



**CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE FINANCIAL HALF YEAR
ENDED 30 JUNE 2021**

**UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Note	Group		Bank	
		30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
ASSETS					
Cash and bank balances		881,719	881,621	880,903	881,165
Deposits and placements with financial institutions		389,400	377,290	389,400	377,290
Financial investments at fair value through profit or loss	1	1,007,910	447,826	1,007,910	447,826
Financial investments at fair value through other comprehensive income	2	21,205,963	20,620,070	21,205,955	20,620,062
Financial investments at amortised cost	3	12,032,825	9,747,865	12,032,825	9,747,865
Financing and advances	4	75,443,584	76,083,198	75,661,646	76,285,365
Trade receivables		2,302	147	-	-
Other assets	5	888,306	947,839	867,154	924,408
Right-of-use assets		57,404	56,345	72,053	74,930
Inventories		18,390	3,457	-	-
Investment in subsidiaries		-	-	100,744	100,744
Property and equipment		597,241	602,106	502,713	507,166
Intangible assets		470,838	471,005	457,653	457,820
Investment properties		1,384,831	1,353,684	946,141	939,305
Prepaid lease payment		59,833	60,628	59,833	60,628
Tax recoverable		113,659	97,492	111,711	94,053
Deferred tax assets		43,451	571	43,000	-
TOTAL ASSETS		114,597,656	111,751,144	114,339,641	111,518,627

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

**UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021 (CONTINUED)**

	Note	Group		Bank	
		30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
LIABILITIES					
Deposits from customers	6	87,173,837	85,575,431	87,173,837	85,575,431
Deposits and placements from banks and financial institutions		880,000	150,000	880,000	150,000
Trade payables		1,362	1,374	-	-
Recourse obligations on financing sold to Cagamas		329,143	339,826	329,143	339,826
Debt securities issued		3,649,472	2,642,558	3,649,472	2,642,558
Cashline facility		-	400,870	-	400,870
Other liabilities	7	1,471,810	1,599,962	1,665,610	1,811,536
Provision for taxation		12	33	-	-
Deferred tax liabilities		12,708	92,702	-	80,000
TOTAL LIABILITIES		93,518,344	90,802,756	93,698,062	91,000,221
SHAREHOLDERS' FUND					
Share capital		2,986,030	2,986,030	2,986,030	2,986,030
Share redemption fund		8,588	9,977	8,588	9,977
Reserves	8	18,084,694	17,952,381	17,646,961	17,522,399
TOTAL SHAREHOLDERS' FUND		21,079,312	20,948,388	20,641,579	20,518,406
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		114,597,656	111,751,144	114,339,641	111,518,627
COMMITMENTS AND CONTINGENCIES	14	2,498,333	2,697,856	2,498,333	2,697,856

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020

**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2021**

Group	Note	2nd Quarter Ended		Six Months Ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Income	9	1,422,475	1,513,720	2,863,935	3,117,379
Expenditure	10	(540,336)	(704,296)	(1,070,263)	(1,485,886)
Net income		882,139	809,424	1,793,672	1,631,493
Allowance for impairment	11	(224,459)	(273,196)	(422,226)	(446,526)
Other operating income	12	104,025	173,867	161,823	255,224
Operating expenses	13	(372,505)	(313,991)	(732,795)	(650,148)
Profit before taxation and zakat		389,200	396,104	800,474	790,043
Taxation		35,277	(69,517)	94,167	(97,479)
Zakat		(9,348)	(7,571)	(17,968)	(8,171)
Profit after taxation and zakat		415,129	319,016	876,673	684,393
<u>Other comprehensive income</u>					
Items that may be reclassified subsequently to profit or loss:					
Net (loss)/gain on revaluation of financial investments at fair value through other comprehensive income					
		99,112	303,792	(371,719)	214,160
Other comprehensive income for the period		99,112	303,792	(371,719)	214,160
Total comprehensive income for the period		514,241	622,808	504,954	898,553

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020

**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2021 (CONTINUED)**

Bank	Note	2nd Quarter Ended		Six Months Ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Income	9	1,416,639	1,512,679	2,854,152	3,107,669
Expenditure	10	(534,772)	(703,267)	(1,062,807)	(1,478,022)
Net income		881,867	809,412	1,791,345	1,629,647
Allowance for impairment	11	(224,432)	(276,002)	(425,031)	(449,159)
Other operating income	12	103,850	165,780	156,029	247,143
Operating expenses	13	(372,825)	(312,241)	(733,804)	(649,003)
Profit before taxation and zakat		388,460	386,949	788,539	778,628
Taxation		36,174	(66,530)	97,347	(93,324)
Zakat		(8,999)	(7,493)	(16,964)	(7,993)
Profit after taxation and zakat		415,635	312,926	868,922	677,311
<u>Other comprehensive income</u>					
Items that may be reclassified subsequently to profit or loss:					
Net (loss)/gain on revaluation of financial investments at fair value through other comprehensive income					
		99,112	303,792	(371,719)	214,160
Other comprehensive income for the period		99,112	303,792	(371,719)	214,160
Total comprehensive income for the period		514,747	616,718	497,203	891,471

