



**CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE FINANCIAL HALF YEAR
ENDED 30 JUNE 2020**

**UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

		Group		Bank	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and bank balances		855,643	1,060,218	855,039	1,059,600
Deposits and placements with financial institutions		334,152	700,069	334,152	700,069
Financial investments at fair value through profit or loss	1	674,533	636,693	674,533	636,693
Financial investments at fair value through other comprehensive income	2	21,820,110	22,273,842	21,820,102	22,273,834
Financial investments at amortised cost	3	9,922,540	10,261,091	9,922,540	10,261,091
Financing and advances	4	72,835,854	70,967,646	72,931,400	71,042,565
Trade receivables		3,067	324	-	-
Other assets	5	555,933	1,139,698	544,024	1,121,584
Right-of-use assets		58,246	64,287	82,111	90,230
Inventories		5,076	6,790	-	-
Investment in subsidiaries		-	-	100,744	100,744
Property and equipment		687,593	696,761	590,986	598,167
Intangible assets		285,062	294,321	271,877	281,136
Investment properties		1,354,226	1,322,726	1,008,047	1,008,047
Prepaid lease payment		58,419	59,182	58,419	59,182
Tax recoverable		138,399	139,957	137,455	137,455
Deferred tax assets		572	673	-	-
TOTAL ASSETS		109,589,425	109,624,278	109,331,429	109,370,397

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 2019

**UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020 (CONTINUED)**

		Group		Bank	
		30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
	Note				
LIABILITIES					
Deposits from customers	6	84,789,009	83,831,405	84,789,009	83,831,405
Deposits and placements from banks and financial institutions		490,000	1,300,000	490,000	1,300,000
Trade payables		1,379	1,652	-	-
Recourse obligations on financing sold to Cagamas		350,371	360,770	350,371	360,770
Debt securities issued		2,211,252	2,562,786	2,211,252	2,562,786
Cashline facility		-	200,607	-	200,607
Other liabilities	7	1,556,183	1,732,223	1,724,463	1,897,370
Provision for taxation		551	110	-	-
Deferred tax liabilities		152,017	80,017	141,000	69,000
TOTAL LIABILITIES		89,550,762	90,069,570	89,706,095	90,221,938
SHAREHOLDERS' FUND					
Share capital		2,986,030	2,986,030	2,986,030	2,986,030
Share redemption fund		287	9,860	287	9,860
Reserves	8	17,052,346	16,558,818	16,639,015	16,152,569
TOTAL SHAREHOLDERS' FUND		20,038,663	19,554,708	19,625,332	19,148,459
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		109,589,425	109,624,278	109,331,427	109,370,397
COMMITMENTS AND CONTINGENCIES	14	2,289,892	2,340,818	2,289,892	2,340,818

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 2019

**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2020**

Group	Note	2nd Quarter Ended		Six Months Ended	
		30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Income	9	1,513,720	1,630,736	3,117,379	3,266,512
Expenditure	10	(704,296)	(849,291)	(1,485,886)	(1,701,863)
Net income		809,424	781,445	1,631,493	1,564,649
Allowance for impairment	11	(273,196)	(135,494)	(446,526)	(357,999)
Other operating income	12	173,867	123,369	255,224	302,886
Operating expenses	13	(313,991)	(329,418)	(650,148)	(642,889)
Profit before taxation and zakat		396,104	439,902	790,043	866,647
Taxation		(69,517)	(40,388)	(97,479)	(144,404)
Zakat		(7,571)	(5,361)	(8,171)	(14,278)
Profit after taxation and zakat		319,016	394,153	684,393	707,965
<u>Other comprehensive income</u>					
Items that may be reclassified subsequently to profit or loss:					
Net gain on revaluation of financial investments at fair value through other comprehensive income					
		303,792	177,718	214,160	364,472
Other comprehensive income for the period		303,792	177,718	214,160	364,472
Total comprehensive income for the period		622,808	571,871	898,553	1,072,437

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 2019

**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 30 JUNE 2020 (CONTINUED)**

Bank	Note	2nd Quarter Ended		Six Months Ended	
		30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Income	9	1,512,679	1,612,523	3,107,669	3,227,714
Expenditure	10	(703,267)	(832,168)	(1,478,022)	(1,666,004)
Net income		809,412	780,355	1,629,647	1,561,710
Allowance for impairment	11	(276,002)	(135,494)	(449,159)	(357,999)
Other operating income	12	165,780	122,182	247,143	300,408
Operating expenses	13	(312,241)	(331,635)	(649,003)	(643,362)
Profit before taxation and zakat		386,949	435,408	778,628	860,757
Taxation		(66,530)	(39,222)	(93,324)	(141,888)
Zakat		(7,493)	(5,209)	(7,993)	(13,959)
Profit after taxation and zakat		312,926	390,977	677,311	704,910
<u>Other comprehensive income</u>					
Items that may be reclassified subsequently to profit or loss:					
Net gain on revaluation of financial investments at fair value through other comprehensive income					
		303,792	177,718	214,160	364,472
Other comprehensive income for the period		303,792	177,718	214,160	364,472
Total comprehensive income for the period		616,718	568,695	891,471	1,069,382

