

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	The Group		The Bank	
		30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
ASSETS					
Cash and short term funds	A6	7,758,684	10,441,142	7,758,638	10,441,096
Deposits and placements with banks and other financial institutions	A6	471,001	483,685	471,001	483,685
Financial assets at fair value through profit or loss	A7	4,735,417	2,925,344	4,735,417	2,925,344
Debt instruments at fair value through other comprehensive income	A8	3,866,830	2,756,547	3,866,830	2,756,547
Equity instruments at fair value through other comprehensive income	A9	575	575	575	575
Debt instruments at amortised cost	A10	7,683,946	6,544,723	7,683,946	6,544,723
Islamic derivative financial instruments	A28(i)	477,760	564,384	477,760	564,384
Financing, advances and other financing/loans	A11	75,975,603	70,618,727	75,975,603	70,618,727
Other assets	A12	705,813	723,563	705,813	723,563
Deferred taxation		53,225	77,248	53,225	77,248
Statutory deposits with Bank Negara Malaysia		2,299,822	2,076,422	2,299,822	2,076,422
Amount due from holding company		117,137	90,731	117,137	90,731
Amount due from related companies		1,123	620	1,123	620
Investment in subsidiaries		-	-	11	11
Property, plant and equipment		1,933	2,756	1,933	2,756
Right use of assets		3,172	-	3,172	-
Intangible assets		67,716	71,536	67,716	71,536
Goodwill		136,000	136,000	136,000	136,000
TOTAL ASSETS		104,355,757	97,514,003	104,355,722	97,513,968
LIABILITIES AND EQUITY					
Deposits from customers	A13	83,542,726	75,931,556	83,865,513	76,216,744
Investment accounts of customers	A14	999,059	1,769,270	999,059	1,769,270
Deposits and placements of banks and other financial institutions	A15	1,782,648	2,083,580	1,782,648	2,083,580
Investment accounts due to designated financial institutions	A16	7,838,231	8,216,809	7,838,231	8,216,809
Financial liabilities designated at fair value through profit or loss	A17	126,527	21,918	126,527	21,918
Islamic derivative financial instruments	A28(i)	499,622	598,975	499,622	598,975
Amount due to related companies		80	50	80	50
Other liabilities	A18	1,009,147	393,125	995,526	465,301
Lease liabilities		3,217	-	3,217	-
Recourse obligation on loans and financing sold to Cagamas		1,510,966	1,915,503	1,510,966	1,915,503
Provision for taxation		134,654	95,443	134,654	95,443
Sukuk		310,201	358,265	-	-
Subordinated Sukuk	A19	614,915	615,033	614,915	615,033
TOTAL LIABILITIES		98,371,993	91,999,527	98,370,958	91,998,626
EQUITY					
Capital and reserves attributable to equity holder of the Bank					
Ordinary share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserves		4,763,764	4,294,476	4,764,764	4,295,342
		5,763,764	5,294,476	5,764,764	5,295,342
Perpetual preference shares		220,000	220,000	220,000	220,000
TOTAL EQUITY		5,983,764	5,514,476	5,984,764	5,515,342
TOTAL EQUITY AND LIABILITIES		104,355,757	97,514,003	104,355,722	97,513,968
RESTRICTED AGENCY INVESTMENT ACCOUNT (*)	A30	6,229,624	6,230,998	6,229,624	6,230,998
TOTAL ISLAMIC BANKING ASSET		110,585,381	103,745,001	110,585,346	103,744,966
COMMITMENTS AND CONTINGENCIES	A28(ii)	57,167,864	59,218,325	57,167,864	59,218,325
Net assets per ordinary share attributable to owners of the Parent (RM)		5.76	5.29	5.76	5.30

* The disclosure is in accordance with the requirements of Bank Negara Malaysia guideline on Financial Reporting for Islamic Banking Institution dated 2 February 2018.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018.

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD 30 JUNE 2019

		The Group			
		2nd Quarter Ended		Six Months Ended	
		30 June	30 June	30 June	30 June
		2019	2018	2019	2018
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	A20	1,036,628	820,193	2,060,889	1,666,345
Income derived from investment of investment account	A21	98,529	141,453	209,477	250,506
Income derived from investment of shareholder's funds	A22	129,825	140,210	227,537	195,543
Expected credit losses on financing, advances and other financing/loans	A23(a)	(24,744)	(1,366)	(68,614)	(47,945)
Expected credit losses written back for commitments and contingencies		8,531	3,251	32,685	3,295
Other expected credit losses	A23(b)	(204)	369	(605)	(520)
Total distributable income		1,248,565	1,104,110	2,461,369	2,067,224
Income attributable to depositors and others	A24	(678,421)	(553,755)	(1,357,862)	(1,074,769)
Profit distributed to investment account holder	A25	(74,364)	(113,326)	(159,061)	(200,112)
Total net income		495,780	437,029	944,446	792,343
Personnel expenses	A26	(5,913)	(6,584)	(11,935)	(13,420)
Other overheads and expenditures	A27	(180,743)	(140,904)	(375,439)	(282,438)
Profit before taxation and zakat		309,124	289,541	557,072	496,485
Taxation and zakat		(71,312)	(70,292)	(129,401)	(121,130)
Profit for the financial period		237,812	219,249	427,671	375,355

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 30 JUNE 2019

	The Group			
	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	237,812	219,249	427,671	375,355
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(33)	-	(33)	-
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	15,483	(8,617)	41,856	(8,380)
- Net gain/(loss) from change in fair value	53,684	(10,464)	99,150	(9,223)
- Realised gain transferred to statement of income on disposal	(33,756)	(428)	(47,054)	(2,403)
- Changes in expected credit losses	338	(340)	735	456
- Income tax effects	(4,783)	2,615	(10,975)	2,790
Other comprehensive income/(expense) for the period, net of tax	15,450	(8,617)	41,823	(8,380)
Total comprehensive income for the financial period	253,262	210,632	469,494	366,975
Earnings per share (sen)	B3	23.78	21.92	42.77

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018.

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD 30 JUNE 2019

		The Bank			
		2nd Quarter Ended		Six Months Ended	
		30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Income derived from investment of depositors' funds and others	A20	1,036,628	820,193	2,060,889	1,666,345
Income derived from investment of investment account	A21	98,529	141,453	209,477	250,506
Income derived from investment of shareholder's funds	A22	130,312	140,837	228,535	196,810
Expected credit losses on financing, advances and other financing/loans	A23(a)	(24,744)	(1,366)	(68,614)	(47,945)
Expected credit losses written back for commitments and contingencies		8,531	3,251	32,685	3,295
Other expected credit losses	A23(b)	(204)	369	(605)	(520)
Total distributable income		1,249,052	1,104,737	2,462,367	2,068,491
Income attributable to depositors and others	A24	(678,893)	(554,247)	(1,358,796)	(1,076,049)
Profit distributed to investment account holder	A25	(74,364)	(113,326)	(159,061)	(200,112)
Total net income		495,795	437,164	944,510	792,330
Personnel costs	A26	(5,913)	(6,584)	(11,935)	(13,420)
Other overheads and expenditures	A27	(180,704)	(140,853)	(375,369)	(282,331)
Profit before taxation and zakat		309,178	289,727	557,206	496,579
Taxation and zakat		(71,312)	(70,292)	(129,401)	(121,130)
Profit for the financial period		237,866	219,435	427,805	375,449

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 30 JUNE 2019

	The Bank			
	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	237,866	219,435	427,805	375,449
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(33)	-	(33)	-
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	15,483	(8,617)	41,856	(8,380)
- Net gain/(loss) from change in fair value	53,684	(10,464)	99,150	(9,223)
- Realised gain transferred to statement of income on disposal	(33,756)	(428)	(47,054)	(2,403)
- Changes in expected credit losses	338	(340)	735	456
- Income tax effects	(4,783)	2,615	(10,975)	2,790
Other comprehensive income/(expense) for the period, net of tax	15,450	(8,617)	41,823	(8,380)
Total comprehensive income for the financial period	253,316	210,818	469,628	367,069
Earnings per share basis (sen)	B3	23.79	21.94	42.78

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018.

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

The Group	← Attributable to owners of the Parent →										
	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
30 June 2019											
At 1 January 2019	1,000,000	(5,251)	(2,457)	458	404,378	-	962	3,896,386	5,294,476	220,000	5,514,476
Profit for the financial period	-	-	-	-	-	-	-	427,671	427,671	-	427,671
Other comprehensive expense (net of tax)	-	41,856	-	-	-	(33)	-	-	41,823	-	41,823
- debt instruments at fair value through other comprehensive income	-	41,856	-	-	-	-	-	-	41,856	-	41,856
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	(33)	-	-	(33)	-	(33)
Total comprehensive income/(expense) for the financial period	-	41,856	-	-	-	(33)	-	427,671	469,494	-	469,494
Transfer to regulatory reserve	-	-	-	-	85,590	-	-	(85,590)	-	-	-
Share-based payment expense	-	-	-	-	-	-	512	-	512	-	512
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(718)	-	(718)	-	(718)
At 30 June 2019	1,000,000	36,605	(2,457)	458	489,968	(33)	756	4,238,467	5,763,764	220,000	5,983,764

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

The Group	← Attributable to owners of the Parent →										
	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Revaluation reserve - financial investments available- for-sale RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
30 June 2018											
At 1 January 2018	1,000,000	-	(20,873)	(2,457)	458	291,600	766	3,305,512	4,575,006	220,000	4,795,006
Effect of adopting MFRS 9	-	(11,935)	20,873	-	-	(45,635)	-	(81,022)	(117,719)	-	(117,719)
1 January 2018, as restated	1,000,000	(11,935)	-	(2,457)	458	245,965	766	3,224,490	4,457,287	220,000	4,677,287
Profit for the financial period	-	-	-	-	-	-	-	375,355	375,355	-	375,355
Other comprehensive expense (net of tax)	-	(8,380)	-	-	-	-	-	-	(8,380)	-	(8,380)
- debt instruments at fair value through other comprehensive income	-	(8,380)	-	-	-	-	-	-	(8,380)	-	(8,380)
Total comprehensive (expense)/income for the financial period	-	(8,380)	-	-	-	-	-	375,355	366,975	-	366,975
Transfer to regulatory reserve	-	-	-	-	-	104,032	-	(104,032)	-	-	-
Share-based payment expense	-	-	-	-	-	-	370	-	370	-	370
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(587)	-	(587)	-	(587)
At 30 June 2018	1,000,000	(20,315)	-	(2,457)	458	349,997	549	3,495,813	4,824,045	220,000	5,044,045

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018.

