

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Statement of Financial Position as at 30 June 2025**

		30 June 2025 RM'000	31 March 2025 RM'000
	Note		
ASSETS			
Cash and short-term funds		1,263,256	1,244,022
Deposits and placements with banks and other financial institutions		-	354,858
Financial investments at fair value through other comprehensive income	A12	1,904,353	1,940,992
Financial investments at amortised cost	A13	1,207,516	1,019,612
Financing and advances	A14	14,436,165	14,358,036
Other assets	A15	23,430	86,325
Statutory deposits		151,753	303,783
Tax recoverable		5,867	-
Right-of-use assets		119	238
Property, plant and equipment		167	182
Deferred tax assets		49,899	51,619
Intangible assets		1,814	1,653
TOTAL ASSETS		19,044,339	19,361,320
LIABILITIES AND EQUITY			
Deposits from customers	A16	16,378,145	16,300,395
Deposits and placements of banks and other financial institutions	A17	177,293	210,488
Recourse obligation on financing sold to Cagamas		-	301,550
Lease liabilities		133	284
Other liabilities	A18	260,378	314,655
Provision for taxation		-	1,948
Provision for zakat		1,313	1,427
Other Borrowings		202,993	201,034
Subordinated Sukuk		333,500	332,633
TOTAL LIABILITIES		17,353,755	17,664,414
Share capital		727,065	727,065
Reserves		963,519	969,841
TOTAL EQUITY		1,690,584	1,696,906
TOTAL LIABILITIES AND EQUITY		19,044,339	19,361,320
COMMITMENTS AND CONTINGENCIES	A26	3,641,803	3,722,568

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 2025.

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Statement of Income****for the Financial Period Ended 30 June 2025**

	Note	1st Quarter Ended		Three Months Ended	
		30 June 2025 RM'000	30 June 2024 RM'000	30 June 2025 RM'000	30 June 2024 RM'000
Income derived from investment of depositors' funds and others	A19	243,896	223,012	243,896	223,012
Income derived from investment of shareholder's funds	A20	22,755	22,513	22,755	22,513
Allowance for expected credit losses on financing and advances and other financial assets	A21	(37,975)	(32,118)	(37,975)	(32,118)
Write-back of expected credit losses on financial investments	A22	-	28	-	28
Total distributable income		228,676	213,435	228,676	213,435
Income attributable to the depositors and financial institutions	A23	(125,545)	(116,935)	(125,545)	(116,935)
Total net income		103,131	96,500	103,131	96,500
Other operating expenses	A24	(54,990)	(48,530)	(54,990)	(48,530)
Profit before taxation and zakat		48,141	47,970	48,141	47,970
Taxation and zakat		(11,819)	(11,823)	(11,819)	(11,823)
Net profit for the financial period		36,322	36,147	36,322	36,147
Net profit for the financial period attributable to:					
Equity holder of the Bank		36,322	36,147	36,322	36,147
Earnings per share attributable to:					
Equity holder of the Bank					
- Basic/diluted (sen)	A25	7.2	8.1	7.2	8.1

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 2025.

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

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Condensed Interim Financial Statements**Unaudited Statement of Comprehensive Income
for the Financial Period Ended 30 June 2025**

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	36,322	36,147	36,322	36,147
Other comprehensive income/(expense):				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at fair value through other comprehensive income ("FVOCI")				
- Net gain/(loss) from change in fair value	18,416	(495)	18,416	(495)
- Realised loss transferred to statement of income on disposal	(2,328)	(1,332)	(2,328)	(1,332)
- Transfer (to)/from deferred tax	(3,861)	438	(3,861)	438
- Changes in expected credit losses	(5)	(28)	(5)	(28)
Other comprehensive income/(expense), net of tax	12,222	(1,417)	12,222	(1,417)
Total comprehensive income for the financial period	48,544	34,730	48,544	34,730
Total comprehensive income for the financial period attributable to:				
Equity holder of the Bank	48,544	34,730	48,544	34,730

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 2025.

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 30 June 2025

		Non-distributable reserves		Distributable reserves	
	Share capital RM'000	Regulatory reserves RM'000	FVOCI reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 April 2025	727,065	-	(942)	970,783	1,696,906
Net profit for the financial period	-	-	-	36,322	36,322
Other comprehensive income	-	-	12,222	-	12,222
Total comprehensive income for the financial period	-	-	12,222	36,322	48,544
Dividend paid to shareholder	-	-	-	(54,866)	(54,866)
At 30 June 2025	727,065	-	11,280	952,239	1,690,584
At 1 April 2024	637,500	-	(5,420)	870,446	1,502,526
Net profit for the financial period	-	-	-	36,147	36,147
Other comprehensive expense	-	-	(1,417)	-	(1,417)
Total comprehensive (expense)/income for the financial period	-	-	(1,417)	36,147	34,730
Issue of ordinary shares	57,954	-	-	-	57,954
Dividend paid to shareholder	-	-	-	(58,847)	(58,847)
At 30 June 2024	695,454	-	(6,837)	847,746	1,536,363

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 2025.

