

# AFFIN Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

## Condensed Interim Financial Statements

### Unaudited Statements of Financial Position as at 31 March 2024

	Note	Economic Entity		The Bank	
		31/03/2024 RM'000	31/12/2023 RM'000	31/03/2024 RM'000	31/12/2023 RM'000
<b>ASSETS</b>					
Cash and short-term funds		1,971,992	3,161,757	1,971,992	3,161,757
Deposits and placements with banks and other financial institutions		402,438	400,526	402,438	400,526
Financial assets at fair value through profit or loss ('FVTPL')	13	397,681	-	397,681	-
Derivative financial instruments	14	18,646	18,907	18,646	18,907
Financial investments at fair value through other comprehensive income ('FVOCI')	15	2,163,506	1,674,282	2,163,506	1,674,282
Financial investments at amortised cost ('AC')	16	4,565,178	4,568,010	4,565,178	4,568,010
Financing and other financing	17	30,050,573	28,760,767	30,050,573	28,760,767
Other assets	18	172,739	135,546	172,739	135,546
Amount due from holding company		98	288,431	98	288,431
Amount due from joint ventures	19	1,640	32	1,640	32
Tax recoverable		40,121	43,746	40,121	43,746
Deferred tax assets		39,030	39,040	39,030	39,040
Statutory deposits with Bank Negara Malaysia		485,000	485,000	485,000	485,000
Property and equipment		742	782	742	782
Intangible assets		817	863	817	863
Right-of-use assets		212	238	212	238
<b>TOTAL ASSETS</b>		<b>40,310,413</b>	<b>39,577,928</b>	<b>40,310,413</b>	<b>39,577,928</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	20	25,089,894	25,360,547	25,089,894	25,360,547
Investment accounts of customers	21	229	359	229	359
Deposits and placements of banks and other financial institutions	22	4,434,330	4,172,179	4,434,330	4,172,179
Investment accounts due to designated financial institutions	23	3,554,620	3,579,578	3,554,620	3,579,578
Recourse obligation on financing sold to Cagamas Berhad		1,111,556	1,115,041	1,111,556	1,115,041
Derivative financial instruments	14	16,466	23,539	16,466	23,539
Other liabilities	24	329,085	319,188	329,085	319,188
Amount due to holding company		566,918	-	566,918	-
Lease liabilities	25	237	271	237	271
Subordinated and Senior Sukuk	26	2,390,986	2,363,770	2,390,986	2,363,770
<b>TOTAL LIABILITIES</b>		<b>37,494,321</b>	<b>36,934,472</b>	<b>37,494,321</b>	<b>36,934,472</b>
Share capital		1,310,000	1,210,000	1,310,000	1,210,000
Reserves	27	1,506,092	1,433,455	1,506,092	1,433,455
<b>TOTAL EQUITY</b>		<b>2,816,092</b>	<b>2,643,456</b>	<b>2,816,092</b>	<b>2,643,456</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>40,310,413</b>	<b>39,577,928</b>	<b>40,310,413</b>	<b>39,577,928</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	38	<b>11,124,121</b>	<b>11,396,972</b>	<b>11,124,121</b>	<b>11,396,972</b>
<b>CAPITAL ADEQUACY RATIOS</b>	40				
CET 1 capital ratio		12.006%	12.076%	12.006%	12.076%
Tier 1 capital ratio		14.271%	14.443%	14.271%	14.443%
Total capital ratio		17.714%	17.985%	17.714%	17.985%
<b>Net assets per share attributable to equity holders of the Bank (RM)</b>		<b>2.49</b>	<b>2.34</b>	<b>2.49</b>	<b>2.34</b>

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2023.

# AFFIN Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

## Condensed Interim Financial Statements

### Unaudited Income Statements for the Financial Quarter Ended 31 March 2024

	Note	Economic Entity Individual Quarter Ended		Economic Entity Cumulative Quarter Ended	
		31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
Income derived from investment of depositors' funds and others	29	402,352	332,069	402,352	332,069
Income derived from investment of investment accounts	30	49,272	38,698	49,272	38,698
Income derived from investment of shareholders' funds	31	38,154	31,497	38,154	31,497
Write-back of/(Allowances for) impairment losses on financing and other financing	32	16,184	(7,852)	16,184	(7,852)
Allowances for impairment losses on other assets	33	(32)	-	(32)	-
<b>Total distributable income</b>		<b>505,930</b>	<b>394,412</b>	<b>505,930</b>	<b>394,412</b>
Income attributable to the depositors and others	34	(275,914)	(214,714)	(275,914)	(214,714)
Income attributable to the investment account holders	35	(43,451)	(33,754)	(43,451)	(33,754)
<b>Total net income</b>		<b>186,565</b>	<b>145,944</b>	<b>186,565</b>	<b>145,944</b>
Other operating expenses	36	(87,943)	(65,905)	(87,943)	(65,905)
<b>Profit before taxation</b>		<b>98,622</b>	<b>80,039</b>	<b>98,622</b>	<b>80,039</b>
Taxation		(25,342)	(20,217)	(25,342)	(20,217)
<b>Net profit after zakat and taxation</b>		<b>73,280</b>	<b>59,822</b>	<b>73,280</b>	<b>59,822</b>
<b>Attributable to:</b>					
Equity holders of the Bank		73,280	59,822	73,280	59,822
<b>Earnings per share (sen):</b>					
- Basic/Diluted	37	6.39	4.94	6.39	4.94

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2023.

# AFFIN Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

## Condensed Interim Financial Statements

### Unaudited Income Statements for the Financial Quarter Ended 31 March 2024

	Economic Entity		Economic Entity	
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
<b>Profit after zakat and taxation</b>	<b>73,280</b>	<b>59,822</b>	<b>73,280</b>	<b>59,822</b>
<b>Other comprehensive income:</b>				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Net fair value change in				
financial investments at FVOCI	172	545	172	545
Net credit impairment loss change in				
financial investments at FVOCI	94	52	94	52
Net loss on financial investments measured				
at FVOCI reclassified to profit or loss on				
disposal (debt instruments)	(1,440)	-	(1,440)	-
Deferred tax on				
financial investments at FVOCI	397	131	397	131
Other comprehensive income for the				
financial period, net of tax	(777)	728	(777)	728
<b>Total comprehensive income for the</b>				
<b>    financial period</b>	<b>72,503</b>	<b>60,550</b>	<b>72,503</b>	<b>60,550</b>
<b>Total comprehensive income for the</b>				
<b>    financial period attributable to:</b>				
Equity holders of the Bank	72,503	60,550	72,503	60,550

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2023.

# AFFIN Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

## Condensed Interim Financial Statements

### Unaudited Income Statements for the Financial Quarter Ended 31 March 2024

	Note	The Bank Individual Quarter Ended		The Bank Cumulative Quarter Ended	
		31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
Income derived from investment of depositors' funds and others	29	402,352	332,069	402,352	332,069
Income derived from investment of investment accounts	30	49,272	38,698	49,272	38,698
Income derived from investment of shareholders' funds	31	38,154	31,497	38,154	31,497
Write-back of/(Allowances for) impairment losses on financing and other financing	32	16,184	(7,852)	16,184	(7,852)
Allowances for impairment losses on other assets	33	(32)	-	(32)	-
<b>Total distributable income</b>		<b>505,930</b>	<b>394,412</b>	<b>505,930</b>	<b>394,412</b>
Income attributable to the depositors and others	34	(275,914)	(214,714)	(275,914)	(214,714)
Income attributable to the investment account holders	35	(43,451)	(33,754)	(43,451)	(33,754)
<b>Total net income</b>		<b>186,565</b>	<b>145,944</b>	<b>186,565</b>	<b>145,944</b>
Other operating expenses	36	(87,943)	(65,905)	(87,943)	(65,905)
<b>Profit before taxation</b>		<b>98,622</b>	<b>80,039</b>	<b>98,622</b>	<b>80,039</b>
Taxation		(25,342)	(20,217)	(25,342)	(20,217)
<b>Net profit after zakat and taxation</b>		<b>73,280</b>	<b>59,822</b>	<b>73,280</b>	<b>59,822</b>
<b>Attributable to:</b>					
Equity holders of the Bank		73,280	59,822	73,280	59,822
<b>Earnings per share (sen):</b>					
- Basic/Diluted	37	6.39	4.94	6.39	4.94

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2023.

# AFFIN Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

## Condensed Interim Financial Statements

### Unaudited Income Statements for the Financial Quarter Ended 31 March 2024

	The Bank		The Bank	
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
<b>Profit after zakat and taxation</b>	<b>73,280</b>	<b>59,822</b>	<b>73,280</b>	<b>59,822</b>
<b>Other comprehensive income:</b>				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Net fair value change in				
financial investments at FVOCI	172	545	172	545
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financial investments at FVOCI	94	52	94	52
Net loss on financial investments measured				
at FVOCI reclassified to profit or loss on				
disposal (debt instruments)	(1,440)	-	(1,440)	-
Deferred tax on				
financial investments at FVOCI	397	131	397	131
Other comprehensive income for the				
financial period, net of tax	(777)	728	(777)	728
<b>Total comprehensive income for the</b>				
<b>    financial period</b>	<b>72,503</b>	<b>60,550</b>	<b>72,503</b>	<b>60,550</b>
<b>Total comprehensive income for the</b>				
<b>    financial period attributable to:</b>				
Equity holders of the Bank	72,503	60,550	72,503	60,550

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2023.

