

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Statement of Financial Position as at 30 September 2024**

		30 September	31 March
		2024	2024
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		812,747	1,315,522
Deposits and placements with banks and other financial institutions		400,952	-
Financial investments at fair value through other comprehensive income	A12	2,123,297	1,818,464
Financial investments at amortised cost	A13	1,008,757	813,434
Financing and advances	A14	13,902,302	13,556,542
Other assets	A15	99,228	11,750
Statutory deposits with Bank Negara Malaysia		290,700	273,600
Right-of-use assets		477	715
Property, plant and equipment		160	156
Deferred tax assets		51,006	49,927
Intangible assets		1,892	2,153
TOTAL ASSETS		18,691,518	17,842,263
LIABILITIES AND EQUITY			
Deposits from customers	A16	15,597,514	15,102,735
Deposits and placements of banks and other financial institutions	A17	204,229	189,063
Recourse obligation on financing sold to Cagamas		502,901	502,878
Lease liabilities		581	869
Other liabilities	A18	247,515	296,185
Provision for taxation		14,962	14,607
Provision for zakat		853	917
Other Borrowings		201,077	-
Subordinated Sukuk		332,596	232,483
TOTAL LIABILITIES		17,102,228	16,339,737
Share capital		695,454	637,500
Reserves		893,836	865,026
TOTAL EQUITY		1,589,290	1,502,526
TOTAL LIABILITIES AND EQUITY		18,691,518	17,842,263
COMMITMENTS AND CONTINGENCIES	A26	3,932,653	3,633,360

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

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Statement of Income****for the Financial Period Ended 30 September 2024**

	Note	2nd Quarter Ended		Six Months Ended	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	A19	242,651	198,225	465,663	388,901
Income derived from investment of shareholder's funds	A20	17,335	19,726	39,848	38,239
Allowance for expected credit losses on financing and advances and other financial assets	A21	(33,385)	(9,686)	(65,503)	(27,105)
(Allowance for)/Write-back of expected credit losses on financial investments	A22	(1)	(11)	27	(14)
Total distributable income		226,600	208,254	440,035	400,021
Income attributable to the depositors and financial institutions	A23	(124,108)	(109,775)	(241,043)	(217,958)
Total net income		102,492	98,479	198,992	182,063
Other operating expenses	A24	(48,121)	(43,397)	(96,651)	(88,040)
Profit before taxation and zakat		54,371	55,082	102,341	94,023
Taxation and zakat		(8,079)	(13,637)	(19,902)	(23,388)
Net profit for the financial period		46,292	41,445	82,439	70,635
Net profit for the financial period attributable to:					
Equity holder of the Bank		46,292	41,445	82,439	70,635
Earnings per share attributable to:					
Equity holder of the Bank					
- Basic/diluted (sen)	A25	9.6	9.4	17.8	16.5

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

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

(Incorporated in Malaysia)

Condensed Interim Financial Statements**Unaudited Statement of Comprehensive Income
for the Financial Period Ended 30 September 2024**

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	46,292	41,445	82,439	70,635
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	9,714	(4,736)	9,219	(2,176)
- Realised loss transferred to statement of income on disposal	(986)	(1,513)	(2,318)	(1,513)
- Transfer (to)/from deferred tax	(2,094)	1,500	(1,656)	886
- Changes in expected credit losses	1	11	(27)	14
Other comprehensive income/(expense), net of tax	6,635	(4,738)	5,218	(2,789)
Total comprehensive income for the financial period	52,927	36,707	87,657	67,846
Total comprehensive income for the financial period attributable to:				
Equity holder of the Bank	52,927	36,707	87,657	67,846

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

ALLIANCE ISLAMIC BANK BERHAD

200701018870 (776882-V)

(Incorporated in Malaysia)

Condensed Interim Financial Statements

Unaudited Statement of Changes in Equity for the Financial Period Ended 30 September 2024

	← 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 2024	637,500	-	(5,420)	870,446	1,502,526
Net profit for the financial period	-	-	-	82,439	82,439
Other comprehensive income	-	-	5,218	-	5,218
Total comprehensive income for the financial period	-	-	5,218	82,439	87,657
Issue of ordinary shares	57,954	-	-	-	57,954
Dividend paid to shareholder	-	-	-	(58,847)	(58,847)
At 30 September 2024	695,454	-	(202)	894,038	1,589,290
At 1 April 2023	600,000	19,339	(13,681)	727,052	1,332,710
Net profit for the financial period	-	-	-	70,635	70,635
Other comprehensive expense	-	-	(2,789)	-	(2,789)
Total comprehensive (expense)/income for the financial period	-	-	(2,789)	70,635	67,846
Transfer to regulatory reserves	-	29,357	-	(29,357)	-
Issue of ordinary shares	37,500	-	-	-	37,500
Dividend paid to shareholder	-	-	-	(37,697)	(37,697)
At 30 September 2023	637,500	48,696	(16,470)	730,633	1,400,359