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

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Condensed Interim Financial Statements**Unaudited Statement of Cash Flows****for the Financial Period Ended 30 June 2025**

	30 June 2025 RM'000	30 June 2024 RM'000
Profit before taxation and zakat	48,141	47,970
Adjustments for non-cash items	6,560	6,359
Operating profit before changes in working capital	54,701	54,329
Changes in working capital	441,713	(362,808)
Tax expense and zakat paid	(22,004)	(11,534)
Net cash generated from/(used in) operating activities	474,410	(320,013)
Net cash used in investing activities	(94,229)	(211,024)
Net cash used in financing activities	(360,947)	(66,917)
Net change in cash and cash equivalents	19,234	(597,954)
Cash and cash equivalents at beginning of financial period	1,244,022	1,315,522
Cash and cash equivalents at end of financial period	1,263,256	717,568
Cash and cash equivalents comprise the following:		
Cash and short-term funds	1,263,256	717,568

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 2025.

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 30 June 2025 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 2025. 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 2025.

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 2025 and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2025:

- Amendments to MFRS 121 "Lack of Exchangeability"

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 2025 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 30 June 2025.

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 30 June 2025.

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 30 June 2025.

A6 Issuance and Repayment of Debt and Equity Securities

There were no issuance nor repayment of debt and equity securities in the current financial period.

A7 Dividend Paid

A single tier second interim dividend of 10.93 sen per share, on 501,977,592 ordinary shares amounting to approximately RM54,866,000 in respect of the financial year ended 31 March 2025, was paid on 18 June 2025.

A8 Significant Events

There were no significant event during the financial period ended 30 June 2025.

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

There were no material events subsequent to financial period ended 30 June 2025.

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

	30 June 2025 RM'000	31 March 2025 RM'000
At fair value - debt instruments		
<u>Money market instruments:</u>		
Malaysian Government investment issues	778,966	902,257
	778,966	902,257
<u>Unquoted securities:</u>		
Sukuk	1,125,387	1,038,735
	1,125,387	1,038,735
 Total financial investments at FVOCI	 1,904,353	 1,940,992

Movements in allowance for expected credit losses are as follows:

	12-month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Total RM'000
At 1 April 2025	169	1	170
New financial assets originated or purchased	19	-	19
Financial assets derecognised other than write-off	(14)	-	(14)
Changes due to change in credit risk	(10)	-	(10)
Total write-back from statement of income	(5)	-	(5)
At 30 June 2025	164	1	165

	12-month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Total RM'000
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	(34)	(3)	(37)
Total write-back from statement of income	(36)	(3)	(39)
At 31 March 2025	169	1	170

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

	30 June 2025 RM'000	31 March 2025 RM'000
At amortised cost		
<u>Money market instruments:</u>		
Malaysian Government investment issues	837,369	686,921
	837,369	686,921
<u>Unquoted securities:</u>		
Sukuk	370,256	332,795
Less: Allowance for expected credit losses	(109)	(104)
	370,147	332,691
Total financial investments at amortised cost	1,207,516	1,019,612

Movements in allowance for expected credit losses are as follows:

	12-month ECL (Stage 1)	
	30 June 2025 RM'000	31 March 2025 RM'000
At beginning of financial period/year	104	-
New financial investments originated or purchased	-	104
Changes due to change in credit risk	5	-
Total charge to statement of income	5	104
At end of financial period/year	109	104

Note:

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

A14 Financing and Advances

By types and Shariah concepts:

	<u>Notes</u>	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
30 June 2025									
At amortised cost									
Cash line financing		17,344	1,147,084	-	-	12,322	-	-	1,176,750
Term financing									
- Housing financing		2,718,789	1,081,659	-	-	-	-	-	3,800,448
- Hire purchase receivables	(a)	-	-	28,962	-	-	-	-	28,962
- Other term financing		1,394,058	6,418,564	-	-	-	-	27,447	7,840,069
Bills receivables		-	33,984	-	7,207	-	-	-	41,191
Trust receipts		-	-	-	42,635	-	-	-	42,635
Claims on customers under acceptance credits		-	-	-	1,103,512	-	86,264	-	1,189,776
Staff financing (including financing to Directors: RM Nil)		11,510	748	-	-	-	-	-	12,258
Revolving credits	(b)	64,062	539,297	-	-	-	-	-	603,359
Gross financing and advances		4,205,763	9,221,336	28,962	1,153,354	12,322	86,264	27,447	14,735,448
Add: Sales commission and handling fees									105,956
Less: Allowance for expected credit losses on financing and advances									(405,239)
Total net financing and advances									<u>14,436,165</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 2025									
At amortised cost									
Cash line financing		16,310	1,198,908	-	-	12,579	-	-	1,227,797
Term financing									
- Housing financing		2,838,180	907,514	-	-	-	-	-	3,745,694
- Hire purchase receivables	(a)	-	-	33,942	-	-	-	-	33,942
- Other term financing		1,451,478	6,287,055	-	-	-	-	31,093	7,769,626
Bills receivables		-	38,022	-	7,266	-	-	-	45,288
Trust receipts		-	-	-	35,235	-	-	-	35,235
Claims on customers under acceptance credits		-	-	-	1,095,728	-	90,204	-	1,185,932
Staff financing (including financing to Directors: RM Nil)		12,207	108	-	-	-	-	-	12,315
Revolving credits	(b)	54,081	528,509	-	-	-	-	-	582,590
Gross financing and advances		4,372,256	8,960,116	33,942	1,138,229	12,579	90,204	31,093	14,638,419
Add: Sales commission and handling fees									103,524
Less: Allowance for expected credit losses on financing and advances									(383,907)
Total net financing and advances									<u>14,358,036</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:

	30 June 2025 RM'000	31 March 2025 RM'000
At beginning of financial period/year	12,579	10,378
Sources of Qard fund:		
- Shareholders' fund	917	13,227
Uses of Qard fund:		
- Personal use	(203)	(2,222)
- Working capital	(971)	(8,804)
At end of financial period/year	<u>12,322</u>	<u>12,579</u>

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A14 Financing and Advances (Contd.)(ii) By maturity structure:

	30 June 2025 RM'000	31 March 2025 RM'000
Within one year	3,109,861	3,135,294
One year to three years	444,756	468,654
Three years to five years	670,999	691,352
Over five years	10,509,832	10,343,119
Gross financing and advances	14,735,448	14,638,419

(iii) By type of customers:

	30 June 2025 RM'000	31 March 2025 RM'000
Domestic non-bank financial institutions	447,193	389,862
Domestic business enterprises		
- Small and medium enterprises	5,988,044	5,940,110
- Others	1,247,288	1,346,997
Individuals	6,973,107	6,883,038
Other domestic entities	217	236
Foreign entities	79,599	78,176
Gross financing and advances	14,735,448	14,638,419

(iv) By profit rate sensitivity:

	30 June 2025 RM'000	31 March 2025 RM'000
Fixed rate		
- Housing financing	12,225	12,996
- Hire purchase receivables	28,962	33,941
- Other fixed rate financing	3,366,076	3,284,514
Variable rate		
- Base financing rate plus	6,546,947	6,549,344
- Base rate plus	3,907,462	3,858,863
- Cost plus	873,776	898,761
Gross financing and advances	14,735,448	14,638,419

(v) By economic purposes:

	30 June 2025 RM'000	31 March 2025 RM'000
Purchase of transport vehicles	46,463	48,987
Purchase of landed property	6,683,553	6,607,360
of which: - Residential	3,857,624	3,804,728
- Non-residential	2,825,929	2,802,632
Purchase of fixed assets excluding land & buildings	49,642	45,484
Personal use	3,221,601	3,182,811
Construction	372,129	336,767
Working capital	3,474,727	3,509,331
Others	887,333	907,679
Gross financing and advances	14,735,448	14,638,419

A14 Financing and Advances (Contd.)

