

Registration No. 199401009897 (295576-U)

**AmBank Islamic Berhad**  
(Incorporated in Malaysia)

**Condensed Interim Financial Statements**  
**For the Financial Period**  
**1 April 2024 to**  
**30 September 2024**  
(In Ringgit Malaysia)

Registration No. 199401009897 (295576-U)

AmBank Islamic Berhad  
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2024**

		<b>30 September 2024</b>	<b>31 March 2024</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
Cash and short-term funds	A8	535,120	775,179
Derivative financial assets		105,583	41,917
Financial assets at fair value through profit or loss	A9	1,880,676	3,235,806
Financial investments at fair value through other comprehensive income	A10	6,670,235	6,713,908
Financial investments at amortised cost	A11	4,053,713	3,859,657
Financing and advances	A12	44,575,986	44,982,387
Statutory deposit with Bank Negara Malaysia		930,000	920,000
Deferred tax asset		47,533	52,425
Other assets	A13	276,012	1,560,059
Property and equipment		174	251
Right-of-use assets		1,830	1,981
Intangible assets		251	220
<b>TOTAL ASSETS</b>		<b>59,077,113</b>	<b>62,143,790</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	A14	44,627,052	48,234,293
Investment accounts of customers	A15	13,211	14,059
Deposits and placements of banks and other financial institutions	A16	1,317,579	2,915,211
Investment account due to a licensed bank	A17	1,207,773	1,366,363
Securities sold under repurchase agreements		766,004	-
Recourse obligation on financing sold to Cagamas Berhad		2,215,019	2,215,002
Derivative financial liabilities		107,524	41,030
Term funding		1,800,000	834,977
Subordinated Sukuk		1,300,000	1,300,000
Other liabilities	A18	674,468	436,696
Provision for zakat		6,201	3,218
<b>TOTAL LIABILITIES</b>		<b>54,034,831</b>	<b>57,360,849</b>
Share capital		1,387,107	1,387,107
Reserves		3,655,175	3,395,834
<b>Equity attributable to equity holder of the Bank</b>		<b>5,042,282</b>	<b>4,782,941</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>59,077,113</b>	<b>62,143,790</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A35	<b>13,111,984</b>	<b>14,330,865</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>10.20</b>	<b>9.67</b>

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

**UNAUDITED STATEMENT OF PROFIT OR LOSS  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2024**

	Note	Individual Quarter		Cumulative Quarter	
		30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Income derived from investment of depositors' funds	A19	673,008	660,381	1,318,492	1,321,375
Income derived from investment of investment account funds	A20	14,777	16,476	29,649	31,947
Income derived from investment of shareholder's funds	A21	66,492	60,848	136,166	119,999
Allowance for impairment on financing and advances - net	A22	(36,549)	(21,722)	(32,700)	(54,032)
(Allowance for)/Writeback of impairment on financial investments	A23	(392)	(903)	228	(8,151)
Writeback of/(Allowance for) impairment on other financial assets	A24	1	12	1	(7)
(Provision)/Writeback of provision for commitments and contingencies	A25	(452)	5,436	483	6,877
<b>Total distributable income</b>		<b>716,885</b>	<b>720,528</b>	<b>1,452,319</b>	<b>1,418,008</b>
Income attributable to the depositors and others	A26	(378,577)	(411,426)	(771,016)	(816,417)
Income attributable to the investment account holders	A27	(13,208)	(14,735)	(26,502)	(28,562)
<b>Total net income</b>		<b>325,100</b>	<b>294,367</b>	<b>654,801</b>	<b>573,029</b>
Other operating expenses	A28	(124,115)	(120,852)	(247,528)	(238,629)
Finance cost		(29,913)	(27,672)	(55,879)	(49,646)
<b>Profit before zakat and taxation</b>		<b>171,072</b>	<b>145,843</b>	<b>351,394</b>	<b>284,754</b>
Zakat		(1,206)	(1,036)	(2,983)	(1,674)
Taxation		(38,105)	(32,673)	(79,044)	(63,653)
<b>Profit for the financial period</b>		<b>131,761</b>	<b>112,134</b>	<b>269,367</b>	<b>219,427</b>
<b>Basic/Diluted earnings per share (sen)</b>	A29	<b>26.65</b>	<b>22.68</b>	<b>54.49</b>	<b>44.39</b>

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

Registration No. 199401009897 (295576-U)

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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2024**

	Individual Quarter		Cumulative Quarter	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Profit for the financial period	131,761	112,134	269,367	219,427
Other comprehensive income/(loss):				
<b>Items that will not be reclassified subsequently to statement of profit or loss:</b>				
<u>Equity Instruments</u>				
Financial investments at fair value through other comprehensive income:				
Net unrealised (loss)/gain on changes in fair value	(4,406)	-	560	-
Income tax effect	1,058	-	(134)	-
<b>Items that may be reclassified subsequently to statement of profit or loss:</b>				
<u>Debt Instruments</u>				
Financial investments at fair value through other comprehensive income:				
Net unrealised gain/(loss) on changes in fair value	19,139	(6,664)	16,730	(2,097)
Changes in expected credit loss	(157)	879	(493)	3,830
Net gain reclassified to statement of profit or loss	(3,164)	(189)	(3,164)	(1,542)
Income tax effect	(3,834)	1,644	(3,256)	873
Other comprehensive income/(loss) for the period, net of tax	8,636	(4,330)	10,243	1,064
Total comprehensive income for the financial period	140,397	107,804	279,610	220,491

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2024**

	Attributable to Equity Holder of the Bank				
	Non-distributable			Distributable	
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total equity RM'000
<b>At 1 April 2023</b>	1,387,107	-	(9,188)	3,022,623	4,400,542
Profit for the financial period	-	-	-	219,427	219,427
Other comprehensive income, net of tax	-	-	1,064	-	1,064
Total comprehensive income for the financial period	-	-	1,064	219,427	220,491
Transfer to regulatory reserve	-	28,500	-	(28,500)	-
Other equity movements	-	28,500	-	(28,500)	-
<b>At 30 September 2023</b>	<b>1,387,107</b>	<b>28,500</b>	<b>(8,124)</b>	<b>3,213,550</b>	<b>4,621,033</b>
<b>At 1 April 2024</b>	1,387,107	43,368	8,390	3,344,076	4,782,941
Profit for the financial period	-	-	-	269,367	269,367
Other comprehensive income, net of tax	-	-	10,243	-	10,243
Total comprehensive income for the financial period	-	-	10,243	269,367	279,610
Transfer from regulatory reserve	-	(14,867)	-	14,867	-
Dividend on ordinary shares:					
- final, financial year ended 31 March 2024	-	-	-	(20,269)	(20,269)
Other equity movements	-	(14,867)	-	(5,402)	(20,269)
<b>At 30 September 2024</b>	<b>1,387,107</b>	<b>28,501</b>	<b>18,633</b>	<b>3,608,041</b>	<b>5,042,282</b>

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

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2024**

	<b>30 September 2024 RM'000</b>	<b>30 September 2023 RM'000</b>
Profit before zakat and taxation	351,394	284,754
Adjustments for non-operating and non-cash items	50,820	50,997
Operating profit before working capital changes	<u>402,214</u>	<u>335,751</u>
Changes in working capital:		
Net change in operating assets	2,981,903	1,314,122
Net change in operating liabilities	(3,415,624)	(2,317,686)
Taxation paid	(58,548)	(45,610)
Net cash used in operating activities	<u>(90,055)</u>	<u>(713,423)</u>
Net cash used in investing activities	(129,568)	(938,284)
Net cash (used in)/generated from financing activities	<u>(20,440)</u>	<u>499,829</u>
Net decrease in cash and cash equivalents	<u>(240,063)</u>	<u>(1,151,878)</u>
Cash and cash equivalents at beginning of the financial period	<u>775,195</u>	<u>2,113,375</u>
Cash and cash equivalents at end of the financial period	<u><u>535,132</u></u>	<u><u>961,497</u></u>
Cash and cash equivalents comprise:		
Cash and short-term funds	535,120	961,482
Add: Allowances for expected credit loss for cash and cash equivalents at end of the financial period	12	15
	<u><u>535,132</u></u>	<u><u>961,497</u></u>

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

## Explanatory Notes

### A1. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and complies with the International Accounting Standard ("IAS") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

These condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Bank for the financial year ended 31 March 2024.

#### A1.1 Material Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to published standards:

- Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 *Leases*)
- Non-current Liabilities with Covenants (Amendments to MFRS 101 *Presentation of Financial Statements*)
- Supplier Finance Arrangements (Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures*)

The adoption of the relevant amendments to published standards did not have any material impact on the financial statements of the Bank. The Bank did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments to published standards.

The nature of the amendments to published standards relevant to the Bank are described below:

##### (a) Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 *Leases*)

The amendments clarified that, in subsequently measuring the lease liability, seller-lessee determines lease payments and revised leased payments in a way that does not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

##### (b) Non-current Liabilities with Covenants (Amendments to MFRS 101 *Presentation of Financial Statements*)

The amendments clarified that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

## A1. BASIS OF PREPARATION (CONT'D.)

### A1.1 Material Accounting Policies (Cont'd.)

The nature of the amendments to published standards relevant to the Bank are described below:  
(Cont'd.)