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

ALLIANCE ISLAMIC BANK BERHAD

200701018870 (776882-V)

(Incorporated in Malaysia)

Condensed Interim Financial Statements

Unaudited Statement of Cash Flows

for the Financial Period Ended 30 September 2024

	30 September 2024 RM'000	30 September 2023 RM'000
Profit before taxation and zakat	102,341	94,023
Adjustments for non-cash items	16,320	(33,431)
Operating profit before changes in working capital	118,661	60,592
Changes in working capital	(463,938)	(411,365)
Tax expense and zakat paid	(22,376)	(23,746)
Net cash used in operating activities	(367,653)	(374,519)
Net cash used in investing activities	(360,445)	(454,913)
Net cash generated from financing activities	225,323	152,080
Net change in cash and cash equivalents	(502,775)	(677,352)
Cash and cash equivalents at beginning of financial period	1,315,522	1,474,713
Cash and cash equivalents at end of financial period	812,747	797,361
Cash and cash equivalents comprise the following:		
Cash and short-term funds	812,747	797,361

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

Explanatory Notes

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

A1 Basis of Preparation

The unaudited condensed interim financial statements for the financial period ended 30 September 2024 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and financial investments at fair value through other comprehensive income that are measured at fair value.

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

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

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

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

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

A2 Auditors' Report on Preceding Annual Financial Statements

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

A3 Seasonality or Cyclicity of Operations

The operations of the Bank was not materially affected by any seasonal or cyclical fluctuations during the financial period ended 30 September 2024.

A4 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank during the financial period ended 30 September 2024.

A5 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect during the financial period ended 30 September 2024.

A6 Issuance and Repayment of Debt and Equity Securities

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

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

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

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

A7 Dividend Paid

A single tier interim dividend of 13.37 sen per share, on 440,139,772 ordinary shares amounting to approximately RM58,847,000 in respect of the financial year ended 31 March 2024, was paid on 18 June 2024.

A8 Significant Events

There were no significant event during the financial period ended 30 September 2024.

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

The Board of Directors has proposed 21,825,113 Rights Issue at RM1.4484 per share to Alliance Bank Malaysia Berhad, the holding company of the Bank amounting to RM31,611,494. The ordinary share of the Bank will increase from RM695,454,404 to RM727,065,898.

A10 Related Party Transactions

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

A11 Dividend Declared

The Board of Directors has declared a first interim dividend of 6.87 sen per share on 480,152,479 ordinary shares amounting to approximately RM32,986,000 in respect of financial year ending 31 March 2025.

A12 Financial Investments at Fair Value Through Other Comprehensive Income

	30 September 2024 RM'000	31 March 2024 RM'000
At fair value - debt instruments		
<u>Money market instruments:</u>		
Malaysian Government investment issues	889,481	701,076
Negotiable instruments of deposits	199,124	-
	<u>1,088,605</u>	<u>701,076</u>
<u>Unquoted securities:</u>		
Sukuk	1,034,692	1,117,388
	<u>1,034,692</u>	<u>1,117,388</u>
Total financial investments at FVOCI	<u><u>2,123,297</u></u>	<u><u>1,818,464</u></u>

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

Movements in allowance for expected credit losses are as follows:

	12-month ECL <u>(Stage 1)</u> RM'000	Lifetime ECL not-credit impaired <u>(Stage 2)</u> RM'000	<u>Total</u> RM'000
At 1 April 2024	205	4	209
New financial assets originated or purchased	27	-	27
Financial assets derecognised other than write-off	(38)	-	(38)
Changes due to change in credit risk	(14)	(2)	(16)
Total write-back from income statement	(25)	(2)	(27)
At 30 September 2024	180	2	182

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

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 September 2024 RM'000	31 March 2024 RM'000
At amortised cost		
<u>Money market instruments:</u>		
Malaysian Government investment issues	726,100	656,884
	726,100	656,884
<u>Unquoted securities:</u>		
Sukuk	282,657	156,550
	282,657	156,550
Total financial investments at amortised cost	1,008,757	813,434

A14 Financing and Advances

By types and Shariah concepts:

	<u>Notes</u>	Bai` Bithaman Ajil RM'000	<u>Tawarrug</u> RM'000	Al-Ijarah Thumma Al-Bai`/ AITAB RM'000	<u>Murabahah</u> RM'000	<u>Qard</u> RM'000	Bai` Al-Dayn RM'000	Bai` `Inah RM'000	Total Financing and Advances RM'000
30 September 2024									
At amortised cost									
Cash line financing		17,868	1,171,733	-	-	13,418	-	-	1,203,019
Term financing									
- Housing financing		3,416,014	238,209	-	-	-	-	-	3,654,223
- Hire purchase receivables	(a)	-	-	42,495	-	-	-	-	42,495
- Other term financing		1,552,215	6,013,357	-	-	-	-	41,138	7,606,710
Bills receivables		-	52,339	-	7,391	-	-	-	59,730
Trust receipts		-	-	-	43,521	-	-	-	43,521
Claims on customers under acceptance credits		-	-	-	1,024,560	-	80,797	-	1,105,357
Staff financing (Financing to Directors: RM Nil)		12,359	-	-	-	-	-	-	12,359
Revolving credits	(b)	44,119	434,037	-	-	-	-	-	478,156
Gross financing and advances		<u>5,042,575</u>	<u>7,909,675</u>	<u>42,495</u>	<u>1,075,472</u>	<u>13,418</u>	<u>80,797</u>	<u>41,138</u>	<u>14,205,570</u>
Add: Sales commission and handling fees									104,781
Less: Allowance for expected credit losses on financing and advances									(408,049)
Total net financing and advances									<u><u>13,902,302</u></u>

A14 Financing and Advances (Contd.)

By types and Shariah concepts: (contd.)

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

Notes:

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

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

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

	30 September 2024 RM'000	31 March 2024 RM'000
At beginning of financial period/year	10,378	15,914
Sources of Qard fund:		
- Shareholders' fund	9,210	9,391
Uses of Qard fund:		
- Purchase of landed property - Residential	-	(987)
- Personal use	(930)	(5,353)
- Working capital	(5,240)	(8,587)
At end of financial period/year	<u>13,418</u>	<u>10,378</u>

A14 Financing and Advances (Contd.)

(ii) By maturity structure:

	30 September 2024 RM'000	31 March 2024 RM'000
Within one year	2,928,375	2,957,247
One year to three years	491,024	529,086
Three years to five years	760,240	772,588
Over five years	10,025,931	9,576,699
Gross financing and advances	<u>14,205,570</u>	<u>13,835,620</u>

(iii) By type of customers:

	30 September 2024 RM'000	31 March 2024 RM'000
Domestic non-bank financial institutions	273,512	287,152
Domestic business enterprises		
- Small and medium enterprises	5,756,089	5,364,013
- Others	1,275,045	1,385,919
Individuals	6,817,238	6,717,958
Other domestic entities	8,916	9,446
Foreign entities	74,770	71,132
Gross financing and advances	<u>14,205,570</u>	<u>13,835,620</u>

(iv) By profit rate sensitivity:

	30 September 2024 RM'000	31 March 2024 RM'000
Fixed rate		
- Housing financing	13,740	14,127
- Hire purchase receivables	42,495	50,890
- Other fixed rate financing	3,176,220	3,057,175
Variable rate		
- Base financing rate plus	6,422,341	6,212,666
- Base rate plus	3,749,120	3,631,417
- Cost plus	801,654	869,345
Gross financing and advances	<u>14,205,570</u>	<u>13,835,620</u>

(v) By economic purposes:

	30 September 2024 RM'000	31 March 2024 RM'000
Purchase of transport vehicles	56,508	64,574
Purchase of landed property	6,456,866	6,033,607
of which: - Residential	<u>3,714,452</u>	<u>3,608,324</u>
- Non-residential	<u>2,742,414</u>	<u>2,425,283</u>
Purchase of fixed assets excluding land & buildings	47,499	56,926
Personal use	3,203,539	3,200,974
Construction	280,799	223,246
Working capital	3,279,519	3,306,868
Others	880,840	949,425
Gross financing and advances	<u>14,205,570</u>	<u>13,835,620</u>

A14 Financing and Advances (Contd.)

(vi) By economic sectors:

	30 September 2024 RM'000	31 March 2024 RM'000
Primary agriculture	437,455	452,817
Mining and quarrying	14,466	17,401
Manufacturing	1,470,877	1,521,352
Electricity, gas and water	35,944	17,106
Construction	577,054	534,350
Wholesale, retail trade, restaurants and hotels	2,809,558	2,589,317
Transport, storage and communication	235,310	230,726
Financing, insurance, real estate and business services	1,592,197	1,542,555
Community, social and personal services	140,701	140,907
Household	6,892,008	6,789,089
Gross financing and advances	<u>14,205,570</u>	<u>13,835,620</u>

(vii) By geographical distribution:

	30 September 2024 RM'000	31 March 2024 RM'000
Northern region	1,871,231	1,754,667
Central region	9,371,584	9,163,109
Southern region	1,401,634	1,373,354
Sabah region	1,234,568	1,226,464
Sarawak region	326,553	318,026
Gross financing and advances	<u>14,205,570</u>	<u>13,835,620</u>

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

	30 September 2024 RM'000	31 March 2024 RM'000
At beginning of financial period/year	315,458	352,834
Impaired during the financial period/year	244,079	474,943
Reclassified as unimpaired during the financial period/year	(142,622)	(329,474)
Recovered during the financial period/year	(11,689)	(26,243)
Financial assets derecognised other than write-off during the financial period/year	(33,173)	(48,825)
Amount written-off	(54,359)	(107,777)
At end of financial period/year	<u>317,694</u>	<u>315,458</u>
Gross impaired financing ratio	2.24%	2.28%
Net impaired financing ratio	<u>1.47%</u>	<u>1.45%</u>

A14 Financing and Advances (Contd.)

