

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

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Statement of Financial Position as at 31 December 2025**

		<b>31 December</b>	31 March
		<b>2025</b>	2025
	Note	<b>RM'000</b>	RM'000
<b>ASSETS</b>			
Cash and short-term funds		<b>814,203</b>	1,244,022
Deposits and placements with banks and other financial institutions		-	354,858
Financial investments at fair value through other comprehensive income	A12	<b>2,186,706</b>	1,940,992
Financial investments at amortised cost	A13	<b>1,426,511</b>	1,019,612
Derivative financial assets	A14	<b>96</b>	-
Financing and advances	A15	<b>15,001,135</b>	14,358,036
Other assets	A16	<b>8,616</b>	86,325
Statutory deposits		<b>159,934</b>	303,783
Tax recoverable		<b>2,804</b>	-
Right-of-use assets		<b>1,206</b>	238
Property, plant and equipment		<b>284</b>	182
Deferred tax assets		<b>54,523</b>	51,619
Intangible assets		<b>1,407</b>	1,653
<b>TOTAL ASSETS</b>		<b>19,657,425</b>	19,361,320
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	A17	<b>16,941,697</b>	16,300,395
Deposits and placements of banks and other financial institutions	A18	<b>237,689</b>	210,488
Recourse obligation on financing sold to Cagamas		-	301,550
Lease liabilities		<b>1,176</b>	284
Other liabilities	A19	<b>192,110</b>	314,655
Provision for taxation		-	1,948
Provision for zakat		<b>1,308</b>	1,427
Other Borrowings		<b>203,058</b>	201,034
Subordinated Sukuk		<b>333,685</b>	332,633
<b>TOTAL LIABILITIES</b>		<b>17,910,723</b>	17,664,414
Share capital		<b>727,065</b>	727,065
Reserves		<b>1,019,637</b>	969,841
<b>TOTAL EQUITY</b>		<b>1,746,702</b>	1,696,906
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>19,657,425</b>	19,361,320
<b>COMMITMENTS AND CONTINGENCIES</b>	A26	<b>4,127,782</b>	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 31 December 2025**

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December 2025 RM'000	31 December 2024 RM'000	31 December 2025 RM'000	31 December 2024 RM'000
Income derived from investment of depositors' funds and others	A20	<b>247,393</b>	236,739	<b>738,694</b>	702,402
Income derived from investment of shareholder's funds	A20	<b>23,104</b>	21,286	<b>68,138</b>	61,134
Allowance for expected credit losses on financing and advances and other financial assets	A21	<b>(24,955)</b>	(13,150)	<b>(90,804)</b>	(78,653)
(Allowance for)/write-back of expected credit losses on financial investments	A22	<b>(116)</b>	(7)	<b>(151)</b>	20
<b>Total distributable income</b>		<b>245,426</b>	244,868	<b>715,877</b>	684,903
Income attributable to the depositors and financial institutions	A23	<b>(125,336)</b>	(122,485)	<b>(378,213)</b>	(363,528)
<b>Total net income</b>		<b>120,090</b>	122,383	<b>337,664</b>	321,375
Other operating expenses	A24	<b>(60,078)</b>	(51,949)	<b>(170,511)</b>	(148,600)
<b>Profit before taxation and zakat</b>		<b>60,012</b>	70,434	<b>167,153</b>	172,775
Taxation and zakat		<b>(13,604)</b>	(17,147)	<b>(39,938)</b>	(37,049)
<b>Net profit for the financial period</b>		<b>46,408</b>	53,287	<b>127,215</b>	135,726
<b>Net profit for the financial period attributable to:</b>					
Equity holder of the Bank		<b>46,408</b>	53,287	<b>127,215</b>	135,726
Earnings per share attributable to:					
Equity holder of the Bank					
- Basic/diluted (sen)	A25	<b>9.2</b>	11.0	<b>25.3</b>	28.9

*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 Comprehensive Income  
for the Financial Period Ended 31 December 2025**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Net profit for the financial period</b>	<b>46,408</b>	53,287	<b>127,215</b>	135,726
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>(1,967)</b>	(8,188)	<b>19,381</b>	1,031
- Realised loss transferred to statement of income on disposal	<b>(1,299)</b>	-	<b>(6,547)</b>	(2,318)
- Transfer from/(to) deferred tax	<b>784</b>	1,965	<b>(3,080)</b>	309
- Changes in expected credit losses	<b>1</b>	7	<b>20</b>	(20)
Other comprehensive (expense)/income, net of tax	<b>(2,481)</b>	(6,216)	<b>9,774</b>	(998)
<b>Total comprehensive income for the financial period</b>	<b>43,927</b>	47,071	<b>136,989</b>	134,728
<b>Total comprehensive income for the financial period attributable to: Equity holder of the Bank</b>	<b>43,927</b>	47,071	<b>136,989</b>	134,728