#### (c) Supplier Finance Arrangements (Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures*)

The amendments introduced new disclosure requirements for supplier finance arrangements which include terms and conditions of supplier financing arrangements, the amounts of the liabilities that are the subject of such agreements, the range of payment due dates and information on liquidity risk.

#### New standards and amendments to published standards issued but not yet effective

Description	Effective for annual periods beginning on or after
- Lack of Exchangeability (Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i> )	1 January 2025
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i> )	1 January 2026
- Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
- MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
- MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investments in Associates and Joint Ventures</i> )	To be determined by MASB

The nature of the new amendments to published standards that are issued and relevant to the Bank but not yet effective are described below. The Bank is assessing the financial effects of their adoption.

#### (a) Amendments to published standards effective for financial year ending 31 March 2026

##### Lack of Exchangeability (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*)

The amendments clarified when a currency is exchangeable into another currency and how an entity estimates a spot rate when a currency lacks exchangeability. New disclosure requirements include the nature and financial impacts of the currency not being exchangeable, spot exchange rate used, estimation process and risks to the entity when the currency is not exchangeable.



## A1. BASIS OF PREPARATION (CONT'D.)

### A1.1 Material Accounting Policies (Cont'd.)

#### New standards and amendments to published standards issued but not yet effective (Cont'd.)

##### (b) Amendments to published standard effective for financial year ending 31 March 2027

#### **Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)**

The amendments clarified the dates of recognition and derecognition of financial assets and liabilities, with a new exception for financial liabilities settled through an electronic cash transfer

The amendments also provide additional guidance for assessing whether financial assets with contingent features that are not related directly to a change in basic lending risks or costs meet the sole payments of principal and interest ("SPPI") criterion.

Key characteristics of contractually linked instruments and the factors to be considered when assessing the cash flows underlying a financial asset with non-recourse features are also included in the amendments.

Additional disclosures are required for certain financial instruments with contractual terms that can change their cash flows and equity instruments designated at fair value through other comprehensive income.

#### **Annual Improvements to MFRS Accounting Standards - Volume 11**

The Annual Improvements to MFRS Accounting Standards - Volume 11 include minor amendments affecting the following 5 MFRSs:

- (i) Hedge accounting by a first-time adopter (Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*)
- (ii) Gain or loss on derecognition (Amendments to MFRS 7 *Financial Instruments: Disclosures*)
- (iii) Lessee derecognition of lease liabilities and transaction price (Amendments to MFRS 9 *Financial Instruments*)
- (iv) Determination of a "de facto agent" (Amendments to MFRS 10 *Consolidated Financial Statements*)
- (v) Cost method (Amendments to MFRS 107 *Statement of Cash Flows*)

Wording in certain paragraphs of these standards has been amended to improve consistency with other relevant standards and cross-references to other standards, where applicable, have been added to enhance the understandability of these standards.

## A1. BASIS OF PREPARATION (CONT'D.)

### A1.1 Material Accounting Policies (Cont'd.)

#### New standards and amendments to published standards issued but not yet effective (Cont'd.)

##### (c) New standard effective for financial year ending 31 March 2028

###### **MFRS 18 *Presentation and Disclosure in Financial Statements***

MFRS 18 is a new accounting standard for presentation and disclosure of information in the financial statements which supersedes MFRS 101 *Presentation of Financial Statements*.

MFRS 18 introduced a defined structure for the statement of profit or loss comprising three main categories which include operating, investing and financing categories. Classification of income and expenses will be driven by the main business activities. Specified totals and subtotals are to be presented in the statement of profit or loss.

Information related to the management-defined performance measures ("MPM") should be disclosed in a note to the financial statements, including a reconciliation between the MPM and the most similar specified subtotal. Entity is also required to present expenses in the operating category by nature, function or a mix of both.

Enhanced guidance on the principles of aggregation and disaggregation, which focus on grouping of items based on their shared characteristics should be applied across the financial statements.

### A1.2 Material Accounting judgements, Estimates and Assumptions

The preparation of the condensed interim financial statements in accordance with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Judgements, estimates and assumptions are continually evaluated and are based on the past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Bank's accounting policies, the significant judgements, estimates and assumptions made by management were the same as those applied to the annual financial statements for the financial year ended 31 March 2024.

## A2. AUDIT QUALIFICATION

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

## A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The operations of the Bank were not materially affected by any seasonal or cyclical fluctuation in the current financial quarter and period.

## A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items during the current financial quarter and period affecting the financial results of the Bank.

## A5. CHANGES IN ESTIMATES

There was no material change in estimates of amounts reported in prior financial years that have a material effect on the financial quarter and period.

## A6. ISSUANCE, REPURCHASE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

### Issuance of Sukuk

During the financial period, the Bank has issued the following tranches under its RM3.0 billion Senior Sukuk Musharakah programme ("Senior Sukuk"):

- (a) Tranche 7 - nominal value of RM300.0 million for a tenure of five (5) years with profit rate of 4.00% per annum
- (b) Tranche 8 - nominal value of RM500.0 million for a tenure of seven (7) years with profit rate of 4.10% per annum
- (c) Tranche 9 - nominal value of RM200.0 million for a tenure of three (3) years with profit rate of 3.75% per annum

Other than disclosed above, there were no new issuance of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares nor resale of treasury shares and repayment of debt securities by the Bank during the financial quarter and period.

## A7. DIVIDENDS

During the financial period, a final single-tier dividend of 4.1 sen per ordinary share on 494,368,541 ordinary shares amounting to approximately RM20,269,110 in respect of previous financial year was paid on 28 June 2024.

The Directors proposed the payment of an interim single-tier dividend of 24.5 sen per ordinary share on 494,368,541 ordinary shares amounting to approximately RM121,120,293 in respect of the financial year ending 31 March 2025.

**A8. CASH AND SHORT-TERM FUNDS**

	Note	30 September 2024 RM'000	31 March 2024 RM'000
Cash and bank balances		85,132	115,195
Less: Allowances for Expected Credit Loss ("ECL")	(a)	(12)	(16)
		<u>85,120</u>	<u>115,179</u>
Deposits and placements maturing within one month with original maturity of three months or less:			
Bank Negara Malaysia		450,000	660,000
		<u>450,000</u>	<u>660,000</u>
		<u>535,120</u>	<u>775,179</u>

(a) The movements in allowances for ECL are as follow:

	Stage 1 12-Month ECL RM'000
<b>30 September 2024</b>	
Balance at beginning of the financial period	16
Net writeback of ECL (Note A24):	(1)
Net remeasurement of allowances	(1)
Foreign exchange differences	(3)
Balance at end of the financial period	<u>12</u>
<b>31 March 2024</b>	
Balance at beginning of the financial year	8
Net allowance of ECL:	7
Net remeasurement of allowances	7
Foreign exchange differences	1
Balance at end of the financial year	<u>16</u>

**A9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
<b>At fair value:</b>		
Money Market Instruments:		
Bank Negara Monetary Notes	-	289,592
Malaysian Islamic Treasury Bills	648,713	2,511,949
Malaysian Government Investment Issues	869,227	374,382
	<u>1,517,940</u>	<u>3,175,923</u>
Unquoted Securities:		
In Malaysia:		
Sukuk	362,736	59,883
	<u>1,880,676</u>	<u>3,235,806</u>

**A10. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
<b>At fair value:</b>		
Money Market Instruments:		
Malaysian Government Investment Issues	2,809,477	2,808,361
Islamic Negotiable Instruments of Deposit	696,267	-
	<u>3,505,744</u>	<u>2,808,361</u>
Quoted Securities:		
In Malaysia:		
Shares	12,676	12,740
Unquoted Securities:		
In Malaysia:		
Sukuk	3,113,934	3,855,338
Shares	37,881	37,469
	<u>6,670,235</u>	<u>6,713,908</u>

**A10. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONT'D.)**

The Bank had undertaken a fair value hedge on the profit rate risk of unquoted sukuk of RM350.0 million using profit rate swap with AmBank (M) Berhad ("AmBank"). The said hedge matured as at 30 September 2024. The gain/(loss) arising from the fair value hedge during the current financial period/year is as follows:

	<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Relating to hedged item	(1,075)	(2,310)
Relating to hedging instrument	1,089	2,176
	<u>14</u>	<u>(134)</u>

The fair value changes on the hedge item is taken up under fair value reserve and the hedging gain or loss on the hedged item is reclassified to profit or loss.