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

	30 September 2024 RM'000	31 March 2024 RM'000
Purchase of transport vehicles	1,238	1,661
Purchase of landed property	153,381	153,615
of which: - Residential	132,976	127,940
- Non-residential	20,405	25,675
Purchase of fixed assets excluding land & buildings	148	157
Personal use	124,254	122,540
Working capital	27,805	26,511
Others	10,868	10,974
Gross impaired financing and advances	317,694	315,458

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

	30 September 2024 RM'000	31 March 2024 RM'000
Primary agriculture	1,731	1,736
Manufacturing	17,463	21,786
Construction	11,791	11,065
Wholesale, retail trade, restaurants and hotels	18,800	19,951
Transport, storage and communication	1,097	977
Financing, insurance, real estate and business services	2,004	1,703
Community, social and personal services	5,039	4,887
Household	259,769	253,353
Gross impaired financing and advances	317,694	315,458

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

	30 September 2024 RM'000	31 March 2024 RM'000
Northern region	43,640	40,720
Central region	228,984	224,455
Southern region	27,302	30,273
Sabah region	16,454	18,773
Sarawak region	1,314	1,237
Gross impaired financing and advances	317,694	315,458

A14 Financing and Advances (Contd.)

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

	12-month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
At 1 April 2024	89,606	165,847	116,724	372,177
Transfer to Stage 1	14,133	(42,046)	(896)	(28,809)
Transfer to Stage 2	(29,830)	132,322	(35,570)	66,922
Transfer to Stage 3	(1)	(58,335)	75,206	16,870
New financial assets originated or purchased	22,261	11,261	875	34,397
Financial assets derecognised other than write-off	(11,582)	(10,927)	(7,463)	(29,972)
Changes due to change in credit risk	4,124	10,985	1,947	17,056
	(895)	43,260	34,099	76,464
Unwinding of discount	-	-	5,964	5,964
Total (write-back from)/charge to income statement	(895)	43,260	40,063	82,428
Write-off	-	(726)	(45,830)	(46,556)
At 30 September 2024	88,711	208,381	110,957	408,049
At 1 April 2023	66,042	219,623	130,746	416,411
Transfer to Stage 1	55,837	(129,516)	(21)	(73,700)
Transfer to Stage 2	(48,660)	213,385	(80,578)	84,147
Transfer to Stage 3	(829)	(119,777)	136,789	16,183
New financial assets originated or purchased	41,599	25,935	3,940	71,474
Financial assets derecognised other than write-off	(13,429)	(41,479)	(11,148)	(66,056)
Changes due to change in credit risk	(10,954)	(655)	8,773	(2,836)
	23,564	(52,107)	57,755	29,212
Unwinding of discount	-	-	8,326	8,326
Total charge to/(write-back from) income statement	23,564	(52,107)	66,081	37,538
Write-off	-	(1,669)	(80,103)	(81,772)
At 31 March 2024	89,606	165,847	116,724	372,177

Note:

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

A15 Other Assets

	30 September 2024 RM'000	31 March 2024 RM'000
Other receivables	5,305	8,627
Deposits	94	93
Prepayment	3,951	5,717
Amount due from holding company	92,169	-
	101,519	14,437
Less:		
Allowance for expected credit losses on other receivables [Note]	(2,291)	(2,687)
	99,228	11,750

Note:

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

	<u>Lifetime ECL</u>	
	30 September 2024 RM'000	31 March 2024 RM'000
At beginning of financial period/year	2,687	2,394
New financial assets originated or purchased	545	1,004
Financial assets derecognised other than write-off	(1,609)	(1,340)
Changes due to change in credit risk	668	629
Total (write-back from)/charge to income statement	(396)	293
At end of financial period/year	2,291	2,687

As at 30 September 2024, the Bank's gross exposure of other receivables that are under lifetime expected credit losses was at RM2,291,000 (31 March 2024: RM2,687,000).