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

Group	Non-distributable			Distributable	
	Share capital RM'000	Share redemption fund RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000
At 1 January 2020	2,986,030	9,860	7,450,144	9,108,674	19,554,708
Total comprehensive income for the period	-	-	214,160	684,393	898,553
Issuance to new members	5,401	-	-	-	5,401
Share withdrawal	(14,974)	-	-	-	(14,974)
Transfer to share capital	9,573	(9,573)	-	-	-
Dividends	-	-	-	(405,484)	(405,484)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	459	459
At 30 June 2020	2,986,030	287	7,664,304	9,388,042	20,038,663
At 1 January 2021	2,986,030	9,977	8,091,563	9,860,818	20,948,388
Total comprehensive income for the period	-	-	(371,719)	876,673	504,954
Issuance to new members	9,973	-	-	-	9,973
Share withdrawal	(11,362)	-	-	-	(11,362)
Transfer to share capital	1,389	(1,389)	-	-	-
Dividends	-	-	-	(373,230)	(373,230)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	589	589
At 30 June 2021	2,986,030	8,588	7,719,844	10,364,850	21,079,312

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (CONTINUED)**

Bank	Non-distributable			Distributable	
	Share capital RM'000	Share redemption fund RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000
At 1 January 2020	2,986,030	9,860	7,450,885	8,701,684	19,148,459
Total comprehensive income for the period	-	-	214,160	677,311	891,471
Issuance to new members	5,401	-	-	-	5,401
Share withdrawal	(14,974)	-	-	-	(14,974)
Transfer to share capital	9,573	(9,573)	-	-	-
Dividends	-	-	-	(405,484)	(405,484)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	459	459
At 30 June 2020	2,986,030	287	7,665,045	8,973,970	19,625,332
At 1 January 2021	2,986,030	9,977	8,092,304	9,430,095	20,518,406
Total comprehensive income for the period	-	-	(371,719)	868,922	497,203
Issuance to new members	9,973	-	-	-	9,973
Share withdrawal	(11,362)	-	-	-	(11,362)
Transfer to share capital	1,389	(1,389)	-	-	-
Dividends	-	-	-	(373,230)	(373,230)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	589	589
At 30 June 2021	2,986,030	8,588	7,720,585	9,926,376	20,641,579

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Group		Bank	
	Six Months Ended		Six Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
CASH FLOWS GENERATED FROM/ (USED IN) OPERATING ACTIVITIES				
Profit for the period	876,673	684,393	868,922	677,311
Adjustments for:				
Taxation	(94,167)	97,479	(97,347)	93,324
Zakat	17,968	8,171	16,964	7,993
Profit expense on debt securities issued	62,682	57,268	62,682	57,268
Allowance for impairment on financing and advances	422,571	447,517	425,376	450,150
Writeback for impairment on financial investment at fair value through other comprehensive income	(19)	(95)	(19)	(95)
Writeback for impairment on financial investment at amortised cost	(326)	(896)	(326)	(896)
Depreciation of property and equipment	18,365	24,058	17,867	22,078
Depreciation of right-of-use assets	8,444	5,965	11,152	6,705
Amortisation of prepaid lease payment	795	763	795	763
Amortisation of intangible assets	24,511	11,790	24,511	11,790
Finance cost on lease liabilities	1,124	1,287	1,451	1,702
Property and equipment written off	129	50	129	50
Gain on disposal of property and equipment	(12)	-	-	-
Loss on financing written off	4,020	5,403	4,020	5,403
Gain on revaluation of investment properties	(5,616)	(8,055)	-	-
Impairment of trade and other receivables	120	1,035	120	990
Writeback for impairment on trade receivables	(938)	-	-	-
Net gain on disposal of financial investment at fair value through profit or loss	(1,474)	(10,961)	(1,474)	(10,961)
Net loss on revaluation of financial investments at fair value through profit or loss	29,348	57,862	29,348	57,862
Net gain on disposal of financial investments at fair value through other comprehensive income	(2,304)	(120,305)	(2,304)	(120,305)
Profit expense on financing sold with recourse to Cagamas	8,418	8,947	8,418	8,947
Profit expense on cashline facility	2,523	1,988	2,523	1,988
Dividend from financial investments at fair value through profit or loss	(3,295)	(17,267)	(3,295)	(17,267)
Operating profit before working capital changes	1,369,540	1,256,397	1,369,513	1,254,800

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (CONTINUED)**

	Group		Bank	
	Six Months Ended		Six Months Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	RM'000	RM'000	RM'000	RM'000
(Increase)/Decrease in assets:				
Deposits and placements with financial institutions	(12,110)	365,917	(12,110)	365,917
Financing and advances	212,596	(2,296,090)	193,896	(2,319,350)
Trade receivables	(1,217)	(2,788)	-	-
Other assets	59,413	582,851	57,134	577,986
Inventories	(14,933)	1,714	-	-
Increase/(Decrease) in liabilities:				
Deposits from customers	1,598,406	957,604	1,598,406	957,604
Deposits and placements from banks and financial institutions	730,000	(810,000)	730,000	(810,000)
Trade payables	(12)	(273)	-	-
Recourse obligations on financing sold to Cagamas	(19,101)	(19,346)	(19,101)	(19,346)
Other liabilities	(231,189)	(211,211)	(246,522)	(208,913)
Cash generated from operations	3,691,393	(175,225)	3,671,216	(201,302)
Income tax paid	(44,895)	(23,379)	(43,311)	(21,324)
Zakat paid	(22,303)	(25,108)	(20,847)	(24,510)
Net cash generated from/(used in) operating activities	3,624,195	(223,712)	3,607,058	(247,136)
CASH FLOWS GENERATED FROM/ (USED IN) INVESTING ACTIVITIES				
Purchases of financial investments at fair value through profit or loss	(870,000)	(1,340,000)	(870,000)	(1,340,000)
Net proceed from disposal of financial investments at fair value through profit or loss	282,042	1,255,259	282,042	1,255,259
Purchases of financial investments at fair value through other comprehensive income	(3,093,000)	(2,425,000)	(3,093,000)	(2,425,000)
Net proceed from disposal of financial investment at fair value through other comprehensive income	2,137,711	3,213,292	2,137,711	3,213,292

