



BANK MUAMALAT MALAYSIA BERHAD

Company No. 196501000376 (6175-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
30 JUNE 2024 (23 ZULHIJAH 1445H)**

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

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BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (23 ZULHIJAH 1445H)

	Note	Group		Bank	
		As at 30 June 2024 RM'000	As at 31 December 2023 RM'000	As at 30 June 2024 RM'000	As at 31 December 2023 RM'000
Assets					
Cash and short-term funds		2,303,980	3,039,191	2,303,980	3,039,191
Financial investments at fair value through profit or loss	7(i)	36,495	33,707	33,850	31,096
Financial investments at fair value through other comprehensive income	7(ii)	6,909,088	6,505,466	6,909,088	6,505,466
Financial investments at amortised cost	7(iii)	116,670	116,871	116,670	116,871
Islamic derivative financial assets	8	7,815	12,819	7,815	12,819
Financing of customers	9	30,587,676	28,347,644	30,581,891	28,343,392
Other assets	10	81,592	133,707	80,804	132,866
Statutory deposits with Bank Negara Malaysia		647,809	583,809	647,809	583,809
Investment in subsidiaries		-	-	13,159	13,159
Investment properties		56,756	56,756	56,756	56,756
Right-of-use assets		41,589	36,113	41,589	36,113
Intangible assets		125,207	123,096	124,961	122,811
Property, plant and equipment		47,014	46,615	46,987	46,580
Deferred tax assets (net)	11	23,592	24,483	23,063	23,943
Total assets		40,985,283	39,060,277	40,988,422	39,064,872
Liabilities					
Deposits from customers	12	34,300,004	32,795,736	34,316,961	32,811,802
Investment account of customer	14	228,590	247,689	228,590	247,689
Deposits and placements of banks and other financial institutions	13	780,301	529,634	780,301	529,634
Bills and acceptances payable		8,583	13,773	8,583	13,773
Islamic derivative financial liabilities	8	2,590	21,519	2,590	21,519
Other liabilities	15	258,895	100,640	257,080	101,105
Lease Liabilities		44,047	38,469	44,047	38,469
Provision for zakat and taxation	16	2,493	10,647	2,363	10,320
Recourse obligation on financing sold to Cagamas	17	1,044,573	1,058,745	1,044,573	1,058,745
Subordinated sukuk	18	806,946	806,924	806,946	806,924
Total liabilities		37,477,022	35,623,776	37,492,034	35,639,980

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (23 ZULHIJAH 1445H) - (CONT'D.)

	Note	Group		Bank	
		As at 30 June 2024 RM'000	As at 31 December 2023 RM'000	As at 30 June 2024 RM'000	As at 31 December 2023 RM'000
Shareholders' equity					
Share capital		1,195,000	1,195,000	1,195,000	1,195,000
Reserves		1,964,506	1,892,746	1,952,633	1,881,137
Equity attributable to owners of the Company		3,159,506	3,087,746	3,147,633	3,076,137
Perpetual Sukuk		348,755	348,755	348,755	348,755
Total Equity		3,508,261	3,436,501	3,496,388	3,424,892
Total liabilities and shareholders' equity		40,985,283	39,060,277	40,988,422	39,064,872
Restricted investment accounts	14	20	32	20	32
Total Islamic banking asset and asset under management		40,985,303	39,060,309	40,988,442	39,064,904
Commitments and contingencies	32	5,927,245	5,650,858	5,927,245	5,650,858
Capital adequacy *					
CET 1 capital ratio	33	11.001%	11.401%	10.919%	11.319%
Tier 1 Capital	33	12.398%	12.848%	12.317%	12.767%
Total capital ratio	33	16.778%	17.343%	16.702%	17.269%

* The capital adequacy ratios are computed after taking into account the credit, market and operational risks.

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (23 ZULHIJAH 1445H)

<u>Group</u>	Note	3 months ended		6 months ended	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Income derived from investment of depositors' funds and others	19	511,314	422,061	1,014,953	797,005
Income derived from investment of shareholders' funds	20	9,497	8,305	21,627	18,684
Income derived from investment of investment account funds	21	2,606	3,175	5,351	6,274
Allowance for impairment on financing	22	(43,898)	(15,730)	(70,580)	(34,866)
Allowance for impairment losses on financial investments, net	23	(1,588)	(43)	(1,629)	(37)
Writeback of/(allowance for) impairment losses on other financial assets, net	24	128	(77)	114	(137)
Other expenses directly attributable to the investment of the depositors and shareholders' funds		(8,675)	(9,647)	(17,177)	(17,780)
Total distributable income		469,384	408,044	952,659	769,143
Income attributable to depositors	25	(267,554)	(201,136)	(524,807)	(380,127)
Income attributable to investment account holders		(53)	(60)	(105)	(119)
Total net income		201,777	206,848	427,747	388,897
Personnel expenses	26	(89,178)	(73,963)	(174,323)	(145,726)
Other overheads and expenditures	27	(59,612)	(48,509)	(116,515)	(94,608)
Finance costs	28	(20,481)	(19,848)	(41,310)	(37,393)
Profit before zakat and taxation		32,506	64,528	95,599	111,170
Zakat	29	(792)	(1,836)	(2,369)	(3,010)
Taxation	30	(8,584)	(15,955)	(25,094)	(27,913)
Profit for the period		23,130	46,737	68,136	80,247
Earnings per share attributable to shareholders of the Bank (sen) (basic and diluted):				11.40	13.43

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (23 ZULHIJJAH 1445H)

<u>Bank</u>	Note	3 months ended		6 months ended	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Income derived from investment of depositors' funds and others	19	511,314	422,061	1,014,953	797,005
Income derived from investment of shareholders' funds	20	10,041	9,142	20,442	22,526
Income derived from investment of investment account funds	21	2,606	3,175	5,351	6,274
Allowance for impairment on financing	22	(43,898)	(15,730)	(70,580)	(34,866)
Allowance for impairment losses on financial investments, net	23	(1,588)	(43)	(1,629)	(37)
Writeback of/(allowance for)impairment losses on other financial assets, net	24	128	(77)	114	(137)
Other expenses directly attributable to the investment of the depositors and shareholders' funds		(8,675)	(9,647)	(17,177)	(17,780)
Total distributable income		469,928	408,881	951,474	772,985
Income attributable to depositors	25	(267,636)	(201,214)	(524,986)	(380,285)
Income attributable to investment account holders		(53)	(60)	(105)	(119)
Total net income		202,239	207,607	426,383	392,581
Personnel expenses	26	(88,682)	(73,277)	(173,339)	(144,384)
Other overheads and expenditures	27	(59,922)	(48,625)	(117,205)	(94,963)
Finance costs	28	(20,481)	(19,848)	(41,310)	(37,393)
Profit before zakat and taxation		33,154	65,857	94,529	115,841
Zakat	29	(744)	(1,646)	(2,278)	(2,896)
Taxation	30	(8,269)	(15,575)	(24,379)	(27,092)
Profit for the period		24,141	48,636	67,872	85,853
Earnings per share attributable to shareholders of the Bank (sen) (basic and diluted):				11.36	14.37

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BANK MUAMALAT MALAYSIA BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (23 ZULHIJAH 1445H)

<u>Group</u>	Note	3 months ended		6 months ended	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Profit for the period		23,130	46,737	68,136	80,247
Other comprehensive income:					
Items that may be reclassified					
subsequently to profit or loss					
Net (loss)/gain on financial investments at fair value through other comprehensive income		(6,307)	(7,559)	(1,321)	19,307
- Net (loss)/gain on change in fair value		(4,140)	(1,942)	10,128	35,244
- Changes in expected credit losses	7(ii)	41	43	41	37
- Income tax effect	11	(421)	3,225	(2,280)	(5,601)
- Realised gain transferred to profit or loss on disposal	19 & 20	(1,787)	(8,885)	(9,210)	(10,373)
Exchange fluctuation reserve		87	(1,954)	(1,155)	(2,067)
Items that may not be reclassified					
subsequently to profit or loss					
Net unrealised (loss)/gain on equity securities at fair value through other comprehensive income		12,598	2,166	17,182	(487)
Other comprehensive (loss)/gain for the period, net of tax		6,378	(7,347)	14,706	16,753
Total comprehensive income for the period		29,508	39,390	82,842	97,000

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (23 ZULHIJAH 1445H)

	Note	3 months ended		6 months ended	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Bank					
Profit for the period		24,141	48,636	67,872	85,853
Other comprehensive income:					
Items that may be reclassified					
subsequently to profit or loss					
Net (loss)/gain on financial investments at fair value through other comprehensive income		(6,307)	(7,559)	(1,321)	19,307
- Net (loss)/gain on change in fair value		(4,140)	(1,942)	10,128	35,244
- Changes in expected credit losses	7(ii)	41	43	42	38
- Income tax effect	11	(421)	3,225	(2,281)	(5,602)
- Realised gain transferred to profit or loss on disposal	19 & 20	(1,787)	(8,885)	(9,210)	(10,373)
Exchange fluctuation reserve		87	(1,954)	(1,155)	(2,067)
Items that may not be reclassified					
subsequently to profit or loss					
Net unrealised (loss)/gain on equity securities at fair value through other comprehensive income		12,598	2,166	17,182	(487)
Other comprehensive (loss)/gain for the period, net of tax		6,378	(7,347)	14,706	16,753
Total comprehensive income for the period		30,519	41,289	82,578	102,606

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (23 ZULHIJAH 1445H)

<u>Group</u>	Non-distributable					Distributable		Total Equity RM'000
	Ordinary shares RM'000	Perpetual Sukuk RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Regulatory reserve RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000		
At 1 January 2024	1,195,000	348,755	(6,966)	155,747	1,591	1,742,374	3,436,501	
Profit for the period	-	-	-	-	-	68,136	68,136	
Other comprehensive income/(loss) for the period	-	-	15,861	-	(1,155)	-	14,706	
Total comprehensive income/(loss) for the period	-	-	15,861	-	(1,155)	68,136	82,842	
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	(2,026)	-	-	2,026	-	
Transfer to regulatory reserve	-	-	-	27,150	-	(27,150)	-	
Transaction with Owners								
Distribution to Perpetual Sukuk	-	-	-	-	-	(11,082)	(11,082)	
At 30 June 2024	1,195,000	348,755	6,869	182,897	436	1,774,304	3,508,261	
At 1 January 2023	1,195,000	-	(1,342)	94,239	3,066	1,595,641	2,886,604	
Profit for the period	-	-	-	-	-	80,247	80,247	
Other comprehensive (loss)/income for the period	-	-	18,820	-	(2,067)	-	16,753	
Total comprehensive (loss)/income for the period	-	-	18,820	-	(2,067)	80,247	97,000	
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	3,853	-	-	(3,853)	-	
Transfer to regulatory reserve	-	-	-	16,382	-	(16,382)	-	
At 30 June 2023	1,195,000	-	21,331	110,621	999	1,655,653	2,983,604	

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (23 ZULHIJAH 1445H)

