



Your Choice Bank

**CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2018**

**UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018**

		Group		Bank	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and bank balances		999,217	1,056,304	993,087	1,049,619
Deposits and placements with financial institutions		651,460	1,521,703	651,067	1,521,310
Financial assets at fair value through profit or loss	1	824,317	-	824,317	-
Financial assets available-for-sale	2	-	20,252,909	-	20,252,428
Financial assets at fair value through other comprehensive income	2	22,465,232	-	22,465,117	-
Financial assets held-to-maturity	3		10,437,053	-	10,437,053
Financial assets at amortised cost	3	10,710,978	-	10,710,978	-
Financing and advances	4	68,422,369	69,189,090	68,422,369	69,189,090
Trade receivables		6,049	1,795	-	-
Other assets	5	994,976	1,019,205	956,114	987,691
Inventories		15,275	9,291	-	-
Investment in subsidiaries			-	65,976	65,976
Property and equipment		918,894	708,374	861,273	649,790
Goodwill on consolidation		13,185	13,185	-	-
Investment properties		1,118,253	1,116,302	871,845	871,845
Prepaid lease payment		61,090	62,234	61,090	62,234
Tax recoverable		4,055	51,111	-	47,806
Deferred tax assets		457	13,446	-	13,000
TOTAL ASSETS		107,205,807	105,452,002	106,883,233	105,147,842

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 2017

**UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018 (CONTINUED)**

		Group		Bank	
		30 September	31 December	30 September	31 December
		2018	2017	2018	2017
	Note	RM'000	RM'000	RM'000	RM'000
LIABILITIES					
Deposits from customers	6	84,270,536	83,235,496	84,270,536	83,235,496
Deposits and placements from banks and financial institutions		-	-	-	-
Trade payables		3,516	2,681	-	-
Recourse obligations on financing sold to Cagamas		719,917	748,334	719,917	748,334
Debt securities issued		3,473,587	3,443,770	3,473,587	3,443,770
Other liabilities	7	1,392,515	1,379,579	1,487,170	1,490,291
Provision for taxation		23,524	574	23,524	-
Deferred tax liabilities		216,368	4,371	211,999	-
Financing from other financial institutions		-	8,844	-	-
TOTAL LIABILITIES		90,099,963	88,823,649	90,186,733	88,917,891
SHAREHOLDERS' FUND					
Share capital		2,986,030	2,986,030	2,986,030	2,986,030
Share redemption fund		25,333	36,440	25,333	36,440
Reserves	8	14,094,481	13,605,883	13,685,137	13,207,481
TOTAL SHAREHOLDERS' FUND		17,105,844	16,628,353	16,696,500	16,229,951
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		107,205,807	105,452,002	106,883,233	105,147,842
COMMITMENT AND CONTINGENCIES	14	2,933,358	2,723,371	2,933,358	2,723,371

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 2017

**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018**

Group	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2018 RM'000	30 September 2017 RM'000	30 September 2018 RM'000	30 September 2017 RM'000
Income	9	1,648,831	1,612,911	4,854,426	4,738,408
Expenditure	10	(875,195)	(823,692)	(2,531,819)	(2,420,156)
Net income		773,636	789,219	2,322,607	2,318,252
Allowance for impairment losses on financial assets	11	(178,256)	(134,062)	(483,666)	(406,596)
Other operating income	12	218,885	136,706	291,017	385,686
Operating expenses	13	(311,929)	(313,786)	(892,159)	(861,493)
Profit before taxation and zakat		502,336	478,077	1,237,799	1,435,849
Taxation		(245,464)	(31,483)	(300,916)	(90,600)
Zakat		(9,143)	(10,146)	(24,598)	(24,572)
Profit after taxation and zakat		247,729	436,448	912,285	1,320,677
<u>Other comprehensive income/(loss)</u>					
Items that may be reclassified subsequently to profit or loss:					
Net (loss)/gain on revaluation of financial assets available-for-sale		-	(45,937)	-	46,424
Net gain on revaluation of financial assets at fair value through other comprehensive income		144,946	-	42,793	-
Other comprehensive income/(loss) for the period		144,946	(45,937)	42,793	46,424
Total comprehensive income for the period		392,675	390,511	955,078	1,367,101

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 2017

**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018 (CONTINUED)**

Bank	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2018 RM'000	30 September 2017 RM'000	30 September 2018 RM'000	30 September 2017 RM'000
Income	9	1,621,067	1,595,094	4,810,338	4,699,231
Expenditure	10	(850,310)	(810,246)	(2,489,988)	(2,385,876)
Net income		770,757	784,848	2,320,350	2,313,355
Allowance for impairment losses on financial assets	11	(178,256)	(134,062)	(483,666)	(406,596)
Other operating income	12	218,671	136,236	289,182	385,726
Operating expenses	13	(313,444)	(314,498)	(903,024)	(872,094)
Profit before taxation and zakat		497,728	472,524	1,222,842	1,420,391
Taxation		(244,371)	(30,076)	(297,478)	(86,409)
Zakat		(8,809)	(10,000)	(24,021)	(24,189)
Profit after taxation and zakat		244,548	432,448	901,343	1,309,793
<u>Other comprehensive income/(loss)</u>					
Items that may be reclassified subsequently to profit or loss:					
Net (loss)/gain on revaluation of financial assets available-for-sale		-	(45,937)	-	46,424
Net gain on revaluation of financial assets at fair value through other comprehensive income		144,946	-	42,793	-
Other comprehensive income/(loss) for the period		144,946	(45,937)	42,793	46,424
Total comprehensive income for the period		389,494	386,511	944,136	1,356,217

