

**ALLIANCE ISLAMIC BANK BERHAD****200701018870 (776882-V)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Statement of Financial Position as at 31 December 2024**

		<b>31 December</b>	31 March
		<b>2024</b>	2024
	Note	<b>RM'000</b>	RM'000
<b>ASSETS</b>			
Cash and short-term funds		<b>806,234</b>	1,315,522
Financial investments at fair value through other comprehensive income	A12	<b>1,933,747</b>	1,818,464
Financial investments at amortised cost	A13	<b>972,516</b>	813,434
Financing and advances	A14	<b>14,116,028</b>	13,556,542
Other assets	A15	<b>77,630</b>	11,750
Statutory deposits with Bank Negara Malaysia		<b>290,935</b>	273,600
Right-of-use assets		<b>357</b>	715
Property, plant and equipment		<b>159</b>	156
Deferred tax assets		<b>52,093</b>	49,927
Intangible assets		<b>1,791</b>	2,153
<b>TOTAL ASSETS</b>		<b>18,251,490</b>	17,842,263
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	A16	<b>15,360,002</b>	15,102,735
Deposits and placements of banks and other financial institutions	A17	<b>210,400</b>	189,063
Recourse obligation on financing sold to Cagamas		<b>301,549</b>	502,878
Lease liabilities		<b>433</b>	869
Other liabilities	A18	<b>204,440</b>	296,185
Provision for taxation		<b>2,281</b>	14,607
Provision for zakat		<b>853</b>	917
Other Borrowings		<b>203,058</b>	-
Subordinated Sukuk		<b>333,488</b>	232,483
<b>TOTAL LIABILITIES</b>		<b>16,616,504</b>	16,339,737
Share capital		<b>727,065</b>	637,500
Reserves		<b>907,921</b>	865,026
<b>TOTAL EQUITY</b>		<b>1,634,986</b>	1,502,526
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>18,251,490</b>	17,842,263
<b>COMMITMENTS AND CONTINGENCIES</b>	A26	<b>3,857,001</b>	3,633,360

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2024.*

**ALLIANCE ISLAMIC BANK BERHAD****200701018870 (776882-V)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Statement of Income****for the Financial Period Ended 31 December 2024**

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December 2024 RM'000	31 December 2023 RM'000	31 December 2024 RM'000	31 December 2023 RM'000
Income derived from investment of depositors' funds and others	A19	<b>236,739</b>	211,518	<b>702,402</b>	600,419
Income derived from investment of shareholder's funds	A20	<b>21,286</b>	20,634	<b>61,134</b>	58,873
Allowance for expected credit losses on financing and advances and other financial assets	A21	<b>(13,150)</b>	(7,818)	<b>(78,653)</b>	(34,923)
(Allowance for)/Write-back of expected credit losses on financial investments	A22	<b>(7)</b>	(21)	<b>20</b>	(35)
<b>Total distributable income</b>		<b>244,868</b>	224,313	<b>684,903</b>	624,334
Income attributable to the depositors and financial institutions	A23	<b>(122,485)</b>	(118,112)	<b>(363,528)</b>	(336,070)
<b>Total net income</b>		<b>122,383</b>	106,201	<b>321,375</b>	288,264
Other operating expenses	A24	<b>(51,949)</b>	(44,548)	<b>(148,600)</b>	(132,588)
<b>Profit before taxation and zakat</b>		<b>70,434</b>	61,653	<b>172,775</b>	155,676
Taxation and zakat		<b>(17,147)</b>	(15,207)	<b>(37,049)</b>	(38,595)
<b>Net profit for the financial period</b>		<b>53,287</b>	46,446	<b>135,726</b>	117,081
<b>Net profit for the financial period attributable to:</b>					
Equity holder of the Bank		<b>53,287</b>	46,446	<b>135,726</b>	117,081
Earnings per share attributable to:					
Equity holder of the Bank					
- Basic/diluted (sen)	A25	<b>11.0</b>	10.6	<b>28.9</b>	27.0

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2024.

**ALLIANCE ISLAMIC BANK BERHAD****200701018870 (776882-V)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Statement of Comprehensive Income****for the Financial Period Ended 31 December 2024**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Net profit for the financial period</b>	<b>53,287</b>	46,446	<b>135,726</b>	117,081
Other comprehensive (expense)/income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at fair value through other comprehensive income ("FVOCI")				
- Net (loss)/gain from change in fair value	<b>(8,188)</b>	10,111	<b>1,031</b>	7,935
- Realised gain/(loss) transferred to statement of income on disposal	-	1,015	<b>(2,318)</b>	(498)
- Transfer from/(to) deferred tax	<b>1,965</b>	(2,671)	<b>309</b>	(1,785)
- Changes in expected credit losses	<b>7</b>	21	<b>(20)</b>	35
Other comprehensive (expense)/income, net of tax	<b>(6,216)</b>	8,476	<b>(998)</b>	5,687
<b>Total comprehensive income for the financial period</b>	<b>47,071</b>	54,922	<b>134,728</b>	122,768
<b>Total comprehensive income for the financial period attributable to:</b>				
Equity holder of the Bank	<b>47,071</b>	54,922	<b>134,728</b>	122,768

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2024.*

**ALLIANCE ISLAMIC BANK BERHAD**

**200701018870 (776882-V)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements**

**Unaudited Statement of Changes in Equity for the Financial Period Ended 31 December 2024**

	Non-distributable reserves			Distributable reserves	
	Share capital	Regulatory reserves	FVOCI reserves	Retained profits	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2024	637,500	-	(5,420)	870,446	1,502,526
Net profit for the financial period	-	-	-	135,726	135,726
Other comprehensive expense	-	-	(998)	-	(998)
Total comprehensive (expense)/income for the financial period	-	-	(998)	135,726	134,728
Issue of ordinary shares	89,565	-	-	-	89,565
Dividend paid to shareholder	-	-	-	(91,833)	(91,833)
<b>At 31 December 2024</b>	<b>727,065</b>	<b>-</b>	<b>(6,418)</b>	<b>914,339</b>	<b>1,634,986</b>

  

At 1 April 2023	600,000	19,339	(13,681)	727,052	1,332,710
Net profit for the financial period	-	-	-	117,081	117,081
Other comprehensive income	-	-	5,687	-	5,687
Total comprehensive income for the financial period	-	-	5,687	117,081	122,768
Transfer from regulatory reserves	-	(2,339)	-	2,339	-
Issue of ordinary shares	37,500	-	-	-	37,500
Dividend paid to shareholder	-	-	-	(37,697)	(37,697)
<b>At 31 December 2023</b>	<b>637,500</b>	<b>17,000</b>	<b>(7,994)</b>	<b>808,775</b>	<b>1,455,281</b>