	Non-distributable				Distributable		Total Equity RM'000
	Ordinary shares RM'000	Perpetual Sukuk RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Regulatory reserve RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000	
Bank							
At 1 January 2024	1,195,000	348,755	(6,966)	155,747	1,592	1,730,764	3,424,892
Profit for the period	-	-	-	-	-	67,872	67,872
Other comprehensive income/(loss) for the period	-	-	15,861	-	(1,155)	-	14,706
Total comprehensive income/(loss) for the period	-	-	15,861	-	(1,155)	67,872	82,578
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	(2,026)	-	-	2,026	-
Transfer to regulatory reserve	-	-	-	27,150	-	(27,150)	-
Transaction with Owners							
Distribution to Perpetual Sukuk	-	-	-	-	-	(11,082)	(11,082)
At 30 June 2024	1,195,000	348,755	6,869	182,897	437	1,762,430	3,496,388
At 1 January 2023	1,195,000	-	(1,342)	94,239	3,067	1,577,800	2,868,764
Profit for the period	-	-	-	-	-	85,853	85,853
Other comprehensive (loss)/income for the period	-	-	18,820	-	(2,067)	-	16,753
Total comprehensive (loss)/income for the period	-	-	18,820	-	(2,067)	85,853	102,606
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	3,853	-	-	(3,853)	-
Transfer to regulatory reserve	-	-	-	16,382	-	(16,382)	-
At 30 June 2023	1,195,000	-	21,331	110,621	1,000	1,643,418	2,971,370

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (23 ZULHIJAH 1445H)

		Group		Bank	
	Note	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Cash flows from operating activities					
Profit before zakat and taxation		95,599	111,170	94,529	115,841
Adjustment for					
Amortisation of intangible asset	27	17,994	15,744	17,954	15,704
Depreciation of property, plant and equipment	27	4,665	5,362	4,657	5,354
Depreciation of right-of-use assets	27	5,693	5,540	5,693	5,540
Amortisation of cost on Subordinated Sukuk Issued		211	211	211	211
Fixed asset written off		1	5	1	5
Amortisation of premium, net	19 & 20	13,590	21,712	13,590	21,712
Net gain from sale of financial investments at fair value through other comprehensive income	19 & 20	(9,211)	(10,373)	(9,211)	(10,373)
Net gain from sale of financial investment designated at FVTPL		(10)	(18)	(10)	(18)
Unrealised gain on revaluation of financial investment designated at FVTPL	19 & 20	(1,933)	(1,246)	(1,933)	(1,247)
Net loss on revaluation of foreign exchange transaction	20	392	23,794	392	23,794
Unrealised gain from foreign exchange derivatives	20	(13,925)	(31,387)	(13,925)	(31,387)
Unrealised loss on revaluation of hedged items	20	259	3,515	259	3,515
Fair value loss/(gain) of financial liabilities designated at FVTPL	20	2,183	(480)	2,183	(480)
Allowance for impairment losses on financial investments, net	23	1,629	37	1,629	37
(Allowance for)/writeback of impairment losses on other financial assets, net	24	(114)	137	(114)	137
Allowance for impairment on financing	22	80,931	53,015	80,931	53,015
Financing written off	22	587	19	587	19
Finance cost	28	41,310	37,393	41,310	37,393
Gross dividend income	20	(35)	(33)	(2,000)	(8,000)
Operating profit before working capital changes		239,816	234,117	236,733	230,772

Bank Muamalat Malaysia Berhad
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UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (23 ZULHIJAH 1445H)

	Note	Group		Bank	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
(Increase)/decrease in operating assets:					
Financial investment portfolio		(39,924)	(39,833)	(39,921)	(39,831)
Islamic derivative financial assets		18,929	5,764	18,929	5,764
Financing of customers		(2,321,551)	(1,669,758)	(2,320,018)	(1,671,942)
Statutory deposits with Bank Negara Malaysia		(64,000)	(168,296)	(64,000)	(168,296)
Other assets		57,335	(48,539)	56,898	(48,588)
Increase/(decrease) in operating liabilities:					
Deposits from customers		1,504,268	3,056,684	1,505,159	3,054,457
Deposits and placements of banks and other financial institutions		248,484	282,421	248,484	282,421
Investment accounts of customers		(19,099)	(16,535)	(19,099)	(16,535)
Islamic derivative financial liabilities		(18,929)	(5,764)	(18,929)	(5,764)
Bills and acceptances payable		(5,191)	(4,020)	(5,191)	(4,020)
Other liabilities		169,421	(12,987)	167,142	(14,670)
Cash (used in)/generated from operations		(230,441)	1,613,254	(233,813)	1,603,768
Finance cost on lease liabilities paid	28	(1,008)	(921)	(1,008)	(921)
Zakat paid		(10,519)	(4,724)	(10,235)	(4,264)
Tax paid		(44,304)	(29,763)	(43,214)	(28,750)
Net cash (used in)/generated from operating activities		(286,272)	1,577,846	(288,270)	1,569,833
Cash flows from investing activities					
Proceeds from disposal of financial investment in securities		4,365,239	1,082,527	4,365,239	1,082,527
Purchase of financial investment in securities		(4,717,708)	(1,723,502)	(4,717,675)	(1,723,470)
Purchase of property, plant and equipment		(3,452)	(3,550)	(3,452)	(3,550)
Purchase of intangible asset		(21,718)	(24,913)	(21,718)	(24,899)
Dividend income	20	35	33	2,000	8,000
Net cash used in investing activities		(377,604)	(669,404)	(375,606)	(661,391)

Bank Muamalat Malaysia Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (23 ZULHIJAH 1445H)

	Group		Bank	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Cash flows from financing activities				
Dividend paid on Islamic subordinated sukuk	(19,245)	(19,245)	(19,245)	(19,245)
Repayment of lease liability	(5,590)	(5,545)	(5,590)	(5,545)
Proceed from recourse obligation on financing sold to Cagamas	200,000	500,000	200,000	500,000
Repayment of principal for recourse obligation on financing sold to Cagamas	(213,766)	(15,642)	(213,766)	(15,642)
Repayment of finance cost for recourse obligation on financing sold to Cagamas	(21,652)	(15,064)	(21,652)	(15,064)
Distribution to perpetual Sukuk holder	(11,082)	-	(11,082)	-
Net cash (used in)/ generated from financing activities	(71,335)	444,504	(71,335)	444,504
Net (decrease)/increase in cash and cash equivalents	(735,211)	1,352,946	(735,211)	1,352,946
Cash and cash equivalents at beginning of the period	3,039,191	1,257,201	3,039,191	1,257,201
Cash and cash equivalents at end of the period	2,303,980	2,610,147	2,303,980	2,610,147
Cash and cash equivalents consist of:				
Cash and short term funds	2,303,980	2,610,147	2,303,980	2,610,147
Cash and placements with financial institutions	-	-	-	-
	2,303,980	2,610,147	2,303,980	2,610,147

The unaudited condensed financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023.

BANK MUAMALAT MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024
(23 ZULHIJAH 1445H)

1. Basis of preparation

The unaudited condensed financial statements for the financial period ended 30 June 2024 of Bank Muamalat Malaysia Berhad ("BMMB" or "the Bank") and its subsidiaries ("the Group") have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM") and rounded to the nearest thousand (RM'000) except when otherwise indicated.

The financial statements of the Group and of the Bank are prepared under the historical cost basis except for the following assets and liabilities that are stated at fair values: financial investments at fair value through other comprehensive income ("FVOCI"), financial investments at fair value through profit or loss ("FVTPL"), and Islamic derivative financial instruments.

The Group and the Bank present the statements of financial position in order of liquidity.

These condensed consolidated interim financial statements for the period ended 30 June 2024 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"). These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board, Bank Negara Malaysia Guidelines ("BNM"), and the principles of Shariah.

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

The significant accounting policies and methods of computation applied by the Bank are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2023 except for adoption of the following MFRSs and Interpretations of the Issues Committee ("IC Interpretations") with effective dates as follows:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

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1. Basis of preparation (cont'd)

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Bank plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Bank.

2. 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 qualified.

3. Seasonal or cyclical factors

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors during the financial period ended 30 June 2024.

4. Unusual items

There were no unusual items affecting the assets, liabilities, equity, net income or cashflows of the Group and of the Bank during the financial period ended 30 June 2024.

5. Changes in accounting estimates

There were no material changes in estimates during the financial period ended 30 June 2024.

6. Dividends

There was no dividend payment during the financial period ended 30 June 2024.

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7. Financial investments

	Note	Group		Bank	
		30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Financial investments at fair value through profit or loss	(i)	36,495	33,707	33,850	31,096
Financial investments at fair value through other comprehensive income	(ii)	6,909,088	6,505,466	6,909,088	6,505,466
Financial investments at amortised cost	(iii)	116,670	116,871	116,670	116,871
		7,062,253	6,656,044	7,059,608	6,653,433
(i) Financial investments at fair value through profit or loss					
Unquoted securities in Malaysia:					
Islamic private debt securities in Malaysia		29,221	27,122	29,221	27,122
Unit trusts		7,274	6,585	4,629	3,974
		36,495	33,707	33,850	31,096
(ii) Financial investments at fair value through other comprehensive income					
Debt instruments:					
Government securities and treasury bills:					
Malaysian government investment certificates		4,148,135	4,278,305	4,148,135	4,278,305
Unquoted securities:					
Islamic private debt securities in Malaysia		1,858,600	1,370,104	1,858,600	1,370,104
Cagamas sukuk		677,007	473,926	677,007	473,926
Bank Negara Malaysia Bills and Notes		-	199,865	-	199,865
		2,535,607	2,043,895	2,535,607	2,043,895
Equity instruments:					
Quoted securities in Malaysia:					
Quoted shares		129,168	75,381	129,168	75,381
Money market instruments:					
Unquoted securities:					
Private equity funds		91,547	103,254	91,547	103,254
Shares in Malaysia		4,631	4,631	4,631	4,631
		96,178	107,885	96,178	107,885
Total financial assets at fair value through other comprehensive income		6,909,088	6,505,466	6,909,088	6,505,466

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7. Financial investments (cont'd)

(ii) Financial investments at fair value through other comprehensive income (cont'd.)

- (a) Movements in the allowances for impairment losses on debt instruments at fair value through other comprehensive income are as follows for the Group and the Bank:

	Stage 1	Stage 2	Stage 3	Total ECL
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 30 June 2024	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	49	-	22,667	22,716
Allowance made	56	-	12	68
Amount written back in respect of recoveries	(27)	-	-	(27)
At 30 June 2024	78	-	22,679	22,757

	Stage 1	Stage 2	Stage 3	Total ECL
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	56	-	22,134	22,190
Allowance made	208	-	533	741
Amount written back in respect of recoveries	(215)	-	-	(215)
At 31 December 2023	49	-	22,667	22,716

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7. Financial investments (cont'd.)