A16 Deposits from Customers

A16a By type of deposits:

	30 September 2024 RM'000	31 March 2024 RM'000
Demand deposits		
- Qard	4,158,382	4,143,573
- Tawarruq	505,525	452,317
Savings deposits		
- Qard	369,588	370,352
- Tawarruq	8,821	6,980
Term deposits		
- Tawarruq	9,810,960	8,698,901
- Negotiable Islamic Debt Certificate		
- Bai' Inah	216,238	211,862
- Money market deposits		
- Tawarruq	343,223	1,105,821
- Other deposits		
- Mudharabah	57,611	59,338
- Wakalah	31,619	31,516
- Qard	95,547	22,075
	15,597,514	15,102,735

A16 Deposits from Customers (Contd.)

A16b The maturity structure of term deposits are as follows:

	30 September 2024 RM'000	31 March 2024 RM'000
Due within six months	6,415,610	8,397,566
Six months to one year	3,922,747	1,261,319
One year to three years	216,624	470,628
Three years to five years	217	-
	<u>10,555,198</u>	<u>10,129,513</u>

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

	30 September 2024 RM'000	31 March 2024 RM'000
Domestic financial institutions	216,238	211,862
Domestic non-bank financial institutions	852,376	1,685,184
Government and statutory bodies	2,318,896	1,555,505
Business enterprises	5,184,715	4,815,602
Individuals	6,067,278	6,100,219
Foreign entities	148,069	146,885
Others	809,942	587,478
	<u>15,597,514</u>	<u>15,102,735</u>

A17 Deposits and Placements of Banks and Other Financial Institutions

	30 September 2024 RM'000	31 March 2024 RM'000
Non-Mudharabah Fund		
Bank Negara Malaysia	204,229	189,063
	<u>204,229</u>	<u>189,063</u>

A18 Other Liabilities

	30 September 2024 RM'000	31 March 2024 RM'000
Other payables	126,605	127,744
Bills payable	46,429	16,897
Clearing account	50,503	34,331
Sundry deposits	8,260	7,066
Provision and accruals	8,496	15,736
Amount due to holding company	-	83,606
Amount due to related company	2,244	3,712
Allowance for expected credit losses on commitments and contingencies	4,978	7,093
	<u>247,515</u>	<u>296,185</u>

A18 Other Liabilities (Contd.)

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

	12-month ECL <u>(Stage 1)</u> RM'000	Lifetime ECL not-credit impaired <u>(Stage 2)</u> RM'000	Lifetime ECL credit impaired <u>(Stage 3)</u> RM'000	<u>Total</u> RM'000
At 1 April 2024	2,232	4,571	290	7,093
Transfer to Stage 1	479	(1,791)	-	(1,312)
Transfer to Stage 2	(65)	789	(192)	532
Transfer to Stage 3	-	(70)	444	374
New financial assets originated or purchased	701	242	-	943
Financial assets derecognised other than write-off	(387)	(137)	(639)	(1,163)
Changes due to change in credit risk	36	(1,898)	375	(1,487)
Other adjustment	(3)	-	-	(3)
	761	(2,865)	(12)	(2,116)
Unwinding of discount	-	-	1	1
Total charge to/(write-back from) income statement	761	(2,865)	(11)	(2,115)
At 30 September 2024	2,993	1,706	279	4,978
At 1 April 2023	693	2,011	223	2,927
Transfer to Stage 1	177	(1,798)	-	(1,621)
Transfer to Stage 2	(155)	2,197	(107)	1,935
Transfer to Stage 3	-	(151)	876	725
New financial assets originated or purchased	1,540	821	-	2,361
Financial assets derecognised other than write-off	(573)	(4,480)	(474)	(5,527)
Changes due to change in credit risk	549	5,972	(229)	6,292
Other adjustment	1	(1)	-	-
	1,539	2,560	66	4,165
Unwinding of discount	-	-	1	1
Total charge to income statement	1,539	2,560	67	4,166
At 31 March 2024	2,232	4,571	290	7,093

Note:

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

(b) As at 30 September 2024, the Bank's gross exposures of commitments and contingencies that are credit impaired was at RM1,268,000 (31 March 2024: RM1,422,000).

A19 Income Derived from Investment of Depositors' Funds and Others

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(i) Term deposits	162,748	126,275	307,997	249,757
(ii) Other deposits	79,903	71,950	157,666	139,144
	242,651	198,225	465,663	388,901

(i) Income derived from investment of term deposits:

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financing and advances	129,349	99,000	244,068	195,325
Financial investments at fair value through other comprehensive income	11,615	11,473	22,636	21,931
Financial investments at amortised cost	6,165	3,382	11,694	6,849
Money at call and deposit placements with financial institutions	4,120	2,997	6,883	8,442
	151,249	116,852	285,281	232,547
Accretion of discount less amortisation of premium	5,033	4,840	9,473	8,877
Total finance income and hibah	156,282	121,692	294,754	241,424
Other operating income				
- Fee income	5,673	3,596	11,578	7,077
- Investment gain	518	804	1,223	600
- Other income	275	183	442	656
	162,748	126,275	307,997	249,757

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 RM714,000 (30 September 2023: RM947,000).