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

The Bank	← Non-distributable →						Distributable →				
	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
30 June 2019											
At 1 January 2019	1,000,000	(5,251)	(2,457)	458	404,378	-	962	3,897,252	5,295,342	220,000	5,515,342
Profit for the financial period	-	-	-	-	-	-	-	427,805	427,805	-	427,805
Other comprehensive income/(expense) (net of tax)	-	41,856	-	-	-	(33)	-	-	41,823	-	41,823
- debt instruments at fair value through other comprehensive income	-	41,856	-	-	-	-	-	-	41,856	-	41,856
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	(33)	-	-	(33)	-	(33)
Total comprehensive income/(expense) for the financial period	-	41,856	-	-	-	(33)	-	427,805	469,628	-	469,628
Transfer to regulatory reserve	-	-	-	-	85,590	-	-	(85,590)	-	-	-
Share-based payment expense	-	-	-	-	-	-	512	-	512	-	512
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(718)	-	(718)	-	(718)
At 30 June 2019	1,000,000	36,605	(2,457)	458	489,968	(33)	756	4,239,467	5,764,764	220,000	5,984,764

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	← Non-distributable				→ Distributable						
	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Revaluation reserve - financial investments available- for-sale RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
The Bank											
30 June 2018											
At 1 January 2018	1,000,000	-	(20,873)	(2,457)	458	291,600	766	3,306,221	4,575,715	220,000	4,795,715
Effect of adopting MFRS 9	-	(11,935)	20,873	-	-	(45,635)	-	(81,022)	(117,719)	-	(117,719)
1 January 2018, as restated	1,000,000	(11,935)	-	(2,457)	458	245,965	766	3,225,199	4,457,996	220,000	4,677,996
Profit for the financial period	-	-	-	-	-	-	-	375,449	375,449	-	375,449
Other comprehensive expense (net of tax)	-	(8,380)	-	-	-	-	-	-	(8,380)	-	(8,380)
- debt instruments at fair value through other comprehensive income	-	(8,380)	-	-	-	-	-	-	(8,380)	-	(8,380)
Total comprehensive (expense)/income for the financial period	-	(8,380)	-	-	-	-	-	375,449	367,069	-	367,069
Transfer to regulatory reserve	-	-	-	-	-	104,032	-	(104,032)	-	-	-
Share-based payment expense	-	-	-	-	-	-	370	-	370	-	370
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(587)	-	(587)	-	(587)
At 30 June 2018	1,000,000	(20,315)	-	(2,457)	458	349,997	549	3,496,616	4,824,848	220,000	5,044,848

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018.

CIMB ISLAMIC BANK BERHAD
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	The Group		The Bank	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
Profit before taxation and zakat	557,072	496,485	557,206	496,579
Adjustments for non-cash items	<u>(233,015)</u>	<u>(213,965)</u>	<u>(232,901)</u>	<u>(213,965)</u>
Operating profit before changes in working capital	324,057	282,520	324,305	282,614
Net changes in operating assets	(7,439,590)	(8,123,486)	(7,439,588)	(8,123,486)
Net changes in operating liabilities	6,930,410	6,446,388	6,882,210	6,392,264
Tax paid	<u>(79,154)</u>	<u>(93,111)</u>	<u>(79,154)</u>	<u>(93,111)</u>
Net cash generated from operating activities	(264,277)	(1,487,689)	(312,227)	(1,541,719)
Net cash flows used in investing activities	(1,949,547)	(1,564,008)	(1,949,661)	(1,564,008)
Net cash flows used in financing activities	<u>(468,634)</u>	<u>(226,995)</u>	<u>(420,570)</u>	<u>(172,965)</u>
Net change in cash and cash equivalents	(2,682,458)	(3,278,692)	(2,682,458)	(3,278,692)
Cash and cash equivalents at beginning of the financial period	<u>10,441,142</u>	<u>14,282,896</u>	<u>10,441,096</u>	<u>14,282,850</u>
Cash and cash equivalents at end of the financial period	<u>7,758,684</u>	<u>11,004,204</u>	<u>7,758,638</u>	<u>11,004,158</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018

PART A - EXPLANATORY NOTES

A1. Basis of preparation

The unaudited condensed interim financial statements for the financial period ended 30 June 2019 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, derivative financial instruments, non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss, that have been measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements.

The unaudited condensed interim financial statements should be read in conjunction with the Group's and the Bank's audited financial statements for the financial year ended 31 December 2018. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2018.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2018, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2019:

- MFRS 16 “Leases”
- Amendments to MFRS 9 “Prepayment Features with Negative Compensation”
- Amendments to MFRS 128 “Long-term Interests in Associates and Joint Ventures”
- Annual Improvements to MFRSs 2015 – 2017 Cycle
- IC Interpretation 23 “Uncertainty over Income Tax Treatments”

The adoption of MFRS 16 has required additional disclosure of leases. Other than that, the adoption of the above new standards, amendments to published standards and interpretation are not expected to give rise to significant impact on the financial results of the Group and the Bank.

The preparation of unaudited condensed interim financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and Bank's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

A2. Changes in estimates

There were no material changes to financial estimates made in respect of the current financial period that had previously been announced or disclosed.

PART A - EXPLANATORY NOTES (CONTINUED)

A3. Issuance and repayment of debt equity securities

During the period, Ziya Capital Bhd ("Ziya") undertook a partial redemption of its Sukuk amounting to RM48 million.

A4. Proposed dividend

There were no dividends paid or proposed for the financial period ended 30 June 2019.

A5. Significant events after the reporting period

There were no significant events other than those disclosed under issuance and repayment of debt equity securities that had occurred between 30 June 2019 and the date of this announcement.

A6 Cash and short-term funds and Deposits and placements with banks and other financial institutions

As at 30 June 2019, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are NIL and RM103,000 respectively. The 12-month expected credit losses written back in the income statement during the financial period is amounting to RM82,000.

	The Group and the Bank	
	30 June	31 December
	2019	2018
	RM'000	RM'000
A7 Financial assets at fair value through profit or loss		
Money market instruments		
Unquoted		
<u>In Malaysia</u>		
Malaysian Government treasury bills	279,820	-
Bank Negara Malaysia monetary notes	49,934	-
Islamic negotiable instruments of deposits	2,090,781	2,780,790
Islamic commercial papers	208,051	9,603
Government Investment Issues	1,874,184	91,571
	<u>4,502,770</u>	<u>2,881,964</u>
Unquoted securities		
<u>In Malaysia</u>		
Corporate Sukuk	232,647	43,380
	<u>4,735,417</u>	<u>2,925,344</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A8 Debt instruments at fair value through other comprehensive income

	The Group and the Bank	
	30 June 2019 RM'000	31 December 2018 RM'000
Money market instruments		
Unquoted		
<u>In Malaysia</u>		
Government Investment Issues	697,955	762,319
Islamic Cagamas bonds	46,008	66,607
Malaysian Government Sukuk	-	5,062
Islamic commercial papers	118,751	24,271
	862,714	858,259
Unquoted securities		
<u>In Malaysia</u>		
Corporate Sukuk	2,948,114	1,821,983
<u>Outside Malaysia</u>		
Corporate Sukuk	56,002	76,305
	3,866,830	2,756,547

Expected credit losses movement for debt instruments at fair value through other comprehensive income:

The following expected credit losses is not recognised in the statement of financial position as the carrying amount of debt instruments at fair value through other comprehensive income is equivalent to their fair value.

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses- not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
The Group and the Bank				
At 1 January 2019	1,117	-	-	1,117
Total charge to Income Statement:	735	-	-	735
New financial assets purchased	5,392	-	-	5,392
Financial assets that have been derecognised	(65)	-	-	(65)
Change in credit risk	(4,592)	-	-	(4,592)
At 30 June 2019	1,852	-	-	1,852

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses- not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
The Group and the Bank				
At 1 January 2018	-	-	-	-
Effect of adopting MFRS 9	570	-	-	570
Adjusted 1 January 2018	570	-	-	570
Changes in expected credit losses due to transferred within stages:	7,445	(7,445)	-	-
Transferred to Stage 1	7,446	(7,446)	-	-
Transferred to Stage 2	(1)	1	-	-
Total charge to Income Statement:	(6,898)	7,445	-	547
New financial assets purchased	4,817	-	-	4,817
Financial assets that have been derecognised	(587)	-	-	(587)
Change in credit risk	(11,128)	7,445	-	(3,683)
At 31 December 2018	1,117	-	-	1,117

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group and the Bank	
	30 June	31 December
	2019	2018
	RM'000	RM'000
A9 Equity instruments at fair value through other comprehensive income		
Unquoted securities		
<u>In Malaysia</u>		
Placement with Islamic Banking and Finance	<u>575</u>	<u>575</u>
A10 Debt instruments at amortised cost		
Money market instruments		
Unquoted		
<u>In Malaysia</u>		
Islamic commercial papers	15,055	-
Government Investment Issues	2,679,661	2,159,881
Islamic Cagamas bonds	40,321	40,326
Malaysian Government Sukuk	<u>101,341</u>	<u>101,341</u>
	<u>2,836,378</u>	<u>2,301,548</u>
Unquoted securities		
<u>In Malaysia</u>		
Corporate Sukuk	4,843,169	4,238,405
	<u>7,679,547</u>	<u>6,539,953</u>
Accretion of discount net of amortisation of premium	4,585	4,977
Less: Expected credit loss	(186)	(207)
	<u>7,683,946</u>	<u>6,544,723</u>

Expected credit losses movement for debt instruments at amortised cost:

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (not credit impaired - Stage 2)	Lifetime expected credit losses (Credit impaired - Stage 3)	Total
The Group and the Bank				
At 1 January 2019	207	-	-	207
Total charge to Income Statement:	(21)	-	-	(21)
New financial assets purchased	310	-	-	310
Change in credit risk	(331)	-	-	(331)
At 30 June 2019	<u>186</u>	<u>-</u>	<u>-</u>	<u>186</u>