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (CONTINUED)**

	Group		Bank	
	Six Months Ended		Six Months Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS GENERATED FROM/ (USED IN) INVESTING ACTIVITIES (CONTINUED)				
Purchases of financial investments at amortised cost	(3,265,000)	(1,860,000)	(3,265,000)	(1,860,000)
Proceed from disposal of financial investments at amortised cost	980,366	2,199,447	980,366	2,199,447
Purchases of investment property	(25,531)	(23,445)	(6,836)	-
Purchases of property and equipment	(13,662)	(15,017)	(13,573)	(14,954)
Purchases of intangible assets	(24,344)	(2,531)	(24,344)	(2,531)
Proceeds from disposal of property and equipment	45	77	30	7
Purchase of right-of-use assets	(9,503)	-	(8,275)	-
Dividend from financial investments at fair value through profit or loss	3,295	17,267	3,295	17,267
Net cash (used in)/generated from investing activities	(3,897,581)	1,019,349	(3,877,584)	1,042,787
CASH FLOWS GENERATED FROM/ (USED IN) FINANCING ACTIVITIES				
Proceeds from issue of shares to members	9,973	5,401	9,973	5,401
Dividend paid	(373,230)	(405,484)	(373,230)	(405,484)
Fund received from government	105,000	23,885	105,000	23,885
Proceeds from debt securities issued	1,300,000	-	1,300,000	-
Payment of profit expenses on debt securities issued	(355,768)	(408,802)	(355,768)	(408,802)
Repayment of lease liabilities	(9,098)	(12,617)	(12,318)	(12,617)
Repayment of cashline facility	(803,393)	(602,595)	(803,393)	(602,595)
Receipt of cashline facility	400,000	400,000	400,000	400,000
Net cash generated from/(used in) financing activities	273,484	(1,000,212)	270,264	(1,000,212)
Net increase/(decrease) in cash and cash equivalents	98	(204,575)	(262)	(204,561)
Cash and cash equivalents at beginning of period	881,621	1,060,218	881,165	1,059,600
Cash and cash equivalents at end of period	881,719	855,643	880,903	855,039

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”)

Basis of Preparation

The unaudited interim financial statements for the second quarter and six months ended 30 June 2021 have been prepared under historical cost convention except for the following assets and liabilities which are stated at fair values, i.e. financial investments at fair value through profit or loss, financial investments at fair value through other comprehensive income, and investment properties.

The unaudited interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”). The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2020. The explanatory notes attached to the 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 year ended 31 December 2020.

Auditors’ Report on Preceding Annual Financial Statements

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

Comments on Seasonal or Cyclical Factors

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

Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, shareholders’ fund, net income or cash flows of the Group and the Bank in the second quarter and six months ended 30 June 2021.

Changes in Estimates

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

Debt and Equity Securities

The Bank issued RM1,000,000,000 senior Sukuk Wakalah on 19 April 2021 of RM300,000,000 at 3.54% per annum for 5 years tranche and RM700,000,000 3.90% per annum for 7 years tranche. The Bank also re-issued RM300,000,000 subordinated Sukuk Murabahah for a tenure of 10 non-callable five years at 3.78% per annum on 25 June 2021 to replace its RM300,000,000 subordinated Sukuk Murabahah with first call date on 18 June 2021.

Dividends Paid and Distributed

During the six months ended 30 June 2021, final dividend for the year ended 31 December 2020 was paid amounting to RM 373,230,565 comprising of 13% cash dividend.

**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134
("MFRS 134") (CONTINUED)**

Significant Changes in Regulatory Requirements

Based on the BNM's revised guideline on Financial Reporting for Development Financial Institutions, the prescribed development financial institutions ("DFIs") shall make a one-time election in 2020 to apply revisions to the original effective profit rate in respect of any modifications made to the contractual cash flows of financing. In the event of election, the requirements shall apply for two financial years beginning on or after 1 January 2020 and in respect of financing for which the contractual cash flows are modified, including payments deferred under moratoriums provided by DFIs during these two financial years.