*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 31 December 2025**

	← Non-distributable reserves →			Distributable reserves	Total equity RM'000
	Share capital RM'000	Regulatory reserves RM'000	FVOCI reserves RM'000	Retained profits RM'000	
At 1 April 2025	727,065	-	(942)	970,783	1,696,906
Net profit for the financial period	-	-	-	127,215	127,215
Other comprehensive income	-	-	9,774	-	9,774
Total comprehensive income for the financial period	-	-	9,774	127,215	136,989
Dividend paid to shareholder	-	-	-	(87,193)	(87,193)
<b>At 31 December 2025</b>	<b>727,065</b>	<b>-</b>	<b>8,832</b>	<b>1,010,805</b>	<b>1,746,702</b>
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)
At 31 December 2024	727,065	-	(6,418)	914,339	1,634,986

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 Cash Flows  
for the Financial Period Ended 31 December 2025**

	<b>31 December 2025 RM'000</b>	31 December 2024 RM'000
Profit before taxation and zakat	<b>167,153</b>	172,774
Adjustments for non-cash items	<b>(5,006)</b>	2,848
Operating profit before changes in working capital	<b>162,147</b>	175,622
Changes in working capital	<b>52,468</b>	(544,466)
Tax expense and zakat paid	<b>(50,908)</b>	(51,327)
Net cash generated from/(used in) operating activities	<b>163,707</b>	(420,171)
Net cash used in investing activities	<b>(514,250)</b>	(73,376)
Net cash used in financing activities	<b>(405,061)</b>	(15,741)
Net change in cash and cash equivalents	<b>(755,604)</b>	(509,288)
Cash and cash equivalents at beginning of financial period	<b>1,569,807</b>	1,315,522
Cash and cash equivalents at end of financial period	<b>814,203</b>	806,234

Cash and cash equivalents comprise the following:

Cash and short-term funds	<b>814,203</b>	806,234
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*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 31 December 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 31 December 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 31 December 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 31 December 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**

(i) 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.

(ii) A first interim dividend of 6.44 sen per share, on 501,977,592 ordinary shares amounting to approximately RM32,327,000 in respect of the financial year ending 31 March 2026, was paid on 18 December 2025.

**A8 Significant Events**

There were no significant event during the financial period ended 31 December 2025.

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

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

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
<b>At fair value - debt instruments</b>		
<u>Money market instruments:</u>		
Malaysian Government investment issues	654,421	902,257
Commercial papers	9,892	-
Negotiable instruments of deposits	198,743	-
	<u>863,056</u>	<u>902,257</u>
<u>Unquoted securities:</u>		
Sukuk	1,323,650	1,038,735
	<u>1,323,650</u>	<u>1,038,735</u>
 Total financial investments at FVOCI	 <u>2,186,706</u>	 <u>1,940,992</u>

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	91	-	91
Financial assets derecognised other than write-off	(35)	-	(35)
Changes due to change in credit risk	(35)	(1)	(36)
Total charge to/(write-back from) statement of income	21	(1)	20
<b>At 31 December 2025</b>	<b>190</b>	<b>-</b>	<b>190</b>

	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**

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
<b>At amortised cost</b>		
<u>Money market instruments:</u>		
Malaysian Government investment issues	<b>806,226</b>	686,921
	<b>806,226</b>	686,921
<u>Unquoted securities:</u>		
Sukuk	<b>620,521</b>	332,795
Less: Allowance for expected credit losses	<b>(236)</b>	(104)
	<b>620,285</b>	332,691
Total financial investments at amortised cost	<b>1,426,511</b>	1,019,612

Movements in allowance for expected credit losses are as follows:

	<b>12-month ECL (Stage 1)</b>	
	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
At beginning of financial period/year	<b>104</b>	-
New financial investments originated or purchased	<b>138</b>	104
Changes due to change in credit risk	<b>(7)</b>	-
Total charge to statement of income	<b>131</b>	104
At end of financial period/year	<b>235</b>	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 Derivative Financial Assets/(Liabilities)**

Derivative financial instruments measured at fair value together with their corresponding contract/notional amounts:

	As at 31 December 2025			As at 31 March 2025		
	Fair value			Fair value		
	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000
<b>Hedging derivatives</b>						
Profit rate related contracts:						
Profit rate swaps	<b>200,000</b>	<b>96</b>	-	-	-	-
- over one year to three years	<b>200,000</b>	<b>96</b>	-	-	-	-
<b>Total derivatives assets/(liabilities)</b>	<b>200,000</b>	<b>96</b>	-	-	-	-

**A15 Financing and Advances**

By types and Shariah concepts:

