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## Part 1: Introduction

### Objective

- 1.1 The objective of the **Guidelines on Financial Reporting for Licensed Islamic Banks** (GP8-i) is to provide the basis for presentation and disclosure of reports and financial statements of Islamic banks in carrying out its banking and finance activities. This is to ensure consistency and comparability of these statements among the Islamic banks in complying with the provisions of the Companies Act 1965, applicable approved accounting standards and Shariah requirements, and to facilitate users in their evaluation and assessment of the financial position and performance of an Islamic bank.

### Scope

- 2.1 The GP8-i is applicable to Islamic banks licensed under the Islamic Banking Act 1983 (thereafter referred to as the reporting institutions).

### Financial Reports

- 3.1 The GP8-i sets out the **minimum** disclosure requirements that should be observed by the reporting institutions. The reporting institutions are encouraged to disclose additional information on the accounting policies, new financial instruments and other material activities of the reporting institutions. This is to ensure that all the above activities are reported and well understood by readers of the financial statements.
- 3.2 The financial reports must be prepared in accordance with the provisions of the Companies Act 1965 and approved accounting standards issued by the Malaysian Accounting Standards Board. In addition, the listed reporting institutions are required to comply with the disclosure requirements of the Bursa Malaysia Securities Berhad.

- 3.3 To further enhance the disclosure and presentation of reports and financial statements, reporting institutions are required to disclose the overview of performance and corporate governance. As for the Board committees established, the disclosure on the activities of the committees and their assessment should be presented in the Statement of Corporate Governance of the reporting institution.
- 3.4 The disclosures illustrated in the GP8-i (i.e. Statement of Corporate Governance, Directors' Report, Statement by Director, Statutory Declaration by Director or person responsible for preparation of financial statements of the reporting institution, Auditors' Report and Shariah Committee's Report) are not meant to be templates that must be adopted by the reporting institutions. Further specific information depending on each reporting institution's circumstances may be required in order to ensure fair presentation.

## Submission Requirements

### Annual Financial Reports

- 4.1 Reporting institutions shall submit the audited financial statements to Jabatan Penyeliaan Perbankan I or Jabatan Penyeliaan Perbankan II, Bank Negara Malaysia within 3 months after the close of each financial year. Unless otherwise notified by Bank Negara Malaysia in writing, reporting institutions shall not publish or lay the audited financial statements at its general meeting.
- 4.2 In the submission of the annual financial reports, reporting institutions shall attach the following supporting schedules:
- (i) Management letter prepared by the external auditors;
  - (ii) The (draft) annual financial reports of the subsidiaries which are major contributors to the group's profits, if applicable;

- (iii) Reconciliation of each line item in the income statement and the Report on Audited Income and Expenditure submitted through FISS;
- (iv) Reconciliation of each line item in the balance sheet and the Report on Domestic Assets and Liabilities submitted through FISS;
- (v) Computation of tax payable and deferred taxation;
- (vi) Changes in total staff salaries;
- (vii) CEO and Directors' remuneration (including benefits-in-kind);
- (viii) Summary of movements in NPF and allowance for bad and doubtful financing (domestic and overseas operations, where applicable); and
- (ix) Analysis, both in tabular and narrative form, on the overall assessment of the financial performance. The analysis of the performance, for current and preceding year, of each of the institution in the group, if applicable, at a minimum, shall include the following:
  - (a) Total assets (in RM and % of group);
  - (b) Profit/(loss) before tax and extraordinary item (in RM and % of group);
  - (c) Profit/(loss) after tax and extraordinary item (in RM and % of group);
  - (d) Dividends;
  - (e) Ratio of Profit/(loss) before tax and extraordinary item to average shareholders' funds; and
  - (f) Ratio of Profit/(loss) before tax and extraordinary item to average total assets.

## Interim Financial Reports

- 4.3 For interim financial reports prepared on a quarterly (applicable for first and third quarter reporting) basis, reporting institutions are required to submit the interim financial reports to Jabatan Penyeliaan Perbankan I or Jabatan Penyeliaan Perbankan II, Bank Negara Malaysia not later than 4 weeks after the end of the interim period. Unless otherwise notified by Bank Negara Malaysia, reporting institutions shall make available (and/or submit to Bursa Malaysia, in the case of listed reporting institution) the interim financial reports in their respective websites not earlier than 5 working days after submission of the financial reports to Bank Negara Malaysia.
- 4.4 For interim financial reports prepared on a half-yearly basis, reporting institutions are required to submit the interim financial reports to Jabatan Penyeliaan Perbankan I or Jabatan Penyeliaan Perbankan II, Bank Negara Malaysia not later than 4 weeks after the end of the interim period. Unless otherwise notified by Bank Negara Malaysia in writing, reporting institutions shall not make available (and/or submit to Bursa Malaysia, in the case of listed reporting institution) the interim financial reports, prepared on a half-yearly basis, in their respective websites.
- 4.5 The submission of the interim financial reports shall include a certification from the Chief Executive Officer/Chief Financial Officer/Chief Operating Officer of the reporting institution that the interim financial reports had been prepared from the institution's accounting and other records and that they are in conformity with the approved accounting standards in Malaysia.
- 4.6 In the submission of the interim financial reports, reporting institutions shall attach the following supporting schedules:
- (i) Summary of movements in NPF and allowance for bad and doubtful financing (domestic and overseas operations, where applicable); and
  - (ii) Analysis, both in tabular and narrative form, on the overall assessment of the financial performance for current and preceding year. The analysis of the performance of each of the institution in the group, if applicable, at a

minimum, shall include the following:

- (a) Total assets (in RM and % of group);
- (b) Profit/(loss) before tax and extraordinary item (in RM and % of group);
- (c) Profit/(loss) after tax and extraordinary item (in RM and % of group);
- (d) Dividends;
- (e) Ratio of Profit/(loss) before tax and extraordinary item to average shareholders' funds; and
- (f) Ratio of Profit/(loss) before tax and extraordinary item to average total assets.

## Publication Requirements

### Annual Financial Reports

5.1 Reporting institutions are required, pursuant to Section 18 of the Islamic Banking Act 1983, to publish (both own and consolidated financial reports) within 14 days after the laying of the financial statements at its general meeting, in at least two local daily newspapers (see paragraph 5.3), the following components of the financial reports:

- (i) Statement by Directors;
- (ii) Auditor's Report;
- (iii) Balance sheet;
- (iv) Income statement;
- (v) A statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and

distributions to owners;

- (vi) Cash flow statement; and
- (vii) Accounting policies and explanatory notes.

5.2 Reporting institutions may publish an abridged format of the annual audited financial reports in the newspapers, provided that the full text of their financial reports are made available in the respective reporting institutions' website. The abridged format of the financial reports (both own and consolidated financial reports) to be published in the newspapers shall, at the minimum, consist of the following:

- (i) Balance sheet;
- (ii) Income statement;
- (iii) Statement of changes in equity;
- (iv) Cash flow statement;
- (v) Auditors' Report; and
- (vi) Following explanatory notes:
  - (a) Securities portfolio;
  - (b) Financing, advances and other loans including movements in the non-performing financing, advances and other loans and, provision for bad & doubtful financing;
  - (c) Commitments and contingencies; and
  - (d) Capital adequacy.

The reporting institutions shall include a note stating that the full set of the financial reports are available in their website, and to disclose the address of the website. For reporting institutions which do not have a website, the full set of the

financial reports may be made available in the corporate website of its parent company provided that the note accompanying the abridged format of the financial reports states clearly that the full set of the financial reports are available in the parent company's corporate website and to disclose the exact URL that point to the page of the financial reports of the reporting institution.

- 5.3 The two approved local daily newspapers, one of which shall be in the national language and the other in English, are:
- (i) Berita Harian or Utusan Malaysia; and
  - (ii) The New Straits Times or The Star.
- 5.4 The reporting institution may thereafter exhibit the abridged format of the financial reports at every office of the reporting institutions.

### **Interim Financial Reports**

- 5.5 Reporting institutions shall make available the interim financial reports (both own and consolidated financial reports) prepared on a quarterly (applicable for first and third quarter reporting) and half-yearly basis, in their website, not later than 8 weeks after the close of the interim period. For reporting institutions which do not have a website, the interim financial reports may be made available in the corporate website of its parent company.
- 5.6 Where the audited financial reports for the preceding financial year has yet to be published by end of the eighth week after the close of the interim period, reporting institutions may make available the first quarter interim financial reports in their website on the same day or not later than 3 days after the publication of the annual audited financial reports.

### **Effective Date and Transition**

- 6.1 The GP8-i should be adopted by the reporting institutions for **financial periods**



**beginning on or after 1 July 2005.** Earlier application of the GP8-i is encouraged. If reporting institutions apply this guideline for financial year before 1 July 2005, it shall disclose that fact in the financial statements.

- 6.2 Reporting institutions are required to restate one year of comparative information in the first financial statements, including the interim financial reports prepared based on this guideline.
- 6.3 However, if restatement of one year comparative information is impracticable for reporting institutions applying this guideline for financial year beginning 1 July 2005, reporting institution shall disclose that fact in the financial statements.

## **Part 2: Financial Reports Requirements**

### **Annual Financial Reports**

1. The components of reports and financial statements (both own and consolidated) required shall, at a minimum, comprise the following:-
  - (i) Performance Overview;
  - (ii) Statement of Corporate Governance;
  - (iii) Directors' Report;
  - (iv) Statement by Directors;
  - (v) Statutory Declaration by Director or person responsible for preparation of financial statements of the reporting institution;
  - (vi) Auditors' Report;
  - (vii) Shariah Committee's Report;
  - (viii) Balance Sheet;

- (ix) Income Statement;
- (x) Statement of Changes in Equity showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners;
- (xi) Cash Flow Statement; and
- (xii) Accounting Policies and Explanatory Notes.

## Contents

### Performance Overview

1. Review of the performance of the institution and its principal subsidiaries, if any, setting out material factors affecting the earnings or revenue of the institution. The review should also highlight performance of each significant business segment of the institution, any significant deviation in the results achieved compared with the forecasted or previous year, with reasons for under/over achievement.

### Statement of Corporate Governance

2. A commentary on the processes and structures used to direct and manage the affairs of the institution in accordance with the requirements of Malaysian Code on Corporate Governance and Bank Negara Malaysia guidelines, among others should include the following:

- (i) **Board responsibility and oversight**

The composition of the board, including the names and designation of the members (i.e. chairman, executive and non-executive directors), the role and responsibilities of the board and the frequency and conduct of board meetings. Where board committees have been established to assist the board in the discharge of their duties, the name and

composition of each committee, terms of reference or guidelines of each committee, function and role of each committee should be given.

(ii) **Internal audit and internal control activities**

A review of the effectiveness of the key internal control policies and procedures established for managing the institution's activities and changes made to the policies and procedures during the year to ensure that they remain relevant. This should include the internal audit structure put in place to provide an independent assessment of the adequacy of, and compliance with established policies and procedures, the lines of reporting of the internal audit division, the functions, roles and responsibilities of the internal audit division as well as the scope and nature of audit work. Review, if any, should also include the procedures used to report internal control deficiencies, any potential trends identified on the control issues and any preventive action that was taken.

(iii) **Risk management**

A disclosure of the institution's risk management strategies and policies, including a statement on the risk management framework and policy for managing and controlling a wide range of banking risks (**e.g. credit, market, liquidity, operation, legal, etc**) and may include the following:

- (a) An explanation of the nature of the risk, and activities within the institution that gives rise to that risk as well as the nature and composition of the exposures that arise;
- (b) A description of the methods used to identify, monitor, manage and control each risk (e.g. avoidance of undue concentration of risk, requirements for collateral to mitigate credit risk, etc);
- (c) The presence of any risk that could materially impair the institution's ability to meet its corporate objectives and responsibilities; and

- (d) The nature and frequency of any review/assessment conducted in respect of the institution's risk management system, including a statement on whether the reviews/assessment referred to were conducted by an external party unconnected to the institution, as well as outlining the key recommendations of the review.

Comparative information of previous year's data could also be provided to give a perspective on trends in the underlining exposures.

With respect to credit risk management, the following should be incorporated:

- (a) Review of the non-performing financing (NPF), the general policy adopted for recognition of NPF, policy on NPF provisioning and writing off NPF; and
- (b) Incidences of exception to the general policy and the impact of such exception on the financial results of the reporting institution.

(iv) **Management reports**

A disclosure of procedures put in place to enable directors to keep abreast with the performance of the institution against plans, including the types of reports received and the frequency of the reports.

***Illustration******Islamic Bank Model Berhad*****STATEMENT OF CORPORATE GOVERNANCE**

The Board of Directors is committed to ensuring the highest standards of corporate governance throughout the organisation with the objectives of safeguarding the interests of all stakeholders and enhancing the shareholders' value and financial performance of the Bank. The Board considers that it has applied the Best Practices as set out in the Malaysian Code of Corporate Governance throughout the financial year.

**The Board of Directors**

The direction and control of the Bank rest firmly with the Board as it effectively assumes the overall responsibility for corporate governance, strategic direction, formulation of policies and overseeing the investments and operations of the Bank. The Board exercises independent oversight on the management and bears the overall accountability for the performance of the Bank and compliance with the principle of good governance.

There is a clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority. The Board is responsible for reviewing and approving the longer-term strategic plans of the Bank as well as the business strategies. It is also responsible for identifying the principal risks and implementation of appropriate systems to manage those risks as well as reviewing the adequacy and integrity of the Bank's internal control systems, management information systems, including systems for compliance with applicable laws, regulations and guidelines.

Whilst, the Management Committee, headed by the Managing Director, is responsible for the implementation of the strategies and internal control as well as monitoring performance. The Committee is also a forum to deliberate issues pertaining to the Bank's business, strategic initiatives, risk management, manpower development, supporting technology platform and business processes.

### **Board Balance**

The Board currently has xx members, comprising xx independent non-executive directors (including the Chairman) and xx executive directors. A brief profile of each Director is presented on pages xx to xx.

### **Board Committees**

The Board is assisted by xx committees with specific terms of reference. This enables the committees to focus on areas or issues of critical importance to the operations of Bank. Compositions, functions and terms of reference of these Committees are highlighted below:

AUDIT COMMITTEE	(Further information required)
CREDIT REVIEW COMMITTEE	(Further information required)
RISK MANAGEMENT COMMITTEE	(Further information required)
NOMINATION COMMITTEE	(Further information required)
REMUNERATION COMMITTEE	(Further information required)

Example:

### **Remuneration Committee**

The Remuneration Committee consists of xx independent non-executive Directors and had xx meetings during the financial year. The members are: (State the name of the Committee members). The Committee recommends to the Board the framework of remuneration and the remuneration package for Directors, Chief Executive Officer and key senior management officers. The Board is ultimately responsible for the approval of the remuneration package. The Committee is guided by the need to 'attract and retain' and at the same time link the rewards to clearly articulate corporate and individual performance parameters.

