

**RHB ISLAMIC BANK BERHAD**  
**(Incorporated in Malaysia)**  
**Registration No. 200501003283 (680329-V)**

**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2025**

	Note	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
<b>ASSETS</b>			
Cash and short-term funds		2,326,683	1,221,961
Securities purchased under resale agreements	9	2,771,043	2,698,958
Deposits and placements with banks and other financial institutions	10	-	224,224
Financial assets at fair value through profit or loss ('FVTPL')	11	627,456	135,168
Financial assets at fair value through other comprehensive income ('FVOCI')	12	7,457,067	7,828,798
Financial investments at amortised cost	13	11,180,236	9,920,794
Financing and advances	14	92,090,890	90,125,549
Other assets	15	239,976	151,993
Derivative assets		248,339	602,317
Statutory deposits		1,682,000	1,582,000
Deferred tax assets		74,510	83,650
Right-of-use assets		861	1,070
Property, plant and equipment		4,349	4,739
Intangible assets		4,712	4,565
<b>TOTAL ASSETS</b>		<b>118,708,122</b>	<b>114,585,786</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	16	90,829,026	88,606,492
Deposits and placements of banks and other financial institutions	17	9,062,696	7,573,936
Investment accounts	18	5,740,717	5,899,679
Bills and acceptances payable		1,610	2,705
Other liabilities	19	2,063,084	2,308,882
Derivative liabilities		255,641	444,374
Recourse obligation on financing sold to Cagamas Berhad ('Cagamas')		2,214,847	1,204,334
Provision for taxation and zakat		65,501	63,237
Lease liabilities		871	1,080
Borrowings		779,909	786,022
Subordinated obligations		765,647	757,152
<b>TOTAL LIABILITIES</b>		<b>111,779,549</b>	<b>107,647,893</b>
Share capital		1,673,424	1,673,424
Reserves		5,255,149	5,264,469
<b>TOTAL EQUITY</b>		<b>6,928,573</b>	<b>6,937,893</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>118,708,122</b>	<b>114,585,786</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	28	<b>65,888,781</b>	<b>63,432,984</b>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2024.

**RHB ISLAMIC BANK BERHAD**  
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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENT**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2025**

	Note	<b><u>Three Months Ended</u></b>	
		<b><u>31 March 2025</u></b>	<b><u>31 March 2024</u></b>
		<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds	20	<b>1,232,530</b>	1,119,668
Income derived from investment of investment account funds	21	<b>81,916</b>	82,998
Income derived from investment of shareholders' funds	22	<b>105,941</b>	101,912
Allowance for credit losses on financial assets	23	<b>(53,783)</b>	(54,975)
Total distributable income		<b>1,366,604</b>	1,249,603
Income attributable to depositors	24	<b>(852,356)</b>	(771,101)
Profit distributed to investment account holders		<b>(53,736)</b>	(62,565)
		<b>460,512</b>	415,937
Personnel expenses	25	<b>(6,868)</b>	(4,323)
Other overheads and expenditures	26	<b>(211,149)</b>	(162,646)
Profit before taxation and zakat		<b>242,495</b>	248,968
Taxation and zakat		<b>(60,831)</b>	(62,525)
Net profit for the financial period		<b>181,664</b>	186,443
Basic earnings per share (sen)	27	<b>10.86</b>	11.14

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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2025**

	<b><u>Three Months Ended</u></b>	
	<b><u>31 March 2025</u></b>	<b><u>31 March 2024</u></b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
Net profit for the financial period	<b><u>181,664</u></b>	<u>186,443</u>
Other comprehensive income/(loss) in respect of:		
Items that will be reclassified subsequently to profit or loss:		
Debt instruments measured at FVOCI:		
- Unrealised net gain on revaluation	<b>41,357</b>	17,980
- Net transfer to income statement on disposal	<b>(6,678)</b>	(11,054)
- Changes in expected credit losses	<b>(89)</b>	(409)
Income tax relating to components of other comprehensive income	<b><u>(8,323)</u></b>	<u>(1,662)</u>
Other comprehensive income, net of tax, for the financial period	<b><u>26,267</u></b>	<u>4,855</u>
Total comprehensive income for the financial period	<b><u>207,931</u></b>	<u>191,298</u>

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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2025**

	Non distributable			Capital contribution by holding company	Distributable	
	Share capital	FVOCI reserve	Regulatory reserve	by holding company	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2025</b>	<b>1,673,424</b>	<b>(36,943)</b>	<b>533,757</b>	<b>1,775</b>	<b>4,765,880</b>	<b>6,937,893</b>
Net profit for the financial period	-	-	-	-	181,664	181,664
Other comprehensive income/(loss):						
Debt instruments measured at FVOCI:						
- Unrealised net gain on revaluation	-	41,357	-	-	-	41,357
- Net transfer to income statement on disposal	-	(6,678)	-	-	-	(6,678)
- Changes in expected credit losses	-	(89)	-	-	-	(89)
Income tax relating to components of other comprehensive income	-	(8,323)	-	-	-	(8,323)
Other comprehensive income, net of tax, for the financial period	-	26,267	-	-	-	26,267
Total comprehensive income for the financial period	-	26,267	-	-	181,664	207,931
Dividend paid	-	-	-	-	(217,545)	(217,545)
Share-based payment expenses	-	-	-	294	-	294
Transfer to regulatory reserve	-	-	28,182	-	(28,182)	-
<b>Balance as at 31 March 2025</b>	<b>1,673,424</b>	<b>(10,676)</b>	<b>561,939</b>	<b>2,069</b>	<b>4,701,817</b>	<b>6,928,573</b>

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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2025**

	Non distributable			Capital contribution by holding company	Distributable	
	Share capital	FVOCI reserve	Regulatory reserve	by holding company	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2024</b>	1,673,424	(36,175)	640,210	798	4,201,068	6,479,325
Net profit for the financial period	-	-	-	-	186,443	186,443
Other comprehensive income/(loss):						
Debt instruments measured at FVOCI:						
- Unrealised net gain on revaluation	-	17,980	-	-	-	17,980
- Net transfer to income statement on disposal	-	(11,054)	-	-	-	(11,054)
- Changes in expected credit losses	-	(409)	-	-	-	(409)
Income tax relating to components of other comprehensive income	-	(1,662)	-	-	-	(1,662)
Other comprehensive income, net of tax, for the financial period	-	4,855	-	-	-	4,855
Total comprehensive income for the financial period	-	4,855	-	-	186,443	191,298
Dividend paid	-	-	-	-	(217,545)	(217,545)
Share-based payment expenses	-	-	-	194	-	194
Transfer to regulatory reserve	-	-	6,822	-	(6,822)	-
<b>Balance as at 31 March 2024</b>	<b>1,673,424</b>	<b>(31,320)</b>	<b>647,032</b>	<b>992</b>	<b>4,163,144</b>	<b>6,453,272</b>