Movements in allowances for ECL are as follows:

	<b>Stage 1 12-Month ECL RM'000</b>	<b>Stage 2 Lifetime ECL not credit impaired RM'000</b>	<b>Total RM'000</b>
<b>30 September 2024</b>			
Balance at beginning of the financial period	5,161	1,490	6,651
Net (writeback of)/allowances for ECL (Note A23):	(817)	324	(493)
New financial assets originated	780	-	780
Financial assets derecognised	(2,275)	-	(2,275)
Net remeasurement of allowances	678	324	1,002
Balance at end of the financial period	<u>4,344</u>	<u>1,814</u>	<u>6,158</u>
<b>31 March 2024</b>			
Balance at beginning of the financial year	2,404	1,045	3,449
Net allowances for ECL:	2,757	445	3,202
New financial assets originated	2,241	-	2,241
Financial assets derecognised	(652)	-	(652)
Net remeasurement of allowances	1,168	445	1,613
Balance at end of the financial year	<u>5,161</u>	<u>1,490</u>	<u>6,651</u>

**A11. FINANCIAL INVESTMENTS AT AMORTISED COST**

	Note	30 September 2024 RM'000	31 March 2024 RM'000
<b>At amortised cost:</b>			
Money Market Instruments:			
Malaysian Government Investment Issues		1,057,371	1,057,168
Unquoted Securities:			
In Malaysia:			
Sukuk		3,473,613	3,279,495
Less: Allowances for ECL	(a)	<u>(477,271)</u>	<u>(477,006)</u>
		<u>4,053,713</u>	<u>3,859,657</u>

(a) The movements in allowances for ECL are as follows:

	Stage 1 12-Month ECL RM'000	Stage 3 Lifetime ECL Credit Impaired RM'000	Total RM'000
<b>30 September 2024</b>			
Balance at beginning of the financial period	1,919	475,087	477,006
Net allowances for/(writeback of) ECL (Note A23):	756	(491)	265
New financial assets originated	505	-	505
Financial asset derecognised	(12)	-	(12)
Net remeasurement of allowances	263	(491)	(228)
Balance at end of the financial period	<u>2,675</u>	<u>474,596</u>	<u>477,271</u>
<b>31 March 2024</b>			
Balance at beginning of the financial year	2,169	457,563	459,732
Net (writeback of)/allowances for ECL:	(250)	17,524	17,274
New financial assets originated	1,306	-	1,306
Financial asset derecognised	(1,445)	-	(1,445)
Net remeasurement of allowances	(111)	17,524	17,413
Balance at end of the financial year	<u>1,919</u>	<u>475,087</u>	<u>477,006</u>

**A12. FINANCING AND ADVANCES**

A12a. Financing and advances by type and Shariah contracts are as follows:

**30 September 2024**

	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah Al -Bai' ("AITAB") RM'000	Bai' Inah RM'000	Others RM'000	Total RM'000
<b>At amortised cost:</b>							
Cash lines	-	607,020	-	-	458,862	-	1,065,882
Term financing	263,360	14,328,089	6,726	-	346,953	-	14,945,128
Revolving credit	1,821	4,484,029	-	-	568,295	-	5,054,145
Housing financing	2,169,330	12,194,768	35,005	-	-	-	14,399,103
Hire purchase receivables	3	245	-	5,369,478	-	-	5,369,726
Bills receivables	-	854,010	-	-	-	94,048	948,058
Credit card receivables	-	-	-	-	-	549,946	549,946
Trust receipts	-	640,258	-	-	-	-	640,258
Staff financing	-	20,279	-	-	-	-	20,279
Claims on customers under acceptance credits	-	1,834,458	-	-	-	358,437	2,192,895
Others	-	-	-	-	-	2,374	2,374
Gross financing and advances*	<u>2,434,514</u>	<u>34,963,156</u>	<u>41,731</u>	<u>5,369,478</u>	<u>1,374,110</u>	<u>1,004,805</u>	<u>45,187,794</u>
Less: Allowance for ECL (Note A12(j))							
- Stage 1 - 12 months ECL							(98,530)
- Stage 2 - Lifetime ECL not credit impaired							(347,093)
- Stage 3 - Lifetime ECL credit impaired							(166,185)
Net financing and advances							<u>44,575,986</u>



**A12. FINANCING AND ADVANCES (CONT'D.)**

A12a. Financing and advances by type and Shariah contracts are as follows (Cont'd.):

**31 March 2024**

	<b>Bai' Bithaman</b>		<b>Musharakah</b>	<b>Al-Ijarah</b>			<b>Total</b>
	<b>Ajil</b>	<b>Murabahah</b>	<b>Mutanaqisah</b>	<b>Thummah Al</b>	<b>Bai' Inah</b>	<b>Others</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>-Bai' ("AITAB")</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost:</b>							
Cash lines	-	622,102	-	-	459,810	-	1,081,912
Term financing	288,240	14,447,065	6,947	-	432,488	-	15,174,740
Revolving credit	1,947	4,904,320	-	-	638,926	-	5,545,193
Housing financing	2,246,277	11,721,324	36,315	-	-	-	14,003,916
Hire purchase receivables	3	-	-	5,520,834	-	-	5,520,837
Bills receivables	-	810,117	-	-	-	104,871	914,988
Credit card receivables	-	-	-	-	-	546,005	546,005
Trust receipts	-	458,832	-	-	-	-	458,832
Staff financing	-	22,921	-	-	-	-	22,921
Claims on customers under acceptance credits	-	1,996,785	-	-	-	324,271	2,321,056
Others	-	-	-	-	-	35,190	35,190
Gross financing and advances*	<u>2,536,467</u>	<u>34,983,466</u>	<u>43,262</u>	<u>5,520,834</u>	<u>1,531,224</u>	<u>1,010,337</u>	<u>45,625,590</u>
Less: Allowance for ECL (Note A12(j))							
- Stage 1 - 12 months ECL							(109,080)
- Stage 2 - Lifetime ECL not credit impaired							(337,673)
- Stage 3 - Lifetime ECL credit impaired							(196,450)
Net financing and advances							<u>44,982,387</u>

\* Included in financing and advances are exposures to the Restricted Investment Account ("RA") arrangement between the Bank and AmBank (M) Berhad ("AmBank") amounting to RM1,211.1 million (31 March 2024: RM1,370.4 million). Under the RA contract, the profit is shared based on a pre-agreed ratio. AmBank is exposed to the risks and rewards on the RA financing and it shall account for all allowance for impairment arising from the RA financing. Further details of the RA are disclosed in Note A17.

**A12. FINANCING AND ADVANCES (CONT'D.)**

A12b. Gross financing and advances analysed by type of customer are as follows:

	<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Domestic non-bank financial institutions	1,826,629	2,122,557
Domestic business enterprises		
- Small medium enterprises ("SME")	6,835,443	6,930,295
- Others	9,315,849	8,654,644
Government and statutory bodies	2,388,575	2,389,368
Individuals	24,780,790	25,015,065
Other domestic entities	95	111
Foreign individuals and entities	40,413	513,550
	<u>45,187,794</u>	<u>45,625,590</u>

A12c. All financing and advances reside in Malaysia.

A12d. Gross financing and advances analysed by profit rate sensitivity are as follows:

	<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Fixed rate		
- Housing financing	170,819	170,997
- Hire purchase receivables	5,296,740	5,444,523
- Other financing	5,510,499	5,618,814
Variable rate		
- Base rate and base financing rate plus	23,477,024	23,466,357
- Cost plus	10,613,785	10,802,097
- Other variable rates	118,927	122,802
	<u>45,187,794</u>	<u>45,625,590</u>

**A12. FINANCING AND ADVANCES (CONT'D.)**

A12e. Gross financing and advances analysed by sector are as follows:

	<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Agriculture	1,323,298	1,399,818
Mining and quarrying	98,827	565,971
Manufacturing	4,173,976	4,184,847
Electricity, gas and water	721,196	717,545
Construction	817,260	915,971
Wholesale and retail trade and hotel and restaurants	3,881,077	3,521,098
Transport, storage and communication	1,907,447	2,061,239
Finance and insurance	3,530,927	3,644,704
Real estate	2,623,278	1,924,519
Business activities	1,060,606	1,200,813
Education and health	228,700	432,960
Household of which:	24,821,202	25,056,105
- Purchase of residential properties	14,464,076	14,074,406
- Purchase of transport vehicles	4,930,978	5,128,803
- Others	5,426,148	5,852,896
	45,187,794	45,625,590

A12f. Gross financing and advances analysed by residual contractual maturity are as follows:

	<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Maturing within one year	10,795,448	11,357,091
Over one year to three years	1,385,641	1,471,057
Over three years to five years	2,279,471	2,633,488
Over five years	30,727,234	30,163,954
	45,187,794	45,625,590

**A12. FINANCING AND ADVANCES (CONT'D.)**

A12g. Movements in impaired financing and advances are as follows:

	<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Balance at beginning of the financial period/year	655,234	521,155
Additions during the period/year	324,699	836,529
Reclassified as non-impaired	(128,432)	(79,347)
Recoveries	(118,015)	(344,648)
Amount written off	(101,808)	(278,455)
Balance at end of the financial period/year	<u>631,678</u>	<u>655,234</u>
Gross impaired financing and advances as % of gross financing and advances	<u>1.40%</u>	<u>1.44%</u>
Financing loss coverage (including regulatory reserve)	<u>104.5%</u>	<u>107.9%</u>

A12h. All impaired financing and advances reside in Malaysia.