The Group and the Bank elected to adopt the modified accounting treatment. The comparison of the financial impact of applying the accounting treatment in accordance with Malaysian Financial Reporting Standard ("MFRS") and the modified accounting treatment is as follows:

As at 30 June 2021	Group and Bank RM'000
Financing and Advances	
Closing balance under MFRS	77,569,971
Modification loss	554,448
Loss of income due to changes in effective rate	(103,737)
Closing balance under modified accounting treatment	<u>78,020,682</u>
The Second Quarter Ended 30 June 2021	Group and Bank RM'000
Income	
Closing balance under MFRS	2,085,830
Modification loss	205,018
Loss of income due to changes in effective rate	(41,797)
Closing balance under modified accounting treatment	<u>2,249,051</u>

NOTE 1: FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Debt instruments at fair value through profit or loss:		
Government investment issues	697,742	89,942
Islamic redeemable convertible preference shares	213,200	213,200
	910,942	303,142
Equity securities at fair value through profit or loss:		
Quoted shares	96,968	144,684
	96,968	144,684
Total financial investments at fair value through profit or loss	1,007,910	447,826

NOTE 2: FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group		Bank	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Debt instruments at fair value through other comprehensive income:				
Islamic debt securities	5,141,298	4,764,843	5,141,298	4,764,843
Government investment issues	5,396,193	6,034,142	5,396,193	6,034,142
Government sukuk	8,845,173	7,703,704	8,845,173	7,703,704
Khazanah sukuk	156,542	235,038	156,542	235,038
Cagamas sukuk	1,603,877	1,824,378	1,603,877	1,824,378
	21,143,083	20,562,105	21,143,083	20,562,105
Equity securities at fair value through other comprehensive income:				
Unquoted shares	62,880	57,965	62,872	57,957
	62,880	57,965	62,872	57,957
Total financial investments at fair value through other comprehensive income	21,205,963	20,620,070	21,205,955	20,620,062

Movement of allowance for Expected Credit Loss (“ECL”) by stage for debt instruments at fair value through other comprehensive income is as follows:

Group and Bank	12-month ECL Stage 1 RM'000
At 1 January 2020	274
Changes in credit risk	(100)
At 31 December 2020 / 1 January 2021	174
Changes in credit risk	(19)
At 30 June 2021	155

NOTE 3: FINANCIAL INVESTMENTS AT AMORTISED COST

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
At amortised cost		
Islamic debt securities	565,886	572,783
Government investment issues	7,044,609	5,480,409
Government sukuk	3,378,957	2,923,692
Khazanah sukuk	97,980	240,070
Cagamas sukuk	444,078	449,617
Negotiable Islamic debt certificates	499,704	99,984
Islamic commercial papers	19,975	-
	12,051,189	9,766,555
Less: Allowance for ECL		
Negotiable Islamic debt certificates	(9)	(2)
Islamic debt securities	(18,355)	(18,688)
	(18,364)	(18,690)
Total financial investments at amortised cost	12,032,825	9,747,865

Movement of allowance for ECL by stage is as follows:

Group and Bank	12-month ECL Stage 1 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
	At 1 January 2020	94	19,829
Changes in credit risk	(55)	(1,178)	(1,233)
At 31 December 2020/ 1 January 2021	39	18,651	18,690
Changes in credit risk	(5)	(321)	(326)
At 30 June 2021	34	18,330	18,364

NOTE 4: FINANCING AND ADVANCES

(i) By type of financing

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
At amortised cost				
Term financing				
- Personal financing	58,663,347	59,378,027	58,663,347	59,378,027
- House financing	7,869,838	7,473,095	8,103,588	7,688,145
- Hire-purchase receivables	1,843,861	1,872,092	1,843,861	1,872,092
- Syndicated financing	330,689	313,742	330,689	313,742
- Bridging financing	296,535	258,354	296,535	258,354
- Other term financing	5,421,969	5,307,414	5,421,969	5,307,414
Pawn broking	2,014,433	2,194,779	2,014,433	2,194,779
Cashline	161,201	147,637	161,201	147,637
Revolving credit	348,276	356,659	348,276	356,659
Credit card	356,672	376,004	356,672	376,004
Staff financing	480,111	478,080	480,111	478,080
Gross financing and advances, net of unearned income	77,786,932	78,155,883	78,020,682	78,370,933
Allowance for ECL on financing and advances:				
Stage 1 - 12 months ECL	(653,977)	(388,082)	(669,665)	(400,965)
Stage 2 - lifetime ECL not credit impaired	(546,242)	(709,254)	(546,242)	(709,254)
Stage 3 - lifetime ECL credit impaired	(1,143,129)	(975,349)	(1,143,129)	(975,349)
Net financing and advances	75,443,584	76,083,198	75,661,646	76,285,365

NOTE 4: FINANCING AND ADVANCES (CONTINUED)

(ii) By type of customer

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000 Restated	30 June 2021 RM'000	31 December 2020 RM'000 Restated
Individuals	72,206,532	72,751,865	72,206,532	72,751,865
Business enterprises	3,026,787	2,729,571	3,260,537	2,944,621
Non-bank financial institutions				
- Co-operatives	2,292,830	2,347,505	2,292,830	2,347,505
Non-bank financial institutions				
- Others	-	122	-	122
Foreign entities	1,965	2,132	1,965	2,132
Other entities	258,818	324,688	258,818	324,688
	77,786,932	78,155,883	78,020,682	78,370,933

(iii) By economic sector

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000 Restated	30 June 2021 RM'000	31 December 2020 RM'000 Restated
Purchase of securities	20,087	20,934	20,087	20,934
Purchase of non-residential property	106,955	5,746	106,955	5,746
Consumption credit	72,081,381	72,774,316	72,081,381	72,774,316
Agriculture	83,337	79,230	83,337	79,230
Mining and quarrying	-	-	-	-
Manufacturing	65,535	35,489	65,535	35,489
Electricity, gas and water	15,413	11,151	15,413	11,151
Construction	989,373	920,075	989,373	920,075
Wholesale and retail trade	536,047	349,440	536,047	349,440
Transportation and communication	216,934	253,761	216,934	253,761
Financial, takaful and business services	3,359,554	3,406,774	3,593,304	3,621,824
Community, social and personal services	312,316	298,967	312,316	298,967
	77,786,932	78,155,883	78,020,682	78,370,933