**Directors' Remuneration Package**

The remuneration package and details of each of the Directors' remuneration are disclosed in the notes to the financial statements on page xx.

**The Board Meetings**

Throughout the financial year, xx Board meetings were held. All Directors had complied with the minimum number of attendances for Board meetings as stipulated by Bank Negara Malaysia and the Bursa Malaysia Securities Berhad. All Directors review Board papers or reports providing updates on operational, financial and corporate developments prior to the Board meetings. These papers and reports are circulated prior to the meeting to enable the Directors to obtain further explanations and having sufficient time to deliberate on the issues and make decisions during the meeting.

**Internal Controls**

The Board acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investments, Bank's assets, and the need to review the adequacy and integrity of those systems regularly. The key elements of the Bank's internal control systems are described below:

**Guidance note:**

To further explain the key processes that the reporting institution has established in reviewing the adequacy and integrity of the system of internal control such as the policies, reports and reviews on key operating statistics, legal and regulatory matters, the reporting line of the internal audit team or audit committee, defined framework on the acquisitions of assets or other significant operational matters.

**Relationship with the Auditors**

The Bank has established an appropriate relationship with the auditors both internal and external in conducting the audit function of the Bank.

**Risk Management**

The Bank policies for monitoring and managing its risks are as follows:

CREDIT RISK MANAGEMENT	(Further information required)
MARKET RISK MANAGEMENT	(Further information required)
OPERATIONAL RISK MANAGEMENT	(Further information required)

**Guidance note:**

Reporting institution should provide meaningful and sufficient qualitative and quantitative information to help users understand the nature and magnitude of the risk exposures.

**Directors' Report**

3. A commentary of the matters raised in sections 169(5) to 169(13)<sup>1</sup> of the Companies Act 1965, where applicable, with regard to the institution's operations and management during the year.
4. Information on the following items, with regard to the institution's operations and management:

**(i) Business plan and outlook for the next financial year**

Comments on the outlook of the industry for the coming year, the expectations and opportunities, as well as the strategy and direction of the institution based on the business environment predicted. Reporting institution may also include an assessment of the outlook on the economy for the next financial year.

**(ii) Ratings by rating agencies**


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<sup>1</sup> Other than Section 169(9) of the Companies Act 1965.



A statement on whether the institution has been rated (by solicited rating agency only), and if so, the name of the rating agency, date of the ratings received, the ratings accorded by the solicited rating agency and a description of the ratings accorded.

(iii) **Disclosure of Shariah Committee**

A review of the role and authority of the Shariah Committee members in monitoring the activities of the Islamic banking business pertaining to Shariah matters.

(iv) **Zakat obligations**

A disclosure, where applicable, on the institution's responsibility towards payment of zakat on the business, and on behalf of the shareholders, depositors and others.

5. The directors' report should be signed by two directors, as laid down in the Companies Act 1965.

***Illustration***

***Islamic Bank Model Berhad***

***DIRECTORS' REPORT***

The directors hereby submit their report and the audited financial statements of the Bank for the financial year ended dd/mm/yy.

**Principal Activities**

The principal activities of the Bank are Islamic banking business and related financial services.

The principal activities of the Bank's subsidiaries are stated in Note xx to the financial statements.

There have been no significant changes in these activities during the financial year.

### Results

	RM'000
Profit/(loss) after zakat and taxation	xxx
Minority interests	(xxx)
Net profit/(loss) for the financial year	<hr/> xxx <hr/>

### Dividends

The dividends paid or declared by the Bank since dd/mm/yy were as follows:

RM'000

In respect of the financial year ended dd/mm/yy,

final dividend of xx% on xxx ordinary shares less tax,

paid on dd/mm/yy xxx

In respect of the financial year ended dd/mm/yy,

interim dividend of xx% on xxx ordinary shares less tax,

paid on dd/mm/yy xxx

The directors now recommend a dividend of xx% on xxx ordinary shares less tax, amounting to a total dividend payable of RMxxx in respect of the current financial year ended dd/mm/yy. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders at the forthcoming Annual General Meeting, will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending dd/mm/yy.

**Reserves and Provisions**

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

**Bad and Doubtful Financing**

Before the income statement and balance sheet of the Bank were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad financing and the making of provisions for doubtful financing, and have satisfied themselves that all known bad financing had been written off and adequate provisions had been made for bad and doubtful financing.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad financing, or the amount of the provision for doubtful financing in the financial statements of the Bank, inadequate to any substantial extent.

**Current Assets**

Before the income statement and balance sheet of the Bank were made out, the directors took reasonable steps to ascertain that any current assets, other than financing, which were unlikely to be realised in the ordinary course of business, their value as shown in the accounting records of the Bank have been written down to their estimated realisable value.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Bank misleading.

**Valuation Methods**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the Bank's accounts misleading or inappropriate.

**Contingent and Liabilities**

At the date of this report, there does not exist:

- (a) any charge on the assets of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability in respect of the Bank that has arisen since the end of the financial year.

No contingent or other liability of the Bank has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Bank to meet its obligations as and when they fall due.

**Change of Circumstances**

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the accounts of the Bank, that would render any amount stated in the accounts misleading.

**Items of an Unusual Nature**

The results of the operations of the Bank for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, to affect substantially the results of the operations of the Bank for the current financial year in which this report is made.

**Directors**

The directors who have held office during the period since the date of the last report are as follows:

**Directors**

Encik A

Encik B

Encik C

Encik D

Encik E

Encik F (appointed on dd/mm/yy)

Encik G (resigned on dd/mm/yy)

In accordance with the Articles of Association, Encik B and Encik F retire from the Board at the Annual General Meeting and, being eligible, offer themselves for re-election.

### Directors' Interests in Shares

According to the register of Directors' shareholdings, the interests of directors in office at the end of the financial year in shares of the Bank and its related subsidiaries are as follows:

	Number of Ordinary Shares of RMxxx Each				
	As at dd/mm/yy	Bought	Bonus Issue	Sold	As at dd/mm/yy
<b>Bank Bhd</b>					
Encik A	xxx	xxx	-	(xxx)	xxx
Encik B	xxx	xxx	xxx	-	xxx
Encik C	xxx	xxx	-	-	xxx
<b>Subsidiary Bhd</b>					
Encik A	xxx	xxx	-	(xxx)	xxx
Encik B	xxx	xxx	xxx	-	xxx

Other than as stated above, none of the other Directors held interest in shares in the Bank and its related subsidiaries during the financial year.

**Guidance note:**

To disclose also movements of Directors' holdings in the convertible instruments, such as rights or options, in respect of the acquisition (or disposal) of shares of the reporting institution and its related subsidiaries during the current financial year.

### Directors' Benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangements to which the Bank is a party whereby directors might acquire benefits by means of the acquisition of shares in, or debenture of, the Bank or any other body corporate.

Since the end of the previous financial year, no Director of the Bank has received or become entitled to receive a benefit (other than directors' remuneration disclosed in the financial statements) by reason of a contract made by the Bank or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The following directors holding office at the end of the financial year was offered and have accepted options to subscribe for the shares of Holdings Berhad, the holding company during the financial year ended dd/mm/yy under the holding company's Employees' Share Option Scheme. The directors' interests in the options during the financial year were as follows:

	Exercise Price	Number of Shares of RMxxx Each			
		As at dd/mm/yy	Granted	Exercised	As at dd/mm/yy
Encik A	xxx	xxx	-	-	xxx
Encik B	xxx	xxx	-	-	xxx

Encik C

xxx

xxx

-

-

xxx

**Business Plan and Outlook**

The Bank expects its business to remain competitive in the next financial year. We will continue to provide a wide range of competitive product packages and quality customer services. The Bank will also take advantage of the expected growth in the banking industry and economic outlook for Malaysia to further strengthen its capital base, asset quality, and will continue to emphasise on prudent and effective risk management.

The Bank will further develop its personal banking capabilities with the enhancement of electronic banking to better serve its customers in the future.

**Rating by External Rating Agencies**

Details of the Bank's ratings are as follows:

Rating Agency	Date	Rating Classification	Rating Received
A Rating Corporation Bhd	dd/mm/yy	• Long-term	xxx
		• Outlook	xxx
B Rating Agency Bhd	dd/mm/yy	• Long-term	xxx
		• Short-term	xxx

**Disclosure of Shariah Committee**

The Bank's business activities are subject to the Shariah compliance and conformation by the Shariah Committee consisting of xx members appointed by the Board for xx year term. The duties and responsibilities of the Shariah Committee are as follows:

- (i) To advise the Board on Shariah matters in order to ensure that the business operations of the Bank comply with the Shariah principles at all times;

- (ii) To endorse and validate relevant documentations of the Bank's products to ensure that the products comply with Shariah principles; and
- (iii) To advise the Bank on matters to be referred to the Shariah Advisory Council.

**Zakat Obligations**

The Bank only pays zakat on its business. The Bank does not pay zakat on behalf of the shareholders or depositors.

**Auditors**

The auditors, Audit & Co., have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors

Encik A .....

Encik B .....

Kuala Lumpur

dd/mm/yy

**Statement by Directors**

6. Directors' opinion, pursuant to section 169(15) of the Companies Act 1965, on whether the financial statements are drawn up in accordance with provisions of the Companies Act 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the institution and of the results and cash flows of the institution.

**Illustration**



***Islamic Bank Model Berhad******STATEMENT BY DIRECTORS***

We, ENCIK A and ENCIK B, being two of the directors of ISLAMIC BANK BERHAD, do hereby state that, in the opinion of the directors, the financial statements set out on pages xx to xx are drawn up in accordance with the provision of the Companies Act 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Bank and of the results and cash flows of the Bank for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors

Encik A .....

Encik B .....

Kuala Lumpur

dd/mm/yy

**Statutory Declaration**

7. Declaration as in section 169(16) of the Companies Act 1965, by the director, or if the director is not primarily responsible for the financial management of the institution, by the person so responsible for the financial management, as to the correctness, or otherwise, of the financial statements, and that the declaration was made conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

***Illustration***

***Islamic Bank Model Berhad******STATUTORY DECLARATION***

I, ENCIK C, being the officer primarily responsible for the financial management of ISLAMIC BANK BERHAD, do solemnly and sincerely declare that the financial statements set out on pages xx to xx are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by )  
 the abovenamed Encik C )  
 at Kuala Lumpur this ) .....  
 dd/mm/yy. ) Encik C

Before me,

Encik S. O. LICITOR  
 Commissioner for Oaths

**Auditors' Report**

8. Opinion of the auditor on the financial statements audited and on the institution's accounting and other records relating to those accounts as in sections 169 and 174 of the Companies Act 1965.

***Illustration******Islamic Bank Model Berhad******AUDITORS' REPORT***

We have audited the financial statements set out on pages xx to xx. These financial statements are the responsibility of the Bank's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved standards and auditing in

Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act 1965, Bank Negara Malaysia guidelines and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
  - (i) the state of affairs of the Bank as at dd/mm/yy and its results and cash flows for the year ended; and
  - (ii) the matters required by Section 169 of the Companies Act 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Companies Act 1965 to be kept by the Bank have been properly kept in accordance with the provisions of the said Act.

The names of the subsidiaries of which we have not acted as auditors are indicated in note xx to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Bank's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of section 174 of the Act.

Audit & Co.

No. AF

Chartered Accountants

Kuala Lumpur

dd/mm/yy

### **Shariah Committee's report**

9. Opinion of the Shariah Committee members on the conformity of the institution's operations are in accordance with the Shariah principles.

#### ***Illustration***

#### ***Islamic Bank Model Berhad***

#### ***SHARIAH COMMITTEE'S REPORT***

We, ENCIK D and ENCIK E being two of the members of the Shariah Committee of ISLAMIC BANK BERHAD, do hereby confirm on behalf of the members of the Shariah Committee, that in our opinion, the operations of the Bank for the year ended dd/mm/yy have been conducted in conformity with the Shariah principles.

On behalf of the Shariah Committee

Encik D .....

Encik E .....

Kuala Lumpur

dd/mm/yy



**Islamic Bank Model Berhad****Balance sheet as at dd/mm/yyyy**

	Note	20X5 RM'000	20X4 RM'000
<b>ASSETS</b>			
Cash and short-term funds	4	xxx	xxx
Deposits and placements with banks and other financial institutions	5	xxx	xxx
Securities:	6	xxx	xxx
- <i>Held for trading</i>		xxx	xxx
- <i>Held-to-maturity investments</i>		xxx	xxx
- <i>Available-for-sale</i>		xxx	xxx
Financing, advances and other loans	7	xxx	xxx
Other assets	9	xxx	xxx
Statutory deposits with Bank Negara Malaysia	10	xxx	xxx
Investment in subsidiary companies	11	xxx	xxx
Investment in associated companies	12	xxx	xxx
Property, plant and equipment	13	xxx	xxx
Intangible assets	14	xxx	xxx
<b>Total Assets</b>		<b>xxx</b>	<b>xxx</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Deposits from customers	15	xxx	xxx
Deposits and placements of banks and other financial institutions	16	xxx	xxx
Bills and acceptances payable		xxx	xxx
Other liabilities	17	xxx	xxx
Provision for zakat and taxation	19	xxx	xxx
Deferred taxation	20	xxx	xxx
Bonds and notes	21	xxx	xxx
Subordinated financing	22	xxx	xxx
<b>Total Liabilities</b>		<b>xxx</b>	<b>xxx</b>

**Islamic Bank Model Berhad****Balance sheet as at dd/mm/yyyy**

	Note	20X5 RM'000	20X4 RM'000
<b>Shareholders' equity</b>			
Share capital	23	xxx	xxx
Reserves	24	xxx	xxx
<b>Total Shareholders' Equity</b>		xxx	xxx
<b>Minority interests</b>		xxx	xxx
<b>Total Liabilities and Shareholders' Equity and Minority Interests</b>		xxx	xxx
 <b>COMMITMENTS AND CONTINGENCIES</b>			
	39	xxx	xxx
 <b>CAPITAL ADEQUACY</b>			
	45		
Core capital ratio		xx.x%	xx.x%
Risk-weighted capital ratio		xx.x%	xx.x%
Core capital ratio net of proposed dividends		xx.x%	xx.x%
Risk-weighted capital ratio net of proposed dividends		xx.x%	xx.x%

The accompanying notes on pages xxx to xxx form an integral part of the financial statements.