A12i. Impaired financing and advances by sector are as follows:

	<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Agriculture	453	392
Mining and quarrying	33,627	33,680
Manufacturing	13,651	20,729
Electricity, gas and water	834	226
Construction	48,597	53,911
Wholesale and retail trade and hotel and restaurants	90,228	102,652
Transport, storage and communication	6,822	4,136
Real estate	19,682	20,132
Business activities	6,478	8,071
Education and health	369	366
Household of which:	410,858	410,939
- Purchase of residential properties	336,255	336,654
- Purchase of transport vehicles	26,389	29,281
- Others	48,214	45,004
	<u>631,678</u>	<u>655,234</u>

**A12. FINANCING AND ADVANCES (CONT'D.)**

A12j. The movements in the allowances for ECL are as follows:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12-month</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	
	<b>ECL</b>	<b>Not Credit</b>	<b>Credit</b>	
	<b>RM'000</b>	<b>Impaired</b>	<b>Impaired</b>	<b>Total</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 September 2024</b>				
Balance at beginning of the financial period	109,080	337,673	196,450	643,203
Net (writeback of)/allowances for ECL:	(10,400)	16,530	71,543	77,673
- Transfer to Stage 1	4,382	(26,076)	(2,911)	(24,605)
- Transfer to Stage 2	(5,577)	49,638	(17,860)	26,201
- Transfer to Stage 3	(530)	(11,532)	47,686	35,624
New financial assets originated	20,910	32,804	677	54,391
Net remeasurement of allowances	(7,637)	(3,452)	67,407	56,318
Changes to model assumptions and methodologies	(5,400)	11,678	-	6,278
Modification of contractual cash flows of financial assets	(427)	17	(580)	(990)
Financial assets derecognised	(16,121)	(36,547)	(22,876)	(75,544)
Foreign exchange differences	(150)	(26)	-	(176)
Amount written-off	-	(7,084)	(101,808)	(108,892)
Balance at end of the financial period	<b>98,530</b>	<b>347,093</b>	<b>166,185</b>	<b>611,808</b>
<b>31 March 2024</b>				
Balance at beginning of the financial year	74,502	441,391	163,096	678,989
Net allowances for/(writeback of) ECL:	34,499	(40,838)	311,809	305,470
- Transfer to Stage 1	6,995	(40,012)	(2,767)	(35,784)
- Transfer to Stage 2	(3,600)	51,324	(10,453)	37,271
- Transfer to Stage 3	(426)	(21,841)	83,098	60,831
New financial assets originated	28,374	31,314	7,306	66,994
Net remeasurement of allowances	4,925	2,783	247,226	254,934
Changes to model assumptions and methodologies	12,953	(15,955)	21,753	18,751
Modification of contractual cash flows of financial assets	222	(7,007)	5,432	(1,353)
Financial assets derecognised	(14,944)	(41,444)	(39,786)	(96,174)
Transfer to other assets	-	(62,900)	-	(62,900)
Foreign exchange differences	79	20	-	99
Amount written-off	-	-	(278,455)	(278,455)
Balance at end of the financial year	<b>109,080</b>	<b>337,673</b>	<b>196,450</b>	<b>643,203</b>

**A13. OTHER ASSETS**

		<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
	Note		
Other receivables, deposits and prepayments		87,681	86,547
Amount due from related companies	(a)	-	1,233,525
Profit receivable		88,611	135,416
Deferred charges		99,720	104,571
		<u>276,012</u>	<u>1,560,059</u>

(a) Amount due from related companies, which related to banking operations, are unsecured, non-profit bearing and are repayable on demand.

**A14. DEPOSITS FROM CUSTOMERS**

		<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
(i) By type of deposit:			
Savings deposit:			
Commodity Murabahah		3,468,896	3,929,316
Qard		138,115	39,883
Demand deposit:			
Commodity Murabahah		10,024,341	14,273,884
Qard		888,788	125,735
Term deposits:			
Commodity Murabahah		29,841,408	29,535,968
Qard		265,504	329,507
Total		<u>44,627,052</u>	<u>48,234,293</u>
(ii) The deposits are sourced from the following types of customers:			
Government and statutory bodies		3,049,236	4,743,809
Business enterprises		22,051,480	28,240,844
Individuals		17,562,877	14,155,295
Others		1,963,459	1,094,345
		<u>44,627,052</u>	<u>48,234,293</u>
(iii) The maturity structure of all term deposits is as follows:			
Due within six months		21,791,474	24,778,812
Over six months to one year		8,029,138	4,729,705
Over one year to three years		281,178	339,335
Over three years to five years		5,122	17,623
		<u>30,106,912</u>	<u>29,865,475</u>

**A15. INVESTMENT ACCOUNTS OF CUSTOMERS**

	<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Unrestricted investment account:		
Without maturity		
- Wakalah	12,015	12,619
With maturity		
- Mudarabah	1,196	1,440
	<u>13,211</u>	<u>14,059</u>

The investments accounts are sourced from the following types of customers:

Business enterprises	70	55
Individuals	13,141	14,004
	<u>13,211</u>	<u>14,059</u>

	<b>Wakalah RM'000</b>	<b>Mudarabah RM'000</b>
Investment assets:		
<b>30 September 2024</b>		
Interbank placement	12,015	-
House financing	-	1,196
Total investment	<u>12,015</u>	<u>1,196</u>
<b>31 March 2024</b>		
Interbank placement	12,619	-
House financing	-	1,440
Total investment	<u>12,619</u>	<u>1,440</u>

**A15. INVESTMENT ACCOUNTS OF CUSTOMERS (CONT'D.)**

Average Rate of Return and Average Performance Incentive Fee for the investment accounts are as follows:

	Investment account holder		
	Average profit sharing ratio (%)	Average rate of return (%)	Average performance incentive fee (%)
<b>30 September 2024</b>			
Maturity :			
- less than 3 months	47.39	0.17	2.94
- between 3 months to 12 months	50.47	2.52	-
<b>31 March 2024</b>			
Maturity :			
- less than 3 months	46.85	0.21	2.92
- between 3 months to 12 months	49.95	2.48	-

**A16. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	30 September 2024 RM'000	31 March 2024 RM'000
<u>Non-Mudarabah</u>		
Licensed Islamic banks	150,000	498,929
Licensed banks	126,999	650,553
Licensed investment banks	190,702	274,495
Other financial institutions	713,727	1,355,828
Bank Negara Malaysia	136,151	135,406
Total	1,317,579	2,915,211

**A17. INVESTMENT ACCOUNT DUE TO A LICENSED BANK**

	30 September 2024 RM'000	31 March 2024 RM'000
<u>Restricted investment account ("RA")</u>		
- Mudarabah Muqayyadah	1,207,773	1,366,363
Investment asset:		
Financing	1,207,773	1,366,363



**A17. INVESTMENT ACCOUNT DUE TO A LICENSED BANK (CONT'D.)**

Average Profit Sharing Ratio and Average Rate of Return for the investment account based on original contractual maturity are as follows:

	Investment account holder			
	30 September 2024	31 March 2024	30 September 2024	31 March 2024
	Average profit sharing ratio (%)	Average profit sharing ratio (%)	Average rate of return (%)	Average rate of return (%)
Maturity:				
- over 2 years to 5 years	90	90	4.02	3.89
- more than 5 years	90	90	4.38	4.26

The RA is a contract based on the Shariah concept of Mudarabah between two parties, that is, capital provider and entrepreneur to finance a business venture where the business venture is managed solely by the Bank as the entrepreneur. The profit of the business venture is shared between both parties based on a pre-agreed ratio. The capital provider for the RA contracts is AmBank, a related company.

As at 30 September 2024, ECL allowance for the investment asset borne by AmBank amounted to RM2.1 million (31 March 2024: RM1.8 million).

As at 30 September 2024, the remaining tenure of the RA contracts is for a period of 3 to 6 years (31 March 2024: 3 to 6 years).

**A18. OTHER LIABILITIES**

	Note	30 September 2024 RM'000	31 March 2024 RM'000
Profit payable		300,883	307,347
Other creditors and accruals		96,003	76,158
Lease liabilities		1,920	2,064
Provision for reinstatement for leased premises		86	85
Deferred income		14,665	14,092
Advance rental		12,339	11,864
Amount due to related companies	(a)	205,018	1
Allowances for ECL on financing commitments and financial guarantees	(b)	19,937	20,462
Provision for taxation		23,617	4,623
		<u>674,468</u>	<u>436,696</u>

(a) Amount due to related companies, which related to banking operations, are unsecured, non-profit bearing and repayable on demand.