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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2025**

	<b><u>Three Months Ended</u></b>	
	<b><u>31 March 2025</u></b>	<b><u>31 March 2024</u></b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation and zakat	242,495	248,968
Adjustments for non-cash items	(121,699)	(42,523)
Operating profit before changes in working capital	120,796	206,445
Changes in working capital:		
Net changes in operating assets	(1,512,040)	(846,474)
Net changes generated from/(used in) operating liabilities	4,129,945	(851,978)
Cash generated from/(used in) operations	2,738,701	(1,492,007)
Profit paid	(10,309)	(13,239)
Net tax and zakat paid	(57,750)	(49,582)
Net cash generated from/(used in) operating activities	2,670,642	(1,554,828)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment:		
- Purchase	(10)	(920)
Intangible assets:		
- Purchase	(430)	(62)
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(825,831)	(311,881)
Investment income received from financial assets at FVOCI and financial investments at amortised cost	147,121	93,508
Net cash used in investing activities	(679,150)	(219,355)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal lease payment	(209)	(252)
Dividend paid	(217,545)	(217,545)
Net cash used in financing activities	(217,754)	(217,797)
Net increase/(decrease) in cash and cash equivalents	1,773,738	(1,991,980)
Cash and cash equivalents at the beginning of the financial period	552,945	5,801,534
Cash and cash equivalents at the end of the financial period	2,326,683	3,809,554
Cash and cash equivalents comprise the following:		
- Cash and short-term funds	2,326,683	3,809,554
- Deposits and placements with banks and other financial institutions	-	-
	2,326,683	3,809,554
Less:		
- Cash and short-term funds and deposits and placements with banks and Other financial institutions with original maturity of more than one month	-	-
	2,326,683	3,809,554

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2025**

**1 BASIS OF PREPARATION**

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standard ('MFRS') 134, 'Interim Financial Reporting' issued by Malaysian Accounting Standards Board ('MASB') and should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2024.

The accounting policies and presentation adopted by the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2024, except for the adoption of the following accounting standards, annual improvements and amendments to MFRS which are effective and applicable for the Bank for financial period beginning on or after 1 January 2025 during the current financial period:

- Amendments to MFRS 121 'Lack of Exchangeability'

The adoption of the above amendments do not give rise to any material financial impact to the Bank.

**2 AUDITORS' REPORT**

The auditors' report for the financial year ended 31 December 2024 was not subject to any qualification.

**3 SEASONAL OR CYCLICAL ITEMS**

The business operations of the Bank have not been affected by any material seasonal or cyclical factors.

**4 EXCEPTIONAL OR UNUSUAL ITEMS**

There were no exceptional or unusual items for the three months ended 31 March 2025.

**5 CHANGES IN ESTIMATES**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect for the three months ended 31 March 2025.

**6 CHANGES IN DEBT AND EQUITY SECURITIES**

There were no issuances and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the three months ended 31 March 2025.

**7 DIVIDEND PAID**

During the three months ended 31 March 2025, the Bank has paid a second single-tier interim dividend of 13.0 sen per share in respect of the financial year ended 31 December 2024, amounting to RM217,545,000 on 26 March 2025.

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**8 INVESTMENT ACCOUNTS ('IA')**

IA is defined by the application of Shariah contracts as investment with non-principal guaranteed feature. Under the Islamic Financial Services Act 2013, the priority payment for IA upon liquidation of Islamic Financial Institution ('IFI') is treated separately from Islamic deposit, in accordance with the rights and obligations accrued to the investment account holders. IA is further categorised to Restricted Investment Account ('RA') and Unrestricted Investment Account ('UA').

RA refers to a type of investment account where the Investment Account Holder ('IAH') provides a specific investment mandate to the IFI such as purpose, asset class, economic sector and period for investment, while UA refers to a type of investment account where the IAH provides the IFI with the mandate to make the ultimate investment decision without specifying any particular restrictions or conditions.

IA are contracts based on the Shariah concept below:

- Mudharabah between two parties, customer and the Bank, to finance a business venture where the customer provides capital and the business venture is managed solely by the Bank. The profit of the business venture will be shared based on pre-agreed ratios with the Bank as Mudharib (manager or manager of funds), and losses shall be borne solely by customers.
- Wakalah Bi Al-Istithmar refers to a contract where a party (muwakkil) appoints another party as his agent (wakil) to perform a particular task, in matters that may be delegated, either voluntarily or with imposition of a fee. The fee shall be recognised based on agreement. Profit generated/losses incurred is based on net distributable income calculated. Net distributable income is derived after deducting Wakalah fee, direct expenses and provisions (if any). Losses (if any) will solely be borne by the investors unless such losses is due to the Bank's misconduct, negligence or breach of specified terms in the contract between the investors and the Bank.
- Details of the IA are as disclosed in Note 18.