**Islamic Bank Model Berhad****Income statement for the financial year ended dd/mm/yyyy**

	Note	20X5 RM'000	20X4 RM'000
Income derived from investment of depositors' funds and others	26	xxx	xxx
Income derived from investment of shareholders' funds	27	xxx	xxx
Allowance for losses on financing	28	(xxx)	(xxx)
Provision for commitments and contingencies		(xxx)	(xxx)
Impairment loss	29	(xxx)	(xxx)
Profit equalisation reserve	18	(xxx)	(xxx)
Other expenses directly attributable to the investment of the depositors and shareholders' funds		(xxx)	(xxx)
<b>Total distributable income</b>		xxx	xxx
Income attributable to the depositors	30	(xxx)	(xxx)
<b>Total net income</b>		xxx	xxx
Personnel expenses	31	(xxx)	(xxx)
Other overheads and expenditures	32	(xxx)	(xxx)
Impairment loss from property, plant & equipment and intangible assets		(xxx)	(xxx)
Finance cost	34	(xxx)	(xxx)
Profit before zakat and taxation		xxx	xxx
Zakat		(xxx)	(xxx)
Taxation	35	(xxx)	(xxx)
<b>Profit for the financial year after zakat and taxation</b>		xxx	xxx
Extraordinary items		(xxx)	(xxx)
<b>Profit for the financial year before minority interests</b>		xxx	xxx
Minority interests		(xxx)	(xxx)
<b>Net profit for the financial year</b>		xxx	xxx

**Islamic Bank Model Berhad****Income statement for the financial year ended dd/mm/yyyy**

	Note	<b>20X5 RM'000</b>	20X4 RM'000
<b>Earnings per share (sen)</b>	36		
<b>Basic</b>		<b>xxx</b>	xxx
<b>Fully diluted</b>		<b>xxx</b>	xxx
<b>Dividend per share xx sen (20X4: xx sen) less taxation</b>	25	<b>xxx</b>	xxx

The accompanying notes on pages xxx to xxx form an integral part of the financial statements.

**Islamic Bank Model Berhad****Statement of changes in equity for the financial year ended dd/mm/yyyy**

	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Exchange Fluctuation Reserve RM'000	Net Unrealised Gains/ Losses on Available- for-sale RM'000	Retained Profits RM'000	Total RM'000
<b>At beginning of financial year 20X5*</b>	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Prior year adjustments						(xxx)	(xxx)
<b>At beginning of financial year 20X5 (restated)</b>	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Currency translation differences				xxx			xxx
Net gains and losses not recognised in the income statement				xxx	xxx		xxx
Net profit for the financial year						xxx	xxx
Transfer to statutory reserve			xxx			(xxx)	-
Issue of share capital	xxx	xxx					xxx
Dividend paid						(xxx)	(xxx)
<b>At end of financial year 20X5</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

\* To provide comparative data for the previous financial year (20X4).

The accompanying notes on pages xxx to xxx form an integral part of the financial statements.

**Islamic Bank Model Berhad****Cash flow statement for the financial year ended dd/mm/yyyy**

	<b>20X5</b>	<b>20X4</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income from financing	<b>xxx</b>	xxx
Income/profit paid to depositors	<b>(xxx)</b>	(xxx)
Operating fees and commission receipts	<b>xxx</b>	xxx
Guarantee fees receipts	<b>xxx</b>	xxx
Service charges receipts	<b>xxx</b>	xxx
Recoveries of non-performing financing, advances and other loans	<b>xxx</b>	xxx
Cash payments to employees and others	<b>(xxx)</b>	(xxx)
Cash flow from operating profit before changes in operating assets and liabilities	<b>xxx</b>	xxx
<b>(Increase)/Decrease in Operating Assets</b>		
Securities <sup>2</sup>	<b>xxx</b>	xxx
Financing, advances and other loans	<b>xxx</b>	xxx
Other assets	<b>xxx</b>	xxx
Statutory deposits with Bank Negara Malaysia	<b>xxx</b>	xxx
<b>Increase/(Decrease) in Operating Liabilities</b>		
Deposits from customers	<b>xxx</b>	xxx
Deposits and placements of banks and other financial institutions	<b>xxx</b>	xxx
Bills and acceptances payable	<b>xxx</b>	xxx
Other liabilities	<b>xxx</b>	xxx
Net cash from operating activities before zakat and taxation	<b>xxx</b>	xxx
Zakat paid	<b>(xxx)</b>	(xxx)
Taxes paid	<b>(xxx)</b>	(xxx)
Net cash (used in)/from operating activities	<b>xxx</b>	xxx

<sup>2</sup> Refer Appendix A for category of securities.

**Islamic Bank Model Berhad****Cash flow statement for the financial year ended dd/mm/yyyy**

	<b>20X5 RM'000</b>	<b>20X4 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends from securities <sup>3</sup>	<b>xxx</b>	xxx
Proceeds from sale of securities <sup>3</sup>	<b>xxx</b>	xxx
Purchase of securities <sup>3</sup>	<b>(xxx)</b>	(xxx)
Proceeds from disposal of property, plant and equipment	<b>xxx</b>	xxx
Purchase of property, plant and equipment	<b>(xxx)</b>	(xxx)
Net cash from/(used in) investing activities	<b>xxx</b>	xxx
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowed funds	<b>xxx</b>	xxx
Repayments of borrowed funds	<b>(xxx)</b>	(xxx)
Issue of ordinary shares	<b>xxx</b>	xxx
Dividends paid	<b>(xxx)</b>	(xxx)
Net cash from/(used in) financing activities	<b>xxx</b>	xxx
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>xxx</b>	xxx
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	<b>(xxx)</b>	(xxx)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>xxx</b>	xxx
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>xxx</b>	xxx
<b>THE AMOUNT OF SIGNIFICANT CASH AND CASH EQUIVALENT NOT AVAILABLE FOR USE</b>	<b>xxx</b>	-

The accompanying notes on pages xxx to xxx form an integral part of the financial statements.

<sup>3</sup> Refer Appendix A for category of securities.

## Islamic Bank Model Berhad

### Notes to the financial statements for the financial year ended dd/mm/yyyy

#### 1. General Information

To provide general information on the institution, which includes among others, the main business activities, the country of incorporation, address of the registered office, scope of operations, its network of branches, number of employees, and name of its ultimate holding company.

#### ***Illustration***

##### **Principal Activities and General Information**

The Bank is principally engaged in Islamic banking business and the provision of related services. The principal activities of the subsidiaries are described in Note xx.

There have been no significant changes in the nature of these activities during the financial year.

The Bank is a licensed Islamic Bank under the Islamic Banking Act 1983, incorporated and domiciled in Malaysia. The registered office of the Bank is located at No. X, Menara Islamic Bank Berhad, Jalan Emas, Kuala Lumpur, Malaysia.

The ultimate holding company of the Bank is Holdings Berhad, a public limited liability company incorporated in Malaysia and is listed on the Main Board of the Bursa Malaysia Securities Berhad. The registered office of Holdings Berhad is located at No. X, Bangunan Holdings Berhad, Jalan Wang, Kuala Lumpur, Malaysia. The number of employees at the end of the financial year were xxx (yyyy:xxx).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on dd/mm/yy.

#### 2. Basis of Preparation of the Financial Statements

Reference should be made as to whether the financial statements are in compliance with the relevant laws, Bank Negara Malaysia Guidelines, applicable approved accounting standards in Malaysia and Shariah requirements.

Disclosure on changes in the accounting policies or adoption of new applicable approved accounting standards in Malaysia, if any, should also be disclosed.

**Illustration****Basis of Preparation of the Financial Statements**

The financial statements of the Bank have been prepared in accordance with the provisions of the Companies Act 1965, Bank Negara Malaysia Guidelines, applicable approved accounting standards in Malaysia and Shariah requirements. During the financial year ended dd/mm/yy, the Bank adopted the following standards for the first time:

Standard A

Standard B

The effects of adopting Standard A and B, which give rise to adjustments to the opening balances of retained profits of the prior and current financial year are summarised in the Statement of Changes in equity and Note xx to the financial statements.

**3. Significant Accounting Policies**

A description of the measurement basis used in preparing the financial statements and the specific accounting policies that are necessary for a proper understanding of the financial statements. At the minimum, the following accounting policies should be stated:

**(i) Basis of accounting**

Basis of measurement used in preparing financial statements (e.g. historical cost, current cost). If more than one measurement basis is used, the measurement basis and the relevant items measured using the basis must be mentioned.

**(ii) Basis of consolidation <sup>4</sup>****(a) *Subsidiary companies***

- i. Definition of what is deemed a subsidiary company.
- ii. The scope of the consolidated financial statements.
- iii. Basis used in consolidating accounts of the subsidiaries, treatment of intercompany balances and transactions, including realised and unrealised profit.

***Illustration*****Basis of Consolidation**

The consolidated financial statements include the financial statements of all subsidiaries made up to the end of the financial year. Subsidiary companies are consolidated using the acquisition method of accounting.

All inter company balances and transactions, balances and the resulting unrealised gains and losses are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

**Subsidiary Companies**

Subsidiary companies are those companies in which the Bank has power to exercise control over the financial and operating policies so as to obtain benefits therefrom. Details of the subsidiary companies are set out in the Note xx to the financial statements.

The gain or loss on disposal of a subsidiary company is the different between the net disposal proceeds and the Bank's share of its net assets together with any unamortised balance of goodwill and exchange differences that were not

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<sup>4</sup> Only applicable for reporting institution which is required to prepare consolidated financial statements.



previously recognised in the consolidated income statement.

Investment in subsidiary companies is stated at cost less provision for any permanent diminution in value of investment.

Such provision is made when there is a decline other than temporary in the value of the investments and is recognised as an expense in the period in which the decline occurred. On disposal of the investment, the difference between the net disposal proceeds and its carrying amount is charged or credited to the consolidated income statement.

**(b) Associated companies**

- i. Definition of what is deemed an associated company.
- ii. Method used to account for investment in associated companies, specifically on how the group's share of the results of the associated companies is computed, and the valuation basis of investment in associated companies in the consolidated balance sheet.

***Illustration***

**Associated Companies**

Associated companies are those companies in which the Bank has a long-term equity interest and exercises significant influence through management participation in the policy decisions of the associated companies.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting based on the audited or management financial statements of the associated companies.

The Bank share of post acquisition profits less losses of associated companies is included in the consolidated income statement and the Bank's interest in associated companies is stated at cost plus the Bank share of post-acquisition retained profits or accumulated losses and reserves.

Unrealised gains or losses on transactions between the Bank and the associated companies are eliminated to the extent the Bank's interest in the associated companies.

Investments in associated companies are stated at cost less provision for any permanent diminution in value. Such provision is made when there is a decline other than temporary in the value of investments in associated companies and is recognised as an expense in the period in which the decline occurred. On disposal of the investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the consolidated income statement.

**(iii) Intangible assets**

- (a) Sources of intangibles and basis of accounting for intangibles.
- (b) Amortisation and impairment policy for intangibles, if any.

***Illustration***

**Goodwill**

Goodwill represents the difference between the cost of an acquisition and the fair value of the Bank's share of the net assets acquired at the date of acquisition.

Goodwill is stated at cost less accumulated amortisation and impairment losses. Goodwill is amortised on a straight-line basis over its estimated useful life of 20 years.

Where an indication of impairment exists, the carrying amount of any intangible assets including the goodwill is assessed and written down immediately to its recoverable amount.

**(iv) Basis of valuation**

- (a) The valuation policy used to value/account for the various types of assets and liabilities, including the following:
- i. financing, advances and other loans;
  - ii. securities;
  - iii. property, plant and equipment;
  - iv. other types of financial assets and liabilities or equity instruments, such as:
    - a. sale and buy back agreements; and
    - b. bills and acceptances payable.
- (b) For categories of assets which comprise a number of different types of assets within each category that are not valued using a common valuation basis, the valuation basis for each type of asset should be mentioned.
- (c) Frequency and basis of identifying impairment to the assets and basis of arriving at the new carrying value of the impaired assets at the balance sheet date should be included if there is any.
- (d) To disclose the following policies:
- i. **Financing, advances and other loans**  
Policy for non-performing financing, including the circumstances in which a financing is deemed non-

performing, impairment losses on financing and the writing-off of non-performing financing, recoveries, write-back and reversal of allowances. Where more than one basis is used, state the basis as well as the category of financing value using that basis. Any departure from the general policy practised and reasons for the departure should also be disclosed.

**Guidance note:**

Reporting institution should refer to Bank Negara Malaysia guidelines on classification of non-performing and provisioning for financing.

Impaired financing shall be measured at their estimated recoverable amount. Reporting institution should provide additional allowance if the recoverable amount (present value of estimated future cash flows discounted at original effective profit rate) is lower than the net book value of the financing (outstanding amount of financing, advances and other loans, net of specific allowance).

**Illustration****Financing**

Financing are recognised when cash is disbursed to customers. They are initially stated at cost including any transaction cost and are subsequently measured at amortised cost using the effective profit rate method.

**Allowances for Impaired Financing**

A general allowance based on a percentage of the financing portfolio is also made. The percentage is reviewed annually in light of past experiences and

prevailing circumstances and an adjustment is made to the overall general allowance, if necessary.

Specific allowance provided for impaired financing had been made in full compliance with the BNM/GP3. Additional allowances for impaired financing are provided when the recoverable amount is lower than the net book value of the financing (outstanding amount of financing, net of specific allowances). Any allowances made during the year are charged to the income statement.

An uncollectible financing or portion of a financing classified as bad is written off after taking into consideration the realisable value of collateral, if any, when in the judgement of the management, there is no prospect of recovery.

**ii. Securities (Please refer to Appendix A of the Guidelines)**

Definition of securities by category and measurement policy for each category of securities.

**iii. Property, plant and equipment**

The measurement basis used for determining the carrying amount, depreciation methods and rates used for each category of asset should be mentioned. The impairment policy of assets, if any should also be disclosed.

***Illustration***

**Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Freehold land is not depreciated. Depreciation of other property, plant and equipment is provided for on a straight-line basis calculated to write-off the cost of the assets to its residual value over their estimated useful lives at the following annual rates:

Buildings on freehold land	Over xx years
Office equipment, furniture and fittings	xx%-xx%
Computer equipment and software	xx%-xx%
Motor vehicles	xx%-xx%

The carrying amount of the Bank's assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts.

An impairment loss is recognised as an expense in the income statement immediately. Where there is an indication that an impairment loss recognised for an asset in prior years no longer exists or have decreased, the reversal of an impairment loss is recognised as income immediately in the income statement.

#### iv. **Other types of financial assets and liabilities or equity instruments**

The manner in which other types of financial assets and liabilities or equity instruments are valued for in the books of the reporting institutions. The manner in which income from these groups of instruments are recognised should also be disclosed.

#### ***Illustration***

##### **Sell and Buy Back Agreement**

Securities purchased under sell and buy back agreement are securities which the Bank had purchased with a promise to resell at future date. The securities are reflected as part of the securities portfolio<sup>5</sup> of the Bank.

<sup>5</sup> Please refer to Appendix A on the category of the securities. Reporting institution should also refer to Guidance Notes on Sell and Buy Back Agreement Transactions dated 7 August 2002.

Conversely, the commitment on securities sold under SBBA is securities, which the Bank had sold from its portfolio, with a promise to repurchase at future date. Such transactions and the commitment to repurchase the securities are treated as a contingent liability of the Bank.

#### **Bills and Acceptances Payable**

Bills and acceptances payable represent the Bank's own bills and acceptances rediscounted and outstanding in the market.