**A18. OTHER LIABILITIES (CONT'D.)**

(b) The movements in allowances for ECL are as follows:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12-month</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	
	<b>ECL</b>	<b>Not Credit</b>	<b>Credit</b>	
	<b>RM'000</b>	<b>Impaired</b>	<b>Impaired</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 September 2024</b>				
Balance at beginning of the financial period	11,337	5,355	3,770	20,462
Net (writeback of)/allowances for ECL (Note A25):	(48)	(983)	548	(483)
- Transfer to Stage 1	181	(1,050)	-	(869)
- Transfer to Stage 2	(225)	1,048	-	823
- Transfer to Stage 3	(23)	(280)	303	-
New exposures originated	2,567	1,777	-	4,344
Net remeasurement of allowances	(649)	(1,564)	245	(1,968)
Financial exposures derecognised	(1,899)	(914)	-	(2,813)
Foreign exchange differences	(20)	(21)	(1)	(42)
Balance at end of the financial period	<u>11,269</u>	<u>4,351</u>	<u>4,317</u>	<u>19,937</u>
<b>31 March 2024</b>				
Balance at beginning of the financial year	11,580	7,010	13,710	32,300
Net writeback of ECL:	(272)	(1,669)	(9,940)	(11,881)
- Transfer to Stage 1	454	(3,426)	-	(2,972)
- Transfer to Stage 2	(192)	1,036	-	844
- Transfer to Stage 3	(40)	(600)	640	-
New exposures originated	4,188	2,410	-	6,598
Net remeasurement of allowances	(1,635)	230	(10,580)	(11,985)
Financial exposures derecognised	(3,047)	(1,319)	-	(4,366)
Foreign exchange differences	29	14	-	43
Balance at end of the financial year	<u>11,337</u>	<u>5,355</u>	<u>3,770</u>	<u>20,462</u>

**A19. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS**

	Individual Quarter		Cumulative Quarter	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income*	506,136	507,811	1,006,712	1,000,954
- Financing income on impaired financing	608	313	1,058	498
Financial assets at fair value through profit or loss	18,171	15,792	40,107	32,375
Financial investments at fair value through other comprehensive income	63,571	63,724	126,574	120,398
Financial investments at amortised cost	39,305	36,746	77,868	77,855
Deposits and placements with banks and other financial institutions	4,429	17,421	8,452	31,061
Total finance income and hibah	<u>632,220</u>	<u>641,807</u>	<u>1,260,771</u>	<u>1,263,141</u>
<u>Other operating income:</u>				
Fee and commission income:				
- Fees on financing, advances and securities	14,072	12,869	27,743	26,859
- Guarantee fees	3,426	4,479	6,677	8,175
- Remittances	93	34	160	64
- Service charges and fees	1,096	1,043	2,060	1,927
- Others	1,868	1,595	3,355	3,160
Foreign exchange gain/(loss)	15,184	(767)	15,511	(5,388)
Gain/(Loss) from disposal of financial assets at fair value through profit or loss	2,853	211	1,302	(24)
Gain/(Loss) on revaluation of financial assets at fair value through profit or loss	1,136	84	1,847	(1,754)
Gain from disposal of financial investments at fair value through other comprehensive income	2,896	174	2,896	1,423
Gain/(Loss) from redemption of financial investments at amortised cost	250	(23)	250	25,805
Net loss on derivatives	(2,075)	(1,039)	(4,071)	(1,991)
Others	(11)	(86)	(9)	(22)
Total other operating income	<u>40,788</u>	<u>18,574</u>	<u>57,721</u>	<u>58,234</u>
Total	<u>673,008</u>	<u>660,381</u>	<u>1,318,492</u>	<u>1,321,375</u>

\* Included the day-1 modification loss of RM58,000 (30 September 2023: day-1 modification loss of RM677,000) arising from government support measures implemented in response to COVID-19 pandemic.

**A20. INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT FUNDS**

	Individual Quarter		Cumulative Quarter	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Income derived from investment of:				
- Restricted investment account	14,665	16,354	29,426	31,699
- Unrestricted investment accounts	112	122	223	248
	<u>14,777</u>	<u>16,476</u>	<u>29,649</u>	<u>31,947</u>

**Income derived from investment of restricted investment account**

Finance income and hibah:

Financing and advances				
- Financing income	<u>14,665</u>	<u>16,354</u>	<u>29,426</u>	<u>31,699</u>

**Income derived from investment of unrestricted investment accounts**

Finance income and hibah:

Financing and advances				
- Financing income	16	29	32	60
Deposits and placements with banks and other financial institutions	<u>96</u>	<u>93</u>	<u>191</u>	<u>188</u>
Total finance income and hibah	<u>112</u>	<u>122</u>	<u>223</u>	<u>248</u>

**A21. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDER'S FUNDS**

	Individual Quarter		Cumulative Quarter	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income*	47,858	42,849	93,189	83,519
- Financing income on impaired financing	57	26	98	41
Financial assets at fair value through profit or loss	1,726	1,333	3,713	2,701
Financial investments at fair value through other comprehensive income	6,012	5,372	11,717	10,046
Financial investments at amortised cost	3,716	3,106	7,208	6,496
Deposits and placements with banks and other financial institutions	418	1,467	782	2,592
Total finance income and hibah	<u>59,787</u>	<u>54,153</u>	<u>116,707</u>	<u>105,395</u>
<u>Other operating income:</u>				
Fee and commission income:				
- Bancassurance commission	3,639	3,325	6,976	6,349
- Fees on financing, advances and securities	1,332	1,090	2,573	2,247
- Guarantee fees	323	377	618	682
- Remittances	41	38	78	74
- Service charges and fees	1,086	676	2,109	1,606
- Others	(1,583)	1,289	5,465	2,139
Foreign exchange gain/(loss)	1,406	(68)	1,436	(449)
Gain/(Loss) from disposal of financial assets at fair value through profit or loss	260	17	120	(2)
Gain/(Loss) on revaluation of financial assets at fair value through profit or loss	107	6	171	(146)
Gain from disposal of financial investments at fair value through other comprehensive income	268	16	268	119
Gain from redemption of financial investments at amortised cost	23	23	23	2,153
Net loss on derivatives	(196)	(87)	(377)	(166)
Others	(1)	(7)	(1)	(2)
Total other operating income	<u>6,705</u>	<u>6,695</u>	<u>19,459</u>	<u>14,604</u>
Total	<u>66,492</u>	<u>60,848</u>	<u>136,166</u>	<u>119,999</u>

\* Included the day-1 modification loss of RM5,000 (30 September 2023: day-1 modification loss of RM56,000) arising from government support measures implemented in response to COVID-19 pandemic.

**A22. ALLOWANCE FOR IMPAIRMENT ON FINANCING AND ADVANCES - NET**

	Individual Quarter		Cumulative Quarter	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Allowance for impairment on financing and advances	60,513	43,270	77,673	105,093
Impaired financing and advances recovered, net	(23,964)	(21,548)	(44,973)	(51,061)
<b>Total</b>	<b>36,549</b>	<b>21,722</b>	<b>32,700</b>	<b>54,032</b>

**A23. ALLOWANCE FOR/(WRITEBACK OF) IMPAIRMENT ON FINANCIAL INVESTMENTS**

	Individual Quarter		Cumulative Quarter	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Financial investments at amortised cost - sukuk	549	24	265	4,321
Financial investments at fair value through other comprehensive income - sukuk	(157)	879	(493)	3,830
<b>Total</b>	<b>392</b>	<b>903</b>	<b>(228)</b>	<b>8,151</b>

**A24. (WRITEBACK OF)/ALLOWANCE FOR IMPAIRMENT ON OTHER FINANCIAL ASSETS**

	Individual Quarter		Cumulative Quarter	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Cash and short-term funds	(1)	(12)	(1)	7

**A25. PROVISION/(WRITEBACK OF PROVISION) FOR COMMITMENTS AND CONTINGENCIES**

	Individual Quarter		Cumulative Quarter	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Provision/(Writeback of provision) for commitments and contingencies - financing commitments and financial guarantee contracts	452	(5,436)	(483)	(6,877)

**A26. INCOME ATTRIBUTABLE TO THE DEPOSITORS AND OTHERS**

	Individual Quarter		Cumulative Quarter	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>Non-Mudarabah fund</u>				
Deposit from customers	332,131	356,609	675,050	681,320
Deposits and placements of banks and other financial institutions	12,270	23,514	28,883	75,165
	<u>344,401</u>	<u>380,123</u>	<u>703,933</u>	<u>756,485</u>
Others	34,176	31,303	67,083	59,932
Total	<u>378,577</u>	<u>411,426</u>	<u>771,016</u>	<u>816,417</u>

**A27. INCOME ATTRIBUTABLE TO THE INVESTMENT ACCOUNT HOLDERS**

	Individual Quarter		Cumulative Quarter	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>Unrestricted investment accounts</u>				
Customers	10	17	19	33
<u>Restricted investment account</u>				
Licensed bank	13,198	14,718	26,483	28,529
	<u>13,208</u>	<u>14,735</u>	<u>26,502</u>	<u>28,562</u>