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2024.*

**ALLIANCE ISLAMIC BANK BERHAD****200701018870 (776882-V)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Statement of Cash Flows****for the Financial Period Ended 31 December 2024**

	<b>31 December 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
Profit before taxation and zakat	<b>172,774</b>	155,676
Adjustments for non-cash items	<b>2,848</b>	(50,963)
Operating profit before changes in working capital	<b>175,622</b>	104,713
Changes in working capital	<b>(544,466)</b>	(357,090)
Tax expense and zakat paid	<b>(51,327)</b>	(36,586)
Net cash used in operating activities	<b>(420,171)</b>	(288,963)
Net cash used in investing activities	<b>(73,376)</b>	(462,854)
Net cash (used in)/generated from financing activities	<b>(15,741)</b>	345,953
Net change in cash and cash equivalents	<b>(509,288)</b>	(405,864)
Cash and cash equivalents at beginning of financial period	<b>1,315,522</b>	1,474,713
Cash and cash equivalents at end of financial period	<b>806,234</b>	1,068,849
Cash and cash equivalents comprise the following:		
Cash and short-term funds	<b>806,234</b>	1,068,849

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2024.*

## **Explanatory Notes**

### **PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Guidelines on Financial Reporting for Islamic Banking Institutions Issued by Bank Negara Malaysia ("BNM")**

#### **A1 Basis of Preparation**

The unaudited condensed interim financial statements for the financial period ended 31 December 2024 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and financial investments at fair value through other comprehensive income that are measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB"), Chapter 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements and should be read in conjunction with the audited annual financial statements of the Bank for the financial year ended 31 March 2024. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 March 2024.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2024 and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2024:

- Amendments to MFRS 16 "Lease Liability in a Sales and Leaseback"
- Amendments to MFRS 101 "Classification of Liabilities as Current or Non-current"
- Amendments to MFRS 101 "Non-current Liabilities with Covenants"

The adoption of the above standards, amendments to published standards and interpretation to existing standards did not give rise to any significant impact on the financial statements of the Bank.

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

#### **A2 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2024 was not qualified.

#### **A3 Seasonality or Cyclicity of Operations**

The operations of the Bank was not materially affected by any seasonal or cyclical fluctuations during the financial period ended 31 December 2024.

#### **A4 Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank during the financial period ended 31 December 2024.

#### **A5 Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect during the financial period ended 31 December 2024.

## **A6 Issuance and Repayment of Debt and Equity Securities**

The issuance of debt and equity securities during the financial period ended 31 December 2024 are disclosed as below:

### **(a) Share capital**

- (i) The Bank had on 18 June 2024 increased its issued and paid up capital from RM637,500,000 (comprising 440,139,772 ordinary shares) to RM695,454,404 (comprising 480,152,479 ordinary shares) via issuance of 40,012,707 Right Issue at RM1.4484 per share to Alliance Bank Malaysia Berhad, the holding company of the Bank amounting to RM57,954,404.
- (ii) The Bank had on 13 December 2024 increased its issued and paid up capital from RM695,454,404 (comprising 480,152,479 ordinary shares) to RM727,065,898 (comprising 501,977,592 ordinary shares) via issuance of 21,825,113 Right Issue at RM1.4484 per share to Alliance Bank Malaysia Berhad, the holding company of the Bank amounting to RM31,611,494.

### **(b) Debt Securities**

- (i) The Bank had on 12 August 2024 issued RM200.0 million Five (5)-years Senior Islamic Medium Term Notes (A1 rating by RAM Rating Services Berhad ("RAM")) as below:

<b>Issuance Date</b>	<b>Nominal Amount</b>	<b>Tenure</b>	<b>Discount Rate</b>
12 August 2024	RM200.0 million	Five (5)-years	3.93% p.a.

- (ii) The Bank had on 20 September 2024 issued RM100.0 million Tier 2 Subordinated Sukuk Murabahah ("T2 Sub-sukuk Murabahah") in nominal value pursuant to the existing Alliance Islamic Bank's Perpetual Sukuk Programme as below:

<b>Nominal Amount</b>	<b>Tenure</b>	<b>Call Date</b>	<b>Coupon Rate</b>
RM100.0 million	Ten (10)-years Non-Callable Five (5)-years	20 September 2029 and thereafter on every profit payment date.	4.16% p.a.

## **A7 Dividend Paid**

- (i) A single tier interim dividend of 13.37 sen per share, on 440,139,772 ordinary shares amounting to approximately RM58,847,000 in respect of the financial year ended 31 March 2024, was paid on 18 June 2024.
- (ii) A first interim dividend of 6.87 sen per share, on 480,152,479 ordinary shares amounting to approximately RM32,986,000 in respect of the financial year ending 31 March 2025, was paid on 18 December 2024.

**A8 Significant Events**

There were no significant event during the financial period ended 31 December 2024.

**A9 Material Events Subsequent to the End of the Financial Reporting Period**

There were no material events subsequent to financial period ended 31 December 2024.

**A10 Related Party Transactions**

All related party transactions within the Bank has been entered into in the normal course of business.

**A11 Dividend Declared**

No dividend has been declared for the quarter under review.

**A12 Financial Investments at Fair Value Through Other Comprehensive Income**

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
<b>At fair value - debt instruments</b>		
<u>Money market instruments:</u>		
Malaysian Government investment issues	<b>887,194</b>	701,076
	<b>887,194</b>	701,076
<u>Unquoted securities:</u>		
Sukuk	<b>1,046,553</b>	1,117,388
	<b>1,046,553</b>	1,117,388
 Total financial investments at FVOCI	 <b>1,933,747</b>	 1,818,464



**A12 Financial Investments at Fair Value Through Other Comprehensive Income (contd.)**

Movements in allowance for expected credit losses are as follows:

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Total RM'000</b>
At 1 April 2024	205	4	209
New financial assets originated or purchased	36	-	36
Financial assets derecognised other than write-off	(38)	-	(38)
Changes due to change in credit risk	(16)	(2)	(18)
Total write-back from income statement	(18)	(2)	(20)
<b>At 31 December 2024</b>	<b>187</b>	<b>2</b>	<b>189</b>

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Total RM'000</b>
At 1 April 2023	136	-	136
Transfer to Stage 2	(2)	4	2
New financial assets originated or purchased	74	-	74
Financial assets derecognised other than write-off	(18)	-	(18)
Changes due to change in credit risk	15	-	15
Total charge to income statement	69	4	73
<b>At 31 March 2024</b>	<b>205</b>	<b>4</b>	<b>209</b>

Note:

- (a) The transfers between stages are inclusive of net remeasurement of allowances.  
(b) There were no credit impaired exposures during the financial period.