(vi) By economic sectors:

	30 June 2025 RM'000	31 March 2025 RM'000
Primary agriculture	418,774	444,365
Mining and quarrying	11,622	12,739
Manufacturing	1,534,530	1,566,498
Electricity, gas and water	36,081	36,193
Construction	636,669	604,801
Wholesale, retail trade, restaurants and hotels	2,912,190	2,940,854
Transport, storage and communication	267,306	255,377
Financing, insurance, real estate and business services	1,738,442	1,702,195
Community, social and personal services	127,129	114,183
Household	7,052,705	6,961,214
Gross financing and advances	14,735,448	14,638,419

(vii) By geographical distribution:

	30 June 2025 RM'000	31 March 2025 RM'000
Northern region	1,991,883	1,950,723
Central region	9,641,412	9,562,523
Southern region	1,323,961	1,358,653
Sabah region	1,381,581	1,404,899
Sarawak region	396,611	361,621
Gross financing and advances	14,735,448	14,638,419

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

	30 June 2025 RM'000	31 March 2025 RM'000
At beginning of financial period/year	287,402	315,458
Impaired during the financial period/year	128,352	491,012
Reclassified as unimpaired during the financial period/year	(64,176)	(318,778)
Recovered during the financial period/year	(8,110)	(26,914)
Financial assets derecognised other than write-off during the financial period/year	(13,847)	(59,439)
Amount written-off	(26,750)	(113,937)
At end of financial period/year	302,871	287,402
Gross impaired financing ratio	2.06%	1.96%
Net impaired financing ratio	1.35%	1.28%

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A14 Financing and Advances (Contd.)(ix) Credit impaired financing and advances by economic purposes:

	30 June 2025 RM'000	31 March 2025 RM'000
Purchase of transport vehicles	764	811
Purchase of landed property	146,311	135,354
of which: - Residential	126,464	114,351
- Non-residential	19,847	21,003
Purchase of fixed assets excluding land & buildings	161	151
Personal use	117,550	112,433
Working capital	28,729	28,767
Others	9,356	9,886
Gross impaired financing and advances	302,871	287,402

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

	30 June 2025 RM'000	31 March 2025 RM'000
Primary agriculture	1,288	1,299
Manufacturing	18,671	18,486
Construction	11,349	11,904
Wholesale, retail trade, restaurants and hotels	16,495	18,597
Transport, storage and communication	891	928
Financing, insurance, real estate and business services	2,687	1,925
Community, social and personal services	4,858	5,091
Household	246,632	229,172
Gross impaired financing and advances	302,871	287,402

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

	30 June 2025 RM'000	31 March 2025 RM'000
Northern region	41,478	38,414
Central region	220,818	213,754
Southern region	18,532	16,283
Sabah region	20,811	17,788
Sarawak region	1,232	1,163
Gross impaired financing and advances	302,871	287,402

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 2025	95,704	186,754	101,449	383,907
Transfer to Stage 1	11,087	(34,674)	(357)	(23,944)
Transfer to Stage 2	(17,251)	73,532	(15,335)	40,946
Transfer to Stage 3	(21)	(32,546)	38,470	5,903
New financial assets originated or purchased	13,129	5,801	539	19,469
Financial assets derecognised other than write-off	(7,708)	(7,036)	(1,951)	(16,695)
Changes due to change in credit risk	5,572	7,262	1,930	14,764
	4,808	12,339	23,296	40,443
Unwinding of discount	-	-	4,345	4,345
Total charge to statement of income	4,808	12,339	27,641	44,788
Write-off	(13)	(390)	(23,053)	(23,456)
At 30 June 2025	100,499	198,703	106,037	405,239
At 1 April 2024	89,606	165,847	116,724	372,177
Transfer to Stage 1	63,784	(152,531)	(917)	(89,664)
Transfer to Stage 2	(61,683)	279,025	(73,355)	143,987
Transfer to Stage 3	(18)	(120,527)	148,238	27,693
New financial assets originated or purchased	45,337	28,825	3,118	77,280
Financial assets derecognised other than write-off	(25,772)	(34,557)	(12,218)	(72,547)
Changes due to change in credit risk	(15,541)	22,451	2,710	9,620
	6,107	22,686	67,576	96,369
Unwinding of discount	-	-	11,714	11,714
Total charge to statement of income	6,107	22,686	79,290	108,083
Write-off	(9)	(1,779)	(94,565)	(96,353)
At 31 March 2025	95,704	186,754	101,449	383,907

Note:

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

A15 Other Assets

	30 June 2025 RM'000	31 March 2025 RM'000
Other receivables	7,642	10,647
Deposits	94	94
Prepayment	4,821	4,111
Amount due from holding company	13,539	72,493
Amount due from related company	-	1,284
	26,096	88,629
Less:		
Allowance for expected credit losses on other receivables [Note]	(2,666)	(2,304)
	23,430	86,325

Note:

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

	Lifetime ECL	
	30 June 2025 RM'000	31 March 2025 RM'000
At beginning of financial period/year	2,304	2,687
New financial assets originated or purchased	777	2,167
Financial assets derecognised other than write-off	(686)	(3,697)
Changes due to change in credit risk	271	1,147
Total charge to/(write-back from) statement of income	362	(383)
At end of financial period/year	2,666	2,304

As at 30 June 2025, the Bank's gross exposure of other receivables that are under lifetime expected credit losses was at RM2,666,000 (31 March 2025: RM2,304,000).