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 2017

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018**

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 2017	2,986,030	52,070	5,468,605	6,726,074	15,232,779
Total comprehensive income for the period	-	-	46,424	1,320,677	1,367,101
Issuance to new members	10,416	-	-	-	10,416
Share withdrawal	(24,595)	-	-	-	(24,595)
Transfer to share capital	14,179	(14,179)	-	-	-
Dividends	-	-	-	(443,774)	(443,774)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	153	153
At 30 September 2017	2,986,030	37,891	5,515,029	7,603,130	16,142,080
At 1 January 2018					
- As previously stated	2,986,030	36,440	5,967,351	7,638,532	16,628,353
- Impact of adopting MFRS 9	-	-	68,779	(65,749)	3,030
At 1 January 2018, as restated	2,986,030	36,440	6,036,130	7,572,783	16,631,383
Total comprehensive income for the period	-	-	42,793	912,285	955,078
Issuance to new members	11,243	-	-	-	11,243
Share withdrawal	(22,350)	-	-	-	(22,350)
Transfer to share capital	11,107	(11,107)	-	-	-
Dividends	-	-	-	(469,774)	(469,774)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	264	264
At 30 September 2018	2,986,030	25,333	6,078,923	8,015,558	17,105,844

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 2017

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (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 2017	2,986,030	52,070	5,469,346	6,363,616	14,871,062
Total comprehensive income for the period	-	-	46,424	1,309,793	1,356,217
Issuance to new members	10,416	-	-	-	10,416
Share withdrawal	(24,595)	-	-	-	(24,595)
Transfer to share capital	14,179	(14,179)	-	-	-
Dividends	-	-	-	(443,774)	(443,774)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	153	153
At 30 September 2017	2,986,030	37,891	5,515,770	7,229,788	15,769,479
At 1 January 2018					
- As previously stated	2,986,030	36,440	5,968,092	7,239,389	16,229,951
- Impact of adopting MFRS 9	-	-	68,779	(65,749)	3,030
At 1 January 2018, as restated	2,986,030	36,440	6,036,871	7,173,640	16,232,981
Total comprehensive income for the period	-	-	42,793	901,343	944,136
Issuance to new members	11,243	-	-	-	11,243
Share withdrawal	(22,350)	-	-	-	(22,350)
Transfer to share capital	11,107	(11,107)	-	-	-
Dividends	-	-	-	(469,774)	(469,774)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	264	264
At 30 September 2018	2,986,030	25,333	6,079,664	7,605,473	16,696,500

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 2017

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018**

	Group		Bank	
	Nine Months Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(USED IN)				
OPERATING ACTIVITIES				
Profit for the period	912,285	1,320,677	901,343	1,309,793
Adjustments for:				
Taxation	300,916	90,600	297,478	86,409
Zakat	24,598	24,572	24,021	24,189
Profit expense on debt securities issued	117,777	97,317	117,777	97,317
Allowance for impairment on financing and advances	483,666	406,596	483,666	406,596
Depreciation of property and equipment	64,953	74,175	63,101	72,997
Amortisation of prepaid lease payment	1,144	1,144	1,144	1,144
Loss on property and equipment written off	96	9,555	4	9,555
Gain on disposal of property and equipment	(281)	(6)	-	(1)
Loss on financing written off	11,171	13,299	11,171	13,299
Allowance for doubtful debts	444	11	960	11
Allowance for doubtful debts no longer required	(204)	(1)	-	(1)
Gain on revaluation of investment properties	-	(4,063)	-	(4,063)
Allowance for impairment loss on financial assets at amortised cost no longer required	(371)	(278)	(371)	(278)
Net gain on disposal of financial assets available-for-sale	-	(20,518)	-	(20,518)
Net gain on disposal of financial assets at fair value through profit or loss	(8,439)	-	(8,439)	-
Net loss on revaluation of financial assets at fair value through profit or loss	117,234	-	117,234	-
Net gain on disposal of financial assets at fair value through other comprehensive income	(213)	-	(213)	-
Net gain on disposal of financial assets held-for-trading	-	(583)	-	(583)
Profit expense on financing sold with recourse to Cagamas	25,900	33,793	25,900	33,793
Dividend from financial assets available-for-sale	-	(13,149)	-	(13,149)
Dividend from financial assets at fair value through profit or loss	(9,800)	-	(9,800)	-
Operating profit before working capital changes	2,040,876	2,033,141	2,024,976	2,016,510

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 2017

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (CONTINUED)**

	Group		Bank	
	Nine Months Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
(Increase)/Decrease in assets:				
Deposits and placements with financial institutions	870,243	782,657	870,243	782,320
Financing and advances	259,951	(2,117,023)	259,951	(2,117,023)
Trade receivables	(4,494)	(905)	-	-
Other assets	22,538	(322,711)	28,926	(330,214)
Inventories	(5,984)	(5,789)	-	-
Increase/(Decrease) in liabilities:				
Deposits from customers	1,035,040	5,452,655	1,035,040	5,452,655
Deposits and placements from banks and financial institutions	-	(800,000)	-	(800,000)
Trade payables	835	(1,303)	-	-
Recourse obligations on financing sold to Cagamas	(54,317)	(338,381)	(54,317)	(338,381)
Other liabilities	(7,630)	(102,908)	(24,549)	(155,439)
Cash generated from operations	4,157,058	4,579,433	4,140,270	4,510,428
Income tax paid	(5,924)	(10,969)	(1,148)	(6,667)
Zakat paid	(26,118)	(29,212)	(24,679)	(28,397)
Net cash from operating activities	4,125,016	4,539,252	4,114,443	4,475,364
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Purchases of financial assets held-for-trading	-	(760,000)	-	(760,000)
Proceeds from disposal of financial assets held-for-trading	-	760,583	-	760,583
Purchases of financial assets at fair value through profit or loss	(2,005,000)	-	(2,005,000)	-
Proceeds from disposal of financial assets at fair value through profit or loss	1,645,745	-	1,645,745	-
Purchases of financial assets available-for-sale	-	(7,969,723)	-	(7,969,723)
Proceeds from disposal of financial assets available-for-sale	-	3,288,231	-	3,288,220