	Notes	Bai` Bithaman Ajil RM'000	Tawarruq RM'000	Al-Ijarah Thumma Al-Bai`/ AlTAB 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 2025</b>							
<b>At amortised cost</b>									
Cash line financing		<b>19,543</b>	<b>1,107,117</b>	-	-	<b>13,126</b>	-	-	<b>1,139,786</b>
Term financing									
- Housing financing		<b>2,551,045</b>	<b>1,354,383</b>	-	-	-	-	-	<b>3,905,428</b>
- Hire purchase receivables	(a)	-	-	<b>28,643</b>	-	-	-	-	<b>28,643</b>
- Other term financing		<b>1,296,361</b>	<b>7,212,409</b>	-	-	-	-	<b>22,690</b>	<b>8,531,460</b>
Bills receivables		-	<b>52,230</b>	-	<b>7,677</b>	-	-	-	<b>59,907</b>
Trust receipts		-	-	-	<b>46,064</b>	-	-	-	<b>46,064</b>
Claims on customers under acceptance credits		-	-	-	<b>1,074,217</b>	-	<b>88,339</b>	-	<b>1,162,556</b>
Staff financing (including financing to Directors: RM Nil)		<b>10,037</b>	<b>1,578</b>	-	-	-	-	-	<b>11,615</b>
Revolving credits	(b)	<b>61,597</b>	<b>369,756</b>	-	-	-	-	-	<b>431,353</b>
Gross financing and advances		<b>3,938,583</b>	<b>10,097,473</b>	<b>28,643</b>	<b>1,127,958</b>	<b>13,126</b>	<b>88,339</b>	<b>22,690</b>	<b>15,316,812</b>
Add: Sales commission and handling fees									<b>116,466</b>
Less: Allowance for expected credit losses on financing and advances									<b>(432,143)</b>
Total net financing and advances									<b>15,001,135</b>

**A15 Financing and Advances (Contd.)**

By types and Shariah concepts: (contd.)

	<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
31 March 2025									
<b>At amortised cost</b>									
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:

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
At beginning of financial period/year	<b>12,579</b>	10,378
Sources of Qard fund:		
- Shareholders' fund	<b>4,563</b>	13,227
Uses of Qard fund:		
- Personal use	<b>(522)</b>	(2,222)
- Working capital	<b>(3,494)</b>	(8,804)
At end of financial period/year	<u><b>13,126</b></u>	<u>12,579</u>

**A15 Financing and Advances (Contd.)**

(ii) By maturity structure:

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Within one year	2,898,623	3,135,294
One year to three years	398,698	468,654
Three years to five years	895,730	691,352
Over five years	11,123,761	10,343,119
Gross financing and advances	<u>15,316,812</u>	<u>14,638,419</u>

(iii) By type of customers:

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Domestic non-bank financial institutions	508,073	389,862
Domestic business enterprises		
- Small and medium enterprises	6,405,809	5,940,110
- Others	1,183,597	1,346,997
Individuals	7,127,116	6,883,038
Other domestic entities	8,408	236
Foreign entities	83,809	78,176
Gross financing and advances	<u>15,316,812</u>	<u>14,638,419</u>

(iv) By profit rate sensitivity:

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Fixed rate		
- Housing financing	11,310	12,996
- Hire purchase receivables	28,643	33,941
- Other fixed rate financing	3,522,065	3,284,514
Variable rate		
- Base financing rate plus	6,812,008	6,549,344
- Base rate plus	4,007,936	3,858,863
- Cost plus	934,850	898,761
Gross financing and advances	<u>15,316,812</u>	<u>14,638,419</u>

(v) By economic purposes:

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Purchase of securities	147,793	-
Purchase of transport vehicles	54,102	48,987
Purchase of landed property	6,921,505	6,607,360
of which: - Residential	<u>3,960,148</u>	<u>3,804,728</u>
- Non-residential	<u>2,961,357</u>	<u>2,802,632</u>
Purchase of fixed assets excluding land & buildings	74,220	45,484
Personal use	3,277,631	3,182,811
Construction	422,644	336,767
Working capital	3,413,681	3,509,331
Others	1,005,236	907,679
Gross financing and advances	<u>15,316,812</u>	<u>14,638,419</u>

**A15 Financing and Advances (Contd.)**

(vi) By economic sectors:

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Primary agriculture	<b>408,502</b>	444,365
Mining and quarrying	<b>14,298</b>	12,739
Manufacturing	<b>1,579,045</b>	1,566,498
Electricity, gas and water	<b>36,173</b>	36,193
Construction	<b>644,816</b>	604,801
Wholesale, retail trade, restaurants and hotels	<b>3,024,430</b>	2,940,854
Transport, storage and communication	<b>300,070</b>	255,377
Financing, insurance, real estate and business services	<b>1,960,383</b>	1,702,195
Community, social and personal services	<b>138,170</b>	114,183
Household	<b>7,210,925</b>	6,961,214
Gross financing and advances	<b><u>15,316,812</u></b>	<u>14,638,419</u>

(vii) By geographical distribution:

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Northern region	<b>2,054,832</b>	1,950,723
Central region	<b>10,335,428</b>	9,562,523
Southern region	<b>1,314,975</b>	1,358,653
Sabah region	<b>1,250,244</b>	1,404,899
Sarawak region	<b>361,333</b>	361,621
Gross financing and advances	<b><u>15,316,812</u></b>	<u>14,638,419</u>

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

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
At beginning of financial period/year	<b>287,402</b>	315,458
Impaired during the financial period/year	<b>388,656</b>	491,012
Reclassified as unimpaired during the financial period/year	<b>(219,632)</b>	(318,778)
Recovered during the financial period/year	<b>(22,053)</b>	(26,914)
Financial assets derecognised other than write-off during the financial period/year	<b>(46,902)</b>	(59,439)
Amount written-off	<b>(72,294)</b>	(113,937)
At end of financial period/year	<b><u>315,177</u></b>	<u>287,402</u>
Gross impaired financing ratio	<b>2.06%</b>	1.96%
Net impaired financing ratio	<b>1.34%</b>	1.28%

The credit impaired financing and advances of RM315,177,000 for the Bank are presented net of claim proceeds received from Credit Guarantee Corporation Malaysia Berhad ("CGC"), amounting to RM974,000 for the Bank.

