

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

Statements of Financial Position as at 30 June 2024

	Note	Group		Bank	
		30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
Assets					
Cash and short-term funds	8	3,882,315	4,714,465	3,868,442	4,678,243
Financial assets at fair value through profit or loss ("FVTPL")	9	1,813,079	1,215,769	1,497,456	914,246
Derivative financial assets	10	25,201	68,412	25,201	68,412
Financial assets at fair value through other comprehensive income ("FVOCI")	11	14,075,433	12,520,208	14,076,792	12,521,567
Financial assets at amortised cost ("AC")	12	3,560,509	3,120,230	3,560,509	3,120,230
Financing, advances and others	13	67,321,408	66,817,115	67,321,408	66,817,115
Other financial assets at AC	14	714,026	863,813	621,983	763,308
Statutory deposits with Bank Negara Malaysia		973,901	989,407	973,901	989,407
Current tax assets		7,232	7,184	6,662	6,662
Deferred tax assets		157,283	174,728	156,664	173,756
Right-of-use assets	15	161,774	167,436	159,296	166,624
Investments in subsidiaries		-	-	344,049	344,049
Property and equipment		273,848	252,753	270,657	250,279
Intangible assets		51,695	50,354	51,695	50,354
Total assets		93,017,704	90,961,874	92,934,715	90,864,252
Liabilities and equity					
Deposits from customers	16	61,063,688	59,016,131	61,108,513	59,042,581
Investment accounts of customers	17	17,416,738	17,073,156	17,476,089	17,092,594
Deposits and placements of banks and other financial institutions		833,233	351,787	833,233	351,787
Derivative financial liabilities	10	21,863	56,548	21,863	56,548
Bills and acceptance payable		38,294	15,614	38,294	15,614
Recourse obligations on financing sold to Cagamas	B7(a)	1,503,796	2,004,329	1,503,796	2,004,329
Subordinated sukuk and capital securities	B7(b)	2,323,240	2,323,540	2,323,240	2,323,540
Other liabilities	18	1,929,148	2,399,093	1,769,309	2,276,009
Lease liabilities	15	276,349	281,174	273,605	280,359
Zakat and taxation		25,995	40,290	25,981	40,279
Total liabilities		85,432,344	83,561,662	85,373,923	83,483,640

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Statements of Financial Position as at 30 June 2024 (continued)

	Note	Group		Bank	
		30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
Equity					
Share capital		3,888,725	3,888,725	3,888,725	3,888,725
Reserves		<u>3,694,163</u>	<u>3,511,487</u>	<u>3,672,067</u>	<u>3,491,887</u>
		7,582,888	7,400,212	7,560,792	7,380,612
Non-controlling interest		<u>2,472</u>	-	-	-
		7,585,360	7,400,212	7,560,792	7,380,612
Total liabilities and equity		<u>93,017,704</u>	<u>90,961,874</u>	<u>92,934,715</u>	<u>90,864,252</u>
Total Islamic banking asset owned and managed by the Bank		<u>93,017,704</u>	<u>90,961,874</u>	<u>92,934,715</u>	<u>90,864,252</u>
Commitments and Contingencies	30	<u>25,730,858</u>	<u>21,482,102</u>	<u>25,730,858</u>	<u>21,482,102</u>
Net assets per share attributable to equity holders of the Bank (RM)		<u>3.35</u>	<u>3.27</u>	<u>3.34</u>	<u>3.26</u>

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Bank for the financial year ended 31 December 2023.

Bank Islam Malaysia Berhad [Registration No. 198301002944 (98127-X)]
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Statements of Profit or Loss for the six months ended 30 June 2024

Group	Note	3 months ended		6 months ended	
		30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Income derived from investment of depositors' funds	19	835,160	801,184	1,656,446	1,603,313
Income derived from investment account funds	20	178,121	186,084	364,376	360,494
Income derived from investment of shareholders' funds	21	134,984	133,133	271,947	260,336
Net allowance for impairment on financing and advances, net of recoveries	22	(35,230)	(61,631)	(77,519)	(123,601)
Net allowance for impairment on other financial assets		401	62	502	204
Direct expenses		(4,044)	(3,861)	(8,409)	(7,474)
Total distributable income		1,109,392	1,054,971	2,207,343	2,093,272
Wakalah fees from restricted investment accounts		-	-	-	11
Income attributable to depositors	23	(421,084)	(420,112)	(842,244)	(837,967)
Income attributable to investment account holders	24	(98,068)	(90,588)	(203,632)	(169,248)
Total net income		590,240	544,271	1,161,467	1,086,068
Personnel expenses	25	(227,171)	(216,471)	(450,135)	(428,809)
Other overhead expenses	26	(148,451)	(116,201)	(292,381)	(256,895)
		214,618	211,599	418,951	400,364
Finance cost	27	(28,122)	(27,453)	(56,297)	(54,694)
Profit before zakat and tax		186,496	184,146	362,654	345,670
Zakat		(3,764)	(3,750)	(7,514)	(7,500)
Tax expense	B5	(44,654)	(44,259)	(86,330)	(83,945)
Profit for the period		138,078	136,137	268,810	254,225
Attributable to:					
Equity holders of the Bank		137,166	136,137	266,338	254,225
Non-controlling interest		912	-	2,472	-
Profit for the period		138,078	136,137	268,810	254,225
Earnings per share (sen)	B10			11.75	11.37

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Statements of Other Comprehensive Income for the six months ended 30 June 2024

Group	3 months ended		6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Profit for the period	<u>138,078</u>	<u>136,137</u>	<u>268,810</u>	<u>254,225</u>
Other comprehensive income, net of tax:				
Items that are or may be reclassified subsequently to profit or loss				
Currency translation differences in respect of Labuan operations	503	(4,864)	(3,106)	(5,342)
Movement in fair value reserve (debt instruments):				
Net change in fair value	3,926	55,527	35,370	175,184
Changes in expected credit loss	50	62	151	204
Net amount transferred to profit or loss	(9,560)	(14,615)	(16,586)	(42,738)
Income tax effect relating to components of other comprehensive income	1,339	(9,834)	(4,622)	(31,836)
	<u>(3,742)</u>	<u>26,276</u>	<u>11,207</u>	<u>95,472</u>
Items that will not be reclassified to profit or loss				
Movement in fair value reserve (equity instruments):				
Net change in fair value	(140)	790	1,119	369
Other comprehensive income for the period, net of tax	<u>(3,882)</u>	<u>27,066</u>	<u>12,326</u>	<u>95,841</u>
Total comprehensive income for the period	<u>134,196</u>	<u>163,203</u>	<u>281,136</u>	<u>350,066</u>
Attributable to:				
Equity holders of the Bank	133,284	163,203	278,664	350,066
Non-controlling interest	912	-	2,472	-
Total comprehensive income for the period	<u>134,196</u>	<u>163,203</u>	<u>281,136</u>	<u>350,066</u>

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Bank for the financial year ended 31 December 2023.

**Bank Islam Malaysia Berhad [Registration No. 198301002944 (98127-X)]
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Statements of Profit or Loss for the six months ended 30 June 2024

Bank	Note	3 months ended		6 months ended	
		30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Income derived from investment of depositors' funds	19	835,160	801,184	1,656,446	1,603,313
Income derived from investment account funds	20	178,121	186,084	364,376	360,494
Income derived from investment of shareholders' funds	21	126,304	208,058	251,916	330,682
Net allowance for impairment on financing and advances, net of recoveries	22	(35,230)	(61,631)	(77,519)	(123,601)
Net allowance for impairment on other financial assets		1,079	62	1,180	204
Direct expenses		(4,044)	(3,861)	(8,409)	(7,474)
Total distributable income		1,101,390	1,129,896	2,187,990	2,163,618
Wakalah fees from restricted investment accounts		-	-	-	11
Income attributable to depositors	23	(421,443)	(420,209)	(842,921)	(838,124)
Income attributable to investment account holders	24	(98,579)	(90,988)	(204,576)	(170,384)
Total net income		581,368	618,699	1,140,493	1,155,121
Personnel expenses	25	(213,809)	(205,730)	(423,503)	(407,483)
Other overhead expenses	26	(154,547)	(119,299)	(304,210)	(263,589)
		213,012	293,670	412,780	484,049
Finance cost	27	(28,092)	(27,450)	(56,236)	(54,686)
Profit before zakat and tax		184,920	266,220	356,544	429,363
Zakat		(3,750)	(3,750)	(7,500)	(7,500)
Tax expense	B5	(44,309)	(44,145)	(85,524)	(83,720)
Profit for the period		136,861	218,325	263,520	338,143

**Bank Islam Malaysia Berhad [Registration No. 198301002944 (98127-X)]
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Statements of Other Comprehensive Income for the six months ended 30 June 2024

Bank	3 months ended		6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Profit for the period	<u>136,861</u>	<u>218,325</u>	<u>263,520</u>	<u>338,143</u>
Other comprehensive income, net of tax:				
Items that are or may be reclassified subsequently to profit or loss				
Currency translation differences in respect of Labuan operations	504	(4,929)	(3,127)	(5,413)
Movement in fair value reserve (debt instruments):				
Net change in fair value	3,926	55,527	35,370	175,184
Changes in expected credit loss	50	62	151	204
Net amount transferred to profit or loss	(9,560)	(14,615)	(16,586)	(42,738)
Income tax effect relating to components of other comprehensive income	1,339	(9,834)	(4,622)	(31,836)
	<u>(3,741)</u>	<u>26,211</u>	<u>11,186</u>	<u>95,401</u>
Items that will not be reclassified to profit or loss				
Movement in fair value reserve (equity instruments):				
Net change in fair value	(140)	790	1,119	369
Other comprehensive income for the period, net of tax	<u>(3,881)</u>	<u>27,001</u>	<u>12,305</u>	<u>95,770</u>
Total comprehensive income for the period	<u>132,980</u>	<u>245,326</u>	<u>275,825</u>	<u>433,913</u>

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

Consolidated Statement of Changes in Equity for the six months ended 30 June 2024

Group	<i>Attributable to equity holders of the Bank</i>				
	← Non-distributable →	← Distributable →			
	Share capital RM'000	Other reserves RM'000	Retained earnings RM'000	Non- controlling interest RM'000	Total equity RM'000
At 1 January 2024	3,888,725	254,478	3,257,009	-	7,400,212
Profit for the period			266,338	2,472	268,810
Currency translation difference in respect of Labuan operations	-	(3,106)	-	-	(3,106)
Fair value reserve (debt instruments):					
Net change in fair value	-	35,370	-	-	35,370
Changes in expected credit loss	-	151	-	-	151
Net amount transferred to profit or loss	-	(16,586)	-	-	(16,586)
Income tax effect relating to components of other comprehensive income	-	(4,622)	-	-	(4,622)
Fair value reserve (equity instruments):					
Net change in fair value	-	1,119	-	-	1,119
Total comprehensive income for the period	-	12,326	266,338	2,472	281,136
Transfer to regulatory reserve	-	37,500	(37,500)	-	-
Effect on predecessor accounting	-	(343)	-	-	(343)
Dividends paid on ordinary shares	-	-	(95,645)	-	(95,645)
At 30 June 2024	3,888,725	303,961	3,390,202	2,472	7,585,360

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Consolidated Statement of Changes in Equity for the six months ended 30 June 2024 (continued)

Group	<i>← Attributable to equity holders →</i>			
	<i>← Non-distributable →</i>	<i>← Distributable →</i>		
	Share capital RM'000	Other Reserves RM'000	Retained earnings RM'000	Total Equity RM'000
At 1 January 2023	3,645,043	54,596	3,096,604	6,796,243
Profit for the period	-	-	254,225	254,225
Currency translation difference in respect of Labuan operations	-	(5,342)	-	(5,342)
Fair value reserve (debt instruments):				
Net change in fair value	-	175,184	-	175,184
Changes in expected credit loss	-	204	-	204
Net amount transferred to profit or loss	-	(42,738)	-	(42,738)
Income tax effect relating to components of other comprehensive income	-	(31,836)	-	(31,836)
Fair value reserve (equity instruments):				
Net change in fair value	-	369	-	369
Total comprehensive income for the period	-	95,841	254,225	350,066
Transfer to regulatory reserve	-	29,000	(29,000)	-
Dividend paid on ordinary shares	-	-	(76,296)	(76,296)
Issue of shares pursuant to Dividend Reinvestment Plan	243,682	-	-	243,682
At 30 June 2023	3,888,725	179,437	3,245,533	7,313,695

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Bank for the financial year ended 31 December 2023.