## AFFIN Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

### Condensed Interim Financial Statements

#### Unaudited Statements of Changes In Equity for the Financial Quarter Ended 31 March 2024

Attributable to Equity Holder of the Bank						
Economic Entity	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
<b>At 1 January 2024</b>	<b>1,210,000</b>	<b>11,452</b>	<b>46,469</b>	<b>214</b>	<b>1,375,320</b>	<b>2,643,455</b>
Net profit for the financial period	-	-	-	-	73,280	73,280
Other comprehensive income (net of tax)						
- Financial investments at FVOCI	-	(777)	-	-	-	(777)
Total comprehensive income for the financial period	-	(777)	-	-	73,280	72,503
Issued during the financial period	<b>100,000</b>	-	-	-	-	<b>100,000</b>
Share grant scheme granted	-	-	-	134	-	134
<b>At 31 March 2024</b>	<b>1,310,000</b>	<b>10,675</b>	<b>46,469</b>	<b>348</b>	<b>1,448,600</b>	<b>2,816,092</b>

Attributable to Equity Holder of the Bank						
Economic Entity	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
<b>At 1 January 2023</b>	<b>1,210,000</b>	<b>-</b>	<b>46,469</b>	<b>-</b>	<b>1,140,844</b>	<b>2,397,313</b>
Net profit for the financial period	-	-	-	-	59,822	59,822
Other comprehensive income (net of tax)						
- Financial investments at FVOCI	-	728	-	-	-	728
Total comprehensive income for the financial period	-	728	-	-	59,822	60,550
<b>At 31 March 2023</b>	<b>1,210,000</b>	<b>728</b>	<b>46,469</b>	<b>-</b>	<b>1,200,666</b>	<b>2,457,863</b>

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2023.

# AFFIN Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

## Condensed Interim Financial Statements

### Unaudited Statements of Changes In Equity for the Financial Quarter Ended 31 March 2024

	Non-Distributable			Distributable		Total equity RM'000
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	
<b>The Bank</b>						
<b>At 1 January 2024</b>	<b>1,210,000</b>	<b>11,452</b>	<b>46,469</b>	<b>214</b>	<b>1,375,320</b>	<b>2,643,455</b>
Net profit for the financial period	-	-	-	-	73,280	73,280
Other comprehensive income (net of tax)						
- Financial investments at FVOCI	-	(777)	-	-	-	(777)
Total comprehensive income for the financial period	-	(777)	-	-	73,280	72,503
Issued during the financial period	100,000	-	-	-	-	100,000
Share grant scheme granted	-	-	-	134	-	134
<b>At 31 March 2024</b>	<b>1,310,000</b>	<b>10,675</b>	<b>46,469</b>	<b>348</b>	<b>1,448,600</b>	<b>2,816,092</b>

	Non-Distributable			Distributable		Total equity RM'000
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	
<b>The Bank</b>						
<b>At 1 January 2023</b>	<b>1,210,000</b>	<b>-</b>	<b>46,469</b>	<b>-</b>	<b>1,140,844</b>	<b>2,397,313</b>
Net profit for the financial period	-	-	-	-	59,822	59,822
Other comprehensive income (net of tax)						
- Financial investments at FVOCI	-	728	-	-	-	728
Total comprehensive income for the financial period	-	728	-	-	59,822	60,550
<b>At 31 March 2023</b>	<b>1,210,000</b>	<b>728</b>	<b>46,469</b>	<b>-</b>	<b>1,200,666</b>	<b>2,457,863</b>

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2023.

# AFFIN Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

## Condensed Interim Financial Statements

### Unaudited Statements of Cash Flows for the Financial Quarter Ended 31 March 2024

	Economic Entity		The Bank	
	31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Profit before taxation</b>	<b>98,622</b>	80,039	<b>98,622</b>	80,039
Adjustments for items not involving the movement of cash and cash equivalents	<b>(43,904)</b>	(37,035)	<b>(43,904)</b>	(37,035)
Operating profit before changes in working capital	<b>54,718</b>	43,004	<b>54,719</b>	43,004
Net changes in operating assets	<b>(2,997,364)</b>	(1,103,779)	<b>(2,997,364)</b>	(1,103,779)
Net changes in operating liabilities	<b>2,440,993</b>	(561,259)	<b>2,440,993</b>	(561,259)
Tax and Zakat paid	<b>(21,306)</b>	(30,522)	<b>(21,306)</b>	(30,522)
<b>Net cash used in operating activities</b>	<b>(522,959)</b>	(1,652,556)	<b>(522,959)</b>	(1,652,556)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Finance income and hibah received from:				
- financial investments at FVOCI	<b>10,009</b>	(477)	<b>10,009</b>	(477)
- financial investments at AC	<b>169,206</b>	46,260	<b>169,206</b>	46,260
Purchase of:				
- financial investments at FVOCI	<b>(797,448)</b>	-	<b>(797,448)</b>	-
- financial investments at AC	-	(25,020)	-	(25,020)
Redemption/Disposal of:				
- financial investments at FVOCI	<b>245,996</b>	(168,537)	<b>245,996</b>	(168,537)
- financial investments at AC	-	120,009	-	120,009
Purchase of property and equipment	<b>(310)</b>	(144)	<b>(310)</b>	(144)
<b>Net cash used in investing activities</b>	<b>(372,547)</b>	(27,909)	<b>(372,547)</b>	(27,909)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Issuance of new shares	<b>100,000</b>	-	<b>100,000</b>	-
Addition of recourse obligation on financing sold to Cagamas Berhad	-	600,000	-	600,000
Profit payment from recourse obligation on financing sold to Cagamas Berhad	<b>(12,222)</b>	-	<b>(12,222)</b>	-
Lease payments	<b>(317)</b>	(467)	<b>(317)</b>	(467)
<b>Net cash generated from financing activities</b>	<b>87,461</b>	599,533	<b>87,461</b>	599,533
Net decrease in cash and cash equivalents	<b>(808,045)</b>	(1,080,932)	<b>(808,045)</b>	(1,080,932)
Effects of foreign exchange	<b>20,718</b>	(30,000)	<b>20,718</b>	(30,000)
Cash and cash equivalents at beginning of the financial year	<b>3,161,757</b>	3,227,179	<b>3,161,757</b>	3,227,179
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>2,374,430</b>	2,116,247	<b>2,374,430</b>	2,116,247
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>				
Cash and short-term funds	<b>1,971,992</b>	2,116,247	<b>1,971,992</b>	2,116,247
Deposits and placements with banks and other financial institutions	<b>402,438</b>	200,205	<b>402,438</b>	200,205
	<b>2,374,430</b>	2,316,452	<b>2,374,430</b>	2,316,452

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2023.



## 1 BASIS OF PREPARATION

The unaudited condensed interim financial statements for the financial period under review have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values :

- (i) financial assets at FVTPL;
- (ii) financial investments at FVOCI; and
- (iii) derivative financial instruments.

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') and Policy Document on Financial Reporting issued by Bank Negara Malaysia ('BNM').

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023. The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding in the financial position and performance of the Bank since the financial year ended 31 December 2023.

## 2 ACCOUNTING POLICIES

The material accounting policies and methods of computation applied in the condensed interim financial statements are consistent with those applied in the annual financial statements for the financial year ended 31 December 2023, except for the adoption of the following amendments to MFRS that are applicable to the Bank effective for the financial year beginning on 1 January 2024:

### Amendments to MFRS 101 'Presentation of Financial Statements'

There are two amendments to MFRS 101 'Presentation of Financial Statements'. The first amendments, 'Classification of liabilities as current or non-current' clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The second amendments, 'Non-current Liabilities with Covenants' specify 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 noncurrent at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

Both amendments are effective for annual reporting periods beginning on or after 1 January 2024 and shall be applied retrospectively.

### Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'

Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback' (effective 1 January 2024) specify the measurement of the lease liability arises in a sale and leaseback transaction that satisfies the requirements in MFRS 15 'Revenue from Contracts with Customers' to be accounted for as a sale. In accordance with the amendments, the seller-lessee shall determine the 'lease payments' or 'revised lease payments' in a way that it does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains.

The amendments shall be applied retrospectively to sale and leaseback transactions entered into after the date when the seller-lessee initially applied MFRS 16.

### Amendments to MFRS 121 'Lack of Exchangeability'

Amendments to MFRS 121 'Lack of Exchangeability' (effective 1 January 2025) clarify that a currency is exchangeable when an entity is able to exchange it into another currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism that creates enforceable rights and obligations. If an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, then the currency is not exchangeable. In such cases, the entity is required to estimate the spot exchange rate at the measurement date.

The amendments do not specify how an entity estimates the spot exchange rate, but permit an entity to use observable exchange rate without adjustment or another estimation technique, provided it could meet the objective for estimating the spot exchange rate set out in the amendments.

The adoption of the above new accounting standards, amendments to published standards, and interpretations are not expected to give rise to any material financial impact on the Bank.