**A15 Financing and Advances (Contd.)**

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

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Purchase of transport vehicles	470	811
Purchase of landed property	144,802	135,354
of which: - Residential	128,892	114,351
- Non-residential	15,910	21,003
Purchase of fixed assets excluding land & buildings	164	151
Personal use	116,253	112,433
Working capital	42,704	28,767
Others	10,784	9,886
Gross impaired financing and advances	315,177	287,402

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

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Primary agriculture	1,282	1,299
Manufacturing	25,028	18,486
Construction	11,634	11,904
Wholesale, retail trade, restaurants and hotels	22,749	18,597
Transport, storage and communication	646	928
Financing, insurance, real estate and business services	2,646	1,925
Community, social and personal services	3,856	5,091
Household	247,336	229,172
Gross impaired financing and advances	315,177	287,402

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

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Northern region	38,080	38,414
Central region	232,846	213,754
Southern region	23,112	16,283
Sabah region	20,290	17,788
Sarawak region	849	1,163
Gross impaired financing and advances	315,177	287,402

**A15 Financing and Advances (Contd.)**

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

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
At 1 April 2025	<b>95,704</b>	<b>186,754</b>	<b>101,449</b>	<b>383,907</b>
Transfer to Stage 1	<b>34,514</b>	<b>(111,743)</b>	<b>(461)</b>	<b>(77,690)</b>
Transfer to Stage 2	<b>(56,792)</b>	<b>233,952</b>	<b>(49,040)</b>	<b>128,120</b>
Transfer to Stage 3	<b>(260)</b>	<b>(101,909)</b>	<b>112,492</b>	<b>10,323</b>
New financial assets originated or purchased	<b>41,475</b>	<b>21,311</b>	<b>1,616</b>	<b>64,402</b>
Financial assets derecognised other than write-off	<b>(22,684)</b>	<b>(27,913)</b>	<b>(8,490)</b>	<b>(59,087)</b>
Changes due to change in credit risk	<b>9,283</b>	<b>21,110</b>	<b>4,078</b>	<b>34,471</b>
	<b>5,536</b>	<b>34,808</b>	<b>60,195</b>	<b>100,539</b>
Unwinding of discount	-	-	<b>11,059</b>	<b>11,059</b>
Total charge to statement of income	<b>5,536</b>	<b>34,808</b>	<b>71,254</b>	<b>111,598</b>
Write-off	<b>(27)</b>	<b>(1,769)</b>	<b>(61,566)</b>	<b>(63,362)</b>
<b>At 31 December 2025</b>	<b>101,213</b>	<b>219,793</b>	<b>111,137</b>	<b>432,143</b>
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.

**A16 Other Assets**

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Other receivables	7,019	10,647
Deposits	94	94
Prepayment	1,696	4,111
Amount due from holding company	2,345	72,493
Amount due from related company	-	1,284
	<b>11,154</b>	<b>88,629</b>
Less:		
Allowance for expected credit losses on other receivables [Note]	<b>(2,538)</b>	<b>(2,304)</b>
	<b>8,616</b>	<b>86,325</b>

Note:

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

	<u>Lifetime ECL</u>	
	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
At beginning of financial period/year	2,304	2,687
New financial assets originated or purchased	1,634	2,167
Financial assets derecognised other than write-off	(2,643)	(3,697)
Changes due to change in credit risk	1,243	1,147
Total charge to/(write-back from) statement of income	234	(383)
At end of financial period/year	<b>2,538</b>	<b>2,304</b>

As at 31 December 2025, the Bank's gross exposure of other receivables that are under lifetime expected credit losses was at RM2,538,000 (31 March 2025: RM2,304,000).

**A17 Deposits from Customers**

**A17a** By type of deposits:

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Demand deposits		
- Qard	4,025,121	4,084,985
- Tawarruq	820,714	907,756
Savings deposits		
- Qard	358,437	369,983
- Tawarruq	12,066	10,215
Term deposits		
- Tawarruq	9,984,305	9,828,475
- Negotiable Islamic Debt Certificate		
- Bai' Inah	227,578	220,705
- Money market deposits		
- Tawarruq	1,327,374	774,104
- Other deposits		
- Mudharabah	51,852	55,562
- Wakalah	31,560	31,860
- Qard	102,690	16,750
	<b>16,941,697</b>	<b>16,300,395</b>

**A17 Deposits from Customers (Contd.)**

**A17b** The maturity structure of term deposits are as follows:

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Due within six months	<b>8,287,664</b>	8,525,215
Six months to one year	<b>3,436,337</b>	2,179,662
One year to three years	<b>927</b>	222,359
Three years to five years	<b>431</b>	220
	<b><u>11,725,359</u></b>	<b><u>10,927,456</u></b>