**A13 Financial Investments at Amortised Cost**

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
<b>At amortised cost</b>		
<u>Money market instruments:</u>		
Malaysian Government investment issues	689,575	656,884
	<b>689,575</b>	<b>656,884</b>
<u>Unquoted securities:</u>		
Sukuk	282,941	156,550
	<b>282,941</b>	<b>156,550</b>
<b>Total financial investments at amortised cost</b>	<b>972,516</b>	<b>813,434</b>

**A14 Financing and Advances**

By types and Shariah concepts:

	<u>Notes</u>	Bai` Bithaman Ajil RM'000	Tawarruq RM'000	Al-Ijarah Thumma Al-Bai`/ AITAB RM'000	Murabahah RM'000	Qard RM'000	Bai` Al-Dayn RM'000	Bai` `Inah RM'000	Total Financing and Advances RM'000
<b>31 December 2024</b>									
<b>At amortised cost</b>									
Cash line financing		18,508	1,183,186	-	-	9,804	-	-	1,211,498
Term financing									
- Housing financing		3,049,938	659,604	-	-	-	-	-	3,709,542
- Hire purchase receivables	(a)	-	-	38,949	-	-	-	-	38,949
- Other term financing		1,501,987	6,168,361	-	-	-	-	35,770	7,706,118
Bills receivables		-	40,041	-	8,188	-	-	-	48,229
Trust receipts		-	-	-	39,774	-	-	-	39,774
Claims on customers under acceptance credits		-	-	-	1,074,085	-	86,099	-	1,160,184
Staff financing (Financing to Directors: RM Nil)		12,201	-	-	-	-	-	-	12,201
Revolving credits	(b)	66,078	418,402	-	-	-	-	-	484,480
Gross financing and advances		4,648,712	8,469,594	38,949	1,122,047	9,804	86,099	35,770	14,410,975
Add: Sales commission and handling fees									104,879
Less: Allowance for expected credit losses on financing and advances									(399,826)
Total net financing and advances									<u>14,116,028</u>

**A14 Financing and Advances (Contd.)**

By types and Shariah concepts: (contd.)

	Notes	Bai` Bithaman Ajil RM'000	Tawarrug RM'000	Al-Ijarah Thumma Al-Bai`/ AITAB RM'000	Murabahah RM'000	Qard RM'000	Bai` Al-Dayn RM'000	Bai` `Inah RM'000	Total Financing and Advances RM'000
31 March 2024									
<b>At amortised cost</b>									
Cash line financing		22,186	1,266,166	-	-	10,378	-	-	1,298,730
Term financing									
- Housing financing		3,503,317	45,453	-	-	-	-	-	3,548,770
- Hire purchase receivables	(a)	-	-	50,890	-	-	-	-	50,890
- Other term financing		1,655,805	5,597,312	-	-	-	-	53,740	7,306,857
Bills receivables		-	32,598	-	4,235	-	-	-	36,833
Trust receipts		-	-	-	43,316	-	-	-	43,316
Claims on customers under acceptance credits		-	-	-	966,743	-	99,258	-	1,066,001
Staff financing (Financing to Directors: RM Nil)		12,232	-	-	-	-	-	-	12,232
Revolving credits	(b)	68,244	403,747	-	-	-	-	-	471,991
Gross financing and advances		5,261,784	7,345,276	50,890	1,014,294	10,378	99,258	53,740	13,835,620
Add: Sales commission and handling fees									93,099
Less: Allowance for expected credit losses on financing and advances									(372,177)
Total net financing and advances									<u>13,556,542</u>

Notes:

(a) Included hire purchase receivables under Al-Ijarah Thumma Al-Bai` ("AITAB") which is the contract of lease ending transfer of ownership from the lessor to the lessee in the form of sale transaction, which may take place at the end of the Ijarah period or at any point of time during the period, subject to the agreed terms and conditions between the contracting parties.

(b) The total Financing and Advances under Bai` Bithaman Ajil ("BBA") includes Revolving Credit-I (Murabahah) which substantively adopts a BBA product structure.

(i) Purpose and source of fund for Qard Financing:

	31 December 2024 RM'000	31 March 2024 RM'000
At beginning of financial period/year	10,378	15,914
Sources of Qard fund:		
- Shareholders' fund	9,882	9,391
Uses of Qard fund:		
- Purchase of landed property - Residential	-	(987)
- Personal use	(2,116)	(5,353)
- Working capital	(8,340)	(8,587)
At end of financial period/year	<u>9,804</u>	<u>10,378</u>

**A14 Financing and Advances (Contd.)**

(ii) By maturity structure:

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Within one year	<b>2,991,956</b>	2,957,247
One year to three years	<b>473,083</b>	529,086
Three years to five years	<b>734,303</b>	772,588
Over five years	<b>10,211,633</b>	9,576,699
Gross financing and advances	<b>14,410,975</b>	<b>13,835,620</b>

(iii) By type of customers:

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Domestic non-bank financial institutions	<b>263,664</b>	287,152
Domestic business enterprises		
- Small and medium enterprises	<b>5,855,886</b>	5,364,013
- Others	<b>1,361,905</b>	1,385,919
Individuals	<b>6,844,733</b>	6,717,958
Other domestic entities	<b>8,794</b>	9,446
Foreign entities	<b>75,993</b>	71,132
Gross financing and advances	<b>14,410,975</b>	<b>13,835,620</b>

(iv) By profit rate sensitivity:

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Fixed rate		
- Housing financing	<b>13,467</b>	14,127
- Hire purchase receivables	<b>38,949</b>	50,890
- Other fixed rate financing	<b>3,237,936</b>	3,057,175
Variable rate		
- Base financing rate plus	<b>6,487,840</b>	6,212,666
- Base rate plus	<b>3,817,742</b>	3,631,417
- Cost plus	<b>815,041</b>	869,345
Gross financing and advances	<b>14,410,975</b>	<b>13,835,620</b>

(v) By economic purposes:

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Purchase of transport vehicles	<b>48,493</b>	64,574
Purchase of landed property	<b>6,561,862</b>	6,033,607
of which: - Residential	<b>3,770,168</b>	3,608,324
- Non-residential	<b>2,791,694</b>	2,425,283
Purchase of fixed assets excluding land & buildings	<b>47,216</b>	56,926
Personal use	<b>3,177,493</b>	3,200,974
Construction	<b>307,903</b>	223,246
Working capital	<b>3,355,044</b>	3,306,868
Others	<b>912,964</b>	949,425
Gross financing and advances	<b>14,410,975</b>	<b>13,835,620</b>

**A14 Financing and Advances (Contd.)**

(vi) By economic sectors:

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Primary agriculture	450,176	452,817
Mining and quarrying	13,123	17,401
Manufacturing	1,543,763	1,521,352
Electricity, gas and water	35,372	17,106
Construction	566,544	534,350
Wholesale, retail trade, restaurants and hotels	2,902,893	2,589,317
Transport, storage and communication	241,435	230,726
Financing, insurance, real estate and business services	1,604,238	1,542,555
Community, social and personal services	132,705	140,907
Household	6,920,726	6,789,089
Gross financing and advances	<b>14,410,975</b>	<b>13,835,620</b>

(vii) By geographical distribution:

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Northern region	1,899,515	1,754,667
Central region	9,457,531	9,163,109
Southern region	1,385,795	1,373,354
Sabah region	1,324,028	1,226,464
Sarawak region	344,106	318,026
Gross financing and advances	<b>14,410,975</b>	<b>13,835,620</b>

(viii) Movements in credit impaired financing and advances ("impaired financing") under Stage 3:

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
At beginning of financial period/year	315,458	352,834
Impaired during the financial period/year	393,446	474,943
Reclassified as unimpaired during the financial period/year	(231,470)	(329,474)
Recovered during the financial period/year	(19,643)	(26,243)
Financial assets derecognised other than write-off during the financial period/year	(47,251)	(48,825)
Amount written-off	(83,881)	(107,777)
At end of financial period/year	<b>326,659</b>	<b>315,458</b>
Gross impaired financing ratio	2.27%	2.28%
Net impaired financing ratio	1.54%	1.45%

**A14 Financing and Advances (Contd.)**

(ix) Credit impaired financing and advances analysed by economic purposes:

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Purchase of transport vehicles	992	1,661
Purchase of landed property	161,701	153,615
of which: - Residential	140,717	127,940
- Non-residential	20,984	25,675
Purchase of fixed assets excluding land & buildings	150	157
Personal use	124,753	122,540
Working capital	29,138	26,511
Others	9,925	10,974
Gross impaired financing and advances	<b>326,659</b>	<b>315,458</b>

(x) Credit impaired financing and advances analysed by economic sectors:

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Primary agriculture	1,305	1,736
Manufacturing	18,460	21,786
Construction	11,836	11,065
Wholesale, retail trade, restaurants and hotels	18,766	19,951
Transport, storage and communication	954	977
Financing, insurance, real estate and business services	1,990	1,703
Community, social and personal services	5,124	4,887
Household	268,224	253,353
Gross impaired financing and advances	<b>326,659</b>	<b>315,458</b>

(xi) Credit impaired financing and advances analysed by geographical distribution:

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Northern region	41,999	40,720
Central region	240,356	224,455
Southern region	22,337	30,273
Sabah region	20,657	18,773
Sarawak region	1,310	1,237
Gross impaired financing and advances	<b>326,659</b>	<b>315,458</b>

**A14 Financing and Advances (Contd.)**

(xii) Movements in allowance for expected credit losses on financing and advances are as follows:

	12-month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
At 1 April 2024	89,606	165,847	116,724	372,177
Transfer to Stage 1	25,613	(78,683)	(900)	(53,970)
Transfer to Stage 2	(47,224)	218,358	(55,303)	115,831
Transfer to Stage 3	(1)	(92,465)	115,241	22,775
New financial assets originated or purchased	33,911	20,172	2,274	56,357
Financial assets derecognised other than write-off	(18,246)	(26,057)	(9,743)	(54,046)
Changes due to change in credit risk	(259)	4,260	(992)	3,009
	(6,206)	45,585	50,577	89,956
Unwinding of discount	-	-	9,212	9,212
Total (write-back from)/charge to income statement	(6,206)	45,585	59,789	99,168
Write-off	-	(1,549)	(69,970)	(71,519)
<b>At 31 December 2024</b>	<b>83,400</b>	<b>209,883</b>	<b>106,543</b>	<b>399,826</b>
At 1 April 2023	66,042	219,623	130,746	416,411
Transfer to Stage 1	55,837	(129,516)	(21)	(73,700)
Transfer to Stage 2	(48,660)	213,385	(80,578)	84,147
Transfer to Stage 3	(829)	(119,777)	136,789	16,183
New financial assets originated or purchased	41,599	25,935	3,940	71,474
Financial assets derecognised other than write-off	(13,429)	(41,479)	(11,148)	(66,056)
Changes due to change in credit risk	(10,954)	(655)	8,773	(2,836)
	23,564	(52,107)	57,755	29,212
Unwinding of discount	-	-	8,326	8,326
Total charge to/(write-back from) income statement	23,564	(52,107)	66,081	37,538
Write-off	-	(1,669)	(80,103)	(81,772)
<b>At 31 March 2024</b>	<b>89,606</b>	<b>165,847</b>	<b>116,724</b>	<b>372,177</b>

Note:

The transfers between stages are inclusive of net remeasurement of allowances.

**A15 Other Assets**

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Other receivables	10,186	8,627
Deposits	94	93
Prepayment	2,134	5,717
Amount due from holding company	67,572	-
	<b>79,986</b>	<b>14,437</b>
Less:		
Allowance for expected credit losses on other receivables [Note]	(2,356)	(2,687)
	<b>77,630</b>	<b>11,750</b>

Note:

Movements in allowance for expected credit losses on other receivables are as follows:

	<b>Lifetime ECL</b>	
	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
At beginning of financial period/year	2,687	2,394
New financial assets originated or purchased	1,234	1,004
Financial assets derecognised other than write-off	(2,501)	(1,340)
Changes due to change in credit risk	936	629
Total (write-back from)/charge to income statement	(331)	293
At end of financial period/year	<b>2,356</b>	<b>2,687</b>

As at 31 December 2024, the Bank's gross exposure of other receivables that are under lifetime expected credit losses was at RM2,356,000 (31 March 2024: RM2,687,000).