### **3 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2023 was not subjected to any qualification.

### **4 SEASONAL OR CYCLICAL FACTORS**

The operations of the Bank are generally not affected by any seasonal or cyclical factors but in tandem with the country's economic situation.

### **5 ITEMS OF UNUSUAL NATURE, SIZE AND INCIDENCE AFFECTING NET ASSETS, EQUITY, NET INCOME OR CASH**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank during the financial period under review.

### **6 CHANGES IN ESTIMATES**

There were no material changes in estimates of amounts reported in prior financial period that have a material effect during the financial period under review.

### **7 SUKUK AND EQUITY SECURITIES**

There were no shares issuance or cancellations, share buy-backs, resale of shares bought back and repayment of sukuk and equity securities by the Bank during the financial period under review.

### **8 DIVIDENDS PAID**

No dividend has been paid during the financial period under review.

### **9 SUBSEQUENT MATERIAL EVENTS**

There is no material subsequent event after the financial period under review that have material financial impact.

### **10 CHANGES IN THE COMPOSITION OF THE BANK**

There is no change in the composition of the Bank during the financial period under review.

### **11 PURCHASE AND SALE OF QUOTED SECURITIES**

There is no purchase or disposal of quoted securities during the financial period under review other than in the ordinary course of business.

### **12 STATUS OF CORPORATE PROPOSAL**

There is no corporate proposal reported during the financial period under review.

**13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ('FVTPL')**

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	31/12/2023
	<b>RM'000</b>	RM'000
<b>At fair value</b>		
<u>Money market instruments</u>		
Malaysian Government investment issues	<b>93,633</b>	-
Bank Negara Malaysia Bills	<b>279,904</b>	-
<u>Unquoted securities</u>		
Shares in Malaysia	<b>9,884</b>	-
Corporate Sukuk outside Malaysia	<b>14,260</b>	-
	<b>397,681</b>	-

**14 DERIVATIVE FINANCIAL INSTRUMENTS**

	31/03/2024			31/12/2023		
<b>Economic Entity and The Bank</b>	<b>Contract/ notional amount RM'000</b>	<b>Assets RM'000</b>	<b>Liabilities RM'000</b>	<b>Contract/ notional amount RM'000</b>	<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
<b>At fair value</b>						
<u>Trading Derivatives</u>						
Foreign exchange derivatives:						
- Currency forwards	<b>878,847</b>	<b>3,690</b>	<b>3,247</b>	980,320	5,981	8,014
- Currency options	<b>33,973</b>	-	<b>58</b>	57,989	263	263
Profit rate derivatives:						
- Profit rate swap	<b>379,364</b>	<b>2,711</b>	<b>1,480</b>	339,780	2,107	1,768
<u>Hedging Derivatives</u>						
Profit rate derivatives:						
- Profit rate swap	<b>874,115</b>	<b>12,245</b>	<b>11,681</b>	874,115	10,556	13,494
	<b>2,166,299</b>	<b>18,646</b>	<b>16,466</b>	2,252,204	18,907	23,539

**15 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ('FVOCI')**

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
<u>Money market instruments</u>		
Malaysian Government investment issues	<b>657,413</b>	646,399
Bank Negara Malaysia Bills	-	9,994
Negotiable Islamic Debt Certificates	<b>49,905</b>	-
Cagamas Sukuk	<b>348,576</b>	237,506
	<b>1,055,894</b>	893,899
<u>Unquoted securities</u>		
Corporate Sukuk in Malaysia	<b>820,941</b>	620,588
Corporate Sukuk outside Malaysia	<b>286,671</b>	159,795
	<b>2,163,506</b>	1,674,282

Movements in expected credit losses ('ECL') for financial investments at FVOCI are as follows:

	<b>12-Month ECL Stage 1 RM'000</b>	<b>Lifetime ECL not credit impaired Stage 2 RM'000</b>	<b>Lifetime ECL credit impaired Stage 3 RM'000</b>	<b>Total RM'000</b>
	<b>Economic Entity and The Bank</b>			
<b>31/03/2024</b>				
At beginning of the financial year	42	-	-	42
New financial assets originated or purchased	62	-	-	62
Changes due to change in credit risk	32	-	-	32
Other adjustments				
- Foreign exchange and other movements	1	-	-	1
<b>At end of the financial period</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>137</b>
<b>Economic Entity and The Bank</b>				
<b>31/12/2023</b>				
At beginning of the financial year	-	-	-	-
New financial assets originated or purchased	1,171	-	-	1,171
Financial assets derecognised (other than write-off)	(862)	-	-	(862)
Changes due to change in credit risk	(267)	-	-	(267)
<b>At end of the financial year</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>42</b>

**16 FINANCIAL INVESTMENTS AT AMORTISED COST ('AC')**

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
<u>Money market instruments</u>		
Malaysian Government investment issues	<b>2,467,378</b>	2,456,957
Cagamas Sukuk	<b>40,194</b>	40,291
<u>Unquoted securities</u>		
Corporate Sukuk in Malaysia	<b>2,062,613</b>	2,077,019
	<b>4,570,185</b>	4,574,267
Less: Expected Credit Losses ('ECL')	<b>(5,007)</b>	(6,257)
	<b>4,565,178</b>	4,568,010

Movements in expected credit losses ('ECL') for financial investments at AC are as follows:

	<b>12-Month ECL Stage 1 RM'000</b>	<b>Lifetime ECL not credit impaired Stage 2 RM'000</b>	<b>Lifetime ECL credit impaired Stage 3 RM'000</b>	<b>Total RM'000</b>
	<b>Economic Entity and Bank 31/03/2024</b>			
At beginning of the financial year	<b>6,252</b>	5	-	<b>6,257</b>
Changes due to change in credit risk	<b>(1,249)</b>	(1)	-	<b>(1,250)</b>
<b>At end of the financial period</b>	<b>5,003</b>	4	-	<b>5,007</b>

Economic Entity and Bank  
31/12/2023

At beginning of the financial year	6,645	-	-	6,645
Total transfer between stages due to change in credit risk:	(99)	99	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(99)	99	-	-
Financial assets derecognised (other than write-off)	(448)	-	-	(448)
New financial assets originated or purchased	65	-	-	65
Change due to change in credit risk	89	(94)	-	(5)
At end of the financial year	<b>6,252</b>	5	-	<b>6,257</b>

17 FINANCING AND OTHER FINANCING

(i) By type

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash Line-i	766,453	891,940
Term financing		
- House financing	10,216,104	10,145,796
- Hire purchase receivables	6,321,773	5,943,398
- Syndicated financing	1,627,371	1,523,392
- Other term financing	9,036,930	8,791,847
Bills receivables	719,181	270,729
Trust receipts	32,987	14,487
Claims on customers under acceptances credits	1,046,977	1,008,939
Staff financing (of which RM Nil to Directors)	128,021	124,027
Credit/charge cards	79,536	77,780
Revolving credit	477,419	397,810
<b>Gross financing and other financing</b>	<b>30,452,752</b>	<b>29,190,145</b>
Less: ECL	<b>(402,179)</b>	<b>(429,378)</b>
<b>Total net financing and other financing</b>	<b>30,050,573</b>	<b>28,760,767</b>

Included in other term financing before expected credit losses as at reporting date is RM56.8 million (31 December 2023: RM56.8 million) of term financing disbursed by the Bank to a joint venture company with AFFIN-i Nadayu Sdn Bhd.

(ii) By maturity structure

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturing within one year	3,836,824	3,346,275
One year to three years	1,443,482	1,466,057
Three years to five years	2,169,595	2,078,210
Over five years	23,002,851	22,299,603
	<b>30,452,752</b>	<b>29,190,145</b>

17 FINANCING AND OTHER FINANCING (continued)

(iii) By contract

Economic Entity and The Bank	Ijarah		Al-Ijarah		Musyarakah			Others	Total
	Al-Bai Bithaman Ajil	Muntahiyah Bitamlik	Thumma Al-Bai	Murabahah	Tawarruq	Mutanaqisah	Istisna'		
31/03/2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash Line-i	-	-	-	-	756,501	-	-	9,952	766,453
Term financing									
- House financing	465,308	-	-	-	361,707	9,389,089	-	-	10,216,104
- Hire purchase receivables	-	-	6,321,773	-	-	-	-	-	6,321,773
- Syndicated financing	-	215,661	-	-	1,411,710	-	-	-	1,627,371
- Other term financing	47,758	481,803	-	85,672	6,813,501	1,134,077	474,119	-	9,036,930
Bills receivables	-	9,212	-	120,489	-	-	-	589,480	719,181
Trust receipts	-	-	-	32,987	-	-	-	-	32,987
Claims on customers under acceptances credits	-	-	-	1,046,977	-	-	-	-	1,046,977
Staff financing	1,899	-	-	30,751	38,190	57,181	-	-	128,021
Credit/charge cards	-	-	-	-	79,536	-	-	-	79,536
Revolving credit	-	-	-	-	477,419	-	-	-	477,419
<b>Gross financing and other financing</b>	<b>514,965</b>	<b>706,676</b>	<b>6,321,773</b>	<b>1,316,876</b>	<b>9,938,564</b>	<b>10,580,347</b>	<b>474,119</b>	<b>599,432</b>	<b>30,452,752</b>