NOTE 4: FINANCING AND ADVANCES (CONTINUED)

(iv) Impaired financing and advances by economic sector

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000 Restated
Purchase of securities	1,035	1,121
Purchase of non-residential property	3,010	5,617
Consumption credit	1,021,282	814,736
Agriculture	28,104	13,264
Manufacturing	2,087	6,925
Electricity, gas and water	502	603
Construction	138,841	135,036
Wholesale and retail trade	15,235	120,889
Transportation and communication	550	4,841
Financial, takaful and business services	480,524	398,600
Community, social and personal services	743	16,509
	1,691,913	1,518,141

(v) Movement in impaired financing and advances

	Group and Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
As of 1 January	1,518,204	1,406,672
Classified as impaired during the period	1,229,034	1,207,376
Amount written back in respect of recoveries	(902,990)	(826,201)
Amount written off during the period	(152,335)	(269,643)
	173,709	111,532
Closing balance	1,691,913	1,518,204
Gross impaired financing and advances as a percentage of gross financing and advances	2.17%	1.94%

NOTE 4: FINANCING AND ADVANCES (CONTINUED)

(vi) Movements in allowance for ECL on financing and advances are as follows:

Group	12-month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
ECL Allowance				
As of 1 January 2020	240,394	399,011	820,128	1,459,533
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	6,819	(41,217)	(3,300)	(37,698)
- Transfer to lifetime ECL not credit impaired (Stage 2)	(17,255)	225,971	(85,361)	123,355
- Transfer to lifetime ECL credit impaired (Stage 3)	(1,475)	(57,697)	354,483	295,311
New financial assets originated	84,720	36,888	30,988	152,596
Changes in credit risk	108,218	196,685	158,771	463,674
Financial assets derecognised	(33,339)	(50,387)	(30,717)	(114,443)
Amount written off	-	-	(269,643)	(269,643)
At 31 December 2020	388,082	709,254	975,349	2,072,685
As of 1 January 2021	388,082	709,254	975,349	2,072,685
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	47,969	(264,423)	(31,844)	(248,298)
- Transfer to lifetime ECL not credit impaired (Stage 2)	(15,828)	149,409	(59,612)	73,969
- Transfer to lifetime ECL credit impaired (Stage 3)	(2,651)	(64,474)	360,811	293,686
New financial assets originated	55,125	6,437	1,678	63,240
Changes in credit risk	196,586	19,518	62,185	278,289
Financial assets derecognised	(15,306)	(9,479)	(13,103)	(37,888)
Amount written off	-	-	(152,335)	(152,335)
At 30 June 2021	653,977	546,242	1,143,129	2,343,348

NOTE 4: FINANCING AND ADVANCES (CONTINUED)

(vi) Movements in allowance for ECL on financing and advances are as follows:

Bank	12-month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
ECL Allowance				
As of 1 January 2020	250,121	399,011	820,128	1,469,260
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	6,819	(41,217)	(3,300)	(37,698)
- Transfer to lifetime ECL not credit impaired (Stage 2)	(17,255)	225,971	(85,361)	123,355
- Transfer to lifetime ECL credit impaired (Stage 3)	(1,475)	(57,697)	354,483	295,311
New financial assets originated	84,720	36,888	30,988	152,596
Changes in credit risk	111,374	196,685	158,771	466,830
Financial assets derecognised	(33,339)	(50,387)	(30,717)	(114,443)
Amount written off	-	-	(269,643)	(269,643)
At 31 December 2020	400,965	709,254	975,349	2,085,568
As of 1 January 2021	400,965	709,254	975,349	2,085,568
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	47,969	(264,423)	(31,844)	(248,298)
- Transfer to lifetime ECL not credit impaired (Stage 2)	(15,828)	149,409	(59,612)	73,969
- Transfer to lifetime ECL credit impaired (Stage 3)	(2,651)	(64,474)	360,811	293,686
New financial assets originated	55,125	6,437	1,678	63,240
Changes in credit risk	199,391	19,518	62,185	281,094
Financial assets derecognised	(15,306)	(9,479)	(13,103)	(37,888)
Amount written off	-	-	(152,335)	(152,335)
At 30 June 2021	669,665	546,242	1,143,129	2,359,036

NOTE 5: OTHER ASSETS

	Group		Bank	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Amount due from subsidiaries	-	-	15,989	13,976
Other receivables	612,463	663,015	611,241	661,211
Allowance for ECL	(31,973)	(31,973)	(31,333)	(31,333)
Refundable deposits	46,522	46,433	10,476	10,290
Prepayments	61,294	70,364	60,781	70,264
Contribution to Central Liquidity Monetary Fund	200,000	200,000	200,000	200,000
	888,306	947,839	867,154	924,408

NOTE 6: DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	Group and Bank	
	30 June	31 December
	2021	2020
	RM'000	RM'000
Savings deposits		
Qard	9,043,971	8,283,345
Term deposits		
Tawarruq	74,279,866	72,992,086
Negotiable Islamic debt certificate	3,850,000	4,300,000
	87,173,837	85,575,431