Group and Bank
30 June 2024 **31 December 2023**
RM'000 **RM'000**

(iii) Financial investments at amortised cost

At amortised cost

Unquoted Islamic corporate sukuk in Malaysia	150,196	148,809
less: Accumulated impairment losses	(33,526)	(31,938)
Total financial investments at amortised cost	116,670	116,871

(a) Movements in the allowances for impairment losses on financial investments at amortised cost are as follows for the Group and the Bank:

	Stage 1	Stage 2	Stage 3	
		Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total ECL
	12 Months ECL RM'000	RM'000	RM'000	RM'000
At 30 June 2024				
At 1 January 2024	-	-	31,938	31,938
Management overlay	-	-	1,587	1,587
At 30 June 2024	-	-	33,525	33,525
		Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total ECL
	12 Months ECL RM'000	RM'000	RM'000	RM'000
At 31 December 2023				
At 1 January 2023	-	-	34,185	34,185
Management overlay redesignated	-	-	(2,247)	(2,247)
At 31 December 2023	-	-	31,938	31,938

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8. Islamic derivative financial instruments

The Table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded at gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period end and are indicative of neither the market risk nor the credit risk.

	Group and Bank					
	30 June 2024			31 December 2023		
	Contract/ notional amount RM'000	Fair value		Contract/ Notional Amount RM'000	Fair value	
	Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
Trading derivatives:						
Foreign exchange contracts						
- Currency forwards						
Less than one year	1,080,092	7,732	(842)	931,445	362	(16,555)
- Currency swaps						
Less than one year	533,588	67	(1,730)	1,317,642	12,451	(4,671)
- Currency spot						
Less than one year	48,510	16	(18)	38,276	6	(293)
Total	1,662,190	7,815	(2,590)	2,287,363	12,819	(21,519)

9. Financing of Customers

(i) By type and Shariah concepts

Group	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai RM'000	Inah RM'000	Tawarruq RM'000	Bai' Al-Dayn RM'000	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Murabahah to the Purchase Orderer RM'000	Shirkah Mutanaqisah RM'000	Total financing RM'000
Cash line	-	-	867	604,827	-	-	-	-	-	-	605,694
Term financing:											
Home financing	1,049,593	-	-	9,566,507	-	-	23,078	-	-	-	10,639,178
Syndicated financing	-	-	-	513,576	-	-	-	-	-	-	513,576
Hire purchase receivables	34,050	320,503	-	-	-	-	-	-	1,550,451	-	1,905,004
Personal financing	27,040	-	-	8,498,994	-	-	-	-	-	-	8,526,034
Other term financing	90,066	-	-	4,377,668	-	-	-	-	-	53,259	4,520,993
Trust receipts	-	-	-	-	64,800	25,496	-	-	-	-	90,296
Claims on customers under acceptance credits	-	-	-	-	227,488	1,018,476	-	-	-	-	1,245,964
Staff financing	14,770	-	-	82,994	-	-	606	547	-	-	98,917
Revolving credit	-	-	-	2,194,984	-	-	-	-	-	-	2,194,984
Credit card	-	-	-	72,611	-	-	-	-	-	-	72,611
Ar-Rahnu	-	-	-	431,706	-	-	-	-	-	-	431,706
Gross financing	1,215,519	320,503	867	26,343,867	292,288	1,043,972	23,684	547	1,550,451	53,259	30,844,957
Fair value changes arising from fair value hedge ¹	-	-	-	12,420	-	-	-	-	-	-	12,420
	1,215,519	320,503	867	26,356,287	292,288	1,043,972	23,684	547	1,550,451	53,259	30,857,377
Less : Allowance for impaired financing											
-Stage 1 - 12 Months ECL	(1,034)	(780)	(11)	(104,364)	(84)	(636)	(61)	-	(6,158)	-	(113,128)
-Stage 2 - Lifetime ECL not credit impaired	(303)	(39)	-	-	(4)	(25,398)	(846)	-	(677)	-	(27,267)
-Stage 3 - Lifetime ECL credit impaired	(3,244)	(216)	(319)	(98,339)	(27,004)	(3)	-	-	(181)	-	(129,306)
Total net financing ²	1,210,938	319,468	537	26,153,584	265,196	1,017,935	22,777	547	1,543,435	53,259	30,587,676

¹ With the discontinuation of the fair value hedge, the unamortised fair value are amortised to profit or loss over the remaining maturity of the hedged item.

² Included in total net financing are financing at fair value through profit or loss amounting RM350,231,000 (2023: RM354,741,000) which mainly consists of the BNM established financing facility to provide relief and support recovery for SMEs in the services sector affected by the containment measures since June 2020.

9. Financing of Customers (cont'd.)

(i) By type and Shariah concepts

Group 31 December 2023	Bai'	Ijarah	Inah	Tawarruq	Bai'	Murabahah	Istisna'	Qard	Murabahah to the Purchase Orderer	Shirkah Mutanaqisah	Total financing
	Bithaman Ajil	Thumma Al-Bai			Al-Dayn						
Cash line	-	-	861	482,351	-	-	-	-	-	-	483,212
Term financing:											
Home financing	1,107,372	-	-	8,315,860	-	-	8,171	-	-	-	9,431,403
Syndicated financing	-	-	-	546,137	-	-	-	-	-	-	546,137
Hire purchase receivables	40,272	88,859	-	-	-	-	-	-	1,413,961	-	1,543,092
Personal financing	28,982	-	-	8,119,470	-	-	-	-	-	-	8,148,452
Other term financing	95,598	-	-	4,227,205	-	-	-	-	-	54,033	4,376,836
Trust receipts	-	-	-	-	64,514	24,950	-	-	-	-	89,464
Claims on customers under acceptance credits	-	-	-	-	225,680	1,125,408	-	-	-	-	1,351,088
Staff financing	16,229	-	-	63,947	-	-	-	84	-	-	80,260
Revolving credit	-	-	-	2,080,702	-	-	-	-	-	-	2,080,702
Credit card	-	-	-	58,625	-	-	-	-	-	-	58,625
Ar-Rahnu	-	-	-	366,919	-	-	-	-	-	-	366,919
Total gross financing	1,288,453	88,859	861	24,261,216	290,194	1,150,358	8,171	84	1,413,961	54,033	28,556,190
Fair value changes arising from fair value hedge ¹	-	-	-	13,974	-	-	-	-	-	-	13,974
	1,288,453	88,859	861	24,275,190	290,194	1,150,358	8,171	84	1,413,961	54,033	28,570,164
Less : Allowance for impaired financing											
At amortised cost											
-Stage 1 - 12 Months ECL	(1,586)	(626)	(6)	(112,424)	(195)	(725)	(11)	-	(4,665)	-	(120,238)
-Stage 2 - Lifetime ECL not credit impaired	(447)	(161)	(46)	(22,127)	(11)	(163)	(3)	-	(300)	-	(23,258)
-Stage 3 - Lifetime ECL credit impaired	(4,276)	(224)	(184)	(71,418)	(2,624)	-	-	-	(298)	-	(79,024)
Total net financing ²	1,282,144	87,848	625	24,069,221	287,364	1,149,470	8,157	84	1,408,698	54,033	28,347,644

¹ With the discontinuation of the fair value hedge, the unamortised fair value are amortised to profit or loss over the remaining maturity of the hedged item.

² Included in total net financing are financing at fair value through profit or loss amounting RM354,741,000 (2022: RM365,831,000) which mainly consists of the BNM established financing facility to provide relief and support recovery for SMEs in the services sector affected by the containment measures since June 2020.

9. Financing of Customers (cont'd.)

(i) By type and Shariah concepts

Bank	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai RM'000	Inah RM'000	Tawarruq RM'000	Bai' Al-Dayn RM'000	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Murabahah to the Purchase Orderer RM'000	Total financing RM'000
30 June 2024										
Cash line	-	-	867	604,827	-	-	-	-	-	605,694
Term financing:										
Home financing	1,049,593	-	-	9,566,507	-	-	23,078	-	-	10,639,178
Syndicated financing	-	-	-	513,576	-	-	-	-	-	513,576
Hire purchase receivables	34,050	320,503	-	-	-	-	-	-	1,550,451	1,905,004
Personal financing	27,040	-	-	8,498,994	-	-	-	-	-	8,526,034
Other term financing	90,066	-	-	4,377,668	-	-	-	47,474	-	4,515,208
Trust receipts	-	-	-	-	64,800	25,496	-	-	-	90,296
Claims on customers under acceptance credits	-	-	-	-	227,488	1,018,476	-	-	-	1,245,964
Staff financing	14,770	-	-	82,994	-	-	606	547	-	98,917
Revolving credit	-	-	-	2,194,984	-	-	-	-	-	2,194,984
Credit card	-	-	-	72,611	-	-	-	-	-	72,611
Ar-Rahnu	-	-	-	431,706	-	-	-	-	-	431,706
Total gross financing	1,215,519	320,503	867	26,343,867	292,288	1,043,972	23,684	48,021	1,550,451	30,839,172
Fair value changes arising from fair value hedge ¹	-	-	-	12,420	-	-	-	-	-	12,420
	1,215,519	320,503	867	26,356,287	292,288	1,043,972	23,684	48,021	1,550,451	30,851,592
Less : Allowance for impaired financing										
-Stage 1 - 12 Months ECL	(1,034)	(780)	(11)	(104,364)	(84)	(636)	(61)	-	(6,158)	(113,128)
-Stage 2 - Lifetime ECL not credit impaired	(303)	(39)	-	-	(4)	(25,398)	(846)	-	(677)	(27,267)
-Stage 3 - Lifetime ECL credit impaired	(3,244)	(216)	(319)	(98,339)	(27,004)	(3)	-	-	(181)	(129,306)
Total net financing ²	1,210,938	319,468	537	26,153,584	265,196	1,017,935	22,777	48,021	1,543,435	30,581,891

¹ With the discontinuation of the fair value hedge, the unamortised fair value are amortised to profit or loss over the remaining maturity of the hedged item.

² Included in total net financing are financing at fair value through profit or loss amounting RM344,447,000 (2023: RM350,490,000) which mainly consists of the BNM established financing facility to provide relief and support recovery for SMEs in the services sector affected by the containment measures since June 2020.