Economic Entity and The Bank	Ijarah		Al-Ijarah		Musyarakah			Others	Total
	Al-Bai Bithaman Ajil	Muntahiyah Bitamlik	Thumma Al-Bai	Murabahah	Tawarruq	Mutanaqisah	Istisna'		
31/12/2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash Line-i	-	-	-	-	880,425	-	-	11,515	891,940
Term financing									
- House financing	476,535	-	-	-	339,143	9,330,118	-	-	10,145,796
- Hire purchase receivables	-	-	5,943,398	-	-	-	-	-	5,943,398
- Syndicated financing	-	221,152	-	-	1,302,240	-	-	-	1,523,392
- Other term financing	52,251	488,713	-	99,908	6,511,560	1,136,303	503,112	-	8,791,847
Bills receivables	-	5,371	-	134,765	-	-	-	130,593	270,729
Trust receipts	-	-	-	14,487	-	-	-	-	14,487
Claims on customers under acceptances credits	-	-	-	1,008,939	-	-	-	-	1,008,939
Staff financing	2,086	-	-	28,913	36,095	56,933	-	-	124,027
Credit/charge cards	-	-	-	-	77,780	-	-	-	77,780
Revolving credit	-	-	-	-	397,810	-	-	-	397,810
<b>Gross financing and other financing</b>	<b>530,872</b>	<b>715,236</b>	<b>5,943,398</b>	<b>1,287,012</b>	<b>9,545,053</b>	<b>10,523,354</b>	<b>503,112</b>	<b>142,108</b>	<b>29,190,145</b>

**17 FINANCING AND OTHER FINANCING (continued)**

	<b>Economic Entity and The Bank</b>	
	31/03/2024 RM'000	31/12/2023 RM'000
<b>(iv) <u>By type of customer</u></b>		
Domestic non-banking institutions		
- Others	103,878	94,271
Domestic business enterprises		
- Small medium enterprises	2,998,385	3,026,199
- Others	4,869,365	4,723,811
Government and statutory bodies	1,346,413	902,888
Individuals	21,000,494	20,304,599
Other domestic entities	6,917	7,017
Foreign entities	127,300	131,360
	<b>30,452,752</b>	<b>29,190,145</b>
<b>(v) <u>By profit rate sensitivity</u></b>		
Fixed rate		
- House financing	52,619	50,493
- Hire purchase receivables	6,063,301	5,792,103
- Other fixed rate financing	902,717	936,761
Variable rate		
- Base funding rate and base rate plus	14,017,074	14,261,496
- Cost plus	3,321,097	3,200,454
- Other variable rate	6,095,944	4,948,838
	<b>30,452,752</b>	<b>29,190,145</b>
<b>(vi) <u>By economic sector</u></b>		
Primary agriculture	752,497	781,507
Mining and quarrying	107,800	108,673
Manufacturing	1,273,696	1,262,754
Electricity, gas and water supply	405,626	386,502
Construction	922,073	879,185
Real estate	1,111,482	1,210,456
Wholesale & retail trade and restaurants & hotels	1,449,607	1,425,624
Transport, storage and communication	916,131	829,242
Finance, takaful and business services	489,403	450,989
Education, health & others	1,966,274	1,493,452
Household	21,058,007	20,361,761
Others	156	-
	<b>30,452,752</b>	<b>29,190,145</b>
<b>(vii) <u>By economic purpose</u></b>		
Purchase of securities	1,101,955	1,023,667
Purchase of transport vehicles	6,630,945	6,257,995
Purchase of landed properties of which:		
- Residential	10,424,436	10,357,986
- Non-residential	2,344,953	2,403,125
Fixed assets other than land and building	289,555	288,021
Personal use	3,261,039	3,055,682
Credit/charge cards	79,536	77,780
Consumer durable	192	220
Construction	855,670	891,342
Merger & acquisition	75,040	-
Working capital	5,044,111	4,480,385
Others	345,320	353,942
	<b>30,452,752</b>	<b>29,190,145</b>



**17 FINANCING AND OTHER FINANCING (continued)**

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
<b>(viii) <u>Bv geographical distribution</u></b>	<b>RM'000</b>	<b>RM'000</b>
Perlis	<b>113,505</b>	106,422
Kedah	<b>1,409,575</b>	1,369,481
Pulau Pinang	<b>1,742,841</b>	1,700,718
Perak	<b>1,003,037</b>	972,341
Selangor	<b>9,599,388</b>	9,333,905
Wilayah Persekutuan	<b>6,492,234</b>	5,836,593
Negeri Sembilan	<b>1,544,147</b>	1,501,231
Melaka	<b>550,710</b>	524,790
Johor	<b>3,446,713</b>	3,486,262
Pahang	<b>1,147,303</b>	1,113,792
Terengganu	<b>951,033</b>	933,657
Kelantan	<b>735,148</b>	710,310
Sarawak	<b>851,372</b>	785,823
Sabah	<b>857,101</b>	804,634
Labuan	<b>7,413</b>	8,984
Outside Malaysia	<b>1,232</b>	1,202
	<b>30,452,752</b>	29,190,145

**(ix) Movements of impaired financing**

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of the financial period/year	<b>220,978</b>	357,422
Classified as impaired	<b>138,507</b>	323,439
Reclassified as non-impaired	<b>(59,777)</b>	(357,881)
Amount recovered	<b>(19,709)</b>	(51,218)
Amount written-off	<b>(17,625)</b>	(50,784)
<b>At end of the financial period/year</b>	<b>262,374</b>	220,978
Ratio of gross impaired financing and other financing to gross financing and other financing*	<b>0.92%</b>	0.86%

\* For the Bank, Restricted Investment Account ('RIA') excluded in the ratio calculation amounting to RM3,561.1 million (31 December 2023: RM3,572.1.1 million) with impaired financing amounting to RM15.1 million (31 December 2023: RM Nil).

The outstanding contractual amounts of such assets written-off during the quarter ended 31 March 2024 for the Bank was RM17.6 million (2023: RM50.8 million).

17 FINANCING AND OTHER FINANCING (continued)

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(x) <u>Impaired financing by economic sectors</u></b>		
Primary agriculture	251	173
Mining and quarrying	20,152	19,817
Manufacturing	5,891	6,726
Electricity, gas and water supply	-	3
Construction	26,978	11,526
Real estate	12,682	12,428
Wholesale & retail trade and restaurants & hotels	24,054	19,618
Transport, storage and communication	10,997	2,627
Finance, takaful and business services	11,626	10,594
Education, health and others	1,655	1,011
Household	148,088	136,455
	<b>262,374</b>	<b>220,978</b>
<b>(xi) <u>Impaired financing by economic purpose</u></b>		
Purchase of securities	197	257
Purchase of transport vehicles	45,901	36,409
Purchase of landed properties of which:		
- Residential	106,030	94,873
- Non-residential	36,579	39,134
Fixed assets other than land and building	53	66
Personal use	11,037	9,200
Credit card	697	656
Working capital	61,844	40,306
Others	36	77
	<b>262,374</b>	<b>220,978</b>
<b>(xii) <u>Impaired financing by geographical distribution</u></b>		
Perlis	3,821	3,816
Kedah	17,448	15,553
Pulau Pinang	7,568	9,434
Perak	7,523	6,657
Selangor	93,639	87,108
Wilayah Persekutuan	52,637	34,736
Negeri Sembilan	18,521	15,206
Melaka	17,492	8,934
Johor	24,827	23,972
Pahang	4,843	3,313
Terengganu	2,431	2,939
Kelantan	8,630	6,488
Sarawak	247	245
Sabah	2,747	2,577
	<b>262,374</b>	<b>220,978</b>

**17 FINANCING AND OTHER FINANCING (continued)**

**(xiii) Movements in expected credit losses for financing and other financing**

<b>Economic Entity and The Bank</b>	<b>12-Month</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
		<b>not credit</b>	<b>credit</b>	
<b>31/03/2024</b>	<b>Stage 1</b>	<b>impaired</b>	<b>impaired</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At beginning of the financial year	52,663	294,440	82,275	429,378
Total transfer between stages due to change in credit risk:	(513,686)	519,515	(5,829)	-
- Transfer to 12-month ECL (Stage 1)	3,926	(3,906)	(20)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(517,605)	531,546	(13,941)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(7)	(8,125)	8,132	-
Financing derecognised (other than write-off)	(4,285)	(530,447)	(1,155)	(535,887)
New financing originated or purchased	523,539	-	-	523,539
Changes due to change in credit risk	(5,665)	(25,610)	31,409	134
Write-off	-	-	(14,985)	(14,985)
<b>At end of the financial period</b>	<b>52,566</b>	<b>257,898</b>	<b>91,715</b>	<b>402,179</b>

  