**9 SECURITIES PURCHASED UNDER RESALE AGREEMENTS**

	<b>As at</b> <b>31 March 2025</b>	<b>As at</b> <b>31 December 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
Malaysian Government Investment Issues	<b>1,147,118</b>	967,507
Corporate sukuk	<b>1,623,925</b>	1,731,451
	<b>2,771,043</b>	2,698,958

**10 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<b>As at</b> <b>31 March 2025</b>	<b>As at</b> <b>31 December 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed Islamic banks	<b>-</b>	224,224



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

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
<b>Mandatory measured at fair value</b>		
<u>Money market instruments:</u>		
Malaysian Government Investment Issues	<b>627,456</b>	135,168

**12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ('FVOCI')**

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
<b>At fair value</b>		
Debt instruments	<b>7,457,067</b>	7,828,798
<u>Money market instruments:</u>		
Malaysian Government Investment Issues	<b>3,274,762</b>	3,448,824
Islamic Cagamas bonds	<b>506,914</b>	559,401
<u>Unquoted securities:</u>		
<u>In Malaysia</u>		
Corporate sukuk	<b>3,675,391</b>	3,820,573
	<b>7,457,067</b>	7,828,798

(a) Movement in allowance for credit losses recognised in FVOCI reserve

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<b>31 March 2025</b>				
Balance as at the beginning of the financial period	1,628	-	-	1,628
Changes in credit risk	(64)	-	-	(64)
Purchases and origination	87	-	-	87
Derecognition and disposal	(112)	-	-	(112)
Balance as at the end of the financial period	<b>1,539</b>	-	-	<b>1,539</b>
<b>31 December 2024</b>				
Balance as at the beginning of the financial year	2,157	-	-	2,157
Changes in credit risk	(315)	-	-	(315)
Purchases and origination	450	-	-	450
Derecognition and disposal	(664)	-	-	(664)
Balance as at the end of the financial year	<b>1,628</b>	-	-	<b>1,628</b>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
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**13 FINANCIAL INVESTMENTS AT AMORTISED COST**

	As at <b>31 March 2025</b> RM'000	As at 31 December 2024 RM'000
<b>At amortised cost</b>		
<u>Money market instruments:</u>		
Malaysian Government Investment Issues	2,603,140	2,005,330
Islamic Cagamas bonds	470,655	466,251
Islamic Khazanah bonds	43,868	43,414
<u>Unquoted securities:</u>		
<u>In Malaysia</u>		
Corporate sukuk	8,046,544	7,385,310
<u>Outside Malaysia</u>		
Corporate sukuk	30,808	30,408
	<b>11,195,015</b>	9,930,713
Fair value changes arising from fair value hedge	(1,504)	(2,458)
	<b>11,193,511</b>	9,928,255
Allowance for credit losses	(13,275)	(7,461)
	<b>11,180,236</b>	9,920,794

Included in financial investments at amortised cost are exposures to RA as part of arrangement between the Bank and its holding company, RHB Bank Berhad ('RHB Bank') and other investors ('the investors').

Gross exposure to RA financing as at 31 March 2025 is RM1,430,951,000 (31 December 2024: RM1,423,014,000), of which RM973,022,000 (31 December 2024: RM973,023,000) is funded by RHB Bank.

The portfolio expected credit losses for financial investments at amortised cost relating to RA is borne solely by RHB Bank and the investors and the amount recognised in the financial statements of RHB Bank is RM534,535,000 as at 31 March 2025 (31 December 2024: RM534,533,000).

**(a) Movement in credit impaired financial investments at amortised cost**

	As at <b>31 March 2025</b> RM'000	As at 31 December 2024 RM'000
Balance as at the beginning of the financial period/year	1,304,191	1,235,225
Purchases and origination	17,795	68,966
Balance as at the end of the financial period/year	<b>1,321,986</b>	1,304,191

The credit impaired financial investments at amortised cost relate to certain exposures to RA, of which exposure with RHB Bank and the investor amounted to RM740,022,000 and RM457,929,000 (31 December 2024: RM740,022,000 and RM449,991,000) respectively.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2025**

13 FINANCIAL INVESTMENTS AT AMORTISED COST (CONTINUED)

(b) Movement in allowance for credit losses

	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
<b>31 March 2025</b>				
Balance as at the beginning of the financial period	7,461	-	-	7,461
Transferred to lifetime ECL not credit impaired (Stage 2)	(60)	60	-	-
Changes in credit risk	162	4,860	-	5,022
Purchases and origination	317	493	-	810
Derecognition and disposal	(18)	-	-	(18)
Balance as at the end of the financial period	<u>7,862</u>	<u>5,413</u>	<u>-</u>	<u>13,275</u>
<b>31 December 2024</b>				
Balance as at the beginning of the financial year	5,514	-	-	5,514
Changes in credit risk	1,182	-	-	1,182
Purchases and origination	2,056	-	-	2,056
Derecognition and disposal	(1,291)	-	-	(1,291)
Balance as at the end of the financial year	<u>7,461</u>	<u>-</u>	<u>-</u>	<u>7,461</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2025**

14 FINANCING AND ADVANCES

<b>31 March 2025</b>	<b>Bai'</b>						
	<b>Bithaman</b>						
	<b>Ajil ('BBA')</b>	<b>Ijarah *</b>	<b>Murabahah</b>	<b>Musyarakah</b>	<b>Qard</b>	<b>Others</b>	<b>Total</b>
<b>At amortised cost</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cashline	-	-	1,653,573	-	26,453	-	1,680,026
Term financing:							
- Housing financing	169,966	-	21,494,924	16,568,362	-	579	38,233,831
- Syndicated term financing	-	-	2,098,570	-	-	-	2,098,570
- Hire purchase receivables	-	12,324,112	-	-	-	-	12,324,112
- Other term financing	99	91,019	32,827,772	-	-	10	32,918,900
Bills receivables	-	-	2,234,285	-	-	-	2,234,285
Trust receipts	-	-	41,264	-	-	-	41,264
Claims on customers under acceptance credits	-	-	34,475	-	-	-	34,475
Share margin financing	-	-	35,872	-	-	-	35,872
Staff financing	509	-	29,347	-	-	-	29,856
Credit/charge card receivables	-	-	-	-	-	465,094	465,094
Revolving financing	-	-	2,669,490	-	-	-	2,669,490
Gross financing and advances	170,574	12,415,131	63,119,572	16,568,362	26,453	465,683	92,765,775
Fair value changes arising from fair value hedge							(36,216)
							92,729,559
Allowance for credit losses							(638,669)
Net financing and advances							92,090,890

\* The Bank is the owner of the assets throughout the tenure of the Ijarah financing. The ownership of the assets will be transferred to the customers via sale at the end of the Ijarah financing.