9. Financing of Customers (cont'd.)

(i) By type and Shariah concepts

Bank	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai RM'000	Inah RM'000	Tawarruq RM'000	Bai' Al-Dayn RM'000	Murabahah RM'000	Istisna' RM'000	Qard RM'000	Murabahah to the Purchase Orderer RM'000	Total financing RM'000
31 December 2023										
Cash line	-	-	861	482,351	-	-	-	-	-	483,212
Term financing:										
Home financing	1,107,372	-	-	8,315,860	-	-	8,171	-	-	9,431,403
Syndicated financing	-	-	-	546,137	-	-	-	-	-	546,137
Hire purchase receivables	40,272	88,859	-	-	-	-	-	-	1,413,961	1,543,092
Personal financing	28,982	-	-	8,119,470	-	-	-	-	-	8,148,452
Other term financing	95,598	-	-	4,227,205	-	-	-	49,781	-	4,372,584
Trust receipts	-	-	-	-	64,514	24,950	-	-	-	89,464
Claims on customers under acceptance credits	-	-	-	-	225,680	1,125,408	-	-	-	1,351,088
Staff financing	16,229	-	-	63,947	-	-	-	84	-	80,260
Revolving credit	-	-	-	2,080,702	-	-	-	-	-	2,080,702
Credit card	-	-	-	58,625	-	-	-	-	-	58,625
Ar-Rahnu	-	-	-	366,919	-	-	-	-	-	366,919
Total gross financing	1,288,453	88,859	861	24,261,216	290,194	1,150,358	8,171	49,865	1,413,961	28,551,938
Fair value changes arising from fair value hedge ¹	-	-	-	13,974	-	-	-	-	-	13,974
	1,288,453	88,859	861	24,275,190	290,194	1,150,358	8,171	49,865	1,413,961	28,565,912
Less : Allowance for impaired financing										
At amortised cost										
-Stage 1 - 12 Months ECL	(1,586)	(626)	(6)	(112,424)	(195)	(725)	(11)	-	(4,665)	(120,238)
-Stage 2 - Lifetime ECL not credit impaired	(447)	(161)	(46)	(22,127)	(11)	(163)	(3)	-	(300)	(23,258)
-Stage 3 - Lifetime ECL credit impaired	(4,276)	(224)	(184)	(71,418)	(2,624)	-	-	-	(298)	(79,024)
Total net financing ²	1,282,144	87,848	625	24,069,221	287,364	1,149,470	8,157	49,865	1,408,698	28,343,392

¹ With the discontinuation of the fair value hedge, the unamortised fair value are amortised to profit or loss over the remaining maturity of the hedged item.

² Included in total net financing are financing at fair value through profit or loss amounting RM350,490,000 (2022: RM355,178,000) which mainly consists of the BNM established financing facility to provide relief and support recovery for SMEs in the services sector affected by the containment measures since June 2020.

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9. Financing of customers (cont'd.)

(i) By type and Shariah concepts (cont'd.)

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Uses of Qard fund:				
Staff financing	547	84	547	84
Other term financing	-	-	47,474	49,781
	547	84	48,021	49,865

(ii) By type of customer

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Domestic non-banking institutions	662,714	430,184	662,714	430,184
Domestic business enterprises:				
-Small business enterprises	1,391,315	1,239,745	1,391,315	1,239,745
-Others	5,521,138	5,614,844	5,515,353	5,610,592
Government and statutory bodies	920,462	919,210	920,462	919,210
Individuals	22,338,568	20,337,871	22,338,568	20,337,871
Other domestic entities	9,970	10,367	9,970	10,367
Foreign entities	790	3,969	790	3,969
Gross Financing	30,844,957	28,556,190	30,839,172	28,551,938

(iii) By profit rate sensitivity

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Fixed rate:				
Home financing	711,347	316,947	711,347	316,947
Hire purchase receivables	1,905,004	1,543,092	1,905,004	1,543,092
Others	2,112,604	2,213,794	2,106,819	2,209,542
Variable rate:				
Home financing	10,033,550	9,114,456	10,033,550	9,114,456
Others	16,082,452	15,367,901	16,082,452	15,367,901
Gross Financing	30,844,957	28,556,190	30,839,172	28,551,938

(iv) By residual contractual maturity

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Maturity				
- within one year	3,746,161	3,876,883	3,746,161	3,876,883
- more than one to five years	4,426,975	4,015,089	4,426,975	4,015,089
- more than five years	22,671,821	20,664,218	22,666,036	20,659,966
Gross Financing	30,844,957	28,556,190	30,839,172	28,551,938

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9. Financing of customers (cont'd.)

(v) By sector

	Group		Bank	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Agriculture	109,071	100,083	109,071	100,083
Mining and quarrying	40,183	34,411	40,183	34,411
Manufacturing	986,450	1,109,710	986,450	1,109,710
Electricity, gas and water	159,212	133,870	159,212	133,870
Construction	999,196	909,472	999,196	909,472
Household	22,339,364	20,341,841	22,339,364	20,341,841
Real estate	1,167,304	1,158,661	1,167,304	1,158,661
Wholesale, retail and restaurant	1,076,819	1,050,243	1,076,819	1,050,243
Transport, storage and communication	346,391	176,407	346,391	176,407
Finance, takaful and business services	2,246,477	2,190,259	2,246,477	2,190,259
Community, social and personal services	454,028	432,023	448,243	427,771
Government and statutory bodies	920,462	919,210	920,462	919,210
Gross Financing	30,844,957	28,556,190	30,839,172	28,551,938

(vi) By geographical area

	Group		Bank	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Domestic	30,844,957	28,556,190	30,839,172	28,551,938
Gross Financing	30,844,957	28,556,190	30,839,172	28,551,938

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9. Financing of customers (cont'd.)

Impaired financing

(i) Movements in the impaired financing

	Group		Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024/ 2023	266,229	205,957	266,229	205,957
Classified as impaired during the period	311,273	238,238	311,273	238,238
Reclassified as performing during the period	(101,134)	(25,019)	(101,134)	(25,019)
Recovered during the period	(40,453)	(50,920)	(40,453)	(50,920)
Written off during the period	(35,535)	(102,027)	(35,535)	(102,027)
Gross impaired financing	400,380	266,229	400,380	266,229
Less: Stage 3 - Lifetime ECL credit impaired	(129,306)	(79,024)	(129,306)	(79,024)
Net impaired financing	<u>271,074</u>	<u>187,205</u>	<u>271,074</u>	<u>187,205</u>

Calculation ratio of impaired financing:

Gross financing of customers	30,844,957	28,556,190	30,839,172	28,551,938
Less: Stage 3 - Lifetime ECL credit impaired	(129,306)	(79,024)	(129,306)	(79,024)
Net financing of customers	<u>30,715,651</u>	<u>28,477,166</u>	<u>30,709,866</u>	<u>28,472,914</u>
Ratio of gross impaired financing to total financing	<u>1.30%</u>	0.93%	<u>1.30%</u>	0.93%
Net impaired financing ratio	<u>0.88%</u>	0.66%	<u>0.88%</u>	0.66%

(ii) Impaired financing by sector

	Group and Bank	
	30 June 2024	31 December 2023
	RM'000	RM'000
Agriculture	588	295
Manufacturing	12,958	6,519
Construction	71,649	5,837
Household	241,353	199,191
Electricity, gas and water	546	491
Real estate	9,999	11,168
Wholesale, retail and restaurant	35,054	27,359
Transport, storage and communication	10,132	6,855
Finance, takaful and business services	13,752	7,991
Community, social and personal service	4,349	523
	<u>400,380</u>	<u>266,229</u>

(iii) Impaired financing by geographical area

	Group and Bank	
	30 June 2024	31 December 2023
	RM'000	RM'000
Domestic	<u>400,380</u>	<u>266,229</u>

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9. Financing of customers (cont'd.)

Impaired financing (cont'd.)

(iv) Movements in the loss allowance for financing of customers

Group and Bank	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 30 June 2024				
At 1 January 2024	120,238	23,258	79,024	222,520
Transfer to Stage 1	9,069	(4,901)	(4,168)	-
Transfer to Stage 2	(3,024)	13,470	(10,446)	-
Transfer to Stage 3	(764)	(2,745)	3,509	-
New financial assets originated	21,465	886	4,189	26,540
Financial assets derecognised	(11,631)	(360)	(1,802)	(13,793)
Changes due to change in credit risk	(22,225)	(2,088)	92,786	68,473
Amount written off/realised	-	(253)	(33,786)	(34,039)
At 30 June 2024	<u>113,128</u>	<u>27,267</u>	<u>129,306</u>	<u>269,701</u>
At 31 December 2023				
At 1 January 2023	128,896	25,667	103,918	258,481
Transfer to Stage 1	22,350	(16,303)	(6,047)	-
Transfer to Stage 2	(9,361)	13,428	(4,067)	-
Transfer to Stage 3	(9,028)	(3,346)	12,374	-
Allowance (write back)/made	(47,784)	4,356	83,440	40,012
New financial assets originated	59,787	-	900	60,687
Financial assets derecognised	(24,622)	(544)	(12,697)	(37,863)
Amount written off/realised	-	-	(98,797)	(98,797)
At 31 December 2023	<u>120,238</u>	<u>23,258</u>	<u>79,024</u>	<u>222,520</u>

10. Other assets

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Deposits	7,057	7,005	16,860	6,972
Prepayments	35,853	16,485	25,934	16,255
Tax recoverable	19,179	1,363	18,793	1,357
Golf club membership	500	500	500	500
Other receivables	20,228	109,579	19,942	109,007
	<u>82,817</u>	<u>134,932</u>	<u>82,029</u>	<u>134,091</u>
Less: Accumulated impairment losses	(1,225)	(1,225)	(1,225)	(1,225)
	<u>81,592</u>	<u>133,707</u>	<u>80,804</u>	<u>132,866</u>

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11. Deferred tax assets & liabilities

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
At 1 January 2024/ 2023	24,483	36,442	23,943	36,442
Recognised in the profit or loss (Note 30)	1,389	(3,107)	1,400	(3,647)
Recognised in other comprehensive income	(2,280)	(8,852)	(2,280)	(8,852)
At 30 June 2024/ At 31 December 2023	23,592	24,483	23,063	23,943

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position as follows:

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Deferred tax assets, net	23,611	24,483	23,063	23,943
Deferred tax liabilities, net	(19)	-	-	-
	23,592	24,483	23,063	23,943

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Deferred tax assets	41,556	42,929	41,027	42,389
Deferred tax liabilities	(17,964)	(18,446)	(17,964)	(18,446)
	23,592	24,483	23,063	23,943

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11. Deferred tax asset & liabilities (cont'd.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group :

	Financial Investments at FVOCI RM'000	ECL RM'000	Leases RM'000	Property, plant and equipment & intangible asset RM'000	Provision for liabilities RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2024	5,438	22,623	588	1,940	12,111	229	42,929
Recognised in profit or loss	-	490	24	(210)	552	51	907
Recognised in other comprehensive income	(2,280)	-	-	-	-	-	(2,280)
At 30 June 2024	3,158	23,113	612	1,730	12,663	280	41,556

	Financial Investments at FVOCI RM'000	ECL RM'000	Leases RM'000	Property, plant and equipment & intangible asset RM'000	Provision for liabilities RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2023	13,742	22,873	617	4,263	11,177	248	52,920
Recognised in profit or loss	548	(250)	(29)	(2,323)	934	(19)	(1,139)
Recognised in other comprehensive income	(8,852)	-	-	-	-	-	(8,852)
At 31 December 2023	5,438	22,623	588	1,940	12,111	229	42,929

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11. Deferred tax asset & liabilities (cont'd.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group :

	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 January 2024	(18,446)	(18,446)
Recognised in profit and loss	482	482
At 30 June 2024	<u>(17,964)</u>	<u>(17,964)</u>
	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 January 2023	(16,478)	(16,478)
Recognised in profit or loss	(1,968)	(1,968)
As at 31 December 2023	<u>(18,446)</u>	<u>(18,446)</u>