<b>Economic Entity and The Bank</b>	<b>ECL</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total</b>
		<b>not credit</b>	<b>credit</b>	
<b>31/12/2023</b>	<b>Stage 1</b>	<b>impaired</b>	<b>impaired</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At beginning of the financial year	65,218	302,452	87,445	455,115
Total transfer between stages due to change in credit risk:	(168,533)	204,749	(36,216)	-
- Transfer to 12-month ECL (Stage 1)	21,720	(19,994)	(1,726)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(190,123)	244,851	(54,728)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(130)	(20,108)	20,238	-
Financing derecognised (other than write-off)	(22,024)	(13,709)	(2,189)	(37,922)
New financing originated or purchased	216,912	-	-	216,912
Changes due to change in credit risk	(38,912)	(199,052)	66,833	(171,131)
Write-off	-	-	(43,096)	(43,096)
Other adjustments	2	-	9,498	9,500
<b>At end of the financial year</b>	<b>52,663</b>	<b>294,440</b>	<b>82,275</b>	<b>429,378</b>

## 18 OTHER ASSETS

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Other debtors	48,301	64,070
Deposits and prepayments	58,080	40,141
Cheque clearing accounts	52,943	17,920
Foreclosed properties (i)	13,415	13,415
	<u>172,739</u>	<u>135,546</u>
<b>(i) Foreclosed properties</b>		
At beginning of the financial period/year	13,415	15,465
Disposal	-	(2,050)
At end of the financial period/year	<u>13,415</u>	<u>13,415</u>

## 19 AMOUNT DUE FROM JOINT VENTURES

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Advances to joint ventures	1,672	52,499
Less: Expected credit losses	(32)	(52,467)
	<u>1,640</u>	<u>32</u>
<b>Movements in expected credit losses</b>		
At beginning of the financial period/year	52,467	47,818
Charge during the financial period/year	(52,435)	4,649
<b>At end of the financial period/year</b>	<u>32</u>	<u>52,467</u>

The advances to joint ventures are unsecured, bear no profit rate and repayable on demand.

## 20 DEPOSITS FROM CUSTOMERS

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(i) <u>By type of deposit</u></b>		
<b>Qard</b>		
Demand deposits	4,491,208	5,181,358
Savings deposits	864,246	809,322
	<u>5,355,454</u>	<u>5,990,680</u>
<b>Mudarabah</b>		
General investment deposits	<u>28,133</u>	<u>28,557</u>
<b>Tawarruq</b>		
Murabahah term deposits	16,720,166	16,371,873
Commodity Murabahah	988,950	601,655
Savings deposits	920,580	1,111,106
Demand deposit	1,076,611	1,256,676
	<u>19,706,307</u>	<u>19,341,310</u>
	<u>25,089,894</u>	<u>25,360,547</u>
<b>(ii) <u>By maturity structure of Murabahah term deposits and general investment deposits</u></b>		
Due within six months	12,276,868	11,686,469
Six months to one year	4,414,519	4,623,008
One year to three years	56,675	65,769
Three years to five years	216	287
Five years and above	21	24,897
	<u>16,748,299</u>	<u>16,400,430</u>
<b>(iii) <u>By type of customer</u></b>		
Government and statutory bodies	8,251,999	7,926,155
Business enterprises	7,875,655	7,970,235
Individuals	8,171,553	8,627,880
Domestic banking institutions	578	966
Domestic non-banking financial institutions	272,638	297,112
Foreign entities	148,445	129,234
Others entities	369,026	408,965
	<u>25,089,894</u>	<u>25,360,547</u>

## 21 INVESTMENT ACCOUNTS OF CUSTOMERS

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(i) <u>By type of deposit</u></b>		
Mudarabah	<b>229</b>	359
<b>(ii) <u>By type of customer</u></b>		
Individuals	<b>109</b>	169
Other entities	<b>120</b>	190
	<b>229</b>	359
<b>(iii) <u>By contract</u></b>		
Business Term Financing	<b>229</b>	359
<b>(iv) <u>Movements in investment accounts</u></b>		
At beginning of the financial period/year	<b>359</b>	859
Redemption during the period	<b>(130)</b>	(497)
Finance expense on RIA	<b>23</b>	23
Profit distributed	<b>(23)</b>	(26)
<b>At end of the financial period/year</b>	<b>229</b>	359

### Profit Sharing Ratio ('PSR') and Rate of Return ('ROR')

	<b>Economic Entity and The Bank</b>			
	<b>31/03/2024</b>		<b>31/12/2023</b>	
	<b>Average profit sharing ratio (<b>'PSR'</b>) %</b>	<b>Average rate of return (<b>'ROR'</b>) %</b>	<b>Average profit sharing ratio (<b>'PSR'</b>) %</b>	<b>Average rate of return (<b>'ROR'</b>) %</b>
<u>Due within:</u>				
One year to three years	<b>85</b>	<b>5.56</b>	85	5.58

## 22 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Tawarruq</b>		
Licensed banks	<b>288,073</b>	887,741
Licensed investment banks	-	187,834
Other financial institutions	<b>4,146,257</b>	3,096,604
	<b>4,434,330</b>	4,172,179
<b>Maturity structure of deposits</b>		
Due within six months	<b>4,434,330</b>	4,170,678
Six months to one year	-	1,501
	<b>4,434,330</b>	4,172,179

## 23 INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	31/12/2023
	<b>RM'000</b>	RM'000
<b>Mudarabah</b>		
Licensed banks	<b>3,554,620</b>	3,579,578

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	31/12/2023
	<b>RM'000</b>	RM'000
<b>Movements in investment accounts</b>		
At beginning of the financial period/year	<b>3,579,578</b>	2,720,263
New placement	<b>282,322</b>	1,368,323
Redemption	<b>(237,658)</b>	(479,063)
Finance expense on RIA	<b>33,568</b>	150,703
Profit distributed	<b>(105,703)</b>	(147,419)
Exchange differences	<b>2,513</b>	(33,229)
At end of the financial period/year	<b>3,554,620</b>	3,579,578

### Profit Sharing Ratio ('PSR') and Rate of Return ('ROR')

	<b>Economic Entity and The Bank</b>			
	<b>31/03/2024</b>		31/12/2023	
	Average PSR %	Average rate ROR %	Average PSR %	Average ROR %
<u>Due within:</u>				
One month	<b>87</b>	<b>4.19</b>	89	4.88
Six months to one year	<b>88</b>	<b>3.88</b>	88	5.34
One year to three years	<b>93</b>	<b>3.48</b>	92	4.65
Three years to five years	<b>94</b>	<b>4.50</b>	94	5.28
Five years and above	<b>91</b>	<b>4.56</b>	91	3.99

The above table provides analysis of PSR & ROR as at reporting date into relevant maturity tenures based on remaining contractual maturities.

Inclusive of RIA is an amount placed by the holding company amounting to RM3,554.6 million (31 December 2023: RM3,579.6 million). These investments are used to fund certain specific financing. The RIA is a contract based on the Mudarabah principle between two parties to finance a financing where the investor (i.e. 'AFFIN Bank Berhad') solely provides capital and the business venture is managed solely by the Mudarib (Manager) (i.e. 'the Bank'). The profit of the business venture is shared between both parties based on pre-agreed ratio. Losses shall be borne by the investor.

## 24 OTHER LIABILITIES

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank Negara Malaysia and Credit Guarantee Corporation Funding programmes	18,302	16,802
Margin and collateral deposits	20,633	20,338
Other creditors and accruals	51,079	48,676
Sundry creditors	220,021	126,607
Provision for zakat	3,335	4,472
Defined contribution plan (i)	2,135	1,784
Accrued employee benefits	1,460	3,318
Charity funds (ii)	62	16
Unearned income	5,258	90,188
Expected credit losses: Financing commitments and financial kafalah (iii)	6,800	6,987
	<b>329,085</b>	<b>319,188</b>

### (i) Defined contribution plan

The Bank contributes to the Employee Provident Fund ('EPF'), the national defined contribution plan. Once the contributions have been paid, the Bank has no further payment obligations.

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(ii) Charity funds</b>		
<u>Sources and uses of charity funds</u>		
At beginning of the financial period/year	16	24
Sources of charity funds		
- Non-Islamic/prohibited income	44	-
- AFFIN Barakah Charity Account-i	2	7
<u>Uses of charity funds</u>		
- Contribution to program/event	-	(15)
<b>At end of the financial period/year</b>	<b>62</b>	<b>16</b>

The source of charity funds were from the following categories:

- Sources from Shariah non-compliant events.
- AFFIN Barakah Charity Account-i refers to a savings account with element of "Save and Donate" by transferring the earned Hibah\* to charity with the flexibility to change the percentage of contribution agreed by the depositor.  
(\*Hibah refers to the historical Hibah paid to the depositor at the Bank's discretion).
- Any other charity allocation by the Bank or funds collected from customers/depositors.

The charity funds were channelled to a number of charitable or public purposes, for example, centres for disabled children and the less fortunate which includes non-Muslims.