(ii) By type of customer

	Group and Bank	
	30 June	31 December
	2021	2020
	RM'000	RM'000
Government	39,853,630	38,041,363
Business enterprises	23,586,506	23,717,792
Co-operatives	2,700,401	3,041,520
Individuals	19,588,246	19,212,057
Others	1,445,054	1,562,699
	87,173,837	85,575,431

NOTE 7: OTHER LIABILITIES

	Group		Bank	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Amount due to subsidiaries	-	-	182,002	200,430
Sundry creditors	186,396	233,432	194,210	237,685
Income payable	424,997	473,204	424,997	473,203
Other liabilities and accruals	483,766	597,567	474,675	587,924
Lease liabilities	59,347	58,027	74,618	77,210
Allowance for ECL on financial guarantee	5,535	5,962	5,535	5,962
Government fund	277,247	192,913	277,247	192,913
Zakat payable	34,522	38,857	32,326	36,209
	1,471,810	1,599,962	1,665,610	1,811,536

NOTE 8: RESERVES

	Group		Bank	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Retained profits	10,364,850	9,860,818	9,926,376	9,430,095
Statutory reserve	6,833,392	6,833,392	6,833,392	6,833,392
Capital reserve	14,617	14,617	15,358	15,358
Fair value reserve of financial investments at FVOCI	542,163	913,882	542,163	913,882
Regulatory reserve	329,672	329,672	329,672	329,672
	18,084,694	17,952,381	17,646,961	17,522,399

NOTE 9: INCOME

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' fund (i)	1,090,324	1,187,334	2,203,735	2,433,030
Income derived from investment of shareholders' fund (ii)	323,733	322,214	646,195	669,659
Income generated by subsidiaries (iii)	8,418	4,172	14,005	14,690
	1,422,475	1,513,720	2,863,935	3,117,379

NOTE 9: INCOME (CONTINUED)

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' fund (i)	1,092,316	1,189,793	2,206,999	2,436,935
Income derived from investment of shareholders' fund (ii)	324,323	322,886	647,153	670,734
	1,416,639	1,512,679	2,854,152	3,107,669

(i) Income derived from investment of depositors' fund

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	852,937	933,764	1,735,836	1,913,952
Income from deposits and placements with bank and financial institutions	1,439	6,525	3,056	10,179
Income from financial investments	235,948	247,045	464,843	508,899
	1,090,324	1,187,334	2,203,735	2,433,030

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	854,930	936,223	1,739,100	1,917,857
Income from deposits and placements with bank and financial institutions	1,439	6,525	3,056	10,179
Income from financial investments	235,947	247,045	464,843	508,899
	1,092,316	1,189,793	2,206,999	2,436,935

NOTE 9: INCOME (CONTINUED)

(ii) Income derived from investment of shareholders' fund

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	253,292	253,399	508,994	526,790
Income from deposits and placements with bank and financial institutions	428	1,782	896	2,801
Income from financial investments	70,013	67,033	136,305	140,068
	323,733	322,214	646,195	669,659

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	253,882	254,070	509,952	527,864
Income from deposits and placements with bank and financial institutions	428	1,783	896	2,802
Income from financial investments	70,013	67,033	136,305	140,068
	324,323	322,886	647,153	670,734

(iii) Income generated by subsidiaries

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Pawning income	5,651	2,286	8,697	10,828
Rental income	197	196	395	481
Management fee	2,570	1,674	4,913	3,297
Sale of goods	-	16	-	84
	8,418	4,172	14,005	14,690

NOTE 10: EXPENDITURE

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Income attributable to depositors (i)	493,845	668,497	987,352	1,407,337
Profit expense on financing sold with recourse to Cagamas	4,175	4,441	8,418	8,947
Profit expense on debt securities issued	34,958	27,965	62,682	57,268
Profit expense on cashline facility	1,074	1,110	2,523	1,988
Cost of sales	6,284	2,283	9,288	10,346
	540,336	704,296	1,070,263	1,485,886

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Income attributable to depositors (i)	494,565	669,751	989,184	1,409,819
Profit expense on financing sold with recourse to Cagamas	4,175	4,441	8,418	8,947
Profit expense on debt securities issued	34,958	27,965	62,682	57,268
Profit expense on cashline facility	1,074	1,110	2,523	1,988
	534,772	703,267	1,062,807	1,478,022

NOTE 10: EXPENDITURE (CONTINUED)

(i) Income attributable to depositors

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
Non-Mudarabah	486,462	666,360	972,115	1,396,325
Deposits and placements from banks and other financial institutions				
Non-Mudarabah	7,383	2,137	15,237	11,012
	493,845	668,497	987,352	1,407,337

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
Non-Mudarabah	487,182	667,614	973,947	1,398,807
Deposits and placements from banks and other financial institutions				
Non-Mudarabah	7,383	2,137	15,237	11,012
	494,565	669,751	989,184	1,409,819

NOTE 11: ALLOWANCE FOR IMPAIRMENT

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment on financing and advances (i)	224,841	273,515	422,571	447,517
Allowance for impairment on financial investments (ii)	(382)	(319)	(345)	(991)
	224,459	273,196	422,226	446,526

NOTE 11: ALLOWANCE FOR IMPAIRMENT (CONTINUED)