#### **Provisions for Liabilities**

Provisions for liabilities are recognised when the Bank has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

#### **(v) Income recognition**

- (a) Income recognition policy for each major type of income earned, which should include the following:
  - i. finance income;
  - ii. commission;
  - iii. guarantee and commitment fees;
  - iv. other fees from services rendered (e.g. underwriting fees, corporate advisory services); and
  - v. dividend income.

For each type of income, disclose information/policies relating to the following:

- i. Basis on which income is recognised under normal circumstances (e.g. accrual basis, cash basis etc).
- ii. Exception to the general policy adopted by the banking institution and its impact on the financial results of the institution had there been no exception.
- iii. For income from financing:  
Basis on which income is recognised for financing which have turned non-performing, including treatment of income previously accrued on the non-performing financing, the provisioning policy, as well as the policy on write-off, recoveries, write-back and reversal of provision.

***Guidance note:***

Income accrued and recognised prior to the date the financing is classified as non-performing shall not be reversed out of the profit and loss account. Subsequently, income earned on non-performing financing shall be recognised as income on cash basis. Ceasing income accrued from an accounting perspective does not preclude income from continuing to be accrued for legal enforcement purposes.

***Illustration***

**Finance Income**

Finance income is recognised on an accrual basis. Income on cash line, house and term financing is accounted for on a straight-line basis by reference to the rest periods as stipulated in the financing agreement.

Where an account is classified as non-performing, income is suspended until it is realised on a cash basis. Financing income recognised prior to the non-



performing classification is not clawed-back to the first day of default in conformity with Bank Negara Malaysia guidelines. Customers' accounts are classified as non-performing where repayments are in arrears for more than six months from the first day of default for financing, cash line and advances; and three months from the first day of default for trade bills, bankers acceptances, trust receipts and other instruments of similar nature.

### **Fee and Other Income Recognition**

Financing arrangement, management and participation fees, underwriting commissions and brokerage fees are recognised as income based on contractual arrangements. Guarantee fee is recognised as income upon issuance of the guarantee. Fees from advisory and corporate finance activities are recognised net of service taxes and discounts on completion of each stage of the assignment.

Dividend income from subsidiary and associated companies and other investments are recognised when the Bank's right to receive payment is established.

### **(vi) Forward exchange contracts**

- (a) Manner in which unmatured forward exchange contracts are valued at the balance sheet date and the accounting policy in respect of the unrealised losses and gains from the contracts.

#### ***Illustration***

### **Forward Exchange Contracts**

Foreign exchange trading positions, including spot and forward contracts, are revalued at prevailing market rates at balance sheet date and the resultant gains and losses for the financial year are recognised in the income statement.

### **(vii) Foreign currency translations**

- (a) Rates (e.g. rate on transaction date, closing rate) used to convert foreign currency transactions, assets, liabilities and income statement.
- (b) Manner of recognising exchange differences on foreign currency transactions.
- (c) Method used to translate the financial statements of a foreign operation, that is a subsidiary, associate, joint venture or branch located outside Malaysia, and the manner in which the exchange differences from the translation are dealt with.

**Illustration****Foreign Currency Conversion and Translation**

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the date of transaction. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. All exchange differences are recognised in the income statement.

The principal exchange ruling at balance sheet date used are as follows:

	<b>20X5</b>	20X4
	<b>RM</b>	RM
United States Dollars (USD)	x.xxxx	x.xxxx
Great Britain Pounds (GBP)	x.xxxx	x.xxxx

**(viii) Taxation**

- (a) Description of income and deferred tax and the measurement or method used to account for both income and deferred taxes.

**Illustration****Taxation**

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

**(ix) Zakat**

- (a) Description of the purpose of this item and its basis of calculation.

***Illustration***

**Zakat**

This represents business zakat. It is an obligatory amount payable by the Bank to comply with the principles of Shariah. Zakat provision is calculated based on xx% of the net asset method.

**(x) Cash flow statement**

- (a) Method used in the preparation of the cash flow statement.
- (b) Components and definition of “cash and cash equivalents” i.e. cash and short-term funds and, deposits and placements with

banks and other financial institutions.

**Guidance note:**

The cash flow statement shows cash flows from operating activities using the direct approach, which is the preferred approach internationally and the approach encouraged under the MASB. Nevertheless, reporting institutions may report the cash flows from operating activities using the indirect approach by making the necessary modifications.

***Illustration*****Cash and Cash Equivalents**

Cash and cash equivalents include cash and short-term funds, and deposits and placements with banks and other financial institutions.

**(xi) Policy on profit equalisation reserves (PER)**

- (a) Description, policy and purpose of PER.

***Illustration*****Profit Equalisation Reserves (PER)**

PER is a mechanism to reduce the fluctuations in the profit rates payable to the depositors. It is provided based on the Framework of Rate of Return or BNM/GP2-i issued by Bank Negara Malaysia. PER is reflected under other liabilities of the Bank.

**4. Cash and short-term funds<sup>6</sup>**

	<b>20X5 RM'000</b>	20X4 RM'000
Cash and balances with banks and other financial institutions	<b>xxx</b>	xxx
Money at call and interbank placements with remaining maturity not exceeding one month	<b>xxx</b>	xxx
	<u>xxx</u>	<u>xxx</u>

**5. Deposits and placements with banks and other financial institutions<sup>7</sup>**

	<b>20X5 RM'000</b>	20X4 RM'000
Licensed Islamic banks	<b>xxx</b>	xxx
Licensed banks	<b>xxx</b>	xxx
Licensed finance companies	<b>xxx</b>	xxx
Licensed merchant banks	<b>xxx</b>	xxx
Bank Negara Malaysia	<b>xxx</b>	xxx
Other financial institutions	<b>xxx</b>	xxx
	<u>xxx</u>	<u>xxx</u>

**6. Securities**

Please refer to Appendix A of the Guidelines.

**7. Financing, advances and other loans****(i) By type**

	<b>20X5 RM'000</b>	20X4 RM'000
Cash line	<b>xxx</b>	xxx
	<u>xxx</u>	

<sup>6</sup> Interbank placements with remaining maturity not exceeding one month.

<sup>7</sup> Interbank placements with remaining maturity of more than one month.

	20X5 RM'000	20X4 RM'000
Term financing		
House financing	xxx	xxx
Syndicated financing	xxx	xxx
Hire purchase receivables	xxx	xxx
Lease receivables	xxx	xxx
Other term financing	xxx	xxx
Bills receivable	xxx	xxx
Trust receipts	xxx	xxx
Claims on customers under acceptance credits	xxx	xxx
Staff financing of which RMxxx (20X4: RMxxx) are to Directors	xxx	xxx
Credit/charge cards	xxx	xxx
Revolving credit	xxx	xxx
Others	xxx	xxx
	xxx	xxx
Less: Unearned income	(xxx)	(xxx)
	xxx	xxx
Less: Allowance for bad and doubtful financing:		
- General	(xxx)	(xxx)
- Specific	(xxx)	(xxx)
Total net financing, advances and other loans	xxx	xxx

(ii) **By contract**

	20X5 RM'000	20X4 RM'000
Bai' Bithaman Ajil ( <i>deferred payment sale</i> )	xxx	xxx
Ijarah ( <i>lease</i> )	xxx	xxx
Ijarah Muntahia Bittamlik/ AITAB ( <i>lease ended with ownership</i> )	xxx	xxx
Murabahah ( <i>cost-plus</i> )	xxx	xxx
Mudharabah ( <i>profit sharing</i> )	xxx	xxx
Musharakah ( <i>profit and loss sharing</i> )	xxx	xxx
Qard ( <i>benevolent loan</i> )	xxx	xxx
Others	xxx	xxx

<b>20X5</b>	<b>20X4</b>
<b>RM'000</b>	<b>RM'000</b>
<b>xxx</b>	<b>xxx</b>

**(iii) By type of customer**

	<b>20X5</b>	<b>20X4</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic banking institutions	<b>xxx</b>	xxx
Domestic non-bank financial institutions	<b>xxx</b>	xxx
- Stockbroking companies	<b>xxx</b>	xxx
- Others	<b>xxx</b>	xxx
Domestic business enterprises		xxx
- Small medium enterprises	<b>xxx</b>	xxx
- Others	<b>xxx</b>	xxx
Government and statutory bodies		
Individuals	<b>xxx</b>	xxx
Other domestic entities	<b>xxx</b>	xxx
Foreign entities	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

**(iv) By profit rate sensitivity**

	<b>20X5</b>	<b>20X4</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
- House financing	<b>xxx</b>	xxx
- Hire purchase receivables	<b>xxx</b>	xxx
Others	<b>xxx</b>	xxx
Variable rate		
- House financing	<b>xxx</b>	xxx
- Others	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

**(v) By sector**

	20X5 RM'000	20X4 RM'000
Agriculture, hunting, forestry & fishing	xxx	xxx
Mining and quarrying	xxx	xxx
Manufacturing	xxx	xxx
Electricity, gas and water	xxx	xxx
Construction	xxx	xxx
Real estate	xxx	xxx
Purchase of landed property:		
- Residential	xxx	xxx
- Non-residential	xxx	xxx
Wholesale & retail trade and restaurants & hotels	xxx	xxx
Transport, storage and communication	xxx	xxx
Finance, insurance and business services	xxx	xxx
Purchase of securities	xxx	xxx
Purchase of transport vehicles	xxx	xxx
Consumption credit	xxx	xxx
Others	xxx	xxx
	<u>xxx</u>	<u>xxx</u>

## 8. Non-performing financing

### (i) Movements in the non-performing financing, advances and other loans

	20X5 RM'000	20X4 RM'000
At beginning of year	xxx	xxx
Classified as non-performing	xxx	xxx
Reclassified as performing	(xxx)	(xxx)
Converted to securities	(xxx)	(xxx)
Amount recovered	(xxx)	(xxx)
Amount written off	(xxx)	(xxx)
Other adjustments	xxx	xxx
At end of year	<u>xxx</u>	<u>xxx</u>
Less: Specific allowance	<u>(xxx)</u>	<u>(xxx)</u>
Net non-performing financing, advances and other loans	<u>xxx</u>	<u>xxx</u>
Ratio of net non-performing financing, advances and other loans		



	<b>20X5</b> <b>RM'000</b>	20X4 RM'000
to total net financing, advances and other loans	%	%

**(ii) Movements in the allowance for bad and doubtful financing**

	<b>20X5</b> <b>RM'000</b>	20X4 RM'000
<b>General allowance</b>		
At beginning of year	<b>xxx</b>	xxx
Allowance made/(written back) during the year	<b>xxx</b>	xxx
Transferred to specific allowance	<b>(xxx)</b>	(xxx)
At end of year	<b>xxx</b>	xxx
As % of total gross financing, advances and other loans less specific allowance	<b>x.x%</b>	x.x%

**Specific allowance**

At beginning of year		
Allowance made during the year	<b>xxx</b>	xxx
Transferred from general allowance	<b>xxx</b>	xxx
Transferred from provision for commitments and contingencies	<b>xxx</b>	xxx
Transferred to accumulated impairment loss in value of securities	<b>(xxx)</b>	(xxx)
Amount recovered	<b>(xxx)</b>	(xxx)
Amount written off	<b>(xxx)</b>	(xxx)
At end of year	<b>xxx</b>	xxx

**(iii) Non-performing financing by sector**

	<b>20X5</b> <b>RM'000</b>	20X4 RM'000
Agriculture, hunting, forestry & fishing	<b>xxx</b>	xxx
Mining and quarrying	<b>xxx</b>	xxx

	<b>20X5</b>	20X4
	<b>RM'000</b>	RM'000
Manufacturing	<b>xxx</b>	xxx
Electricity, gas and water	<b>xxx</b>	xxx
Construction	<b>xxx</b>	xxx
Real estate	<b>xxx</b>	xxx
Purchase of landed property:		
- Residential	<b>xxx</b>	xxx
- Non-residential	<b>xxx</b>	xxx
Wholesale & retail trade and restaurants & hotels	<b>xxx</b>	xxx
Transport, storage and communication	<b>xxx</b>	xxx
Finance, insurance and business services	<b>xxx</b>	xxx
Purchase of securities	<b>xxx</b>	xxx
Purchase of transport vehicles	<b>xxx</b>	xxx
Consumption credit	<b>xxx</b>	xxx
Others	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

## 9. Other assets

	<b>20X5</b>	20X4
	<b>RM'000</b>	RM'000
Income receivables	<b>xxx</b>	xxx
Foreclosed properties net of allowance for impairment in value	<b>xxx</b>	xxx
Deposits and prepayments	<b>xxx</b>	xxx
Amount due from holding company/related companies	<b>xxx</b>	xxx
Sundry debtors	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

## 10. Statutory deposits with Bank Negara Malaysia

The statutory deposits are maintained with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act, 1958 (revised 1994), the amounts of which are determined at set percentages of total eligible

liabilities.

## 11. Investment in subsidiary companies

	<b>20X5</b>	20X4
	<b>RM'000</b>	RM'000
Quoted shares, at cost		
- in Malaysia	<b>xxx</b>	xxx
- outside Malaysia	<b>xxx</b>	xxx
	<b>20X5</b>	20X4
	<b>RM'000</b>	RM'000
Unquoted shares, at cost		
- in Malaysia	<b>xxx</b>	xxx
- outside Malaysia	<b>xxx</b>	xxx
	<b>xxx</b>	xxx
Less: Accumulated impairment loss	<b>(xxx)</b>	(xxx)
	<b>xxx</b>	xxx
Market value of quoted shares		
- in Malaysia	<b>xxx</b>	xxx
- outside Malaysia	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

Details of the subsidiary companies are as follows:

Name	Principal activities	Country of incorp.	Percentage of equity held				Paid up capital dd/mm/20X5
			Direct		Indirect		
			20X5 %	20X4 %	20X5 %	20X4 %	
Model 3 S/B	Nominee services	Malaysia	<b>xx</b>	xx	<b>xx</b>	xx	<b>xxx</b>
Model Islamic Bank (L) Ltd. (incorporated in the Federal Territory of Labuan)	Offshore banking	Malaysia	<b>xx</b>	xx	<b>xx</b>	xx	<b>xxx</b>
Model Discount House S/B	Discount house	Malaysia	<b>xx</b>	xx	<b>xx</b>	xx	<b>xxx</b>
Model Finance S/B	Finance company	Malaysia	<b>xx</b>	xx	<b>xx</b>	xx	<b>xxx</b>
Model Pte. Ltd. #	Trustee services	Singapore	<b>xx</b>	xx	<b>xx</b>	xx	<b>xxx</b>
Model Leasing Sdn. Bhd.	Leasing	Malaysia	<b>xx</b>	xx	<b>xx</b>	xx	<b>xxx</b>

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**12. Investment in associated companies**

	<b>20X5 RM'000</b>	20X4 RM'000
Quoted shares, at cost		
- in Malaysia	<b>xxx</b>	xxx
- outside Malaysia	<b>xxx</b>	xxx
Unquoted shares, at cost		
- in Malaysia	<b>xxx</b>	xxx
- outside Malaysia	<b>xxx</b>	xxx
	<b>xxx</b>	xxx
Less : Accumulated impairment loss	<b>(xxx)</b>	(xxx)
	<b>xxx</b>	xxx
Market value of quoted shares		
- in Malaysia	<b>xxx</b>	xxx
- outside Malaysia	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

Details of the associated companies are as follows:

Name	Principal activities	Country of incorp.	Percentage of equity held				Paid up capital dd/mm/20X5
			Direct		Indirect		
			20X5 %	20X4 %	20X5 %	20X4 %	
Model 1 Bhd.	Services company	Malaysia	<b>xx</b>	xx	<b>xx</b>	xx	<b>xxx</b>
Model 2 Pte. Ltd. #	Dormant	Singapore	<b>xx</b>	xx	<b>xx</b>	xx	<b>xxx</b>

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### 13. Property, plant and equipment

	Freehold land	Long term leasehold land	Short term leasehold land	Buildings on leasehold land	Office equipment, furniture and fittings	Computer equipment and software	Computer equipment and software under lease	Motor vehicles	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>20X5*</b>									
<b>Cost/Valuation</b>									
At beginning of year	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Additions	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Disposals	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Written off					(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
At end of year	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
<b>Accumulated depreciation</b>									
At beginning of year	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Charge for the year		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Disposals	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
Written off					(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
At end of year	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
<b>Accumulated impairment loss</b>									

	Freehold land	Long term leasehold land	Short term leasehold land	Buildings on leasehold land	Office equipment, furniture and fittings	Computer equipment and software	Computer equipment and software under lease	Motor vehicles	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At beginning of year	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Charge for the year	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Written back	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)	(xxx)
At end of year	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
<b>Net book value</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

\* To provide comparative data for the previous financial year (20X4) and to make necessary adjustments or have additional disclosures as required under the approved accounting standards.