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

(ii) Income derived from investment of other deposits:

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Finance income and hibah				
Financing and advances	63,523	56,404	124,941	108,819
Financial investments at fair value through other comprehensive income	5,687	6,527	11,587	12,218
Financial investments at amortised cost	3,027	1,929	5,987	3,816
Money at call and deposit placements with financial institutions	2,044	1,740	3,523	4,703
	<u>74,281</u>	<u>66,600</u>	<u>146,038</u>	<u>129,556</u>
Accretion of discount less amortisation of premium	2,472	2,749	4,849	4,946
Total finance income and hibah	<u>76,753</u>	<u>69,349</u>	<u>150,887</u>	<u>134,502</u>
Other operating income				
- Fee income	2,765	2,049	5,927	3,943
- Investment gain	248	445	626	334
- Other income	137	107	226	365
	<u>79,903</u>	<u>71,950</u>	<u>157,666</u>	<u>139,144</u>

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 RM365,000 (30 September 2023: RM528,000).

A20 Income Derived from Investment of Shareholder's Funds

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Finance income and hibah				
Financing and advances	12,304	15,463	30,085	29,905
Financial investments at fair value through other comprehensive income	1,749	1,790	3,457	3,358
Financial investments at amortised cost	929	529	1,786	1,049
Money at call and deposit placements with financial institutions	622	477	1,051	1,293
	<u>15,604</u>	<u>18,259</u>	<u>36,379</u>	<u>35,605</u>
Accretion of discount less amortisation of premium	759	754	1,447	1,359
Total finance income and hibah	<u>16,363</u>	<u>19,013</u>	<u>37,826</u>	<u>36,964</u>
Other operating income				
- Fee income	853	561	1,768	1,083
- Investment gain	78	123	187	92
- Other income	41	29	67	100
	<u>17,335</u>	<u>19,726</u>	<u>39,848</u>	<u>38,239</u>

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 RM109,000 (30 September 2023: RM145,000).

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

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Allowance for/(write-back of) expected credit losses on:				
(a) Financing and advances	39,497	8,846	76,464	19,247
(b) Commitments and contingencies on financing and advances	114	(3,350)	(2,116)	762
(c) Other receivables	(666)	4,067	(396)	3,845
	<u>38,945</u>	<u>9,563</u>	<u>73,952</u>	<u>23,854</u>
(d) Credit impaired on financing and advances				
- Recovered during the financial period	(11,429)	(7,014)	(18,031)	(11,550)
- Write-off during the financial period	5,869	7,137	9,582	14,801
	<u>33,385</u>	<u>9,686</u>	<u>65,503</u>	<u>27,105</u>

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

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Allowance for/(write-back of) expected credit losses on financial investments at fair value through other comprehensive income				
	1	11	(27)	14
	<u>1</u>	<u>11</u>	<u>(27)</u>	<u>14</u>

A23 Income Attributable to the Depositors and Financial Institutions

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Deposits from customers:				
- Mudharabah fund	411	427	838	860
- Non-Mudharabah fund	114,658	103,188	223,360	205,340
Deposits and placements of banks and other financial institutions:				
- Non-Mudharabah fund	42	114	90	294
Recourse obligation on financing sold to Cagamas	5,042	3,015	10,076	5,461
Other borrowings	1,077	-	1,077	-
Subordinated Sukuk Murabahah	2,869	3,019	5,583	5,983
Lease liabilities	9	12	19	20
	<u>124,108</u>	<u>109,775</u>	<u>241,043</u>	<u>217,958</u>

A24 Other Operating Expenses

	2nd Quarter Ended		Six Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	26,025	23,766	51,328	48,228
- Contribution to EPF	4,038	3,709	7,981	7,888
- Others	2,755	2,913	5,076	4,818
	32,818	30,388	64,385	60,934
<u>Establishment costs</u>				
- Depreciation on property, plant and equipment	24	27	47	54
- Depreciation on right-of-use assets	119	172	238	450
- Amortisation of computer software	154	131	306	263
- Rental of premises	19	62	57	155
- Water and electricity	317	359	664	710
- Repairs and maintenance	406	429	954	773
- Information technology expenses	8,016	6,816	16,377	13,994
- Others [Note]	533	488	1,052	969
	9,588	8,484	19,695	17,368
<u>Marketing expenses</u>				
- Promotion and advertisement	461	(128)	1,557	295
- Branding and publicity	2,283	803	2,492	2,190
- Others	315	319	573	596
	3,059	994	4,622	3,081
<u>Administration and general expenses</u>				
- Communication expenses	378	558	811	980
- Printing and stationeries	80	75	164	155
- Insurance	625	959	870	1,988
- Professional fees	2,706	1,900	5,012	3,738
- Others	(1,133)	39	1,092	(204)
	2,656	3,531	7,949	6,657
Total other operating expenses	48,121	43,397	96,651	88,040

Note:

Included in the other operating expenses are the Shariah Committee members' remuneration of RM249,000 (30 September 2023: RM234,000).