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Statement of Changes in Equity for the six months ended 30 June 2024

	<i>Attributable to equity holders</i>			
	← Non-distributable →	← Distributable →		→
Bank	Share capital RM'000	Other Reserves RM'000	Retained earnings RM'000	Total Equity RM'000
At 1 January 2024	3,888,725	143,590	3,348,297	7,380,612
Profit for the period			263,520	263,520
Currency translation difference in respect of Labuan operations	-	(3,127)	-	(3,127)
Fair value reserve (debt instruments):				
Net change in fair value	-	35,370	-	35,370
Changes in expected credit loss	-	151	-	151
Net amount transferred to profit or loss	-	(16,586)	-	(16,586)
Income tax effect relating to components of other comprehensive income	-	(4,622)	-	(4,622)
Fair value reserve (equity instruments):				
Net change in fair value	-	1,119	-	1,119
Total comprehensive income for the period	-	12,305	263,520	275,825
Transfer to regulatory reserve	-	37,500	(37,500)	-
Dividends paid on ordinary shares	-	-	(95,645)	(95,645)
At 30 June 2024	3,888,725	193,395	3,478,672	7,560,792

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Statement of Changes in Equity for the six months ended 30 June 2024 (continued)

	<i>←— Attributable to equity holders —→</i>			
	<i>←— Non-distributable —→</i>	<i>←— Distributable —→</i>		
Bank	Share capital RM'000	Other Reserves RM'000	Retained earnings RM'000	Total Equity RM'000
At 1 January 2023	3,645,043	(56,368)	3,105,912	6,694,587
Profit for the period			338,143	338,143
Currency translation difference in respect of Labuan operations	-	(5,413)	-	(5,413)
Fair value reserve (debt instruments):				
Net change in fair value	-	175,184	-	175,184
Changes in expected credit loss	-	204	-	204
Net amount transferred to profit or loss	-	(42,738)	-	(42,738)
Income tax effect relating to components of other comprehensive income	-	(31,836)	-	(31,836)
Fair value reserve (equity instruments):				
Net change in fair value	-	369	-	369
Total comprehensive income for the period	-	95,770	338,143	433,913
Transfer to regulatory reserve	-	29,000	(29,000)	-
Dividend paid on ordinary shares	-	-	(76,296)	(76,296)
Issue of shares pursuant to Dividend Reinvestment Plan	243,682	-	-	243,682
At 30 June 2023	3,888,725	68,402	3,338,759	7,295,886

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Bank for the financial year ended 31 December 2023.

Bank Islam Malaysia Berhad [Registration No. 198301002944 (98127-X)]**(Incorporated in Malaysia)****Unaudited Interim Financial Statements****Statements of Cash Flow for the six months ended 30 June 2024**

	Group		Bank	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Profit before zakat and tax	362,654	345,670	356,544	429,363
Adjustment for:				
Depreciation of property and equipment	27,385	26,678	27,121	26,265
Amortisation of intangible assets	7,747	8,997	7,747	8,997
Depreciation of right-of-use assets	9,088	9,050	8,923	8,795
Property and equipment provision written-off	125	336	103	336
Allowance for impairment on financing, advances and others	134,691	163,436	134,691	163,436
Net allowance for impairment on other financial assets	(502)	(204)	(502)	(204)
Net loss/ (gain) on sale of financial assets at FVTPL	1,248	(3,475)	1,500	(3,475)
Net gain on sale of financial assets at FVOCI	(16,586)	(42,738)	(16,586)	(42,738)
Fair value gain on financial assets at FVTPL	(2,442)	(2,223)	(1,293)	(2,225)
Dividend from subsidiary	-	-	-	(80,000)
Dividend from unit trust	(1,432)	(1,168)	(1,183)	(817)
Dividend from financial assets at FVOCI	(489)	-	(322)	-
Income from rebate on investment in unit trust	-	-	(265)	(424)
Net derivatives gain	-	(1)	-	(1)
Finance cost on sukuk and capital securities	48,417	46,490	48,417	46,490
Profit expense on lease	7,880	8,204	7,819	8,196
Operating profit before changes in assets and liabilities	577,784	559,052	572,714	561,994
Changes in assets and liabilities:				
Deposits and placements of banks and other financial institutions	481,446	1,743,186	481,446	1,743,186
Financing, advances and others	(638,984)	(766,853)	(638,984)	(766,853)
Statutory deposits with Bank Negara Malaysia	15,506	(20,263)	15,506	(20,263)
Other financial asset at amortised cost	158,522	179,026	150,060	154,101
Deposits from customers	2,047,557	(3,702,698)	2,065,932	(3,798,301)
Investment account of customers	343,582	840,404	383,495	743,436
Bills and acceptance payables	22,680	9,824	22,680	9,824
Other liabilities	(504,728)	(543,886)	(541,385)	(404,545)
Recourse obligation on financing sold to Cagamas	(500,533)	(1,001,014)	(500,533)	(1,001,014)

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Statements of Cash Flow for the six months ended 30 June 2024 (continued)

	Group		Bank	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Cash generated from/ (used in) operations	2,002,832	(2,703,222)	2,010,931	(2,778,435)
Zakat paid	(11,446)	(13,715)	(11,432)	(13,630)
Tax paid	(83,921)	(100,336)	(83,426)	(100,000)
Tax refund	-	1	-	-
Net cash generated from/ (used in) operating activities	1,907,465	(2,817,272)	1,916,073	(2,892,065)
Cash flows from investing activities				
Purchase of property and equipment	(48,597)	(40,182)	(47,598)	(39,920)
Purchase of intangible assets	(9,088)	(3,541)	(9,088)	(3,541)
Increase in investment in subsidiary	-	-	-	(5,000)
Dividend from subsidiary	-	-	-	80,000
Dividend from unit trust	1,432	1,168	1,183	817
Dividend from financial assets at FVOCI	489	-	322	-
Income from rebate on investment in unit trust	-	-	265	424
Net proceeds from purchase of securities	(2,520,002)	(1,605,094)	(2,507,303)	(1,604,742)
Net cash used in investing activities	(2,575,766)	(1,647,649)	(2,562,219)	(1,571,962)
Cash flows from financing activities				
Dividend paid on ordinary shares	(95,645)	(56,762)	(95,645)	(56,762)
Finance cost paid on sukuk and capital securities	(48,717)	(47,063)	(48,717)	(47,063)
Payment of lease liabilities	(16,380)	(13,200)	(16,166)	(12,915)
Net cash used in financing activities	(160,742)	(117,025)	(160,528)	(116,740)
Net decrease in cash and cash equivalents	(829,043)	(4,581,946)	(806,674)	(4,580,767)
Cash and cash equivalents as at beginning of year	4,714,465	7,145,114	4,678,243	7,128,159
Exchange difference on translation	(3,107)	(5,346)	(3,127)	(5,408)
Cash and cash equivalents as at end of period	3,882,315	2,557,822	3,868,442	2,541,984

The Unaudited Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and of the Bank for the financial year ended 31 December 2023.

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Notes to the unaudited interim financial statements for the six months ended 30 June 2024

1. Basis of preparation

The unaudited interim financial statements of the Group and of the Bank for the financial period ended 30 June 2024 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 2023. 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 2023.

The material 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 2023, except for the adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRS”):

- Amendments to MFRS 101, *Classification of liabilities as current or non-current* (2020 amendments) and *Non-current Liabilities with Covenants* (2022 amendments)
- Amendments to MFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 107 and MFRS 7, *Supplier Finance Arrangements*

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 2023 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 in the six months ended 30 June 2024.

4. Unusual items

There were no unusual items in the six months ended 30 June 2024.

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 2024.

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6. Changes in debt and equity securities

There were no changes to debt and equity securities and no share buy-back during the financial period ended 30 June 2024.

7. Subsequent events during the six months ended 30 June 2024

On 15 July 2024, the Bank has issued the sixth tranche of the Subordinated Sukuk Murabahah amounting to RM400 million and RM600 million under the Sukuk Murabahah Programme with a profit rate of 4.01% and 4.13% per annum respectively. There was no subsequent event other than disclosed above.

8. Cash and short-term funds

	Group		Bank	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	871,000	936,629	861,649	933,427
Money at call and interbank placements with remaining maturity not exceeding three months	3,011,315	3,777,836	3,006,793	3,744,816
	3,882,315	4,714,465	3,868,442	4,678,243

9. Financial assets at fair value through profit and loss ("FVTPL")

	Group		Bank	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Malaysian Government Investment Issues	1,214,777	417,999	1,214,777	417,999
Unit trust	19,807	21,799	7,756	6,997
Malaysian Islamic Treasury Bills	49,308	-	49,308	-
Bank Negara Monetary Notes	-	489,246	-	489,246
Islamic Commercial Papers	145,210	-	145,210	-
Corporate Sukuk	383,977	286,725	80,405	4
	1,813,079	1,215,769	1,497,456	914,246

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.