**14. Intangible assets**

	<b>20X5</b> <b>RM'000</b>	20X4 RM'000
<b>Goodwill</b>	<b>xxx</b>	xxx
At beginning of year	<b>xxx</b>	xxx
Additions during the year	<b>xxx</b>	xxx
Accumulated amortisation	<b>(xxx)</b>	(xxx)
Impairment loss	<b>(xxx)</b>	(xxx)
At end of year	<b>xxx</b>	xxx
<b>Other intangible assets</b>		
At beginning of year	<b>xxx</b>	xxx
Additions during the year	<b>xxx</b>	xxx
Accumulated amortisation	<b>(xxx)</b>	(xxx)
Impairment loss	<b>(xxx)</b>	(xxx)
At end of year	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

**15. Deposits from customers****(i) By type of deposit**

	<b>20X5</b> <b>RM'000</b>	20X4 RM'000
<b>Non-Mudharabah</b>		
Demand deposits	<b>xxx</b>	xxx
Savings deposits	<b>xxx</b>	xxx
Negotiable instruments of deposit	<b>xxx</b>	xxx
Others	<b>xxx</b>	xxx
	<b>xxx</b>	xxx
<b>Mudharabah</b>		
Demand deposits	<b>xxx</b>	xxx
Savings deposits	<b>xxx</b>	xxx
General investment deposits	<b>xxx</b>	xxx
Specific investment deposits	<b>xxx</b>	xxx
Negotiable instruments of deposit	<b>xxx</b>	xxx
Others	<b>xxx</b>	xxx
	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

**(ii) By type of customer**

	<b>20X5 RM'000</b>	20X4 RM'000
Government and statutory bodies	<b>xxx</b>	xxx
Business enterprises	<b>xxx</b>	xxx
Individuals	<b>xxx</b>	xxx
Others	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

**16. Deposits and placements of banks and other financial institutions**

	<b>20X5 RM'000</b>	20X4 RM'000
<b>Non-Mudharabah</b>		
Licensed Islamic banks	<b>xxx</b>	xxx
Licensed banks	<b>xxx</b>	xxx
Licensed finance companies	<b>xxx</b>	xxx
Licensed merchant banks	<b>xxx</b>	xxx
Bank Negara Malaysia	<b>xxx</b>	xxx
Other financial institutions	<b>xxx</b>	xxx
	<b>xxx</b>	xxx
<b>Mudharabah</b>		
Licensed Islamic banks	<b>xxx</b>	xxx
Licensed banks	<b>xxx</b>	xxx
Licensed finance companies	<b>xxx</b>	xxx
Licensed merchant banks	<b>xxx</b>	xxx
Bank Negara Malaysia	<b>xxx</b>	xxx
Other financial institutions	<b>xxx</b>	xxx
	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

**17. Other liabilities**

	<b>20X5 RM'000</b>	20X4 RM'000
Sundry creditors	<b>xxx</b>	xxx
Provision for commitments and contingencies [Note 17(a)]	<b>xxx</b>	xxx
Obligations under finance lease	<b>xxx</b>	xxx



	<b>20X5 RM'000</b>	20X4 RM'000
Amount due to holding company/related company	<b>xxx</b>	xxx
Profit equalisation reserve (Note 18)	<b>xxx</b>	xxx
Others	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

(i) **Movement in provision for commitments and contingencies**

	<b>20X5 RM'000</b>	20X4 RM'000
At beginning of year	<b>xxx</b>	xxx
Provision made during the year	<b>xxx</b>	xxx
Reclassification to specific allowance	<b>(xxx)</b>	(xxx)
Written back on recoveries	<b>(xxx)</b>	(xxx)
Written back on expiry	<b>(xxx)</b>	(xxx)
At the end of year	<b>xxx</b>	xxx

**18. Profit equalisation reserve**

	<b>20X5 RM'000</b>	20X4 RM'000
At beginning of year	<b>xxx</b>	xxx
Provided in the financial year	<b>xxx</b>	xxx
Written back in the financial year	<b>(xxx)</b>	(xxx)
At end of year*	<b>xxx</b>	xxx

\* Profit equalisation reserve at the end of the financial year of which the shareholders' portion is RMxxx (20X4:RMxxx).

**Guidance note:**

The profit equalisation reserve (PER) at the end of the financial year shall be

apportioned between the reporting institution and the depositors based on:

- (a) Proportion of reporting institution's fund and depositors' fund, if both funds are managed on a pool basis; or
- (b) Actual PER for each fund, if the funds are managed separately.

Reporting institution should refer to the Framework of Rate of Return or BNM/GP2-i on the management of funds.

## 19. Provision for zakat and taxation

	<b>20X5</b> <b>RM'000</b>	20X4 RM'000
Zakat	<b>xxx</b>	xxx
Taxation	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

## 20. Deferred taxation

	<b>20X5</b> <b>RM'000</b>	20X4 RM'000
At beginning of year	<b>xxx</b>	xxx
Transfer (to)/from income statement (Note 35)	<b>xxx</b>	xxx
Acquisition of subsidiaries	<b>xxx</b>	xxx
Disposal of subsidiaries	<b>xxx</b>	xxx
Exchange differences	<b>xxx</b>	xxx
Effect of reduction in foreign income tax rate (Note 35)	<b>xxx</b>	xxx
At end of year	<b>xxx</b>	xxx
Presented after appropriate offsetting as follows:		
Deferred tax assets	<b>(xxx)</b>	-
Deferred tax liabilities	<b>xxx</b>	xxx
Deferred tax liabilities (net)	<b>xxx</b>	xxx

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Bank:

	Accelerated capital allowances RM'000	Other receivables RM'000	Total RM'000
At beginning of year	xxx	xxx	xxx
Transfer (to)/from income statement	xxx	xxx	xxx
At end of year	xxx	xxx	xxx

Deferred tax assets of the Bank:

	Retirement benefit obligations RM'000	Other payables RM'000	Total RM'000
At beginning of year	(xxx)	(xxx)	(xxx)
Transfer (to)/from income statement	(xxx)	(xxx)	(xxx)
At end of year	(xxx)	(xxx)	(xxx)

**Guidance note:**

Reporting institution to disclose appropriate notes as required by the approved accounting standards and other notes as appropriate for clarity such as offsetting of deferred tax assets and deferred tax liabilities, utilisation of deferred tax assets and others.

## 21. Bonds and notes

The bonds of RMxxx nominal value was issued at a discount in 20X4 bearing income at an average fixed rate of xx%, redeemable at the option of the holder, in whole or in part on and after 20X5.

## 22. Subordinated financing

Murabahah subordinated financing consists of an unsecured financing obtained in 20X4 which is subordinated to all other liabilities and repayable in instalments

commencing 20X4.

## 23. Share capital

	<b>20X5 No. of shares</b>	<b>20X5 RM'000</b>	20X4 No. of shares	20X4 RM'000
<b>Authorised:</b>				
Ordinary shares of RMxx each	<b>xxx</b>	<b>xxx</b>	xxx	xxx
(Other types of shares as appropriate with movement)	<b>xxx</b>	<b>xxx</b>	xxx	xxx
	<b>xxx</b>	<b>xxx</b>	xxx	xxx
<b>Issued and fully paid:</b>				
Ordinary shares of RMxx each				
At beginning of year	<b>xxx</b>	<b>xxx</b>	xxx	xxx
Issued during the year	<b>xxx</b>	<b>xxx</b>	xxx	xxx
At end of year	<b>xxx</b>	<b>xxx</b>	xxx	xxx

**Guidance note:**

Reporting institution to disclose appropriate notes as required by the approved accounting standards and other notes as appropriate for clarity.

## 24. Reserves

Details of the reserves of the reporting institution are as follows:

- (i) Statutory reserves  
The statutory reserves are maintained in compliance with Section 15 of the Islamic Banking Act 1983 and are not distributable as cash dividends.
- (ii) Other reserves<sup>8</sup>

<sup>8</sup> To provide a breakdown, the nature and purpose of other reserves maintained. In addition, reporting

Movement of the unrealised gains or losses on 'Available-for-sale'.

	<b>20X5</b> <b>RM'000</b>	20X4 RM'000
At beginning of year	<b>xxx</b>	xxx
Change in accounting policy	<b>xxx</b>	xxx
Unrealised gains/(losses) on Available-for-sale	<b>(xxx)</b>	(xxx)
Impairment charges reclassified to the income statement	<b>xxx</b>	xxx
Gains reclassified to the income statement	<b>(xxx)</b>	(xxx)
Losses reclassified to the income statement	<b>xxx</b>	xxx
At the end of year*	<b>xxx</b>	xxx

\* Net unrealised gains or losses on 'Available-for-sale' at the end of financial year of which the depositors' portion is RMxxx (20X4:RMxxx).

**Guidance note:**

The net unrealised gains/(losses) on 'Available-for-sale' investment shall be apportioned between the reporting institution and the depositors based on:

- (i) Proportion of reporting institution's fund and depositors' fund, if both funds are managed on a pool basis; or
- (ii) Actual amount of gains/(losses) on 'Available-for-sale' investment for each fund, if the funds are managed separately.

Reporting institution should refer to the Framework of Rate of Return or BNM/GP2-i on the management of funds.

## 25. Dividends

**20X5**

20X4

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institutions should provide the movement of the unrealised gains or losses arising from the revaluation of the securities in the 'Available for sale' category.

	<b>Gross per share sen</b>	<b>Dividend net of tax RM'000</b>	<b>Gross per share sen</b>	<b>Dividend net of tax RM'000</b>
<b>Authorised:</b>				
Interim dividend paid – xx% less xx% taxation (20X4: xx% less xx% taxation)	<b>xxx</b>	<b>xxx</b>	xxx	xxx
Final dividend paid – xx% less xx% taxation (20X4: xx% less xx% taxation)	<b>xxx</b>	<b>xxx</b>	xxx	xxx

The directors now recommend a dividend of xx% on xxx ordinary shares less tax in respect of the current financial year ended dd/mm/yy. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders at the forthcoming Annual General Meeting, will be accounted for in the shareholders' equity as an appropriation of retained profits in the next financial year ending dd/mm/yy.

## 26. Income derived from investment of depositors' funds and others

	<b>20X5 RM'000</b>	<b>20X4 RM'000</b>
Income derived from investment of:		
(i) General investment deposits	<b>xxx</b>	xxx
(ii) Specific investment deposits	<b>xxx</b>	xxx
(iii) Other deposits	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

### **Guidance note:**

Reporting institution should disclose according to each category of income above.

#### (i) **Income derived from investment of general investment deposits**

	<b>20X5 RM'000</b>	20X4 RM'000
<b>Finance income and hibah</b>		
Financing, advances and other loans	<b>xxx</b>	xxx
Securities (breakdown by category of securities)	<b>xxx</b>	xxx
Money at call and deposit with financial institutions	<b>xxx</b>	xxx
Others	<b>xxx</b>	xxx
	<hr/>	<hr/>
Amortisation of premium less accretion of discounts	<b>(xxx)</b>	(xxx)
Total finance income and hibah	<b>xxx</b>	xxx
<b>Other operating income*</b>	<b>xxx</b>	xxx
<b>Other income*</b>	<b>xxx</b>	xxx
	<hr/> <hr/>	<hr/> <hr/>

**(ii) Income derived from investment of specific investment deposits**

	<b>20X5 RM'000</b>	20X4 RM'000
<b>Finance income and hibah</b>		
Financing, advances and other loans	<b>xxx</b>	xxx
Securities (breakdown by category of securities)	<b>xxx</b>	xxx
Money at call and deposit with financial institutions	<b>xxx</b>	xxx
Others	<b>xxx</b>	xxx
	<hr/>	<hr/>
Amortisation of premium less accretion of discounts	<b>(xxx)</b>	(xxx)
Total finance income and hibah	<b>xxx</b>	xxx
<b>Other operating income*</b>	<b>xxx</b>	xxx
<b>Other income*</b>	<b>xxx</b>	xxx
	<hr/> <hr/>	<hr/> <hr/>

**(iii) (iii) Income derived from investment of other deposits**

	<b>20X5 RM'000</b>	20X4 RM'000
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	<b>20X5</b>	20X4
	<b>RM'000</b>	RM'000
<b>Finance income and hibah</b>		
Financing, advances and other loans	xxx	xxx
Securities (breakdown by category of securities)	xxx	xxx
Money at call and deposit with financial institutions	xxx	xxx
Others	xxx	xxx
	<u>xxx</u>	<u>xxx</u>
Amortisation of premium less accretion of discounts	<b>(xxx)</b>	<b>(xxx)</b>
Total finance income and hibah	<b>xxx</b>	xxx
<b>Other operating income*</b>	<b>xxx</b>	xxx
<b>Other income*</b>	<b>xxx</b>	xxx
	<u>xxx</u>	<u>xxx</u>

## 27. Income derived from investment of shareholders' funds

	<b>20X5</b>	20X4
	<b>RM'000</b>	RM'000
<b>Finance income and hibah</b>		
Financing, advances and other loans	xxx	xxx
Securities (breakdown by category of securities)	xxx	xxx
Money at call and deposit with financial institutions	xxx	xxx
Others	xxx	xxx
	<u>xxx</u>	<u>xxx</u>
Amortisation of premium less accretion of discounts	<b>(xxx)</b>	<b>(xxx)</b>
Total finance income and hibah	<b>xxx</b>	xxx
<b>Other operating income*</b>	<b>xxx</b>	xxx
<b>Other income*</b>	<b>xxx</b>	xxx
	<u>xxx</u>	<u>xxx</u>

\* The reporting institution is required to disclose detailed operating income and other income.