**A16 Deposits from Customers**

**A16a** By type of deposits:

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Demand deposits		
- Qard	4,185,971	4,143,573
- Tawarruq	542,200	452,317
Savings deposits		
- Qard	367,999	370,352
- Tawarruq	9,069	6,980
Term deposits		
- Tawarruq	8,706,370	8,698,901
- Negotiable Islamic Debt Certificate		
- Bai' Inah	218,460	211,862
- Money market deposits		
- Tawarruq	1,153,030	1,105,821
- Other deposits		
- Mudharabah	57,871	59,338
- Wakalah	31,634	31,516
- Qard	87,398	22,075
	<b>15,360,002</b>	<b>15,102,735</b>



**A16 Deposits from Customers (Contd.)**

**A16b** The maturity structure of term deposits are as follows:

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Due within six months	<b>7,557,505</b>	8,397,566
Six months to one year	<b>2,478,361</b>	1,261,319
One year to three years	<b>218,678</b>	470,628
Three years to five years	<b>219</b>	-
	<b><u>10,254,763</u></b>	<b><u>10,129,513</u></b>

**A16c** The deposits are sourced from the following type of customers:

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Domestic financial institutions	<b>218,459</b>	211,862
Domestic non-bank financial institutions	<b>1,271,341</b>	1,685,184
Government and statutory bodies	<b>1,810,488</b>	1,555,505
Business enterprises	<b>5,129,952</b>	4,815,602
Individuals	<b>5,979,102</b>	6,100,219
Foreign entities	<b>155,829</b>	146,885
Others	<b>794,831</b>	587,478
	<b><u>15,360,002</u></b>	<b><u>15,102,735</u></b>

**A17 Deposits and Placements of Banks and Other Financial Institutions**

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
<b>Non-Mudharabah Fund</b>		
Bank Negara Malaysia	<b>210,400</b>	189,063
	<b><u>210,400</u></b>	<b><u>189,063</u></b>

**A18 Other Liabilities**

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Other payables	<b>123,995</b>	127,744
Bills payable	<b>15,928</b>	16,897
Clearing account	<b>35,165</b>	34,331
Sundry deposits	<b>12,472</b>	7,066
Provision and accruals	<b>8,687</b>	15,736
Amount due to holding company	-	83,606
Amount due to related company	<b>2,077</b>	3,712
Allowance for expected credit losses on commitments and contingencies	<b>6,116</b>	7,093
	<b><u>204,440</u></b>	<b><u>296,185</u></b>

**A18 Other Liabilities (Contd.)**

Movements in allowance for expected credit losses on commitments and contingencies are as follows:

	12-month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
At 1 April 2024	2,232	4,571	290	7,093
Transfer to Stage 1	899	(3,582)	-	(2,683)
Transfer to Stage 2	(511)	2,761	(193)	2,057
Transfer to Stage 3	-	(82)	444	362
New financial assets originated or purchased	1,416	398	165	1,979
Financial assets derecognised other than write-off	(541)	(413)	(664)	(1,618)
Changes due to change in credit risk	204	(1,564)	295	(1,065)
Other adjustment	(2)	-	-	(2)
	1,465	(2,482)	47	(970)
Unwinding of discount	-	-	(7)	(7)
Total charge to/(write-back from) income statement	1,465	(2,482)	40	(977)
<b>At 31 December 2024</b>	<b>3,697</b>	<b>2,089</b>	<b>330</b>	<b>6,116</b>
At 1 April 2023	693	2,011	223	2,927
Transfer to Stage 1	177	(1,798)	-	(1,621)
Transfer to Stage 2	(155)	2,197	(107)	1,935
Transfer to Stage 3	-	(151)	876	725
New financial assets originated or purchased	1,540	821	-	2,361
Financial assets derecognised other than write-off	(573)	(4,480)	(474)	(5,527)
Changes due to change in credit risk	549	5,972	(229)	6,292
Other adjustment	1	(1)	-	-
	1,539	2,560	66	4,165
Unwinding of discount	-	-	1	1
Total charge to income statement	1,539	2,560	67	4,166
<b>At 31 March 2024</b>	<b>2,232</b>	<b>4,571</b>	<b>290</b>	<b>7,093</b>

Note:

(a) The transfers between stages are inclusive of net remeasurement of allowances.

(b) As at 31 December 2024, the Bank's gross exposures of commitments and contingencies that are credit impaired was at RM2,432,000 (31 March 2024: RM1,422,000).

**A19 Income Derived from Investment of Depositors' Funds and Others**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Income derived from investment of:				
(i) Term deposits	<b>156,226</b>	136,962	<b>464,223</b>	386,719
(ii) Other deposits	<b>80,513</b>	74,556	<b>238,179</b>	213,700
	<b>236,739</b>	211,518	<b>702,402</b>	600,419

(i) Income derived from investment of term deposits:

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Finance income and hibah</b>				
Financing and advances	<b>122,568</b>	107,597	<b>366,636</b>	302,922
Financial investments at fair value through other comprehensive income	<b>11,555</b>	10,492	<b>34,191</b>	32,423
Financial investments at amortised cost	<b>5,863</b>	3,379	<b>17,557</b>	10,228
Money at call and deposit placements with financial institutions	<b>3,201</b>	4,499	<b>10,084</b>	12,941
	<b>143,187</b>	125,967	<b>428,468</b>	358,514
Accretion of discount less amortisation of premium	<b>5,313</b>	6,828	<b>14,786</b>	15,705
Total finance income and hibah	<b>148,500</b>	132,795	<b>443,254</b>	374,219
<b>Other operating income</b>				
- Fee income	<b>7,542</b>	4,654	<b>19,120</b>	11,731
- Investment (loss)/gain	<b>(88)</b>	(670)	<b>1,135</b>	(70)
- Other income	<b>272</b>	183	<b>714</b>	839
	<b>156,226</b>	136,962	<b>464,223</b>	386,719

Note:

Included in financing income earned on financing and advances for the current financial period was profit accrued on impaired financing of the Bank amounting to RM982,000 (31 December 2023: RM1,333,000).