A24 Other Operating Expenses (Contd.)

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

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>Sharing of Other Operating Expenses</u>				
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	22,176	19,967	44,067	40,853
- Contribution to EPF	3,448	3,135	6,854	6,770
- Others	2,431	2,566	4,509	4,193
	28,055	25,668	55,430	51,816
<u>Establishment costs</u>				
- Rental of premises	19	62	57	155
- Water and electricity	307	351	646	695
- Repairs and maintenance	397	420	937	752
- Information technology expenses	7,860	6,726	16,125	13,847
- Others [Note]	530	488	1,049	969
	9,113	8,047	18,814	16,418
<u>Marketing expenses</u>				
- Promotion and advertisement	401	(226)	1,413	67
- Branding and publicity	2,305	766	2,510	2,152
- Others	263	291	492	538
	2,969	831	4,415	2,757
<u>Administration and general expenses</u>				
- Communication expenses	241	410	578	659
- Printing and stationeries	54	62	112	127
- Professional fees	1,372	1,092	2,804	2,185
- Others	(1,838)	(573)	(204)	(1,322)
	(171)	991	3,290	1,649
Total sharing of other operating expenses	39,966	35,537	81,949	72,640

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.

	2nd Quarter Ended		Six Months Ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
Net profit for the financial period attributable to equity holder of the Bank (RM'000)	46,292	41,445	82,439	70,635
Weighted average numbers of ordinary shares in issue ('000)	480,152	440,139	463,098	427,690
Basic/diluted earnings per share (sen)	9.6	9.4	17.8	16.5

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 September	31 March
	2024	2024
	RM'000	RM'000
<u>Credit-related exposures</u>		
Direct credit substitutes	83,891	88,732
Transaction-related contingent items	126,091	92,383
Short-term self-liquidating trade-related contingencies	14,319	16,786
Forward assets purchase	-	9,502
Irrevocable commitments to extend credit:		
- maturity exceeding one year	675,579	692,129
- maturity not exceeding one year	3,032,773	2,733,828
	3,932,653	3,633,360

A27 Capital Adequacy

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

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

The Bank has sufficient capital as follows:

	30 September 2024	31 March 2024
(i) With transitional arrangements		
<u>Before deducting proposed dividends</u>		
CET 1 capital ratio	12.519%	12.938%
Tier I capital ratio	13.334%	13.785%
Total capital ratio	16.364%	16.049%
<u>After deducting proposed dividends</u>		
CET 1 capital ratio	12.508%	12.930%
Tier 1 capital ratio	13.323%	13.778%
Total capital ratio	16.353%	16.042%
(ii) Without transitional arrangements		
<u>Before deducting proposed dividends</u>		
CET I capital ratio	12.519%	12.287%
Tier I capital ratio	13.334%	13.134%
Total capital ratio	16.364%	15.398%
<u>After deducting proposed dividends</u>		
CET 1 capital ratio	12.508%	12.279%
Tier 1 capital ratio	13.323%	13.127%
Total capital ratio	16.353%	15.391%

Note:

The capital adequacy ratios after deducting proposed dividends have included the Rights Issue as disclosed in Note A9 to the financial statement.

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

	30 September 2024 RM'000	31 March 2024 RM'000
<u>CET I Capital</u>		
Paid-up share capital	695,454	637,500
Retained profits	894,038	870,446
FVOCI reserves	(384)	(5,629)
	1,589,108	1,502,317
(Less)/add: Regulatory adjustments		
- Intangible assets	(1,892)	(2,153)
- Deferred tax assets	(51,006)	(49,927)
- Transitional arrangements	-	76,848
Total CET I Capital	1,536,210	1,527,085

A27 Capital Adequacy (Contd.)

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

	30 September 2024 RM'000	31 March 2024 RM'000
Additional Tier 1 Sukuk Wakalah	100,000	100,000
Total Additional Tier 1 Capital	100,000	100,000
Total Tier I Capital	1,636,210	1,627,085
<u>Tier II Capital</u>		
Subordinated Sukuk Murabahah	230,000	130,000
Expected credit losses	141,886	137,224
Total Tier II Capital	371,886	267,224
Total Capital	2,008,096	1,894,309

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

	30 September 2024 RM'000	31 March 2024 RM'000
Credit risk	11,350,924	10,977,956
Market risk	39,349	242
Operational risk	880,896	824,883
Total RWA and capital requirements	12,271,169	11,803,081

A28 Fair Value Measurements

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

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

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

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

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

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

A28 Fair Value Measurements (Contd.)