The detailed disclosure of operating income shall include, at the minimum, the following items:



- (i) Fees and commission (to provide a breakdown of major items).
- (ii) Gains/losses arising from sale of securities (to provide a breakdown by category of securities – refer to Appendix A of the Guidelines).
- (iii) Gains/losses arising from dealing in foreign currency.
- (iv) Dividend income (to provide a breakdown by category of securities).
- (v) Unrealised gains/losses on revaluation of trading securities.
- (vi) Unrealised gains/losses from foreign exchange translations.

The detailed disclosure of other income shall include, at the minimum, the following items:

- (i) Gains/losses on disposal of foreclosed properties.
- (ii) Gains/losses on disposal of property, plant and equipment

## 28. Allowance for losses on financing

	<b>20X5</b> <b>RM'000</b>	20X4 RM'000
Allowance for bad and doubtful financing:		
(a) Specific allowance		
- Provided in the financial year	<b>xxx</b>	xxx
- Written back	<b>(xxx)</b>	(xxx)
(b) General allowance		
- Provided in the financial year	<b>xxx</b>	xxx
- Written back	<b>(xxx)</b>	(xxx)
Bad debts on financing:		
- Recovered	<b>(xxx)</b>	(xxx)
- Written off	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

## 29. Impairment loss

Reporting institution should disclose the nature and amount of any impairment loss recognised in profit or loss, separately for each category of securities (as

classified in Appendix A) and other assets arising from the utilisation of depositor's funds or funds other than restricted funds. Reporting institution should refer to the Framework of Rate of Return or BNM/GP2-i.

### 30. Income attributable to depositors

	<b>20X5 RM'000</b>	20X4 RM'000
Deposits from customers		
- Mudharabah	<b>xxx</b>	xxx
- Non-Mudharabah	<b>xxx</b>	xxx
Deposits and placements of banks and other financial institutions		
- Mudharabah	<b>xxx</b>	xxx
- Non-Mudharabah	<b>xxx</b>	xxx
Others	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

### 31. Personnel expenses

	<b>20X5 RM'000</b>	20X4 RM'000
Salaries and wages	<b>xxx</b>	xxx
Allowance and bonuses	<b>xxx</b>	xxx
Others	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

### 32. Other overheads and expenditures

	<b>20X5 RM'000</b>	20X4 RM'000
Promotion		

	<b>20X5</b>	20X4
	<b>RM'000</b>	RM'000
Advertisement and publicity	<b>xxx</b>	xxx
<b>Establishment</b>		
Rental	<b>xxx</b>	xxx
Depreciation	<b>xxx</b>	xxx
EDP expenses	<b>xxx</b>	xxx
Hire of equipment	<b>xxx</b>	xxx
<b>General expenses</b>		
Management fees	<b>xxx</b>	xxx
Auditors' fees		
- audit work	<b>xxx</b>	xxx
- non-audit work	<b>xxx</b>	xxx
Professional fees	<b>xxx</b>	xxx
Others	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

### 33. CEO, Directors and Shariah Committee Members' remuneration

	<b>20X5</b>	20X4
	<b>RM'000</b>	RM'000
Executive Directors and CEO		
Salary and other remuneration, including meeting allowance	<b>Xxx</b>	Xxx
Fees	<b>xxx</b>	xxx
Bonuses	<b>xxx</b>	xxx
Benefits-in-kind	<b>xxx</b>	xxx
Non-executive Directors		
Fees	<b>xxx</b>	xxx
Other remunerations	<b>xxx</b>	xxx
Benefits-in-kind	<b>xxx</b>	xxx
	<b>xxx</b>	xxx
Shariah Committee Members	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

**Guidance note:**

Reporting institution is also required to disclose the number of directors whose

total remuneration for the financial year fall in each successive band of RM50,000 distinguishing between executive and non-executive directors. Alternatively, reporting institutions may disclose this information under the Corporate Governance section.

### 34. Finance cost

	<b>20X5 RM'000</b>	20X4 RM'000
Bonds and notes	<b>xxx</b>	xxx
Subordinated financing	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

### 35. Taxation

	<b>20X5 RM'000</b>	20X4 RM'000
Tax expense for the year:		
- Malaysian income tax	<b>xxx</b>	xxx
- Foreign tax	<b>xxx</b>	xxx
Double taxation relief	<b>(xxx)</b>	(xxx)
	<b>xxx</b>	xxx
Deferred tax:		
- Relating to origination and reversal of temporary differences (Note 20)	<b>(xxx)</b>	(xxx)
- Relating to reduction in foreign income tax rate (Note 20)	<b>xxx</b>	xxx
	<b>xxx</b>	xxx
(Over)/underprovided in prior years:		
- Malaysian income tax	<b>(xxx)</b>	(xxx)
- Foreign tax	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

**Guidance note:**

Reporting institution to insert appropriate notes required by the applicable

approved accounting standards and Companies Act 1965 on relevant issues such as amount of unutilised tax losses, tax savings for which credit is taken during the period, the effective tax rate and the amount of tax credit under section 108 of the Income Tax Act 1967 to frank the payment of dividend.

### 36. Earnings per share

Basic earnings per share of the Bank is calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all diluted potential ordinary shares.

	20X5 Basic	20X5 Diluted	20X4 Basic	20X4 Diluted
No. of ordinary shares at beginning of year ('000)	xxx	xxx	xxx	xxx
New shares issued during the year ('000)	xxx	xxx	xxx	xxx
Weighted average no. of ordinary shares in issue ('000)	xxx	xxx	xxx	xxx
Potential dilutive ordinary shares ('000):				
Options		xxx		xxx
Convertible bonds		xxx		xxx
Others		xxx		xxx
<b>Adjusted weighted average number of ordinary shares in issue ('000)</b>	<b>xxx</b>	<b>xxx</b>	xxx	xxx
Net profit for the financial year (RM'000)	xxx	xxx	xxx	xxx
Potential dilutive adjustments (RM'000):				
Convertible bonds		xxx		xxx
Others		xxx		xxx
<b>Adjusted net profit for the financial year (RM'000)</b>	<b>xxx</b>	<b>xxx</b>	xxx	xxx
		<b>20X5</b>	20X	
Basic earnings per share (sen)		xxx	xxx	
Diluted earnings per share (sen)		xxx	xxx	

**37. Related party transactions****(i) Related parties and relationships**

The related parties of and their relationship with the reporting institution are as follows:

<b>Related parties</b>	<b>Relationship</b>
Model Holdings Berhad	Ultimate holding company
Subsidiaries (Note xx)	Subsidiary companies
Associates (Note xx)	Associated companies
Model Model 5 Sdn. Bhd. directors	Common

**(ii) Related party transactions**

	<b>Subsidiary companies</b>		<b>Other related companies</b>	
	<b>20X5 RM'000</b>	<b>20X4 RM'000</b>	<b>20X5 RM'000</b>	<b>20X4 RM'000</b>
<b>Income</b>				
Income/profit on financing, advances and other loans	<b>xxx</b>	xxx	<b>xxx</b>	xxx
Income/profit on investment deposits	<b>xxx</b>	xxx	<b>xxx</b>	xxx
Management fees	<b>xxx</b>	xxx	<b>xxx</b>	xxx
<b>Expenditure</b>				
Income/profit on deposits and placements of banks and other financial institutions	<b>xxx</b>	xxx	<b>xxx</b>	xxx
Income/profit on financing, advances and other loans	<b>xxx</b>	xxx	<b>xxx</b>	xxx
Amounts due from Financing, advances and other loans	<b>xxx</b>	xxx	<b>xxx</b>	xxx
<b>Amounts due to</b>				

	Subsidiary companies		Other related companies	
	20X5 RM'000	20X4 RM'000	20X5 RM'000	20X4 RM'000
Current account and investment deposits	xxx	xxx	xxx	xxx
Financing, advances and other loans	xxx	xxx	xxx	xxx
<b>Guarantees</b>				
Issued	xxx	xxx	xxx	xxx
Received	xxx	xxx	xxx	xxx

The significant transactions of the Bank and its subsidiary companies with the directors of the Bank or with companies in which certain directors have substantial interest are as follows:

	20X5 RM'000	20X4 RM'000
<b>Income</b>		
Income/profit on financing, advances and other loans		
- from directors of the Bank		
- from companies in which certain directors of the Bank have interest	xxx	xxx
	xxx	xxx
<b>Expenditure</b>		
Income/profit on deposits and placements		
- to directors of the Bank	xxx	xxx
- to companies in which certain directors of the Bank have interest	xxx	xxx
Income/profit on financing, advances and other loans		
- to directors of the Bank	xxx	xxx
- to companies in which certain directors of the Bank have interest	xxx	xxx

The significant non-banking transactions of the Bank with Model 5 Sdn. Bhd., in which Encik A is deemed to have a substantial interest, are as follows:

20X5	20X4
------	------

	RM'000	RM'000
<b>Income</b>		
Commission income	xxx	xxx
Rental	xxx	xxx

**Guidance note:**

State if special terms and conditions were accorded to transactions with related parties.

**38. Staff retirement benefits**

Reporting institution to disclose a report of a retirement benefit plan, which shall include a description of the plan, statement of changes in net assets available for benefits, a description of the funding policy and other disclosures as required by the approved accounting standards.

**39. Commitments and contingencies**

20X5*	Principal amount RM'000	Credit equivalent amount** RM'000	Risk weighted amount RM'000
Direct credit substitutes	xxx	xxx	xxx
Transaction-related contingent items			
Short-term self-liquidating trade-related contingencies	xxx	xxx	xxx
Financing sold directly and indirectly to Cagamas with recourse	xxx	xxx	xxx
Other assets sold with recourse and commitment with certain drawdown	xxx	xxx	xxx
Commitment on securities sold under sell and buy back agreements	xxx	xxx	xxx
Obligations under underwriting agreement	xxx	xxx	xxx
Irrevocable commitments to extend credit:			
- Maturity not exceeding one year	xxx	xxx	xxx
- Maturity exceeding one year	xxx	xxx	xxx

Foreign exchange related contracts:



<b>20X5*</b>	Principal amount RM'000	Credit equivalent amount** RM'000	Risk weighted amount RM'000
- Less than one year	xxx	xxx	xxx
- One year to less than 5 years	xxx	xxx	xxx
- 5 years and above	xxx	xxx	xxx
Profit rate related contracts:			
- Less than one year	xxx	xxx	xxx
- One year to less than 5 years	xxx	xxx	xxx
- 5 years and above	xxx	xxx	xxx
Equity and commodity related contracts	xxx	xxx	xxx
Others	xxx	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

\* To provide comparative data for the previous financial year (20X4).

\*\* The credit equivalent amount is arrived at using the credit conversion factors as per Bank Negara Malaysia guidelines.

#### 40. Credit risk

Credit risk is the risk that a counterpart will be unable to meet the terms of a contract in which the reporting institution has a gain position. As at end of 20X5, the amount of credit risk measured in terms of the cost to replace the profitable contracts was RMxxx (20X4: RMxxx). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

#### 41. Rate of return risk

The reporting institution is exposed to rate of return risk. The rate of return risk is the potential impacts of market factors affecting rates of return on assets in comparison with the expected rates of return for investment account holders. The following table summarises the reporting institution's exposure to rate of return risk. The assets and liabilities at carrying amount are categorised by the earlier of the next contractual repricing dates and maturity dates.

20X5*	← Non-trading book →						Trading book	Total	Effective profit rate
	Up to 1 month	> 1-3 months	> 3-12 month	1-5 years	Over 5 years	Non-profit sensitive			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Assets</b>									
Cash and short term funds									
Deposits & placement with banks & other financial institutions									
Securities**									
Financing, advances and other loans									
- performing									
- non-performing									
Other assets									
<b>Total assets</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	
<b>Liabilities</b>									
Deposits from customers									
Deposits & placement of banks & other financial institutions									
Bills and acceptance payable									
Bonds and notes									
Subordinated term financing									
Other liabilities									
<b>Total liabilities</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	
Shareholders' funds									
<b>Total liabilities and shareholders' funds</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	
On-balance sheet profit sensitivity gap									
Off-balance sheet profit sensitivity gap <sup>9</sup>									
<b>Total profit sensitivity gap</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	

\* To provide comparative data for the previous financial year (20X4).

\*\* To provide a breakdown by category of securities.

## 42. Liquidity risk

<sup>9</sup> Reporting institutions to disclose details of off balance-sheet items.

Reporting institution should disclose information, either in narrative form, in tables or by using a combination of the two, about its exposure to liquidity risk. In assessing the liquidity position, reporting institution may also provide the analysis of assets and liabilities in the relevant maturity tenures based on their behavioural profile. Any quantitative information provided should be extensive and presented in a manner which is understood by the users of the financial statements.

#### 43. Capital commitments

	<b>20X5</b> <b>RM'000</b>	20X4 RM'000
Capital expenditure:		
Authorised and contracted for		
- purchase of land and building	<b>xxx</b>	xxx
- purchase of equipment	<b>xxx</b>	xxx
Authorised but not contracted for		
- purchase of land and building	<b>xxx</b>	xxx
- purchase of equipment	<b>xxx</b>	xxx
	<b>xxx</b>	xxx

#### 44. Contingent liabilities

Reporting institution to disclose appropriate note on various commitments made and that incurs certain contingent liabilities with/without legal recourse to its customer i.e. legal suits, guarantees, etc.

#### 45. Capital adequacy

(i) The capital adequacy ratios of the Bank are as follows:

<b>20X5</b> <b>RM'000</b>	20X4 RM'000
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	<b>20X5</b>	20X4
	<b>RM'000</b>	RM'000
<b>Tier-1 capital</b>		
Paid-up share capital	xxx	xxx
Paid-up non-cumulative perpetual preference shares	xxx	xxx
Share premium	xxx	xxx
Retained profit/loss	xxx	xxx
Other reserves	xxx	xxx
Tier-1 minority interests <sup>10</sup>	xxx	xxx
	xxx	xxx
Less: Goodwill	(xxx)	(xxx)
Deferred tax assets/(liabilities)	(xxx)	(xxx)
<b>Total Tier-1 capital</b>	<b>xxx</b>	<b>xxx</b>
<b>Tier-2 capital</b>		
Hybrid capital instruments	xxx	xxx
Subordinated financing	xxx	xxx
Revaluation reserves	xxx	xxx
General allowance for bad and doubtful financing	xxx	xxx
<b>Total Tier-2 capital</b>	<b>xxx</b>	<b>xxx</b>
Less : Investment in subsidiaries	(xxx)	(xxx)
Holdings of other banking institutions' capital	(xxx)	(xxx)
<b>Capital base<sup>11</sup></b>	<b>xxx</b>	<b>xxx</b>
Core capital ratio	xx%	xx%
Risk-weighted capital ratio	xx%	xx%
Core capital ratio net of proposed dividends	xx%	xx%
Risk-weighted capital ratio net of proposed dividends	xx%	xx%

**(ii) Breakdown of gross risk-weighted assets in the various categories of risk-weights:**

<sup>10</sup> Applicable for presentation on a consolidated basis.