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 2019

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

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 2019	2,986,030	19,104	6,535,696	8,332,894	17,873,724
Total comprehensive income for the period	-	-	364,472	707,965	1,072,437
Issuance to new members	5,064	-	-	-	5,064
Share withdrawal	(10,509)	-	-	-	(10,509)
Transfer to share capital	5,445	(5,445)	-	-	-
Dividends	-	-	-	(378,973)	(378,973)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	368	368
At 30 June 2019	2,986,030	13,659	6,900,168	8,662,254	18,562,111
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

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 2019

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (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 2019	2,986,030	19,104	6,536,437	7,954,575	17,496,146
Total comprehensive income for the period	-	-	364,472	704,910	1,069,382
Issuance to new members	5,064	-	-	-	5,064
Share withdrawal	(10,509)	-	-	-	(10,509)
Transfer to share capital	5,445	(5,445)	-	-	-
Dividends	-	-	-	(378,973)	(378,973)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	368	368
At 30 June 2019	2,986,030	13,659	6,900,909	8,280,880	18,181,478
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

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 2019

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

	Group		Bank	
	Six Months Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS GENERATED FROM/ (USED IN) OPERATING ACTIVITIES				
Profit for the period	684,393	707,965	677,311	704,910
Adjustments for:				
Taxation	97,479	144,404	93,324	141,888
Zakat	8,171	14,278	7,993	13,959
Profit expense on debt securities issued	57,268	66,572	57,268	66,572
Allowance for impairment on financing and advances	447,517	359,265	450,150	359,265
(Writeback)/allowance for impairment on financial investment at fair value through other comprehensive income	(95)	220	(95)	220
Writeback for impairment on financial investment at amortised cost	(896)	(1,486)	(896)	(1,486)
Depreciation of property and equipment	24,058	28,161	22,078	27,493
Depreciation of right-of-use assets	5,965	-	6,705	-
Amortisation of prepaid lease payment	763	763	763	763
Amortisation of intangible assets	11,790	12,032	11,790	12,032
Property and equipment written off	50	24	50	24
Gain on disposal of property and equipment	-	(76)	-	(74)
Loss on financing written off	5,403	6,874	5,403	6,874
Gain on revaluation of investment properties	(8,055)	(2,438)	-	-
Impairment for trade and other receivables	1,035	-	990	-
Allowance for doubtful debts				
Writeback for impairment on trade receivables	-	(78)	-	-
Net gain on disposal of financial investment at fair value through profit or loss	(10,961)	(7,659)	(10,961)	(7,659)
Net loss/(gain) on revaluation of financial investments at fair value through profit or loss	57,862	(90,706)	57,862	(90,706)
Net gain on disposal of financial investments at fair value through other comprehensive income	(120,305)	(129)	(120,305)	(129)
Profit expense on financing sold with recourse to Cagamas	8,947	16,487	8,947	16,487
Profit expense on cashline facility	1,988	-	1,988	-
Dividend from financial investments at fair value through profit or loss	(17,267)	(4,052)	(17,267)	(4,052)
Operating profit before working capital changes	1,255,110	1,250,421	1,253,098	1,246,381

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 2019

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (CONTINUED)**

	Group		Bank	
	Six Months Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
(Increase)/Decrease in assets:				
Deposits and placements with financial institutions	365,917	330,028	365,917	330,028
Financing and advances	(2,296,090)	(1,017,433)	(2,319,350)	(1,017,433)
Trade receivables	(2,788)	938	-	-
Other assets	582,851	33,117	577,986	27,112
Inventories	1,714	(3,894)	-	-
Increase/(Decrease) in liabilities:				
Deposits from customers	957,604	658,568	957,604	658,568
Deposits and placements from banks and financial institutions	(810,000)	458,850	(810,000)	458,850
Trade payables	(273)	(141)	-	-
Recourse obligations on financing sold to Cagamas	(19,346)	(36,023)	(19,346)	(36,023)
Other liabilities	(209,924)	(82,159)	(207,211)	(88,150)
Cash generated from operations	(175,225)	1,592,272	(201,302)	1,579,333
Income tax paid	(23,379)	(97,316)	(21,324)	(99,347)
Zakat paid	(25,108)	(14,863)	(24,510)	(14,507)
Net cash generated from operating activities	(223,712)	1,480,093	(247,136)	1,465,479
CASH FLOWS GENERATED FROM/ (USED IN) INVESTING ACTIVITIES				
Purchases of financial investments at fair value through profit or loss	(1,340,000)	(1,920,000)	(1,340,000)	(1,920,000)
Net proceed from disposal of financial investments at fair value through profit or loss	1,255,259	2,036,270	1,255,259	2,036,270
Purchases of financial investments at fair value through other comprehensive income	(2,425,000)	(1,840,000)	(2,425,000)	(1,840,000)
Net proceed from disposal of financial investment at fair value through other comprehensive income	3,213,292	1,075,372	3,213,292	1,075,372