A16 Deposits from Customers

A16a By type of deposits:

	30 June 2025 RM'000	31 March 2025 RM'000
Demand deposits		
- Qard	3,860,639	4,084,985
- Tawarruq	651,079	907,756
Savings deposits		
- Qard	361,604	369,983
- Tawarruq	10,717	10,215
Term deposits		
- Tawarruq	8,915,885	9,828,475
- Negotiable Islamic Debt Certificate		
- Bai' Inah	302,828	220,705
- Money market deposits		
- Tawarruq	1,372,305	774,104
- Other deposits		
- Mudharabah	54,795	55,562
- Wakalah	31,232	31,860
- Qard	817,061	16,750
	16,378,145	16,300,395

A16 Deposits from Customers (Contd.)

A16b The maturity structure of term deposits are as follows:

	30 June 2025 RM'000	31 March 2025 RM'000
Due within six months	8,545,277	8,525,215
Six months to one year	2,886,915	2,179,662
One year to three years	61,692	222,359
Three years to five years	222	220
	<u>11,494,106</u>	<u>10,927,456</u>

A16c By type of customers:

	30 June 2025 RM'000	31 March 2025 RM'000
Domestic financial institutions	302,828	220,705
Domestic non-bank financial institutions	1,730,021	1,130,828
Government and statutory bodies	2,573,653	2,434,791
Business enterprises	5,133,595	5,554,426
Individuals	5,897,968	6,199,617
Foreign entities	136,037	150,233
Others	604,043	609,795
	<u>16,378,145</u>	<u>16,300,395</u>

A17 Deposits and Placements of Banks and Other Financial Institutions

	30 June 2025 RM'000	31 March 2025 RM'000
Non-Mudharabah Fund		
Bank Negara Malaysia	177,293	210,488
	<u>177,293</u>	<u>210,488</u>

A18 Other Liabilities

	30 June 2025 RM'000	31 March 2025 RM'000
Other payables	115,802	137,062
Bills payable	57,287	113,444
Clearing account	54,027	32,835
Sundry deposits	13,815	12,161
Provision and accruals	12,024	13,200
Amount due to related company	1,925	-
Allowance for expected credit losses on commitments and contingencies	5,498	5,953
	<u>260,378</u>	<u>314,655</u>

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 2025	2,661	2,479	813	5,953
Transfer to Stage 1	19	(553)	(563)	(1,097)
Transfer to Stage 2	(317)	1,990	(98)	1,575
Transfer to Stage 3	-	(40)	393	353
New financial assets originated or purchased	291	11	-	302
Financial assets derecognised other than write-off	(166)	(618)	(160)	(944)
Changes due to change in credit risk	(497)	(103)	(62)	(662)
	(670)	687	(490)	(473)
Unwinding of discount	-	-	18	18
Total (write-back from)/charge to statement of income	(670)	687	(472)	(455)
At 30 June 2025	1,991	3,166	341	5,498
At 1 April 2024	2,232	4,571	290	7,093
Transfer to Stage 1	962	(4,076)	-	(3,114)
Transfer to Stage 2	(541)	2,916	(250)	2,125
Transfer to Stage 3	-	(99)	647	548
New financial assets originated or purchased	1,803	600	526	2,929
Financial assets derecognised other than write-off	(753)	(512)	(665)	(1,930)
Changes due to change in credit risk	(1,040)	(921)	286	(1,675)
Other adjustment	(2)	-	-	(2)
	429	(2,092)	544	(1,119)
Unwinding of discount	-	-	(21)	(21)
Total charge to/(write-back from) statement of income	429	(2,092)	523	(1,140)
At 31 March 2025	2,661	2,479	813	5,953

Note:

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

(b) As at 30 June 2025, the Bank's gross exposures of commitments and contingencies that are credit impaired was at RM1,453,000 (31 March 2025: RM4,856,000).