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11. Deferred tax asset & liabilities (cont'd.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Bank:

	Financial Investments at FVOCI RM'000	ECL RM'000	Leases RM'000	Property, plant and equipment & intangible asset RM'000	Provision for liabilities RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2024	4,890	22,623	612	1,922	12,113	229	42,389
Recognised in profit or loss	-	490	24	(187)	541	50	918
Recognised in other comprehensive income	(2,280)	-	-	-	-	-	(2,280)
At 30 June 2024	2,610	23,113	636	1,735	12,654	279	41,027

	Financial Investments at FVOCI RM'000	ECL RM'000	Leases RM'000	Property, plant and equipment & intangible asset RM'000	Provision for liabilities RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2023	13,742	22,873	616	4,263	11,177	249	52,920
Recognised in profit or loss	-	(250)	(4)	(2,341)	936	(20)	(1,679)
Recognised in other comprehensive income	(8,852)	-	-	-	-	-	(8,852)
As at 31 December 2023	4,890	22,623	612	1,922	12,113	229	42,389

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11. Deferred tax asset & liabilities (cont'd.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Bank:

	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 January 2024	(18,446)	(18,446)
Recognised in profit and loss	482	482
At 30 June 2024	(17,964)	(17,964)
	Property, plant and equipment and intangible asset RM'000	Total RM'000
At 1 January 2023	(16,478)	(16,478)
Recognised in profit or loss	(1,968)	(1,968)
As at 31 December 2023	(18,446)	(18,446)

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12. Deposits from customers

(a) By type of deposits

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Savings Deposit				
Qard	918,208	863,230	918,208	863,230
Tawarruq	827,608	716,342	827,608	716,342
Demand Deposit				
Qard	3,889,642	4,044,951	3,894,799	4,047,217
Tawarruq	4,625,123	4,596,899	4,625,123	4,596,899
Term Deposit				
Mudharabah				
General investment deposits	3,042	3,087	3,042	3,087
Tawarruq				
Short term accounts	14,164,142	14,039,111	14,164,142	14,039,111
Fixed term accounts	9,822,718	8,412,594	9,834,518	8,426,394
Other deposits	49,521	119,522	49,521	119,522
	34,300,004	32,795,736	34,316,961	32,811,802

(b) By type of customer

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Government and statutory bodies	17,532,113	16,453,954	17,532,113	16,453,954
Business enterprises	8,660,187	8,865,238	8,677,144	8,881,304
Individuals	2,679,048	2,394,751	2,679,048	2,394,751
Domestic non-bank financial institutions	4,189,700	3,840,718	4,189,700	3,840,718
Domestic banking financial institutions	95,583	91,727	95,583	91,727
Others	1,143,373	1,149,348	1,143,373	1,149,348
	34,300,004	32,795,736	34,316,961	32,811,802

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12. Deposits from customers (cont'd.)

(b) By type of customer (cont'd.)

The maturity structure of term deposits are as follows :

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Due within six months	19,732,253	18,796,012	19,744,053	18,809,812
More than six months to one year	3,244,065	2,662,142	3,244,065	2,662,142
More than one year to three years	716,523	699,818	716,523	699,818
More than three years to five years	297,061	296,820	297,061	296,820
	23,989,902	22,454,792	24,001,702	22,468,592

13. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Non-Mudharabah		
Bank Negara Malaysia	355,413	345,666
Other financial institutions	424,888	183,968
	780,301	529,634

Included in these balances are the BNM funds received under government financing schemes for the purpose of SME lending at a below market and concession rate with 5.5 years to 8.5 years of maturity to be repaid between 2026 and 2031. The gross amount received from BNM of RM313,530,000 (2023: RM313,530,000) are net against the fair value gain arising from the placement of funds with the Group and the Bank. The fair value is applied to address the financial and accounting impact incurred from financing at concession rates to SMEs and for COVID-19 related relief measures.

14. Investment accounts of customers

(i) Investment account analysed by maturity portfolio are as follows:

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Unrestricted investment account		
Mudarabah		
Without maturity		
- SURIA	228,590	247,689
Restricted investment accounts:		
Mudarabah		
Maturity		
- within one year	20	32

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14. Investment accounts of customers(cont'd.)

(i) Investment account analysed by maturity portfolio are as follows (cont'd.)

RA is a type of restricted investment account based on the Mudarabah contract where the IAH and the Bank agree to share the profit generated from the assets funded by the RA based on an agreed profit sharing ratio (PSR), while losses shall be borne by the IAH. RA amounting to RM20,000 (2023: RM32,044) is accounted for as off balance sheet as the Bank has passed its rights and obligations in respect of the assets related to the RA or the residual cash flows from those assets to the IAH.

(ii) By types of customer are as follows:

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Unrestricted investment accounts:		
Individuals	228,590	247,255
Non-individuals	-	434
	228,590	247,689
Restricted investment accounts:		
Individuals	20	32

(iii) Movement of investment accounts of customers:

	Group and Bank 30 June 2024		Group and Bank 31 December 2023	
	Unrestricted investment accounts Mudarabah RM'000	Restricted investment accounts Mudarabah RM'000	Unrestricted investment accounts Mudarabah RM'000	Restricted investment accounts Mudarabah RM'000
At 1 January 2024/ 2023	247,689	32	301,158	79
Net movement	(247,689)	-	-	-
New placement	-	-	1,817,186	32
Redemption	-	(12)	(1,870,655)	(79)
At 30 June 2024/December 2023	-	20	247,689	32

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14. Investment accounts of customers(cont'd.)

(iv) The allocation of investment asset are as follows:

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Unrestricted investment accounts:		
Home financing	228,590	434
Total investment	228,590	434
Restricted investment accounts:		
Term financing	20	32
Total investment	20	32

(v) Investment account holders ("IAH") profit sharing ratio and rate of return are as follows:

	Group and Bank 30 June 2024		Group and Bank 31 December 2023	
	Average profit sharing ratio (%)	Average rate of return (%)	Average profit sharing ratio (%)	Average rate of return (%)
Unrestricted investment accounts	2.0%	0.09%	2.0%	0.09%
Restricted investment accounts	95.0%	0.00%	95.0%	0.00%

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15. Other liabilities

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Sundry creditors	2,571	853	2,571	853
Allowances for impairment losses on financing commitments and financial guarantee contracts (Note 15(a))	9,024	10,231	9,024	10,231
Provision for bonus	20,128	25,246	20,072	25,111
Accrued expenses	26,120	18,233	24,217	18,744
Accrual for directors' fees	702	-	702	-
Accrual for audit fees	268	640	242	620
Other liabilities	200,082	45,437	200,252	45,546
	258,895	100,640	257,080	101,105

(a) Movements in the allowances for impairment losses on financing commitments and financial guarantee contracts are as follows:-

Group and Bank	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
	At 30 June 2024			
At 1 January 2024	8,121	410	1,700	10,231
Transfer to Stage 1	16	(13)	(3)	-
Transfer to Stage 2	(84)	84	-	-
Transfer to Stage 3	(10)	(21)	31	-
New financing originated or purchased	2,351	35	199	2,585
Financing derecognised	(1,656)	(12)	(181)	(1,849)
Changes due to change in credit risk	(1,639)	(57)	653	(1,043)
Amount written-off/realised	-	-	(900)	(900)
At 30 June 2024	7,099	426	1,499	9,024
At 31 December 2023				
At 1 January 2023	8,165	118	1,385	9,668
Transfer to Stage 1	2,125	(2,081)	(44)	-
Transfer to Stage 2	(599)	915	(316)	-
Transfer to Stage 3	(1)	(71)	72	-
Allowance (write back)/made	(4,123)	1,444	1,710	(969)
New financing originated or purchased	5,685	274	-	5,959
Financing derecognised	(3,134)	(196)	(306)	(3,636)
Amount written-off/realised	-	-	(801)	(801)
Other movements	3	7	-	10
At 31 December 2023	8,121	410	1,700	10,231

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16. Provision for zakat and taxation

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Zakat	2,468	10,618	2,363	10,320
Taxation	25	29	-	-
	2,493	10,647	2,363	10,320

17. Recourse obligation on financing sold to Cagamas

This represents the proceeds received from house financing sold directly to Cagamas Berhad with recourse to the Bank. Under these agreements, the Bank undertakes to administer the financing on behalf of Cagamas Berhad and to buy-back any financing which are regarded as defective based on prudential criteria set by Cagamas Berhad. These financial liabilities are stated at amortised cost.

18. Sukuk

Subordinated sukuk

Subordinated sukuk as at 30 June 2024 relates to two tranches of Subordinated Sukuk Murabahah (Series 2 and Series 3) which qualifies as Tier2 capital under the BNM Policy Document on Capital Adequacy Framework for Islamic Banks (Capital Components). The sukuk carries a tenure of 10 years from the issue date, callable on the 5th anniversary date from the Issue date and on every profit payment date thereafter. Table below depicts a summary of the current Subordinated Sukuk Murabahah.

Issue date	Call Date	Maturity Date	Profit Rate (% p.a)	Nominal Value
15 June 2021	15 June 2026	15 June 2031	4.50%, payable semi-annually	RM500.0 million
20 July 2022	20 July 2027	20 July 2032	5.33%, payable semi-annually	RM300.0 million

The Bank may redeem (in whole or in part) the initial Subordinated Sukuk Murabahah prior to maturity on the Call Date, subject to the redemption conditions under the principal terms and conditions of the Subordinated Sukuk Programme being satisfied.

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19. Income derived from investment of depositors' funds and others

Group and Bank	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(a) Fixed term deposits	142,284	101,645	289,998	186,213
(b) Other deposits	369,030	320,416	724,955	610,792
	511,314	422,061	1,014,953	797,005

(a) Income derived from investment of fixed term deposits

	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Income from financing	116,063	81,732	232,826	151,434
Financial investments designated at FVTPL	148	681	299	1,152
Financial assets at fair value through other comprehensive income	17,677	11,840	34,991	22,292
Financial assets at amortised cost	384	333	788	641
Money at call and deposit with financial institutions	2,211	2,391	7,047	3,761
	136,483	96,977	275,951	179,280
Amortisation of premium less accretion of discounts	(1,919)	(2,564)	(3,757)	(4,937)
Total finance income and hibah	134,564	94,413	272,194	174,343
Other operating income				
Net gain from sale of:				
- financial investments designated at FVTPL	3	4	3	4
- financial investments at fair value through other comprehensive income	454	2,088	2,632	2,424
Unrealised gain on revaluation from financial investments designated at FVTPL	164	151	365	283
	621	2,243	3,000	2,711
Fees and commission				
Guarantee fees	147	131	298	251
Processing fees	442	533	740	948
Service charges and fees	1,053	906	2,144	1,883
Commission	5,457	3,419	11,622	6,077
	7,099	4,989	14,804	9,159
Total	142,284	101,645	289,998	186,213

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19. Income derived from investment of depositors' funds and others (cont'd.)