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 2019

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020 (CONTINUED)**

	Group		Bank	
	Six Months Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS GENERATED FROM/ (USED IN) INVESTING ACTIVITIES (CONTINUED)				
Purchases of financial investments at amortised cost	(1,860,000)	(505,000)	(1,860,000)	(990,000)
Proceed from disposal of financial investments at amortised cost	2,199,447	786,308	2,199,447	1,271,308
Purchases of investment property	(23,445)	(14,269)	-	-
Purchases of property and equipment	(15,017)	(352,124)	(14,954)	(13,963)
Purchases of intangible assets	(2,531)	(9,254)	(2,531)	(9,254)
Proceeds from disposal of property and equipment	77	337,898	7	74
Dividend from financial investments at fair value through profit or loss	17,267	4,052	17,267	4,052
Net cash used in investing activities	1,019,349	(400,747)	1,042,787	(386,141)
CASH FLOWS GENERATED FROM/ (USED IN) FINANCING ACTIVITIES				
Proceeds from issue of shares to members	5,401	5,064	5,401	5,064
Dividend paid	(405,484)	(378,973)	(405,484)	(378,973)
Fund received from government	23,885	-	23,885	-
Payment of profit expenses on debt securities issued	(408,802)	(496,120)	(408,802)	(496,120)
Repayment of lease liabilities	(12,617)	-	(12,617)	-
Repayment of cashline facility	(602,595)	-	(602,595)	-
Receipt of cashline facility	400,000	-	400,000	-
Net cash used in financing activities	(1,000,212)	(870,029)	(1,000,212)	(870,029)
Net decrease in cash and cash equivalents	(204,575)	209,317	(204,561)	209,309
Cash and cash equivalents at beginning of period	1,060,218	833,602	1,059,600	831,426
Cash and cash equivalents at end of period	855,643	1,042,919	855,039	1,040,735

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 2019

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 2020 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 2019. 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 2019.

Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2019 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 2020.

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 2020.

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 2020.

Debt and Equity Securities

There was no new issuance of debt securities by the Bank during the period.

Dividends Paid and Distributed

During the six months ended 30 June 2020, final dividend for the year ended 31 December 2019 was paid amounting to RM 405,484,000 comprising of 14% 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 one-time election in 2020 to apply revision to the original effective profit rate in respect of any modifications made to the contractual cash flows of the 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 and in the midst of assessing the financial implication of the modified accounting treatment. The impact will be reflected accordingly beginning third quarter financial reporting ended 30 September 2020.

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

	Group and Bank	
	30 June 2020 RM'000	31 December 2019 RM'000
Debt instruments at fair value through profit or loss:		
Government investment issues	302,723	157,486
Islamic redeemable convertible preference shares	203,465	211,282
	506,188	368,768
Equity securities at fair value through profit or loss:		
Quoted shares	166,806	266,325
Unit trust shares	1,539	1,600
	168,345	267,925
Total financial investments at fair value through profit or loss	674,533	636,693

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Debt instruments at fair value through other comprehensive income:				
Islamic debt securities	5,098,173	4,608,879	5,098,173	4,608,879
Government investment issues	6,347,569	9,100,909	6,347,569	9,100,909
Government sukuk	7,927,793	6,134,061	7,927,793	6,134,061
Khazanah sukuk	231,093	229,607	231,093	229,607
Cagamas sukuk	2,168,636	2,153,540	2,168,636	2,153,540
	21,773,264	22,226,996	21,773,264	22,226,996
Equity securities at fair value through other comprehensive income:				
Unquoted shares	46,846	46,846	46,838	46,838
	46,846	46,846	46,838	46,838
Total financial investments at fair value through other comprehensive income	21,820,110	22,273,842	21,820,102	22,273,834

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 2019	475
Changes in credit risk	(201)
At 31 December 2019 / 1 January 2020	274
Changes in credit risk	(95)
At 30 June 2020	179