**A28. OTHER OPERATING EXPENSES**

	Individual Quarter		Cumulative Quarter	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Personnel costs:				
Salaries, allowances, bonuses and incentives	4,685	5,724	9,417	10,795
Share granted under AMMB Executives' Share Scheme ("ESS") - charge	174	299	245	375
Contributions to Employees' Provident Fund/Private Retirement Scheme	739	893	1,490	1,648
Social security cost	25	24	49	47
Others	520	520	1,079	916
	<u>6,143</u>	<u>7,460</u>	<u>12,280</u>	<u>13,781</u>
Establishment costs:				
Amortisation of intangible assets	21	23	39	55
Cleaning, maintenance and security	26	16	47	38
Computerisation costs	342	229	747	565
Depreciation of property and equipment	45	17	90	46
Depreciation of right-of-use assets	75	75	151	151
Rental of premises	139	136	278	272
Finance cost:				
- Lease liabilities	13	16	27	31
- Provision for reinstatement for leased premises	1	-	1	1
Others	5	5	10	11
	<u>667</u>	<u>517</u>	<u>1,390</u>	<u>1,170</u>
Marketing and communication expenses:				
Advertising, marketing and communication	701	1,293	1,601	2,880
Others	10	28	33	53
	<u>711</u>	<u>1,321</u>	<u>1,634</u>	<u>2,933</u>
Administration and general expenses:				
Professional services	1,146	1,021	1,790	1,749
Others	2,632	2,396	5,235	4,742
	<u>3,778</u>	<u>3,417</u>	<u>7,025</u>	<u>6,491</u>
Service transfer pricing expense, net	<u>112,816</u>	<u>108,137</u>	<u>225,199</u>	<u>214,254</u>
	<u>124,115</u>	<u>120,852</u>	<u>247,528</u>	<u>238,629</u>



**A29. BASIC EARNINGS PER SHARE**

**Basic/Diluted**

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30 September 2024</b>	<b>30 September 2023</b>	<b>30 September 2024</b>	<b>30 September 2023</b>
Net profit attributable to equity holder of the Bank (RM'000)	131,761	112,134	269,367	219,427
Number of ordinary shares at beginning and end of the financial period representing the weighted average number of ordinary shares in issue ('000)	494,369	494,369	494,369	494,369
Basic/Diluted earnings per share (sen)	<b>26.65</b>	<b>22.68</b>	<b>54.49</b>	<b>44.39</b>

### **A30. BUSINESS SEGMENT ANALYSIS**

Segment information is presented in respect of the Bank's business segments. The business segment information is prepared based on internal management reports, which are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to a segment and to assess its performance.

The Bank comprises the following main business segments:

(a) Retail Banking

Retail Banking continues to focus on building mass affluent, affluent and small business customers. Retail Banking offers products and financial solutions which includes auto finance, mortgages, personal financing, credit cards, small business financing, priority banking services, wealth management, remittance services and deposits.

(b) Business Banking

Business Banking ("BB") focuses on all sizes of businesses and enterprises by providing a range of products and solutions such as Commercial, Enterprise and SME Lending, Business Wealth, Industrial Hire Purchase and Bancassurance.

(c) Wholesale Banking

Wholesale Banking comprises Corporate Banking, Transaction Banking and Group Treasury and Markets:

(i) Corporate and Transaction Banking

Corporate Banking offers a full range of products and services, including corporate lending, investment banking advisory, trade finance, offshore banking and cash management solutions to wholesale banking clients.

Transaction Banking delivers tailor-made digital and cash management solutions, as well as trade financing and remittance services, to corporate and SME clients.

(iii) Group Treasury and Markets manages funding and liquidity for the banking group and offers financial market and hedging solutions across all asset classes to a broad range of clients. The sales and trading activities cover fixed income, interest rates, foreign exchange, money market, equity derivatives, commodities and other derivatives.

**A30. BUSINESS SEGMENT ANALYSIS (CONT'D.)**

The Bank comprises the following main business segments (cont'd.):

(d) Investment Banking

Investment Banking offers Islamic advisory services and a wide range of Shariah-compliant financial and investment solutions that include sukuk origination and Islamic structured finance.

(e) Others

Others comprise activities to support operations of the main business units and non-core operations of the Bank.

Measurement of Segment Performance

The segment performance is measured on income, expenses and profit basis. These are shown after allocation of certain centralised costs, funding income and expenses directly associated with each segment. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on aggregation.

Note:

- (i) The Chief Operating Decision Maker relies primarily on the net finance income information to assess the performance of, and to make decisions about resources to be allocated to these operating segments.
- (ii) The financial information by geographical segment is not presented as the Bank's activities are principally conducted in Malaysia.
- (iii) The comparatives have been restated to conform with current business realignment between the business segment.

**A30. BUSINESS SEGMENT ANALYSIS (CONT'D.)**

For the financial period ended 30 September 2024

	<u>Wholesale banking</u>						<b>Total RM'000</b>
	<b>Retail Banking RM'000</b>	<b>Business Banking RM'000</b>	<b>Corporate and Transaction Banking RM'000</b>	<b>Group Treasury and Market RM'000</b>	<b>Investment Banking RM'000</b>	<b>Others RM'000</b>	
External net income	385,421	270,997	156,435	(182,524)	897	(316)	630,910
Intersegments net income	(92,718)	(108,323)	(90,825)	292,954	25	(1,113)	-
Net income	<u>292,703</u>	<u>162,674</u>	<u>65,610</u>	<u>110,430</u>	<u>922</u>	<u>(1,429)</u>	<u>630,910</u>
Net finance income	272,252	136,962	58,949	91,261	37	(1,814)	557,647
Other income	20,451	25,713	6,661	19,169	884	385	73,263
Net income	<u>292,703</u>	<u>162,675</u>	<u>65,610</u>	<u>110,430</u>	<u>921</u>	<u>(1,429)</u>	<u>630,910</u>
Other operating expenses of which:	(159,704)	(47,774)	(29,431)	(12,128)	-	1,509	(247,528)
<i>Depreciation of property and equipment</i>	-	-	-	-	-	(90)	(90)
<i>Depreciation of right-of-use-assets</i>	-	-	-	-	-	(151)	(151)
<i>Amortisation of intangible assets</i>	(2)	(1)	-	-	-	(36)	(39)
Profit before impairment losses and provision	132,999	114,901	36,179	98,302	921	80	383,382
(Allowance for)/Writeback of impairment on financing and advances	(42,496)	(24,047)	33,843	-	-	-	(32,700)
(Allowance for)/Writeback of impairment on financial investments	-	(121)	(125)	474	-	-	228
Writeback of impairment on other financial assets	-	-	-	1	-	-	1
(Provision)/Writeback of provision for commitments and contingencies	(157)	(61)	701	-	-	-	483
Profit/(loss) before zakat and taxation	90,346	90,672	70,598	98,777	921	80	351,394
Zakat and taxation	(21,683)	(21,761)	(16,944)	(18,971)	(221)	(2,447)	(82,027)
Profit/(loss) for the financial period	<u>68,663</u>	<u>68,911</u>	<u>53,654</u>	<u>79,806</u>	<u>700</u>	<u>(2,367)</u>	<u>269,367</u>
<b>Other information</b>							
Total segment assets	24,834,991	13,333,013	7,976,377	12,798,240	-	134,492	59,077,113
Total segment liabilities	21,589,164	6,849,330	4,109,830	21,240,046	2,013	244,448	54,034,831
Cost to income ratio	54.6%	29.4%	44.9%	11.0%	0.0%	>100%	39.2%
Gross financing and advances	25,137,182	12,699,721	7,350,891	-	-	-	45,187,794
Net financing and advances	24,733,877	12,579,827	7,262,282	-	-	-	44,575,986
Impaired financing and advances	434,515	123,421	73,742	-	-	-	631,678
Deposits	21,412,477	6,786,372	4,051,257	13,694,525	-	-	45,944,631
Additions to :							
Property and Equipment	-	-	-	-	-	13	13
Intangible assets	-	-	-	-	-	70	70

**A30. BUSINESS SEGMENT ANALYSIS (CONT'D.)**

For the financial period ended 30 September 2023  
(Restated)