**A17c** By type of customers:

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Domestic financial institutions	<b>227,578</b>	220,705
Domestic non-bank financial institutions	<b>1,544,277</b>	1,130,828
Government and statutory bodies	<b>2,447,074</b>	2,434,791
Business enterprises	<b>5,945,321</b>	5,554,426
Individuals	<b>5,918,747</b>	6,199,617
Foreign entities	<b>136,301</b>	150,233
Others	<b>722,399</b>	609,795
	<b><u>16,941,697</u></b>	<b><u>16,300,395</u></b>

**A18 Deposits and Placements of Banks and Other Financial Institutions**

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
<b>Non-Mudharabah Fund</b>		
Bank Negara Malaysia	<b>237,689</b>	210,488
	<b><u>237,689</u></b>	<b><u>210,488</u></b>

**A19 Other Liabilities**

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Other payables	<b>111,413</b>	137,062
Bills payable	<b>16,333</b>	113,444
Clearing account	<b>22,708</b>	32,835
Sundry deposits	<b>14,438</b>	12,161
Provision and accruals	<b>15,977</b>	13,200
Amount due to holding company	-	-
Amount due to related company	<b>4,829</b>	-
Allowance for expected credit losses on commitments and contingencies	<b>6,412</b>	5,953
	<b><u>192,110</u></b>	<b><u>314,655</u></b>

**A19 Other Liabilities (Contd.)**

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

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not-credit impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
At 1 April 2025	2,661	2,479	813	5,953
Transfer to Stage 1	44	(668)	(563)	(1,187)
Transfer to Stage 2	(385)	3,155	(210)	2,560
Transfer to Stage 3	-	(396)	794	398
New financial assets originated or purchased	1,732	611	-	2,343
Financial assets derecognised other than write-off	(787)	(1,657)	(281)	(2,725)
Changes due to change in credit risk	(971)	111	(75)	(935)
	(367)	1,156	(335)	454
Unwinding of discount	-	-	5	5
Total (write-back from)/charge to statement of income	(367)	1,156	(330)	459
<b>At 31 December 2025</b>	<b>2,294</b>	<b>3,635</b>	<b>483</b>	<b>6,412</b>
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 31 December 2025, the Bank's gross exposures of commitments and contingencies that are credit impaired was at RM2,122,000 (31 March 2025: RM4,856,000).

**A20 Income Derived from Investment of Depositors' Funds and Others**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December 2025</b>	31 December 2024	<b>31 December 2025</b>	31 December 2024
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Income derived from investment of:				
(i) Term deposits	<b>169,728</b>	156,226	<b>506,324</b>	464,223
(ii) Other deposits	<b>77,665</b>	80,513	<b>232,370</b>	238,179
	<b>247,393</b>	236,739	<b>738,694</b>	702,402

(i) Income derived from investment of term deposits:

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December 2025</b>	31 December 2024	<b>31 December 2025</b>	31 December 2024
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Finance income and hibah</b>				
Financing and advances	<b>129,010</b>	122,568	<b>388,904</b>	366,636
Financial investments at fair value through other comprehensive income	<b>12,155</b>	11,555	<b>35,851</b>	34,191
Financial investments at amortised cost	<b>8,452</b>	5,863	<b>23,002</b>	17,557
Money at call and deposit placements with financial institutions	<b>3,589</b>	3,201	<b>13,818</b>	10,084
	<b>153,206</b>	143,187	<b>461,575</b>	428,468
Accretion of discount less amortisation of premium	<b>5,996</b>	5,313	<b>16,243</b>	14,786
Total finance income and hibah	<b>159,202</b>	148,500	<b>477,818</b>	443,254
<b>Other operating income</b>				
- Fee income	<b>10,119</b>	7,542	<b>24,647</b>	19,120
- Investment gain/(loss)	<b>138</b>	(88)	<b>3,132</b>	1,135
- Other income	<b>269</b>	272	<b>727</b>	714
	<b>169,728</b>	156,226	<b>506,324</b>	464,223

Note:

Included in financing income earned on financing and advances for the current financial period was unwinding of profit income on impaired financing of the Bank amounting to RM75,000 (Profit accrued for 31 December 2024: RM982,000).