NOTE 3: FINANCIAL INVESTMENTS AT AMORTISED COST

	Group and Bank	
	30 June 2020 RM'000	31 December 2019 RM'000
At amortised cost		
Islamic debt securities	701,890	735,102
Government investment issues	4,953,696	5,480,591
Government sukuk	2,962,520	2,900,312
Khazanah sukuk	235,022	304,401
Cagamas sukuk	708,869	711,149
Negotiable Islamic debt certificates	299,945	99,599
Islamic commercial papers	79,625	49,860
	9,941,567	10,281,014
Less: Allowance for ECL		
Negotiable Islamic debt certificates	-	(17)
Islamic debt securities	(19,027)	(19,906)
	(19,027)	(19,923)
Total financial investments at amortised cost	9,922,540	10,261,091

Movement of allowance for ECL by stage is as follows:

	12-month ECL Stage 1 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
Group and Bank			
At 1 January 2019	55	22,169	22,224
Changes in credit risk	39	(2,340)	(2,301)
At 31 December 2019 / 1 January 2020	94	19,829	19,923
Changes in credit risk	(40)	(856)	(896)
At 30 June 2020	54	18,973	19,027

NOTE 4: FINANCING AND ADVANCES

(i) By type of financing

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
At amortised cost				
Term financing				
- Personal financing	56,911,966	55,525,588	56,911,966	55,525,588
- House financing	6,986,785	6,653,654	7,094,691	6,738,300
- Hire-purchase receivables	1,861,634	1,854,630	1,861,634	1,854,630
- Syndicated financing	307,633	237,085	307,633	237,085
- Bridging financing	337,558	283,521	337,558	283,521
- Other term financing	4,958,027	4,637,701	4,958,027	4,637,701
Pawn broking	1,943,574	1,944,649	1,943,574	1,944,649
Cashline	95,793	66,503	95,793	66,503
Revolving credit	361,179	347,700	361,179	347,700
Credit card	348,423	406,699	348,423	406,699
Staff financing	466,445	458,250	466,445	458,250
Gross financing and advances, net of unearned income	74,579,017	72,415,980	74,686,923	72,500,626
Allowance for ECL on financing and advances:				
Stage 1 - 12 months ECL	(446,455)	(240,167)	(458,815)	(249,894)
Stage 2 - lifetime ECL not credit impaired	(438,200)	(397,011)	(438,200)	(397,011)
Stage 3 - lifetime ECL credit impaired	(858,508)	(811,156)	(858,508)	(811,156)
Net financing and advances	72,835,854	70,967,646	72,931,400	71,042,565

NOTE 4: FINANCING AND ADVANCES (CONTINUED)

(ii) By type of customer

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Individuals	69,541,852	67,910,842	69,541,852	67,910,842
Business enterprises	2,450,486	1,931,899	2,558,392	2,016,545
Non-bank financial institutions				
- Co-operatives	2,408,620	2,426,352	2,408,620	2,426,352
Non-bank financial institutions				
- Others	-	319	-	319
Foreign entities	5,439	2,097	5,439	2,097
Other entities	172,620	144,471	172,620	144,471
	74,579,017	72,415,980	74,686,923	72,500,626

(iii) By economic sector

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Purchase of securities	1,361	1,815	1,361	1,815
Purchase of non-residential property	880,579	820,354	880,579	820,354
Consumption credit	69,106,484	67,508,049	69,106,484	67,508,049
Agriculture	90,662	62,930	90,662	62,930
Manufacturing	106,040	141,538	106,040	141,538
Electricity, gas and water	1,799	990	1,799	990
Construction	1,101,568	749,747	1,101,568	749,747
Wholesale and retail trade	319,520	232,079	319,520	232,079
Transportation and communication	250,886	85,094	250,886	85,094
Financial, takaful and business services	2,668,516	2,614,715	2,776,422	2,699,361
Community, social and personal services	51,602	198,669	51,602	198,669
	74,579,017	72,415,980	74,686,923	72,500,626

NOTE 4: FINANCING AND ADVANCES (CONTINUED)**(iv) Impaired financing and advances by economic sector**

	Group and Bank	
	30 June 2020	31 December 2019
	RM'000	RM'000
Purchase of securities	92	68
Purchase of non-residential property	24,662	25,784
Consumption credit	581,832	518,303
Agriculture	23,343	22,893
Manufacturing	71,186	70,185
Construction	222,783	241,195
Wholesale and retail trade	31,956	5,743
Transportation and communication	11,478	11,040
Financial, takaful and business services	519,292	501,063
	1,486,624	1,396,274

(v) Movement in impaired financing and advances

	Group and Bank	
	30 June 2020	31 December 2019
	RM'000	RM'000
As of 1 January	1,396,274	1,490,750
Classified as impaired during the period	593,596	1,287,592
Amount written back in respect of recoveries	(375,596)	(894,879)
Amount written off during the period	(127,650)	(487,189)
	90,350	(94,476)
Closing balance	1,486,624	1,396,274
Gross impaired financing and advances as a percentage of gross financing and advances	1.99%	1.93%