(b) Income derived from investment of other deposits

	3 months ended		6 months ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Finance income and hibah				
Income from financing	300,686	257,385	582,034	496,712
Financial investments designated at FVTPL	383	2,162	748	3,778
Financial assets at fair value through other comprehensive income	45,754	37,232	87,472	73,118
Financial assets at amortised cost	996	1,046	1,971	2,103
Money at call and deposit with financial institutions	5,963	7,630	17,615	12,335
	353,782	305,455	689,840	588,046
Amortisation of premium less accretion of discounts	(4,964)	(8,047)	(9,391)	(16,193)
Total finance income and hibah	348,818	297,408	680,449	571,853
Other operating income				
Net gain from sale of:				
- financial investments designated at FVTPL	7	13	7	13
- financial investments at fair value through other comprehensive income	1,332	6,797	6,579	7,950
Unrealised gain on revaluation from financial investments designated at FVTPL	427	476	913	929
	1,766	7,286	7,499	8,892
Fees and commission				
Guarantee fees	382	410	746	822
Processing fees	1,133	1,686	1,851	3,110
Service charges and fees	2,732	2,820	5,357	6,182
Commission	14,199	10,806	29,053	19,933
	18,446	15,722	37,007	30,047
Total	369,030	320,416	724,955	610,792

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20. Income/(Loss) derived from investment of shareholders' funds

Group	3 months ended		6 months ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Finance income and hibah				
Financial assets at fair value through other comprehensive income	1,802	1,721	3,634	3,865
Financial assets at amortised cost				
Money at call and deposit with financial institutions	441	568	1,015	1,285
	2,243	2,289	4,649	5,150
Amortisation of premium less Accretion of discounts	(185)	(275)	(442)	(582)
Total finance income and hibah	2,058	2,014	4,207	4,568
Other operating income				
Net gain/(loss) from foreign exchange transaction	8,399	(8,820)	(392)	(23,794)
Unrealised (loss)/gain on revaluation from foreign exchange derivatives	(2,950)	12,819	13,925	31,387
Unrealised gain on revaluation from financial investments designated at FVTPL	230	6	655	33
Fair value (loss)/gain of financial liabilities designated at FVTPL	(1,135)	(908)	(2,183)	480
Gross dividend income from investment: -shares in Malaysia	16	17	35	33
	4,560	3,114	12,040	8,139
Fees and commission				
Corporate advisory fees	360	362	753	779
Service charges and fees	1,643	2,398	3,351	4,187
Commission	394	233	658	493
	2,397	2,993	4,762	5,459
Other income				
Rental income	482	184	618	517
Loss on sale of fixed assets	-	-	-	1
	482	184	618	518
Total	9,497	8,305	21,627	18,684

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20. Income/(Loss) derived from investment of shareholders' funds (cont'd.)

	3 months ended		6 months ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Bank				
Finance income and hibah				
Financial assets at fair value through other comprehensive income	1,802	1,721	3,634	3,865
Financial assets at amortised cost				
Money at call and deposit with financial institutions	441	568	1,015	1,285
	<u>2,243</u>	<u>2,289</u>	<u>4,649</u>	<u>5,150</u>
Amortisation of premium less Accretion of discounts	(185)	(275)	(442)	(582)
Total finance income and hibah	<u>2,058</u>	<u>2,014</u>	<u>4,207</u>	<u>4,568</u>
Other operating income				
Net gain/(loss) from foreign exchange transaction	8,399	(8,820)	(392)	(23,794)
Unrealised (loss)/gain on revaluation from foreign exchange derivatives	(2,950)	12,819	13,925	31,387
Unrealised gain on revaluation from financial investments designated at FVTPL	230	6	655	35
Fair value (loss)/gain of financial liabilities designated at FVTPL	(1,135)	(908)	(2,183)	480
Gross dividend income from investment: -subsidiary	2,000	3,000	2,000	8,000
	<u>6,544</u>	<u>6,097</u>	<u>14,005</u>	<u>16,108</u>
Fees and commission				
Corporate advisory fees	514	564	859	744
Service charges and fees	19	20	35	35
Commission	394	233	658	493
	<u>927</u>	<u>817</u>	<u>1,552</u>	<u>1,272</u>
Other income				
Rental income	512	214	678	577
Loss on sale of fixed assets	-	-	-	1
	<u>512</u>	<u>214</u>	<u>678</u>	<u>578</u>
Total	<u>10,041</u>	<u>9,142</u>	<u>20,442</u>	<u>22,526</u>

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21. Income derived from investment of investment account funds

	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
Group and Bank	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Income from financing	2,606	3,175	5,351	6,274
	2,606	3,175	5,351	6,274

22. Allowance for impairment on financing

	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
Group and Bank	RM'000	RM'000	RM'000	RM'000
Expected credit losses on advances and financing made/(written back):				
Financing and advances				
- Stage 1	(6,031)	7,201	(8,132)	13,003
- Stage 2	(4,894)	(3,000)	4,027	11,585
- Stage 3	61,232	19,191	85,036	28,428
Impaired financing written off	8	35	587	19
Impaired financing recovered	(6,417)	(7,697)	(10,938)	(18,168)
	43,898	15,730	70,580	34,866

23. Allowance for impairment losses on financial investments, net

	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
Group and Bank	RM'000	RM'000	RM'000	RM'000
Impairment losses on corporate bonds included under Fair value through other comprehensive income ("FVOCI")	-	43	41	37
Impairment losses on corporate bonds included under Amortised Cost ("AC")	1,588	-	1,588	-
	1,588	43	1,629	37

24. (Writeback of)/ Allowance for impairment losses on other financial assets, net

	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
Group and Bank	RM'000	RM'000	RM'000	RM'000
Cash and short term funds				
- ECL, net	(128)	77	(114)	137

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25. Income attributable to depositors

	3 months ended		6 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Group	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
Mudharabah funds	12	34	23	68
Non-Mudharabah funds	261,690	196,124	510,560	373,838
Deposits and placements of banks and other financial institutions:				
Non-Mudharabah funds	5,852	4,978	14,224	6,221
	267,554	201,136	524,807	380,127
Bank	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
Mudharabah funds	12	34	23	68
Non-Mudharabah funds	261,772	196,202	510,739	373,996
Deposits and placements of banks and other financial institutions:				
Non-Mudharabah funds	5,852	4,978	14,224	6,221
	267,636	201,214	524,986	380,285

26. Personnel expenses

	3 months ended		6 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Group	RM'000	RM'000	RM'000	RM'000
Salary and wages	54,945	53,245	109,056	100,890
Contribution to defined contribution plan	11,088	9,424	21,711	18,545
Social security contributions	656	620	1,287	1,226
Allowances and bonuses	12,952	2,575	22,998	11,535
Others	9,537	8,099	19,271	13,530
	89,178	73,963	174,323	145,726

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26. Personnel expenses (cont'd)

	3 months ended		6 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Bank	RM'000	RM'000	RM'000	RM'000
Salary and wages	54,547	52,710	108,254	99,821
Contribution to defined contribution plan	11,030	9,333	21,588	18,364
Social security contributions	656	620	1,287	1,226
Allowances and bonuses	12,943	2,551	22,983	11,488
Others	9,506	8,063	19,227	13,485
	88,682	73,277	173,339	144,384

27. Other overheads and expenditures

	3 months ended		6 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Group	RM'000	RM'000	RM'000	RM'000
Promotion				
Advertisement and publicity	3,692	2,992	8,114	4,536
Others	425	414	960	780
Establishment				
Rental	172	85	258	205
Depreciation of property, plant and equipment	2,296	2,698	4,665	5,362
Depreciation of right-of-use assets	2,861	2,791	5,693	5,540
Amortisation of intangible assets	8,861	8,066	17,994	15,744
Information technology expenses	19,469	14,298	37,440	29,359
Repair and maintenance	1,657	1,235	3,202	2,112
Hire of equipment	1,414	1,967	2,689	3,137
Takaful	3,361	1,092	6,004	3,331
Utilities expenses	2,047	1,437	2,726	2,747
Security expenses	2,574	2,345	4,646	4,491
Others	1,516	1,363	2,748	2,562
General expenses				
Auditors' fees	215	174	337	336
Professional fees	1,076	1,034	2,075	1,543
Legal expenses	30	55	321	84
Telephone	304	332	707	662
Stationery and printing	433	485	899	896
Postage and courier	1,051	800	1,708	1,531
Travelling	339	321	789	550
Directors remuneration and Shariah Committee allowance	1,035	694	2,076	1,425
Others	4,784	3,831	10,464	7,675
	59,612	48,509	116,515	94,608

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27. Other overheads and expenditures (cont'd)

	3 months ended		6 months ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Bank				
Promotion				
Advertisement and publicity	3,694	2,992	8,114	4,536
Others	422	414	957	779
Establishment				
Rental	172	85	258	205
Depreciation of property, plant and equipment	2,312	2,713	4,657	5,354
Depreciation of right-of-use assets	2,861	2,791	5,693	5,540
Amortisation of intangible assets	8,821	8,026	17,954	15,704
Information technology expenses	19,420	14,249	37,342	29,265
Repair and maintenance	1,657	1,235	3,202	2,112
Hire of equipment	1,313	1,882	2,484	2,982
Takaful	3,361	1,092	6,004	3,331
Utilities expenses	2,039	1,428	2,709	2,731
Security expenses	2,574	2,345	4,646	4,491
Others	1,516	1,363	2,748	2,562
General expenses				
Auditors' fees	215	174	337	336
Professional fees	1,059	986	2,035	1,435
Legal expenses	30	55	321	84
Telephone	304	331	707	661
Stationery and printing	427	485	893	895
Postage and courier	1,051	800	1,708	1,531
Travelling	339	321	789	550
Directors remuneration and Shariah Committee allowance	1,022	671	2,050	1,375
Others	5,313	4,187	11,597	8,504
	59,922	48,625	117,205	94,963

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28. Finance cost

	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
Group and Bank	RM'000	RM'000	RM'000	RM'000
Dividend paid- subordinated sukuk	9,545	9,639	19,057	19,164
Financing sold to Cagamas	10,427	9,739	21,245	17,307
Finance cost of lease liabilities	509	470	1,008	922
	20,481	19,848	41,310	37,393

29. Zakat

	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
Group	RM'000	RM'000	RM'000	RM'000
Provision for zakat for the year	792	1,836	2,383	3,010
Under/(over) provision in prior year	-	-	(14)	-
	792	1,836	2,369	3,010

	3 months ended		6 months ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
Bank	RM'000	RM'000	RM'000	RM'000
Provision for zakat for the year	744	1,646	2,278	2,896

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30. Taxation

	3 months ended		6 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Group	RM'000	RM'000	RM'000	RM'000
Current income tax	3,468	6,894	26,483	23,635
	3,468	6,894	26,483	23,635
Deferred tax:				
Relating to origination and reversal of temporary differences	5,116	8,513	(1,389)	3,705
Over provision in prior year	-	548	-	573
	5,116	9,061	(1,389)	4,278
	8,584	15,955	25,094	27,913
	3 months ended	30 June	6 months ended	30 June
	30 June 2024	2023	30 June 2024	2023
Bank	RM'000	RM'000	RM'000	RM'000
Current income tax	3,164	6,486	25,779	22,811
	3,164	6,486	25,779	22,811
Deferred tax:				
Relating to origination and reversal of temporary differences	5,105	9,089	(1,400)	4,281
Relating to (increase)/reduction in Malaysian income tax rate	-	-	-	-
	5,105	9,089	(1,400)	4,281
	8,269	15,575	24,379	27,092

Income tax expense is recognised in each interim period based on the best estimate of the annual income tax rate expected for the full financial year. The effective tax rate for the current interim period was higher than the statutory tax rate principally due to certain expenses incurred during the year are not deductible for tax purposes.