**A20 Income Derived from Investment of Depositors' Funds and Others (Contd.)**

(ii) Income derived from investment of other deposits:

	3rd Quarter Ended		Nine Months Ended	
	31 December 2025 RM'000	31 December 2024 RM'000	31 December 2025 RM'000	31 December 2024 RM'000
<b>Finance income and hibah</b>				
Financing and advances	59,030	63,169	178,482	188,110
Financial investments at fair value through other comprehensive income	5,562	5,955	16,453	17,542
Financial investments at amortised cost	3,869	3,021	10,556	9,008
Money at call and deposit placements with financial institutions	1,641	1,651	6,342	5,174
	<u>70,102</u>	<u>73,796</u>	<u>211,833</u>	<u>219,834</u>
Accretion of discount less amortisation of premium	2,744	2,738	7,454	7,587
Total finance income and hibah	<u>72,846</u>	<u>76,534</u>	<u>219,287</u>	<u>227,421</u>
<b>Other operating income</b>				
- Fee income	4,634	3,882	11,311	9,809
- Investment gain/(loss)	62	(43)	1,438	583
- Other income	123	140	334	366
	<u>77,665</u>	<u>80,513</u>	<u>232,370</u>	<u>238,179</u>

Note:

Included in financing income earned on financing and advances for the current financial period was unwinding of profit income on impaired financing of the Bank amounting to RM34,000 (Profit accrued for 31 December 2024: RM504,000).

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

	3rd Quarter Ended		Nine Months Ended	
	31 December 2025 RM'000	31 December 2024 RM'000	31 December 2025 RM'000	31 December 2024 RM'000
<b>Finance income and hibah</b>				
Financing and advances	16,914	15,930	50,213	46,015
Financial investments at fair value through other comprehensive income	1,848	1,840	5,473	5,297
Financial investments at amortised cost	1,285	934	3,511	2,720
Money at call and deposit placements with financial institutions	544	511	2,109	1,562
	<u>20,591</u>	<u>19,215</u>	<u>61,306</u>	<u>55,594</u>
Accretion of discount less amortisation of premium	912	844	2,480	2,291
Total finance income and hibah	<u>21,503</u>	<u>20,059</u>	<u>63,786</u>	<u>57,885</u>
<b>Other operating income</b>				
- Fee income	1,540	1,194	3,763	2,962
- Investment gain/(loss)	20	(11)	478	176
- Other income	41	44	111	111
	<u>23,104</u>	<u>21,286</u>	<u>68,138</u>	<u>61,134</u>

Notes:

Included in financing income earned on financing and advances for the current financial period was unwinding of profit income on impaired financing of the Bank amounting to RM11,000 (Profit accrued for 31 December 2024: RM152,000).

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

	3rd Quarter Ended		Nine Months Ended	
	31 December 2025 RM'000	31 December 2024 RM'000	31 December 2025 RM'000	31 December 2024 RM'000
Allowance for/(write-back of) expected credit losses on:				
(a) Financing and advances	28,415	13,492	100,539	89,956
(b) Commitments and contingencies on financing and advances	1,049	1,146	454	(970)
(c) Other receivables	(308)	65	234	(331)
	<u>29,156</u>	<u>14,703</u>	<u>101,227</u>	<u>88,655</u>
(d) Credit impaired on financing and advances				
- Recovered during the financial period	(8,790)	(7,269)	(23,366)	(25,300)
- Write-off during the financial period	4,589	5,716	12,943	15,298
	<u>24,955</u>	<u>13,150</u>	<u>90,804</u>	<u>78,653</u>

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

	3rd Quarter Ended		Nine Months Ended	
	31 December 2025 RM'000	31 December 2024 RM'000	31 December 2025 RM'000	31 December 2024 RM'000
Allowance for/(write-back of) expected credit losses on:				
(a) Financial investments at fair value through other comprehensive income	1	7	20	(20)
(b) Financial investments at amortised cost	115	-	131	-
	<u>116</u>	<u>7</u>	<u>151</u>	<u>(20)</u>

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

	3rd Quarter Ended		Nine Months Ended	
	31 December 2025 RM'000	31 December 2024 RM'000	31 December 2025 RM'000	31 December 2024 RM'000
Deposits from customers:				
- Mudharabah fund	279	400	950	1,238
- Non-Mudharabah fund	119,222	112,596	358,447	335,956
Deposits and placements of banks and other financial institutions:				
- Non-Mudharabah fund	48	39	75	129
Recourse obligation on financing sold to Cagamas	-	3,671	1,494	13,747
Other borrowings	1,981	1,981	5,922	3,058
Subordinated Sukuk Murabahah	3,792	3,792	11,335	9,375
Lease liabilities	14	6	(10)	25
	<u>125,336</u>	<u>122,485</u>	<u>378,213</u>	<u>363,528</u>

**A24 Other Operating Expenses**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2025 RM'000	31 December 2024 RM'000	31 December 2025 RM'000	31 December 2024 RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	29,241	25,259	86,981	76,587
- Contribution to EPF	4,733	3,957	13,693	11,938
- Others	4,182	1,863	10,517	6,939
	<b>38,156</b>	<b>31,079</b>	<b>111,191</b>	<b>95,464</b>
<u>Establishment costs</u>				
- Depreciation on property, plant and equipment	31	19	77	66
- Depreciation on right-of-use assets	134	119	372	357
- Amortisation of computer software	164	152	496	458
- Rental of premises	1,545	27	1,601	84
- Water and electricity	234	343	825	1,007
- Repairs and maintenance	58	300	526	1,254
- Information technology expenses	10,641	8,918	29,887	25,295
- Others [Note]	347	1,139	1,380	2,191
	<b>13,154</b>	<b>11,017</b>	<b>35,164</b>	<b>30,712</b>
<u>Marketing expenses</u>				
- Promotion and advertisement	609	462	3,761	2,019
- Branding and publicity	1,692	575	3,103	3,067
- Others	327	244	971	817
	<b>2,628</b>	<b>1,281</b>	<b>7,835</b>	<b>5,903</b>
<u>Administration and general expenses</u>				
- Communication expenses	547	446	1,593	1,257
- Printing and stationeries	114	75	287	239
- Insurance	716	625	1,874	1,495
- Professional fees	3,706	2,673	9,348	7,685
- Others	1,057	4,753	3,219	5,845
	<b>6,140</b>	<b>8,572</b>	<b>16,321</b>	<b>16,521</b>
Total other operating expenses	<b>60,078</b>	<b>51,949</b>	<b>170,511</b>	<b>148,600</b>

