000.00. Therefore, the suit is fully concluded and there is no appeal is allowed.

- (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")).

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 ("HC") had fixed 1 July 2020 for decision on O.14, O.18 and the Application.

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

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**B9. Material litigation (continued)**

- (b) 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 COA had unanimously dismissed the appeal with costs of RMI0,000.00, subject to allocator.

On 24 August 2021, the Defendants had filed the motion for leave to appeal to Federal Court ("FC").

The FC had fixed the case management on 23 September 2021.

On 23 September 2021, the case management has been postponed to 29 September 2021.

On 29 September 2021, the FC had instructed the Defendants to file Notice of Motion for leave at Federal Court and the case management is fixed on 14 October 2021.

On 14 October 2021, the Defendants requested time to file Notice of Motion for leave to appeal at FC. The FC had fixed the case management on 29 October 2021.

On 29 October 2021, the FC had instructed parties to file Affidavit in reply to the Notice of Motion and fixed the case management on 24 November 2021.

On 24 November 2021, the FC had directed parties to file Written Submissions and Bundle of Authorities by 3 March 2022.

Hearing of Motion for Extension of Time to File Leave to Appeal to FC and Motion for Leave to Appeal to FC fixed on 21 March 2022. The Court fixed another hearing date on 27 May 2022.

There were 3 issues brought to the FC which were as follows:-

- (a) Allowing Bank Islam's application to record Summary Judgment under (O.14) against the Appellants;
- (b) Allowing Bank Islam's application to strike out the Appellants' counterclaim (O.18); and
- (c) Dismissing the Appellants' application to transfer and consolidate this case with the Alor Setar suit.

After hearing both parties, the FC was of the opinion that there is a novel issue in relation to whether there is a need to state the Ibra clause in the certificate of indebtedness. This relates to the above item (a) allowing Summary Judgment under O.14 and not relevant to the other 2 applications under (b) and (c).

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**B9. Material litigation (continued)**

- (b) The Motion was allowed only for limited issues related to Ibra clause with costs in the cause. A Notice of Appeal is required to be filed by the Customer within 14 days time. The Order in relation to item (b) and (c) above were fully concluded. Item (a) will proceed with full appeal at the FC on the issue as stated above.

The Appellant filed appeal to FC, the 1st Case Management of the appeal was fixed on 29 July 2022. The next Case Management fixed on 12 August 2022 for the Appellants to file record of appeal. Meanwhile, the Appellants filed a Motion to stay of execution of judgment dated 1 July 2020 and all foreclosure proceedings initiated by the Bank. The FC instructed the parties to file submission on 20 September 2022. Hearing of the stay application by the Appellants was fixed on 4 October 2022.

- (c) On 18 October 2021, Perbadanan Harta Intelek Malaysia (“Plaintiff”) filed a civil suit against BIMB Investment Management Berhad (“First Defendant”), a wholly owned subsidiary of the Bank and Ahmad Azwan Bin Aboo Mansor (“Second Defendant”).

Plaintiff pleaded that the Defendants are liable for loss and damage caused by the Defendants fraudulent misrepresentation, negligent misrepresentation, negligence and breach of statutory duty on the placement of deposit in the sum of RM85,530,000.00 by Plaintiff to First Defendant upon representation made by Second Defendant to Plaintiff.

The sealed Writ and Statement of Claim dated 18 October 2021 was served to Messrs Ganesan & Irmohizam (“First Defendant’s Solicitors”) on 25 October 2021.

The Plaintiff claimed for the following:

- 1) RM43,958,509.29 being the difference between the balance sum and total principal sum deposited;
- 2) RM15,910,619.62 for lost of profit on deposit sum;
- 3) Alternatively RM11,443,914.00 for lost of profit on deposit sum;
- 4) General damages;
- 5) Exemplary damages; and
- 6) Interest

The First Defendants Solicitors had entered Appearance on 8 November 2021 and has requested for an extension of two weeks from 24 November 2021 to file Defence. The Court fixed for next Case Management on 24 November 2021.

On 24 November 2021, the Court directed First Defendant to file Defence on 8 December 2021 and Plaintiff to file Reply to Defence by 5 January 2022.