Domestic current income tax is calculated at the statutory tax rate of 24% (31 December 2023: 24%) of the estimated assessable profit for the period.

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31. Credit exposures arising from credit transactions with connected parties

	Group	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Outstanding credit exposures with connected parties (RM'000)	<u>2,690,669</u>	<u>2,485,242</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>6.3%</u>	<u>6.1%</u>
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	<u>-</u>	<u>-</u>
	Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Outstanding credit exposures with connected parties (RM'000)	<u>2,941,059</u>	<u>2,689,309</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>6.8%</u>	<u>6.6%</u>
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	<u>-</u>	<u>-</u>

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transaction and Exposures with Connected Parties, which were issued on 16 July 2014.

Credit transactions and exposures to connected parties as disclosed above includes the extension of credit facilities and/or off-balance sheet credit exposures such as guarantees, trade-related facilities and financing commitments. It also includes holdings of equities and private debt securities issued by the connected parties.

The credit transactions with connected parties mentioned above are all transacted on an arm's length basis and on terms and conditions no more favourable than those entered into with other counterparties with similar circumstances and credit worthiness. Due care has been taken to ensure that the credit worthiness of the connected party is not less than that normally required of other persons.

32. Commitments and contingencies

- (i) In the normal course of business, the Group and 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.

Risk weighted exposures of the Group and the Bank are as follows:

	Group and Bank					
	30 June 2024		Total risk weighted amount RM'000	31 December 2023		
The commitments and contingencies constitute the following:	Principal amount RM'000	Credit equivalent amount RM'000		Principal amount RM'000	Credit equivalent amount RM'000	Total risk weighted amount RM'000
Contingent liabilities						
Direct credit substitutes	511,568	511,568	500,633	491,244	491,244	480,156
Trade-related contingencies	55,479	11,096	2,829	96,919	19,384	1,527
Transaction-related contingencies	431,978	215,989	205,747	413,280	206,640	195,471
Commitments						
Credit extension commitment:						
- Maturity within one (1) year	973,962	194,792	161,231	994,501	198,900	142,547
- Maturity exceeding one (1) year	2,049,693	1,024,847	399,567	1,307,511	653,756	394,962
Other miscellaneous commitments & contingencies	242,375	36,430	27,322	60,040	-	-
Islamic derivative financial instruments						
Foreign exchange related contracts	1,662,190	35,731	28,827	2,287,363	38,933	19,355
	5,927,245	2,030,453	1,326,156	5,650,858	1,608,857	1,234,018

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33. Capital adequacy

(a) Capital Adequacy Framework

- (i) Bank Negara Malaysia ("BNM") had issued on 9 December 2020 the Capital Adequacy Framework for Islamic Banks (Capital Components) on the computation of capital and capital adequacy ratios for Islamic banks. All financial institutions shall hold and maintain at all times, the following minimum capital adequacy ratios:

Common Equity Tier 1 (CET1) Ratio	Tier 1 Capital Ratio	Total Capital Ratio
4.50%	6.00%	8.00%

*In addition, BNM had introduced Capital Conservation Buffer of 2.5% of total risk weighted assets ("RWA") as well as Countercyclical Capital Buffer ranging between 0% - 2.5% of total RWA.

- (ii) Total RWA is calculated as the sum of credit RWA, market RWA, operational RWA and large exposure risk requirements as determined in accordance with Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued by BNM on 3 May 2019 for islamic banks.

Any exposures which are deducted in the calculation of CET1 Capital, Tier 1 Capital and Total Capital is not subjected to any further capital charges in the computation of RWA.

(b) Compliance and Application of Capital Adequacy Ratios

The capital adequacy ratio of the Bank are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Bank (Risk Weighted Assets). The total risk weighted assets are computed based on the following approaches:

- (i) Credit risk under Standardised Approach;
- (ii) Market risk under Standardised Approach; and
- (iii) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirements for CET1, Tier 1, and Total Capital are 4.5%, 6.0% and 8.0% of total RWA.

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33. Capital adequacy (cont'd.)

(c) The capital adequacy ratio of the Group/Bank is as follows:

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Computation of Total Risk				
Weighted Assets ("RWA")				
Total credit RWA	23,550,786	22,739,787	23,538,649	22,729,923
Less: Credit risk absorbed by profit-sharing investment account ("PSIA")	(109,552)	(126,607)	(109,552)	(126,607)
Total market RWA	77,015	77,388	77,015	77,388
Total operational RWA	1,548,850	1,508,264	1,531,121	1,483,198
Total RWA	25,067,099	24,198,832	25,037,233	24,163,902
Computation of Capital Ratio				
<u>Tier-I capital</u>				
Share capital	1,195,000	1,195,000	1,195,000	1,195,000
Retained profits	1,731,292	1,742,374	1,719,682	1,730,764
Other Reserves				
Regulatory reserve	182,897	155,747	182,897	155,747
FVOCI reserve	6,869	(6,966)	6,869	(6,966)
Foreign exchange translation reserve	436	1,591	437	1,592
Regulatory Adjustment				
Deferred tax assets	(41,556)	(42,929)	(41,026)	(42,389)
Investment property gain	(8,363)	(8,363)	(8,363)	(8,363)
Regulatory reserve	(182,897)	(155,747)	(182,897)	(155,747)
Cumulative gains of financing measured at FVTPL	(14,901)	(17,084)	(14,901)	(17,084)
Investment in subsidiaries	-	-	(13,159)	(13,159)
Intangible asset (net of deferred tax liabilities)	(107,242)	(104,651)	(106,997)	(104,365)
Total Common Equity Tier-I Capital	2,757,757	2,758,972	2,733,764	2,735,030
Tier-I Capital				
Perpetual Sukuk	350,000	350,000	350,000	350,000
Total Tier-I Capital	3,107,757	3,108,972	3,083,764	3,085,030
<u>Tier-II capital</u>				
Subordinated sukuk	800,000	800,000	800,000	800,000
Loss provision and regulatory reserve*	294,233	284,124	294,233	284,124
Add: Investment property gain	3,763	3,763	3,763	3,763
Total Tier-II Capital	1,097,996	1,087,887	1,097,996	1,087,887
Total Capital Base	4,205,753	4,196,859	4,181,760	4,172,917
Ratio (%)				
CET 1 Capital	11.001%	11.401%	10.919%	11.319%
Tier 1 Capital	12.398%	12.848%	12.317%	12.767%
Total Capital	16.778%	17.343%	16.702%	17.269%

* Tier 2 Capital comprise collective allowance on non-impaired financing customers and regulatory reserve.

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33. Capital adequacy (cont'd.)

The current year's core capital ratios and risk-weighted capital ratios were computed using reported amounts which form part of the current year financial statements that have been prepared in accordance with MFRS.

(b) Credit risk disclosure by risk weights of the Group are as follows:

	Group			
	30 June 2024 RM'000			31 December 2023 RM'000
	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
0%	13,080,544	-	12,045,012	-
20%	2,838,670	567,734	2,414,622	482,924
35%	3,793,534	1,327,737	3,749,471	1,312,315
50%	1,338,733	669,367	1,239,287	619,644
75%	4,053,276	3,039,957	3,706,671	2,780,003
100%	17,790,204	17,790,204	17,402,222	17,402,222
150%	103,859	155,787	95,120	142,679
Risk weighted assets for credit risk	42,998,820	23,550,786	40,652,405	22,739,787
Less: Credit risk absorbed by PSIA		(109,552)		(126,607)
Risk weighted assets for market risk		77,015		77,388
Risk weighted assets for operational risk		1,548,850		1,508,264
Total risk weighted assets		25,067,099		24,198,832

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33. Capital adequacy (cont'd.)

(b) Credit risk disclosure by risk weights of the Bank are as follows:

	Bank			
	30 June 2024 RM'000			31 December 2023 RM'000
	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000	Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
0%	13,080,544	-	12,045,012	-
20%	2,838,670	567,734	2,414,622	482,924
35%	3,793,534	1,327,737	3,749,471	1,312,315
50%	1,338,733	669,367	1,239,287	619,644
75%	4,053,276	3,039,957	3,706,671	2,780,003
100%	17,786,744	17,786,744	17,398,736	17,398,736
150%	98,073	147,110	90,867	136,301
Risk weighted assets for credit risk	42,989,574	23,538,649	40,644,666	22,729,923
Less: Credit risk absorbed by PSIA		(109,552)		(126,607)
Risk weighted assets for market risk		77,015		77,388
Risk weighted assets for operational risk		1,531,121		1,483,198
Total risk weighted assets		25,037,233		24,163,902

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34. Fair values of financial instruments

(a) Financial instruments measured at fair value

Determination of fair value and the fair value hierarchy

MFRS 7 Financial Instruments: Disclosures require the classification of financial instruments held at fair value according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. The following levels of hierarchy are used for determining and disclosing the fair value of financial instruments:

Level 1 - quoted market prices: quoted prices (unadjusted) in active markets for identical instruments;

Level 2 - valuation techniques based on observable inputs: inputs other than quoted prices included within Level 1 that are observable for the instrument, whether directly (i.e. prices) or indirectly (i.e. derived from prices), are used; and

Level 3 - valuation techniques using significant unobservable inputs: inputs used are not based on observable market data and the unobservable inputs have a significant impact on the instrument's valuation.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length. Valuation techniques used incorporate assumptions regarding discount rates, profit rate yield curves, estimates of future cash flows and other factors. Changes in these assumptions could materially affect the fair values derived. The Bank generally uses widely recognised valuation techniques with market observable inputs for the determination of fair value, which require minimal management judgement and estimation, due to the low complexity of the financial instruments held.

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34. Fair values of financial instruments (cont'd.)

(a) Financial instruments measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

The following Table shows the financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

Group	Quoted Market Price Level 1 RM'000	Valuation technique using		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
Non-financial assets				
Investment properties	-	-	56,756	56,756
Financial assets				
Financial investments designated at fair value through profit and loss	7,274	5,052	24,169	36,495
Financial investments fair value through other comprehensive income	129,168	6,683,742	96,178	6,909,088
Derivative financial assets	-	7,815	-	7,815
Total financial assets measured at fair value	136,442	6,696,609	120,347	6,953,398
Financial liabilities				
Derivative financial liabilities	-	2,590	-	2,590
Total financial liabilities measured at fair value	-	2,590	-	2,590

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34. Fair values of financial instruments (cont'd.)