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10. Derivative financial assets/ liabilities (continued)

Group and Bank	30.06.2024			31.12.2023		
	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	11,248,387	25,201	(21,863)	8,651,500	68,402	(56,539)
Profit rate swaps	-	-	-	3,343	10	(9)
	11,248,387	25,201	(21,863)	8,654,843	68,412	(56,548)

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

	Group		Bank	
	30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
Financial assets at FVOCI:				
(a) Debt instruments	13,984,532	12,430,426	13,984,532	12,430,426
(b) Equity instruments	90,901	89,782	92,260	91,141
	14,075,433	12,520,208	14,076,792	12,521,567

(a) Debt instrument at FVOCI

	Group and Bank	
	30.06.2024 RM'000	31.12.2023 RM'000
Malaysian Government Investment Issues	6,105,065	4,550,080
Corporate Sukuk	7,879,467	7,320,739
Bank Negara Monetary Notes	-	399,534
Islamic Commercial Paper	-	160,073
	13,984,532	12,430,426

Movement of allowance for impairment on financial assets at FVOCI:

Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2023	231	481	10,500	11,212
Transfer to Stage 1	40	(40)	-	-
Changes in credit risk	(51)	(86)	4,336	4,199
Purchases and origination	86	-	-	86
Derecognition and disposal	(78)	(65)	-	(143)
At 31 December 2023/ 1 January 2024	228	290	14,836	15,354
Changes in credit risk	(23)	(156)	-	(179)
Purchases and origination	54	-	-	54
Derecognition and disposal	(26)	-	-	(26)
At 30 June 2024	233	134	14,836	15,203

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

(b) Equity instrument at FVOCI

	Group		Bank	
	30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
Quoted Shares				
- outside Malaysia	<u>7,436</u>	<u>6,317</u>	<u>7,436</u>	<u>6,317</u>
Unquoted Shares				
- in Malaysia	<u>83,448</u>	<u>83,448</u>	<u>84,807</u>	<u>84,807</u>
- outside Malaysia	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>
	<u>83,465</u>	<u>83,465</u>	<u>84,824</u>	<u>84,824</u>
	<u>90,901</u>	<u>89,782</u>	<u>92,260</u>	<u>91,141</u>

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

	Group and Bank	
	30.06.2024 RM'000	31.12.2023 RM'000
<i>Debt instrument at amortised cost:</i>		
Malaysian Government Investment Issues	<u>2,463,266</u>	<u>1,875,465</u>
Corporate sukuk	<u>1,022,512</u>	<u>745,458</u>
Bank Negara negotiable notes	<u>-</u>	<u>499,307</u>
Malaysian Islamic Treasury Bills	<u>49,724</u>	<u>-</u>
Islamic Commercial Papers	<u>25,007</u>	<u>-</u>
	<u>3,560,509</u>	<u>3,120,230</u>

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13. Financing, advances and others

(a) By type and Shariah contract

Group and Bank 30.06.2024	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Bai' Al-Dayn RM'000	Bai' Al-Inah RM'000	At-Tawarruq RM'000	^Ijarah Muntahiah Bit-Tamleek RM'000	Istisna' RM'000	Total RM'000
At amortised cost								
Cash line	-	-	-	-	1,619,833	-	-	1,619,833
Term financing								
House financing	2,318,714	-	-	-	25,128,084	-	32,905	27,479,703
Syndicated financing	-	-	-	-	1,021,427	-	-	1,021,427
Leasing financing	-	-	-	-	-	148,556	-	148,556
Personal financing	-	-	-	-	20,807,855	-	-	20,807,855
Other term financing	129,883	2,093,360	-	1,073	12,608,671	-	730	14,833,717
Staff financing	27,653	28,053	-	-	594,402	-	4,335	654,443
Credit cards	-	-	-	-	542,750	-	-	542,750
Trade bills discounted	-	615,932	58,449	-	142,129	-	-	816,510
Trust receipts	-	5,225	-	-	-	-	-	5,225
Pawn broking	-	-	-	-	178,064	-	-	178,064
	2,476,250	2,742,570	58,449	1,073	62,643,215	148,556	37,970	68,108,083

Allowance for impairment on financing, advances and others

- Stage 1	(306,257)
- Stage 2	(266,848)
- Stage 3	(213,570)
Net financing, advances and others	67,321,408

^ 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.

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13. Financing, advances and others (continued)

(a) By type and Shariah contract (continued)

Group and Bank 31.12.2023	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Bai' Al-Dayn RM'000	At-Tawarruq RM'000	^Ijarah Muntahiah Bit-Tamleek RM'000	Istisna' RM'000	Total RM'000
At amortised cost							
Cash line	-	-	-	1,512,926	-	-	1,512,926
Term financing							
House financing	2,449,530	-	-	24,568,611	-	35,525	27,053,666
Syndicated financing	-	-	-	1,049,780	-	-	1,049,780
Leasing financing	-	-	-	-	127,324	-	127,324
Bridging financing	-	-	-	-	-	2,074	2,074
Personal financing	-	-	-	20,284,237	-	-	20,284,237
Other term financing	142,781	1,797,505	-	13,586,508	-	812	15,527,606
Staff financing	29,867	24,074	-	559,185	-	4,756	617,882
Credit cards	-	-	-	544,179	-	-	544,179
Trade bills discounted	-	622,819	69,839	35,244	-	-	727,902
Trust receipts	-	8,003	-	-	-	-	8,003
Pawn broking	-	-	-	169,210	-	-	169,210
	<u>2,622,178</u>	<u>2,452,401</u>	<u>69,839</u>	<u>62,309,880</u>	<u>127,324</u>	<u>43,167</u>	<u>67,624,789</u>
Allowance for impairment on financing, advances and others							
- Stage 1							(302,306)
- Stage 2							(282,324)
- Stage 3							(223,044)
Net financing, advances and others							<u>66,817,115</u>

^ 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.

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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	
		30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
House financing					
Unrestricted					
Investment Accounts	17(a)	13,942,008	13,356,777	13,971,684	13,366,496
Sold to Cagamas with recourse	B8(a)	1,503,796	2,004,329	1,503,796	2,004,329
		<u>15,445,804</u>	<u>15,361,106</u>	<u>15,475,480</u>	<u>15,370,825</u>
Personal financing					
Unrestricted					
Investment Accounts	17(a)	3,474,730	3,716,379	3,504,405	3,726,098

(b) By type of customer

	Group and Bank	
	30.06.2024 RM'000	31.12.2023 RM'000
Domestic banking institutions	88	200,052
Domestic non-bank financial institutions	1,013,476	804,182
Domestic business enterprise	10,328,448	11,095,362
Small and medium industries	2,940,792	2,739,497
Government and statutory bodies	1,690,089	1,910,528
Individuals	51,986,738	50,718,810
Other domestic entities	11,895	18,008
Foreign entities	136,557	138,350
	<u>68,108,083</u>	<u>67,624,789</u>

(c) By profit rate sensitivity

	Group and Bank	
	30.06.2024 RM'000	31.12.2023 RM'000
Fixed rate		
House financing	934,719	940,957
Others	6,487,054	6,299,591
Floating rate		
House financing	27,242,322	26,802,712
Others	33,443,988	33,581,529
	<u>68,108,083</u>	<u>67,624,789</u>

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13. Financing, advances and others (continued)

(d) By remaining contractual maturity

	Group and Bank	
	30.06.2024	31.12.2023
	RM'000	RM'000
Maturity within one year	6,343,133	6,895,986
More than one year to three years	2,187,117	1,772,141
More than three years to five years	3,474,873	3,865,750
More than five years	<u>56,102,960</u>	<u>55,090,912</u>
	<u>68,108,083</u>	<u>67,624,789</u>

(e) By geographical distribution

	Group and Bank	
	30.06.2024	31.12.2023
	RM'000	RM'000
Central Region	31,630,484	31,685,138
Eastern Region	10,237,356	10,201,039
Northern Region	9,315,363	9,175,037
Southern Region	11,714,820	11,468,449
East Malaysia Region	<u>5,210,060</u>	<u>5,095,126</u>
	<u>68,108,083</u>	<u>67,624,789</u>

(f) By sector

	Group and Bank	
	30.06.2024	31.12.2023
	RM'000	RM'000
Primary agriculture	794,747	842,037
Mining and quarrying	292,132	127,543
Manufacturing (including agro-based)	602,991	607,523
Electricity, gas and water	2,585,961	2,358,054
Wholesale & retail trade, and hotels & restaurants	1,233,935	1,257,455
Construction	1,354,117	1,470,233
Transport, storage and communications	1,890,785	2,801,628
Finance, insurance, real estate and business activities	5,801,399	5,804,729
Education, health and others	1,558,645	1,630,380
Household sectors	<u>51,993,371</u>	<u>50,725,207</u>
	<u>68,108,083</u>	<u>67,624,789</u>

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13. Financing, advances and others (continued)

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

	Group and Bank	
	30.06.2024	31.12.2023
	RM'000	RM'000
At 1 January 2024/ 2023	635,966	835,232
Classified as impaired during the period/ year	428,555	909,473
Reclassified as not impaired during the period/ year	(225,736)	(475,758)
Amount repaid	(58,124)	(126,281)
Amount written-off	(153,183)	(506,700)
At 30 June 2024/ 31 December 2023	<u>627,478</u>	<u>635,966</u>
Gross impaired financing as a percentage of gross financing, advances and others	<u>0.92%</u>	<u>0.94%</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

	Group and Bank	
	30.06.2024	31.12.2023
	RM'000	RM'000
Central Region	250,127	255,845
Eastern Region	120,521	123,232
Northern Region	157,010	152,661
Southern Region	67,794	73,459
East Malaysia Region	32,026	30,769
	<u>627,478</u>	<u>635,966</u>

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13. Financing, advances and others (continued)

(i) Impaired financing by sector

	Group and Bank	
	30.06.2024	31.12.2023
	RM'000	RM'000
Primary agriculture	859	815
Mining and quarrying	115	106
Manufacturing (including agro-based)	39,136	36,476
Electricity, gas and water	2,503	2,415
Wholesale & retail trade, and hotels & restaurants	89,608	88,658
Construction	42,724	34,675
Transport, storage and communications	21,583	7,286
Finance, insurance, real estate and business activities	50,989	52,966
Education, health and others	16,747	7,633
Household sectors	363,213	404,936
	627,478	635,966

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

Group and Bank	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	366,051	224,397	449,415	1,039,863
Transfer to Stage 1	5,248	(4,869)	(379)	-
Transfer to Stage 2	(15,402)	18,391	(2,989)	-
Transfer to Stage 3	(1,109)	(13,217)	14,326	-
Changes in credit risk	(101,889)	62,188	283,606	243,905
New financial assets originated or purchased	98,761	10,256	1,971	110,988
Financial assets that have been derecognised	(50,975)	(14,822)	(16,206)	(82,003)
Write-offs	-	-	(506,700)	(506,700)
Exchange differences	1,621	-	-	1,621
At 31 December 2023/1 January 2024	302,306	282,324	223,044	807,674
Transfer to Stage 1	5,716	(5,655)	(61)	-
Transfer to Stage 2	(7,836)	11,637	(3,801)	-
Transfer to Stage 3	(942)	(17,900)	18,842	-
Changes in credit risk	(12,274)	(4,882)	130,288	113,132
New financial assets originated or purchased	41,151	5,710	2,368	49,229
Financial assets that have been derecognised	(19,357)	(4,386)	(3,927)	(27,670)
Write-offs	-	-	(153,183)	(153,183)
Exchange differences	(2,507)	-	-	(2,507)
At 30 June 2024	306,257	266,848	213,570	786,675

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14. Other financial assets at AC

	Group		Bank	
	30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
Other receivables	647,112	797,740	559,940	702,631
Deposit and prepayments	69,383	68,579	63,726	61,563
Related companies*	1,173	1,136	1,959	2,756
	<u>717,668</u>	<u>867,455</u>	<u>625,625</u>	<u>766,950</u>
Less: Allowance for impairment				
Stage 3				
- Other receivables	<u>(3,642)</u>	<u>(3,642)</u>	<u>(3,642)</u>	<u>(3,642)</u>
	<u><u>714,026</u></u>	<u><u>863,813</u></u>	<u><u>621,983</u></u>	<u><u>763,308</u></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	
	30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
Right-of-use assets (Buildings)				
As at 1 January 2024/ 2023	167,436	184,383	166,624	183,959
Addition	3,419	1,148	1,588	268
Depreciation	(9,088)	(18,095)	(8,923)	(17,603)
Effects of movement in exchange rates	7	-	7	-
As at 30 June 2024/ 31 December 2023	<u>161,774</u>	<u>167,436</u>	<u>159,296</u>	<u>166,624</u>
Lease liabilities				
As at 1 January 2024/ 2023	281,174	295,585	280,359	295,167
Addition	3,670	1,148	1,588	268
Payment of lease liabilities	(16,380)	(31,756)	(16,166)	(31,257)
Finance cost	7,880	16,213	7,819	16,197
Effects of movement in exchange rates	5	(16)	5	(16)
As at 30 June 2024/ 31 December 2023	<u>276,349</u>	<u>281,174</u>	<u>273,605</u>	<u>280,359</u>