Note:

Included in the other operating expenses are the Shariah Committee members' remuneration of RM117,000 (31 December 2024: RM364,500).

**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:

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2025</b>	2024	<b>2025</b>	2024
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Sharing of Other Operating Expenses</b>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	<b>25,358</b>	21,876	<b>73,798</b>	65,943
- Contribution to EPF	<b>4,135</b>	3,427	<b>11,746</b>	10,281
- Others	<b>3,433</b>	1,463	<b>8,759</b>	5,972
	<b>32,926</b>	26,766	<b>94,303</b>	82,196
<u>Establishment costs</u>				
- Rental of premises	<b>1,545</b>	27	<b>1,601</b>	84
- Water and electricity	<b>213</b>	340	<b>794</b>	986
- Repairs and maintenance	<b>55</b>	286	<b>510</b>	1,223
- Information technology expenses	<b>10,430</b>	8,802	<b>29,368</b>	24,927
- Others [Note]	<b>294</b>	1,127	<b>1,299</b>	2,176
	<b>12,537</b>	10,582	<b>33,572</b>	29,396
<u>Marketing expenses</u>				
- Promotion and advertisement	<b>199</b>	349	<b>3,002</b>	1,762
- Branding and publicity	<b>1,692</b>	639	<b>3,110</b>	3,149
- Others	<b>273</b>	210	<b>815</b>	702
	<b>2,164</b>	1,198	<b>6,927</b>	5,613
<u>Administration and general expenses</u>				
- Communication expenses	<b>425</b>	363	<b>1,226</b>	941
- Printing and stationeries	<b>94</b>	48	<b>215</b>	160
- Professional fees	<b>1,970</b>	1,362	<b>5,043</b>	4,166
- Others	<b>249</b>	4,136	<b>679</b>	3,932
	<b>2,738</b>	5,909	<b>7,163</b>	9,199
Total sharing of other operating expenses	<b>50,365</b>	44,455	<b>141,965</b>	126,404

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 2025</b>	31 December 2024	<b>31 December 2025</b>	31 December 2024
Net profit for the financial period attributable to equity holder of the Bank (RM'000)	<b>46,408</b>	53,287	<b>127,215</b>	135,726
Weighted average numbers of ordinary shares in issue ('000)	<b>501,978</b>	484,660	<b>501,978</b>	470,311
Basic/diluted earnings per share (sen)	<b>9.2</b>	11.0	<b>25.3</b>	28.9

**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 2025 RM'000</b>	31 March 2025 RM'000
<u>Credit-related exposures</u>		
Direct credit substitutes	<b>91,676</b>	87,989
Transaction-related contingent items	<b>146,390</b>	134,999
Short-term self-liquidating trade-related contingencies	<b>25,473</b>	15,013
Irrevocable commitments to extend credit:		
- maturity exceeding one year	<b>590,544</b>	584,893
- maturity not exceeding one year	<b>3,073,699</b>	2,899,674
	<b>3,927,782</b>	3,722,568
<u>Derivative financial instruments</u>		
Profit rate related contracts:		
- over one year to three years	<b>200,000</b>	-
	<b>4,127,782</b>	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:

	<b>31 December 2025</b>	31 March 2025
<u>Before deducting proposed dividends</u>		
CET 1 capital ratio	<b>12.417%</b>	13.334%
Tier I capital ratio	<b>13.175%</b>	14.146%
Total capital ratio	<b>16.099%</b>	17.195%
<u>After deducting proposed dividends</u>		
CET 1 capital ratio	<b>12.417%</b>	12.889%
Tier 1 capital ratio	<b>13.175%</b>	13.701%
Total capital ratio	<b>16.099%</b>	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:

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
<b><u>CET I Capital</u></b>		
Paid-up share capital	<b>727,065</b>	727,065
Retained profits	<b>964,397</b>	970,783
FVOCI reserves	<b>8,642</b>	(1,112)
	<b>1,700,104</b>	1,696,736
(Less)/add: Regulatory adjustments		
- Intangible assets	<b>(1,407)</b>	(1,653)
- Deferred tax assets	<b>(54,523)</b>	(51,619)
- 55% of FVOCI reserves	<b>(4,752)</b>	-
Total CET I Capital	<b>1,639,422</b>	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.)