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (not credit impaired - Stage 2)	Lifetime expected credit losses (Credit impaired - Stage 3)	Total
The Group and the Bank				
At 1 January 2018	-	-	-	-
Effect of adopting MFRS 9	383	-	-	383
Adjusted 1 January 2018	383	-	-	383
Changes in expected credit losses due to transferred within stages:				
Transferred to Stage 2	(46)	46	-	-
	<u>(46)</u>	<u>46</u>	<u>-</u>	<u>-</u>
Total charge to Income Statement:	(130)	(46)	-	(176)
New financial assets purchased	935	-	-	935
Financial assets that have been derecognised	(23)	(155)	-	(178)
Change in credit risk	(1,042)	109	-	(933)
At 31 December 2018	<u>207</u>	<u>-</u>	<u>-</u>	<u>207</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11 (i) By type and Shariah contract

30 June 2019

	The Group and the Bank									
	Sale-based contracts				Lease-based contracts		Loan contract	Others		
	Murabahah	Bai' Bithaman	Bai' al-'inah	Bai' al-Dayn	Tawarruq	Ijarah Muntahiah Bi-al-Tamlik *	Al-Ijarah Thumma Al-Bai' #	Qard	Ujrah	Total
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost										
Cash line^	-	2,190	-	-	999,229	-	-	3,032	-	1,004,451
Term financing										
House Financing	-	5,499,155	-	-	13,549,465	1,315,932	-	-	-	20,364,552
Syndicated Financing	-	-	169,467	-	1,772,788	-	-	-	-	1,942,255
Hire purchase receivables	-	-	-	-	-	-	7,966,163	-	-	7,966,163
Other term financing	-	1,371,160	6,852,362	-	28,698,024	50,401	-	-	-	36,971,947
Bills receivable	57,777	-	-	18,703	-	-	-	-	-	76,480
Islamic trust receipts	76,131	-	-	-	-	-	-	-	-	76,131
Claims on customers under acceptance credits	862,602	-	-	66,524	-	-	-	-	-	929,126
Staff financing**	-	-	-	-	128,739	-	-	-	-	128,739
Revolving credits	-	-	-	-	6,623,922	-	-	-	-	6,623,922
Credit card receivables	-	-	-	-	-	-	-	-	138,337	138,337
Share purchase financing	40	-	-	-	-	-	-	-	-	40
Gross financing, advances and other financing/loans, at amortised cost	996,550	6,872,505	7,021,829	85,227	51,772,167	1,366,333	7,966,163	3,032	138,337	76,222,143
Fair value changes arising from fair value hedge										22,432
										76,244,575
Less: Expected credit losses										(469,827)
Net financing, advances and other financing/loans, at amortised cost										75,774,748
At fair value through profit or loss										
Term financing										
Syndicated Financing	-	-	-	-	200,855	-	-	-	-	200,855
Gross financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	200,855	-	-	-	-	200,855
Total net financing, advances and other financing/loans										75,975,603

^ Includes current account in excess

* The Bank is the beneficial owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

The Bank is the owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

** Includes financing to Directors of the Group and the Bank amounting to RM1,929,005 (2018:RM1,958,011).

PART A - EXPLANATORY NOTES (CONTINUED)

A11 Financing, advances and other financing/loans

(i) By type and Shariah contract (continued)

31 December 2018

	The Group and the Bank									
	Sale-based contracts				Lease-based contracts			Loan contract	Others	Total RM'000
	Murabahah RM'000	Bai' Bithaman		Bai' al-'inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Ijarah	Al-Ijarah	Qard RM'000	
Ajil RM'000			Muntahiah Bi al- Tamlik *				Thumma Al-Bai' #			
At amortised cost										
Cash line [^]	-	5,704	-	-	891,257	-	-	1,455	-	898,416
Term financing										
House Financing	-	5,786,483	-	-	11,099,048	1,357,811	-	-	-	18,243,342
Syndicated Financing	-	-	162,279	-	1,858,778	7,450	-	-	-	2,028,507
Hire purchase receivables	-	-	-	-	-	-	7,423,573	-	-	7,423,573
Other term financing	-	1,484,968	6,982,666	-	25,329,083	52,570	-	-	-	33,849,287
Bills receivable	5,075	-	-	21,062	-	-	-	-	-	26,137
Islamic trust receipts	105,196	-	-	-	-	-	-	-	-	105,196
Claims on customers under acceptance credits	1,031,893	-	-	80,964	-	-	-	-	-	1,112,857
Staff financing**	-	-	-	-	114,300	-	-	-	-	114,300
Credit card receivables	-	-	-	-	-	-	-	-	137,325	137,325
Revolving credits	-	-	-	-	6,601,468	-	-	-	-	6,601,468
Share purchase financing	207	-	-	-	-	-	-	-	-	207
Gross financing, advances and other, at amortised cost financing/loans	1,142,371	7,277,155	7,144,945	102,026	45,893,934	1,417,831	7,423,573	1,455	137,325	70,540,615
Fair value changes arising from fair value hedges										32,732
Less: Expected credit losses										(446,186)
Net financing, advances and other financing/loans, at amortised cost										70,127,161
At fair value through profit or loss:										
Term financing										
Syndicated Financing	-	-	-	-	491,566	-	-	-	-	491,566
Gross financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	491,566	-	-	-	-	491,566
Total net financing, advances and other financing/loans										70,618,727

[^] Includes current account in excess

* The Bank is the beneficial owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing

The Bank is the owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

** Includes financing to Directors of the Group and the Bank amounting to RM1,929,005 (2018:RM1,958,011).

PART A - EXPLANATORY NOTES (CONTINUED)

A11 Financing, advances and other financing/loans (continued)

(i) By type and Shariah contract (continued)

	The Group and the Bank	
	30 June	31 December
	2019	2018
	RM'000	RM'000
Total Gross financing, advances and other financing/loans		
- At amortised cost	76,222,143	70,540,615
- At fair value through profit or loss	200,855	491,566
	<u>76,422,998</u>	<u>71,032,181</u>

(a) The Group and the Bank have undertaken fair value hedges on the profit rate risk of financing, advances and other financing/loans of RM3,377,012,000 (2018: RM3,384,006,000) using Islamic profit rate swaps.

(b) Included in financing, advances and other financing/loans are exposures to Restricted Profit Sharing Investment Accounts ("RPSIA"), as part of an arrangement between CIMB Islamic Bank Berhad and CIMB Bank Berhad. CIMB Bank Berhad is exposed to risks and rewards on RPSIA financing and will account for all the expected credit losses for financing arising thereon.

As at 30 June 2019, the gross carrying amount to RPSIA financing is RM6,689,139,000 (31 December 2018: RM6,907,549,000) and the 12-month expected credit losses relating to this RPSIA amounting to RM78,554,000 (31 December 2018: RM25,658,000) is recognised in the Financial Statements of CIMB Bank Berhad.

(c) Movement of Qard financing

	The Group and the Bank	
	30 June	31 December
	2019	2018
	RM'000	RM'000
At 1 January 2019/2018	1,455	2,356
New disbursement	1,800	332
Repayment	(223)	(1,233)
As at 30 June/31 December	<u>3,032</u>	<u>1,455</u>
Sources of Qard fund:		
Depositors' fund	2,849	1,371
Shareholders' fund	183	84
	<u>3,032</u>	<u>1,455</u>
Uses of Qard fund:		
Personal use	239	172
Business purpose	2,793	1,283
	<u>3,032</u>	<u>1,455</u>

(ii) By geographical distribution:

Malaysia	76,422,998	71,032,181
	<u>76,422,998</u>	<u>71,032,181</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11 Financing, advances and other financing/loans (continued)

	The Group and the Bank	
	30 June	31 December
	2019	2018
	RM'000	RM'000
(iii) By type of customer :		
Domestic non-bank financial institutions	2,349,893	2,559,537
Domestic business enterprises		
- Small medium enterprises	11,944,434	10,539,046
- Others	9,885,552	10,068,019
Government and statutory bodies	5,295,175	5,316,905
Individuals	46,298,699	41,918,011
Other domestic entities	162,720	84,965
Foreign entities	486,525	545,698
Gross financing, advances and other financing/loans	<u>76,422,998</u>	<u>71,032,181</u>
(iv) By profit rate sensitivity :		
Fixed rate		
- House financing	98,289	96,355
- Hire purchase receivables	6,575,373	5,924,614
- Others	7,098,810	7,235,659
Variable rate		
- House financing	20,266,263	18,146,987
- Others	42,384,263	39,628,566
Gross financing, advances and other financing/loans	<u>76,422,998</u>	<u>71,032,181</u>
(v) By economic purpose :		
Personal use	2,303,819	2,321,190
Credit card	138,337	137,325
Construction	3,286,773	3,420,799
Residential property	20,918,570	18,751,334
Non-residential property	6,363,910	5,685,175
Purchase of fixed assets other than land and building	161,996	179,287
Merger and acquisition	778	1,128
Purchase of securities	13,633,436	12,148,632
Purchase of transport vehicles	8,527,586	8,040,821
Working capital	18,119,023	17,201,425
Other purpose	2,968,770	3,145,065
Gross financing, advances and other financing/loans	<u>76,422,998</u>	<u>71,032,181</u>
(vi) By economic sector:		
Primary agriculture	2,541,053	2,178,023
Mining and quarrying	866,439	1,574,073
Manufacturing	2,694,044	2,480,562
Electricity, gas and water supply	103,015	95,820
Construction	2,685,570	2,604,476
Transport, storage and communications	4,165,457	3,729,773
Education, health and others	6,005,358	5,935,866
Wholesale and retail trade, and restaurants and hotels	2,457,560	2,200,005
Finance, insurance/takaful, real estate and business activities	8,272,926	8,011,493
Household	46,542,071	42,147,609
Others	89,505	74,481
Gross financing, advances and other financing/loans	<u>76,422,998</u>	<u>71,032,181</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11 Financing, advances and other financing/loans (continued)

	The Group and the Bank	
	30 June	31 December
	2019	2018
	RM'000	RM'000
(vii) By residual contractual maturity :		
Within one year	15,634,939	12,811,731
One year to less than three years	1,298,708	4,615,270
Three years to less than five years	3,260,392	2,829,012
Five years and more	56,228,959	50,776,168
Gross financing, advances and other financing/loans	<u>76,422,998</u>	<u>71,032,181</u>
(viii) Credit impaired financing by economic purpose :		
Personal use	15,908	17,717
Credit card	1,943	1,879
Construction	28,782	29,020
Residential property	194,322	157,524
Non-residential property	118,765	61,027
Purchase of fixed assets other than land & building	73	75
Purchase of securities	1,242	1,485
Purchase of transport vehicles	67,067	61,866
Working capital	864,428	57,334
Other purpose	51,751	49,785
Gross credit impaired financing, advances and other financing/loans	<u>1,344,281</u>	<u>437,712</u>
(ix) Credit impaired financing by geographical distribution:		
Malaysia	<u>1,344,281</u>	<u>437,712</u>
	<u>1,344,281</u>	<u>437,712</u>
(x) Credit impaired financing by economic sector:		
Primary agriculture	61,646	6,658
Mining and quarrying	2,815	2,779
Manufacturing	754,662	28,146
Construction	11,798	25,435
Transport, storage and communications	63,851	56,614
Education, health and others	2,293	10,613
Wholesale and retail trade, and restaurants and hotels	37,702	9,706
Finance, insurance/takaful, real estate and business activities	109,699	44,369
Household	298,075	253,390
Others	1,740	2
Gross credit impaired financing, advances and other financing/loans	<u>1,344,281</u>	<u>437,712</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11 Financing, advances and other financing/loans (continued)