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16. Deposits from customers

a) By type and Shariah contract

	Group		Bank	
	30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
Saving Deposit				
<i>Qard</i>	6,438,587	6,335,945	6,438,587	6,335,945
Demand Deposit				
<i>Qard</i>	12,152,560	14,409,951	12,160,299	14,427,425
Term Deposit	42,358,506	38,154,123	42,395,592	38,163,099
General Investment Deposit <i>Mudharabah</i>	99,185	98,453	99,185	98,453
Term Deposit – i <i>Tawarruq</i>	42,139,298	37,586,078	42,176,384	37,595,054
Negotiable Islamic Debt Certificates (NIDC)	120,023	469,592	120,023	469,592
Others	114,035	116,112	114,035	116,112
	<u>61,063,688</u>	<u>59,016,131</u>	<u>61,108,513</u>	<u>59,042,581</u>

b) Maturity structure of term deposits are as follows:

	Group		Bank	
	30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
Due within six months	21,754,912	18,671,414	21,755,250	18,672,999
More than six months to one year	12,119,272	9,079,915	12,145,889	9,086,529
More than one year to three years	6,000,600	7,945,453	6,010,731	7,946,230
More than three years to five years	2,483,722	2,457,341	2,483,722	2,457,341
	<u>42,358,506</u>	<u>38,154,123</u>	<u>42,395,592</u>	<u>38,163,099</u>

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16. Deposits from customers (continued)

c) By type of customers

	Group		Bank	
	30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
Domestic non-bank financial institutions	9,062,140	8,588,760	9,106,965	8,615,210
Business enterprises	20,506,356	19,003,287	20,506,356	19,003,287
Government and statutory bodies	18,785,625	17,652,496	18,785,625	17,652,496
Individuals	9,678,646	9,964,048	9,678,646	9,964,048
Domestic banking institutions	3,409	151,135	3,409	151,135
Others	3,027,512	3,656,405	3,027,512	3,656,405
	<u>61,063,688</u>	<u>59,016,131</u>	<u>61,108,513</u>	<u>59,042,581</u>

17. Investment accounts of customers

(a) By type and Shariah contract

	Group		Bank	
	30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
Unrestricted investment accounts				
Without maturity				
<i>Mudharabah</i>	10,467,279	9,640,398	10,467,279	9,640,398
- <i>Saving</i>	5,236,175	4,988,665	5,236,175	4,988,665
- <i>Demand</i>	5,231,104	4,651,733	5,231,104	4,651,733
With maturity				
<i>Wakalah</i>	6,949,459	7,432,758	7,008,810	7,452,196
	<u>17,416,738</u>	<u>17,073,156</u>	<u>17,476,089</u>	<u>17,092,594</u>
Investment portfolio:				
- <i>House financing</i>	13,942,008	13,356,777	13,971,684	13,366,496
- <i>Personal financing</i>	3,474,730	3,716,379	3,504,405	3,726,098
	<u>17,416,738</u>	<u>17,073,156</u>	<u>17,476,089</u>	<u>17,092,594</u>

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17. Investment accounts of customers (continued)

(b) By type of customers

	Group		Bank	
	30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
Individuals	5,645,438	5,307,749	5,645,438	5,307,749
Government and statutory bodies	8,282,714	7,144,465	8,282,714	7,144,465
Business enterprises	1,636,229	2,390,058	1,636,229	2,390,058
Non-bank financial institutions	1,649,312	2,067,393	1,708,663	2,086,831
Others	203,045	163,491	203,045	163,491
	<u>17,416,738</u>	<u>17,073,156</u>	<u>17,476,089</u>	<u>17,092,594</u>

18. Other liabilities

	Group		Bank	
	30.06.2024 RM'000	31.12.2023 RM'000	30.06.2024 RM'000	31.12.2023 RM'000
Other payables	1,283,815	1,398,449	1,252,945	1,340,407
Dividend payable	-	285,349	-	285,349
Advance payment	449,605	555,746	449,476	555,596
Accruals	68,323	95,924	66,888	94,657
Other liabilities due to third party investors	127,405	63,625	-	-
	<u>1,929,148</u>	<u>2,399,093</u>	<u>1,769,309</u>	<u>2,276,009</u>

19. Income derived from investment of depositors' funds

Group and Bank	3 months ended		6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Income derived from investment of:				
(i) Saving and demand deposits	270,688	257,812	545,795	520,375
(ii) General investment deposits	1,708	1,752	3,417	3,606
(iii) Term deposit-i	561,053	524,710	1,102,166	1,058,550
(iv) Other deposits	1,711	16,910	5,068	20,782
	<u>835,160</u>	<u>801,184</u>	<u>1,656,446</u>	<u>1,603,313</u>

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

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

Group and Bank	3 months ended		6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Finance income and hibah				
Financing, advances and others	229,205	216,365	462,172	432,916
Financial assets:				
- at FVTPL	4,360	2,618	8,028	4,119
- at FVOCI	21,176	16,309	41,012	32,514
- at AC	9,593	8,417	19,430	16,099
Money at call and deposit with financial institutions	3,868	9,052	10,140	20,446
	268,202	252,761	540,782	506,094
Other dealing income				
Net (loss)/ gain from sale of financial assets at FVTPL	(738)	869	(507)	1,176
Net gain/ (loss) on revaluation of financial assets at FVTPL	169	(519)	103	(837)
	(569)	350	(404)	339
Other operating income				
Net gain from sale of financial assets at FVOCI	3,054	4,701	5,416	13,942
	3,054	4,701	5,416	13,942
Other income				
Gain on disposal of leased assets	1	-	1	-
	270,688	257,812	545,795	520,375
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	4,087	7,786	9,176	12,210
<i>Unwinding of net modification loss</i>	1,235	1,647	2,815	3,872

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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	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Finance income and hibah				
Financing, advances and others	1,491	1,524	2,987	3,112
Financial assets:				
- at FVTPL	22	15	41	23
- at FVOCI	110	90	210	184
- at AC	50	46	100	91
Money at call and deposits with financial institutions	21	49	52	115
	<u>1,694</u>	<u>1,724</u>	<u>3,390</u>	<u>3,525</u>
Other dealing income				
Net (loss)/ gain from sale of financial assets at FVTPL	(3)	5	(2)	6
Net gain/ (loss) on revaluation of financial assets at FVTPL	1	(3)	1	(5)
	<u>(2)</u>	<u>2</u>	<u>(1)</u>	<u>1</u>
Other operating income				
Net gain from sale of financial assets at FVOCI	16	26	28	80
	<u>1,708</u>	<u>1,752</u>	<u>3,417</u>	<u>3,606</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	21	43	47	69
<i>Unwinding of net modification loss</i>	6	9	14	22

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

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

Group and Bank	3 months ended		6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Finance income and hibah				
Financing, advances and others	474,698	440,881	932,981	881,215
Financial assets:				
- at FVTPL	9,043	5,362	16,300	8,453
- at FVOCI	43,887	33,117	82,943	66,067
- at AC	19,885	17,114	39,250	32,740
Money at call and deposits with financial institutions	7,933	18,221	20,160	41,426
	555,446	514,695	1,091,634	1,029,901
Other dealing income				
Net (loss)/ gain from sale of financial assets at FVTPL	(1,450)	1,690	(989)	2,254
Net gain/ (loss) on revaluation of financial assets at FVTPL	586	(1,243)	427	(1,874)
	(864)	447	(562)	380
Other operating income				
Net gain from sale of financial assets at FVOCI	6,471	9,568	11,093	28,269
	6,471	9,568	11,093	28,269
Other income				
Gain on disposal of leased assets	-	-	1	-
	561,053	524,710	1,102,166	1,058,550
<i>of which</i>				
Financing income earned on impaired financing	8,463	16,213	18,496	25,230
Unwinding of net modification loss	2,554	3,356	5,666	7,890

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

(iv) Income derived from investment of other deposits

Group and Bank	3 months ended		6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Finance income and hibah				
Financing, advances and others	1,448	14,216	4,285	17,412
Financial assets:				
- at FVTPL	28	173	66	200
- at FVOCI	133	1,061	369	1,300
- at AC	61	547	178	661
Money at call and deposits with financial institutions	24	602	120	776
	<u>1,694</u>	<u>16,599</u>	<u>5,018</u>	<u>20,349</u>
Other dealing income				
Net (loss)/ gain from sale of financial assets at FVTPL	(4)	41	(2)	39
Net gain/ (loss) on revaluation of financial assets at FVTPL	2	(50)	3	(53)
	<u>(2)</u>	<u>(9)</u>	<u>1</u>	<u>(14)</u>
Other operating income				
Net gain from sale of financial assets at FVOCI	19	320	49	447
	<u>1,711</u>	<u>16,910</u>	<u>5,068</u>	<u>20,782</u>
<i>of which</i>				
<i>Financing income earned on impaired financing</i>	26	430	83	498
<i>Unwinding of net modification loss</i>	7	110	26	143

20. Income derived from investment account funds

Group and Bank	3 months ended		6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Finance income				
Unrestricted investment accounts				
- <i>Mudharabah</i>	111,619	112,196	221,351	200,287
- <i>Wakalah</i>	65,597	72,498	141,223	156,610
Unwinding of net modification loss	905	1,390	1,802	3,597
	<u>178,121</u>	<u>186,084</u>	<u>364,376</u>	<u>360,494</u>

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21. Income derived from investment of shareholders' funds

Group	3 months ended		6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	3,749	3,564	7,387	6,941
Financial assets:				
Financial assets at FVTPL	1,893	-	3,771	-
Financial assets at FVOCI	50,023	45,950	99,077	92,482
Money at call and deposits with financial institutions	999	112	2,005	218
Income from Securities Purchase under SBBA	61	-	61	-
	<u>56,725</u>	<u>49,626</u>	<u>112,301</u>	<u>99,641</u>
<i>Other dealing income</i>				
Net gain from foreign exchange transactions	13,601	19,516	27,069	36,778
Net gain from sale of financial assets FVTPL	538	-	252	-
Net (loss)/ gain on revaluation of financial assets at FVTPL	(896)	2,579	1,908	4,992
Net derivatives gain	-	-	-	1
	<u>13,243</u>	<u>22,095</u>	<u>29,229</u>	<u>41,771</u>
<i>Other operating income</i>				
Dividend from:				
Unit trust	843	666	1,432	1,168
Financial assets at FVOCI	(5)	-	489	-
	<u>838</u>	<u>666</u>	<u>1,921</u>	<u>1,168</u>
<i>Fees and commission</i>				
Fees	49,373	47,275	99,688	90,369
Commission	8,985	7,412	17,550	15,350
Others	5,586	5,836	10,770	11,594
	<u>63,944</u>	<u>60,523</u>	<u>128,008</u>	<u>117,313</u>
<i>Other income</i>				
Rental income	185	188	369	369
Other income	49	35	119	74
	<u>234</u>	<u>223</u>	<u>488</u>	<u>443</u>
	<u>134,984</u>	<u>133,133</u>	<u>271,947</u>	<u>260,336</u>