### (iii) Movements in expected credit losses ('ECL')

	<b>12-Month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	<b>Total RM'000</b>
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	
<b>Economic Entity and the Bank</b>				
<b>31/03/2024</b>				
At beginning of the financial year	4,357	1,787	843	6,987
Net remeasurement of loss allowance	(550)	(433)	129	(854)
New financing commitments/financial kafalah	547	120	-	667
<b>At end of the financial period</b>	<b>4,354</b>	<b>1,474</b>	<b>972</b>	<b>6,800</b>
<b>Economic Entity and the Bank</b>				
<b>31/12/2023</b>				
At beginning of the financial year	4,671	962	734	6,367
Net remeasurement of loss allowance	(1,752)	1,767	457	472
New financing commitments and financial kafalah	3,652	479	-	4,131
Financing commitment/financial kafalah derecognised	(2,214)	(1,421)	(348)	(3,983)
<b>At end of the financial year</b>	<b>4,357</b>	<b>1,787</b>	<b>843</b>	<b>6,987</b>



## 25 LEASE LIABILITIES

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of financial period/year	271	573
Finance expense	2	15
Lease payment	<b>(36)</b>	<b>(317)</b>
<b>At end of the financial period/year</b>	<b><u>237</u></b>	<b><u>271</u></b>

## 26 SUBORDINATED AND SENIOR SUKUK

	<b>Economic Entity and The Bank</b>	
	<b>31/03/2024</b>	<b>31/12/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Medium Term Notes Tier-2 Sukuk Murabahah ('MTN Tier-2 Sukuk Murabahah') (a)	<b>510,938</b>	505,113
Additional Tier-1 Sukuk Wakalah ('AT1S') (b)	<b>512,183</b>	505,808
Senior Sukuk (c)	<b>1,367,865</b>	1,352,849
	<b><u>2,390,986</u></b>	<b><u>2,363,770</u></b>

- (a) The Bank had on 23 October 2018, issued the MTN Tier-2 Sukuk Murabahah of RM800.0 million out of its approved BASEL III Compliant MTN programme. The Sukuk Murabahah was issued for a tenure of 10 years from the issue date on a 10-year non-callable 5-year basis, at a profit rate of 5.05%. The MTN Tier-2 Sukuk Murabahah was fully redeemed on the first callable date on 23 October 2023.

On 13 October 2023, the Bank had issued the second tranche of MTN Tier-2 Sukuk Murabahah of RM500.0 million. This Sukuk Murabahah was issued for a tenure of 10 years from the issue date on a 10-year non-callable 5-year basis, at a profit rate of 4.66%. This Sukuk Murabahah was issued for the purpose of general banking business and working capital requirements of the Bank.

- (b) The Bank had on 18 October 2018, issued the AT1S of RM300.0 million out of its approved BASEL III Compliant Islamic MTN Programme of RM5.0 billion in nominal value. The AT1S was issued on a perpetual non-callable 5 years basis, at a distribution rate of 5.65%. The AT1S was fully redeemed on the first callable date on 18 October 2023.

On 10 October 2023, the Bank had issued the second tranche of AT1S of RM500.0 million. The AT1S was issued on a perpetual non-callable 5-year basis, at a fixed distribution rate of 5.10%. The AT1S was issued for the purpose of general banking business and working capital requirements of the Bank.

- (c) The Bank had on 16 December 2022, issued two Senior Sukuk of RM230.0 million for a tenure of 3 years from the issue date, at a profit rate of 4.55% and RM520.0 million for a tenure of 5 years from the issue date, at a profit rate of 4.75%. The Senior Sukuk was issued for the purpose of general banking business and working capital requirements of the Bank.

On 12 December 2023, the Bank had issued another tranche of Senior Sukuk Murabahah of RM600.0 million out of its Sukuk Programme. The Sukuk is issued for a tenure of 3 years from the issue date, at a profit rate of 4.15%. The Senior Sukuk Murabahah was issued for the purpose of general banking business and working capital requirements of the Bank.

## 27 RESERVES

	Economic Entity		The Bank	
	31/03/2024	31/12/2023	31/03/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Retained profits	1,448,600	1,375,320	1,448,600	1,375,320
FVOCI revaluation reserves (a)	10,675	11,452	10,675	11,452
Regulatory reserves (b)	46,469	46,469	46,469	46,469
Other reserves (c)	348	214	348	214
	<b>1,506,092</b>	<b>1,433,455</b>	<b>1,506,092</b>	<b>1,433,455</b>

- (a) Fair value reserves represent the unrealised gains or losses arising from the change in fair value of investments classified as financial investment at FVOCI. The gain or losses are transferred to the income statement upon disposal or when the securities become impaired.
- (b) Pursuant to BNM Financial Reporting policy, the Bank must maintain, in aggregate, loss allowance for non-credit impaired exposures and regulatory reserves of no less than 1% all credit exposures, net of loss allowance for credit-impaired exposures.
- (c) Other reserves arose from the Long Term Incentive Plan (LTIP).

## 28 INCOME FROM ISLAMIC BANKING BUSINESS

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	402,352	332,069	402,352	332,069
Income derived from investment of investment account funds	49,272	38,698	49,272	38,698
Income derived from investment of shareholders' funds	38,154	31,497	38,154	31,497
Income attributable to depositors and others	(275,915)	(214,714)	(275,915)	(214,714)
Income attributable to investment account holders	(43,451)	(33,754)	(43,451)	(33,754)
	<b>170,412</b>	<b>153,796</b>	<b>170,412</b>	<b>153,796</b>

## 29 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
- General investment deposits (i)	247,044	206,614	247,044	206,614
- Other deposits (ii)	155,308	125,455	155,308	125,455
	<b>402,352</b>	<b>332,069</b>	<b>402,352</b>	<b>332,069</b>

**29 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (continued)**

**(i) INCOME DERIVED FROM INVESTMENT OF GENERAL INVESTMENT DEPOSITS**

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended 31/03/2024 RM'000	31/03/2023 RM'000	Cumulative Quarter Ended 31/03/2024 RM'000	31/03/2023 RM'000
<b>Finance income and hibah</b>				
Financing and other financing	184,944	163,938	184,944	163,938
Financial investments at FVOCI	10,366	510	10,366	510
Financial investments at AC	22,100	23,198	22,100	23,198
Money at call and deposit placements with financial institution	13,163	7,396	13,163	7,396
	<u>230,573</u>	<u>195,087</u>	<u>230,573</u>	<u>195,087</u>
Accretion of discount less amortisation of premium	(3,033)	(3,409)	(3,033)	(3,409)
Total finance income and hibah	<u>227,540</u>	<u>191,678</u>	<u>227,540</u>	<u>191,678</u>
<b>Other operating income</b>				
Fee income:				
Commission	3,281	2,327	3,281	2,327
Service charges and fees	1,440	1,353	1,440	1,353
Kafalah fees	746	658	746	658
	<u>5,467</u>	<u>4,338</u>	<u>5,467</u>	<u>4,338</u>
Fee and comission paid	(2)	(4)	(2)	(4)
Income from financial instruments:				
Gain arising on financial assets at FVTPL				
- net gain on disposal	-	710	-	710
- finance income	1,117	-	1,117	-
Net gain on revaluation of derivative				
- unrealised	2,365	-	2,365	-
Gain on sale of financial investments at FVOCI	726	5	726	5
Gain arising from redemption of financial investments at AC	380	32	380	32
Unrealised gain on fair value changes arising from fair value hedges	431	-	431	-
	<u>5,019</u>	<u>747</u>	<u>5,019</u>	<u>747</u>
Other income:				
Foreign exchange profit/(loss)				
- realised	4,127	(10,506)	4,127	(10,506)
- unrealised	1,220	15,409	1,220	15,409
Other non-operating income	3,673	4,952	3,673	4,952
	<u>9,020</u>	<u>9,855</u>	<u>9,020</u>	<u>9,855</u>
<b>Total income derived from investment of general investment deposits</b>	<u>247,044</u>	<u>206,614</u>	<u>247,044</u>	<u>206,614</u>

**29 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (continued)**

**(ii) INCOME DERIVED FROM INVESTMENT OF OTHER DEPOSITS**

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended 31/03/2024 RM'000	31/03/2023 RM'000	Cumulative Quarter Ended 31/03/2024 RM'000	31/03/2023 RM'000
<b>Finance income and hibah</b>				
Financing and other financing	116,268	99,543	116,268	99,543
Financial investments at FVOCI	6,516	310	6,516	310
Financial investments at AC	13,894	14,086	13,894	14,086
Money at call and deposit placements with financial institution	8,275	4,491	8,275	4,491
	<u>144,953</u>	<u>118,458</u>	<u>144,953</u>	<u>118,458</u>
Accretion of discount less amortisation of premium	(1,907)	(2,070)	(1,907)	(2,070)
Total finance income and hibah	<u>143,046</u>	<u>116,388</u>	<u>143,046</u>	<u>116,388</u>
<b>Other operating income</b>				
Fee income:				
Commission	2,062	1,413	2,062	1,413
Service charges and fees	905	822	905	822
Kafalah fees	469	399	469	399
	<u>3,436</u>	<u>2,634</u>	<u>3,436</u>	<u>2,634</u>
Fee and comission paid	(1)	(2)	(1)	(2)
Income from financial instruments:				
Gain arising on financial assets at FVTPL				
- net gain on disposal	703	431	703	431
Net gain on revaluation of derivative				
- unrealised	1,487	-	1,487	-
Gain on sale of financial investments at FVOCI	457	3	457	3
Gain arising from redemption of financial investments at AC	239	19	239	19
Unrealised gain on fair value changes arising from fair value hedges	270	-	270	-
	<u>3,156</u>	<u>453</u>	<u>3,156</u>	<u>453</u>
Other income:				
Foreign exchange profit/(loss)				
- realised	2,594	(6,379)	2,594	(6,379)
- unrealised	767	9,356	767	9,356
Other non-operating income	2,310	3,005	2,310	3,005
	<u>5,671</u>	<u>5,982</u>	<u>5,671</u>	<u>5,982</u>
<b>Total income derived from investment of other deposits</b>	<u>155,308</u>	<u>125,455</u>	<u>155,308</u>	<u>125,455</u>