(xi) Movements in the expected credit losses for financing, advances and other financing/loans are as follows:

Financing, advances and other financing/loans at amortised cost:

The Group and the Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not credit impaired (Stage 2) RM'000	Lifetime expected credit losses -Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2019	172,096	75,042	199,048	446,186
Changes in expected credit losses due to transferred within stages:	124,285	(76,987)	(47,298)	-
Transferred to Stage 1	151,389	(131,657)	(19,732)	-
Transferred to Stage 2	(26,856)	78,905	(52,049)	-
Transferred to Stage 3	(248)	(24,235)	24,483	-
Total charge to Income Statement:	(151,772)	121,762	125,015	95,005
New financial assets originated	52,102	23	4,396	56,521
Financial assets that have been derecognised	(101,225)	(1,944)	-	(103,169)
Writeback in respect of full recoveries	-	-	(7,632)	(7,632)
Change in credit risk	(102,649)	123,683	128,251	149,285
Write-offs	-	-	(75,325)	(75,325)
Other movements	(1,095)	-	5,056	3,961
	143,514	119,817	206,496	469,827

PART A - EXPLANATORY NOTES (CONTINUED)

A11 Financing, advances and other financing/loans (continued)

(xi) Movements in the expected credit losses for financing, advances and other financing/loans are as follows:

Financing, advances and other financing/loans at amortised cost:

The Group and the Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not credit impaired (Stage 2) RM'000	Lifetime expected credit losses -Credit impaired (Stage 3) RM'000	Individual impairment provision under MFRS 139 RM'000	Portfolio impairment provision under MFRS 139 RM'000	Total RM'000
At 1 January 2018	-	-	-	49,352	244,673	294,025
Effect of adopting MFRS 9	114,725	116,363	161,712	(49,352)	(244,673)	98,775
Adjusted 1 January 2018	114,725	116,363	161,712	-	-	392,800
Changes in expected credit losses due to transferred within stages:	219,579	(185,163)	(34,416)	-	-	-
Transferred to Stage 1	273,384	(230,727)	(42,657)	-	-	-
Transferred to Stage 2	(53,576)	110,989	(57,413)	-	-	-
Transferred to Stage 3	(229)	(65,425)	65,654	-	-	-
Transferred to Lifetime ECL credit impaired – Individual provision						-
Total charge to Income Statement:	(163,062)	137,309	183,317	-	-	157,564
New financial assets originated	161,688	56	462	-	-	162,206
Financial assets that have been derecognised	(107,361)	(1,295)	-	-	-	(108,656)
Writeback in respect of full recoveries	-	-	(3,911)	-	-	(3,911)
Change in credit risk	(217,389)	138,548	186,766	-	-	107,925
Write-offs	-	-	(118,734)	-	-	(118,734)
Other movements	854	6,533	7,169	-	-	14,556
	172,096	75,042	199,048	-	-	446,186

PART A - EXPLANATORY NOTES (CONTINUED)

A11 Financing, advances and other financing/loans (continued)

(xii) Movements in credit impaired financing, advances and other financing/loans

Gross carrying amount movement of financing, advances and other financing/loans at amortised cost classified as credit impaired:

	The Group and the Bank		
	Lifetime expected credit losses -Credit impaired (Stage 3)	Impaired financing, advances and other financing/loans under MFRS 139	Total
	RM'000	RM'000	RM'000
At 1 January 2019	437,712	-	437,712
Transfer within stages	364,803	-	364,803
New financial assets originated	702,608	-	702,608
Write-offs	(75,325)	-	(75,325)
Amount fully recovered	(37,664)	-	(37,664)
Other changes in financing, advances and other financing/loans	(19,515)	-	(19,515)
At 30 June 2019	1,372,619	-	1,372,619

	The Group and the Bank		
	Lifetime expected credit losses -Credit impaired (Stage 3)	Impaired financing, advances and other financing/loans under MFRS 139	Total
	RM'000	RM'000	RM'000
At 1 January 2018	-	381,870	381,870
Effect of adopting MFRS 9	381,870	(381,870)	-
Adjusted 1 January 2018	381,870	-	381,870
Transfer within stages	245,139	-	245,139
New financial assets originated	1,178	-	1,178
Write-offs	(118,733)	-	(118,733)
Amount fully recovered	(44,299)	-	(44,299)
Other changes in financing, advances and other financing/loans	(27,443)	-	(27,443)
At 31 December 2018	437,712	-	437,712

	The Group and the Bank	
	30 June 2019	31 December 2018
Ratio of credit impaired financing to total financing, advances and other financing/loans	1.76%	0.62%

PART A - EXPLANATORY NOTES (CONTINUED)

A12 Other assets

	The Group and the Bank	
	30 June 2019 RM'000	31 December 2018 RM'000
Deposits and prepayments	8,277	6,020
Sundry debtors	309,228	109,581
Collateral pledged for derivative transactions	97,840	239,940
Clearing accounts	290,468	368,022
	705,813	723,563

The Group		The Bank	
30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000

A13 Deposits from customers

(i) By type of deposit

	3,540,266	3,158,586	3,540,266	3,158,586
Savings deposits	3,540,266	3,158,586	3,540,266	3,158,586
Commodity Murabahah (via Tawarruq arrangement)*	3,540,266	3,158,586	3,540,266	3,158,586
Demand deposits	14,478,415	11,693,594	14,478,415	11,693,594
Qard	12,810,142	10,051,750	12,810,142	10,051,750
Commodity Murabahah (via Tawarruq arrangement)*	1,668,273	1,641,844	1,668,273	1,641,844
Term deposits	65,398,538	60,954,429	65,721,325	61,239,617
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	33,289,078	38,381,725	33,611,865	38,666,913
Fixed Return Income Account-i (via Tawarruq arrangement)*	32,109,460	22,572,704	32,109,460	22,572,704
Specific investment account	101,932	104,791	101,932	104,791
Mudharabah	101,932	104,791	101,932	104,791
Others	23,575	20,156	23,575	20,156
Qard	23,575	20,156	23,575	20,156
	83,542,726	75,931,556	83,865,513	76,216,744

*included Qard contract of RM646,214,000 (2018:RM630,892,000)

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group		The Bank	
	30 June 2019 RM'000	31 December 2018 RM'000	30 June 2019 RM'000	31 December 2018 RM'000
A13 Deposits from customers (continued)				
(ii) Maturity structures of term deposits and investment accounts.				
Due within six months	54,360,088	52,734,450	54,682,876	53,019,638
Six months to less than one year	11,033,218	8,173,706	11,033,218	8,173,706
One year to less than three years	4,500	45,645	4,500	45,645
Three years to less than five years	77,985	80,363	77,985	80,363
Five years and more	24,679	25,056	24,678	25,056
	<u>65,500,470</u>	<u>61,059,220</u>	<u>65,823,257</u>	<u>61,344,408</u>
(iii) By type of customer				
Government and statutory bodies	5,532,198	3,826,910	5,532,198	3,826,910
Business enterprises	29,084,199	30,513,897	29,084,199	30,513,897
Individuals	30,524,623	20,823,202	30,524,623	20,823,202
Others	18,401,706	20,767,547	18,724,493	21,052,735
	<u>83,542,726</u>	<u>75,931,556</u>	<u>83,865,513</u>	<u>76,216,744</u>

	The Group and the Bank	
	30 June 2019 RM'000	31 December 2018 RM'000
A14 Investment accounts of customers		
Unrestricted investment accounts (Mudharabah)		
-without maturity		
Special Mudharabah Investment Account	584,776	465,733
-with maturity		
Term Investment Account-i	414,283	1,303,537
	<u>999,059</u>	<u>1,769,270</u>

The underlying assets for the investments are hire purchase, house financing and other term financing.

A15 Deposits and placements of banks and other financial institutions		
Licensed Islamic banks	50,012	-
Licensed investment banks	1,330	29,433
Licensed banks	1,179,101	1,037,022
Other financial institutions	552,205	1,017,125
	<u>1,782,648</u>	<u>2,083,580</u>

The maturity structure of deposits and placements from financial institutions are as follows:

Due within six months	1,495,964	1,887,840
Six months to less than one year	286,684	195,740
	<u>1,782,648</u>	<u>2,083,580</u>

PART A - EXPLANATORY NOTES (CONTINUED)

		The Group and the Bank	
		30 June	31 December
		2019	2018
		RM'000	RM'000
A16 Investment accounts due to designated financial institutions			
Restricted investment accounts			
Mudharabah		7,838,231	8,216,809
By type of counterparty			
Licensed banks		7,838,231	8,216,809

The underlying assets for the investments are deposit placement with financial institutions, syndicated term financing, revolving credit and other term financing.