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

Bank	3 months ended		6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
<i>Finance income and hibah</i>				
Financing, advances and others	3,749	3,564	7,387	6,941
Financial assets at FVOCI	50,023	45,950	99,077	92,482
Money at call and deposits with financial institutions	-	-	-	1
Income from Securities Purchase Under SBBA	61	-	61	-
	<u>53,833</u>	<u>49,514</u>	<u>106,525</u>	<u>99,424</u>
<i>Other dealing income</i>				
Net gain from foreign exchange transactions	13,595	19,514	27,047	36,776
Net gain on revaluation of financial assets at FVTPL	179	2,577	759	4,994
Net derivatives gain	-	-	-	1
	<u>13,774</u>	<u>22,091</u>	<u>27,806</u>	<u>41,771</u>
<i>Other operating income</i>				
Dividend from:				
Unit trust	719	488	1,183	817
Financial assets at FVOCI	-	-	322	-
Subsidiary	-	80,000	-	80,000
Income from rebate on investment in unit trust	136	111	265	424
	<u>855</u>	<u>80,599</u>	<u>1,770</u>	<u>81,241</u>
<i>Fees and commission</i>				
Fees	45,593	44,066	91,837	83,918
Commission	10,790	7,917	20,718	16,487
Others	1,157	3,562	2,610	7,218
	<u>57,540</u>	<u>55,545</u>	<u>115,165</u>	<u>107,623</u>
<i>Other income</i>				
Rental income	292	289	582	569
Other income	10	20	68	54
	<u>302</u>	<u>309</u>	<u>650</u>	<u>623</u>
	<u>126,304</u>	<u>208,058</u>	<u>251,916</u>	<u>330,682</u>

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22. Net allowance for impairment on financing and advances

Group and Bank	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Net allowance for impairment on financing, advances and others				
- Stage 1	11,814	(4,329)	9,520	(13,118)
- Stage 2	(20,555)	(159)	(3,558)	18,346
- Stage 3	75,164	87,977	128,729	158,208
	66,423	83,489	134,691	163,436
Bad debts and financing recovered	(31,193)	(21,858)	(57,172)	(39,835)
	35,230	61,631	77,519	123,601

23. Income attributable to depositors

Group	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Mudharabah fund	288	180	577	406
- Non-Mudharabah fund	396,495	389,615	793,723	773,272
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	-	-	-	-
- Non-Mudharabah fund	5,124	3,842	7,850	4,485
Recourse obligation on financing sold to Cagamas	19,177	26,475	40,094	59,804
	421,084	420,112	842,244	837,967

Bank

Deposits from customers				
- Mudharabah fund	288	180	577	406
- Non-Mudharabah fund	396,854	389,712	794,400	773,429
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	-	-	-	-
- Non-Mudharabah fund	5,124	3,842	7,850	4,485
Recourse obligation on financing sold to Cagamas	19,177	26,475	40,094	59,804
	421,443	420,209	842,921	838,124

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24. Income attributable to investment account holders

Group	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Unrestricted investment accounts				
- <i>Mudharabah</i>	32,123	34,498	65,920	53,038
- <i>Wakalah</i>	65,945	56,090	137,712	116,210
	98,068	90,588	203,632	169,248
Bank				
Unrestricted investment accounts				
- <i>Mudharabah</i>	32,123	34,498	65,920	53,038
- <i>Wakalah</i>	66,456	56,490	138,656	117,346
	98,579	90,988	204,576	170,384

25. Personnel expenses

Group	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	167,946	168,420	337,571	328,486
Directors' remuneration	921	1,068	2,526	2,696
Employees' Provident Fund	25,828	24,009	51,353	47,479
Other staff related costs	32,476	22,974	58,685	50,148
	227,171	216,471	450,135	428,809
Bank				
Salaries, allowances and bonuses	157,435	159,749	316,705	311,485
Directors' remuneration	757	862	2,180	2,273
Employees' Provident Fund	24,418	22,795	48,504	45,103
Other staff related costs	31,199	22,324	56,114	48,622
	213,809	205,730	423,503	407,483

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26. Other overhead expenses

Group	3 months ended		6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Promotion				
Credit and debit card expenses	20,860	16,305	40,955	33,418
Advertisement and publicity	2,900	4,782	6,153	11,645
Others	7,905	5,734	16,701	16,179
	<u>31,665</u>	<u>26,821</u>	<u>63,809</u>	<u>61,242</u>
Establishment				
Office rental	6,397	7,220	14,274	14,800
Depreciation of property and equipment	13,732	14,415	27,385	26,678
Amortisation of intangible assets	3,951	3,282	7,747	8,997
Depreciation right-of-use assets	4,589	4,526	9,088	9,050
Information technology expenses	34,562	15,664	72,175	43,367
Guarantee fees	2,652	2,061	4,455	3,937
Security services	2,295	2,581	4,859	5,118
Utilities	2,531	3,127	5,354	5,559
Office maintenance	2,321	2,446	5,320	5,526
Rental of equipment	1,513	1,475	3,281	2,936
Takaful	4,295	3,104	6,505	6,252
Others	-	-	281	283
	<u>78,838</u>	<u>59,901</u>	<u>160,724</u>	<u>132,503</u>
General expenses				
Outsourcing fees	3,159	5,192	5,224	8,866
Recruitment expenses	2,569	1,249	4,295	3,095
Postage	1,598	1,638	3,699	3,372
Office supplies	664	916	2,667	3,219
Travelling	1,805	1,699	3,481	2,998
Storage expenses	236	611	1,289	1,496
Subscription fees	3,302	2,072	6,122	5,076
SMS service charges	2,675	6,453	7,309	12,680
Security charges for cash in transit	955	1,237	2,015	2,444
Professional fees	2,207	1,533	5,073	3,547
Mobile banking expenses	2,163	1,675	4,586	3,130
Auditors' remuneration	601	1,179	1,441	2,429
Processing charges	533	429	1,621	947
Property and equipment written off	124	167	125	336
Bank and other charges	1,525	998	3,408	3,160
Ta'widh and waiver	681	455	1,502	1,333
Others	13,151	1,976	13,991	5,022
	<u>37,948</u>	<u>29,479</u>	<u>67,848</u>	<u>63,150</u>
	<u>148,451</u>	<u>116,201</u>	<u>292,381</u>	<u>256,895</u>

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26. Other overhead expenses (continued)

Bank	3 months ended		6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Promotion				
Credit and debit card expenses	20,860	16,305	40,955	33,418
Advertisement and publicity	2,613	4,775	5,717	11,623
Others	6,920	4,466	14,044	13,672
	<u>30,393</u>	<u>25,546</u>	<u>60,716</u>	<u>58,713</u>
Establishment				
Office rental	6,437	7,191	14,355	14,741
Depreciation of property and equipment	13,582	14,211	27,121	26,265
Amortisation of intangible assets	3,951	3,282	7,747	8,997
Depreciation right-of-use assets	4,507	4,398	8,923	8,795
Information technology expenses	34,365	15,663	71,773	43,367
Guarantee fees	2,652	2,061	4,455	3,937
Security services	2,295	2,581	4,859	5,118
Utilities	2,488	3,069	5,282	5,452
Office maintenance	2,220	2,312	5,141	5,268
Rental of equipment	1,478	1,403	3,206	2,792
Takaful	4,275	3,086	6,468	6,222
Others	-	-	281	283
	<u>78,250</u>	<u>59,257</u>	<u>159,611</u>	<u>131,237</u>
General expenses				
Outsourcing fees	13,754	11,440	23,498	22,094
Recruitment expenses	2,569	1,249	4,295	3,095
Postage	1,597	1,471	3,693	3,908
Office supplies	657	896	2,643	3,189
Travelling	1,730	1,755	3,349	3,124
Storage expenses	230	611	1,278	1,496
Subscription fees	2,748	2,072	4,930	5,073
SMS service charges	2,675	6,453	7,309	12,680
Security charges for cash in transit	955	1,237	2,015	2,444
Professional fees	2,338	1,434	5,107	3,354
Mobile banking expenses	2,163	2,176	4,586	4,029
Auditors' remuneration	524	511	1,297	1,023
Processing charges	533	429	1,621	947
Property and equipment written off	101	167	103	336
Bank and other charges	1,520	1,165	3,396	2,624
Ta'widh and waiver	681	455	1,502	1,333
Others	11,129	975	13,261	2,890
	<u>45,904</u>	<u>34,496</u>	<u>83,883</u>	<u>73,639</u>
	<u>154,547</u>	<u>119,299</u>	<u>304,210</u>	<u>263,589</u>

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27. Finance cost

Group	Note	3 months ended		6 months ended	
		30.06.2024	30.06.2023	30.06.2024	30.06.2023
		RM'000	RM'000	RM'000	RM'000
Finance cost:					
- Subordinated sukuk and capital securities		24,209	23,374	48,417	46,490
- Profit expense on leases	15	3,913	4,079	7,880	8,204
		28,122	27,453	56,297	54,694
Bank					
Finance cost:					
- Subordinated sukuk and capital securities		24,209	23,374	48,417	46,490
- Profit expense on leases	15	3,883	4,076	7,819	8,196
		28,092	27,450	56,236	54,686

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28. Segmental Reporting on Revenue, Profit and Assets

Group	Consumer Banking RM'000	Corporate and Commercial Banking RM'000	Treasury RM'000	Shareholders unit RM'000	Elimination RM'000	Total RM'000
<u>3 months ended 30 June 2024</u>						
Total Revenue	724,253	221,649	192,046	23,245	(12,928)	1,148,265
Net fund based income	356,688	161,887	40,976	(16,821)	-	542,730
Non-fund based income	48,671	8,519	21,768	19,483	(12,058)	86,383
Net income	405,359	170,406	62,744	2,662	(12,058)	629,113
Net allowance for impairment	(34,987)	(243)	1,079	(678)	-	(34,829)
Profit before overheads, zakat & tax	370,372	170,163	63,823	1,984	(12,058)	594,284
Operating expenses						(379,666)
Finance cost						(28,122)
Profit before zakat & tax						186,496
<u>3 months ended 30 June 2023</u>						
Total Revenue	693,370	224,333	193,835	96,521	(87,658)	1,120,401
Net fund based income	301,530	143,364	19,131	46,764	-	510,789
Non-fund based income	46,513	8,557	35,091	95,912	(87,161)	98,912
Net income	348,043	151,921	54,222	142,676	(87,161)	609,701
Net allowance for impairment	(53,540)	(8,091)	62	-	-	(61,569)
Profit before overheads, zakat & tax	294,503	143,830	54,284	142,676	(87,161)	548,132
Operating expenses						(336,533)
Finance cost						(27,453)
Profit before zakat & tax						184,146

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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
<u>6 months ended 30 June 2024</u>						
Total Revenue	1,443,159	445,523	380,380	49,700	(25,993)	2,292,769
Net fund based income	711,226	322,392	79,480	(41,473)	-	1,071,625
Non-fund based income	96,338	18,157	42,842	42,303	(24,372)	175,268
Net income	807,564	340,549	122,322	830	(24,372)	1,246,893
Net allowance for impairment	(57,614)	(19,905)	1,180	(678)	-	(77,017)
Profit before overheads, zakat and tax	749,950	320,644	123,502	152	(24,372)	1,169,876
Operating expenses						(750,925)
Finance cost						(56,297)
Profit before zakat and tax						362,654
<u>6 months ended 30 June 2023</u>						
Total Revenue	1,358,305	450,783	398,117	113,571	(96,622)	2,224,154
Net fund based income	564,559	281,783	33,748	132,699	-	1,012,789
Non-fund based income	88,699	18,300	80,419	112,061	(95,329)	204,150
Net income	653,258	300,083	114,167	244,760	(95,329)	1,216,939
Net allowance for impairment	(105,323)	(18,278)	204	-	-	(123,397)
Profit before overheads, zakat and tax	547,935	281,805	114,371	244,760	(95,329)	1,093,542
Operating expenses						(693,178)
Finance cost						(54,694)
Profit before zakat and tax						345,670