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 2017

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018 (CONTINUED)**

	Group		Bank	
	Nine Months Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(USED IN)				
INVESTING ACTIVITIES (CONTINUED)				
Purchases of financial assets at fair value through other comprehensive income	(4,371,000)	-	(4,371,000)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,644,481	-	1,644,114	-
Purchases of financial assets held-to-maturity	-	(1,725,000)	-	(1,725,000)
Proceeds from disposal of financial assets held-to-maturity	-	2,224,351	-	2,224,351
Purchases of financial assets amortised cost	(4,473,260)	-	(4,473,260)	-
Proceeds from disposal of financial assets at amortised cost	4,199,706	-	4,199,706	-
Purchase of investment properties	(1,951)	(79,826)	-	(79,826)
Purchase of property and equipment	(275,288)	(936,354)	(274,588)	(79,735)
Proceeds from disposal of property and equipment	-	798,686	-	7,707
Dividend from financial assets available-for-sale	-	13,149	-	13,149
Dividend from financial assets at fair value through profit or loss	9,800	-	9,800	-
Net cash used in investing activities	(3,626,767)	(4,385,903)	(3,624,483)	(4,320,274)
CASH FLOWS FROM/(USED IN)				
FINANCING ACTIVITIES				
Proceeds from issue of shares to members	11,243	10,416	11,243	10,416
Dividend paid	(469,774)	(443,774)	(469,774)	(443,774)
Fund received from government	-	13,300	-	13,300
Proceeds from debt securities issued	-	1,200,000	-	1,200,000
Payment of profit expenses on debt securities issued	(87,960)	(646,276)	(87,960)	(646,276)
Payment of financing from other financial institution	(8,844)	-	-	-
Net cash (used in)/from financing activities	(555,335)	133,666	(546,491)	133,666
Net (decrease)/increase in cash and cash equivalents	(57,087)	287,015	(56,532)	288,756
Cash and cash equivalents at beginning of period	1,056,304	786,964	1,049,619	785,223
Cash and cash equivalents at end of period	999,217	1,073,979	993,087	1,073,979

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 2017

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

Basis of Preparation

The unaudited interim financial statements for the third quarter and nine months ended 30 September 2018 have been prepared under historical cost convention except for the following assets and liabilities which are stated at fair values, i.e. financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and investment properties.

The Group and the Bank has applied MFRS 9, effective for annual periods beginning on 1 January 2018, for the first time. The Group and the Bank has not adopted early any other standard, interpretation or amendment that has been issued but is not yet effective. The Group and the Bank has not restated comparative information for 2017 financial instruments in the scope of MFRS 9. Differences arising from the adoption of MFRS 9 have been recognised directly in retained profits as at 1 January 2018.

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 2017. 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 2017.

Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2017 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 third quarter and nine months ended 30 September 2018.

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 third quarter and nine months ended 30 September 2018.

Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the third quarter and nine months ended 30 September 2018.

Debt and Equity Securities

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

Dividends Paid and Distributed

During the nine months ended 30 September 2018, final dividend for the year ended 31 December 2017 was paid amounting to RM469,773,684 comprising of 16% cash dividend.

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

	Group		Bank	
	30 September 2018 RM'000	31 December 2017 RM'000	30 September 2018 RM'000	31 December 2017 RM'000
Financial assets at fair value through profit or loss				
Debt instruments at fair value through profit or loss:				
Government investment issues	432,848	-	432,848	-
Government bonds	5,064		5,064	
Total debt instruments	437,912	-	437,912	-
Equity securities at fair value through profit or loss:				
Quoted shares	384,857	-	384,857	-
Unit trust shares	1,548	-	1,548	-
Total equity securities	386,405	-	386,405	-
Total financial assets at fair value through profit or loss	824,317	-	824,317	-

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

	Group		Bank	
	30 September 2018 RM'000	31 December 2017 RM'000	30 September 2018 RM'000	31 December 2017 RM'000
Financial assets available-for-sale				
At fair value				
Islamic debt securities	-	3,798,824	-	3,798,824
Government investment issues	-	9,178,953	-	9,178,953
Government sukuk	-	4,922,276	-	4,922,276
Khazanah sukuk	-	208,347	-	208,347
Cagamas sukuk	-	1,562,587	-	1,562,587
Quoted shares	-	572,144	-	572,144
Unit trust shares	-	1,714	-	1,714
At cost, net of impairment loss				
Unquoted shares	-	8,064	-	7,583
Net carrying amount available-for-sale	-	20,252,909	-	20,252,428
Financial assets at fair value through other comprehensive income				
Debt instruments at fair value through other comprehensive income:				
Islamic debt securities	4,803,185	-	4,803,185	-
Government investment issues	9,420,833	-	9,420,833	-
Government sukuk	5,516,758	-	5,516,758	-
Khazanah sukuk	214,795	-	214,795	-
Cagamas sukuk	2,285,305	-	2,285,305	-
Total debt instruments	22,240,876	-	22,240,876	-
Equity securities at fair value through other comprehensive income:				
Unquoted shares	224,356	-	224,241	-
Total equity securities	224,356	-	224,241	-
Total financial assets at fair value through other comprehensive income	22,465,232	-	22,465,117	-