A19 Income Derived from Investment of Depositors' Funds and Others

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(i) Term deposits	165,697	145,249	165,697	145,249
(ii) Other deposits	78,199	77,763	78,199	77,763
	243,896	223,012	243,896	223,012

(i) Income derived from investment of term deposits:

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financing and advances	128,252	114,719	128,252	114,719
Financial investments at fair value through other comprehensive income	11,600	11,021	11,600	11,021
Financial investments at amortised cost	7,217	5,529	7,217	5,529
Money at call and deposit placements with financial institutions	4,646	2,763	4,646	2,763
	151,715	134,032	151,715	134,032
Accretion of discount less amortisation of premium	5,187	4,440	5,187	4,440
Total finance income and hibah	156,902	138,472	156,902	138,472
Other operating income				
- Fee income	7,251	5,905	7,251	5,905
- Investment gain	1,343	705	1,343	705
- Other income	201	167	201	167
	165,697	145,249	165,697	145,249

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 RM235,000 (30 June 2024: RM326,000).

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

(ii) Income derived from investment of other deposits:

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financing and advances	60,527	61,418	60,527	61,418
Financial investments at fair value through other comprehensive income	5,474	5,900	5,474	5,900
Financial investments at amortised cost	3,406	2,960	3,406	2,960
Money at call and deposit placements with financial institutions	2,193	1,479	2,193	1,479
	71,600	71,757	71,600	71,757
Accretion of discount less amortisation of premium	2,448	2,377	2,448	2,377
Total finance income and hibah	74,048	74,134	74,048	74,134
Other operating income				
- Fee income	3,422	3,162	3,422	3,162
- Investment gain	634	378	634	378
- Other income	95	89	95	89
	78,199	77,763	78,199	77,763

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 RM111,000 (30 June 2024: RM175,000).

A20 Income Derived from Investment of Shareholder's Funds

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financing and advances	16,898	17,781	16,898	17,781
Financial investments at fair value through other comprehensive income	1,815	1,708	1,815	1,708
Financial investments at amortised cost	1,129	857	1,129	857
Money at call and deposit placements with financial institutions	727	429	727	429
	20,569	20,775	20,569	20,775
Accretion of discount less amortisation of premium	811	688	811	688
Total finance income and hibah	21,380	21,463	21,380	21,463
Other operating income				
- Fee income	1,134	915	1,134	915
- Investment gain	210	109	210	109
- Other income	31	26	31	26
	22,755	22,513	22,755	22,513

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 RM37,000 (30 June 2024: RM51,000).

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

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Allowance for/(write-back of) expected credit losses on:				
(a) Financing and advances	40,443	36,967	40,443	36,967
(b) Commitments and contingencies on financing and advances	(473)	(2,230)	(473)	(2,230)
(c) Other receivables	362	270	362	270
	40,332	35,007	40,332	35,007
(d) Credit impaired on financing and advances				
- Recovered during the financial period	(6,942)	(6,602)	(6,942)	(6,602)
- Write-off during the financial period	4,585	3,713	4,585	3,713
	37,975	32,118	37,975	32,118

A22 Write-back of Expected Credit Losses on Financial Investments

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Write-back of expected credit losses on:				
(a) Financial investments at fair value through other comprehensive income	(5)	(28)	(5)	(28)
(b) Financial investments at amortised cost	5	-	5	-
	-	(28)	-	(28)

A23 Income Attributable to the Depositors and Financial Institutions

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
- Mudharabah fund	350	427	350	427
- Non-Mudharabah fund	117,974	108,702	117,974	108,702
Deposits and placements of banks and other financial institutions:				
- Non-Mudharabah fund	14	48	14	48
Recourse obligation on financing sold to Cagamas	1,494	5,034	1,494	5,034
Other borrowings	1,960	-	1,960	-
Subordinated Sukuk Murabahah	3,751	2,714	3,751	2,714
Lease liabilities	2	10	2	10
	125,545	116,935	125,545	116,935

A24 Other Operating Expenses

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	30,015	25,303	30,015	25,303
- Contribution to EPF	4,626	3,943	4,626	3,943
- Others	2,759	2,321	2,759	2,321
	37,400	31,567	37,400	31,567
<u>Establishment costs</u>				
- Depreciation on property, plant and equipment	23	23	23	23
- Depreciation on right-of-use assets	119	119	119	119
- Amortisation of computer software	153	152	153	152
- Rental of premises	28	38	28	38
- Water and electricity	273	347	273	347
- Repairs and maintenance	432	548	432	548
- Information technology expenses	9,458	8,361	9,458	8,361
- Others [Note]	420	519	420	519
	10,906	10,107	10,906	10,107
<u>Marketing expenses</u>				
- Promotion and advertisement	1,223	1,096	1,223	1,096
- Branding and publicity	370	209	370	209
- Others	299	258	299	258
	1,892	1,563	1,892	1,563
<u>Administration and general expenses</u>				
- Communication expenses	591	433	591	433
- Printing and stationeries	56	84	56	84
- Insurance	442	245	442	245
- Professional fees	2,654	2,306	2,654	2,306
- Others	1,049	2,225	1,049	2,225
	4,792	5,293	4,792	5,293
Total other operating expenses	54,990	48,530	54,990	48,530

Note:

Included in the other operating expenses are the Shariah Committee members' remuneration of RM124,500 (30 June 2024: RM124,500).