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14 FINANCING AND ADVANCES (CONTINUED)

<b>31 December 2024</b>	<b>Bai'</b>						
	<b>Bithaman</b>						
	<b>Ajil ('BBA')</b>	<b>Ijarah *</b>	<b>Murabahah</b>	<b>Musyarakah</b>	<b>Qard</b>	<b>Others</b>	<b>Total</b>
<b>At amortised cost</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cashline	-	-	1,577,552	-	32,880	-	1,610,432
Term financing:							
- Housing financing	176,958	-	20,905,321	16,110,327	-	539	37,193,145
- Syndicated term financing	-	-	2,203,832	-	-	-	2,203,832
- Hire purchase receivables	-	12,063,031	-	-	-	-	12,063,031
- Other term financing	99	90,397	32,320,488	-	-	10	32,410,994
Bills receivables	-	-	1,540,862	-	-	-	1,540,862
Trust receipts	-	-	41,318	-	-	-	41,318
Claims on customers under acceptance credits	-	-	412,398	-	-	-	412,398
Share margin financing	-	-	21,803	-	-	-	21,803
Staff financing	532	-	27,448	-	-	-	27,980
Credit/charge card receivables	-	-	-	-	-	451,784	451,784
Revolving financing	-	-	2,812,480	-	-	-	2,812,480
Gross financing and advances	177,589	12,153,428	61,863,502	16,110,327	32,880	452,333	90,790,059
Fair value changes arising from fair value hedge							(41,775)
							90,748,284
Allowance for credit losses							(622,735)
Net financing and advances							90,125,549

\* The Bank is the owner of the assets throughout the tenure of the Ijarah financing. The ownership of the assets will be transferred to the customers via sale at the end of the Ijarah financing.

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**14 FINANCING AND ADVANCES (CONTINUED)**

- (a) Included in financing and advances are exposures to RA and UA as part of arrangement between the Bank and its holding company, RHB Bank and other investors ('the investors').

As at 31 March 2025, gross exposure to RA financing funded by RHB Bank is RM3,545,443,000 (31 December 2024: RM3,559,192,000) and gross exposure to UA financing funded by the investors is RM509,000,000 (31 December 2024: RM685,100,000).

The portfolio expected credit losses for financing and advances relating to RA and UA is borne solely by RHB Bank and the investors and the amount recognised in the financial statements of RHB Bank is RM9,494,000 as at 31 March 2025 (31 December 2024: RM8,485,000).

- (b) Included in term financing is housing financing sold to Cagamas amounting to RM2,145,815,000 as at 31 March 2025 (31 December 2024: RM1,167,827,000).

- (c) Movement of Qard financing

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
Balance as at the beginning of the financial period/year	32,880	40,286
New disbursement	11,324	25,610
Repayment	(17,751)	(33,016)
Balance as at the end of the financial period/year	<u>26,453</u>	<u>32,880</u>
Sources of Qard fund:		
- Depositors' fund	<u>26,453</u>	<u>32,880</u>
Uses of Qard fund:		
- Personal use	296	342
- Business purpose	26,157	32,538
	<u>26,453</u>	<u>32,880</u>

- (i) By type of customer

Domestic non-bank financial institutions	2,117,465	2,023,207
Domestic business enterprises:		
- Small and medium enterprises	10,798,088	10,370,679
- Others	10,251,783	10,608,539
Government and statutory bodies	6,867,076	6,868,830
Individuals	61,827,152	60,031,201
Other domestic entities	111,277	111,573
Foreign entities	792,934	776,030
	<u>92,765,775</u>	<u>90,790,059</u>

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14 FINANCING AND ADVANCES (CONTINUED)

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
(ii) By profit rate sensitivity		
Fixed rate:		
- Housing financing	29,347	27,448
- Hire-purchase receivables	171,714	190,269
- Other fixed rate financing	10,190,609	10,220,725
Variable rate:		
- Base financing rate-plus	69,425,104	66,722,057
- Cost-plus	12,949,001	13,629,560
	<u>92,765,775</u>	<u>90,790,059</u>
(iii) By economic sector		
Agriculture, hunting, forestry and fishing	1,734,535	1,777,543
Mining and quarrying	103,224	103,731
Manufacturing	3,050,648	2,954,530
Electricity, gas and water	223,036	222,392
Construction	3,436,612	3,663,746
Wholesale and retail trade and restaurant and hotel	4,895,283	4,815,320
Transport, storage and communication	2,423,063	2,468,511
Finance, insurance, real estate and business services	7,526,585	7,253,112
Education, health and others	7,169,703	7,131,013
Household sector	62,203,086	60,400,161
	<u>92,765,775</u>	<u>90,790,059</u>
(iv) By purpose		
Purchase of securities	5,604,061	5,341,379
Purchase of transport vehicles	12,334,821	12,073,179
Purchase of landed property:		
- Residential	36,836,556	35,804,145
- Non-residential	5,882,665	5,766,709
Purchase of property, plant and equipment other than land and building	154,311	258,525
Personal use	7,093,523	6,803,551
Credit card	465,094	451,784
Construction	1,546,812	1,467,639
Working capital	16,772,793	16,844,420
Merger and acquisition	87,829	87,273
Other purposes	5,987,310	5,891,455
	<u>92,765,775</u>	<u>90,790,059</u>

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14 FINANCING AND ADVANCES (CONTINUED)

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
(v) By geographical distribution		
In Malaysia	<u>92,765,775</u>	<u>90,790,059</u>
(vi) By remaining contractual maturities		
Maturing within one year	10,055,196	9,792,188
One year to three years	3,798,933	2,996,578
Three years to five years	7,491,829	8,238,889
Over five years	<u>71,419,817</u>	<u>69,762,404</u>
	<u>92,765,775</u>	<u>90,790,059</u>
(vii) Impaired financing and advances		
(a) Movement in impaired financing and advances		
Balance as at the beginning of the financial period/year	852,536	1,216,853
Transfer to 12-month ECL (Stage 1)	(12,095)	(40,799)
Transfer to lifetime ECL not credit impaired (Stage 2)	(78,213)	(529,333)
Transfer to lifetime ECL credit impaired (Stage 3)	228,564	441,457
Purchases and origination	21,105	81,400
Derecognition	(64,698)	(74,696)
Amount written off	(44,668)	(231,794)
Other movements	17	(10,552)
Balance as at the end of the financial period/year	<u>902,548</u>	<u>852,536</u>
(b) By economic sector		
Agriculture, hunting, forestry and fishing	2,933	3,892
Mining and quarrying	2,499	2,489
Manufacturing	35,432	26,436
Electricity, gas and water	6,118	6,123
Construction	23,429	15,663
Wholesale and retail trade and restaurant and hotel	108,489	96,755
Transport, storage and communication	17,532	20,681
Finance, insurance, real estate and business services	63,914	67,287
Education, health and others	89,072	88,742
Household sector	<u>553,130</u>	<u>524,468</u>
	<u>902,548</u>	<u>852,536</u>