NOTE 3: FINANCIAL ASSETS AT AMORTISED COST

	Group		Bank	
	30 September 2018 RM'000	31 December 2017 RM'000	30 September 2018 RM'000	31 December 2017 RM'000
Financial assets held-to-maturity				
At amortised cost				
Islamic debt securities	-	642,412	-	642,412
Government investment issues	-	6,352,971	-	6,352,971
Government sukuk	-	2,248,815	-	2,248,815
Khazanah sukuk	-	341,911	-	341,911
Cagamas sukuk	-	475,271	-	475,271
Negotiable Islamic debt certificates	-	398,630	-	398,630
Financial assets held-to-maturity	-	10,460,010	-	10,460,010
Financial assets at amortised cost				
Islamic debt securities	767,817	-	767,817	-
Government investment issues	6,110,209	-	6,110,209	-
Government sukuk	2,311,428	-	2,311,428	-
Khazanah sukuk	366,792	-	366,792	-
Cagamas sukuk	476,212	-	476,212	-
Negotiable Islamic debt certificates	446,645	-	446,645	-
Islamic commercial papers	254,461	-	254,461	-
Financial assets at amortised cost	10,733,564	-	10,733,564	-
Less: accumulated impairment losses				
Islamic debt securities	(22,586)	(22,957)	(22,586)	(22,957)
Net carrying amount	10,710,978	10,437,053	10,710,978	10,437,053

NOTE 4: FINANCING AND ADVANCES

(i) By type of financing

	Group and Bank	
	30 September 2018 RM'000	31 December 2017 RM'000
At amortised cost		
Term financing		
- Personal financing	54,946,525	55,992,233
- House financing	5,755,750	5,249,755
- Hire-purchase receivables	1,518,245	1,471,277
- Syndicated financing	383,784	284,789
- Bridging financing	211,263	223,957
- Other term financing	4,285,746	4,540,214
Pawn broking	1,720,975	1,665,450
Revolving credit	363,732	357,034
Credit card	440,963	456,451
Staff financing	411,042	387,698
Gross financing and advances, net of unearned income	70,038,025	70,628,858
Allowance for impairment on financing and advances		
Collective assessment allowance - 12 months expected credit loss (ECL)	(610,309)	-
Collective assessment allowance - lifetime ECL	(626,160)	-
Individual assessment allowance - lifetime ECL	(379,187)	-
Collective assessment allowance	-	(991,019)
Individual assessment allowance	-	(448,749)
	(1,615,656)	(1,439,768)
Net financing and advances	68,422,369	69,189,090

(ii) By type of customer

	Group and Bank	
	30 September 2018 RM'000	31 December 2017 RM'000
Individuals	65,928,686	66,342,851
Business enterprises	1,968,681	2,252,027
Non-bank financial institutions - Co-operatives	2,069,043	1,963,303
Foreign entities	1,495	1,254
Other entities	70,120	69,423
	70,038,025	70,628,858

NOTE 4: FINANCING AND ADVANCES (CONTINUED)**(iii) By economic sector**

	Group and Bank	
	30 September 2018 RM'000	31 December 2017 RM'000
Purchase of securities	46,575	48,491
Purchase of non-residential property	316,105	152,817
Consumption credit	65,738,806	66,246,482
Agriculture	91,950	231,671
Manufacturing	54,788	173,473
Electricity, gas and water	2	100,549
Construction	872,614	853,112
Wholesale and retail trade	129,122	149,243
Transportation and communication	155,574	168,367
Financial, takaful and business services	2,401,238	2,400,420
Community, social and personal services	231,251	104,233
	70,038,025	70,628,858

(iv) Impaired financing and advances by economic sector

	Group and Bank	
	30 September 2018 RM'000	31 December 2017 RM'000
Purchase of securities	81	87
Purchase of non-residential property	138,476	104,485
Consumption credit	667,124	488,318
Agriculture	21	99,549
Manufacturing	16,598	79,670
Construction	417,533	429,631
Wholesale and retail trade	88	15
Financial, takaful and business services	376,879	372,846
Community, social and personal services	3,411	424
	1,620,211	1,575,025

NOTE 4: FINANCING AND ADVANCES (CONTINUED)

(v) Movement in impaired financing and advances

	Group and Bank	
	30 September 2018 RM'000	31 December 2017 RM'000
At 1 January	1,575,025	1,378,626
Classified as impaired during the period	1,012,929	1,394,525
Amount written-back in respect of recoveries	(672,659)	(763,569)
Amount written-off during the period	(295,084)	(434,557)
	45,186	196,399
Closing balance	1,620,211	1,575,025
Gross impaired financing and advances as a percentage of gross financing and advances	2.31%	2.23%

(vi) Movement in allowance for individual assessment allowance on financing and advances

	Group and Bank	
	30 September 2018 RM'000	31 December 2017 RM'000
Individual assessment allowance		
- Lifetime ECL Credit Impaired Stage 3		
At 1 January		
- as previously stated	448,749	455,390
- effect of adopting MFRS 9	12,238	-
At 1 January, as restated	460,987	455,390
Allowance made during the period	26,229	207,068
Amount written back in respect of recoveries	(108,029)	(196,738)
	(81,800)	10,330
Amount written off during the period	-	(16,971)
	(81,800)	(6,641)
Closing balance	379,187	448,749

NOTE 4: FINANCING AND ADVANCES (CONTINUED)

(vii) Movement in allowance for collective assessment allowance on financing and advances

	Group and Bank	
	30 September 2018 RM'000	31 December 2017 RM'000
Collective assessment allowance		
At 1 January		
- as previously stated	991,019	917,676
- effect of adopting MFRS 9	(305)	-
At 1 January, as restated	990,714	917,676
Allowance made during the period	1,413,606	1,800,444
Amount written back in respect of recoveries	(876,617)	(1,313,068)
	536,989	487,376
Amount written off during the period	(291,234)	(414,033)
	245,755	73,343
Closing balance	1,236,469	991,019