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

	Consumer Banking RM'000	Corporate and Commercial Banking RM'000	Treasury RM'000	Shareholders unit RM'000	Elimination RM'000	Total RM'000
<u>At 30 June 2024</u>						
Segment assets	51,531,374	15,790,034	23,028,400	932,992	(505,954)	90,776,846
Unallocated assets						<u>2,240,858</u>
Total assets						<u>93,017,704</u>
<u>At 30 June 2023</u>						
Segment assets	49,294,582	16,210,829	19,122,731	291,614	(171,752)	84,748,004
Unallocated assets						<u>2,704,369</u>
Total assets						<u>87,452,373</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 2024 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			
Financial assets							
Financial assets at FVTPL	-	1,813,079	-	1,813,079	-	1,813,079	1,813,079
Derivative financial assets	-	25,201	-	25,201	-	25,201	25,201
Financial assets at FVOCI	7,436	13,984,532	83,465	14,075,433	-	14,075,433	14,075,433
Financial assets at AC	-	-	-	-	3,541,165	3,541,165	3,560,509
Financing, advances and others	-	-	-	-	71,092,773	71,092,773	67,321,408
Financial liabilities							
Derivative financial liabilities	-	21,863	-	21,863	-	21,863	21,863
Recourse obligations on financing sold to Cagamas	-	-	-	-	1,529,600	1,529,600	1,503,796
Subordinated sukuk and capital securities	-	-	-	-	2,312,796	2,312,796	2,323,240
31 December 2023							
RM'000							
Financial assets							
Financial assets at FVTPL	-	1,180,099	-	1,180,099	-	1,180,099	1,180,099
Derivative financial assets	-	68,412	-	68,412	-	68,412	68,412
Financial assets at FVOCI	6,317	12,430,426	83,465	12,520,208	-	12,520,208	12,520,208
Financial assets at AC	-	-	-	-	3,107,799	3,107,799	3,120,230
Financing, advances and others	-	-	-	-	70,406,543	70,406,543	66,817,115
Financial liabilities							
Derivative financial liabilities	-	56,548	-	56,548	-	56,548	56,548
Recourse obligations on financing sold to Cagamas	-	-	-	-	2,029,840	2,029,840	2,004,329
Subordinated sukuk and capital securities	-	-	-	-	2,306,829	2,306,829	2,323,540

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29. Fair value of Financial Instruments (continued)

Fair value hierarchy (continued)

Bank 30 June 2024 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			
Financial assets							
Financial assets at FVTPL	-	1,497,456	-	1,497,456	-	1,497,456	1,497,456
Derivative financial assets	-	25,201	-	25,201	-	25,201	25,201
Financial assets at FVOCI	7,436	13,984,532	84,824	14,076,792	-	14,076,792	14,076,792
Financial assets at AC	-	-	-	-	3,541,165	3,541,165	3,560,509
Financing, advances and others	-	-	-	-	71,092,773	71,092,773	67,321,408
Financial liabilities							
Derivative financial liabilities	-	21,863	-	21,863	-	21,863	21,863
Recourse obligations on financing sold to Cagamas	-	-	-	-	1,529,600	1,529,600	1,503,796
Subordinated sukuk and capital securities	-	-	-	-	2,312,796	2,312,796	2,323,240
31 December 2023							
RM'000							
Financial assets							
Financial assets at FVTPL	-	914,246	-	914,246	-	914,246	914,246
Derivative financial assets	-	68,412	-	68,412	-	68,412	68,412
Financial assets at FVOCI	6,317	12,430,426	84,824	12,521,567	-	12,521,567	12,521,567
Financial assets at AC	-	-	-	-	3,107,799	3,107,799	3,120,230
Financing, advances and others	-	-	-	-	70,406,543	70,406,543	66,817,115
Financial liabilities							
Derivative financial liabilities	-	56,548	-	56,548	-	56,548	56,548
Recourse obligations on financing sold to Cagamas	-	-	-	-	2,029,840	2,029,840	2,004,329
Subordinated sukuk and capital securities	-	-	-	-	2,306,829	2,306,829	2,323,540

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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

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

(b) Financial instruments not carried at fair value

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

(i) Other financial assets at amortised cost

The fair values of securities that are actively traded are 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) Borrowings, subordinated sukuk and capital securities

The fair values 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

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

As at 30 June 2024	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000
<i>Credit related exposures</i>			
Direct credit substitutes	488,661	488,661	490,360
Transaction related contingent items	1,199,560	599,780	632,059
Short-term self-liquidating trade related contingencies	293,695	58,739	55,728
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:			
- exceeding one year	917,442	458,721	397,015
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	11,583,113	-	-
	<u>14,482,471</u>	<u>1,605,901</u>	<u>1,575,162</u>
		Positive Fair Value of of	
	Principal Amount RM'000	Derivative Contracts RM'000	Credit Equivalent Amount RM'000
			Risk Weighted Asset RM'000
<i>Derivative Financial Instruments</i>			
Foreign exchange related contracts			
- less than one year	11,248,387	25,201	112,117
	<u>11,248,387</u>	<u>25,201</u>	<u>112,117</u>
Total	<u>25,730,858</u>	<u>25,201</u>	<u>1,782,962</u>

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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):

As at 31 December 2023	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000
<i>Credit related exposures</i>			
Direct credit substitutes	565,760	565,760	624,984
Transaction related contingent items	1,155,677	577,839	621,457
Short-term self-liquidating trade related contingencies	313,275	62,655	65,329
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:			
- exceeding one year	1,074,826	537,413	451,996
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	9,717,721	-	-
	12,827,259	1,743,667	1,763,766

	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Asset RM'000
<i>Derivative Financial Instruments</i>				
Foreign exchange related contracts				
- less than one year	8,651,500	68,402	177,339	82,196
Profit rate related contracts				
- one year to less than five years	3,343	10	5	3
	8,654,843	68,412	177,344	82,199
Total	21,482,102	68,412	1,921,011	1,845,965

- b) Contingent liabilities

The Group and the Bank has no disclosure on contingent liabilities other than as disclosed in Note B8(a). 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.

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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	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
CET I capital ratio	13.702%	14.124%	13.126%	13.530%
Tier I capital ratio	14.695%	15.132%	14.130%	14.548%
Total capital ratio	19.394%	19.893%	18.870%	19.347%

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

	Group		Bank	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Paid-up share capital	3,888,725	3,888,725	3,888,725	3,888,725
Retained earnings	3,123,864	3,257,009	3,215,152	3,348,297
Other reserves	303,961	254,478	193,395	143,590
<u>Less:</u>				
Deferred tax assets	(157,283)	(174,728)	(156,664)	(173,756)
Investment in subsidiaries	-	-	(344,049)	(344,049)
Intangible assets	(51,695)	(50,354)	(51,695)	(50,354)
55% of fair value reserves	(2,254)	-	(2,254)	-
Regulatory reserve	(204,500)	(167,000)	(204,500)	(167,000)
Total CET I Capital	6,900,818	7,008,130	6,538,110	6,645,453
Capital securities	500,000	500,000	500,000	500,000
Total Tier I Capital	7,400,818	7,508,130	7,038,110	7,145,453
Subordinated sukuk	1,800,000	1,800,000	1,800,000	1,800,000
Loss provision ^	566,730	562,500	560,944	557,168
Total Tier II Capital	2,366,730	2,362,500	2,360,944	2,357,168
Total Capital	9,767,548	9,870,630	9,399,054	9,502,621

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

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31. Capital adequacy (continued)

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

	Group		Bank	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Credit risk	57,807,168	56,803,773	57,390,487	56,390,694
Less : Credit risk absorbed by unrestricted investment accounts	(12,468,763)	(11,803,750)	(12,514,976)	(11,817,298)
	45,338,405	45,000,023	44,875,511	44,573,396
Market risk	729,121	392,042	729,121	392,042
Operational risk	4,295,325	4,225,384	4,205,692	4,150,406
	<u>50,362,851</u>	<u>49,617,449</u>	<u>49,810,324</u>	<u>49,115,844</u>

32. Credit Transactions and Exposures

	30.06.2024	31.12.2023
	RM'000	RM'000
Outstanding credit exposures with connected parties	2,029,400	2,121,567
% of outstanding credit exposures to connected parties as a proportion of total credit exposures	7.18%	5.72%
% of outstanding credit exposures to connected parties which is non- performing or in default	0.00%	0.00%

The above disclosure on Credit Transaction and Exposures with Connected Parties is presented in accordance with Para 9.1 of Bank Negara Malaysia's Revised Guidelines on Credit Transaction and Exposures with Connected Parties

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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 2024

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

Key Profit or Loss Items:	Group		Variance	
	6 months ended			
	30.06.2024	30.06.2023	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	2,292,769	2,224,154	68,615	3.1
Net Income	1,246,893	1,216,939	29,954	2.5
Profit Before Zakat and Tax ("PBZT")	362,654	345,670	16,984	4.9
Profit After Zakat and Tax ("PAZT")	268,810	254,225	14,585	5.7
Net profit attributable to equity holders of the Bank ("PATAMI")	266,338	254,225	12,113	4.8

Bank Islam Group ("Bank Islam" or "the Group") registered a PATAMI of RM266.3 million for the six months ended 30 June 2024, an increase of 4.8% over the previous corresponding period in 2023. This was driven by higher net income and lower net allowance for impairment on financing, offset by higher total overheads.

The performance translated to Group's earnings per share of 11.75 sen and annualised Return on Equity ("ROE") of 7.4%.

The increase in Group's net income was mainly due to higher net fund-based income which improved by RM58.8 million or 5.8%, mostly attributed by year-on-year ("YoY") financing and investment securities growth. The net income was however offset by lower non-fund-based income which decreased by RM28.9 million or 14.1% due to lower net gain from sale of financial assets at FVOCI, lower net gain from foreign exchange transactions and net loss from sale of financial assets at FVTPL.

The Group's net allowance for impairment on financing and advances declined by RM46.1 million or 37.3% to RM77.5 million as compared to the previous corresponding six months ended 30 June 2023.

Total overheads for the six months ended 30 June 2024 recorded an increase of RM57.7 million or 8.3% to RM750.9 million over the previous corresponding period in 2023. The increase in overhead expenses was mainly due to higher establishment expenses, personnel expenses and direct expenses by RM28.2 million, RM21.3 million and RM10.9 million respectively.

The Group's total assets grew YoY by 6.4% to stand at RM93.0 billion as at 30 June 2024, spurred by growth in financing and investment securities. Net assets per share was at RM3.35.

Gross financing grew by 2.7% YoY to RM68.1 billion, while customer deposits and investment accounts stood at RM78.5 billion with a YoY increase of RM6.2 billion or 8.5%. Current and saving accounts and transactional investment accounts ("CASATIA") of RM29.1 billion at end June 2024 remain at healthy level of 37.0% of total customer deposits and investment accounts.