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**14 FINANCING AND ADVANCES (CONTINUED)**

(vii) Impaired financing and advances (continued)

	As at <b>31 March 2025</b>	As at 31 December 2024
	<b>RM'000</b>	<b>RM'000</b>
(c) By purpose		
Purchase of securities	928	888
Purchase of transport vehicles	52,243	55,109
Purchase of landed property:		
- Residential	446,922	412,048
- Non-residential	167,887	155,400
Purchase of property, plant and equipment other than land and building	6	6
Personal use	49,134	50,194
Credit card	4,812	4,149
Construction	1,319	-
Working capital	169,797	166,528
Merger and acquisition	107	108
Other purposes	9,393	8,106
	<b>902,548</b>	<b>852,536</b>
(d) By geographical distribution		
In Malaysia	<b>902,548</b>	<b>852,536</b>

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14 FINANCING AND ADVANCES (CONTINUED)

(vii) Impaired financing and advances (continued)

(e) Movement in allowance for credit losses

	Note	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
<b>31 March 2025</b>					
Balance as at the beginning of the financial period		133,953	236,113	252,669	622,735
Changes due to financial assets recognised in the opening balance that have been:					
- Transferred to 12-month ECL (Stage 1)		27,090	(22,865)	(4,225)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)		(5,901)	29,144	(23,243)	-
- Transferred to lifetime ECL credit impaired (Stage 3)		(176)	(14,362)	14,538	-
		21,013	(8,083)	(12,930)	-
Changes in credit risk		(23,403)	51	71,283	47,931
Purchases and origination		6,970	1,250	-	8,220
Bad debts written off		-	-	(28,181)	(28,181)
Derecognition		(1,083)	(1,895)	(9,075)	(12,053)
Other movements		-	-	17	17
Balance as at the end of the financial period		137,450	227,436	273,783	638,669

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14 FINANCING AND ADVANCES (CONTINUED)

(vii) Impaired financing and advances (continued)

(e) Movement in allowance for credit losses (continued)

	<b>12-month ECL (Stage 1)</b>	<b>Lifetime ECL not credit impaired (Stage 2)</b>	<b>Lifetime ECL credit impaired (Stage 3)</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>31 December 2024</b>				
Balance as at the beginning of the financial year	110,166	171,483	361,064	642,713
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	68,856	(53,885)	(14,971)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(10,017)	120,866	(110,849)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(1,176)	(18,013)	19,189	-
	57,663	48,968	(106,631)	-
Changes in credit risk	(55,876)	16,499	191,794	152,417
Purchases and origination	27,029	8,107	7,074	42,210
Bad debts written off	-	-	(158,884)	(158,884)
Derecognition	(5,029)	(8,946)	(31,194)	(45,169)
Other movements	-	-	(10,552)	(10,552)
Balance as at the end of the financial year	<u>133,953</u>	<u>236,111</u>	<u>252,671</u>	<u>622,735</u>

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**15 OTHER ASSETS**

	As at <b>31 March 2025</b>	As at 31 December 2024
	<b>RM'000</b>	<b>RM'000</b>
Prepayments	57,118	37,272
Deposits	914	914
Amount due from other related companies	146	116
Other receivables	181,798	113,691
	<b>239,976</b>	<b>151,993</b>

**16 DEPOSITS FROM CUSTOMERS**

	As at <b>31 March 2025</b>	As at 31 December 2024
	<b>RM'000</b>	<b>RM'000</b>
<u>Savings Deposits</u>		
Qard	1,371,150	1,309,272
Commodity Murabahah	1,780,722	1,561,607
<u>Demand Deposits</u>		
Qard	8,529,662	7,594,906
Commodity Murabahah	5,991,936	5,239,474
<u>Term Deposits</u>		
Commodity Murabahah	58,900,360	58,106,005
<u>Specific Investment Account</u>		
Commodity Murabahah	14,255,196	14,795,149
<u>General Investment Account</u>		
Mudharabah	-	79
	<b>90,829,026</b>	<b>88,606,492</b>

(a) The maturity structure of investment accounts and term deposits are as follows:

Due within six months	52,790,741	56,426,333
Six months to one year	18,930,111	14,977,133
One year to three years	1,370,749	1,440,593
Three years to five years	63,955	57,174
	<b>73,155,556</b>	<b>72,901,233</b>

(b) The deposits are sourced from the following classes of customers:

Government and statutory bodies	20,173,221	17,386,619
Business enterprises	35,685,958	36,144,751
Individuals	34,141,335	34,488,381
Others	828,512	586,741
	<b>90,829,026</b>	<b>88,606,492</b>

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**17 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	Note	As at <b>31 March 2025</b> RM'000	As at 31 December 2024 RM'000
<u>Non-Mudharabah Funds:</u>			
Licensed Islamic banks		<b>60,028</b>	-
Licensed banks		<b>7,731,342</b>	6,391,214
BNM/Other central bank	(a)	<b>1,138,062</b>	1,021,253
		<b>8,929,432</b>	7,412,467
<u>Mudharabah Funds:</u>			
Other financial institutions		<b>133,264</b>	161,469
		<b>9,062,696</b>	7,573,936

(a) Included in deposits and placements by BNM is an amount received under the Government scheme as part of the COVID-19 relief measures for the purpose of financing to SMEs at a concessionary rate and with six-year maturity period.

**18 INVESTMENT ACCOUNTS**

	Note	As at <b>31 March 2025</b> RM'000	As at 31 December 2024 RM'000
Restricted Investment Account	(a)		
- Mudharabah		<b>3,713,610</b>	3,701,137
- Wakalah		<b>1,503,611</b>	1,503,811
		<b>5,217,221</b>	5,204,948
Unrestricted Investment Account	(b)		
- Wakalah		<b>523,496</b>	694,731
		<b>5,740,717</b>	5,899,679

**(a) Restricted Investment Account**

By type of counterparty:

Licensed banks	<b>5,217,221</b>	5,204,948
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Investment assets (principal):

Personal financing (Note 14(a))	<b>1,500,000</b>	1,500,000
Other term financing (Note 14(a))	<b>2,045,443</b>	2,059,192
Unquoted securities (Note 13)	<b>1,430,951</b>	1,423,014
	<b>4,976,394</b>	4,982,206

As at 31 March 2025, the amount of the restricted investment account placed by the holding company, RHB Bank, amounted to RM4,635,353,000 (31 December 2024: RM4,640,875,000).