NOTE 4: FINANCING AND ADVANCES (CONTINUED)

(vii) Movement in allowance for collective assessment allowance on financing and advances (continued)

Group and 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
At 1 January 2018				
- as previously stated				991,019
- effect of adopting MFRS 9				(305)
At 1 January 2018, as restated	522,589	54,249	413,876	990,714
Changes due to financing and advances, recognised at 1 January 2018:	23,669	41,733	(65,402)	-
- Transfer to 12-Month ECL (Stage 1)	40,276	(12,926)	(27,350)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(13,476)	63,371	(49,895)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(3,131)	(8,712)	11,843	-
New financial assets originated	68,303	2,861	1,651	72,815
New remeasurement due to changes in credit risk	(4,252)	(29,331)	497,757	464,174
Amount written off	-	-	(291,234)	(291,234)
At 30 September 2018	610,309	69,512	556,648	1,236,469

NOTE 5: OTHER ASSETS

	Group		Bank	
	30 September 2018 RM'000	31 December 2017 RM'000	30 September 2018 RM'000	31 December 2017 RM'000
Amount due from subsidiaries	-	-	21,007	19,668
Other receivables	700,759	734,974	690,728	737,689
Allowance for doubtful debts	(15,724)	(15,369)	(15,258)	(15,258)
Refundable deposits	56,218	53,908	10,056	10,134
Prepayments	53,722	45,692	49,581	35,458
Contribution to Central Liquidity Monetary Fund	200,000	200,000	200,000	200,000
	994,976	1,019,205	956,114	987,691

NOTE 6: DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	Group and Bank	
	30 September 2018 RM'000	31 December 2017 RM'000
Savings deposits		
Wadiah	5,663,360	5,006,012
Term deposits		
Tawarruq	71,186,164	69,749,467
General investment deposits		
Mudarabah	12	17
Negotiable Islamic debt certificate	7,421,000	8,480,000
	84,270,536	83,235,496

NOTE 6: DEPOSITS FROM CUSTOMERS (CONTINUED)

(ii) By type of customer

	Group and Bank	
	30 September 2018 RM'000	31 December 2017 RM'000
Government	36,543,214	34,471,917
Business enterprises	31,709,855	33,453,286
Co-operatives	2,128,364	1,808,285
Individuals	11,781,242	11,014,365
Others	2,107,861	2,487,643
	84,270,536	83,235,496

NOTE 7: OTHER LIABILITIES

	Group		Bank	
	30 September 2018 RM'000	31 December 2017 RM'000	30 September 2018 RM'000	31 December 2017 RM'000
Amount due to subsidiaries	-	-	117,174	124,267
Sundry creditors	188,786	149,763	181,341	152,257
Income payable	686,375	605,548	686,375	605,548
Other liabilities and accruals	277,388	366,293	262,884	351,677
Government fund	186,957	203,445	186,957	203,445
Zakat payable	53,010	54,530	52,439	53,097
	1,392,515	1,379,579	1,487,170	1,490,291

NOTE 8: RESERVES

	Group		Bank	
	30 September 2018 RM'000	31 December 2017 RM'000	30 September 2018 RM'000	31 December 2017 RM'000
Retained profits	8,015,558	7,638,532	7,605,473	7,239,389
Statutory reserve	5,631,482	5,631,482	5,631,482	5,631,482
Capital reserve	14,617	14,617	15,358	15,358
Fair value reserve	103,152	(8,420)	103,152	(8,420)
Regulatory reserve	329,672	329,672	329,672	329,672
	14,094,481	13,605,883	13,685,137	13,207,481

NOTE 9: INCOME

Group	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' fund (i)	1,289,127	1,274,216	3,830,062	3,748,546
Income derived from investment of shareholders' fund (ii)	331,940	320,878	980,276	950,685
Income generated by subsidiary companies (iii)	27,764	17,817	44,088	39,177
	1,648,831	1,612,911	4,854,426	4,738,408

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' fund (i)	1,289,127	1,274,216	3,830,062	3,748,546
Income derived from investment of shareholders' fund (ii)	331,940	320,878	980,276	950,685
	1,621,067	1,595,094	4,810,338	4,699,231

(i) Income derived from investment of depositors' fund

Group and Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	1,019,496	1,030,486	3,050,483	3,049,289
Income from deposits and placements with bank and financial institutions	2,227	11,861	13,496	32,718
Income from financial assets	267,404	231,869	766,083	666,539
	1,289,127	1,274,216	3,830,062	3,748,546

NOTE 9: INCOME (CONTINUED)**(ii) Income derived from investment of shareholders' fund**

Group and Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	262,529	259,484	780,749	773,343
Income from deposits and placements with bank and financial institutions	579	2,989	3,454	8,298
Income from financial assets	68,832	58,405	196,073	169,044
	331,940	320,878	980,276	950,685

(iii) Income generated by subsidiary companies

Group	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Agency income	12,013	1,259	13,630	3,766
Pawning income	10,820	8,632	20,396	19,755
Rental income	2,681	1,314	4,395	2,518
Management fee	2,011	6,486	5,138	12,096
Sale of goods	67	(145)	109	727
Other charges	172	271	420	315
	27,764	17,817	44,088	39,177

NOTE 10: EXPENDITURE

Group	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Income attributable to depositors (i)	800,971	761,435	2,343,336	2,251,366
Profit expense on financing sold with recourse to Cagamas	8,524	9,864	25,900	33,793
Profit expense on debt securities issued	39,237	38,482	117,777	97,317
Cost of sales	26,463	13,911	44,806	37,680
	875,195	823,692	2,531,819	2,420,156