		The Group and the Bank	
		30 June	31 December
		2019	2018
		RM'000	RM'000
A17 Financial liabilities designated at fair value through profit or loss			
Deposits from customers - structured investments			
		126,527	21,918

The Group and the Bank have issued structured investments, and have designated them at fair value in accordance with MFRS9. The Group and the Bank have the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group and the Bank on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of the Group and the Bank as at 30 June 2019 of financial liabilities designated at fair value were RM 4,332,000 (31 December 2018:RM1,235,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

		The Group		The Bank	
		30 June	31 December	30 June	31 December
		2019	2018	2019	2018
		RM'000	RM'000	RM'000	RM'000
A18 Other liabilities					
Accruals and other payables					
		449,486	87,107	449,486	87,107
Clearing accounts					
		460,568	179,993	460,568	179,993
Structured deposits					
		42,934	34,178	42,934	34,178
Expected credit losses for financing commitments and financial guarantee contracts					
	A18(a)	32,622	65,271	32,622	65,271
Collateral received for derivative transactions					
		5,280	1,980	5,280	1,980
Others					
		18,257	24,596	4,636	96,772
		1,009,147	393,125	995,526	465,301

PART A - EXPLANATORY NOTES (CONTINUED)

A18 Other liabilities (continued)

(a) Expected credit losses movement of financing commitments and financial guarantee contracts are as follows:

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses -not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
At 1 January 2019	59,997	3,724	1,550	65,271
Changes in expected credit losses due to transferred within stages:	12,830	(9,620)	(3,210)	-
Transferred to Stage 1	13,625	(10,385)	(3,240)	-
Transferred to Stage 2	(762)	1,299	(537)	-
Transferred to Stage 3	(33)	(534)	567	-
Total charge to Income Statement:	(46,639)	10,539	3,415	(32,685)
New exposures	29,556	-	-	29,556
Exposures derecognised or matured	(4,341)	-	(12)	(4,353)
Change in credit risk	(71,854)	10,539	3,427	(57,888)
Other movements	(374)	291	119	36
At 30 June 2019	25,814	4,934	1,874	32,622

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses -not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
At 1 January 2018	-	-	-	-
Effect of adopting MFRS 9	62,473	3,035	1,423	66,931
Adjusted 1 January 2018	62,473	3,035	1,423	66,931
Changes in expected credit losses due to transferred within stages:	5,002	(5,413)	411	-
Transferred to Stage 1	6,367	(6,279)	(88)	-
Transferred to Stage 2	(1,353)	1,538	(185)	-
Transferred to Stage 3	(12)	(672)	684	-
Total charge to Income Statement:	(7,383)	5,830	(284)	(1,837)
New exposures	73,895	-	-	73,895
Exposures derecognised or matured	(41,187)	(349)	(5)	(41,541)
Change in credit risk	(40,091)	6,179	(279)	(34,191)
Other movements	(95)	272	-	177
At 31 December 2018	59,997	3,724	1,550	65,271

As at 30 June 2019, the gross carrying amount of financing commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM29,199,000 (2018: RM24,079,000) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A19 Subordinated sukuk

The Group and the Bank

a) The RM850 million unsecured subordinated Sukuk (“the Sukuk”) is part of the Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 May 2009. Under the programme, the Bank is allowed to raise Tier II capital of up to RM2.0 billion in nominal value outstanding at any one time.

The first tranche of the Sukuk of RM300 million under the first issuance was issued at par on 25 September 2009 and is due on 25 September 2024, with optional redemption on 25 September 2019 or any periodic payment date thereafter. The Sukuk bears a profit rate of 5.85% per annum payable semi-annually in arrears.

On 21 April 2011, the second tranche of the Sukuk of RM250 million was issued at par and is due on 21 April 2021, with optional redemption on 21 April 2016 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.2% per annum payable semi-annually in arrears.

The Bank redeemed in full, the second tranche of the Sukuk of RM250 million on its first optional redemption date of 21 April 2016.

On 18 September 2012, the third tranche of the Sukuk of RM300 million was issued at par and is due on 15 September 2022, with the optional redemption on 18 September 2017 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.00% per annum, payable semi-annually in arrears.

The Bank redeemed in full, the third tranche of the Sukuk of RM300 million on its first optional redemption date of 18 September 2017.

The Sukuk qualify as Tier II capital for the purpose of the total capital ratio computation (subject to gradual phase-out treatment under Basel III).

b) On 21 September 2016, the Bank had issued RM10 million Tier II Junior Sukuk (“the Sukuk”) at par and is due on 21 September 2026, with optional redemption on 21 September 2021 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.55% per annum.

The Sukuk is part of the Basel III Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier II capital of up to RM5.0 billion in nominal value outstanding at any one time.

The RM10 million subordinated Sukuk qualify as Tier II Capital for the purpose of the total capital ratio computation of the Bank.

c) On 28 December 2017, the Bank had issued RM300 million Tier II Junior Sukuk (“the Sukuk”) at par and is due on 28 December 2027, with optional redemption on 28 December 2022 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.70% per annum.

The Sukuk is part of the Basel III Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier II capital of up to RM5.0 billion nominal value outstanding at any one time.

The RM300 million Sukuk qualify as Tier II Capital for the purpose of the total capital ratio computation of the Bank.

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
A20 Income derived from investment of depositors' funds and others				
The Group and the Bank				
Income derived from investment of :				
a) General investment deposits	766,512	583,844	1,525,307	1,011,801
b) Specific investment deposits	732	582	1,572	1,673
c) Other deposits	269,384	235,767	534,010	652,871
	1,036,628	820,193	2,060,889	1,666,345
a) Income derived from investment of general investment deposits				
Financing, advances and other financing/loans				
- Profit income	579,944	469,708	1,143,788	786,125
- Unwinding income [^]	4,875	2,466	8,364	4,188
Debt instruments at fair value through other comprehensive income				
Debt instrument at amortised cost	26,273	17,488	48,504	28,410
Money at call and deposit with financial institutions	53,119	38,848	101,957	62,650
	44,906	52,718	110,867	92,860
	709,117	581,228	1,413,480	974,233
Accretion of discount less amortisation of premium	(968)	(203)	(1,641)	(351)
	708,149	581,025	1,411,839	973,882
Other profit income for financial assets at fair value through profit or loss				
- Financial assets at fair value through profit or loss	19,869	8,058	32,236	15,205
- Net accretion of discount less amortisation of premium	17,623	13,436	37,639	23,277
Total finance income and hibah	37,492	21,494	69,875	38,482
Other operating income				
- Net gain/(loss) arising from financial assets at fair value through profit or loss:	5,253	2,068	10,976	2,315
- realised	3,493	2,255	9,407	2,548
- unrealised	1,760	(187)	1,569	(233)
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	23,482	287	32,746	1,242
- Net loss arising from financing, advances and other financings at fair value through profit or loss:	-	-	(1,625)	-
- unrealised	-	-	(1,625)	-
- Net loss from foreign exchange transactions	(9,511)	(22,721)	(2,679)	(6,888)
	19,224	(20,366)	39,418	(3,331)
Fee and commission income	1,647	1,691	4,175	2,768
	766,512	583,844	1,525,307	1,011,801
b) Income derived from investment of specific investment deposits				
Financing, advances and other financing/loans				
Money at call and deposit with financial institutions	732	582	1,572	1,673

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

2nd Quarter Ended		Six Months Ended	
30 June	30 June	30 June	30 June
2019	2018	2019	2018
RM'000	RM'000	RM'000	RM'000

A20 Income derived from investment of depositors funds and others (continued)

The Group and the Bank

c) Income derived from investment of other deposits

Financing, advances and other financing/loans				
- Profit income	203,815	189,675	400,454	498,069
- Unwinding income [^]	1,713	996	2,930	2,674
Debt instruments at fair value through other comprehensive income	9,233	7,062	16,986	17,707
Debt instrument at amortised cost	18,668	15,688	35,700	38,886
Money at call and deposit with financial institutions	15,781	21,289	38,785	60,413
	249,210	234,710	494,855	617,749
Accretion of discount less amortisation of premium	(340)	(81)	(575)	(226)
	248,870	234,629	494,280	617,523
Other profit income for financial assets at fair value through profit or loss				
- Financial assets at fair value through profit or loss	6,983	3,255	11,296	10,220
- Net accretion of discount less amortisation of premium	6,194	5,424	13,174	15,017
Total finance income and hibah	13,177	8,679	24,470	25,237
Other operating income				
- Net gain/(loss) arising from financial assets at fair value through profit or loss:				
- realised	1,847	836	3,842	1,076
- unrealised	1,228	911	3,290	1,196
	619	(75)	552	(120)
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	8,252	115	11,483	1,046
- Net loss arising from financing, advances and other financings at fair value through profit or loss:				
- unrealised	-	-	(567)	-
- Net (loss)/gain from foreign exchange transactions	(3,342)	(9,174)	(960)	6,257
	6,757	(8,223)	13,798	8,379
Fee and commission income	580	682	1,462	1,732
	269,384	235,767	534,010	652,871

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

A21 Income derived from investment of investment account

The Group and The Bank

Financing, advances and other financing/loans				
- Profit income	89,600	122,677	190,320	213,726
- Unwinding income [^]	-	-	-	8
Money at call and deposit with financial institutions	8,929	18,776	19,157	36,772
	98,529	141,453	209,477	250,506

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

2nd Quarter Ended		Six Months Ended	
30 June	30 June	30 June	30 June
2019	2018	2019	2018
RM'000	RM'000	RM'000	RM'000

A22 Income derived from investment of shareholder's funds

The Group

Financing, advances and other financing/loans				
- Profit income	49,941	42,340	98,812	72,003
- Unwinding income [^]	420	223	722	384
Debt instruments at fair value through other comprehensive income	2,262	1,576	4,189	2,600
Debt instrument at amortised cost	4,574	3,502	8,807	5,733
Money at call and deposit with financial institutions	3,867	4,752	9,584	8,515
	61,064	52,393	122,114	89,235
Accretion of discount less amortisation of premium	(84)	(18)	(142)	(32)
	60,980	52,375	121,972	89,203
Other profit income for financial assets at fair value through profit or loss				
- Financial assets at fair value through profit or loss	1,711	726	2,783	1,396
- Net accretion of discount less amortisation of premium	1,517	1,211	3,252	2,134
Total finance income and hibah	3,228	1,937	6,035	3,530
Other operating income				
- Net gain/(loss) arising from financial assets at fair value through profit or loss:	452	187	948	210
- realised	300	204	813	231
- unrealised	152	(17)	135	(21)
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	2,022	25	2,825	115
- Net loss arising from financing, advances and other financings at fair value through profit or loss:				
- unrealised	322	-	181	-
- Net loss from foreign exchange transactions	(819)	(2,048)	(227)	(564)
- Net loss arising from hedging activities	(705)	(1,079)	(1,289)	(3,391)
- Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss	3,678	83	2,975	83
- realised	(81)	-	(154)	10
- unrealised	3,759	83	3,129	73
- Net gain/(loss) arising from derivative financial instrument	20,530	54,085	23,194	33,381
- realised	25,256	14,369	19,483	3,493
- unrealised	(4,726)	39,716	3,711	29,888
	25,480	51,253	28,607	29,834
Fee and commission income	50,708	35,908	80,869	77,098
Less : fee and commission expense	(10,988)	(1,875)	(10,988)	(5,539)
Net fee and commission income	39,720	34,033	69,881	71,559
Other income				
- Sundry income	417	612	1,042	1,417
	129,825	140,210	227,537	195,543