**A19 Income Derived from Investment of Depositors' Funds and Others (Contd.)**

(ii) Income derived from investment of other deposits:

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Finance income and hibah</b>				
Financing and advances	<b>63,169</b>	58,574	<b>188,110</b>	167,393
Financial investments at fair value through other comprehensive income	<b>5,955</b>	5,699	<b>17,542</b>	17,917
Financial investments at amortised cost	<b>3,021</b>	1,836	<b>9,008</b>	5,652
Money at call and deposit placements with financial institutions	<b>1,651</b>	2,448	<b>5,174</b>	7,151
	<b>73,796</b>	68,557	<b>219,834</b>	198,113
Accretion of discount less amortisation of premium	<b>2,738</b>	3,733	<b>7,587</b>	8,679
Total finance income and hibah	<b>76,534</b>	72,290	<b>227,421</b>	206,792
<b>Other operating income</b>				
- Fee income	<b>3,882</b>	2,540	<b>9,809</b>	6,483
- Investment (loss)/gain	<b>(43)</b>	(373)	<b>583</b>	(39)
- Other income	<b>140</b>	99	<b>366</b>	464
	<b>80,513</b>	74,556	<b>238,179</b>	213,700

Note:

Included in financing income earned on financing and advances for the current financial period was profit accrued on impaired financing of the Bank amounting to RM504,000 (31 December 2023: RM737,000).

**A20 Income Derived from Investment of Shareholder's Funds**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Finance income and hibah</b>				
Financing and advances	<b>15,930</b>	16,211	<b>46,015</b>	46,116
Financial investments at fair value through other comprehensive income	<b>1,840</b>	1,578	<b>5,297</b>	4,936
Financial investments at amortised cost	<b>934</b>	508	<b>2,720</b>	1,557
Money at call and deposit placements with financial institutions	<b>511</b>	677	<b>1,562</b>	1,970
	<b>19,215</b>	18,974	<b>55,594</b>	54,579
Accretion of discount less amortisation of premium	<b>844</b>	1,032	<b>2,291</b>	2,391
Total finance income and hibah	<b>20,059</b>	20,006	<b>57,885</b>	56,970
<b>Other operating income</b>				
- Fee income	<b>1,194</b>	703	<b>2,962</b>	1,786
- Investment (loss)/gain	<b>(11)</b>	(103)	<b>176</b>	(11)
- Other income	<b>44</b>	28	<b>111</b>	128
	<b>21,286</b>	20,634	<b>61,134</b>	58,873

Notes:

Included in financing income earned on financing and advances for the current financial period was profit accrued on impaired financing of the Bank amounting to RM152,000 (31 December 2023: RM203,000).

**A21 Allowance for Expected Credit Losses on Financing and Advances and Other Financial Assets**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance for/(write-back of) expected credit losses on:				
(a) Financing and advances	<b>13,492</b>	7,228	<b>89,956</b>	26,475
(b) Commitments and contingencies on financing and advances	<b>1,146</b>	974	<b>(970)</b>	1,736
(c) Other receivables	<b>65</b>	233	<b>(331)</b>	4,078
	<b>14,703</b>	8,435	<b>88,655</b>	32,289
(d) Credit impaired on financing and advances				
- Recovered during the financial period	<b>(7,269)</b>	(6,973)	<b>(25,300)</b>	(18,523)
- Write-off during the financial period	<b>5,716</b>	6,356	<b>15,298</b>	21,157
	<b>13,150</b>	7,818	<b>78,653</b>	34,923

**A22 Allowance for/(Write-back of) Expected Credit Losses on Financial Investments**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance for/(write-back of) expected credit losses on financial investments at fair value through other comprehensive income	<b>7</b>	21	<b>(20)</b>	35
	<b>7</b>	21	<b>(20)</b>	35

**A23 Income Attributable to the Depositors and Financial Institutions**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers:				
- Mudharabah fund	<b>400</b>	441	<b>1,238</b>	1,301
- Non-Mudharabah fund	<b>112,596</b>	110,197	<b>335,956</b>	315,537
Deposits and placements of banks and other financial institutions:				
- Non-Mudharabah fund	<b>39</b>	64	<b>129</b>	358
Recourse obligation on financing sold to Cagamas	<b>3,671</b>	4,399	<b>13,747</b>	9,860
Other borrowings	<b>1,981</b>	-	<b>3,058</b>	-
Subordinated Sukuk Murabahah	<b>3,792</b>	2,997	<b>9,375</b>	8,980
Lease liabilities	<b>6</b>	14	<b>25</b>	34
	<b>122,485</b>	118,112	<b>363,528</b>	336,070

**A24 Other Operating Expenses**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	<b>25,259</b>	23,834	<b>76,587</b>	72,062
- Contribution to EPF	<b>3,957</b>	3,864	<b>11,938</b>	11,752
- Others	<b>1,863</b>	2,769	<b>6,939</b>	7,587
	<b>31,079</b>	30,467	<b>95,464</b>	91,401
<u>Establishment costs</u>				
- Depreciation on property, plant and equipment	<b>19</b>	33	<b>66</b>	87
- Depreciation on right-of-use assets	<b>119</b>	119	<b>357</b>	569
- Amortisation of computer software	<b>152</b>	150	<b>458</b>	413
- Rental of premises	<b>27</b>	42	<b>84</b>	197
- Water and electricity	<b>343</b>	294	<b>1,007</b>	1,004
- Repairs and maintenance	<b>300</b>	700	<b>1,254</b>	1,473
- Information technology expenses	<b>8,918</b>	7,091	<b>25,295</b>	21,085
- Others [Note]	<b>1,139</b>	567	<b>2,191</b>	1,536
	<b>11,017</b>	8,996	<b>30,712</b>	26,364
<u>Marketing expenses</u>				
- Promotion and advertisement	<b>462</b>	589	<b>2,019</b>	884
- Branding and publicity	<b>575</b>	1,532	<b>3,067</b>	3,722
- Others	<b>244</b>	291	<b>817</b>	887
	<b>1,281</b>	2,412	<b>5,903</b>	5,493
<u>Administration and general expenses</u>				
- Communication expenses	<b>446</b>	499	<b>1,257</b>	1,479
- Printing and stationeries	<b>75</b>	109	<b>239</b>	264
- Insurance	<b>625</b>	959	<b>1,495</b>	2,947
- Professional fees	<b>2,673</b>	3,374	<b>7,685</b>	7,112
- Others	<b>4,753</b>	(2,268)	<b>5,845</b>	(2,472)
	<b>8,572</b>	2,673	<b>16,521</b>	9,330
Total other operating expenses	<b>51,949</b>	44,548	<b>148,600</b>	132,588

Note:

Included in the other operating expenses are the Shariah Committee members' remuneration of RM364,500 (31 December 2023: RM351,000).