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Income attributable to depositors (i)	802,549	761,900	2,346,311	2,254,766
Profit expense on financing sold with recourse to Cagamas	8,524	9,864	25,900	33,793
Profit expense on debt securities issued	39,237	38,482	117,777	97,317
	850,310	810,246	2,489,988	2,385,876

NOTE 10: EXPENDITURE (CONTINUED)

(i) Income attributable to depositors

Group	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
Non-Mudarabah	799,718	757,440	2,335,088	2,242,889
Deposits and placements from banks and other financial institutions				
Non-Mudarabah	1,253	3,995	8,248	8,477
	800,971	761,435	2,343,336	2,251,366

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
Non-Mudarabah	801,296	757,905	2,338,063	2,246,289
Deposits and placements from banks and other financial institutions				
Non-Mudarabah	1,253	3,995	8,248	8,477
	802,549	761,900	2,346,311	2,254,766

NOTE 11: ALLOWANCE FOR IMPAIRMENT

Group and Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment on financing and advances (i)	178,256	134,062	483,666	406,596
	178,256	134,062	483,666	406,596

(i) Allowance for impairment on financing and advances

Group and Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Individual impairment	(32,666)	64,442	(81,800)	(6,433)
Individual impairment on rescheduled financing	11,516	8,400	28,477	16,065
Collective impairment	199,406	61,220	536,989	396,964
	178,256	134,062	483,666	406,596

NOTE 12: OTHER OPERATING INCOME

Group	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Fees and commission (i)	17,691	16,086	46,258	46,866
Other income (ii)	201,194	120,620	244,759	338,820
	218,885	136,706	291,017	385,686

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Fees and commission (i)	17,691	16,086	46,258	46,866
Other income (ii)	200,980	120,150	242,924	338,860
	218,671	136,236	289,182	385,726

(i) Fees and commission

Group and Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Takaful commission	8,420	5,261	16,806	15,408
Wasiat commission	589	252	1,243	838
Other commission	2,258	3,322	5,938	9,581
Processing fees	-	19	2,002	782
ATM service fees	3,436	4,197	10,612	10,872
MEPS fees	2,452	2,435	7,962	7,165
Guarantee fees	-	(1)	-	148
Other fees	536	601	1,695	2,072
	17,691	16,086	46,258	46,866

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

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2018 RM'000	30 September 2017 RM'000	30 September 2018 RM'000	30 September 2017 RM'000
Other income from financial instruments				
Dividend from financial assets available-for-sale	-	7,642	-	13,149
Dividend from financial assets at fair value through profit or loss	4,941	-	9,800	-
Net gain on disposal of financial assets held-for-trading	-	86	-	583
Net gain on disposal of financial assets at fair value through profit or loss	42,843	-	8,439	-
Net loss on revaluation of financial assets at fair value through profit or loss	(4,542)	-	(117,234)	-
Net gain on disposal of financial assets available-for-sale	-	4,825	-	20,518
Net gain on disposal of financial assets at fair value through other comprehensive income	-	-	213	-
Others				
Rental income	6,162	6,232	19,363	17,613
Compensation for late payment	1,370	837	3,788	2,553
Charges from credit card services	3,061	3,622	9,259	10,258
Other service charges	2,980	3,212	8,536	9,928
Recoveries from financing written off	63,329	76,109	191,375	222,412
Recoveries from financial assets written-off	-	-	-	453
Allowance for doubtful debts no longer required	183	-	204	1
Provision for impairment loss on financial assets at amortised cost no longer required	-	-	371	-
Provision for impairment loss on financial assets at held-to-maturity cost no longer required	-	278	-	278
Gain on revaluation of investment properties	-	4,063	-	4,063
Gain on disposal of property and equipment	34	5	281	6
Other income	80,833	13,709	110,364	37,005
	201,194	120,620	244,759	338,820

NOTE 12: OTHER OPERATING INCOME (CONTINUED)

(ii) Other income (continued)

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September 2018 RM'000	30 September 2017 RM'000	30 September 2018 RM'000	30 September 2017 RM'000
Other income from financial instruments				
Dividend from financial assets available-for-sale	-	7,642	-	13,149
Dividend from financial assets at fair value through profit or loss	4,941	-	9,800	-
Net gain on disposal of financial assets held-for-trading		86	-	583
Net gain on disposal of financial assets at fair value through profit or loss	42,843	-	8,439	-
Net loss on revaluation of financial assets at fair value through profit or loss	(4,542)	-	(117,234)	-
Net gain on disposal of financial assets available-for-sale	-	4,825	-	20,518
Net gain on disposal of financial assets at fair value through other comprehensive income	-	-	213	-
Others				
Rental income	7,207	6,587	20,400	18,678
Compensation for late payment	1,370	837	3,788	2,553
Charges from credit card services	3,061	3,622	9,259	10,258
Other service charges	2,980	3,212	8,536	9,928
Recoveries from financing written off	63,329	76,109	191,375	222,412
Recoveries from financial assets written-off	-	-	-	453
Allowance for doubtful debts no longer required	-	-	-	1
Provision for impairment loss on financial assets at amortised cost no longer required	-	-	371	-
Provision for impairment loss on financial assets at held-to-maturity cost no longer required	-	278	-	278
Gain on revaluation of investment properties	-	4,063	-	4,063
Gain on disposal of property and equipment	-	1	-	1
Other income	79,791	12,888	107,977	35,985
	200,980	120,150	242,924	338,860