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 2019	428,090	118,761	850,158	1,397,009
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	2,191	(2,099)	(5,168)	(5,076)
- Transfer to lifetime ECL not credit impaired (Stage 2)	(50,784)	112,093	(96,693)	(35,384)
- Transfer to lifetime ECL credit impaired (Stage 3)	(4,745)	(12,735)	555,456	537,976
New financial assets originated	123,344	12,566	34,175	170,085
Changes in credit risk	(65,936)	(39,143)	29,071	(76,008)
Financial assets derecognised	(77,757)	(17,440)	(44,026)	(139,223)
Changes to models used for ECL calculations	(114,236)	225,008	(24,628)	86,144
Amount written off	-	-	(487,189)	(487,189)
At 31 December 2019	240,167	397,011	811,156	1,448,334
As of 1 January 2020	240,167	397,011	811,156	1,448,334
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	4,089	(17,813)	(214)	(13,938)
- Transfer to lifetime ECL not credit impaired (Stage 2)	(8,264)	76,526	(71,868)	(3,606)
- Transfer to lifetime ECL credit impaired (Stage 3)	(678)	(31,629)	181,463	149,156
New financial assets originated	45,078	1,220	21,775	68,073
Changes in credit risk	179,026	25,356	59,384	263,766
Financial assets derecognised	(12,963)	(12,471)	(15,538)	(40,972)
Amount written off	-	-	(127,650)	(127,650)
At 30 June 2020	446,455	438,200	858,508	1,743,163

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 2019	428,090	118,761	850,158	1,397,009
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	2,191	(2,099)	(5,168)	(5,076)
- Transfer to lifetime ECL not credit impaired (Stage 2)	(50,784)	112,093	(96,693)	(35,384)
- Transfer to lifetime ECL credit impaired (Stage 3)	(4,745)	(12,735)	555,456	537,976
New financial assets originated	133,071	12,566	34,175	179,812
Changes in credit risk	(65,936)	(39,143)	29,071	(76,008)
Financial assets derecognised	(77,757)	(17,440)	(44,026)	(139,223)
Changes to models used for ECL calculations	(114,236)	225,008	(24,628)	86,144
Amount written off	-	-	(487,189)	(487,189)
At 31 December 2019	249,894	397,011	811,156	1,458,061
As of 1 January 2020	249,894	397,011	811,156	1,458,061
Changes due to financing and advances movements:				
- Transfer to 12-month ECL (Stage 1)	4,089	(17,813)	(214)	(13,938)
- Transfer to lifetime ECL not credit impaired (Stage 2)	(8,264)	76,526	(71,868)	(3,606)
- Transfer to lifetime ECL credit impaired (Stage 3)	(678)	(31,629)	181,463	149,156
New financial assets originated	45,078	1,220	21,775	68,073
Changes in credit risk	181,659	25,356	59,384	266,399
Financial assets derecognised	(12,963)	(12,471)	(15,538)	(40,972)
Amount written off	-	-	(127,650)	(127,650)
At 30 June 2020	458,815	438,200	858,508	1,755,523

NOTE 5: OTHER ASSETS

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Amount due from subsidiaries	-	-	26,667	13,148
Other receivables	160,541	737,812	158,304	741,208
Allowance for ECL	(30,533)	(20,563)	(29,783)	(19,813)
Refundable deposits	46,973	45,440	10,214	10,185
Prepayments	178,952	177,009	178,622	176,856
Contribution to Central Liquidity Monetary Fund	200,000	200,000	200,000	200,000
	555,933	1,139,698	544,024	1,121,584

NOTE 6: DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	Group and Bank	
	30 June 2020 RM'000	31 December 2019 RM'000
Savings deposits		
Qard	7,333,643	6,600,630
Term deposits		
Tawarruq	73,625,366	71,217,750
Negotiable Islamic debt certificate	3,830,000	6,013,025
	84,789,009	83,831,405

(ii) By type of customer

	Group and Bank	
	30 June 2020 RM'000	31 December 2019 RM'000
Government	37,921,637	36,682,261
Business enterprises	24,867,449	26,572,859
Co-operatives	2,404,495	2,286,547
Individuals	18,412,613	16,531,690
Others	1,182,815	1,758,048
	84,789,009	83,831,405

NOTE 7: OTHER LIABILITIES

	Group		Bank	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Amount due to subsidiaries	-	-	155,305	196,557
Sundry creditors	198,731	207,017	217,505	217,285
Income payable	640,007	675,759	640,007	675,759
Other liabilities and accruals	406,195	561,203	377,565	495,972
Lease liabilities	54,687	65,875	79,786	92,116
Allowance for ECL on financial guarantee	36,151	11,113	36,151	11,113
Government fund	189,709	163,616	189,709	163,616
Zakat payable	30,703	47,640	28,435	44,952
	1,556,183	1,732,223	1,724,463	1,897,370