### 30 INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
<b>Finance income and hibah</b>				
Financing and other financing	36,886	30,705	36,886	30,705
Financial investments at FVOCI	2,067	96	2,067	96
Financial investments at AC	4,408	4,345	4,408	4,345
Money at call and deposit placements with financial institution	2,625	1,385	2,625	1,385
	<b>45,986</b>	<b>36,540</b>	<b>45,986</b>	<b>36,540</b>
Accretion of discount less amortisation of premium	(605)	(638)	(605)	(638)
Total finance income and hibah	<b>45,381</b>	<b>35,902</b>	<b>45,381</b>	<b>35,902</b>
<b>Other operating income</b>				
Fee income:				
Commission	654	436	654	436
Service charges and fees	287	253	287	253
Kafalah fees	149	123	149	123
	<b>1,090</b>	<b>812</b>	<b>1,090</b>	<b>812</b>
Fee and comission paid	-	(1)	-	(1)
Income from financial instruments:				
Gain arising on financial assets at FVTPL				
- net gain on disposal	223	133	223	133
Net gain on revaluation of derivative				
- realised	472	-	472	-
- unrealised	86	-	86	-
Gain on sale of financial investments at FVOCI	145	1	145	1
Gain arising from redemption of financial investments at AC	76	6	76	6
	<b>1,002</b>	<b>140</b>	<b>1,002</b>	<b>140</b>
Other income:				
Foreign exchange profit/(loss)				
- realised	823	(1,968)	823	(1,968)
- unrealised	243	2,886	243	2,886
Other non-operating income	733	927	733	927
	<b>1,799</b>	<b>1,845</b>	<b>1,799</b>	<b>1,845</b>
<b>Total income derived from investment of investment account</b>	<b>49,272</b>	<b>38,698</b>	<b>49,272</b>	<b>38,698</b>

### 31 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended 31/03/2024 RM'000	31/03/2023 RM'000	Cumulative Quarter Ended 31/03/2024 RM'000	31/03/2023 RM'000
<b>Finance income and hibah</b>				
Financing and other financing	28,563	24,992	28,563	24,992
Financial investments at FVOCI	1,601	78	1,601	78
Financial investments at AC	3,413	3,536	3,413	3,536
Money at call and deposit placements with financial institution	2,033	1,127	2,033	1,127
	<b>35,610</b>	29,740	<b>35,610</b>	29,740
Accretion of discount less amortisation of premium	(468)	(520)	(468)	(520)
Total finance income and hibah	<b>35,142</b>	29,220	<b>35,142</b>	29,220
<b>Other operating income</b>				
Fee income:				
Commission	507	355	507	355
Service charges and fees	222	206	222	206
Kafalah fees	115	100	115	100
	<b>844</b>	661	<b>844</b>	661
Fee and comission paid	-	(1)	-	(1)
Income from financial instruments:				
Gain arising on financial assets at FVTPL				
- net gain on disposal	173	108	173	108
Net gain on revaluation of derivative				
- realised	365	-	365	-
- unrealised	66	-	66	-
Gain on sale of financial investments at FVOCI	112	1	112	1
Gain arising from redemption of financial investments at AC	59	5	59	5
	<b>775</b>	114	<b>775</b>	114
Other income:				
Foreign exchange profit/(loss)				
- realised	637	(1,602)	637	(1,602)
- unrealised	188	2,349	188	2,349
Other non-operating income	568	756	568	756
	<b>1,393</b>	1,503	<b>1,393</b>	1,503
<b>Total income derived from investment of shareholders' fund</b>	<b>38,154</b>	31,497	<b>38,154</b>	31,497

### 32 (WRITE-BACK OF)/ALLOWANCES FOR IMPAIRMENT LOSSES ON FINANCING AND OTHER FINANCING

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
Expected credit loss (written-back)/made on:				
- financing and other financing	(14,301)	10,137	(14,301)	10,137
- securities	(1,157)	(227)	(1,157)	(227)
- financing commitments and financial kafalah	(186)	(5)	(186)	(5)
Impaired financing				
- recovered	(2,932)	(2,026)	(2,932)	(2,026)
- written-off	2,392	(27)	2,392	(27)
	<u>(16,184)</u>	<u>7,852</u>	<u>(16,184)</u>	<u>7,852</u>

### 33 ALLOWANCES FOR IMPAIRMENT LOSSES ON OTHER ASSETS

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment made on:				
- amount due from joint ventures	32	-	32	-
	<u>32</u>	<u>-</u>	<u>32</u>	<u>-</u>

### 34 INCOME ATTRIBUTABLE TO THE DEPOSITORS AND OTHERS

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- mudarabah	168	207	168	207
- non-mudarabah	205,381	177,772	205,381	177,772
Deposits and placements of banks and other financial institutions				
- mudarabah	33,264	12,359	33,264	12,359
Finance - Subordinated and Senior Sukuk	27,216	23,008	27,216	23,008
Financing sold to Cagamas	9,877	-	9,877	-
Others	8	1,368	8	1,368
	<u>275,914</u>	<u>214,714</u>	<u>275,914</u>	<u>214,714</u>

### 35 INCOME ATTRIBUTABLE TO THE INVESTMENT ACCOUNT HOLDERS

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM'000	RM'000	RM'000	RM'000
Restricted investment account - Mudarabah	43,451	33,754	43,451	33,754
	<u>43,451</u>	<u>33,754</u>	<u>43,451</u>	<u>33,754</u>

### 36 OTHER OPERATING EXPENSES

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
<u>Personnel costs</u>				
Wages, salaries and bonuses	46,848	34,355	46,848	34,355
Defined contribution plan ('EPF')	8,057	5,675	8,057	5,675
Other personnel costs	563	4,355	563	4,355
	<b>55,468</b>	<b>44,385</b>	<b>55,468</b>	<b>44,385</b>
<u>Establishment costs</u>				
Equipment rental	153	225	153	225
Repair and maintenance	14,397	8,035	14,397	8,035
Depreciation of property and equipment	4,823	70	4,823	70
Depreciation of right-of-use assets	2,704	77	2,704	77
Amortisation of intangible assets	1,985	42	1,985	42
IT consultancy fees	-	90	-	90
Dataline rental	2,432	2,235	2,432	2,235
Security services	1,563	1,070	1,563	1,070
Electricity, water and sewerage	1,273	713	1,273	713
Licence fees	76	49	76	49
Takaful and indemnities	2,051	1,736	2,051	1,736
Other establishment costs	(6,894)	1,495	(6,894)	1,495
	<b>24,563</b>	<b>15,837</b>	<b>24,563</b>	<b>15,837</b>
<u>Marketing expenses</u>				
Business promotion and advertisement	309	123	309	123
Entertainment	19	301	19	301
Travelling and accommodation	317	234	317	234
Brokerage expenses	555	199	555	199
Other marketing expenses	816	387	816	387
	<b>2,016</b>	<b>1,244</b>	<b>2,016</b>	<b>1,244</b>
<u>Administration and general expenses</u>				
Telecommunication expenses	295	225	295	225
Auditors' remuneration	93	84	93	84
Professional fees	944	1,614	944	1,614
Property and equipment written-off	3	8	3	8
Mail and courier charges	309	267	309	267
Stationery and consumables	2,006	871	2,006	871
Directors' fees and allowances	555	-	555	-
Shariah fees	133	91	133	91
Donations	24	27	24	27
Settlement, clearing and bank charges	926	743	926	743
Stamp duties	7	-	7	-
Other administration and general expenses	601	509	601	509
	<b>5,896</b>	<b>4,439</b>	<b>5,896</b>	<b>4,439</b>
<b>Total other operating expenses</b>	<b>87,943</b>	<b>65,905</b>	<b>87,943</b>	<b>65,905</b>



### 37 EARNINGS PER SHARE

The basic/diluted earnings per ordinary share for the Economic Entity and the Bank have been calculated based on the net profit attributable to equity holders of the Economic Entity and the Bank by the weighted average number of shares in issue during the financial period.

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
<b>Economic Entity and The Bank</b>				
Net profit attributable to ordinary equity holders (RM'000)	73,280	59,822	73,280	59,822
Weighted average number of shares in issue ('000)	1,146,279	1,210,000	1,146,279	1,210,000
Basic/Diluted earnings per share (sen)	<u>6.39</u>	<u>4.94</u>	<u>6.39</u>	<u>4.94</u>

There were no dilutive potential ordinary shares outstanding as at 31 March 2024.

### 38 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. These commitments and contingencies are not secured over the assets of the Bank.