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18 INVESTMENT ACCOUNTS (CONTINUED)

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
<b>(b) Unrestricted Investment Account</b>		
<u>By type of counterparty:</u>		
Business enterprises	<u>523,496</u>	<u>694,731</u>
<u>Investment asset (principal):</u>		
Personal financing (Note 14(a))	407,200	548,080
Housing financing (Note 14(a))	<u>101,800</u>	<u>137,020</u>
	<u>509,000</u>	<u>685,100</u>

19 OTHER LIABILITIES

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
Sundry creditors	32,912	19,793
Amount due to holding company	632,576	1,035,533
Amount due to other related companies	12,387	761
Contract liability	21,803	22,624
Short-term employee benefits	954	5,126
Accrual for operational expenses	10,068	10,893
Cash collateral pledged for derivative transactions	21,856	32,893
Structured deposits (a)	1,051,326	999,420
Other accruals and payables	<u>279,202</u>	<u>181,839</u>
	<u>2,063,084</u>	<u>2,308,882</u>

(a) The maturity structure of structured deposits are as follows:

- One year to three years	28,812	28,573
- More than three years	<u>1,022,514</u>	<u>970,847</u>
	<u>1,051,326</u>	<u>999,420</u>

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**20 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS**

	<b>Three Months Ended</b>	
	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of:		
(i) General investment deposits	-	1
(ii) Other deposits	<b>1,232,530</b>	<b>1,119,667</b>
	<b>1,232,530</b>	<b>1,119,668</b>
(i) Income derived from investment of general investment deposits:		
Financing and advances	-	1
Total finance income and hibah	<b>-</b>	<b>1</b>
(ii) Income derived from investment of other deposits:		
Financing and advances	<b>1,037,602</b>	955,360
Securities purchased under resale agreements	<b>21,248</b>	10,924
Financial assets at FVTPL	<b>3,025</b>	1,970
Financial assets at FVOCI	<b>67,917</b>	54,793
Financial investments at amortised cost	<b>76,754</b>	62,346
Money at call and deposits with banks and other financial institutions	<b>14,125</b>	18,671
Total finance income and hibah	<b>1,220,671</b>	1,104,064
Other operating income (Note a)	<b>11,859</b>	15,603
	<b>1,232,530</b>	<b>1,119,667</b>
Of which:		
Financing income earned on impaired financing	<b>8,869</b>	8,016
(a) Other operating income comprise of:		
Fee income:		
- Commission	<b>457</b>	2,994
- Guarantee fees	<b>3,561</b>	1,600
	<b>4,018</b>	4,594
Net gain/(loss) on revaluation of financial assets at FVTPL	<b>453</b>	(176)
Net gain on disposal of financial assets at FVTPL	<b>822</b>	377
Net gain on disposal of debt instruments of financial assets at FVOCI	<b>6,566</b>	10,795
Net gain arising from derecognition of financial investments at amortised cost	<b>-</b>	13
	<b>11,859</b>	<b>15,603</b>

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**21 INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT FUNDS**

	<b>Three Months Ended</b>	
	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Financing and advances	<b>58,599</b>	59,771
Financial investments at amortised cost	<b>23,317</b>	23,227
Total finance income and hibah	<b>81,916</b>	82,998

**22 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS**

	<b>Three Months Ended</b>	
	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Financing and advances	<b>17,802</b>	22,967
Securities purchased under resale agreements	<b>365</b>	263
Financial assets at FVTPL	<b>52</b>	47
Financial assets at FVOCI	<b>1,165</b>	1,317
Financial investments at amortised cost	<b>1,317</b>	1,499
Money at call and deposits with banks and other financial institutions	<b>242</b>	449
Total finance income and hibah	<b>20,943</b>	26,542
Other operating income (Note a)	<b>84,998</b>	75,370
	<b>105,941</b>	101,912
Of which:		
Financing income earned on impaired financing	<b>152</b>	193
(a) Other operating income comprise of:		
Fee income:		
- Commission	<b>15,296</b>	14,687
- Service charges and fees	<b>31,891</b>	23,431
- Guarantee fees	<b>61</b>	38
	<b>47,248</b>	38,156
Net gain/(loss) on revaluation of financial assets at FVTPL	<b>8</b>	(4)
Net gain on disposal of financial assets at FVTPL	<b>14</b>	9
Net gain on disposal of debt instruments of financial investments at FVOCI	<b>112</b>	259
Net gain on revaluation of derivatives	<b>7,183</b>	9,681
Net gain on fair value hedges	<b>82</b>	142
Other income:		
- Foreign exchange gain	<b>35,585</b>	29,547
- Other non-operating loss	<b>(5,234)</b>	(2,420)
	<b>84,998</b>	75,370



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**23 ALLOWANCE FOR CREDIT LOSSES ON FINANCIAL ASSETS**

	<b>Three Months Ended</b>	
	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Charge/(Writeback)</u>		
Financing and advances:		
- Net charge	44,098	45,856
- Bad debts recovered	(12,805)	(14,537)
- Bad debts written off	16,637	23,080
	47,930	54,399
Financial assets at FVOCI	(89)	(409)
Financial investments at amortised cost	5,814	1,157
Other financial assets	128	(172)
	<b>53,783</b>	<b>54,975</b>

**24 INCOME ATTRIBUTABLE TO DEPOSITORS**

	<b>Three Months Ended</b>	
	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers:		
- Mudharabah funds	12,277	9,510
- Non-Mudharabah funds	711,477	679,987
Deposits and placements of banks and other financial institutions:		
- Non-Mudharabah funds	86,594	43,627
Others:		
- Subordinated obligations	7,447	7,916
- Recourse obligation on financing sold to Cagamas	12,589	16,126
- Borrowings	10,107	13,208
- Others	11,865	727
	<b>852,356</b>	<b>771,101</b>

**25 PERSONNEL EXPENSES**

		<b>Three Months Ended</b>	
	<b>Note</b>	<b>31 March 2025</b>	<b>31 March 2024</b>
		<b>RM'000</b>	<b>RM'000</b>
Salaries, allowances and bonuses		5,115	2,743
Contributions to Employees' Provident Fund		814	475
Share-based expenses	(a)	294	194
Other staff related costs		645	911
		<b>6,868</b>	<b>4,323</b>

- (a) The Share Grant Scheme ('SGS') was established and implemented by the holding company, RHB Bank in June 2022. The SGS is intended to motivate employees, attract talents and retain key employees through the grant of the ordinary shares in RHB Bank for eligible employees, which include certain employees of the Bank. The SGS shall be in force for a period of nine years commencing from the effective implementation date of the SGS, and the vesting period for each grant offered will be 3 years from the offer date.