NOTE 8: RESERVES

	Group		Bank	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Retained profits	9,388,042	9,108,674	8,973,970	8,701,684
Statutory reserve	6,492,462	6,492,462	6,492,462	6,492,462
Capital reserve	14,617	14,617	15,358	15,358
Fair value reserve of financial investments at FVOCI	827,553	613,393	827,553	613,393
Regulatory reserve	329,672	329,672	329,672	329,672
	17,052,346	16,558,818	16,639,015	16,152,569

NOTE 9: INCOME

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' fund (i)	1,187,334	1,270,220	2,433,030	2,539,217
Income derived from investment of shareholders' fund (ii)	322,214	342,303	669,659	688,497
Income generated by subsidiaries (iii)	4,172	18,213	14,690	38,798
	1,513,720	1,630,736	3,117,379	3,266,512

NOTE 9: INCOME (CONTINUED)

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' fund (i)	1,189,793	1,270,220	2,436,935	2,539,217
Income derived from investment of shareholders' fund (ii)	322,886	342,303	670,734	688,497
	1,512,679	1,612,523	3,107,669	3,227,714

(i) Income derived from investment of depositors' fund

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	933,764	1,004,153	1,913,952	2,009,506
Income from deposits and placements with bank and financial institutions	6,525	1,123	10,179	2,088
Income from financial investments	247,045	264,944	508,899	527,623
	1,187,334	1,270,220	2,433,030	2,539,217

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	936,223	1,004,153	1,917,857	2,009,506
Income from deposits and placements with bank and financial institutions	6,525	1,123	10,179	2,088
Income from financial investments	247,045	264,944	508,899	527,623
	1,189,793	1,270,220	2,436,935	2,539,217

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
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	253,399	270,599	526,790	544,869
Income from deposits and placements with bank and financial institutions	1,782	303	2,801	566
Income from financial investments	67,033	71,401	140,068	143,062
	322,214	342,303	669,659	688,497

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	254,070	270,599	527,864	544,869
Income from deposits and placements with bank and financial institutions	1,783	303	2,802	566
Income from financial investments	67,033	71,401	140,068	143,062
	322,886	342,303	670,734	688,497

(iii) Income generated by subsidiaries

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Agency income	-	519	-	2,787
Pawning income	2,286	14,779	10,828	29,579
Rental income	196	749	481	1,596
Management fee	1,674	2,091	3,297	4,677
Sale of goods	16	75	84	158
Other charges	-	-	-	1
	4,172	18,213	14,690	38,798

NOTE 10: EXPENDITURE

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income attributable to depositors (i)	668,497	791,905	1,407,337	1,580,637
Profit expense on financing sold with recourse to Cagamas	4,441	8,186	8,947	16,487
Profit expense on debt securities issued	27,965	31,088	57,268	66,572
Profit expense on cashline facility	1,110	-	1,988	-
Cost of sales	2,282	18,112	10,345	38,167
	704,295	849,291	1,485,885	1,701,863

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income attributable to depositors (i)	669,751	792,894	1,409,819	1,582,945
Profit expense on financing sold with recourse to Cagamas	4,441	8,186	8,947	16,487
Profit expense on debt securities issued	27,965	31,088	57,268	66,572
Profit expense on cashline facility	1,110	-	1,988	-
	703,267	832,168	1,478,022	1,666,004

NOTE 10: EXPENDITURE (CONTINUED)**(i) Income attributable to depositors**

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
Non-Mudarabah	666,360	784,854	1,396,325	1,566,184
Deposits and placements from banks and other financial institutions				
Non-Mudarabah	2,137	7,051	11,012	14,453
	668,497	791,905	1,407,337	1,580,637

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
Non-Mudarabah	667,614	785,843	1,398,807	1,568,492
Deposits and placements from banks and other financial institutions				
Non-Mudarabah	2,137	7,051	11,012	14,453
	669,751	792,894	1,409,819	1,582,945

NOTE 11: ALLOWANCE FOR IMPAIRMENT

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment on financing and advances (i)	273,515	135,611	447,517	359,265
Allowance for impairment on financial investments (ii)	(319)	(117)	(991)	(1,266)
	273,196	135,494	446,526	357,999

NOTE 11: ALLOWANCE FOR IMPAIRMENT (CONTINUED)

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment on financing and advances (i)	276,321	135,611	450,150	359,265
Allowance for impairment on financial investments (ii)	(319)	(117)	(991)	(1,266)
	276,002	135,494	449,159	357,999

(i) Allowance for impairment on financing and advances

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Stage 1 - 12 months ECL	222,426	(63,415)	228,662	(36,430)
Stage 2 - lifetime ECL not credit impaired	16,152	1,442	41,189	88,044
Stage 3 - lifetime ECL credit impaired	34,937	197,584	177,666	307,651
	273,515	135,611	447,517	359,265