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

2nd Quarter Ended		Six Months Ended	
30 June	30 June	30 June	30 June
2019	2018	2019	2018
RM'000	RM'000	RM'000	RM'000

A22 Income derived from investment of shareholder's funds (continued)

The Bank

Financing, advances and other financing/loans

- Profit income	49,941	42,340	98,812	72,003
- Unwinding income [^]	420	222	722	384
Debt instruments at fair value through other comprehensive income	2,262	1,576	4,189	2,600
Debt instrument at amortised cost	4,574	3,502	8,807	5,733
Money at call and deposit with financial institutions	3,867	4,752	9,584	8,515
	61,064	52,392	122,114	89,235
Accretion of discount less amortisation of premium	(84)	(18)	(142)	(32)
	60,980	52,374	121,972	89,203

Other profit income for financial assets at fair value through profit or loss

- Financial assets at fair value through profit or loss	1,711	726	2,783	1,396
- Net accretion of discount less amortisation of premium	1,517	1,211	3,252	2,134
Total finance income and hibah	3,228	1,937	6,035	3,530

Other operating income

- Net gain/(loss) arising from financial assets at fair value through profit or loss:	452	187	948	210
- realised	300	204	813	231
- unrealised	152	(17)	135	(21)
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	2,022	25	2,825	115
- Net loss arising from financing, advances and other financings at fair value through profit or loss:				
- unrealised	322	-	181	-
- Net loss from foreign exchange transactions	(819)	(2,048)	(227)	(564)
- Net loss arising from hedging activities	(705)	(1,079)	(1,289)	(3,391)
- Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss	3,678	83	2,975	83
- realised	(81)	-	(154)	10
- unrealised	3,759	83	3,129	73
- Net gain/(loss) arising from derivative financial instrument	20,530	54,085	23,194	33,381
- realised	25,256	14,369	19,483	3,493
- unrealised	(4,726)	39,716	3,711	29,888
	25,480	51,253	28,607	29,834

Fee and commission income

	45,914	36,536	81,867	78,365
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Less : fee and commission expense

	(5,707)	(1,875)	(10,988)	(5,539)
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Net fee and commission income

	40,207	34,661	70,879	72,826
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Other income

- Sundry income	417	612	1,042	1,417
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	130,312	140,837	228,535	196,810
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[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans.

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
A23(a) Expected credit losses on financing, advances and other financing/loans				
The Group and the Bank				
Expected credit losses on financing, advances and other financing/loans at amortised cost:				
-Expected credit losses on financing, advances and other financing/loans	37,696	12,906	95,005	72,161
Credit impaired financing, advances and other financing/loans :				
- recovered	(13,469)	(12,295)	(27,472)	(25,939)
- written off	517	755	1,081	1,723
	24,744	1,366	68,614	47,945

A23(b) Other expected credit losses made/(written back)

The Group and the Bank

Expected credit losses made/(written back) on:

- Debt instrument at fair value through other comprehensive income	338	(340)	735	456
- Debt instrument at amortised cost	(47)	77	(21)	60
- Money at call and deposits and placements with banks and other financial institutions	(87)	(105)	(82)	51
- Other receivables	-	(1)	(27)	(47)
	204	(369)	605	520

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
A24 Income attributable to depositors and others				
The Group				
Deposits from customers				
- Mudharabah	726	1,050	1,574	2,140
- Non-Mudharabah	632,574	507,121	1,259,636	981,800
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah	16,899	12,633	36,555	24,865
Others				
- Financial liabilities designated at fair value through profit or loss	627	-	837	12
- Recourse obligation on loans and financing sold to Cagamas	16,641	21,072	37,213	42,355
- Sukuk	2,774	3,746	5,756	7,401
- Subordinated Sukuk	7,968	7,992	15,915	15,919
- Structured deposits	179	141	309	277
- Others	33	-	67	-
	678,421	553,755	1,357,862	1,074,769
The Bank				
Deposits from customers				
- Mudharabah	726	1,050	1,574	2,140
- Non-Mudharabah	632,574	507,121	1,259,636	981,800
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah	16,899	12,633	36,555	24,865
Others				
- Financial liabilities designated at fair value through profit or loss	627	-	837	12
- Recourse obligation on loans and financing sold to Cagamas	16,641	21,072	37,213	42,355
- Subordinated Sukuk	7,968	7,992	15,915	15,919
- Structured deposits	179	141	309	277
- Others	3,279	4,238	6,757	8,681
	678,893	554,247	1,358,796	1,076,049
A25 Profit distributed to investment account holder				
The Group and the Bank				
-Restricted	72,436	88,300	147,805	164,258
-Unrestricted	1,928	25,026	11,256	35,854
	74,364	113,326	159,061	200,112

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
A26 Personnel expenses				
The Group and the Bank				
Salaries, allowances and bonuses	5,661	6,089	11,522	11,840
Pension costs (defined contribution plan)	631	587	1,214	1,197
Staff incentives and other staff payments	95	121	(1,459)	205
Medical expenses	50	35	93	79
Others	(524)	(248)	565	99
	5,913	6,584	11,935	13,420
A27 Other overheads and expenditures				
The Group				
Establishment				
Depreciation of property, plant equipment	937	933	1,855	1,884
Depreciation of right-of-use assets	144	-	288	-
Rental	207	369	332	1,073
Amortisation of intangible assets	2,257	2,424	4,595	5,048
Repairs and maintenance	574	398	1,129	588
Outsourcing expenses	105	169	210	272
Security expenses	4	-	9	10
Utility expenses	11	(7)	20	32
Others	172	(322)	519	126
	4,411	3,964	8,957	9,033
Marketing				
Advertisement and publicity	(404)	459	3,110	825
Others	2,207	317	3,379	395
	1,803	776	6,489	1,220
General expenses				
Communication	18	27	41	55
Consultancy and professional fees	558	(347)	819	687
Legal expenses	56	3	210	309
Stationery	128	126	241	211
Postages	400	431	476	1,194
Donation	173	445	2,243	896
Incidental expenses on banking operations	1,189	1,223	2,326	2,299
Takaful	2,224	1,893	5,533	4,649
Others	169,783	3,969	348,104	6,217
	174,529	7,770	359,993	16,517
Shared service costs	-	128,394	-	255,668
	180,743	140,904	375,439	282,438

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2019 RM'000	30 June 2018 RM'000	30 June 2019 RM'000	30 June 2018 RM'000
A27 Other overheads and expenditures (continued)				
The Bank				
Establishment				
Depreciation of property, plant equipment	937	933	1,855	1,884
Depreciation of right-of-use assets	144	-	288	-
Rental	207	369	332	1,073
Amortisation of intangible assets	2,257	2,424	4,595	5,048
Repairs and maintenance	574	398	1,129	588
Outsourcing expenses	105	169	210	272
Security expenses	4	-	9	10
Utility expenses	11	(7)	20	32
Others	172	(322)	519	126
	4,411	3,964	8,957	9,033
Marketing				
Advertisement and publicity	(404)	459	3,110	825
Others	2,207	317	3,379	395
	1,803	776	6,489	1,220
General expenses				
Communication	18	27	41	55
Consultancy and professional fees	558	(347)	819	687
Legal expenses	56	3	210	309
Stationery	128	126	241	211
Postages	400	431	476	1,194
Donation	173	445	2,243	896
Incidental expenses on banking operations	1,189	1,223	2,326	2,299
Takaful	2,224	1,893	5,533	4,649
Others	169,744	3,918	348,034	6,110
	174,490	7,719	359,923	16,410
Shared service costs	-	128,394	-	255,668
	180,704	140,853	375,369	282,331

PART A - EXPLANATORY NOTES (CONTINUED)

A28 Islamic derivative financial instruments, commitments and contingencies

(i) Islamic derivative financial instruments

The following tables summarise the contractual or underlying principal amounts of trading derivative and financial instruments held for hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at the end of the reporting period, and do not represent amounts of risk.

Trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Islamic Derivative Financial Instruments" Assets and Liabilities respectively.

The Group and the Bank	30 June 2019			31 December 2018		
	Principal Amount RM'000	Fair values assets RM'000	Fair values liabilities RM'000	Principal amount RM'000	Fair values assets RM'000	Fair values liabilities RM'000
<u>Foreign exchange derivatives</u>						
Currency forwards	9,376,858	206,300	(193,271)	10,195,921	236,801	(214,115)
- Less than one year	7,799,692	82,784	(78,794)	7,163,570	104,743	(94,601)
- One year to three years	795,446	42,180	(40,891)	2,077,803	55,614	(50,854)
- More than three years	781,720	81,336	(73,586)	954,548	76,444	(68,660)
Currency swaps	9,997,874	47,267	(43,182)	8,351,649	32,360	(47,941)
- Less than one year	9,997,701	47,267	(43,149)	8,323,062	29,980	(45,501)
- One year to three years	173	-	(33)	28,414	2,380	(2,410)
- More than three years	-	-	-	173	-	(30)
Currency spots	26,560	8	(57)	30,222	24	(18)
- Less than one year	26,560	8	(57)	30,222	24	(18)
Currency options	401,893	1,555	(1,555)	18,104	99	(99)
- Less than one year	401,893	1,555	(1,555)	18,104	99	(99)
Cross currency profit rate swaps	2,063,003	122,817	(119,252)	2,786,260	144,059	(140,220)
- Less than one year	501,099	3,541	(3,263)	775,616	27,208	(27,022)
- One year to three years	834,974	61,399	(61,248)	1,283,714	66,375	(65,833)
- More than three years	726,930	57,877	(54,741)	726,930	50,476	(47,365)
	21,866,188	377,947	(357,317)	21,382,156	413,343	(402,393)
<u>Islamic profit rate derivatives</u>						
Islamic profit rate swaps	13,492,248	97,092	(95,432)	16,399,716	146,815	(140,328)
- Less than one year	790,536	954	(826)	3,712,833	7,944	(7,548)
- One year to three years	9,757,385	46,885	(44,835)	9,119,980	107,627	(104,993)
- More than three years	2,944,327	49,253	(49,771)	3,566,903	31,244	(27,787)
<u>Equity related derivatives</u>						
Equity options	228,156	1,256	(1,256)	258,402	2,109	(2,109)
- Less than one year	-	-	-	23,786	1,099	(1,099)
- One year to three years	24,070	1,089	(1,089)	25,030	961	(961)
- More than three years	204,086	167	(167)	209,586	49	(49)
<u>Credit related contracts</u>						
Total return swaps	41,500	1,317	(1,317)	41,500	527	(527)
- More than three years	41,500	1,317	(1,317)	41,500	527	(527)
<u>Commodity related derivatives</u>						
Commodity options	34,515	148	(148)	-	-	-
- More than three years	34,515	148	(148)	-	-	-
<u>Hedging derivatives</u>						
Islamic profit rate swaps	3,377,012	-	(44,152)	3,384,006	1,590	(53,618)
- Less than one year	3,275,000	-	(42,736)	1,375,000	-	(21,443)
- One year to three years	-	-	-	1,900,000	-	(32,175)
- More than three years	102,012	-	(1,416)	109,006	1,590	-
Total derivative assets/(liabilities)	39,039,619	477,760	(499,622)	41,465,780	564,384	(598,975)

PART A - EXPLANATORY NOTES (CONTINUED)

A28 Islamic derivative financial instruments, commitments and contingencies (continued)

(i) Islamic derivative financial instruments (continued)

The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risk, as follows:

Market Risk

Market risk is defined as any fluctuation in the value arising from changes in value of market risk factors such as profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility. The contractual amounts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. The Group's risk management department monitors and manages market risk exposure via stress testing of the Group's Value-at-Risk (VaR) model, in addition to reviewing and analysing its treasury trading strategy, positions and activities vis-à-vis changes in the financial market, monitoring limit usage, assessing limit adequacy, and verifying transaction prices.