The commitments and contingencies consist of:

	Economic Entity and The Bank Principal Amount	
	31/03/2024 RM'000	31/12/2023 RM'000
Direct credit substitutes - financial kafalah contracts	155,526	158,092
Transaction-related contingent items	436,147	480,714
Short-term self-liquidating trade related contingencies	4,000,978	4,520,054
Irrevocable commitments to extend credit:		
- maturity less than one year	3,159,227	2,876,523
- maturity more than one year	911,827	855,076
Unutilised credit card lines	294,117	283,292
Foreign exchange related contracts #		
- less than one year	912,820	1,009,326
Profit rate related contracts #		
- one year to less than five years	1,136,254	1,096,670
- more than five year	117,225	117,225
	<u>11,124,121</u>	<u>11,396,972</u>

# The fair value of these derivatives have been recognised as 'derivative financial instruments' in the statement of financial position.

### 39 FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell as an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include actively traded listed equities and actively exchange-traded derivatives.

Where fair value is determined using quoted market price in less active markets or unquoted 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 uses inputs, market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high.

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques.

This category includes unquoted shares held for socio-economic reasons. Fair values for shares held for socio economic reasons are based on the net tangible assets of the affected companies. The Bank's exposure to financial instruments classified as Level 3 comprised a small number of financial instruments which constitute an insignificant component of the Bank's portfolio of financial instruments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

The Bank recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial period (2023: Nil).

### 39 FAIR VALUE MEASUREMENTS (continued)

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Economic Entity and The Bank</b>				
<b>31/03/2024</b>				
<b><u>Financial Assets</u></b>				
Financial assets at FVTPL				
- Money market instruments	-	373,537	-	373,537
- Unquoted shares	-	9,884	-	9,884
- Corporate Sukuk	-	14,260	-	14,260
	-	<b>397,681</b>	-	<b>397,681</b>
Derivative financial instruments	-	18,646	-	18,646
Financial investments at FVOCI				
- Money market instruments	-	1,055,894	-	1,055,894
- Corporate Sukuk	-	1,107,612	-	1,107,612
	-	<b>2,163,506</b>	-	<b>2,163,506</b>
Total	-	<b>2,579,833</b>	-	<b>2,579,833</b>
<b><u>Financial Liabilities</u></b>				
Derivative financial instruments	-	16,466	-	16,466
Total	-	<b>16,466</b>	-	<b>16,466</b>

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Economic Entity and The Bank</b>				
<b>31/12/2023</b>				
<b><u>Financial Assets</u></b>				
Derivative financial instruments	-	18,907	-	18,907
Financial investments at FVOCI				
- Money market instruments	-	893,899	-	893,899
- Corporate Sukuk	-	780,383	-	780,383
	-	<b>1,674,282</b>	-	<b>1,674,282</b>
Total	-	<b>1,693,189</b>	-	<b>1,693,189</b>
<b><u>Financial Liabilities</u></b>				
Derivative financial instruments	-	23,539	-	23,539
Total	-	<b>23,539</b>	-	<b>23,539</b>

#### Effect of changes in significant unobservable assumptions to reasonably possible alternatives

As at reporting date, financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) mainly include unquoted shares held for socio-economic purposes.

#### 40 CAPITAL ADEQUACY

The capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (Capital Components) dated 15 December 2023.

The Bank is currently adopting the Standardised Approach for Credit Risk and Market Risk, the Basic Indicator Approach for Operational Risk. In line with the transitional arrangements under the Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (Capital Components), the minimum capital adequacy requirement for Common Equity Tier 1 Capital Ratio ('CET1'), Tier 1 Capital Ratio and Total Capital Ratio are 7.00%, 8.50% and 10.50% respectively for the financial quarter ended 31 March 2024.

The Bank has elected to apply BNM's transitional arrangement for four financial years beginning on 1 January 2020. Under the transitional arrangements, a financial institution is allowed to addback the amount of loss allowance measured at an amount equal to 12-month and lifetime expected credit losses to the extent they are ascribed to non-credit-impaired exposures (which are Stage 1 and Stage 2 provisions) to CET 1 capital.

##### i) The component of CET 1, Tier 1 and Tier 2 capital:

	Economic Entity		The Bank	
	31/03/2024	31/12/2023	31/03/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
<u>CET 1</u>				
Paid-up share capital	1,310,000	1,210,000	1,310,000	1,210,000
Retained profits	1,375,320	1,375,320	1,375,320	1,375,320
Other Reserves	348	214	348	214
Unrealised gains on FVOCI instruments	10,675	11,452	10,675	11,452
	<u>2,696,343</u>	<u>2,596,986</u>	<u>2,696,343</u>	<u>2,596,986</u>
Less Regulatory adjustments:				
- Intangible assets	(817)	(863)	(817)	(863)
- Deferred tax assets	(39,030)	(39,040)	(39,030)	(39,040)
- 55% Cumulative unrealised gains on FVOCI	(5,871)	(6,299)	(5,871)	(6,299)
- Other CET 1 transitional adjustment	-	138,827	-	138,827
<b>Total CET 1 Capital</b>	<u>2,650,625</u>	<u>2,689,611</u>	<u>2,650,625</u>	<u>2,689,611</u>
<b>Additional Tier 1 capital</b>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
<b>Total Tier 1 capital</b>	<u>3,150,625</u>	<u>3,189,611</u>	<u>3,150,625</u>	<u>3,189,611</u>
<u>Tier 2 capital</u>				
Subordinated and Senior Sukuk	500,000	500,000	500,000	500,000
Expected loss provision #	260,233	212,507	260,233	212,507
<b>Total Tier 2 capital</b>	<u>760,233</u>	<u>712,507</u>	<u>760,233</u>	<u>712,507</u>
<b>Total Capital</b>	<u>3,910,858</u>	<u>3,902,118</u>	<u>3,910,858</u>	<u>3,902,118</u>

##### ii) The breakdown of risk-weighted assets:

Credit risk	20,818,668	19,846,357	20,818,668	19,846,357
Market risk	74,727	123,659	74,727	123,659
Operational risk	1,183,910	1,152,829	1,183,910	1,152,829
<b>Total risk-weighted assets</b>	<u>22,077,305</u>	<u>21,122,845</u>	<u>22,077,305</u>	<u>21,122,845</u>

##### iii) Capital adequacy ratios:

<u>With transitional arrangements</u>				
CET 1 capital ratio	12.006%	12.733%	12.006%	12.733%
Tier 1 capital ratio	14.271%	15.100%	14.271%	15.100%
Total capital ratio	17.714%	18.473%	17.714%	18.473%
<u>Without transitional arrangements</u>				
CET 1 capital ratio	12.006%	12.076%	12.006%	12.076%
Tier 1 capital ratio	14.271%	14.443%	14.271%	14.443%
Total capital ratio	17.714%	17.985%	17.714%	17.985%

# Qualifying loss provisions are restricted to allowances on the unimpaired portion of the financing and other financing.

In accordance with BNM's Guidelines on Investment Account, the credit and market risk weighted on the assets funded by the RIA are excluded from calculation of capital adequacy. As at 31 March 2024, RIA assets excluded from Total Capital Ratio calculation amounted to RM3,561.1 million (31 December 2023: RM3,572.1 million).

## 41 REVIEW OF PERFORMANCE OF THE BANK

### **Analysis of financial performance of current quarter vs. previous year's corresponding quarter**

The Bank registered a higher profit before tax ('PBT') of RM98.6 million for the 3 months ended 31 March 2024 as compared to RM80.0 million in the previous year's corresponding quarter. This increase in PBT was due to higher net financing income of RM16.6 million coupled with higher write-back of impairment losses of RM24.0 million.

Net financing and other income increased to RM170.4 million from RM153.8 million in the previous corresponding quarter ended 31 March 2023 driven by the increase of Gross Financing.

Overhead expenses increased by RM22.0 million or 33.4% to RM87.9 million from RM65.9 million recorded in the previous corresponding quarter, due to higher personnel cost of RM11.1 million or 25.0% to RM 55.5 million from RM44.4 million.

### **Analysis of financial performance of current quarter vs. immediate preceding quarter**

The Bank posted a lower PBT of RM0.4 million to RM98.6 million in the current financial quarter as compared to RM99.0 million in the preceding quarter ended 31 December 2023, mainly due to higher net financing income of RM20.6 million, offset with higher overhead expenses of RM19.6 million and higher write-back of impairment losses in the preceding quarter.

## 42 ECONOMIC AND BUSINESS OUTLOOK FOR 2024

The International Monetary Fund ("IMF") expects global growth to remain unchanged at 3.1% in 2024, supported by better-than-expected economic performance in the United States. While inflationary pressures have eased, downside risks persist due to the threat of increasing geopolitical unrest in the Middle East. This unrest may cause supply chain disruptions and volatility in commodity prices.

The Malaysian economy is projected to grow by 4.5% in 2024 (compared to 3.8% in 2023). This growth is driven by public and private investments, particularly in transportation and digital infrastructure projects.

Recent geopolitical tensions in the Middle East may lead to an increase in global oil prices, potentially resulting in a prolonged elevated interest rate environment.

Bank Negara Malaysia continues to adopt a balanced interest rate policy, aiming to promote economic growth while moderating inflation. The domestic banking sector outlook for 2024 remains positive, supported by moderate loan growth and manageable asset quality. Competition for deposits is expected to ease in the second half of the year, while Malaysian banks maintain adequate liquidity buffers and relatively healthy capital ratios.