As at 30 June 2024, the gross impaired financing ratio was 0.92% compared to 0.94% at end December 2023.

The Group's Total Capital Ratio remained strong at 19.4% as at 30 June 2024.

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B1. Performance review for the six months ended 30 June 2024 (continued)

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

Operating Segment

Consumer Banking's recorded a net income of RM807.6 million for the six months ended 30 June 2024, an increase of RM154.3 million or 23.6% compared to the previous corresponding period in 2023. This was contributed by both higher net fund-based income and non-fund-based income.

Corporate and Commercial Banking achieved a net income of RM340.5 million, higher by 13.5% compared to the previous corresponding period in 2023, spur by higher net fund-based income.

Treasury reported a net income of RM122.3 million for the period, improvement of 7.1% as compared to the previous corresponding period in 2023, driven by higher net fund-based income. This was offset by lower net gain from sale of financial assets at FVOCI, lower net gain from foreign exchange transactions and net loss from sale of financial assets at FVTPL.

Current Quarter vs. Previous Year Corresponding Quarter

Key Profit or Loss Items:	Group		Variance	
	3 months ended			
	30.06.2024	30.06.2023	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	1,148,265	1,120,401	27,864	2.5
Net Income	629,113	609,701	19,412	3.2
Profit Before Zakat and Tax ("PBZT")	186,496	184,146	2,350	1.3
Profit After Zakat and Tax ("PAZT")	138,078	136,137	1,941	1.4
Net profit attributable to equity holders of the Bank ("PATAMI")	137,166	136,137	1,029	0.8

For the second quarter ended 30 June 2024 ("2Q2024"), Bank Islam Group achieved a PBZT of RM186.5 million, higher by RM2.4 million or 1.3% over the corresponding quarter last year ("2Q2023") of RM184.1 million. The increase in PBZT was mainly due to higher net income and lower net allowance for impairment on financing, offset by higher total overheads.

The Group's net income improved by RM19.4 million or 3.2% primarily due to higher net fund-based income by RM31.9 million or 6.3% mainly driven by financing and investment securities growth. The net income was however offset by lower non-fund-based income which decreased by RM12.5 million or 12.7% due to lower net gain from foreign exchange transactions, lower net gain from sale of financial assets at FVOCI and net loss from sale of financial assets at FVTPL.

The Group's net allowance for impairment on financing and advances decreased by RM26.4 million or 42.8% to RM35.2 million as compared to 2Q2023 of RM61.6 million.

Total overheads were higher by RM43.1 million or 12.8% over 2Q2023 overheads mainly due to higher establishment expenses, personnel expenses and direct expenses by RM18.9 million, RM10.7 million and RM10.2 million respectively

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B1. Performance review for the six months ended 30 June 2024 (continued)

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

Operating Segment

Consumer Banking's recorded a net income of RM405.4 million for the 2Q2024, 16.5% higher than the 2Q2023, attributed by both higher net fund-based income and higher non-fund-based income.

Corporate and Commercial Banking reported a net income of RM170.4 million, higher by 12.2% from 2Q2023. This was contributed by higher net fund-based income.

Treasury achieved a net income for 2Q2024 of RM62.7 million, improved by 15.7% as compared to 2Q2023 due to higher net fund-based income. The increase was however offset by lower net gain from foreign exchange transactions, lower net gain from sale of financial assets at FVOCI and net loss from sale of financial assets at FVTPL.

B2. Comparison with the preceding quarter's results for the three months performance (Second Quarter 2024 vs. First Quarter 2024)

Key Profit or Loss Items:	Group		Variance	
	3 months ended			
	30.06.2024	31.03.2024		
	RM'000	RM'000	RM'000	%
Revenue	1,148,265	1,144,504	3,761	0.3
Net Income	629,113	617,780	11,333	1.8
Profit Before Zakat and Tax ("PBZT")	186,496	176,158	10,338	5.9
Profit After Zakat and Tax ("PAZT")	138,078	130,732	7,346	5.6
Net profit attributable to equity holders of the Bank ("PATAMI")	137,166	129,172	7,994	6.2

For the second quarter ended 30 June 2024 ("2Q2024"), the Group recorded a PBZT of RM186.5 million, an increase of RM10.3 million or 5.9% against the preceding quarter ended 31 March 2024 ("1Q2024"). The increase in PBZT was mainly due to higher net income and lower net allowance for impairment on financing, offset by higher total overheads.

The increase in Group's net income was mostly contributed by higher net fund-based income by RM13.8 million or 2.6% mainly driven by financing and investment securities growth. The net income was however offset by lower non-fund-based income which decreased by RM2.5 million or 2.8% mainly due to lower net gain on revaluation of financial assets at FVTPL and net loss from sale of financial assets at FVTPL.

The Group's net allowance for impairment on financing and advances decreased by RM7.1 million to RM35.2 million as compared to 1Q2024 of RM42.3 million.

Total overheads were higher by RM8.4 million or 2.3% compared to 1Q2024 overheads mainly due to higher direct expenses and personnel expenses by RM9.7 million and RM4.2 million respectively.

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B3. Prospects for 2024

Malaysia's economy grew by 5.9% in the second quarter of 2024, up from 4.2% in the first quarter, according to BNM's Economic and Financial Developments in Malaysia for Second Quarter of 2024. This increase was driven by higher private consumption, improved exports, and greater investment activity.

Bank Islam is dedicated to ensuring inclusivity of its product and service offerings, thereby providing sustainable prosperity and progress for all our customers and stakeholders. The launch of Microtakaful by Be U in May 2024 exemplifies the Bank's capability to expand its financial product offerings to meet the needs of underserved markets. This initiative showcases the Bank's commitment to financial inclusion by leveraging digital platforms to provide affordable and accessible Islamic products.

Moreover, Bank Islam continues to drive the growth of the halal industry among micro-businesses with the launch of Hal-Cube, a solution that enables micro-entrepreneurs to obtain halal certification. These initiatives underscore the Bank's ability to adapt to changing market dynamics, effectively utilise technology, and reinforce its leadership in Islamic finance by catering to the specific needs of micro and small enterprises, as well as low-income individuals.

The Bank is staying the course of its sustainability commitments as part of its LEAP25 strategic blueprint, driving positive change through sustainable banking practices. Recently, the Bank was listed as a constituent of both the FTSE4Good Bursa Malaysia and FTSE4Good Bursa Malaysia Shariah indexes, which testifies to Bank Islam's progress on sustainability and climate positive initiatives. The Bank continues to uphold responsible business practices and its commitment to environmental, social, and governance ("ESG") best practices.

B4. Variance from profit forecast and profit guarantee

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

B5. Tax expense

Major components of tax expense

Group	3 months ended		6 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Malaysia income tax:				
Current year	53,774	51,403	73,294	73,632
Under/(Over) provision in prior years	217	(23)	213	(28)
Deferred tax expense relating to origination and reversal of temporary differences arising from:				
Current year	(9,337)	(7,121)	12,470	10,380
Under/(Over) provision in prior years	-	-	353	(39)
	<u>44,654</u>	<u>44,259</u>	<u>86,330</u>	<u>83,945</u>

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B5. Tax expense (continued)

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

Group	3 months ended		6 months ended	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Profit before tax	<u>186,496</u>	<u>184,146</u>	<u>362,654</u>	<u>345,670</u>
Income tax calculated using Malaysian tax rate of 24%	44,759	44,195	87,037	82,961
Income not subject to tax	(764)	(258)	(2,505)	(338)
Non-deductible expenses	1,744	1,318	3,237	2,927
Zakat	(1,302)	(1,115)	(2,005)	(1,680)
Deferred tax assets not recognised	-	142	-	142
Under/(Over) provision in prior years	<u>217</u>	<u>(23)</u>	<u>566</u>	<u>(67)</u>
	<u><u>44,654</u></u>	<u><u>44,259</u></u>	<u><u>86,330</u></u>	<u><u>83,945</u></u>

B6. Status of corporate proposals

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

B7. Borrowings, subordinated sukuk and capital securities

RM'000	As at 30.06.2024		
	Long term	Short term	Total borrowings
Secured			
- Recourse obligations on financing sold to Cagamas	1,500,000	3,796	1,503,796
Unsecured			
- Subordinated sukuk	1,800,000	14,333	1,814,333
- Capital securities	500,000	8,907	508,907
Total unsecured	2,300,000	23,240	2,323,240

RM'000	As at 31.12.2023		
	Long term	Short term	Total borrowings
Secured			
- Recourse obligations on financing sold to Cagamas	1,500,000	504,329	2,004,329
Unsecured			
- Subordinated sukuk	1,800,000	14,351	1,814,351
- Capital securities	500,000	9,189	509,189
Total unsecured	2,300,000	23,540	2,323,540

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B7. Borrowings, subordinated sukuk and capital securities (continued)

RM'000	As at 30.06.2023		
	Long term	Short term	Total borrowings
Secured			
- Recourse obligations on financing sold to Cagamas	1,500,000	504,329	2,004,329
Unsecured			
- Subordinated sukuk	1,400,000	312,542	1,712,542
- Capital securities	500,000	8,977	508,977
Total unsecured	1,900,000	321,519	2,221,519

The borrowings, subordinated sukuk and capital securities 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.

These 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)	1,000,000	4 November 2022	4 November 2027	4.83
(ii)	500,000	28 June 2023	28 June 2028	4.16

On 18 May 2024, RM500 million of the financing has matured.

- b) Subordinated sukuk and capital securities

	Nominal value RM'000	Issue date	First call date*	Maturity Date	Profit rate (% p.a.)#
Subordinated sukuk					
(i)	400,000	26 March 2020	26 March 2025	26 March 2030	3.75
(ii)	700,000	21 October 2020	21 October 2025	21 October 2030	3.60
(iii)	300,000	12 November 2021	12 November 2026	12 November 2031	4.10
(iv)	400,000	17 October 2023	17 October 2028	17 October 2033	4.70
Capital securities					
(v)	500,000	24 August 2022	24 August 2027	Perpetual	5.16

* Optional redemption date or any periodic payment date thereafter.

Accrued and payable semi-annually in arrears.

On 7 November 2023, the Bank has exercised the call option and redeemed RM300 million in nominal value of the Subordinated Sukuk Murabahah under the RM10.0 billion Subordinated Sukuk Murabahah Programme.

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B8. Material litigation

- (a) 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 & Imohizam (“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 (“CM”) 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 CM 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.

Full trial of this suit which was scheduled on 27th, 28th and 29th of May 2024 had been postponed to 13th to 17th January 2025. The matter was fixed for CM on 12 December 2024 for the parties to seek further direction from the Court.

- (b) 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.

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B8. Material litigation (continued)

(b) Continued...

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.

The Interim Liquidator appointed was Victor Saw Seng Kee, the licensed liquidator from PwC. The Guarantors filed an application to stay and discharge of the Court Order on the Appointment of IL and to modify the Scheme. The Court fixed for the Case Management ("CM") on the application to stay and discharge on 15 September 2022 and hearing to modify the Scheme on 27 September 2022.

On CM date 18 October 2022, the solicitors for IL submitted that IL requires more time to complete their assessment on the viability of the Scheme and the Scheme funds. The IL was preparing an affidavit to update the Winding Up court on their current investigation status and indicated that they would extend this affidavit to the scheme court. The Judge fixed a CM date on 9 November 2022. At the Scheme Proceedings the Court ordered that all Originating Summons ("OS") (OS 812, 813, 814, 815 (Serba Dinamik Development Sdn Bhd) and 816 (Serba Dinamik Controls Sdn Bhd) to be struck out with liberty to file afresh.