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as profit rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 June 2019, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM477,760,000 (31 December 2018: RM564,384,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

Liquidity risk on derivatives is the risk that the derivative 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 requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 June 2019, the Group has posted cash collateral of RM97,840,000 (31 December 2018: RM239,940,000) on their derivative contracts.

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 controlling the risks associated with these financial derivative contracts; and
- c) the related accounting policies.

The above information, policies and procedures in respect of derivative financial instruments of the Group and the Bank are disclosed in the audited annual financial statements for the financial year ended 31 December 2018.

PART A - EXPLANATORY NOTES (CONTINUED)

A28 Islamic derivative financial instruments, commitments and contingencies (continued)

(ii) Commitments and contingencies

	30 June 2019 Principal amount	31 December 2018 Principal amount
The Group and the Bank	RM'000	RM'000
<u>Credit-related</u>		
Direct credit substitutes	229,674	247,949
Transaction-related contingent items	862,314	755,977
Short-term self-liquidating trade-related contingencies	83,291	53,944
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	9,290,122	9,526,685
- maturity exceeding one year	7,635,649	7,127,240
Miscellaneous commitments and contingencies	27,195	40,750
Total credit-related commitments and contingencies	<u>18,128,245</u>	<u>17,752,545</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	18,726,944	16,310,574
- one year to five years	2,006,210	3,938,548
- more than five years	1,133,034	1,133,034
Profit rate related contracts :		
- less than one year	4,065,536	5,087,833
- one year to five years	12,320,962	13,343,833
- more than five years	482,762	1,352,056
Equity related contracts :		
- less than one year	-	23,786
- one year to five years	178,698	184,640
- more than five years	49,458	49,976
Credit related contracts:		
- more than five years	41,500	41,500
Commodity related contracts :		
- less than one year	34,515	-
Total treasury-related commitments and contingencies	<u>39,039,619</u>	<u>41,465,780</u>
	<u>57,167,864</u>	<u>59,218,325</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A29 Capital Adequacy

The capital adequacy framework applicable to the Malaysian banking entities is based on the Bank Negara Malaysia ("BNM") Capital Adequacy Framework for Islamic Banks ("CAFIB") (Capital Components), of which the latest revision was issued on 2 February 2018. The revised guideline took effect on 1 January 2018 and 1 January 2019 for all banking institutions and all financial holding companies respectively. The revised guideline sets out the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

The risk-weighted assets of the Group and the Bank are computed in accordance with the CAFIB (Basel II - Risk-Weighted Assets), of which the latest revision was issued on 2 February 2018.

The IRB Approach adopted by the Group and the Bank is applied for the major credit exposures with retail exposures on Advanced IRB approach and non-retail exposures on Foundation IRB approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on the Basic Indicator Approach.

(a) The capital adequacy ratios of the Group and Bank are as follows:

	The Group		The Bank	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Common equity tier 1 ratio	13.157%	13.502%	13.160%	13.505%
Tier 1 ratio	13.608%	14.024%	13.610%	14.026%
Total capital ratio	15.475%	16.191%	15.477%	16.194%

(b) The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Credit risk	34,241,636	30,912,773	34,241,751	30,912,888
Market risk	784,877	452,745	784,877	452,745
Operational risk	2,950,191	2,742,472	2,950,487	2,742,729
Total risk-weighted assets	37,976,704	34,107,990	37,977,115	34,108,362

(c) Components of Common Equity Tier I, Additional Tier I and Tier II capitals are as follows:

	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Common Equity Tier I capital				
Ordinary share capital	1,000,000	1,000,000	1,000,000	1,000,000
Other reserves	4,763,764	4,294,476	4,764,764	4,295,342
Common Equity Tier I capital before regulatory adjustments	5,763,764	5,294,476	5,764,764	5,295,342
<u>Less: Regulatory adjustments</u>				
Goodwill	(136,000)	(136,000)	(136,000)	(136,000)
Intangible assets	(67,505)	(71,330)	(67,505)	(71,330)
Deferred tax assets	(53,436)	(77,454)	(53,436)	(77,454)
Regulatory reserve	(489,968)	(404,378)	(489,968)	(404,378)
Others	(20,133)	-	(20,133)	-
Common Equity Tier I capital after regulatory adjustments	4,996,722	4,605,314	4,997,722	4,606,180
Additional Tier I capital				
Perpetual preference shares	171,000	178,000	171,000	178,000
Total Tier I capital	5,167,722	4,783,314	5,168,722	4,784,180
Tier II capital				
Subordinated notes	565,000	610,000	565,000	610,000
Surplus eligible provisions over expected loss	69,079	67,113	69,077	67,111
General provisions ^	75,027	62,110	75,028	62,111
Total Tier II capital	709,106	739,223	709,105	739,222
Total capital	5,876,828	5,522,537	5,877,827	5,523,402

^ Total capital of the Group and the Bank has excluded general provisions from Tier II capital of RM13.8 million (2018: RM13.6 million).

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Restricted Agency Investment Account -RAIA

The details of the Restricted Agency Investment Account (“RAIA”) financing are as below. The exposures and corresponding risk weighted amount are reported in investors’ financial statements.

	The Group and the Bank	
	30 June	31 December
	2019	2018
	RM'000	RM'000
<u>RAIA arrangement</u>		
Financing and advances	4,029,624	5,530,998
Commitments and contingencies	2,200,000	700,000
	<u>6,229,624</u>	<u>6,230,998</u>

	The Group and the Bank	
	30 June	31 December
	2019	2018
	RM'000	RM'000
Total RWA for Credit Risk	258,543	316,179
	<u>258,543</u>	<u>316,179</u>

RAIA arrangement is with the Bank’s holding company, CIMB Bank, and the contract is based on the Wakalah principle where CIMB Bank provides the funds, whilst the assets are managed by the Bank (as the Wakeel or agent). In the arrangement, the Bank has transferred substantially all the risk and rewards of ownership of the Investment (i.e. the financing facility) to CIMB Bank. Accordingly, the underlying assets (including the undisbursed portion of the financing commitment) and allowance for impairment arising thereon, if any, are recognised and accounted for by CIMB Bank.

PART A - EXPLANATORY NOTES (CONTINUED)

A31 Segmental reporting

Definition of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Group Executive Committee as its chief operating decision-maker.

The business segment results are prepared based on the Group's internal management reporting, which reflect the organisation's management reporting structure.

Business segment reporting

Definition of segments:

The Group has four major operation divisions that form the basis on which the Group reports its segment information.

Consumer Banking

Consumer Banking provides everyday banking solutions to individual customers covering Islamic financial products and services such as residential property financing, non-residential property financing, personal financing, hire purchase financing, credit cards, wealth management, bancatakaful, remittance and foreign exchange, deposits and internet banking services.

Commercial Banking

Commercial Banking offers products and services for customer segments comprising small and medium-scale enterprises ("SMEs") and mid-sized corporations. Their products and services include banking credit facilities, trade financing, cash management, online business banking platform, remittance and foreign exchange, as well as general deposit products.

Wholesale Banking

Wholesale Banking comprises Investment Banking, Corporate Banking, Treasury and Markets, Transaction Banking, Equities and Private Banking.

Investment Banking includes end-to-end client coverage and advisory services. Client coverage focuses on marketing and delivering solutions to corporate and financial institutional clients whereas advisory offers financial advisory services to corporations on issuance of equity and equity-linked products, debt restructuring, initial public offerings, secondary offerings and general corporate advisory.

Corporate Banking offers a broad spectrum of Islamic funding solutions ranging from trade, working capital lines and capital expenditure to leveraging, merger and acquisition, leveraged and project financing. Corporate Banking's client managers partner with product specialists within the Group to provide a holistic funding solution, from cash management, trade finance, foreign exchange, custody and corporate financings, to derivatives, structured products and debt capital market.

Treasury focuses on treasury activities and services which include foreign exchange, money market, derivatives and trading of capital market instruments. It includes the Group's equity derivatives which develops and issues new equity derivatives instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues.

Transaction Banking comprises Trade Finance and Cash Management which provide various trade facilities and cash management solutions.

Equities provides broking services to corporate, institutional and retail clients.

Private Banking offers a full suite of wealth management solutions to high net worth individuals with access to a complete range of private banking services, extending from investment to securities financing to trust services.

Group Ventures & Partnership and Funding

Group Ventures & Partnerships drives all strategic partnerships across business lines Group-wide and explores strategic equity joint ventures in the ecosystem space. Funding encompasses a wide range of activities from capital, balance sheet and fixed income investments and management, as well as the funding and incubation of corporate ventures and projects.