During the case management held on 18 July 2022, the Court made the following directions in relation to Enclosure 32 (First Defendant's Notice of Application seeking original documents for forensic examination:

- 1) Plaintiff shall file and serve its Affidavit in Reply on or before 29 July 2022;
- 2) First Defendant shall file and serve its Affidavit in Reply on or before 12 August 2022;
- 3) Both Parties shall file respective written submissions simultaneously on or before 23 August 2022;
- 4) Both Parties shall file respective written submissions in reply simultaneously on or before 30 August 2022.

Hearing of Enclosure 32 and Case Management for Writ was fixed on 12 September 2022.

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**B9. Material litigation (continued)**

- (d) On 26 April 2022 a group of syndicated financiers including Bank Islam Malaysia Berhad, HSBC Amanah Malaysia Berhad, Ambank Islamic Berhad, MIDF Amanah Investment Bank Berhad, Standard Chartered Saadiq Berhad and United Overseas Bank (Malaysia) Berhad filed a winding up petition against Serba Dinamik Holdings Berhad (“Customer”) and Serba Dinamik Group Berhad, Serba Dinamik Sdn Bhd, Serba Dinamik Development Sdn Bhd, Serba Dinamik Controls Sdn Bhd (“Guarantors”).

The Customer defaulted on payment of Syndicated Term Financing which involved RM1.2 billion (Bank Islam exposure RM245 million). The Customer made an application to Court for an appointment of Interim Judicial Managers (“IJM”). However, the application on IJM was withdrawn by the Customer citing majority of the financiers were opposing on the appointment of the Customer’s choice of IJM and further indicated to Court that they will apply for Scheme of Arrangement under Section 366 instead.

Meanwhile, the syndicated financiers had proceeded with a winding up petition and appointment of an Interim Liquidator from PricewaterhouseCoopers Advisory Services Sdn Bhd (“PwC”) which were filed in April 2022. The matters contested by the Customer by filing stay, striking out and cross examination applications. The Court fixed hearing of the applications on 8 June 2022.

At the same time, the Customer had filed for the preliminary draft of Scheme of Arrangement (“SOA”) in the Commercial Court indicating the SOA proposal among others that payment will be made in tranches with full recovery expected by year 2025. There would be further discussions in respect to the detailed SOA proposal.

The SOA and other matters were fixed at the Creditors Meeting on 25 July 2022. The Court Convened Meeting (“CCM”) was concluded and majority of the scheme creditors attended have voted and supported the proposed SOA.

As the Customer had breached the terms of the Scheme, the solicitor for the Syndicated Financiers issued a letter to the Court to advise that there has been a breach of the Scheme or the Consent Order which entitling the Syndicated Financiers to move for the Interim Liquidator (“IL”). On 23 August 2022, the Court allowed for the application of the IL.

- (e) Bank Islam filed a civil suit against Burwood Group Limited (“Customer”) and 8 others, namely Robert Kokshoorn, Anthony Richard Witham, George Mavrogenis, Ooi Joo Fong, Dato’ Mohd, Salleh Bin Yeop Abdul Rahman, Stephen Keith Lavender, BPA Group Limited & Dominic Andrla (collectively be referred to as “the Defendants”) claiming for an amount of RM85,456,573.79 being the outstanding financing facilities granted by the Bank to the Customer whose accounts had been defaulted.

On 28 January 2022 the Bank filed civil suit against the Customer and all Guarantors. The latest summary updates of the suit are as follows:

- (i) On 25 August 2022, Judgement in Default (JID) has been obtained for 2<sup>nd</sup> and 3<sup>rd</sup> Defendants.  
(ii) Case Management has been fixed on 27 September 2022 for 1<sup>st</sup>, 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> Defendants.  
(iii) In the midst to serve Writ Summons against 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> Defendants.
- (f) Bank Islam filed a civil suit against Sawit Raya Oil (Kelantan) Sdn Bhd, Tan See Meng, Tan See Nong, Sawit Raya Sdn Bhd (“the Defendants”) to recover the outstanding amount of RM234,621,328.53 for the financing granted to the first Defendant. The Writ Summons and the Statement of Claim were filed on 1 July 2022. The court has directed the Defendants to file Statement of Defence on or before 23 August 2022 and Reply to Defence on or before 6 September 2022. The next Case Management fixed on 12 September 2022.