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:

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Sharing of Other Operating Expenses</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	23,795	21,891	23,795	21,891
- Contribution to EPF	3,775	3,406	3,775	3,406
- Others	2,202	2,078	2,202	2,078
	29,772	27,375	29,772	27,375
<u>Establishment costs</u>				
- Rental of premises	28	38	28	38
- Water and electricity	270	339	270	339
- Repairs and maintenance	423	540	423	540
- Information technology expenses	9,314	8,265	9,314	8,265
- Others [Note]	419	519	419	519
	10,454	9,701	10,454	9,701
<u>Marketing expenses</u>				
- Promotion and advertisement	983	1,012	983	1,012
- Branding and publicity	387	205	387	205
- Others	267	229	267	229
	1,637	1,446	1,637	1,446
<u>Administration and general expenses</u>				
- Communication expenses	434	337	434	337
- Printing and stationeries	41	58	41	58
- Professional fees	1,605	1,432	1,605	1,432
- Others	215	1,634	215	1,634
	2,295	3,461	2,295	3,461
Total sharing of other operating expenses	44,158	41,983	44,158	41,983

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.

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
Net profit for the financial period attributable to equity holder of the Bank (RM'000)	36,322	36,147	36,322	36,147
Weighted average numbers of ordinary shares in issue ('000)	501,978	445,856	501,978	445,856
Basic/diluted earnings per share (sen)	7.2	8.1	7.2	8.1

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:

	30 June	31 March
	2025	2025
	RM'000	RM'000
<u>Credit-related exposures</u>		
Direct credit substitutes	86,041	87,989
Transaction-related contingent items	133,454	134,999
Short-term self-liquidating trade-related contingencies	16,743	15,013
Irrevocable commitments to extend credit:		
- maturity exceeding one year	550,113	584,893
- maturity not exceeding one year	2,855,452	2,899,674
	3,641,803	3,722,568

A27 Capital Adequacy

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:

	30 June 2025	31 March 2025
<u>Before deducting proposed dividends</u>		
CET 1 capital ratio	13.093%	13.334%
Tier I capital ratio	13.914%	14.146%
Total capital ratio	16.981%	17.195%
<u>After deducting proposed dividends</u>		
CET 1 capital ratio	13.093%	12.889%
Tier 1 capital ratio	13.914%	13.701%
Total capital ratio	16.981%	16.750%

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

	30 June 2025 RM'000	31 March 2025 RM'000
<u>CET I Capital</u>		
Paid-up share capital	727,065	727,065
Retained profits	915,917	970,783
FVOCI reserves	11,115	(1,112)
	1,654,097	1,696,736
(Less)/add: Regulatory adjustments		
- Intangible assets	(1,814)	(1,653)
- Deferred tax assets	(49,899)	(51,619)
- 55% of FVOCI reserves	(6,112)	-
Total CET I Capital	1,596,272	1,643,464

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.)

	30 June 2025 RM'000	31 March 2025 RM'000
Additional Tier 1 Sukuk Wakalah	100,000	100,000
Total Additional Tier 1 Capital	100,000	100,000
Total Tier I Capital	1,696,272	1,743,464
<u>Tier II Capital</u>		
Subordinated Sukuk Murabahah	230,000	230,000
Expected credit losses	143,943	145,786
Total Tier II Capital	373,943	375,786
Total Capital	2,070,215	2,119,250

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

	30 June 2025 RM'000	31 March 2025 RM'000
Credit risk	11,515,414	11,662,851
Market risk	12,083	11,851
Operational risk	663,881	650,216
Total RWA and capital requirements	12,191,378	12,324,918

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 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
30 June 2025				
<u>Financial Assets</u>				
Financial investments at FVOCI				
- Money market instruments	-	778,966	-	778,966
- Unquoted securities	-	1,125,387	-	1,125,387
31 March 2025				
<u>Financial Assets</u>				
Financial investments at FVOCI				
- Money market instruments	-	902,257	-	902,257
- Unquoted securities	-	1,038,735	-	1,038,735

There were no transfers between Level 1 and 2 of the fair value hierarchy for the Bank during the financial period/year ended 30 June 2025 and 31 March 2025.