<sup>11</sup> The proposed dividend declared is not deducted in arriving at the capital base used in the ratio calculations.

	20X5		20X4	
	Principal RM'000	Risk- Weighted RM'000	Principal RM'000	Risk- Weighted RM'000
0%	xxx	xxx	xxx	xxx
10%	xxx	xxx	xxx	xxx
20%	xxx	xxx	xxx	xxx
50%	xxx	xxx	xxx	xxx
100%	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx

#### 46. Collateral

Reporting institution should disclose the carrying amount of assets pledged as collateral for liabilities, carrying amount of assets pledged as collateral for contingent liabilities and by material terms and conditions relating to assets pledged as collateral.

Where the reporting institution has accepted collateral that it is permitted to sell or repledge in the absence of default by the owner of the collateral, reporting institution should disclose the fair value of the collateral accepted (financial and non-financial assets), fair value of any such collateral sold or repledged and any material terms and conditions associated with the use of this collateral.

#### 47. Segment information

##### (i) Primary reporting format – business segments

20X5*	Seg. 1	Seg. 2	Seg. 3	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue/income	xxx	xxx	xxx		

20X5*	Seg. 1	Seg. 2	Seg. 3	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue/income from other segments	xxx	xxx	xxx	(xxx)	xxx
Total revenue/income	xxx	xxx	xxx	(xxx)	xxx
<b>Result</b>					
Segment result	xxx	xxx	xxx	(xxx)	xxx
Unallocated corporate expenses					(xxx)
<b>Profit from operation</b>					<b>xxx</b>
Finance cost					(xxx)
Zakat and taxation					(xxx)
<b>Net profit for the financial year</b>					<b>xxx</b>
<b>Other information</b>					
Segment assets	xxx	xxx	xxx	xxx	xxx
Unallocated corporate assets					xxx
Total assets					xxx
Segment liabilities	xxx	xxx	xxx	xxx	xxx
Unallocated corporate liabilities					xxx
Total liabilities					xxx
<b>Other segment items</b>					
Capital expenditure	xxx	xxx	xxx		xxx
Depreciation	xxx	xxx	xxx		xxx
Amortisation	xxx	xxx	xxx		xxx
Other non-cash (income)/expenses	xxx	xxx	xxx		xxx
Amount incurred in acquisition of assets	xxx		xxx		xxx

(ii) **Secondary reporting format – geographical segments**

20X5*	Region 1	Region 2	Region 3	Region 4
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	20X5 RM'000	20X5 RM'000	20X5 RM'000	20X5 RM'000
Revenue/ income before operating expenses	xxx	xxx	xxx	xxx
Profit before tax	xxx	xxx	xxx	xxx
Total assets	xxx	xxx	xxx	xxx
Total Liabilities	xxx	xxx	xxx	xxx
<b>Total</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>	<b>xxx</b>

\* To provide comparative data for the previous financial year (20X4).

**Guidance note:**

Reporting institutions are advised to refer to FRS 114 (MASB 22) – Segment Reporting for further guidance, specifically in deciding the primary and secondary reporting segments and the number of business segments reportable in the primary segment.

**48. Significant post balance sheet events**

State the nature of any non-adjusting events and the estimate of the financial effect, which occur after the balance sheet date, which would affect the proper evaluation and decision making. If the estimate cannot be made, a statement that such an estimate cannot be made should be included.

## Part 3: Appendices

### Appendix A: Accounting Policy for Securities

9. The accounting policy is applicable to all equity instruments (excluding investments in subsidiaries, associates and joint ventures), Government securities (including state government), corporate debt securities and asset-backed securities.

10. Reporting institutions should classify their holdings of securities portfolio based on the following categories and valuation methods:

(a) *Held for trading*

Securities are classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or it is part of a portfolio of identified securities that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Securities classified as held for trading will be stated at fair value and any gain or loss arising from a change in the fair value will be recognised in profit or loss.

A reporting institution shall not reclassify securities into or out of the held for trading category while it is held.

Profit from the held-for-trading securities (including zero coupon debt instruments), calculated using the effective profit method, is recognised in profit or loss.

(b) *Held-to-maturity investments*

Held-to-maturity investments are securities with fixed or determinable payments and fixed maturity that a reporting institution has the positive intention and ability to hold to maturity. These investments will be measured at amortised cost using the effective profit method. A gain or loss is recognised in profit or loss when the securities is derecognised or



impaired and through the amortisation process.

(c) *Available-for-sale securities*

Available-for-sale securities are securities that are not classified as held for trading or held-to-maturity investments and are measured at fair value. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured will be stated at cost. Any gain or loss arising from a change in the fair value will be recognised directly in equity through the statement of changes in equity, except for impairment losses and foreign exchange gains and losses.

Profit from the available-for-sale securities (including zero coupon debt instruments), calculated using the effective profit method, is recognised in profit or loss while dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting institution's right to receive payment is established<sup>12</sup>.

11. Reporting institution should ensure that the classification of securities is determined up-front at the point when transactions are entered into.
12. For instruments which do not have a fixed maturity such as equity securities, only equity holdings held in organisations which are set up for specific socio-economic reasons (i.e. equity interest in Cagamas, MEPS, RAM and CGC), may be considered as held-to-maturity investments and measured at cost.
13. Equity instruments received as a result of financing restructuring or financing conversion, where they do not have a quoted market price in an active market and whose fair value cannot be reliably measured, may be classified as held-to-maturity investments and measured at cost.
14. Reporting institution should not classify securities as held-to-maturity if there is

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<sup>12</sup> Right to receive payment is established when notice of declaration of dividend is received.

no intention to hold the securities up to maturity or if the reporting institution anticipates that the securities would be sold in response to:

- (a) changes in market profit rates and related changes in the securities' prepayment risk;
- (b) changes in the availability of and the yield on alternative investments;
- (c) changes in funding sources and terms; or
- (d) changes in foreign currency risk

15. To ensure that held-to-maturity investments are genuinely held for long-term or held to maturity and not for trading purposes, reporting institution should not classify any securities as held to maturity if the reporting institution has, during the current financial year or last two preceding financial years, sold or reclassified more than an insignificant amount of held-to-maturity investments before maturity (anything less than 10% of the total amount of held-to-maturity investments would be considered as insignificant). Any sale or reclassification of more than an insignificant amount of held-to-maturity investments before maturity will "taint" the whole held-to-maturity investments and result in the remaining securities in the held-to-maturity investments being reclassified to available-for-sale. However, the "tainting" rules will not apply under the following conditions provided that prior approval from the Board is obtained:

- (a) The sale or reclassification of securities held as a result of financing restructuring or financing conversion;
- (b) The sale or reclassification is so close to maturity or the securities' call date that changes in market rate of profit would not have a significant effect on the securities' fair value;
- (c) The sale or reclassification occurs after the reporting institution has collected a significant portion of the securities' original principal through scheduled payments or prepayments;
- (d) The sale or reclassification is an isolated event that is beyond the

reporting institution's control, is non-recurring and could not have been reasonably anticipated. The Board is required to establish a policy which spells out these events;

- (e) The sale or reclassification is due to significant deterioration in the issuer's creditworthiness, based on either external ratings or internal ratings. The Board shall have in place specific policies relating to what constitute a significant deterioration in issuer's creditworthiness and the policies shall be applied consistently across the held-to-maturity investments;
- (f) The sale or reclassification is due to a change in statutory or regulatory requirements significantly modifying the components and/or concentration of permissible investments;
- (g) The sale or reclassification is due to a significant increase in the industry's regulatory capital requirements resulting in the reporting institution downsizing by selling held-to-maturity investments;
- (h) The sale or reclassification is due to a significant increase in the risk weights of held-to-maturity investments used for regulatory risk-based capital purposes; or
- (i) Any other sale or reclassification as permitted or approved by Bank Negara Malaysia.

16. In determining fair value, the reporting institution shall apply the following:

- (a) Current market price for securities quoted in an active market. Where current market prices are not available, the price of the most recent transaction may be used provided that there has not been a significant change in economic circumstances since the time of the transaction. If conditions have changed, that price should be adjusted to reflect the change in conditions by reference to current prices for similar financial instruments.

- (b) If the market for the securities is not active, fair value may be established by using a valuation technique, which includes but not limited to using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. A valuation technique should, where possible, incorporate observable market data about market conditions and other factors that are likely to affect the securities' fair value.
- (c) For equity instruments that do not have a quoted market price in an active market, the fair value may be reliably measured if the variability in the range of reasonable fair value estimates is not significant for that equity instrument or the probabilities of the various estimates within the range can be reasonably assessed and used in estimating fair value. However, if the range of reasonable fair value estimates is significant and the probabilities of the various estimations cannot be reasonably assessed, the reporting institution is precluded from measuring the instrument at fair value.
9. Reporting institution shall assess, at minimum, at each balance sheet date (i.e. quarterly basis), whether there is any objective evidence that the securities or group of securities are impaired. If any such evidence exists, reporting institutions shall apply the following:
- (a) *Securities carried at amortised cost*
- The impairment loss is measured as the difference between the securities' carrying amount and the present value of estimated future cash flows discounted at reporting institution's original effective profit rate (i.e. the effective profit rate computed at initial recognition). The carrying amount of the securities shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognised in profit or loss.
- If, in subsequent periods, the amount of the impairment loss decreases

and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss may be reversed either directly or by adjusting the allowance account. The reversal should not result in the carrying amount of securities exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal may be recognised in profit or loss.

(b) *Securities carried at cost*

The amount of impairment loss is measured as the difference between the carrying amount of securities and the present value of estimated future cash flows discounted at the current market rate of return for similar securities. Such impairment losses shall not be reversed.

(c) *Available-for-sale securities*

The cumulative loss that had been recognised directly in equity shall be removed from equity and recognised in profit or loss even though the securities has not been derecognised. The amount of cumulative loss is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that securities previously recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale shall not be reversed through profit or loss.

If, in subsequent periods, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment was recognised in profit or loss, that portion of impairment loss may be reversed in profit or loss.

10. For securities sold under an agreement to repurchase (sell and buy back agreement), the reporting institution shall recognise the commitment to repurchase the securities sold under the commitment and contingency. For

securities purchased under an agreement to resell at future date, the reporting institution shall recognise the securities purchased under the securities portfolio (refer Appendix A for category of securities).

11. For financing converted into debt or equity instruments, reporting institution should measure the debt or equity instruments received at its fair value. The difference between the net book value of the restructured financing (outstanding amount of financing net of specific allowance) and the fair value of the debt or equity instruments will be the gain or loss from the conversion scheme.
  - (a) Where the net book value of the restructured financing is higher than the fair value of the debt or equity instruments, the loss shall be recognised in profit or loss in the current reporting period.
  - (b) Where the fair value of the debt or equity instruments is higher than the net book value of the restructured financing, the gain from the conversion scheme is transferred to the "Impairment loss" account, which would be netted off from the "Securities" account in the balance sheet.

After initial recognition, the reporting institution shall measure the debt or equity instruments in accordance with paragraph 2. Reporting institution shall also assess, at *minimum*, at each balance sheet date (i.e. quarterly basis) whether there is any objective evidence that the securities or group of securities arising from the conversion scheme are impaired and the impairment rules set out in paragraph 9 should be applied.

**Appendix B: Interim Financial Reports**

1. The components of interim financial reports (both own and consolidated interim financial reports) shall, at a minimum, comprise the following:
  - (a) Condensed balance sheet
  - (b) Condensed income statement
  - (c) Condensed statement of changes in equity showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners
  - (d) Condensed cash flow statement
  - (e) Selected explanatory notes (refer paragraph 4, Appendix B)
  
2. Reporting institution should disclose the following minimum information in the condensed balance sheet:

**Assets**

Cash and short-term funds

Deposits and placements with banks and other financial institutions

Securities (to provide a breakdown by category of securities)

Financing, advances and other loans

Other assets<sup>13</sup>

Statutory deposits with Bank Negara Malaysia

Investments in subsidiary companies

Investments in associated companies

Property, plant and equipment

Intangible assets

**Liabilities**

Deposits from customers

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<sup>13</sup> To provide a breakdown of major items in the notes to the financial statements.

Deposits and placements of banks and other financial institutions  
Bills and acceptances payable  
Other liabilities<sup>14</sup>  
Provision for taxation and zakat  
Deferred taxation  
Bonds and notes  
Subordinated term financing

### **Shareholders' Equity**

Share capital  
Reserves

3. Reporting institution should disclose the following minimum information in the condensed income statement:

Income derived from investment of depositors' funds and others  
Income derived from investment of shareholders' funds  
Allowance for losses on financing  
Provision for commitments and contingencies  
Impairment loss  
Profit equalisation reserve  
Other expenses directly attributable to the investment of the depositors and shareholders' funds  
Income attributable to depositors  
Other operating expenses  
Zakat  
Taxation

4. The explanatory notes to be disclosed for interim financial reports should include, at the minimum, the following items:

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<sup>14</sup> To provide a breakdown of major items in the notes to the financial statements.



- (a) Review of the performance of the reporting institution and its principal subsidiaries, setting out the material factors affecting the earning and/or revenue of the reporting institution and the group, if applicable.
- (b) A commentary on the prospects, including the factors that are likely to influence the reporting institution's prospects.

**(c) Deposits and placements with banks and other financial institutions**

	Current interim period RM'000	Previous interim period RM'000
Licensed Islamic banks	xxx	xxx
Licensed banks	xxx	xxx
Licensed finance companies	xxx	xxx
Licensed merchant banks	xxx	xxx
Bank Negara Malaysia	xxx	xxx
Other financial institutions	xxx	xxx
	xxx	xxx
	xxx	xxx

**(d) Securities**

Please refer to Appendix A of the Guidelines.