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
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>1,739,422</b>	1,743,464
<b><u>Tier II Capital</u></b>		
Subordinated Sukuk Murabahah	<b>230,000</b>	230,000
Expected credit losses	<b>156,060</b>	145,786
Total Tier II Capital	<b>386,060</b>	375,786
<b>Total Capital</b>	<b>2,125,482</b>	2,119,250

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

	<b>31 December 2025 RM'000</b>	31 March 2025 RM'000
Credit risk	<b>12,484,798</b>	11,662,851
Market risk	<b>30,197</b>	11,851
Operational risk	<b>687,636</b>	650,216
Total RWA and capital requirements	<b>13,202,631</b>	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> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
31 December 2025				
<u>Financial Assets</u>				
Financial investments at FVOCI				
- Money market instruments	-	<b>863,056</b>	-	<b>863,056</b>
- Unquoted securities	-	<b>1,323,650</b>	-	<b>1,323,650</b>
Derivative financial assets	-	<b>96</b>	-	<b>96</b>
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 31 December 2025 and 31 March 2025.

**A29 Offsetting Financial Assets And Financial Liabilities**

In accordance with MFRS 132 Financial Instruments: Presentation, the Bank reports financial assets and financial liabilities on a net basis on the statement of financial position, only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table shows the impact of netting arrangements on:

- (i) all financial assets and liabilities that are reported net on the statement of financial position; and
- (ii) all financial assets and liabilities that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for statements of financial position netting.

**(a) Financial assets**

	Gross amounts of recognised <u>financial assets</u> RM'000	Net amounts of financial assets presented in the statement of financial <u>position</u> RM'000	Related amounts not set off in the statement of financial position		Net <u>amount</u> RM'000
			Financial <u>instruments</u> RM'000	Cash collateral <u>received</u> RM'000	
31 December 2025					
Derivative financial assets	<b>96</b>	<b>96</b>	-	-	<b>96</b>
31 March 2025					
Derivative financial assets	-	-	-	-	-

**(b) Financial liabilities**

	Gross amounts of recognised <u>financial liabilities</u> RM'000	Net amounts of financial liabilities presented in the statement of financial <u>position</u> RM'000	Related amounts not set off in the statement of financial position		Net <u>amount</u> RM'000
			Financial <u>instruments</u> RM'000	Cash collateral <u>pledged</u> RM'000	
31 December 2025					
Derivative financial liabilities	-	-	-	-	-
31 March 2025					
Derivative financial liabilities	-	-	-	-	-

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements, each agreement between the Bank and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

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

### **B1 Business Review for the Financial Period Ended 31 December 2025**

#### Profitability

The Bank recorded a net profit after taxation of RM127.2 million for the nine months ended 31 December 2025, a year-on-year (“YoY”) decrease of RM8.5 million or 6.3%. The decline was primarily driven by increased operating expenses and allowance for expected credit after taking into account higher revenue during the period.

Net profit income increased by RM17.6 million or 4.8% YoY, predominantly attributed to financing growth. The net profit margin (“NPM”) for the period was 2.68% (9MFY25: 2.74%).

The Bank reported other operating income of RM45.9 million, an increase of RM11.0 million or 31.3% YoY. This growth primarily stemmed from increased revenue from processing fees, treasury and investment income, service charges and fees and corporate advisory fees.

Total revenue stood at RM428.6 million, increased by RM28.6 million or 7.2% YoY.

#### Operating Expenses

Operating expenses rose by RM21.9 million, or 14.7% YoY. The cost-to-income ratio (“CIR”) stood at 39.8%.

#### Financing Growth

The implementation of the ACCELER8 strategic plan facilitated an expansion in the Bank’s financing and advances, which increased by 6.3% YoY to reach RM15.3 billion. This growth was predominantly propelled by advancements in Consumer, Small and Medium Enterprises (“SME”) and Commercial Banking segments, which grew by 4.2%, 9.2% and 16.5% respectively.

#### Asset Quality

The Bank’s allowance for expected credit losses on financing, advances and other financial assets posted a net charge of RM91.0 million, an increase of RM12.3 million YoY. The net credit cost stood at 60.7 basis points, while the financing loss coverage, including regulatory reserves, reached 137.1%.

The Bank will maintain a prudent approach with a robust credit risk framework applied across all business lines. This involves stratifying customers based on their risk profiles and engaging with them accordingly. The Group continues to focus on controlling credit costs by refining credit policies, enhancing credit underwriting standards, and intensifying collection efforts.

#### Healthy Funding and Liquidity Position

The Bank’s current/savings account (“CASA”) ratio was 30.8%, with customer deposits totalling RM16.9 billion. Our funding strategy has enabled the Bank to maintain a robust liquidity coverage ratio and financing-to-funds ratio, which stood at 157.3% and 86.5%, respectively.

#### Proactive Capital Management

We maintained a robust capital position with the Common Equity Tier-1 (“CET 1”) ratio at 12.4%, the Tier-1 Capital Ratio at 13.2%, and the Total Capital Ratio at 16.1%, 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 government focus to spur higher economic growth will help support Malaysia's growth trajectory. 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.