	<b>Wholesale banking</b>						<b>Total RM'000</b>
	<b>Retail Banking RM'000</b>	<b>Business Banking RM'000</b>	<b>Corporate and Transaction Banking RM'000</b>	<b>Group Treasury and Market RM'000</b>	<b>Investment Banking RM'000</b>	<b>Others RM'000</b>	
External net income	404,072	250,391	200,116	(275,982)	931	(832)	578,696
Intersegments net income	(119,716)	(112,222)	(116,777)	351,542	(19)	(2,808)	-
Net income	<u>284,356</u>	<u>138,169</u>	<u>83,339</u>	<u>75,560</u>	<u>912</u>	<u>(3,640)</u>	<u>578,696</u>
Net finance income	265,277	114,001	76,820	56,827	48	(3,970)	509,003
Other income	19,079	24,169	6,518	18,733	864	330	69,693
Net income	<u>284,356</u>	<u>138,170</u>	<u>83,338</u>	<u>75,560</u>	<u>912</u>	<u>(3,640)</u>	<u>578,696</u>
Other operating expenses of which:	(168,539)	(44,361)	(29,073)	(12,551)	-	15,895	(238,629)
<i>Depreciation of property and equipment</i>	-	-	-	-	-	(46)	(46)
<i>Depreciation of right-of-use-assets</i>	-	-	-	-	-	(151)	(151)
<i>Amortisation of intangible assets</i>	(3)	(2)	-	-	-	(50)	(55)
Profit before impairment losses and provision	115,817	93,809	54,265	63,009	912	12,255	340,067
(Allowance for)/Writeback of impairment on financing and advances	(72,896)	(44,728)	63,592	-	-	-	(54,032)
Allowance for impairment on financial investments	-	(269)	(4,017)	(3,865)	-	-	(8,151)
Allowance for impairment on other financial assets	-	-	-	(7)	-	-	(7)
Writeback of provision/(Provision) for commitments and contingencies	1,059	6,041	(223)	-	-	-	6,877
Profit before zakat and taxation	43,980	54,853	113,617	59,137	912	12,255	284,754
Zakat and taxation	(10,555)	(13,165)	(27,268)	(9,456)	(219)	(4,664)	(65,327)
Profit for the financial period	<u>33,425</u>	<u>41,688</u>	<u>86,349</u>	<u>49,681</u>	<u>693</u>	<u>7,591</u>	<u>219,427</u>
<b>Other information</b>							
Total segment assets	25,191,493	11,640,380	8,656,178	14,015,008	-	758,718	60,261,777
Total segment liabilities	17,713,355	7,028,472	3,714,276	27,161,345	1,497	21,799	55,640,744
Cost to income ratio	59.3%	32.1%	34.9%	16.6%	0.0%	>100%	41.2%
Gross financing and advances	25,420,286	11,023,168	8,283,243	-	-	-	44,726,697
Net financing and advances	25,082,112	10,904,055	8,107,376	-	-	-	44,093,543
Impaired financing and advances	388,659	166,209	42,464	-	-	-	597,332
Deposits	17,573,214	6,969,058	3,676,214	19,553,826	-	-	47,772,312
Additions to :							
Property and Equipment	12	-	-	-	-	30	42
Intangible assets	-	-	-	-	-	63	63

**A31. PERFORMANCE REVIEW FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

The Bank reported a higher profit after zakat and taxation of RM269.4 million for the financial period ended 30 September 2024 compared to the corresponding period ended 30 September 2023 of RM219.4 million.

The higher profit was mainly due to higher net finance income by RM48.6 million arising from higher net finance margin, lower net allowance for impairment on financing and advances by RM21.3 million, writeback of impairment on financial investments of RM0.2 million (30 September 2023: allowance of RM8.2 million) and higher other operating income by RM3.6 million mainly from higher fee income.

The higher profit is offset by higher other operating expenses of RM8.9 million mainly from service transfer pricing charges and lower writeback of ECL on financing commitments and financial guarantee contracts by RM6.4 million.

The Bank's capital common equity tier 1 ("CET1") ratio improved to 15.22% (FY2024: 12.75%) while total capital ratio ("TCR") improved to 19.90% (FY2024: 17.48%).

In the opinion of the directors, the results of operations of the Bank for the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

**A32. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2025**

The Federal Open Market Committee ("FOMC") at its November 2024 meeting, held two days after the United States ("US") election, announced a 25 basis points ("bps") rate cut. The latest move by the Federal Reserve ("Fed") brings the range for the federal funds rate ("FFR") to between 4.50% to 4.75%. Such a move preserves flexibility as the Fed policymakers continue to pursue a data-dependent stance, although the market expects another round of 25 bps cut by December. On another note, the US concluded its presidential election last week, witnessing Republican Donald Trump win against Democrat Kamala Harris, making his return to the White House for the second time.

As widely anticipated, European Central Bank ("ECB") announced borrowing costs cut by 25bps during the October meeting, bringing the key deposit rate to 3.25%, the lowest since May 2023. On the inflation front, consumer prices rose to 2.0% in October (September: 1.7%), suggesting that a half-point reduction in December could be unlikely and boosting arguments for gradual rate cuts instead. At the same time, higher than expected Gross Domestic Product ("GDP") growth might relieve pressure on the central bank to moderate rate cuts. Despite that, concerns over the future economic growth remain, as the latest International Monetary Fund ("IMF") forecast in October reduced the Eurozone growth slightly to 0.8% in 2024, compared to the previous projection of 0.9% made in July.

Looking ahead, we foresee Malaysia's growth in the rest of the year to record reasonable growth rates, given the low base effect last year. While calendar year ("CY") 2023 saw net export as a main drag, we believe it would contribute to dynamic growth in the coming months following a robust recovery in the global semiconductor upcycle and steady improvements in industrial production. As such, we maintain Malaysia's CY 2024 GDP outlook at 4.9%, with an upside risk should private consumption increase in fourth quarter of CY 2024 amid wage growth.

**A32. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2025 (CONT'D.)**

Meanwhile, industry total outstanding financing grew by 5.61% year-on-year (“YoY”) in September, down from 6.00% recorded in the previous month. Likewise, household (September: 6.29% vs. August: 6.44%) and non-household (September: 4.62% vs. August: 5.36%) segments decreased in the said month. However, we projected financing growth to remain within the 5.0% to 6.0% range, given promising GDP growth estimates for this year from the recent Budget 2025 announcement. The overall banking system remains highly liquid, reflected by the liquidity coverage ratio of 148.03% in September. The financing-to-fund ratio and financing-to-fund-and-equity ratio remain stable at 83.8% and 72.98% as of the month.

Considering Malaysia’s subdued inflation and strong growth momentum, supported by the robust labour market, we posit that the Overnight Policy Rate (“OPR”) will remain at 3.00% throughout CY 2024. Meanwhile, the final meeting of the Monetary Policy Committee (“MPC”) held in November saw the OPR unchanged at 3.00%, which aligns with the market expectations, and we think that the extended pause at the current level, is highly likely to be maintained until first half of CY 2025, barring any unforeseen circumstances from the external headwinds.

Guided by AMMB Group’s refreshed strategy coined Winning Together (“WT29”), AMMB Group’s second quarter of financial year 2025 (“Q2FY2025”) financial performance kept up its forward momentum by delivering improved income (driven by further Net Finance Margin (“NFM”) expansion) while lowering net impairment which led to another quarter of strong Profit After Tax and Minority Interest (“PATMI”) and commendable Return on Equity (“ROE”). AMMB Group’s capital position which strengthened through profit accretion, and RWA optimisation, was also lifted further by the adoption of the Foundation Internal Ratings-Based (“FIRB”) approach in Q2FY2025. The stronger capital position enabled a higher interim dividend payout to shareholders. AMMB Group also managed to lower its Cost-to-Income (“CTI”) ratio from the previous quarter.

Moving into the second half of financial year (“FY”) 2025, AMMB Group will focus on growing its financing book (particularly the SME and Mid Corp segments; whilst repositioning its Retail banking segment), building and expanding its wealth management propositions as well as developing efficient supply chain solutions for customers. Furthermore, through digitalisation efforts, AMMB Group is committed to improving customers’ experience via enhanced process efficiency and customer-focused productivity tools.

In line with Malaysia’s improving economic prospects, AMMB Group remains optimistic on its FY 2025 prospects while being mindful of market volatility stemming from geopolitical risks.

**A33. VALUATION OF PROPERTY AND EQUIPMENT**

The Bank’s property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

**A34. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD**

There was no significant event during the current financial period.

### A35. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Bank's assets.

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

	<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
<b>Commitments</b>		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	6,705,906	6,371,330
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	718,446	888,936
Unutilised credit card lines	1,589,495	1,597,265
Forward asset purchase	103,708	213,211
	<u>9,117,555</u>	<u>9,070,742</u>
<b>Contingencies</b>		
Direct credit substitutes	307,724	262,092
Transaction related contingent items	1,486,900	1,653,847
Short-term self-liquidating trade-related contingencies	82,383	97,000
	<u>1,877,007</u>	<u>2,012,939</u>
<b>Derivative Financial Instruments</b>		
Foreign exchange related contracts		
- One year or less	1,713,733	2,501,706
- Over one year to five years	203,689	315,363
Profit rate related contracts		
- One year or less	-	350,000
- Over one year to five years	200,000	-
Commodity related contracts		
- One year or less	-	80,115
	<u>2,117,422</u>	<u>3,247,184</u>
<b>Total</b>	<u>13,111,984</u>	<u>14,330,865</u>



### **A36. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS**

#### **Determination of fair value and fair value hierarchy**

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3 : techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities measured at fair value that are recognised on a recurring basis, the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Bank's own models whereby the majority of assumptions are market observable.

Non market observable inputs means that fair values are determined, in whole or in part, using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data. The main asset classes in this category are unlisted equity investments and debt instruments. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Bank. Therefore, unobservable inputs reflect the Bank's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Bank's own data, as well as financial information of the counterparties. The Bank does not have any financial assets or liabilities measured at level 3 as at the end of the reporting period and 31 March 2024.

**A36. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)**

a) The following table provides the fair value measurement hierarchy of the Bank's assets and liabilities.