**(e) Financing, advances and other loans**

**(i) By type**

	Current interim period RM'000	Previous interim period RM'000
Cash line	xxx	xxx
Term financing		
House financing	xxx	xxx
Syndicated financing	xxx	xxx
Hire purchase receivables	xxx	xxx
Lease receivables	xxx	xxx
Other term financing	xxx	xxx
Bills receivable	xxx	xxx
Trust receipts	xxx	xxx
Claims on customers under acceptance credits	xxx	xxx
Staff financing of which RMxxx (Previous interim period: RMxxx) are to Directors	xxx	xxx
Credit/charge cards	xxx	xxx
Revolving credit	xxx	xxx
Others	xxx	xxx
	xxx	xxx
Less: Unearned income	(xxx)	(xxx)
	xxx	xxx
Less: Allowance for bad and doubtful financing:		
- General	(xxx)	(xxx)
- Specific	(xxx)	(xxx)
Total net financing, advances and other loans	xxx	xxx

**(ii) By contract**

	Current interim period RM'000	Previous interim period RM'000
Bai' Bithaman Ajil ( <i>deferred payment sale</i> )	xxx	xxx
Ijarah ( <i>lease</i> )	xxx	xxx
Ijarah Muntahia Bittamlik/ AITAB ( <i>lease ended with ownership</i> )	xxx	xxx
Murabahah ( <i>cost-plus</i> )	xxx	xxx
Mudharabah ( <i>profit sharing</i> )	xxx	xxx
Musharakah ( <i>profit and loss sharing</i> )	xxx	xxx
Qard ( <i>benevolent loan</i> )	xxx	xxx
Others	xxx	xxx
	xxx	xxx
	xxx	xxx

**(iii) By type of customer**

	Current interim period RM'000	Previous interim period RM'000
Domestic banking institutions	xxx	xxx
Domestic non-bank financial institutions		
- Stockbroking companies	xxx	xxx
- Others	xxx	xxx
Domestic business enterprises		
- Small medium enterprises	xxx	xxx
- Others	xxx	xxx
Government and statutory bodies	xxx	xxx
Individuals	xxx	xxx
Other domestic entities	xxx	xxx
Foreign entities	xxx	xxx
	xxx	xxx
	xxx	xxx

**(iv) By profit rate sensitivity**

	Current interim period RM'000	Previous interim period RM'000
Fixed rate		
House financing	xxx	xxx
Hire purchase receivables	xxx	xxx
Others	xxx	xxx
Variable rate		
House financing	xxx	xxx
Others	xxx	xxx
	xxx	xxx
	xxx	xxx

**(v) By sector**

	Current interim period RM'000	Previous interim period RM'000
Agriculture, hunting, forestry & fishing	xxx	xxx
Mining and quarrying	xxx	xxx
Manufacturing	xxx	xxx
Electricity, gas and water	xxx	xxx
Construction	xxx	xxx
Real estate	xxx	xxx
Purchase of landed property:		
- Residential	xxx	xxx
- Non-residential	xxx	xxx
Wholesale & retail trade and restaurants & hotels	xxx	xxx
Transport, storage and communication		
Finance, insurance and business services	xxx	xxx
Purchase of securities	xxx	xxx
Purchase of transport vehicles	xxx	xxx
Consumption credit	xxx	xxx
Others	xxx	xxx
	xxx	xxx
	xxx	xxx

**(f) Non-performing financing****(i) Movements in non-performing financing, advances and other  
loans**

	Current interim period RM'000	Previous interim period RM'000
At beginning	xxx	xxx
Classified as non-performing	xxx	xxx
Reclassified as performing	(xxx)	(xxx)
Converted to securities	(xxx)	(xxx)
Amount recovered	(xxx)	(xxx)
Amount written off	(xxx)	(xxx)
Other adjustments	xxx	xxx
At end	xxx	xxx
Less: Specific allowance	(xxx)	(xxx)
Net non-performing financing, advances and other loans	xxx	xxx
Ratio of net non-performing financing, advances and other loans to total net financing, advances and other loans	%	%

**(ii) Movements in allowance for bad and doubtful financing**

	Current interim period RM'000	Previous interim period RM'000
<b>General allowance</b>		
At beginning	xxx	xxx
Allowance made/(written back)	xxx	xxx
Transferred to specific allowance	(xxx)	(xxx)
At end	xxx	xxx
As % of gross financing, advances and other loans less specific allowance	%	%
<b>Specific allowance</b>		
At beginning	xxx	xxx
Allowance made	xxx	xxx
Transferred from general allowance	xxx	xxx
Transferred from provision for commitments and contingencies	xxx	xxx

	Current interim period RM'000	Previous interim period RM'000
Transferred to accumulated impairment loss in value of securities		
Amount recovered	(xxx)	(xxx)
Amount written off	(xxx)	(xxx)
	(xxx)	(xxx)
At end	xxx	xxx

**(iii) NPF by sector**

	Current interim period RM'000	Previous interim period RM'000
Agriculture, hunting, forestry & fishing	xxx	xxx
Mining and quarrying	xxx	xxx
Manufacturing	xxx	xxx
Electricity, gas and water	xxx	xxx
Construction	xxx	xxx
Real estate	xxx	xxx
Purchase of landed property:		
- Residential	xxx	xxx
- Non-residential	xxx	xxx
Wholesale & retail trade and restaurants & hotels	xxx	xxx
Transport, storage and communication	xxx	xxx
Finance, insurance and business services	xxx	xxx
Purchase of securities	xxx	xxx
Purchase of transport vehicles	xxx	xxx
Consumption credit	xxx	xxx
Others	xxx	xxx
	xxx	xxx

**(g) Deposits from customers****(i) By type of deposit**

	Current interim period RM'000	Previous interim period RM'000
<b>Non-Mudharabah</b>		
Demand deposits	xxx	xxx
Savings deposits	xxx	xxx
Negotiable instruments of deposit	xxx	xxx
Others	xxx	xxx
	xxx	xxx
<b>Mudharabah</b>		
Demand deposits	xxx	xxx
Savings deposits	xxx	xxx
General investment deposits	xxx	xxx
Specific investment deposits	xxx	xxx
Negotiable instruments of deposit	xxx	xxx
Others	xxx	xxx
	xxx	xxx
	xxx	xxx

**(ii) By type of customer**

	Current interim period RM'000	Previous interim period RM'000
Government and statutory bodies	xxx	xxx
Business enterprises	xxx	xxx
Individuals	xxx	xxx
Others	xxx	xxx
	xxx	xxx
	xxx	xxx

**(h) Deposits and placements of banks and other financial institutions**

	Current interim period RM'000	Previous interim period RM'000
<b>Non-Mudharabah</b>		

	Current interim period RM'000	Previous interim period RM'000
Licensed Islamic banks	xxx	xxx
Licensed banks	xxx	xxx
Licensed finance companies	xxx	xxx
Licensed merchant banks	xxx	xxx
Bank Negara Malaysia	xxx	xxx
Other financial institutions	xxx	xxx
	<hr/>	<hr/>
	xxx	xxx
<b>Mudharabah</b>		
Licensed Islamic banks	xxx	xxx
Licensed banks	xxx	xxx
Licensed finance companies	xxx	xxx
Licensed merchant banks	xxx	xxx
Bank Negara Malaysia	xxx	xxx
Other financial institutions	xxx	xxx
	<hr/>	<hr/>
	xxx	xxx
	<hr/> <hr/>	<hr/> <hr/>

**(i) Income derived from investment of depositors' funds and others**

	Current interim period RM'000	Previous interim period RM'000
Income derived from investment of:		
- General investment deposits	xxx	xxx
- Specific investment deposits	xxx	xxx
- Other deposits	xxx	xxx
	<hr/>	<hr/>
	xxx	xxx
	<hr/> <hr/>	<hr/> <hr/>

**(i) Income derived from investment of general investment  
deposits**



	Current interim period RM'000	Previous interim period RM'000
<b>Finance income and hibah</b>		
Financing, advances and other loans	xxx	xxx
Securities (breakdown by category of securities)	xxx	xxx
Money at call and deposit with financial institutions	xxx	xxx
Others	xxx	xxx
	xxx	xxx
Amortisation of premium less accretion of discounts	(xxx)	(xxx)
Total finance income and hibah	xxx	xxx
<b>Other operating income*</b>	xxx	xxx
<b>Other income*</b>	xxx	xxx
	xxx	xxx

**(ii) Income derived from investment of specific investment deposits**

	Current interim period RM'000	Previous interim period RM'000
<b>Finance income and hibah</b>		
Financing, advances and other loans	xxx	xxx
Securities (breakdown by category of securities)	xxx	xxx
Money at call and deposit with financial institutions	xxx	xxx
Others	xxx	xxx
	xxx	xxx
Amortisation of premium less accretion of discounts	(xxx)	(xxx)
Total finance income and hibah	xxx	xxx
<b>Other operating income*</b>	xxx	xxx
<b>Other income*</b>	xxx	xxx
	xxx	xxx

**(iii) Income derived from investment of other deposits**

	Current interim period RM'000	Previous interim period RM'000
<b>Finance income and hibah</b>		
Financing, advances and other loans	xxx	xxx
Securities (breakdown by category of securities)	xxx	xxx
Money at call and deposit with financial institutions	xxx	xxx
Others	xxx	xxx
	xxx	xxx
Amortisation of premium less accretion of discounts	(xxx)	(xxx)
Total finance income and hibah	xxx	xxx
<b>Other operating income*</b>	xxx	xxx
<b>Other income*</b>	xxx	xxx
	xxx	xxx

(j) **Income derived from investment of shareholders' fund**

	Current interim period RM'000	Previous interim period RM'000
<b>Finance income and hibah</b>		
Financing, advances and other loans	xxx	xxx
Securities (breakdown by category of securities)	xxx	xxx
Money at call and deposit with financial institutions	xxx	xxx
Others	xxx	xxx
	xxx	xxx
Amortisation of premium less accretion of discounts	(xxx)	(xxx)
Total finance income and hibah	xxx	xxx
<b>Other operating income*</b>	xxx	xxx
<b>Other income*</b>	xxx	xxx
	xxx	xxx

\* The reporting institution is required to disclose detailed operating income and other income.

The disclosure of operating income shall include, at the minimum, the following items:

- (i) Fees and commission (to provide a breakdown of major items).
- (ii) Gains/losses arising from sale of securities (to provide a breakdown by category of securities – refer to Appendix A of the Guidelines).
- (iii) Gains/losses arising from dealing in foreign currency.
- (iv) Dividend income (to provide a breakdown by category of securities),
- (v) Unrealised gains/losses on revaluation of trading securities.
- (vi) Unrealised gains/losses from foreign exchange translations.

The disclosure of other income shall include, but are not limited to, the following items:

- (i) Gains/losses on disposal of foreclosed properties.
- (ii) Gains/losses on disposal of property, plant and equipment.

**(k) Allowance for losses on financing**

	Current interim period RM'000	Previous interim period RM'000
Allowance for bad and doubtful financing		
(a) Specific allowance		
- Provided	xxx	xxx
- Written back	(xxx)	(xxx)
(b) General allowance		
- Provided	xxx	xxx
- Written back	xxx	xxx

	Current interim period RM'000	Previous interim period RM'000
Bad debts on financing		
- Recovered	(xxx)	(xxx)
- Written off	xxx	xxx
	xxx	Xxx
	xxx	Xxx

**(l) Income attributable to depositors**

	Current interim period RM'000	Previous interim period RM'000
Deposits from customers		
- Mudharabah	xxx	xxx
- Non-Mudharabah	xxx	xxx
Deposits and placements of banks and other financial institutions		
- Mudharabah	xxx	xxx
- Non-Mudharabah	xxx	xxx
Others	xxx	xxx
	xxx	xxx
	xxx	xxx

**(m) Capital adequacy**

	Current interim period RM'000	Previous interim period RM'000
<b>Tier I capital</b>		
Paid-up share capital	xxx	xxx
Paid-up non-cumulative perpetual preference shares	xxx	xxx
Share premium	xxx xxx	xxx
Retained profit/loss	xxx	xxx
Other reserves	xxx	xxx
Tier-1 minority interests		xxx
	xxx	xxx
Less: Goodwill	(xxx)	(xxx)
Deferred tax assets/ (liabilities)	(xxx)	(xxx)
Total Tier I capital	xxx	xxx
<b>Tier II capital</b>		
Hybrid capital instruments	xxx	xxx
Subordinated financing	xxx	xxx
Revaluation reserves	xxx	xxx
General allowance for bad and doubtful financing	xxx	xxx
Total Tier II capital	xxx	xxx
Less : Investment in subsidiaries		
Holdings of other banking institutions' capital		
<b>Capital base</b> <sup>15</sup>	xxx	xxx
Core capital ratio	x.x%	x.x%
Risk-weighted capital ratio	x.x%	x.x%
Core capital ratio net of proposed dividends	x.x%	x.x%
Risk-weighted capital ratio net of proposed dividends	x.x%	x.x%

**(n) Commitments and contingencies**

Current interim period*	Principal amount	Credit equivalent	Risk weighted
-------------------------	---------------------	----------------------	------------------

<sup>15</sup> The proposed dividend declared is not deducted in arriving at the capital base used in the ratio calculations.

	RM'000	amount** RM'000	amount RM'000
Direct credit substitutes	xxx	xxx	xxx
Transaction-related contingent items	xxx	xxx	xxx
Short-term self-liquidating trade-related contingencies	xxx	xxx	xxx
Financing sold directly and indirectly to Cagamas with recourse	xxx	xxx	xxx
Other assets sold with recourse and commitment with certain drawdown	xxx	xxx	xxx
Commitment on securities sold under sell and buy back agreements	xxx	xxx	xxx
Obligations under underwriting agreement	xxx	xxx	xxx
Irrevocable commitments to extend credit:			
- Maturity not exceeding one year	xxx	xxx	xxx
- Maturity exceeding one year	xxx	xxx	xxx
Foreign exchange related contracts:			
- Less than one year	xxx	xxx	xxx
- One year to less than 5 years	xxx	xxx	xxx
- 5 years and above	xxx	xxx	xxx
Profit rate related contracts:			
- Less than one year	xxx	xxx	xxx
- One year to less than 5 years	xxx	xxx	xxx
- 5 years and above	xxx	xxx	xxx
Equity and commodity related contracts	xxx	xxx	xxx
Others	xxx	xxx	xxx
Total	xxx	xxx	xxx

\* To provide comparative data for previous interim period.

\*\* The credit equivalent amount is arrived at using the credit conversion factors as per Bank Negara Malaysia guidelines.

**(o) Profit rate risk**

← Non-trading book →

Current interim period*	Up to1 month	> 1-3 months	> 3-12 month	1-5 years	Over 5 years	Non- profit sensitive	Trading book	Total	Effective profit rate
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Assets</b>									
Cash and short term funds									
Deposits & placement with banks & other financial institutions									
Securities**									
Financing, advances and other loans									
- performing									
- non-performing									
Other assets									
<b>Total assets</b>	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
<b>Liabilities</b>									
Deposits from customers									
Deposits & placement of banks & other financial institutions									
Bills and acceptance payable									
Bonds and notes									
Subordinated term financing									
Other liabilities									
<b>Total liabilities</b>	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
Shareholders' funds								xxx	
<b>Total liabilities and shareholders' funds</b>	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	
On-balance sheet profit sensitivity gap									
Off-balance sheet profit sensitivity gap <sup>16</sup>									
<b>Total profit sensitivity gap</b>	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	

\* To provide comparative data for previous interim period.

\*\* To provide a breakdown by category of securities.

<sup>16</sup> Reporting institutions to disclose details of off balance-sheet items.