NOTE 13: OPERATING EXPENSES

Group	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Personnel expenses (i)	184,058	156,902	524,219	438,175
Other overheads and expenditure (ii)	127,871	156,884	367,940	423,318
	311,929	313,786	892,159	861,493

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Personnel expenses (i)	179,013	152,759	510,835	424,916
Other overheads and expenditure (ii)	134,431	161,739	392,189	447,178
	313,444	314,498	903,024	872,094

NOTE 13: OPERATING EXPENSES (CONTINUED)**(i) Personnel expenses**

Group	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	92,071	100,479	262,344	275,672
Allowances, compensation and bonuses	55,394	21,995	157,105	65,910
Defined contribution plan - EPF	21,741	22,022	63,395	61,418
Social security contributions - SOCSO	1,161	1,020	3,419	3,014
Other staff related costs	13,691	11,386	37,956	32,161
	184,058	156,902	524,219	438,175

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	88,574	97,864	253,246	267,495
Allowances, compensation and bonuses	54,547	21,048	154,783	62,630
Defined contribution plan - EPF	21,276	21,650	62,132	60,255
Social security contributions - SOCSO	1,086	969	3,226	2,863
Other staff related costs	13,530	11,228	37,448	31,673
	179,013	152,759	510,835	424,916

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

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2018 RM'000	30 September 2017 RM'000	30 September 2018 RM'000	30 September 2017 RM'000
Establishment				
Rental	4,457	5,826	14,493	15,774
Depreciation of property and equipment	21,622	28,196	64,953	74,175
Amortisation of prepaid lease payment	381	381	1,144	1,144
Repair and maintenance	15,284	18,472	49,820	62,681
Takaful	729	2,670	5,457	4,732
	42,473	55,545	135,867	158,506
Promotion				
Advertisement and publicity	9,090	17,006	16,657	26,521
	9,090	17,006	16,657	26,521
General expenses				
Legal and professional fees	3,218	3,354	7,850	8,440
Auditors' remuneration	471	409	1,346	1,221
Communication expenses	8,387	7,791	24,577	22,928
Utilities expenses	7,633	7,976	23,658	22,729
Printing and stationery	5,493	6,048	15,116	23,656
Postage and courier	1,639	2,073	5,860	9,746
Security expenses	7,716	6,761	21,751	20,014
Service charges	4,495	9,988	13,149	19,797
Loss on financing written off	3,042	4,192	11,171	13,299
Loss on property and equipment written off	(8)	9,551	96	9,555
Commission expenses	17,882	11,924	43,267	44,888
Travelling and transportation	2,931	3,445	7,328	7,383
Others	13,409	10,821	40,247	34,635
	76,308	84,333	215,416	238,291
	127,871	156,884	367,940	423,318

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

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September 2018 RM'000	30 September 2017 RM'000	30 September 2018 RM'000	30 September 2017 RM'000
Establishment				
Rental	6,779	7,011	19,235	20,607
Depreciation of property and equipment	20,510	27,856	63,101	72,997
Amortisation of prepaid lease payment	381	381	1,144	1,144
Repair and maintenance	15,219	18,454	49,605	62,585
Takaful	702	2,645	5,347	4,634
	43,591	56,347	138,432	161,967
Promotion				
Advertisement and publicity	8,575	16,796	16,064	26,015
	8,575	16,796	16,064	26,015
General expenses				
Legal and professional fees	3,073	3,187	7,432	7,926
Auditors' remuneration	385	350	1,155	1,050
Communication expenses	8,261	7,750	24,339	22,762
Utilities expenses	7,573	7,992	23,556	22,637
Printing and stationery	5,343	5,978	14,813	23,357
Postage and courier	1,614	2,062	5,807	9,687
Security expenses	7,715	6,761	21,747	19,986
Service charges	11,195	13,735	34,245	39,574
Loss on financing written off	3,042	4,192	11,171	13,299
Loss on property and equipment written off	1	9,551	4	9,555
Commission expenses	17,882	11,907	43,267	44,855
Travelling and transportation	3,902	4,443	11,091	11,743
Others	12,279	10,688	39,066	32,765
	82,265	88,596	237,693	259,196
	134,431	161,739	392,189	447,178

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 September 2018 RM'000	31 December 2017 RM'000
Contingent liabilities		
Bank guarantee given in respect of banking facilities granted to customers	479,740	523,783
Claims for damages from litigation taken against the Bank	150,059	113,302
Commitments		
Undrawn financing	2,303,559	2,086,286
	2,933,358	2,723,371

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 September 2018	31 December 2017 Restated
Before deducting final dividend		
Core capital ratio	19.95%	20.78%
Risk-weighted capital ratio	21.42%	22.27%
After deducting final dividend		
Core capital ratio	19.95%	20.16%
Risk-weighted capital ratio	21.42%	21.65%

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 September 2018 RM'000	31 December 2017 RM'000
Tier I capital		
Paid-up share capital	2,986,030	2,986,030
Retained profits	6,704,130	7,239,389
Other reserves	5,646,840	5,646,840
Total Tier I capital (core)	15,337,000	15,872,259
Tier II capital		
Subordinated sukuk	300,000	300,000
Collective impairment *	563,938	572,000
Regulatory reserve	329,672	329,672
Total Tier II capital	1,193,610	1,201,672
Total capital	16,530,610	17,073,931
Less: Investment in subsidiaries	(65,976)	(65,976)
	(65,976)	(65,976)
Total capital base	16,464,634	17,007,955

* 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 September 2018 RM'000	31 December 2017 RM'000
Total assets assigned 20% risk-weighted	675,045	791,560
Total assets assigned 50% risk-weighted	2,817,346	2,566,393
Total assets assigned 100% risk-weighted	71,453,269	71,675,391
Off-Balance Sheet claims assigned 100% risk-weighted	1,505,442	1,349,301
	76,451,102	76,382,645

NOTE 16: FINANCIAL EFFECTS ARISING FROM ADOPTION OF MFRS 9 FINANCIAL INSTRUMENTS

The adoption of MFRS 9 resulted in the following financial effects to the statement of financial position of the Group and the Bank.