	Valuation techniques			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>30 September 2024</b>				
<b>Assets measured at fair value</b>				
Derivative financial assets	-	105,583	-	105,583
Financial assets at fair value through profit or loss				
- Money market securities	-	1,517,940	-	1,517,940
- Unquoted sukuk	-	362,736	-	362,736
Financial investments at fair value through other comprehensive income				
- Money market securities	-	3,505,744	-	3,505,744
- Quoted shares	12,676	-	-	12,676
- Unquoted sukuk	-	3,113,934	-	3,113,934
- Unquoted shares	-	37,881	-	37,881
	<u>12,676</u>	<u>8,643,818</u>	<u>-</u>	<u>8,656,494</u>
<b>Liabilities measured at fair value</b>				
Derivative financial liabilities	-	107,524	-	107,524
	<u>-</u>	<u>107,524</u>	<u>-</u>	<u>107,524</u>
<b>31 March 2024</b>				
<b>Assets measured at fair value</b>				
Derivative financial assets	-	41,917	-	41,917
Financial assets at fair value through profit or loss				
- Money market securities	-	3,175,923	-	3,175,923
- Unquoted sukuk	-	59,883	-	59,883
Financial investments at fair value through other comprehensive income				
- Money market securities	-	2,808,361	-	2,808,361
- Quoted shares	12,740	-	-	12,740
- Unquoted sukuk	-	3,855,338	-	3,855,338
- Unquoted shares	-	37,469	-	37,469
	<u>12,740</u>	<u>9,978,891</u>	<u>-</u>	<u>9,991,631</u>
<b>Liabilities measured at fair value</b>				
Derivative financial liabilities	-	41,030	-	41,030
	<u>-</u>	<u>41,030</u>	<u>-</u>	<u>41,030</u>

There were no transfers between Level 1 and Level 2 during the current financial period and previous financial year for the Bank.

**A37. CAPITAL ADEQUACY**

The capital adequacy ratios are computed in accordance with BNM's policy documents on Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 14 June 2024 and Capital Adequacy Framework for Islamic Banks (Risk Weighted Assets) issued on 18 December 2023. Pursuant to the BNM's policy document on Capital Adequacy Framework for Islamic Banks (Capital Components), the minimum capital adequacy ratios to be maintained under the guideline are at 4.5% for CET1 capital, 6.0% for Tier1 capital and 8.0% for total capital ratio at all times. In addition, banking institutions are also required to maintain capital buffers which comprise the sum of the following:

- (i) a Capital Conservation Buffer ("CCB") of 2.5%;
  - (ii) a Countercyclical Capital Buffer ("CCyB"), determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the Bank has credit exposures. BNM will communicate any decision on the CCyB rate by up to 12 months before the date from which the rate applies; and
  - (iii) a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("D-SIB").
- (a) As of 31 March 2024, the Capital Adequacy Ratios were computed based on BNM's policy document on Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 15 December 2023, where the Bank had applied transitional arrangements on provision for Expected Credit Loss ("ECL"). Under the transitional arrangements, the Bank is allowed to add back a portion of loss allowance for non-credit-impaired exposure (i.e. Stage 1 and Stage 2 provisions) to Common Equity Tier 1 ("CET 1") Capital from financial year 2021 to financial year 2024.

The capital adequacy ratios with transitional arrangement of the Bank are as follows:

	<b>31 March 2024</b>
<b>Before deducting proposed dividends:</b>	
CET 1 Capital Ratio	13.103%
Tier 1 Capital Ratio	13.103%
Total Capital Ratio	17.774%
<b>After deducting proposed dividends:</b>	
CET 1 Capital Ratio	13.047%
Tier 1 Capital Ratio	13.047%
Total Capital Ratio	17.719%

**A37. CAPITAL ADEQUACY (CONT'D.)**

(b) Effective 1 April 2024, the transitional arrangements have ended.

On 29 July 2024, the Bank has received approval from BNM to migrate to Foundation Internal Ratings Based ("FIRB") Approach for credit risk under Basel II Risk Weighted Capital Adequacy Framework. With effect from 1 August 2024, the following components of the capital adequacy ratios are computed in accordance with Capital Adequacy Framework from Islamic Banks (Risk Weighted Assets) based on the following approach:

- Credit Risk:
  - FIRB Approach and Supervisory Slotting Criteria for major non-retail portfolio
  - Advanced Internal Ratings Based ("AIRB") Approach for major retail portfolio
- Market Risk - remains under Standardised Approach
- Operational Risk - remains under Basic Indicator Approach

The capital adequacy ratios without transitional arrangement of the Bank are as follows:

	<b>30 September 2024</b> <sup>1</sup>	<b>31 March 2024</b> <sup>2</sup>
<b>Before deducting proposed dividends:</b>		
CET 1 Capital Ratio	15.597%	12.808%
Tier 1 Capital Ratio	15.597%	12.808%
Total Capital Ratio	20.279%	17.530%
<b>After deducting proposed dividends:</b>		
CET 1 Capital Ratio	15.216%	12.753%
Tier 1 Capital Ratio	15.216%	12.753%
Total Capital Ratio	19.898%	17.475%

<sup>1</sup> The capital adequacy ratios of the Bank as at 30 September 2024 are computed based on FIRB Approach and Supervisory Slotting Criteria for major non-retail portfolio and AIRB Approach for major retail portfolio for Credit Risk.

<sup>2</sup> Upon the first time adoption of different approach in computing the capital adequacy ratios (as mentioned above), the Bank is exempted to disclose the comparative capital adequacy ratio as at 31 March 2024 using the same basis as at 30 September 2024. This is in accordance with paragraph 7.2(i) of the Capital Adequacy Framework for Islamic Banks ("CAFIB") - Disclosure Requirements (Pillar 3).

The comparative capital adequacy ratios presented were computed based on Standardised Approach for Credit Risk and without transitional arrangement.

**A37. CAPITAL ADEQUACY (CONT'D.)**

(c) The components of CET 1 Capital, Tier 1 Capital, Tier 2 Capital and Total Capital of the Bank are as follows:

	<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
<b>CET 1 Capital</b>		
Ordinary shares	1,387,107	1,387,107
Retained earnings	3,608,041	3,344,076
Fair value reserve	18,633	8,390
Regulatory reserve	28,501	43,368
Less : Regulatory adjustments applied on CET 1 Capital		
- Intangible assets	(251)	(220)
- Deferred tax assets	(47,577)	(52,449)
- 55% of cumulative gain of FVOCI financial instruments	(10,248)	(4,615)
- Regulatory reserve	(28,501)	(43,368)
- Unrealised fair value gains on financial liabilities due to changes in own credit risk	(89)	(44)
- Other CET 1 regulatory adjustment specified by BNM <sup>3</sup>	-	107,754
<b>CET 1 Capital/ Tier 1 Capital</b>	<u>4,955,616</u>	<u>4,789,999</u>
<b>Tier 2 Capital</b>		
Tier 2 Capital instruments meeting all relevant criteria for inclusion	1,300,000	1,300,000
Surplus of eligible provisions to expected losses	150,436	-
General provisions <sup>4</sup>	37,328	407,645
<b>Tier 2 Capital</b>	<u>1,487,764</u>	<u>1,707,645</u>
<b>Total Capital</b>	<u>6,443,380</u>	<u>6,497,644</u>

<sup>3</sup> Other CET1 regulatory adjustments specified by BNM as at 31 March 2024 refers to adjustments on transitional arrangement as mentioned in (a) above. As the transition arrangement has ended effective 1 April 2024, there is no adjustments as at 30 September 2024.

<sup>4</sup> Consists of Stage 1 and Stage 2 loss allowances and regulatory reserve subject to a maximum 1.25% of total credit RWA.

**A37. CAPITAL ADEQUACY (CONT'D.)**

(c) The components of CET 1 Capital, Tier 1 Capital, Tier 2 Capital and Total Capital of the Bank are as follows: (Cont'd.)

The breakdown of the risk-weighted assets ("RWA") in various categories of risk are as follows:

	<b>30 September 2024 RM'000</b>	<b>31 March 2024 RM'000</b>
Credit RWA	28,679,172	35,468,914
Less : Credit RWA absorbed by Investment Account	<u>(620,253)</u>	<u>(1,371,871)</u>
Total Credit RWA <sup>5</sup>	28,058,919	34,097,043
Market RWA	472,547	345,524
Operational RWA	2,192,258	2,114,545
Additional RWA due to Capital Floor	<u>1,049,502</u>	<u>-</u>
<b>Total Risk Weighted Assets</b>	<b><u>31,773,226</u></b>	<b><u>36,557,112</u></b>

<sup>5</sup> Total Credit RWA as at:

- 30 September 2024 - computed based on FIRB Approach and Supervisory Slotting Criteria for major non-retail portfolio and AIRB Approach for major retail portfolio.
- 31 March 2024 - computed based on Standardised Approach

**A38. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES**

	<b>30 September 2024</b>	<b>31 March 2024</b>
Outstanding credit exposures with connected parties (RM'000)	2,341,422	2,047,629
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures (%)	4.40	4.11
Percentage of outstanding credit exposures with connected parties which is impaired or in default (%)	0.00	0.00

The credit exposures above are based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.