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Stage 1 - 12 months ECL	225,232	(63,415)	231,295	(36,430)
Stage 2 - lifetime ECL not credit impaired	16,152	1,442	41,189	88,044
Stage 3 - lifetime ECL credit impaired	34,937	197,584	177,666	307,651
	276,321	135,611	450,150	359,265

(ii) Allowance for impairment on financial investments

Group and Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through other comprehensive income	12	220	(95)	220
Financial investments at amortised cost	(331)	(337)	(896)	(1,486)
	(319)	(117)	(991)	(1,266)

NOTE 12: OTHER OPERATING INCOME

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Fees and commission (i)	14,447	28,654	39,889	55,174
Other income (ii)	159,420	94,715	215,335	247,712
	173,867	123,369	255,224	302,886

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Fees and commission (i)	14,447	28,654	39,889	55,174
Other income (ii)	151,333	93,528	207,254	245,234
	165,780	122,182	247,143	300,408

(i) Fees and commission

Group and Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Takaful commission	4,030	10,367	13,626	20,605
Wasiat commission	837	1,943	2,840	3,422
Other commission	6,638	10,643	14,791	19,715
Processing fees	3	2	4	2
ATM service fees	2,307	2,916	5,068	5,825
MEPS fees	236	2,252	2,654	4,535
Other fees	396	531	906	1,070
	14,447	28,654	39,889	55,174

NOTE 12: OTHER OPERATING INCOME (CONTINUED)**(ii) Other income**

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Other income from financial instruments				
Dividend from financial investments at fair value through profit or loss	16,425	1,916	17,267	4,052
Net gain on disposal of financial investments at fair value through profit or loss	487	6,131	10,961	7,659
Net (loss)/gain on revaluation of financial investments at fair value through profit or loss	18,163	20,956	(57,862)	90,706
Net gain on disposal of financial investments at fair value through other comprehensive income	66,187	-	120,305	129
Others				
Rental income	5,344	4,040	10,631	9,402
Compensation for late payment	1,107	1,290	2,274	2,265
Charges from credit card services	2,538	2,932	5,190	5,862
Other service charges	1,708	3,046	4,520	6,160
Recoveries from financing written off	32,485	41,599	79,200	99,060
Writeback of ECL on trade receivables	-	78	-	78
Gain on revaluation of investment properties	8,055	1,219	8,055	2,438
Gain on disposal of property and equipment	-	31	-	76
Other income	6,921	11,477	14,794	19,825
	159,420	94,715	215,335	247,712

NOTE 12: OTHER OPERATING INCOME (CONTINUED)**(ii) Other income (continued)**

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Other income from financial instruments				
Dividend from financial investments at fair value through profit or loss	16,425	1,916	17,267	4,052
Net gain on disposal of financial investments at fair value through profit or loss	487	6,131	10,961	7,659
Net (loss)/gain on revaluation of financial investments at fair value through profit or loss	18,163	20,956	(57,862)	90,706
Net gain on disposal of financial investments at fair value through other comprehensive income	66,187	-	120,305	129
Others				
Rental income	5,360	4,234	10,658	9,599
Compensation for late payment	1,107	1,290	2,274	2,265
Charges from credit card services	2,538	2,932	5,190	5,862
Other service charges	1,708	3,046	4,520	6,160
Recoveries from financing written off	32,485	41,599	79,200	99,060
Gain on disposal of property and equipment	-	29	-	74
Other income	6,873	11,395	14,741	19,668
	151,333	93,528	207,254	245,234

NOTE 13: OPERATING EXPENSES

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Personnel expenses (i)	189,925	195,585	401,562	381,980
Other overheads and expenditure (ii)	124,066	133,833	248,586	260,909
	313,991	329,418	650,148	642,889

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Personnel expenses (i)	189,449	190,855	400,124	372,954
Other overheads and expenditure (ii)	122,792	140,780	248,879	270,408
	312,241	331,635	649,003	643,362

(i) Personnel expenses

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	101,264	97,350	205,207	189,088
Allowances and bonuses	49,493	55,000	111,325	111,116
Defined contribution plan - EPF	26,974	27,210	56,888	53,998
Social security contributions - SOCSO	1,230	1,202	2,513	2,405
Other staff related costs	10,964	14,823	25,629	25,373
	189,925	195,585	401,562	381,980

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	101,282	94,171	204,688	183,130
Allowances and bonuses	49,104	54,078	110,609	109,256
Defined contribution plan - EPF	26,847	26,787	56,712	53,180
Social security contributions - SOCSO	1,225	1,142	2,502	2,284
Other staff related costs	10,991	14,677	25,613	25,104
	189,449	190,855	400,124	372,954