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

(i) Financial instruments in Level 1

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

(ii) Financial instruments in Level 2

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

(iii) Financial instruments in Level 3

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

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

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

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

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
30 September 2024				
<u>Financial Assets</u>				
Financial investments at FVOCI				
- Money market instruments	-	1,088,605	-	1,088,605
- Unquoted securities	-	1,034,692	-	1,034,692
31 March 2024				
<u>Financial Assets</u>				
Financial investments at FVOCI				
- Money market instruments	-	701,076	-	701,076
- Unquoted securities	-	1,117,388	-	1,117,388

There were no transfers between Level 1 and 2 of the fair value hierarchy for the Bank during the financial period/year ended 30 September 2024 and 31 March 2024.

A29 Credit Transactions And Exposures With Connected Parties

	30 September 2024 RM'000	31 March 2024 RM'000
Outstanding credit exposures with connected parties	<u><u>63,797</u></u>	<u><u>62,444</u></u>
of which:		
Total credit exposure which is impaired or in default	<u><u>672</u></u>	<u><u>-</u></u>
Total credit exposures	<u><u>19,971,723</u></u>	<u><u>19,029,145</u></u>
Percentage of outstanding credit exposures to connected parties:		
- as a proportion of total credit exposures	<u><u>0.32%</u></u>	<u><u>0.33%</u></u>
- which is impaired or default	<u><u>0.00%</u></u>	<u><u>0.00%</u></u>

PART B - Review of Performance & Current Year Prospect

B1 Review of Performance for Financial Period Ended 30 September 2024

Profitability

The Bank recorded a net profit after taxation of RM82.4 million for the first half ended 30 September 2024, marking a year-on-year (“YoY”) increase of RM11.8 million or 16.7%. This growth was primarily driven by the increased revenue offset by higher allowance for expected credit losses and operating expenses.

Net profit income increased by RM47.5 million or 24.4% year-on-year predominantly attributed to financing growth. Net profit margin (“NPM”) for the period was 2.76%.

The Bank reported other operating income of RM22.0 million, marking an increase of RM7.8 million or 54.7% YoY. This growth primarily stemmed from higher wealth management income, trade fees, processing fees and service charges.

Total revenue stood at RM264.5 mil, increased by RM55.3 million or 26.4% YoY.

Operating Expenses

Operating expenses saw a rise of RM8.6 million or 9.8% YoY. Cost-to-income ratio (“CIR”) stood at 36.5%. The Bank remains committed to prudent cost management throughout the financial year.

Financing Growth

The implementation of the ACCELER8 strategic plan facilitated a notable expansion in the Bank’s financing and advances, which increased by 11.1% YoY to reach RM14.2 billion. This growth was predominantly propelled by advancements in the Consumer financing, Small and Medium Enterprises (“SME”) and Commercial, which grew by 5.9%, 23.6% and 12.5% respectively.

Asset Quality

The Bank’s allowance for expected credit losses on financing, advances and other financial assets posted a charge of RM65.5 million, marking an increase of RM38.4 million YoY. The net credit cost stood at 46.7 bps, while the financing loss coverage (including regulatory reserves) was at 128.4%.

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

Healthy Funding and Liquidity Position

The Bank’s current account/savings account (“CASA”) ratio was recorded at 32.3%, with customer deposits totalling RM15.6 billion. The Bank’s liquidity coverage ratio and financing-to-funds ratio stood at 170.6% and 83.9%, respectively.

Proactive Capital Management

We continue to maintain a robust and strong capital position, with the Common Equity Tier-1 (“CET 1”) ratio at 12.5%, Tier-1 Capital Ratio at 13.3% and Total Capital Ratio at 16.4%, all comfortably surpassing regulatory thresholds.

The Bank declared a first interim dividend of 6.87 sen per share for the financial year ending 31 March 2025.

B2 Prospect for the Current Financial Period

For calendar year 2024, Bank Negara Malaysia (“BNM”) projects Malaysia’s gross domestic product (“GDP”) growth to range between 4% and 5%, an improvement from the 3.6% growth recorded in the preceding year.

We anticipate Malaysia’s economic advancement will be bolstered by sustained domestic demand, propelled by ongoing enhancements in labour market conditions and renewed governmental efforts to stimulate growth. However, we are cognisant of the uneven nature of the overall recovery, with certain sectors experiencing continued strain. Furthermore, we maintain a cautious stance regarding potential downside risks to growth stemming from external uncertainties, such as escalating geopolitical tensions.

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

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

The Bank aims to continue its growth momentum in FY2025 with prudent sustainable loan growth above the industry average, strong integrated risk management practices, strengthening stable funding propositions and investing in future-ready digitalisation and technology innovation.