**A24 Other Operating Expenses (Contd.)**

The following represents a detailed breakdown of the Bank's share of the holding company's other operating expenses included within the Bank's total other operating expenses:

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b><u>Sharing of Other Operating Expenses</u></b>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	<b>21,876</b>	20,666	<b>65,943</b>	61,519
- Contribution to EPF	<b>3,427</b>	3,364	<b>10,281</b>	10,134
- Others	<b>1,463</b>	2,428	<b>5,972</b>	6,621
	<b>26,766</b>	26,458	<b>82,196</b>	78,274
<u>Establishment costs</u>				
- Rental of premises	<b>27</b>	42	<b>84</b>	197
- Water and electricity	<b>340</b>	285	<b>986</b>	980
- Repairs and maintenance	<b>286</b>	687	<b>1,223</b>	1,439
- Information technology expenses	<b>8,802</b>	7,030	<b>24,927</b>	20,877
- Others [Note]	<b>1,127</b>	566	<b>2,176</b>	1,535
	<b>10,582</b>	8,610	<b>29,396</b>	25,028
<u>Marketing expenses</u>				
- Promotion and advertisement	<b>349</b>	538	<b>1,762</b>	605
- Branding and publicity	<b>639</b>	1,536	<b>3,149</b>	3,688
- Others	<b>210</b>	249	<b>702</b>	787
	<b>1,198</b>	2,323	<b>5,613</b>	5,080
<u>Administration and general expenses</u>				
- Communication expenses	<b>363</b>	375	<b>941</b>	1,034
- Printing and stationeries	<b>48</b>	81	<b>160</b>	208
- Professional fees	<b>1,362</b>	1,752	<b>4,166</b>	3,937
- Others	<b>4,136</b>	(2,871)	<b>3,932</b>	(4,193)
	<b>5,909</b>	(663)	<b>9,199</b>	986
Total sharing of other operating expenses	<b>44,455</b>	36,728	<b>126,404</b>	109,368

Note:

Being substantially cross-charge amount for using the fixed assets of the holding company. This includes computer software, computer equipment and furniture and fittings.

## **A25 Earnings Per Share**

### **Basic/Diluted**

Basic/diluted earnings per share is calculated by dividing profit for the financial period attributable to ordinary equity holder of the Bank by the weighted average number of ordinary shares in issue during the financial period.

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2024</b>	2023	<b>2024</b>	2023
Net profit for the financial period attributable to equity holder of the Bank (RM'000)	<b>53,287</b>	46,446	<b>135,726</b>	117,081
Weighted average numbers of ordinary shares in issue ('000)	<b>484,660</b>	440,139	<b>470,311</b>	433,517
Basic/diluted earnings per share (sen)	<b>11.0</b>	10.6	<b>28.9</b>	27.0

## **A26 Commitments and Contingencies**

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

The notional amounts of the commitments and contingencies of the Bank are as follows:

	<b>31 December</b>	31 March
	<b>2024</b>	2024
	<b>RM'000</b>	RM'000
<u>Credit-related exposures</u>		
Direct credit substitutes	<b>86,916</b>	88,732
Transaction-related contingent items	<b>135,464</b>	92,383
Short-term self-liquidating trade-related contingencies	<b>20,009</b>	16,786
Forward assets purchase	-	9,502
Irrevocable commitments to extend credit:		
- maturity exceeding one year	<b>628,052</b>	692,129
- maturity not exceeding one year	<b>2,986,560</b>	2,733,828
	<b>3,857,001</b>	3,633,360



## **A27 Capital Adequacy**

BNM's Transitional Arrangements for Regulatory Capital Treatment of Accounting Provisions which took effect on 9 December 2020 has ended on 31 March 2024.

Effective from 1 April 2024, the capital adequacy ratio of the Bank is computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework. The Framework sets out the approach for computing regulatory ratios, as well as the levels of those ratios at which banking institutions are required to operate. The framework is to strengthen capital adequacy standards, in line with the requirements set forth under Basel III. The risk-weighted asset of the Bank is computed using the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk.

The Bank has sufficient capital as follows:

	<b>31 December 2024</b>	<b>31 March 2024</b>
(i) With transitional arrangements		
<u>Before deducting proposed dividends</u>		
CET 1 capital ratio	<b>12.849%</b>	12.938%
Tier I capital ratio	<b>13.662%</b>	13.785%
Total capital ratio	<b>16.684%</b>	16.049%
<u>After deducting proposed dividends</u>		
CET 1 capital ratio	<b>12.849%</b>	12.930%
Tier 1 capital ratio	<b>13.662%</b>	13.778%
Total capital ratio	<b>16.684%</b>	16.042%
(ii) Without transitional arrangements		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	<b>12.849%</b>	12.287%
Tier I capital ratio	<b>13.662%</b>	13.134%
Total capital ratio	<b>16.684%</b>	15.398%
<u>After deducting proposed dividends</u>		
CET 1 capital ratio	<b>12.849%</b>	12.279%
Tier 1 capital ratio	<b>13.662%</b>	13.127%
Total capital ratio	<b>16.684%</b>	15.391%

(a) Components of Common Equity Tier I ("CET I"), Tier I and Tier II capital under the Capital Adequacy Framework are as follows:

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
<b><u>CET I Capital</u></b>		
Paid-up share capital	<b>727,065</b>	637,500
Retained profits	<b>914,339</b>	870,446
FVOCI reserves	<b>(6,607)</b>	(5,629)
	<b>1,634,797</b>	1,502,317
(Less)/add: Regulatory adjustments		
- Intangible assets	<b>(1,791)</b>	(2,153)
- Deferred tax assets	<b>(52,093)</b>	(49,927)
- Transitional arrangements	<b>-</b>	76,848
Total CET I Capital	<b>1,580,913</b>	1,527,085

**A27 Capital Adequacy (Contd.)**

- (a) Components of Common Equity Tier I ("CET I"), Tier I and Tier II capital under the Capital Adequacy Framework are as follows: (contd.)