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**B10. Dividend**

On 20 January 2022, the Bank paid an interim dividend of 10.93 sen per ordinary share amounting RM226.9 million for the financial year ended 31 December 2021. From the total dividend amount, approximately 12% or RM27.6 million was distributed as cash dividend whilst the remaining 88% amounting to RM199.3 million was reinvested to subscribe for 79,396,600 new ordinary shares at RM2.51 each via the Dividend Reinvestment Plan. The new ordinary shares were listed on 21 January 2022.

**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	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Net profit for the period under review attributable to equity holders of the parent	117,157	194,326	223,074	353,037
Number of ordinary shares	2,155,269	2,643,332	2,155,269	2,643,332
Number of average ordinary shares	<u>2,155,269</u>	<u>2,612,642</u>	<u>2,146,496</u>	<u>2,606,538</u>
Earnings per share (sen)	<u>5.44</u>	<u>7.44</u>	<u>10.39</u>	<u>13.54</u>

**Diluted earnings per share**

The Group has no dilution in its earnings per share in the current and the preceding financial period as there are no dilutive potential ordinary shares.

**B12. Foreign exchange exposure/hedging policy**

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

RM equivalent	As at	
	30.06.2022	31.12.2021
	RM'000	RM'000
USD	80,454	102,934
EURO	(82,921)	(97,001)
Others	15,450	26,717

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



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**B13. 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:

<b>Group</b>	<b>As at 30 June 2022</b>			
	<b>Carrying value before impairment RM'000</b>	<b>Impairment losses RM'000</b>	<b>Carrying value after impairment RM'000</b>	<b>Market value RM'000</b>
Financing, advances and others	<b>60,699,851</b>	<b>(1,021,357)</b>	<b>59,678,494</b>	<b>62,800,637</b>

  

<b>Group</b>	<b>As at 31 December 2021</b>			
	<b>Carrying value before impairment RM'000</b>	<b>Impairment losses RM'000</b>	<b>Carrying value after impairment RM'000</b>	<b>Market value RM'000</b>
Financing, advances and others	<b>59,217,735</b>	<b>(1,063,966)</b>	<b>58,153,769</b>	<b>61,303,303</b>

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

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 ("Stage 1")  
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 ("Stage 2")  
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 ("Stage 3")  
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.

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**B13. Material impairment of assets (continued)**

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.

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.

**B14. Derivatives**

The Group holds derivative financial instruments to hedge its foreign currency and profit rate exposures.

	<b>Notional amount 30.06.2022 RM'000</b>	<b>Fair value 30.06.2022 RM'000</b>	<b>Notional amount 31.12.2021 RM'000</b>	<b>Fair value 31.12.2021 RM'000</b>
<i>Trading derivatives</i>				
Foreign exchange related contracts				
- Less than one year	8,021,176	12,191	7,505,850	5,367
Profit rate related contracts				
- One year to 3 years	60,972	147	79,153	249
	<b>8,082,148</b>	<b>12,338</b>	<b>7,585,003</b>	<b>5,616</b>

**Market risk**

Market risk on derivatives is the potential loss to the value of these contracts due to changes in prices of the underlying item such as equities, interest rates, foreign exchange rates, credit spreads, commodities or other indices. The notional or contractual amounts provide only the volume of transactions outstanding at the reporting date and not the amount of risk. Exposure to market risk may be reduced through offsetting items from on and off-balance sheet positions. As at 30 June 2022, the amount of contracts which were not hedged and, hence, exposed to market risk was RM556.7 million (31 December 2021: RM489.6 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, mainly as a function of maturity dates and market rates or prices. As at 30 June 2022, the credit risk measured in terms of the cost to replace the profitable contracts, was RM158.2 million (31 December 2021: RM116.8 million).

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**B14. Derivatives (continued)**

**Liquidity risk**

Liquidity risk on derivatives is the risk that the derivatives position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

**Cash Requirements of the Derivatives**

Cash requirement of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit rating.

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

- a) The types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- b) The risk management policies in place for mitigating and control in the risk associated with these financial derivative contracts; and
- c) The related accounting policies.

**B15. 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 or loss arising from fair value changes of these instruments are as follows:

	<b>3 months ended</b>	<b>6 months ended</b>
	<b>30.06.2022 RM'000</b>	<b>30.06.2022 RM'000</b>
<b><i>Trading derivatives</i></b>		
Net loss arising from fair value changes from derivatives assets and liabilities	(47)	(99)

The Group holds derivative financial instruments to hedge its foreign currency and profit rate exposures. However, the Group 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.