PART A - EXPLANATORY NOTES (CONTINUED)

A31 Segmental reporting (continued)

The Group

30 June 2019

Net income:

- external
- inter-segment

Other income

Operating income

Overhead expenses

Consist of :

Depreciation of property, plant and equipment

Amortisation of intangible assets

Profit before allowances

Expected credit losses (made)/written back on financing, advances and other financing/loans

Expected credit losses written back/(made) for commitments and contingencies

Other expected credit losses made

Segment results

Taxation and zakat

Profit for the financial period

	Wholesale Banking	Consumer Banking	Commercial Banking	Group Ventures & Partnership and Funding	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
	(185,545)	630,649	198,043	179,451	822,598
	405,065	(270,318)	(7,011)	(127,736)	-
	219,520	360,331	191,032	51,715	822,598
	23,054	59,400	31,166	44,761	158,381
	242,574	419,731	222,198	96,476	980,979
	(59,181)	(206,463)	(35,305)	(86,424)	(387,373)
	(22)	(1,833)	-	-	(1,855)
	(961)	(3,628)	(6)	-	(4,595)
	183,393	213,268	186,893	10,052	593,606
	(14,478)	(94,100)	39,964	-	(68,614)
	32,450	(3,974)	4,209	-	32,685
	(303)	-	-	(302)	(605)
	201,062	115,194	231,066	9,750	557,072
					(129,401)
					<u>427,671</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A31 Segmental reporting (continued)

**The Group
30 June 2018**

Net income:

- external
- inter-segment

Other income

Operating income

Overhead expenses

Consist of :

Depreciation of property, plant and equipment

Amortisation of intangible assets

Profit/(loss) before allowances

Expected credit losses (made)/written back on financing, advances and other
financing/loans

Expected credit losses written back/(made) for commitments and contingencies

Other expected credit losses made

Segment results

Taxation and zakat

Profit for the financial period

	Wholesale Banking	Consumer Banking	Commercial Banking	Group Ventures & Partnership and Funding	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
	(208,480)	694,198	126,008	113,428	725,154
	415,922	(358,572)	40,243	(97,593)	-
	207,442	335,626	166,251	15,835	725,154
	29,290	55,916	31,204	(4,051)	112,359
	236,732	391,542	197,455	11,784	837,513
	(50,812)	(154,364)	(28,569)	(62,113)	(295,858)
	(56)	(1,828)	-	-	(1,884)
	(1,164)	(3,884)	-	-	(5,048)
	185,920	237,178	168,886	(50,329)	541,655
	(17,019)	(35,551)	4,625	-	(47,945)
	5,588	(7,035)	4,742	-	3,295
	(100)	-	-	(420)	(520)
	174,389	194,592	178,253	(50,749)	496,485
					(121,130)
					<u>375,355</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A31 Segmental reporting (continued)

The Group	Wholesale Banking	Consumer Banking	Commercial Banking	Group Ventures & Partnership and Funding	Total
30 June 2019	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	35,437,505	46,168,579	11,105,571	10,693,983	103,405,638
Unallocated assets					950,119
Total assets					104,355,757
Segment liabilities	46,164,262	31,866,214	10,235,456	8,962,181	97,228,113
Unallocated liabilities					1,143,880
Total liabilities					98,371,993
Other segment items					
Capital expenditure	198	1,721	1	-	1,920
The Group	Wholesale Banking	Consumer Banking	Commercial Banking	Group Ventures & Partnership and Funding	Total
31 December 2018	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	36,567,086	41,859,317	9,430,050	8,691,096	96,547,549
Unallocated assets					966,454
Total assets					97,514,003
Segment liabilities	48,968,245	23,212,398	10,276,384	9,053,882	91,510,909
Unallocated liabilities					488,618
Total liabilities					91,999,527
Other segment items					
Capital expenditure	494	2,213	3	-	2,710

PART A - EXPLANATORY NOTES (CONTINUED)

A32 Fair Value Estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets; or
- Quoted prices for identical or similar assets and liabilities in non-active markets; or
- Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - One or more inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Assets/liabilities are classified as Level 1 when the valuation is based on quoted prices for identical assets or liabilities in active markets.

Assets/liabilities are regarded as being quoted in an active market if the prices are readily available from a published and reliable source and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When fair value is determined using quoted prices of similar assets/liabilities in active markets or quoted prices of identical or similar assets and liabilities in non-active markets, such assets/liabilities are classified as Level 2. In cases where quoted prices are generally not available, the Group determines fair value based upon valuation techniques that use market parameters as inputs. Most valuation techniques employ observable market data, including but not limited to yield curves, equity prices, volatilities and foreign exchange rates.

Assets/liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data. Such inputs are determined based on observable inputs of a similar nature, historical observations or other analytical techniques.

If prices or quotes are not available for an instrument or a similar instrument, fair value will be established by using valuation techniques or Mark-to-Model. Judgment may be required to assess the need for valuation adjustments to appropriately reflect unobservable parameters. The valuation models shall also consider relevant transaction data such as maturity. The inputs are then benchmarked and extrapolated to derive the fair value.

Valuation Model Review and Approval

- Fair valuation of financial instruments is determined either through Mark-to-Market or Mark-to-Model methodology, as appropriate;
- Market Risk Management is mandated to perform mark-to-market, mark-to-model and rate reasonableness verification. Market price and/or rate sources for Mark-to-Market are validated by Market Risk Management as part and parcel of rate reasonableness verification;
- Valuation methodologies for the purpose of determining Mark-to-Model prices will be verified by Group Risk Management Quantitative Analysts before submitting to the Group Market Risk Committee ("GMRC") for approval;
- Mark-to-Model process shall be carried out by Market Risk Management in accordance with the approved valuation methodologies. Group Risk Management Quantitative analysts are responsible for independent evaluation and validation of the Group's financial models used for valuation;
- Group Risk Management Quantitative analysts are the guardian of the financial models and valuation methodologies. Market rate sources and model inputs for the purpose of Mark-to-Model must be verified by Group Risk Management Quantitative analysts and approved by Regional Head, Market Risk Management and/or the GMRC;
- Model risk and unobservable parameter reserve must be considered to provide for the uncertainty of the model assumptions;
- The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer; and
- Independent price verification process shall be carried out by Market Risk Management to ensure that financial assets and liabilities are recorded at fair value.

PART A - EXPLANATORY NOTES (CONTINUED)

A32 Fair Value Estimation (continued)

(i) The following table represents the assets and liabilities measured at fair value and classified by level with the following fair value hierarchy as at 30 June 2019 and 31 December 2018.

The Group and the Bank	30 June 2019			31 December 2018				
	Carrying amount	Fair Value		Carrying amount	Fair Value			
	(Level 2)	(Level 3)	Total	(Level 2)	(Level 3)	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Recurring fair value measurements								
Financial assets								
Financial assets at fair value through profit or loss								
-Money market instruments	4,502,770	4,502,770	-	4,502,770	2,881,964	2,881,964	-	2,881,964
-Unquoted securities	232,647	232,647	-	232,647	43,380	43,380	-	43,380
Debt instruments at fair value through other comprehensive income								
-Money market instruments	862,714	862,714	-	862,714	858,259	858,259	-	858,259
-Unquoted securities	3,004,116	3,004,116	-	3,004,116	1,898,288	1,898,288	-	1,898,288
Equity instruments at fair value through other comprehensive income								
-Unquoted securities	575	-	575	575	575	-	575	575
Derivative financial instruments								
-Trading derivatives	477,760	477,760	-	477,760	562,794	562,794	-	562,794
-Hedging derivatives	-	-	-	-	1,590	1,590	-	1,590
Financing, advances and other financing/loans at fair value through profit or loss								
	200,855	200,855	-	200,855	491,566	491,566	-	491,566
Total	9,281,437	9,280,862	575	9,281,437	6,738,416	6,737,841	575	6,738,416
Recurring fair value measurements								
Financial liabilities								
Derivative financial instruments								
-Trading derivatives	455,470	455,470	-	455,470	545,357	545,357	-	545,357
-Hedging derivatives	44,152	44,152	-	44,152	53,618	53,618	-	53,618
Financial liabilities designated at fair value through profit or loss								
	126,527	126,527	-	126,527	21,918	21,918	-	21,918
Total	626,149	626,149	-	626,149	620,893	620,893	-	620,893

PART A - EXPLANATORY NOTES (CONTINUED)

A33 Credit transactions and exposures with connected parties

	The Group and the Bank	
	30 June	31 December
	2019	2018
	RM'000	RM'000
Outstanding credit exposures with connected parties	1,634,295	2,470,906
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	1.5%	2.4%
Percentage of outstanding credit exposures with connected parties which is impaired or in default	0.0%	0.0%

PART B

B1 Group performance review

The Group recorded a pre-tax profit and zakat of RM557 million for the financial period ended 30 June 2019, an increase of RM61 million or 12.2% compared to the previous corresponding period.

Total income grew by RM385 million or 15.4% to RM2,498 million from previous corresponding period, comprising of increase of income derived from investments of depositors funds and income derived from investment of shareholder's funds by RM394.5 million and RM32.0 million respectively, offset with lower income derived from investment of investment accounts by RM41.0 million.

For the six months ended 30 June 2019, the Group recorded net expected credit losses made on financing, advances and other financing/loans of RM68.6 million compared to RM47.9 million in the corresponding period last year. The increase in net allowance charged was mainly due to higher expected credit losses made on financing amounting to RM22.8 million and it was partly offset with higher impaired financings recovered by RM1.5 million.

The income attributable to depositors increased by RM283.1 million while profit distributed to investment account holder decreased by RM41.1 million.

The Group's gross financing, advances and other financing/loans increased by 7.6% to RM76.4 billion for the six months period ended 30 June 2019. As at 30 June 2019, deposits from customers and investment accounts of customers stood at RM83.5 billion and RM1.0 billion, an increase of RM7.6 billion and decrease of RM0.8 billion respectively as compared to 31 December 2018.

The Group's Common Equity Tier 1, Tier 1 Capital Ratio and Total Capital Ratio stood at 13.157%, 13.608% and 15.475% respectively as at 30 June 2019.

B2 Prospects for the current financial year

CIMB Islamic is maintaining a cautious outlook for the second half of 2019 in view of the sustained global and regional economic headwinds. Consumer, Commercial and Corporate financing growth is expected to continue with the Islamic-First strategy and digital agenda. The capital market segment expects a pick-up in sukuk issuances in the second half of the year.

B3 Computation of earnings per share (EPS)

a) Basic EPS

The Group and Bank basic EPS is calculated by dividing the net profit for the financial period by the weighted average number of ordinary shares in issue during the financial period.

	The Group			
	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	237,812	219,249	427,671	375,355
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	23.78	21.92	42.77	37.54

	The Bank			
	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	237,866	219,435	427,805	375,449
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	23.79	21.94	42.78	37.54

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 June 2019 and 30 June 2018.