(a) Financial instruments measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

Group (cont'd.)	Quoted Market Price Level 1 RM'000	Valuation technique using		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
31 December 2023				
Non-financial assets				
Investment properties	-	-	56,756	56,756
Financial assets				
Financial investments designated at fair value through profit or loss	6,585	5,112	22,010	33,707
Financial investments at FVOCI	75,381	6,322,200	107,885	6,505,466
Derivative financial assets	-	12,819	-	12,819
Total financial assets measured at fair value	81,966	6,340,131	129,895	6,551,992
Financial liabilities				
Derivative financial liabilities	-	21,519	-	21,519
Total financial liabilities measured at fair value	-	21,519	-	21,519

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34. Fair values of financial instruments (cont'd.)

(a) Financial instruments measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

Bank	Quoted Market Price Level 1 RM'000	Valuation technique using		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
30 June 2024				
Non-financial assets				
Investment properties	-	-	56,756	56,756
Financial assets				
Financial investments designated at fair value through profit and loss	4,629	5,052	24,169	33,850
Financial investments fair value through other comprehensive income	129,168	6,683,742	96,178	6,909,088
Derivative financial assets	-	7,815	-	7,815
Total financial assets measured at fair value	133,797	6,696,609	120,347	6,950,753
Financial liabilities				
Derivative financial liabilities	-	2,590	-	2,590
Total financial liabilities measured at fair value	-	2,590	-	2,590

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34. Fair values of financial instruments (cont'd.)

(a) Financial instruments measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

Bank (cont'd.)	Quoted Market Price Level 1 RM'000	Valuation technique using		Total RM'000
		Observable Inputs Level 2 RM'000	Unobservable Inputs Level 3 RM'000	
31 December 2023				
Non-financial assets				
Investment properties	-	-	56,756	56,756
Financial assets				
Financial investments designated at fair value through profit and loss	3,974	5,112	22,010	31,096
Financial investments at FVOCI	75,381	6,322,200	107,885	6,505,466
Derivative financial assets	-	12,819	-	12,819
Total financial assets measured at fair value	79,355	6,340,131	129,895	6,549,381
Financial liabilities				
Derivative financial liabilities	-	21,519	-	21,519
Total financial liabilities measured at fair value	-	21,519	-	21,519

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34. Fair values of financial instruments (cont'd.)

(a) Financial instruments measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

Reconciliation of financing assets at fair value measurements in Level 3 of the fair value hierarchy:

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
At 1 January 2024 / 2023	129,895	321,240	129,895	321,240
Gain recognised in profit or loss	2,159	135	2,159	135
Loss recognised in other comprehensive income	6,426	(35,570)	6,426	(35,570)
Disposal	-	(152,052)	-	(152,052)
Sales/ redeemed	(20,991)	(10,014)	(20,991)	(10,014)
Foreign exchange translation difference	2,858	6,156	2,858	6,156
At 30 June 2024/ 31 December 2023	120,347	129,895	120,347	129,895

	Group and Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Total gain recognised in statements of profit or loss for financial instruments measured at fair value at the end of the financial period	2,159	135

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35. Segment information

(a) Business segments

The Bank is organised into three (3) major business segments:

- (i) Business banking - this segment comprises the full range of products and services offered to business customers in the region, ranging from large corporates and the public sector and also commercial enterprises. The products and services offered include long-term financing such as project financing, short-term credit (e.g. Muamalat Cashline and trade financing), and fee-based services (e.g. cash management).
- (ii) Consumer banking - this segment comprises the full range of products and services offered to individual customers in Malaysia, including savings accounts, current accounts, fixed term accounts, remittance services, internet banking services, cash management services, consumer financing such as mortgage financing, personal financing, hire purchases financing, micro financing, wealth management and bancatakaful products.
- (iii) Treasury and investment banking - this segment comprises the full range of products and services relating to treasury activities and services, including foreign exchange, money market, derivatives and trading of capital market securities.

Investment banking focuses on business needs of mainly large corporate customers and financial institutions, which include corporate advisory services, bond issuances, Initial Public Offerings ("IPOs") and debt restructuring advisory services. It also explores investment opportunities via private equity investments for the Bank.

Other business segments include rental services, none of which is of sufficient size to be reported separately.

Group	Business banking	Consumer banking	Investment banking and		Total
			Treasury	Others	
30 June 2024	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	213,565	656,989	166,679	4,698	1,041,931
Total income	76,609	249,711	929	189,770	517,019
Allowance for impairment on financing	(38,087)	(32,493)	-	-	(70,580)
Allowance for impairment losses on investments	-	-	(1,629)	-	(1,629)
Writeback of impairment on other financial assets, net	-	-	114	-	114
Other expenses	-	-	-	(17,177)	(17,177)
Total net income	38,522	217,218	(586)	172,593	427,747
Total overhead expenses					(332,148)
Profit before zakat and taxation					95,599
Zakat					(2,369)
Taxation					(25,094)
Profit for the period					68,136

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35. Segment information (cont'd.)

(a) Business segments (cont'd.)

Group	Business	Consumer	Investment		Total
30 June 2023	banking	banking	Treasury	banking and	Others
	RM'000	RM'000	RM'000	Others	RM'000
Revenue	183,556	511,053	118,006	9,348	821,963
Total income	91,401	216,284	24,370	109,662	441,717
Writeback of/(Allowance for) impairment on financing	1,114	(37,210)	1,230	-	(34,866)
Allowance for impairment losses on investments	-	-	(37)	-	(37)
Allowance for impairment on other financial assets, net	-	-	(137)	-	(137)
Other expenses	-	-	-	(17,780)	(17,780)
Total net income	92,515	179,074	25,426	91,882	388,897
Total overhead expenses					(277,727)
Profit before zakat and taxation					111,170
Zakat					(3,010)
Taxation					(27,913)
Profit for the period					80,247

Bank	Business	Consumer	Investment		Total
30 June 2024	banking	banking	Treasury	banking and	Others
	RM'000	RM'000	RM'000	Others	RM'000
Revenue	213,565	656,989	166,679	3,513	1,040,746
Total Income	76,609	249,711	929	188,406	515,655
Allowance for impairment on financing	(38,087)	(32,493)	-	-	(70,580)
Allowance for impairment losses on investments	-	-	(1,629)	-	(1,629)
Writeback of impairment on other financial assets, net	-	-	114	-	114
Other expenses	-	-	-	(17,177)	(17,177)
Total net income	38,522	217,218	(586)	171,229	426,383
Total overhead expenses					(331,854)
Profit before zakat and taxation					94,529
Zakat					(2,278)
Taxation					(24,379)
Profit for the period					67,872

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35. Segment information (cont'd.)

(a) Business segments (cont'd.)

Bank 30 June 2023	Business banking RM'000	Consumer banking RM'000	Treasury RM'000	Investment banking and Others RM'000	Total RM'000
Revenue	183,556	511,053	121,848	9,348	825,805
Total Income	91,401	216,284	28,054	109,662	445,401
Writeback of/(Allowance for) impairment on financing	1,114	(37,210)	1,230	-	(34,866)
Allowance for impairment losses on investments	-	-	(37)	-	(37)
Allowance for impairment on other financial assets, net	-	-	(137)	-	(137)
Other expenses	-	-	-	(17,780)	(17,780)
Total net income	92,515	179,074	29,110	91,882	392,581
Total overhead expenses					(276,740)
Profit before zakat and taxation					115,841
Zakat					(2,896)
Taxation					(27,092)
Profit for the period					85,853

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36. Performance review and outlook

Key Profit or Loss Items:	Group 6 months ended			
	30 June 2024 RM'000	30 June 2023 RM'000	Variance	
			RM'000	%
Revenue	1,041,931	821,963	219,968	26.8
Income attributable to depositors	(524,807)	(380,127)	(144,680)	38.1
Net Income	427,747	388,897	38,850	10.0
Profit Before Zakat and Tax ("PBZT")	95,599	111,170	(15,571)	(14.0)
Profit After Zakat and Tax ("PAZT")	68,136	80,247	(12,111)	(15.1)

For the six (6) months period ended 30 June 2024, the Group recorded a profit before zakat and taxation of RM95.6 million, lower by 14.0% as compared to the RM111.2 million recorded in the previous corresponding period.

During the period under review, the revenue grew 26.8% to RM1.0 billion mainly due to higher financing income of RM165.8 million, due to increase in total financing of customers and higher dividend income from financial securities by RM31.1 million. Despite this growth, the Group also sees its income attributable to depositors and investment account holders increase by RM144.7 million or 38.1% due to high deposit market rate environment causing margin compression. Allowance for impairment losses was higher by RM32.7 million consistent with the increasing trend of credit cost across the banking industries.

Total Group assets grew by 4.9% to RM41.0 billion, as compared to RM39.1 billion as at the financial year end closing in December 2023. This was mainly contributed by the positive growth in total gross financing of customers by RM2.2 billion (7.9%). Total deposits from customers recorded an increase of 4.6% in tandem with increase in total assets.

The Group's capital ratios remained stable with CET 1, Tier 1 and Total Capital Ratio stood at 11.001%, 12.398% and 16.778% respectively.

Economic review and outlook in the 2H2024

Malaysian economy continues to experience improving growth, with GDP rising to 4.2% compared to 2.9% in the previous quarter. This acceleration was driven primarily by strong domestic demand, which grew by 6.1% (up from 4.9% in Q4 2023). Investment played a key role in this surge, with both private and public investments increasing by 9.2% (from 4.0% in Q4 2023) and 11.5% (up from 11.3% in Q4 2023), respectively. The boost in investment was largely due to the implementation of infrastructure projects and the construction of residential properties, leading to notable gains in Structures and Machinery & Equipment, which grew by 10.7% (from 4.2% in Q4 2023) and 9.2% (compared to 9.7% in Q4 2023), respectively, during the quarter.

Between January and June, the government introduced several policy reforms. A major change was the rationalization of diesel subsidies, which led to a significant increase in diesel prices at the pump from RM2.15 per litre to RM3.35 per litre, effective June 10. This measure is expected to save the government up to RM4.1 billion, which can be redirected towards enhancing cash transfer programs and investing in productive sectors such as education, healthcare, and infrastructure. Additionally, in March, the government raised the service tax rate from 6% to 8%. Earlier, on January 1, 2024, a Low Value Goods tax was introduced at a rate of 10%.

Amid this backdrop, the Malaysian economy is projected to grow between 4.0% and 5.0%. The government's ability to spend has been bolstered by their commitment to implementing economic reforms. Concurrently, Bank Negara Malaysia's (BNM) monetary policy is expected to remain supportive of the economy, with the Overnight Policy Rate (OPR) likely to stay unchanged at 3.00% throughout the year.