PART B - Review of Performance & Current Year Prospect

B1 Business Review for the Financial Period Ended 30 June 2025

Profitability

The Bank recorded a net profit after taxation of RM36.3 million for the first financial quarter ended 30 June 2025, a year-on-year ("YoY") increase of RM0.2 million or 0.5%. This growth was primarily driven by increased revenue after taking into account higher allowances for expected credit losses and operating expenses.

Net profit income increased by RM9.7 million or 8.2% YoY, predominantly attributed to financing growth. The net profit margin ("NPM") for the period was 2.75% (30 June 2024: 2.73%).

The Bank reported other operating income of RM14.3 million, an increase of RM2.9 million or 25.0% YoY. This growth primarily stemmed from increased revenue from corporate advisory fees and treasury and investment income.

Total revenue stood at RM141.1 million, increased by RM12.5 million or 9.7% YoY.

Operating Expenses

Operating expenses rose by RM6.5 million, or 13.3% YoY. The cost-to-income ratio ("CIR") stood at 39.0%.

Financing Growth

The implementation of the ACCELER8 strategic plan facilitated an expansion in the Bank's financing and advances, which increased by 4.9% YoY to reach RM14.7 billion. This growth was predominantly propelled by advancements in the Consumer financing, Small and Medium Enterprises ("SME") and Corporate, which grew by 2.1%, 9.8% and 5.9% respectively.

Asset Quality

The Bank's allowance for expected credit losses on financing, advances and other financial assets posted a net charge of RM38.0 million, an increase of RM5.9 million YoY. The net credit cost stood at 25.9 basis points, while the financing loss coverage, including regulatory reserves, reached 133.8%.

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 engaging with them accordingly. Additionally, the Bank continues to 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/savings account ("CASA") ratio was 29.8%, with customer deposits totalling RM16.4 billion. Our funding strategy has enabled the Bank to maintain a robust liquidity coverage ratio and financing-to-funds ratio, which stood at 158.2% and 86.2%, respectively.

Proactive Capital Management

We maintained a robust capital position with the Common Equity Tier-1 ("CET 1") ratio at 13.1%, the Tier-1 Capital Ratio at 13.9%, and the Total Capital Ratio at 17.0%, all comfortably surpassing regulatory thresholds.

B2 Prospect for the Current Financial Year

Malaysia's economy remains on a healthy growth trajectory as domestic demand is likely to stay resilient supported by sustained consumer spending and steady labour market dynamics. The country's sound fundamentals and diversified economic structure, coupled with renewed government focus to spur higher economic growth will help ensure Malaysia's growth stays intact. Nevertheless, we are mindful that growth has been uneven and there are pockets of stress in selected sectors. In addition, we remain cautious of downside risks to growth stemming from external uncertainties such as trade disruptions and geopolitical tensions.

As we reach the midpoint of our Acceler8 2027 strategy, we will continue to pursue the eight growth pillars to ensure sustainable expansion and strengthen our market position in FY2026:

- | | |
|----------|---|
| Pillar 1 | Maintain momentum in SME expansion: Continue optimizing customer engagement and expanding digital channels. |
| Pillar 2 | Support business customers throughout their lifecycle: Serve as the primary bank for businesses at all stages, from small SMEs to IPOs, with tailored financial solutions, driving recurring transactional fee income. |
| Pillar 3 | Expand the Consumer business: Deepen relationships with young professionals and high-net-worth clients, including scaling up innovative digital propositions like the virtual credit card. |
| Pillar 4 | Ecosystem Partnerships: Offer holistic solutions, particularly in sustainability, by collaborating with strategic partners. |
| Pillar 5 | Become the regional leader in selected economic corridors: Capture growth in key economic corridors (Penang, Johor, East Malaysia). |
| Pillar 6 | Corporate & Capital Markets: Enhance client coverage and create value through synergies. |
| Pillar 7 | Islamic Banking: Increase market share with unique offerings like Halal in One and sustainable financing. |
| Pillar 8 | Strategic Partnerships: Expand product and distribution capabilities through collaborations. |

The evolving global landscape including geopolitical tensions and trade uncertainties continues to present risks to economic stability and market sentiment. For FY2026, we remain vigilant and focused on enhancing our products, services, and technology; expanding lending with discipline; diversifying funding sources; and strengthening our risk management capabilities. These initiatives are aligned with our Acceler8 2027 strategy, reinforcing our commitment to sustainable growth and long-term value creation.