Statement of Financial Position

Group	31 December 2017 RM'000	Classification and measurement RM'000	Expected credit losses RM'000	1 January 2018 RM'000
ASSETS				
Cash and bank balances	1,056,304	-	-	1,056,304
Deposits and placements with financial institutions	1,521,703	-	-	1,521,703
Financial assets at fair value through profit or loss	-	573,858	-	573,858
Financial assets available-for-sale	20,252,909	(20,252,909)	-	-
Financial assets at fair value through other comprehensive income	-	19,695,705	-	19,695,705
Financial assets held-to-maturity	10,437,053	(10,437,053)	-	-
Financial assets at amortised cost	-	10,437,053	-	10,437,053
Financing and advances	69,189,090	-	(11,933)	69,177,157
Trade receivables	1,795	-	-	1,795
Other assets	1,019,205	-	(1,691)	1,017,514
Inventories	9,291	-	-	9,291
Property and equipment	708,374	-	-	708,374
Goodwill on consolidation	13,185	-	-	13,185
Investment properties	1,116,302	-	-	1,116,302
Prepaid lease payment	62,234	-	-	62,234
Tax recoverable	51,111	-	-	51,111
Deferred tax assets	13,446	-	-	13,446
TOTAL ASSETS	105,452,002	16,654	(13,624)	105,455,032

NOTE 16: FINANCIAL EFFECTS ARISING FROM ADOPTION OF MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

The adoption of MFRS 9 resulted in the following financial effects to the statement of financial position of the Group and the Bank (continued)

Statement of Financial Position (continued)

Group	31 December 2017 RM'000	Classification and measurement RM'000	Expected credit losses RM'000	1 January 2018 RM'000
LIABILITIES				
Deposits from customers	83,235,496	-	-	83,235,496
Trade payables	2,681	-	-	2,681
Recourse obligations on financing sold to Cagamas	748,334	-	-	748,334
Debt securities issued	3,443,770	-	-	3,443,770
Other liabilities	1,379,579	-	-	1,379,579
Provision for taxation	574	-	-	574
Deferred tax liabilities	4,371	-	-	4,371
Financing from other financial institutions	8,844	-	-	8,844
TOTAL LIABILITIES	88,823,649	-	-	88,823,649
SHAREHOLDERS' FUND				
Share capital	2,986,030	-	-	2,986,030
Share redemption fund	36,440	-	-	36,440
Reserves	13,605,883	16,654	(13,624)	13,608,913
TOTAL SHAREHOLDERS' FUND	16,628,353	16,654	(13,624)	16,631,383
TOTAL LIABILITIES AND SHAREHOLDERS' FUND	105,452,002	16,654	(13,624)	105,455,032

NOTE 16: FINANCIAL EFFECTS ARISING FROM ADOPTION OF MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

The adoption of MFRS 9 resulted in the following financial effects to the statement of financial position of the Group and the Bank (continued)

Statement of Financial Position (continued)

Bank	31 December 2017 RM'000	Classification and measurement RM'000	Expected credit losses RM'000	1 January 2018 RM'000
ASSETS				
Cash and bank balances	1,049,619	-	-	1,049,619
Deposits and placements with financial institutions	1,521,310	-	-	1,521,310
Financial assets at fair value through profit or loss	-	573,858	-	573,858
Financial assets available-for-sale	20,252,428	(20,252,428)	-	-
Financial assets at fair value through other comprehensive income	-	19,695,224	-	19,695,224
Financial assets held-to-maturity	10,437,053	(10,437,053)	-	-
Financial assets at amortised cost	-	10,437,053	-	10,437,053
Financing and advances	69,189,090	-	(11,933)	69,177,157
Other assets	987,691	-	(1,691)	986,000
Investment in subsidiaries	65,976	-	-	65,976
Property and equipment	649,790	-	-	649,790
Investment properties	871,845	-	-	871,845
Prepaid lease payment	62,234	-	-	62,234
Tax recoverable	47,806	-	-	47,806
Deferred tax assets	13,000	-	-	13,000
TOTAL ASSETS	105,147,842	16,654	(13,624)	105,150,872

NOTE 16: FINANCIAL EFFECTS ARISING FROM ADOPTION OF MFRS 9 FINANCIAL INSTRUMENTS (CONTINUED)

The adoption of MFRS 9 resulted in the following financial effects to the statement of financial position of the Group and the Bank (continued)

Statement of Financial Position (continued)

Bank	31 December 2017 RM'000	Classification and measurement RM'000	Expected credit losses RM'000	1 January 2018 RM'000
LIABILITIES				
Deposits from customers	83,235,496	-	-	83,235,496
Recourse obligations on financing sold to Cagamas	748,334	-	-	748,334
Debt securities issued	3,443,770	-	-	3,443,770
Other liabilities	1,490,291	-	-	1,490,291
TOTAL LIABILITIES	88,917,891	-	-	88,917,891
SHAREHOLDERS' FUND				
Share capital	2,986,030	-	-	2,986,030
Share redemption fund	36,440	-	-	36,440
Reserves	13,207,481	16,654	(13,624)	13,210,511
TOTAL SHAREHOLDERS' FUND	16,229,951	16,654	(13,624)	16,232,981
TOTAL LIABILITIES AND SHAREHOLDERS' FUND	105,147,842	16,654	(13,624)	105,150,872