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**26 OTHER OVERHEADS AND EXPENDITURES**

	<b>Three Months Ended</b>	
	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Establishment costs</u>		
Property, plant and equipment:		
- Depreciation	<b>400</b>	415
Computer software license:		
- Amortisation	<b>283</b>	281
Right-of-use assets:		
- Depreciation	<b>209</b>	254
Information technology expenses	<b>302</b>	323
Repair and maintenance	<b>99</b>	28
Rental of premises	<b>163</b>	185
Water and electricity	<b>6</b>	118
Rental of equipment	<b>1</b>	1
Printing and stationeries	<b>1,150</b>	1,065
Takaful	<b>2,958</b>	2,710
Others	<b>819</b>	361
	<b>6,390</b>	5,741
<u>Marketing expenses</u>		
Advertisement and publicity	<b>382</b>	168
Sales commission	<b>5,770</b>	4,679
Travelling expenses	<b>31</b>	53
Motor vehicle expenses	<b>24</b>	11
Others	<b>4,323</b>	2,456
	<b>10,530</b>	7,367
<u>Administration and general expenses</u>		
Communication expenses	<b>1,920</b>	1,960
Legal and professional fee	<b>1,461</b>	2,496
Management fee	<b>187,643</b>	140,931
Others	<b>3,205</b>	4,151
	<b>194,229</b>	149,538
	<b>211,149</b>	162,646

**27 EARNINGS PER SHARE**

	<b>Three Months Ended</b>	
	<b>31 March 2025</b>	<b>31 March 2024</b>
Net profit for the financial period/year (RM'000)	<b>181,664</b>	186,443
Weighted average number of ordinary shares in issue ('000)	<b>1,673,424</b>	1,673,424
Basic earnings per share (sen)	<b>10.86</b>	11.14

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**28 COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to customers.

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
<b>Contingent liabilities</b>		
Transaction-related contingent items	750,506	669,444
Short-term self-liquidating trade related contingencies	<u>265,765</u>	<u>268,789</u>
	<u>1,016,271</u>	<u>938,233</u>
<b>Commitments</b>		
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	41,100	-
Irrevocable commitments to extend credit:		
- Maturity less than one year	1,397,631	1,429,431
- Maturity more than one year	8,818,888	8,818,880
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	<u>3,122,229</u>	<u>2,882,091</u>
	<u>13,379,848</u>	<u>13,130,402</u>
<b>Derivative financial instruments</b>		
Foreign exchange related contracts <sup>^</sup> :		
- Less than one year	38,831,490	36,442,116
- One year to less than five years	1,001,884	997,803
Profit rate related contracts <sup>^</sup> :		
- Less than one year	1,070,000	655,000
- One year to less than five years	7,652,891	8,167,709
- More than five years	-	200,000
Commodity related contracts <sup>^</sup> :		
- Less than one year	85,943	36,080
- One year to less than five years	50,454	100,641
	<u>48,692,662</u>	<u>46,599,349</u>
Securities financing transactions *		
- Less than one year	2,800,000	2,765,000
	<u>65,888,781</u>	<u>63,432,984</u>

<sup>^</sup> These derivatives are revalued on gross position basis and the unrealised gains or losses has been reflected in the income statement and statement of financial position as derivative assets or derivative liabilities.

\* In accordance with BNM's Capital Adequacy Framework for Islamic Banks (Basel II – Risk Weighted Assets) ('CAFIB-RWA'), securities under a Sell and Buy Back Agreement ('SBBA') are undertaken based on outright purchase and sale transactions. Positions held under both SBBA and Reverse SBBA shall be subject to capital requirements based on the risk profile incurred by the parties involved, as outlined in Appendix XVIII of CAFIB-RWA.

**29 CAPITAL COMMITMENTS**

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
Capital expenditure for property, plant and equipment:		
- Authorised and contracted for	<u>4,623</u>	<u>4,513</u>

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**30 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Bank analyses its financial instruments measured at fair value into three categories as described below:

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

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

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

The table below shows financial instruments carried at fair value analysed by level within the fair value hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>31 March 2025</b>				
<b><u>Financial assets</u></b>				
Financial assets at FVTPL:				
- money market instruments	-	627,456	-	627,456
Financial assets at FVOCI:	-	7,457,067	-	7,457,067
- money market instruments	-	3,781,676	-	3,781,676
- unquoted securities	-	3,675,391	-	3,675,391
Derivative assets	-	248,339	-	248,339
	-	8,332,862	-	8,332,862
<b><u>Financial liabilities</u></b>				
Derivative liabilities	-	255,641	-	255,641
<b>31 December 2024</b>				
<b><u>Financial assets</u></b>				
Financial assets at FVTPL:				
- money market instruments	-	135,168	-	135,168
Financial assets at FVOCI:	-	7,828,798	-	7,828,798
- money market instruments	-	4,008,225	-	4,008,225
- unquoted securities	-	3,820,573	-	3,820,573
Derivative assets	-	602,317	-	602,317
	-	8,566,283	-	8,566,283
<b><u>Financial liabilities</u></b>				
Derivative liabilities	-	444,374	-	444,374

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**30 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**(i) Valuation techniques and sensitivity analysis**

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

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

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). This category includes non-transferable and non-tradable perpetual sukuk and impaired securities.