During the CM, IL indicated that they were taking instructions on the filing of an Affidavit in Reply and the Court directed for any replies to be filed within 14 days and fixed for hearing of the application on 10 January 2023 together with the Syndicated Financiers' Winding Up Petition.

On 10 January 2023 the Winding Up order was granted against Serba Dinamik Holdings Bhd ("SDHB"), Serba Dinamik International Ltd ("SDIL"), Serba Dinamik Sdn Bhd ("SDSB") and Serba Dinamik Group Berhad ("SDGB") (collectively referred to as "Companies").

The Companies filed appeal to the Court of Appeal against the dismissal of the Companies' application to adjourn the hearing of the Winding up petition and against the Winding up order dated 10 January 2023. The CM for the appeal was fixed on 11 April 2023.

In the meantime, the Companies sought for ad interim stay of the Winding Up Order pending disposal of the Stay Application. The Court was inclined to allow the ad interim stay. The proper hearing date for the Stay Application was fixed on 6 March 2023 and the decision was fixed on 16 March 2023 where the Court had dismissed the Stay Application.

Earlier on 7 July 2023, the High Court approved the application made by the approved liquidator's application for authorisation to continue the operations of Serba Dinamik Holdings Berhad and three liquidating companies for 365 days starting from 9 July 2023 to 8 July 2024. The only entity which was allowed to continue operations until 7 July 2025 was Serba Dinamik Sdn Bhd.

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B8. Material litigation (continued)

(b) Continued...

The Companies filed appeal to the Court of Appeal against the dismissal of the Companies' application to adjourn the hearing of the Winding up petition and against the Winding up order dated 10 January 2023. The CM was held on 31 July 2023, during which the Court has scheduled the hearing of the appeal for 25 June 2024. On 25 June 2024, the Court of Appeal allowed the withdrawal of the appeals without liberty to file afresh with cost to be paid to the Syndicated Financiers.

Additionally, there were Notices of Creditors Meeting from the Liquidator which was held as follows:-

- SDHB on 10 October 2023;
- SDGB and SDSB on 11 October 2023; and
- SDIL on 12 October 2023.

The above meetings were fixed for the appointment of the Committee of Inspection ("COI") where on the meeting date, Bank Islam has been appointed as the committee under the COI for the above four (4) companies.

The Court on 27 October 2023 allowed the application made by Liquidator to confirm the SDHB's COI. The First COI meeting was called on 14 November 2023 among others to update the committee on the progress made by the Liquidator, discussion on Liquidator Fees and Strategies moving forward. The subsequent COI meeting was held on 29 March 2024 for update on the Liquidator remuneration. Further, subsequent COI meeting was held on 31 May 2024 and 28 June 2024.

On 28 June 2024, COI agreed to adopt to fee structure of 3% upon assets realized and 1% upon amount available for distribution. The COI would revisit the fee structure on 31 December 2025.

(c) Bank Islam ("the Bank") 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 and 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 against 2nd and 3rd Defendants.
- (ii) On 20 September 2022, JID has been obtained against 8th Defendant.
- (iii) On 31 May 2023, consent judgment entered between both parties and the 5th Defendant has made full payment and the case against 6th Defendant has been withdrawn as the 6th Defendant passed away.
- (iv) On 22 June 2023, JID has been obtained against 7th Defendant.
- (v) On 4 September 2023, the Court allowed the Bank's Summary Judgment application for 1st and 4th Defendants. The Defendants filed appeal to the Court of Appeal on 2 October 2023. The Court fixed on 5 March 2024 for Case Management ("CM"). The Court has fixed Hearing for the Notices of Appeal by the defendants on 6 March 2025.
- (vi) On 30 October 2023, the Court fixed for CM on the Bank's application for Summary Judgment (Order 14) against the 9th Defendant. The Defendant filed an application to set aside the service Writ Summons, hearing on 30 October 2023 and the decision was fixed on 24 November 2023 where the Court allowed the Defendant's application, and the case was fixed for CM on 22 December 2023, 30 January 2024 and 7 March 2024. The Court fixed 22 August 2024 for hearing of the Order 14. On 22 August 2024, the Court has fixed CM date on 7 October 2024 pending filing of cause papers.

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B8. Material litigation (continued)

- (d) Bank Islam ("the Bank") filed a civil suit against Sawit Raya Oil (Kelantan) Sdn Bhd, Tan See Meng, Tan See Nong and 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. Defendants to file Affidavit In Reply on or before 17 October 2022 and the Bank to file Affidavit In Reply on or before 31 October 2022. The next Case Management ("CM") was fixed on 3 November 2022.

The Court has directed parties to file Written Submission on or before 18 November 2022 and Submission in Reply on or before 25 November 2022. The hearing of the application for Summary Judgment ("Hearing") has been fixed on 2 December 2022. The Hearing was postponed to 14 February 2023.

The Court has adjourned the hearing as the Defendants filed a Notice of Application to adduce an expert opinion. The next CM date was fixed on 27 February 2023 for the court to fix a date for the hearing of the said Notice of Application and Order 14. The Court has dismissed the Defendant's Application to adduce an expert opinion.

The Court has fixed the hearing for the Bank's Order 14 application on 13 July 2023. The hearing on 13 July 2023 has been adjourned to 25 September 2023. The Court further adjourned the hearing for Order 14 to 22 February 2024. The next hearing was adjourned to 21 March 2024 and was further postponed to 22 August 2024. On 22 August 2024, the Court has fixed next CM on 24 October 2024.

- (e) On 29 December 2022, 5 Star Room Hotel Sdn Bhd, Tan Wooi Chon, Chundsi Kudkumkong, Tan Woan Rou & Tan Woanren ("Plaintiff") filed a civil suit against Bank Islam ("Defendant"). The first Plaintiff is Bank Islam's Customer and the second to the fifth Plaintiffs are Guarantors for the following facilities granted by Bank Islam to the Customer:
- (a) Business Financing-i RM37,000,000.00;
 - (b) Business Cash Line-i (1) RM5,000,000.00;
 - (c) Business Cash Line-i (2) RM2,000,000.00;
 - (d) Business Cash Line-i (3) RM5,000,000.00.

This suit was different from the suit that was previously initiated by 5 Star Room against the Bank on 22 April 2019 and decided by the Court against 5 Star Room. In this suit, the Plaintiffs sought for an injunction from the Court to restrain Bank Islam from disposing or proceeding with foreclosure action against the charged properties charged to Bank Islam.

The Plaintiff claims for the following:

- (a) Damages RM300,000,000.00;
- (b) An injunction;
- (c) General damages;
- (d) Damages for breach of contract RM500,000,000.00;
- (e) Restitution RM53,420,697.04;
- (f) Punitive damages RM600,000,000.00;
- (g) Exemplary damages RM600,000,000.00; and
- (h) Cost.

The Case Management ("CM") for the Writ was fixed on 8 March 2023. Meanwhile, the Plaintiff filed an Injunction Application whereby the CM was fixed on 13 March 2023. The hearing of the Injunction was fixed on 31 May 2023 and the decision was fixed on 26 July 2023 whereby the Court had dismissed the Plaintiffs' application with cost RM1,000. The CM on 20 September 2023 was fixed for the parties to file any interlocutory applications.

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B8. Material litigation (continued)

(e) Continued...

The Court fixed 13 November 2023 for CM for the Bank to serve the Striking Out Application ("SOA") to the Plaintiff and for the Plaintiff to appoint a new solicitor as the current solicitor passed away. The CM was fixed on 9 January 2024 and 26 February 2024. The hearing of SOA was fixed on 7 April 2024, however it was postponed to 13 June 2024. The decision for SOA was fixed on 31 July 2024 whereby the Court allowed the Bank's SOA with cost of RM2,000.00.

Based on the above, the matter is considered as resolved.

B9. Dividend

- (a) On 30 January 2023, the Bank paid an interim dividend of 10.40 sen per ordinary share amounting RM224.1 million for the financial year ended 31 December 2022. From the total dividend amount, approximately 11% or RM23.6 million was distributed as cash dividend whilst the remaining 89% amounting to RM200.5 million was reinvested to subscribe for 88,736,000 new ordinary shares at RM2.26 each via the Dividend Reinvestment Plan ("DRP"). The new ordinary shares were listed on 31 January 2023.
- (b) On 27 February 2023, Board of Directors of Bank Islam Malaysia Berhad ("The Board") had declared a second interim dividend of 3.40 sen per ordinary share amounting RM76.3 million for the financial year ended 31 December 2022. From the total dividend amount, approximately 43% or RM33.2 million was distributed as cash dividend whilst the remaining 57% amounting to RM43.1 million was reinvested to subscribe for 22,468,100 new ordinary shares at RM1.92 each via the Dividend Reinvestment Plan ("DRP"). The new ordinary shares were listed on 15 May 2023.
- (c) On 12 January 2024, the Bank paid an interim cash dividend of 12.59 sen per ordinary share amounting RM285.4 million for the financial year ended 31 December 2023.
- (d) On 5 April 2024, the Bank paid a second interim cash dividend of 4.22 sen per ordinary share amounting RM95.6 million for the financial year ended 31 December 2023.

B10. 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		3 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Net profit for the period under review attributable to equity holders of the parent	137,166	136,137	266,338	254,225
Number of ordinary shares	2,266,473	2,266,473	2,266,473	2,266,473
Number of average ordinary shares	2,266,473	2,255,610	2,266,473	2,235,132
Earnings per share (sen)	6.05	6.04	11.75	11.37

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.

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B11. Foreign exchange exposure/hedging policy

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

RM equivalent	30.06.2024	31.12.2023
	RM'000	RM'000
USD	100,898	91,306
EURO	(100,071)	(100,901)
Others	11,803	18,339

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

B12. Material impairment of assets

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

As at 30 June 2024				
Group	Carrying value before impairment	Impairment losses	Carrying value after impairment	Market value
	RM'000	RM'000	RM'000	RM'000
Financing, advances and others	68,108,084	(786,676)	67,321,408	71,092,773

As at 31 December 2023				
Group	Carrying value before impairment	Impairment losses	Carrying value after impairment	Market value
	RM'000	RM'000	RM'000	RM'000
Financing, advances and others	67,624,789	(807,674)	66,817,115	70,406,543

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.

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

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B12. Material impairment of assets (continued)

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.

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.

B13. Derivatives

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

	Notional amount 30.06.2024 RM'000	Fair value 30.06.2024 RM'000	Notional amount 31.12.2023 RM'000	Fair value 31.12.2023 RM'000
Trading derivatives				
Foreign exchange related contracts				
- Less than one year	11,248,387	3,338	8,651,500	11,863
Profit rate related contracts				
- Less than one year	-	-	3,343	1
	<u>11,248,387</u>	<u>3,338</u>	<u>8,654,843</u>	<u>11,864</u>

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 2024, the amount of contracts which were not hedged and, hence, exposed to market risk was RM729.1 million (31 December 2023: RM392.0 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 2024, the credit risk measured in terms of the cost to replace the profitable contracts, was RM177.1 million (31 December 2023: RM177.3 million).

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B13. 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.

B14. The amounts 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. 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.

For current quarter and financial year to date ended 30 June 2024, the net losses arising from fair value changes of financial assets and liabilities was immaterial.