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
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Establishment				
Rental	370	5,108	836	9,684
Depreciation of property and equipment	12,593	13,974	24,058	28,161
Depreciation of right-of-use assets	1,181	-	5,965	-
Amortisation of prepaid lease payment	381	382	763	763
Amortisation of intangible assets	5,812	5,951	11,790	12,032
Finance cost on lease liabilities	444	-	1,287	-
Repair and maintenance	22,240	20,111	36,801	38,145
Takaful	2,371	1,768	7,079	5,669
	45,392	47,294	88,579	94,454
Promotion				
Advertisement and publicity	1,823	4,388	3,258	5,994
	1,823	4,388	3,258	5,994
General expenses				
Legal and professional fees	2,761	2,138	5,560	3,897
Auditors' remuneration	580	574	1,161	1,134
Communication expenses	7,648	8,607	15,410	16,488
Utilities expenses	7,781	8,244	15,955	16,336
Printing and stationery	3,778	3,414	6,700	7,387
Postage and courier	2,927	1,548	4,039	2,562
Security expenses	5,437	4,975	11,732	13,573
Service charges	3,150	6,094	13,596	13,834
Loss on financing written off	1,839	3,830	5,403	6,874
Property and equipment written off	31	21	50	24
Commission expenses	12,003	20,550	28,336	38,234
Travelling and transportation	984	3,092	5,278	5,965
Others	27,932	19,064	43,529	34,153
	76,851	82,151	156,749	160,461
	124,066	133,833	248,586	260,909

NOTE 13: OPERATING EXPENSES (CONTINUED)**(ii) Other overheads and expenditure (continued)**

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Establishment				
Rental	259	6,703	708	12,584
Depreciation of property and equipment	10,715	13,635	22,078	27,493
Depreciation of right-of-use assets	868	-	6,705	-
Amortisation of prepaid lease payment	381	382	763	763
Amortisation of intangible assets	5,812	5,951	11,790	12,032
Finance cost on lease liabilities	830	-	1,702	-
Repair and maintenance	22,267	20,043	36,799	38,036
Takaful	2,301	1,753	6,997	5,627
	43,433	48,467	87,542	96,535
Promotion				
Advertisement and publicity	1,823	4,376	3,255	5,879
	1,823	4,376	3,255	5,879
General expenses				
Legal and professional fees	2,752	1,875	5,521	3,346
Auditors' remuneration	516	491	1,032	981
Communication expenses	7,617	8,560	15,358	16,383
Utilities expenses	7,788	8,219	15,941	16,289
Printing and stationery	3,772	3,331	6,670	7,261
Postage and courier	2,923	1,533	4,029	2,524
Security expenses	5,414	4,963	11,709	13,547
Service charges	3,314	12,258	14,875	25,646
Loss on financing written off	1,839	3,830	5,403	6,874
Property and equipment written off	31	21	50	24
Commission expenses	12,003	20,550	28,336	38,234
Travelling and transportation	980	3,811	5,265	7,537
Others	28,587	18,495	43,893	29,348
	77,536	87,937	158,082	167,994
	122,792	140,780	248,879	270,408

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 2020 RM'000	31 December 2019 RM'000
Contingent liabilities		
Bank guarantee given in respect of banking facilities granted to customers	80,710	80,666
Claims for damages from litigation taken against the Bank	105,578	106,053
Commitments		
Undrawn financing	2,103,604	2,154,099
	2,289,892	2,340,818

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 2020	31 December 2019
Before proposed dividend		
Core capital ratio	21.70%	22.64%
Risk-weighted capital ratio	23.44%	24.12%
After proposed dividend		
Core capital ratio	21.70%	22.12%
Risk-weighted capital ratio	23.44%	23.60%

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 2020 RM'000	31 December 2019 RM'000
Tier I capital		
Paid-up share capital	2,986,030	2,986,030
Retained profits	8,296,659	8,701,684
Other reserves	6,507,820	6,507,820
Total Tier I capital (core)	17,790,509	18,195,534
Tier II capital		
Subordinated sukuk	300,000	300,000
Collective impairment *	897,015	658,018
Regulatory reserve	329,672	329,672
Total Tier II capital	1,526,687	1,287,690
Total capital	19,317,196	19,483,224
Less: Investment in subsidiaries	(100,744)	(100,744)
	(100,744)	(100,744)
Total capital base	19,216,452	19,382,480

* 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 2020 RM'000	31 December 2019 RM'000
Total assets assigned 20% risk-weighted	702,320	732,872
Total assets assigned 50% risk-weighted	2,712,512	2,613,334
Total assets assigned 100% risk-weighted	77,272,076	75,696,226
Off-Balance Sheet claims assigned 100% risk-weighted	1,292,285	1,320,418
	81,979,193	80,362,850