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**31 CAPITAL ADEQUACY**

BNM guidelines on capital adequacy requires the Bank to maintain an adequate level of capital to withstand any losses which may result from credit and other risks associated with financing operations. The capital adequacy ratio is computed based on the eligible capital in relation to the total risk-weighted assets as determined by BNM.

The capital adequacy ratios of the Bank are as follows:

	As at 31 March 2025 RM'000	As at 31 December 2024 RM'000
<b><u>Common Equity Tier I ('CET I') Capital /Tier I Capital</u></b>		
Share capital	1,673,424	1,673,424
Retained profits	4,520,153	4,765,880
Other reserve	2,069	1,775
FVOCI reserve	(12,215)	(38,571)
	<u>6,183,431</u>	<u>6,402,508</u>
Less:		
Deferred tax assets	(71,528)	(72,134)
Intangible assets (include associated deferred tax liabilities)	(3,837)	(3,903)
Other deductions*	(4,545)	(352)
Total CET I/Total Tier I Capital	<u>6,103,521</u>	<u>6,326,119</u>
<b><u>Tier II Capital</u></b>		
Subordinated obligations	749,774	749,761
Surplus eligible provisions over expected losses	175,644	170,789
General provisions^	93,454	86,689
Total Tier II Capital	<u>1,018,872</u>	<u>1,007,239</u>
Total Capital	<u><u>7,122,393</u></u>	<u><u>7,333,358</u></u>
<b><u>Capital Ratios</u></b>		
Before proposed dividends:		
CET I Capital Ratio	14.910%	16.028%
Tier I Capital Ratio	14.910%	16.028%
Total Capital Ratio	<u>17.399%</u>	<u>18.580%</u>
After proposed dividends:		
CET I Capital Ratio	14.910%	15.477%
Tier I Capital Ratio	14.910%	15.477%
Total Capital Ratio	<u>17.399%</u>	<u>18.029%</u>

\* Pursuant to the Basel II Market Risk para 5.18 and 5.19 – Valuation Adjustments, the Capital Adequacy Framework for Islamic Banks (Basel II - Risk Weighted Assets) calculation shall account for the ageing, liquidity and holding back adjustments/reserves on its trading portfolio.

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**31 CAPITAL ADEQUACY (CONTINUED)**

<sup>^</sup> Pursuant to BNM's policy document on Financial Reporting for Islamic Banking Institutions, general provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under MFRS 9 'Financial Instruments' and regulatory reserve, to the extent they are ascribed to non-credit-impaired exposures, determined under standardised approach for credit risk.

Includes the qualifying regulatory reserve of the Bank of RM74,594,000 (31 December 2024: RM68,891,000).

The breakdown of risk-weighted assets in the various categories of risk-weights are as follows:

	<b>As at</b> <b>31 March 2025</b>	<b>As at</b> <b>31 December 2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Credit risk	<b>39,841,415</b>	38,636,523
Credit risk absorbed by PSIA <sup>+</sup>	<b>(3,091,050)</b>	(3,236,571)
Market risk	<b>685,859</b>	533,669
Operational risk	<b>3,500,495</b>	3,534,619
Total risk-weighted assets	<b><u>40,936,719</u></b>	<u>39,468,240</u>

The total risk-weighted assets of Bank are computed based on BNM's Capital Adequacy Framework for Islamic Banks ('CAFIB'): Internal Ratings Based Approach for Credit and Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk (Basel II).

<sup>+</sup> In accordance with BNM's 'Guidelines on the Recognition and Measurement of Profit Sharing Investment Account ('PSIA') as Risk Absorbent', the credit risk weighted assets funded by the Restricted Investment Account and Unrestricted Investment Account which qualifies as risk absorbent are excluded from the capital adequacy ratio

Effective 1 January 2025, the Bank transitioned to the Basel III methodology for capital adequacy calculations, in line with Bank Negara Malaysia's (BNM) regulatory requirements. The total risk-weighted assets of the Bank are computed based on BNM's Capital Adequacy Framework for Islamic Banks ('CAFIB'): Internal Ratings Based Approach for Credit Risk and Standardised Approach for Market Risk (Basel II) and Operational Risk (Basel III), replacing the Basic Indicator Approach (BIA) previously used.

Risk weighted assets at at 31 December 2024 have not been restated.

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**32 VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

The property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

**33 EVENTS SUBSEQUENT TO BALANCE SHEET DATE**

There were no significant events subsequent to the balance sheet date that have not been reflected in the financial statements.

**34 CHANGES IN PROFIT FOR THE QUARTER**

The Bank reported a pre-tax profit of RM242.5 million for the current quarter, 16.4% lower as compared to the preceding quarter ended 31 December 2024 of RM290.0 million. The lower profit was mainly attributed to higher allowance for credit losses by RM33.1 million, higher overhead expenses by RM22.6 million and lower non funding income by RM2.6 million, offset by higher net funding income by RM10.8 million.

**35 PERFORMANCE REVIEW**

For the three months ended 31 March 2025, the Bank recorded a pre-tax profit of RM242.5 million, 2.6% lower than previous corresponding year of RM249.0 million. The lower profit was mainly due to higher overhead expenses by RM50.9 million, partly offset by higher net funding income by RM37.4 million, higher non funding income by RM5.9 million and lower allowance for credit losses by RM1.1 million.

**36 PROSPECTS FOR FINANCIAL YEAR 2026**

Malaysia's GDP is expected to moderate in 2025 amid the heightened headwinds surrounding the global economy arising from the US reciprocal tariffs on its trading partners. Economic activity is expected to slowdown in the second half of the year as cautious sentiment may weigh on business activity and private consumption. Sectors such as electronics & electrical, crude materials and machinery could be directly impacted by the tariff imposed on Malaysia as well as the spillover effects from escalating global trade and tariff tensions.

Notwithstanding the macroeconomic uncertainties, the banking sector is projected to maintain its strong capital and liquidity positions. On the monetary policy front, the Overnight Policy Rate stance will be dependent on the extent of inflationary pressures as well as the resultant impact of US tariffs on economic growth.

Moving forward, the Bank remains vigilant amid the challenging operating environment ensuring that we are well positioned to address potential risks and capitalise on the opportunities thereof. Our commitment to execute PROGRESS27 3-year strategy remains steadfast where we aspire to be a leader in service excellence, profitability and attentiveness to customer needs respectively.