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Additional Tier 1 Sukuk Wakalah	<b>100,000</b>	100,000
Total Additional Tier 1 Capital	<b>100,000</b>	100,000
Total Tier I Capital	<b>1,680,913</b>	1,627,085
<b><u>Tier II Capital</u></b>		
Subordinated Sukuk Murabahah	<b>230,000</b>	130,000
Expected credit losses	<b>141,870</b>	137,224
Total Tier II Capital	<b>371,870</b>	267,224
<b>Total Capital</b>	<b>2,052,783</b>	1,894,309

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

	<b>31 December 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Credit risk	<b>11,349,587</b>	10,977,956
Market risk	<b>48,689</b>	242
Operational risk	<b>905,623</b>	824,883
Total RWA and capital requirements	<b>12,303,899</b>	11,803,081

**A28 Fair Value Measurements**

**(a) Determination of fair value and the fair value hierarchy**

MFRS 13 Fair Value Measurement requires disclosure of financial instruments measured at fair value to be categorised according to a hierarchy of valuation techniques, whether the inputs used are observable or unobservable. The following levels of hierarchy are used for determining and disclosing the fair value of the financial instruments:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Bank recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

**A28 Fair Value Measurements (Contd.)**

**(a) Determination of fair value and the fair value hierarchy (Contd.)**

**(i) Financial instruments in Level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis. This includes listed equities and corporate debt securities which are actively traded.

**(ii) Financial instruments in Level 2**

Where fair value is determined using quoted prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Bank then determines fair value based upon valuation techniques that use market parameters, including but not limited to yield curves, volatilities and foreign exchange rates, as inputs. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include government securities, corporate private debt securities, corporate notes and repurchase agreements.

**(iii) Financial instruments in Level 3**

The Bank classifies financial instruments as Level 3 when there is reliance on unobservable inputs to the valuation model attributing to a significant contribution to the instrument value. Valuation reserves or pricing adjustments where applicable will be used to converge to fair value.

The valuation techniques and inputs used generally depend on the contractual terms and the risks inherent in the instrument as well as the availability of pricing information in the market. Principal techniques used include net tangible assets, net assets value, discounted cash flows, and other appropriate valuation models.

**(b) Financial instruments measured at fair value and the fair value hierarchy**

The following tables show the Bank's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<b>31 December 2024</b>				
<u>Financial Assets</u>				
Financial investments at FVOCI				
- Money market instruments	-	<b>887,194</b>	-	<b>887,194</b>
- Unquoted securities	-	<b>1,046,553</b>	-	<b>1,046,553</b>
<b>31 March 2024</b>				
<u>Financial Assets</u>				
Financial investments at FVOCI				
- Money market instruments	-	701,076	-	701,076
- Unquoted securities	-	1,117,388	-	1,117,388

There were no transfers between Level 1 and 2 of the fair value hierarchy for the Bank during the financial period/year ended 31 December 2024 and 31 March 2024.

## **PART B - Review of Performance & Current Year Prospect**

### **B1 Business Review for the 9 months ended 31 December 2024**

#### Profitability

The Bank recorded a net profit after taxation of RM135.7 million for the nine months ended 31 December 2024, a year-on-year ("YoY") increase of RM18.6 million or 15.9%. This growth was primarily driven by the increased revenue after taking into account higher allowance for expected credit losses and operating expenses.

Net profit income increased by RM63.1 million or 20.9% YoY predominantly attributed to financing growth. Net profit margin ("NPM") for the period was 2.74% [9MFY24: 2.48%].

The Bank reported other operating income of RM35.0 million, an increase of RM13.7 million or 64.1% YoY. This growth primarily stemmed from higher trade fees, processing fees and corporate advisory fees.

Total revenue stood at RM400.0 mil, increased by RM76.8 million or 23.8% YoY.

#### Operating Expenses

Operating expenses saw a rise of RM16.0 million or 12.1% YoY. Cost-to-income ratio ("CIR") stood at 37.1%. The Bank remains committed to prudent cost management throughout the financial year.

#### Financing Growth

The implementation of the ACCELER8 strategic plan facilitated a notable expansion in the Bank's financing and advances, which increased by 9.4% YoY to reach RM14.4 billion. This growth was predominantly propelled by advancements in the Consumer financing, Small and Medium Enterprises ("SME") and Commercial, which grew by 4.5%, 18.9% and 9.4% respectively.

#### Asset Quality

The Bank's allowance for expected credit losses on financing, advances and other financial assets posted a charge of RM78.6 million, marking an increase of RM43.7 million YoY. The net credit cost stood at 55.7 bps, while the financing loss coverage (including regulatory reserves) was at 122.4%.

The Bank will maintain a prudent approach by implementing the credit risk framework across all business lines. This involves stratifying customers based on their risk profiles and reaching out to customers. Additionally, the Bank will focus on controlling credit costs by refining credit policies, robust credit underwriting standards, and intensifying collection efforts.

#### Healthy Funding and Liquidity Position

The Bank's current account/savings account ("CASA") ratio was recorded at 33.2%, with customer deposits totalling RM15.4 billion. The Bank's liquidity coverage ratio and financing-to-funds ratio stood at 191.9% and 87.6%, respectively.

#### Proactive Capital Management

We continue to maintain a robust and strong capital position, with the Common Equity Tier-1 ("CET 1") ratio at 12.8%, Tier-1 Capital Ratio at 13.7% and Total Capital Ratio at 16.7%, all comfortably surpassing regulatory thresholds.

## **B2 Prospect for the Current Financial Year**

For calendar year 2025, Malaysia's Ministry of Finance ("MOF") projects the country's gross domestic product ("GDP") growth to range between 4.5% and 5.5%.

We anticipate Malaysia's economic advancement will continue to be bolstered by sustained domestic demand and renewed governmental efforts to stimulate growth. However, we maintain a cautious stance regarding potential downside risks to growth stemming from external uncertainties.

The Bank remains optimistic in maintaining its positive financial performance and remains committed to realising growth objectives under ACCELER8. In FY2025, our focus areas include:

- i) Continuing momentum in customer acquisition through the expansion of new-to-bank acquisition channels, leveraging digital platforms, strategic partnerships, increased productivity, and branch enhancements;
- ii) Deepening client wallet share post-customer acquisition by enhancing product and channel offerings for key target segments and sectors in both Consumer and Business Banking, with the aim of driving fee income. Additionally, we will seek to maximise cross-business unit collaboration to provide a more comprehensive customer experience; and
- iii) Strengthening Islamic banking propositions to drive incremental growth, with a focus on scaling up differentiated Islamic banking solutions by expanding unique Shariah-compliant and Value Based Intermediation propositions.

The Bank aims to continue its growth momentum in FY2025 with strong integrated risk management practices, while strengthening its funding base. In addition, the Bank will continue to invest in upgrading its IT infrastructure and digital capabilities to enable innovative propositions for its clients.