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment on financing and advances (i)	224,814	276,321	425,376	450,150
Allowance for impairment on financial investments (ii)	(382)	(319)	(345)	(991)
	224,432	276,002	425,031	449,159

(i) Allowance for impairment on financing and advances

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Stage 1 - 12 months ECL	45,740	222,426	265,468	228,662
Stage 2 - lifetime ECL not credit impaired	5,861	16,152	(163,012)	41,189
Stage 3 - lifetime ECL credit impaired	173,240	34,937	320,115	177,666
	224,841	273,515	422,571	447,517

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Stage 1 - 12 months ECL	45,713	225,232	268,273	231,295
Stage 2 - lifetime ECL not credit impaired	5,861	16,152	(163,012)	41,189
Stage 3 - lifetime ECL credit impaired	173,240	34,937	320,115	177,666
	224,814	276,321	425,376	450,150

(ii) Allowance for impairment on financial investments

Group and Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through other comprehensive income	(53)	12	(19)	(95)
Financial investments at amortised cost	(329)	(331)	(326)	(896)
	(382)	(319)	(345)	(991)

NOTE 12: OTHER OPERATING INCOME

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Fees and commission (i)	27,877	14,447	51,292	39,889
Other income (ii)	76,148	159,420	110,531	215,335
	104,025	173,867	161,823	255,224

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Fees and commission (i)	27,877	14,447	51,292	39,889
Other income (ii)	75,973	151,333	104,737	207,254
	103,850	165,780	156,029	247,143

(i) Fees and commission

Group and Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Takaful commission	16,418	4,030	30,196	13,626
Wasiat commission	2,308	837	4,647	2,840
Other commission	4,757	6,638	10,705	14,791
Processing fees	-	3	1	4
ATM service fees	3	2,307	5	5,068
MEPS fees	2,948	236	3,571	2,654
Other fees	1,443	396	2,167	906
	27,877	14,447	51,292	39,889

NOTE 12: OTHER OPERATING INCOME (CONTINUED)

(ii) Other income

Group	2nd Quarter Ended		Six Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Other income from financial instruments				
Dividend from financial investments at fair value through profit or loss	2,979	16,425	3,295	17,267
Net gain on disposal of financial investments at fair value through profit or loss	516	487	1,474	10,961
Net (loss)/gain on revaluation of financial investments at fair value through profit or loss	(3,055)	18,163	(29,348)	(57,862)
Net gain on disposal of financial investments at fair value through other comprehensive income	-	66,187	2,304	120,305
Others				
Rental income	4,268	5,344	9,473	10,631
Compensation for late payment	1,655	1,107	3,356	2,274
Charges from credit card services	1,172	2,538	2,857	5,190
Other service charges	3,191	1,708	6,403	4,520
Recoveries from financing written off	56,275	32,485	88,461	79,200
Gain on revaluation of investment properties	-	8,055	5,616	8,055
Gain on disposal of property and equipment	8	-	12	-
Other income	9,139	6,921	16,628	14,794
	76,148	159,420	110,531	215,335

NOTE 12: OTHER OPERATING INCOME (CONTINUED)

(ii) Other income (continued)

Bank	2nd Quarter Ended		Six Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Other income from financial instruments				
Dividend from financial investments at fair value through profit or loss	2,979	16,425	3,295	17,267
Net gain on disposal of financial investments at fair value through profit or loss	516	487	1,474	10,961
Net (loss)/gain on revaluation of financial investments at fair value through profit or loss	(3,055)	18,163	(29,348)	(57,862)
Net gain on disposal of financial investments at fair value through other comprehensive income	-	66,187	2,304	120,305
Others				
Rental income	4,273	5,360	9,485	10,658
Compensation for late payment	1,655	1,107	3,356	2,274
Charges from credit card services	1,172	2,538	2,857	5,190
Other service charges	3,191	1,708	6,403	4,520
Recoveries from financing written off	56,275	32,485	88,461	79,200
Other income	8,967	6,873	16,450	14,741
	75,973	151,333	104,737	207,254

NOTE 13: OPERATING EXPENSES

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Personnel expenses (i)	231,898	189,925	452,796	401,562
Other overheads and expenditure (ii)	140,607	124,066	279,999	248,586
	372,505	313,991	732,795	650,148

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Personnel expenses (i)	230,761	189,449	450,605	400,124
Other overheads and expenditure (ii)	142,064	122,792	283,199	248,879
	372,825	312,241	733,804	649,003

(i) Personnel expenses

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	119,746	101,264	227,187	205,207
Allowances and bonuses	64,596	49,493	110,611	111,325
Defined contribution plan - EPF	34,947	26,974	66,589	56,888
Social security contributions - SOCSO	1,287	1,230	2,566	2,513
Other staff related costs	11,322	10,964	45,843	25,629
	231,898	189,925	452,796	401,562

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	119,015	101,282	225,836	204,688
Allowances and bonuses	64,271	49,104	109,966	110,609
Defined contribution plan - EPF	34,906	26,847	66,497	56,712
Social security contributions - SOCSO	1,282	1,225	2,556	2,502
Other staff related costs	11,287	10,991	45,750	25,613
	230,761	189,449	450,605	400,124

NOTE 13: OPERATING EXPENSES (CONTINUED)

(ii) Other overheads and expenditure

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Establishment				
Rental	(408)	370	(691)	836
Depreciation of property and equipment	8,825	12,593	18,365	24,058
Depreciation of right-of-use assets	4,173	1,181	8,444	5,965
Amortisation of prepaid lease payment	398	381	795	763
Amortisation of intangible assets	12,295	5,812	24,511	11,790
Finance cost on lease liabilities	547	444	1,124	1,287
Repair and maintenance	32,386	22,240	60,217	36,801
Takaful	1,985	2,371	6,676	7,079
	60,201	45,392	119,441	88,579
Promotion				
Advertisement and publicity	2,183	1,823	3,978	3,258
	2,183	1,823	3,978	3,258
General expenses				
Legal and professional fees	2,865	2,761	4,111	5,560
Auditors' remuneration	504	580	1,009	1,161
Communication expenses	9,751	7,648	13,719	15,410
Utilities expenses	7,564	7,781	3,389	15,955
Printing and stationery	3,144	3,778	6,092	6,700
Postage and courier	2,702	2,927	3,853	4,039
Security expenses	5,437	5,437	8,925	11,732
Service charges	10,099	3,150	20,688	13,596
Loss on financing written off	2,287	1,839	4,020	5,403
Property and equipment written off	96	31	129	50
Commission expenses	17,684	12,003	31,601	28,336
Travelling and transportation	1,934	984	1,829	5,278
Others	14,156	27,932	57,215	43,529
	78,223	76,851	156,580	156,749
	140,607	124,066	279,999	248,586

NOTE 13: OPERATING EXPENSES (CONTINUED)

(ii) Other overheads and expenditure (continued)

Bank	2nd Quarter Ended		Six Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Establishment				
Rental	(398)	259	(671)	708
Depreciation of property and equipment	8,580	10,715	17,867	22,078
Depreciation of right-of-use assets	5,526	868	11,152	6,705
Amortisation of prepaid lease payment	397	381	795	763
Amortisation of intangible assets	12,295	5,812	24,511	11,790
Finance cost on lease liabilities	708	830	1,451	1,702
Repair and maintenance	32,365	22,267	60,164	36,799
Takaful	1,984	2,301	6,672	6,997
	61,457	43,433	121,941	87,542
Promotion				
Advertisement and publicity	2,183	1,823	3,976	3,255
	2,183	1,823	3,976	3,255
General expenses				
Legal and professional fees	2,848	2,752	4,070	5,521
Auditors' remuneration	438	516	875	1,032
Communication expenses	9,737	7,617	13,691	15,358
Utilities expenses	7,555	7,788	3,369	15,941
Printing and stationery	3,116	3,772	6,043	6,670
Postage and courier	2,688	2,923	3,832	4,029
Security expenses	5,437	5,414	8,925	11,709
Service charges	10,407	3,314	21,469	14,875
Loss on financing written off	2,287	1,839	4,020	5,403
Property and equipment written off	96	31	129	50
Commission expenses	17,684	12,003	31,601	28,336
Travelling and transportation	1,930	980	1,820	5,265
Others	14,201	28,587	57,438	43,893
	78,424	77,536	157,282	158,082
	142,064	122,792	283,199	248,879

NOTE 14: COMMITMENT AND CONTINGENCIES

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

	Group and Bank	
	30 June 2021	31 December 2020
	RM'000	RM'000
Contingent liabilities		
Bank guarantee given in respect of banking facilities granted to customers	122,812	111,407
Claims for damages from litigation taken against the Bank	143,052	292,327
Commitments		
Undrawn financing	2,232,469	2,294,122
	2,498,333	2,697,856

NOTE 15: CAPITAL ADEQUACY

The Bank is required to comply with the core capital ratio and risk-weighted capital adequacy ratio prescribed by Bank Negara Malaysia. The Bank was in compliance with all prescribed capital ratios throughout the period.

	Bank	
	30 June 2021	31 December 2020
Before proposed dividend		
Core capital ratio	22.244%	22.671%
Risk-weighted capital ratio	24.299%	24.600%
After proposed dividend		
Core capital ratio	22.244%	22.212%
Risk-weighted capital ratio	24.299%	24.141%

NOTE 15: CAPITAL ADEQUACY (CONTINUED)

The capital ratios are derived by taking into account the core capital and capital base against the risk weighted assets of the Bank. Components of the capital are as follows:

	Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Tier I capital		
Paid-up share capital	2,986,030	2,986,030
Retained profits	9,057,454	9,430,095
Other reserves	6,848,750	6,848,750
Total Tier I capital (core)	18,892,234	19,264,875
Tier II capital		
Subordinated sukuk	300,000	300,000
Collective impairment *	1,215,907	1,110,219
Regulatory reserve	329,672	329,672
Total Tier II capital	1,845,579	1,739,891
Total capital	20,737,813	21,004,766
Less: Investment in subsidiaries	(100,744)	(100,744)
	(100,744)	(100,744)
Total capital base	20,637,069	20,904,022

* This is surplus amount allowable after taking into account collective impairment allowance on impaired financing of the Bank.

Assets in various categories are risk-weighted as follows:

	Bank	
	30 June 2021 RM'000	31 December 2020 RM'000
Total assets assigned 20% risk-weighted	587,412	530,251
Total assets assigned 50% risk-weighted	2,498,900	2,533,856
Total assets assigned 100% risk-weighted	80,863,635	80,910,841
Off-Balance Sheet claims assigned 100% risk-weighted	980,934	1,000,609
	84,930,881	84,975,557